

**SUPPLEMENT NO. 1, DATED AUGUST 19, 2020,
TO LIMITED OFFERING MEMORANDUM, DATED AUGUST 11, 2020**

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

\$212,960,000
ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Tax-Exempt Series 2020A
(Legacy Cares, Inc. Project)

\$6,810,000
ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc. Project)

\$31,000,000
ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Tax-Exempt Turbo
Redemption Series 2020C
(Legacy Cares, Inc. Project)

This Supplement No. 1 to Limited Offering Memorandum (this “Supplement”) supplements the Limited Offering Memorandum, dated August 11, 2020 (the “Limited Offering Memorandum”), relating to the Arizona Industrial Development Authority’s (i) Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) in the aggregate principal amount of \$212,960,000, (ii) Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) in the aggregate principal amount of \$6,810,000 and (iii) Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) in the aggregate principal amount of \$31,000,000. Any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Limited Offering Memorandum. The Limited Offering Memorandum is supplemented as follows:

**1. SUBSTITUTION OF DEPOSIT ACCOUNT CONTROL AGREEMENT AND CONSENT
AND AGREEMENT (CONSTRUCTION CONTRACT)**

The Deposit Account Control Agreement, dated as of August 1, 2020, among UMB Bank, N.A., as secured party, Legacy Sports USA, LLC (“Legacy Sports”) and Wells Fargo Bank, N.A., as Legacy Sports’ bank (“Wells Fargo”), with respect to Legacy Sports existing operating account (the “Old Deposit Account Control Agreement”), a form of which is attached to the Limited Offering Memorandum as *Appendix D*, is substituted with and replaced by that certain Deposit Account Control Agreement, dated as of August 1, 2020, among UMB Bank, N.A., as secured party, Legacy Sports and Zions Bancorporation, National Association, as Legacy Sports’ bank (“Zions”), with respect to Legacy Sports existing operating account (the “Substitute Deposit Account Control Agreement”). A form of the Substitute Deposit Account Control Agreement is attached hereto as the replacement *Appendix D* to the Limited Offering Memorandum.

In connection with the substitution and replacement of the Old Deposit Account Control Agreement with the Substitute Deposit Account Control Agreement, the Consent and Agreement (Construction Contract), dated as of August 1, 2020, among JS Waltz Construction LLC (“JS Waltz”), Legacy Cares, Inc. (“Borrower”), UMB Bank, N.A., as Trustee (the “Trustee”) and Wells Fargo (the “Old Consent and Agreement (Construction Contract)”), a form of which is attached to the Limited Offering Memorandum as *Appendix R*, is substituted with and replaced by that certain Consent and Agreement (Construction Contract), dated as of August 1, 2020, among JS Waltz, the Borrower, the Trustee and Zions (the “Substitute Consent and Agreement (Construction Contract)”). A form of the Substitute Consent and Agreement (Construction Contract) is attached hereto as the replacement *Appendix R* to the Limited Offering Memorandum.

All references in the Limited Offering Memorandum, including the Appendices thereto, and in any and all documents and agreements related to the Series 2020 Bonds to Wells Fargo are replaced with references to Zions. In addition, all Wells Fargo notice addresses therein are replaced with the following Zions address: Zions Bancorporation, National Association, 6001 No. 24th Street, Phoenix, Arizona 85016, Attention: Pamela Saucer, Corporate Trust Administrator.

2. CHANGE TO QUALIFIED MANAGEMENT AGREEMENT

Due to a clerical error in Section 3.1.D. of the Qualified Management Agreement, a form of which is attached to the Limited Offering Memorandum as *Appendix F*, Section 3.1.D. of the Qualified Management Agreement is restated in its entirety as follows:

“In consideration for the Pre-Opening Activities provided to the Owner by the Manager, Owner shall pay to Manager Pre-Opening Fees in the amount of Seven Hundred Thousand Dollars (\$700,000.00) per month for the period beginning on the date of this Agreement and ending on the Opening Date. Pre-Opening Fees due and owing for partial months shall be prorated accordingly.”

This Supplement should be read in conjunction with the information set forth in the Limited Offering Memorandum and may not be reproduced or used, in whole or in part, for any other purpose.

APPENDIX D

FORM OF DEPOSIT ACCOUNT CONTROL AGREEMENT

DEPOSIT ACCOUNT CONTROL AGREEMENT

This DEPOSIT ACCOUNT CONTROL AGREEMENT (this “Agreement”) is entered into by **LEGACY SPORTS USA, LLC** an Arizona limited liability company (“Account Holder”), **ZIONS BANCORPORATION, NATIONAL ASSOCIATION** (“Depository Bank”), and **UMB BANK, N.A.** (“Secured Party”), and effective on August 1, 2020. Depository Bank, Account Holder and Secured Party are collectively the “Parties” and each is individually a “Party”.

PRELIMINARY STATEMENTS

A. Account Holder granted Secured Party a security interest in, among other things, all of Account Holder’s right, title and interest in and to the account maintained by the Corporate Trust Department of the Depository Bank described below (the “Specified Deposit Account”):

Bank Name:	Zions Bancorporation, National Association
ABA Number:	124000054
Account Name:	Arizona Corporate Trust
Account Number:	080000615
Reference:	Legacy Sports USA, LLC
Bank Address:	6001 North 24th Street Phoenix, AZ 85016 (602) 212-5487
Contact:	Pamela Saucer, Corporate Trust Administrator

B. The Parties are entering into this Agreement to perfect the security interest of Secured Party in, and to evidence Secured Party’s control over, the Specified Deposit Account as granted pursuant to the Loan Agreement by and between the Arizona Industrial Development Authority (“AZIDA”) and Legacy Cares, Inc., an Arizona non-profit corporation, dated August 1, 2020 (the “Loan Agreement”), and an Indenture of Trust by and between AZIDA and Secured Party dated August 1, 2020 (the “Indenture of Trust”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and Preliminary Statements, which are incorporated herein by reference, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

1. Notice and Acknowledgement of Security Interest. Depository Bank confirms that the Specified Deposit Account is in the name of Account Holder. Account Holder and Secured Party hereby notify Depository Bank of, and Depository Bank hereby acknowledges, the security

interest Account Holder granted to Secured Party in all of Account Holder's right, title and interest in the Specified Deposit Account and all funds deposited in the Specified Deposit Account.

2. Control of Specified Deposit Account.

(a) Until this Agreement is terminated according to Section 12 below, Depository Bank shall not permit Account Holder to make withdrawals from the Specified Deposit Account. During the term of this Agreement, Account Holder shall be permitted to make deposits into, and allow for receipt of funds from third parties into, the Specified Deposit Account.

(b) Secured Party may withdraw funds from the Specified Deposit Account in amounts and at such times as it deems necessary and appropriate to comply with the Secured Party's obligations under the Indenture of Trust.

(c) Secured Party's power under this Agreement to give Depository Bank Instructions includes, without limitation, the power to give "stop payment orders" for any items being presented to the Specified Deposit Account for payment. Account Holder confirms that Depository Bank should follow the Instructions even if the result of following the Instructions is that Depository Bank dishonors items presented for payment from the Specified Deposit Account. Account Holder further confirms that Depository Bank will have no liability to Account Holder for the wrongful dishonor of such items resulting from Depository Bank following the Instructions.

(d) During the term of this Agreement, Depository Bank shall (i) comply with all instructions originated by Secured Party with respect to the disposition of funds in the Specified Deposit Account ("Instructions") and disregard any instructions from Account Holder with respect to the Specified Deposit Account and dispositions of funds therein, and (ii) otherwise deal with the Specified Deposit Account as directed by Secured Party.

3. Certain Other Agreements.

(a) Secured Party agrees that copies of all Instructions given hereunder or in connection herewith by Secured Party to Depository Bank shall be delivered substantially simultaneously to Account Holder, and Account Holder agrees that the failure of Secured Party to provide any such copy shall not affect the validity or effectiveness of such notice.

(b) Depository Bank will not be liable to Account Holder for complying with Instructions even if Account Holder notifies Depository Bank that Secured Party is not legally entitled to issue Instructions. Depository Bank need not investigate whether Secured Party is entitled to give Instructions.

(c) Depository Bank shall have no responsibility or liability to Secured Party for complying with any order or Instruction, whether oral or written, concerning the Specified Deposit Account, except to the extent such compliance would violate any written instructions or orders previously received from Secured Party. Depository Bank shall not have any liability to Account Holder or Secured Party for losses or liabilities resulting from any failure to comply with Instructions relating to the Specified Deposit Account or delay in complying with such instructions if compliance with such instructions would require Depository Bank to violate any then-existing

injunction or order of any court of competent jurisdiction, including, without limitation, in any bankruptcy case under Title 11 of the United States Code.

(d) This Agreement supplements or modifies rather than replaces the account agreement, terms and conditions and other standard documentation and other agreements in effect from time to time between Depository Bank and Account Holder with respect to the Specified Deposit Account and the services provided in connection with the Specified Deposit Account. The terms of this Agreement will prevail over any conflict between this Agreement and any other agreement between Depository Bank and Account Holder, except that this Agreement will not alter or affect any mandatory arbitration provisions (now or hereafter existing) between Depository Bank and Account Holder.

4. **Account Information.** Account Holder hereby instructs Depository Bank, and Depository Bank agrees, to furnish to Secured Party, upon request of Secured Party, bank statements with respect to the Specified Deposit Account that are customarily provided to account holders of Depository Bank at the times such statements are normally provided to account holders of Depository Bank, through the normal method of transmission, including United States mail, with a copy to Account Holder, at Account Holder's expense. The Secured Party will have no duty to monitor or examine the source or nature of funds deposited in or credited to the Specified Deposit Account or to any other account of the Account Holder or the Depository Bank. Additionally, Account Holder instructs Depository Bank and Depository Bank agrees to make available to Secured Party and Account Holder, upon request of Secured Party, copies of all daily debit and credit advices of the Specified Deposit Account and any other item reasonably requested by Secured Party. If Depository Bank receives any notice of a claim of a third party in respect of the Specified Deposit Account or legal process of any kind relating to Account Holder, Depository Bank shall make a reasonable effort to give notice to Secured Party and Account Holder of such legal process.

5. **Additional Agreements and Documents.** Account Holder agrees to execute and deliver such other agreements and documents as Secured Party or Depository Bank may reasonably request, in form and substance reasonably satisfactory to Secured Party or Depository Bank, to carry out or to confirm the provisions of this Agreement.

6. **Failure or Indulgence Not Waiver; Remedies Cumulative.** No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7. **Modification.** No amendment, modification or waiver of any provision of this Agreement will be effective unless consented to in writing (a) by the Secured Party and, (b) if the amendment, modification waiver affects the rights or obligations of Depository Bank, then also by the Depository Bank. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

8. Notices. Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, or sent by facsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of facsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided that notices to Secured Party shall not be effective until received. For the purposes hereof, the address of each Party hereto shall be set forth under such Party's name on the signature pages hereof or such other address as shall be designated by such Party in a written notice delivered to the other Parties hereto. Depository Bank shall not incur any liability to Account Holder or Secured Party in acting upon any written notice delivered in accordance with this Section 8 that Depository Bank believes in good faith to be genuine and what it purports to be.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Arizona, without reference to any choice-of-law or conflicts-of-law principles or provisions, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Parties hereto. The Parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Agreement shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Account Holder. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

10. Successors and Assigns. Whenever in this Agreement any of the Parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such Party, and all covenants, promises, and agreements by or on behalf of Account Holder or by and on behalf of Depository Bank shall bind and inure to the benefit of the successors and assigns of Account Holder, Depository Bank and Secured Party.

11. Execution in Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the Parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes.

12. Termination.

(a) Secured Party may terminate this Agreement at any time by delivering written notice to Depository Bank and Account Holder, and Secured Party shall terminate this Agreement upon cessation of its obligations under the Indenture of Trust. Depository Bank may terminate this Agreement at any time by delivering prior written notice to Secured Party and Account Holder at least 30 days prior to such termination. Depository Bank may also terminate this Agreement immediately, if Depository Bank reasonably believes that the Specified Deposit Account is being used in connection with any unlawful activity or this Agreement becomes contrary to applicable law. Termination of this Agreement does not affect any obligation incurred under this Agreement before the effective date of the termination. However, in no event will Depository Bank have any obligation under this Agreement after the effective date of the termination, except as expressly otherwise set forth in this Agreement.

(b) If Depository Bank terminates this Agreement, then on the termination date Depository Bank shall (unless otherwise legally prohibited) immediately transmit to the Secured Party all collected funds, if any, then on deposit in the Specified Deposit Account unless the Depository Bank has been provided with Instructions from the Secured Party and agreed to by the Account Holder to transmit the collected funds to another depository account.

(c) Sections 2, 3, 5, 6, 8, 9, 10, 14, 15, and 16 survive termination of this Agreement.

13. Definitions; Rules of Construction. Unless otherwise defined herein, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of Arizona as in effect on the date hereof are used herein as therein defined. The section headings in this Agreement are inserted for convenience of reference only and may not be considered a part of this Agreement for any other purpose or be given any substantive effect.

14. Returned Items; Fees and Expenses of Depository Bank. Depository Bank will not charge or debit, or exercise any right of offset or banker's lien against, the Specified Deposit Account except as provided in this Section 14. The Depository Bank may charge the Specified Deposit Account for all customary and reasonable charges of Depository Bank resulting from the Specified Deposit Account, and Depository Bank may setoff against the Specified Deposit Account for any items deposited in the Specified Deposit Account that are returned for any reason or otherwise not collected, overdrafts on the Specified Deposit Account and for all service charges, commissions, expenses, fees and other items ordinarily chargeable to the Specified Deposit Account (all of which are collectively, "charges and fees"). Account Holder agrees to pay the amount of any customary fees and any returned item immediately upon demand to the extent that there are not sufficient funds in the Specified Deposit Account to cover such amount on the day of the debit. Secured Party agrees to reimburse the Depository Bank for all charges and fees for which there were insufficient funds in the Specified Deposit Account to satisfy the amount thereof as a result and to the extent of the funds that Depository Bank forwarded to Secured Party pursuant to the terms of this Agreement, provided the Secured Party has received proceeds from the corresponding returned items under this Agreement and still has such proceeds in its possession. The Secured Party's obligation is not in its individual capacity, but solely in its capacity as Trustee under the Indenture of Trust.

15. Exculpation and Indemnity.

(a) In no event will Depository Bank be liable to Account Holder or Secured Party for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties, or other causes beyond Depository Bank's reasonable control or for indirect, special, punitive, incidental, lost profits, or consequential damages.

(b) Account Holder agrees to indemnify and hold Depository Bank and its officers, directors, employees, and agents (each an "Indemnified Person") harmless from and against any and all liabilities, claims and expenses of any kind or nature whatsoever arising out of this Agreement (including the reasonable fees and disbursements of counsel in connection with any investigative, administrative, or judicial proceeding, whether or not any Indemnified Person shall be designated a party thereto) even if such liability actually or allegedly arises from the ordinary, comparative or contingent negligence or strict liability of any Indemnified Person, but not if any such liabilities, claims or expenses arise from the gross negligence or willful misconduct of an Indemnified Person.

(c) The provisions of this Section 15 survive termination of this Agreement.

16. Tax Reporting. Depository Bank will make all reports concerning the Specified Deposit Account required under the Internal Revenue Code or any applicable state taxation laws, rules or regulations in the name and taxpayer identification number of Account Holder.

17. Court Orders. If, from time to time, any Specified Deposit Account becomes subject to any order, subpoena or other legal processes (including, without limitation, any judgment, decree, injunction, garnishment, tax levy, writ of seizure, or similar action) from any court, or federal, state or local government entity (individually or collectively, an "Order"). Depository Bank may comply with the Order without liability to Secured Party, Account Holder or any other person, even if the Order is later annulled, reversed, modified or vacated.

18. Force Majeure. The Account Holder, the Depository Bank and the Secured Party will not be liable for any failure to perform their obligations herein when the failure arises out of causes beyond their control, including, without limitation, an act of a governmental regulatory/authority, including a declaration of public emergency that prevents a Party from continuing operations, an act of God, accident, equipment failure, labor disputes or system failure; provided, however, that the affected Party has exercised such diligence as the circumstances require.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized agents as of the day and year first above written.

ACCOUNT HOLDER:

LEGACY SPORTS USA, LLC, an
Arizona limited liability company

By: _____
Name: Chad Miller
Title: CEO

Notice Address:
Legacy Sports USA, LLC
19550 N. Grayhawk Drive, Suite 1078
Scottsdale, Arizona 85255
Attention: Chad Miller

DEPOSITORY BANK:

**ZIONS BANCORPORATION, NATIONAL
ASSOCIATION**

By: _____
Name: _____
Title: _____

Notice Address:
Zions Bancorporation, National Association

Attention: _____

SECURED PARTY:

UMB BANK, N.A.

By: _____

Name: Sandy Battas

Title: Vice President

Notice Address:

UMB Bank, N.A.

2777 E. Camelback Road, Suite 350

Phoenix, Arizona 85016

Attention: Sandy Battas

APPENDIX R

FORM OF CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT)

CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT)

THIS CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT) (this “Consent and Agreement”) dated and effective as of August 1, 2020, is by and among JS Waltz Construction LLC, an Arizona limited liability company (the “Project Party”), Legacy Cares, Inc., an Arizona nonprofit corporation and 501(c)(3) organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Borrower”), UMB Bank, N.A. (the “Trustee”) and Zions Bancorporation, National Association (the “Depository Bank”).

RECITALS

A. The Borrower has entered or will enter into certain documents providing for, among other things, the ownership, development, construction, operation, maintenance, and financing of a multi-sports park facility and family entertainment complex to be located on a 320-acre site, at the intersection of State Route 24 and Ellsworth Road, in Mesa, Arizona, to be known as Legacy Sports Park (the “Project”).

B. In connection with the Project, Trustee, as trustee, and the Arizona Industrial Development Authority (the “Issuer”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, entered into that certain Indenture of Trust, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Indenture”), for the benefit of the holders of Bonds (as defined in the Indenture) issued pursuant to the Indenture.

C. In connection with the Project, the Depository Bank, as depository bank, UMB Bank, N.A., as secured party, and the Borrower entered into that certain Deposit Account Control Agreement, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Deposit Account Control Agreement”).

D. The Borrower and the Project Party have entered into those three (3) certain Consensus Docs 415 Standard Design-Build Agreements and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), each dated as of August 14, 2020 (each as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof and hereof, collectively, the “Assigned Agreement”).

E. In connection with the financing of the Project, the Trustee is the beneficiary of a lien on and a continuing security interest in all right, title, interest and claim of the Borrower in the Revenues (as defined in the Indenture) for the benefit of any holder of the Bonds issued under the Indenture in accordance with the terms thereof.

F. The Borrower also has entered or will enter into that certain Collateral Assignment of Contracts, Permits, Licenses and Plans, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Collateral Assignment”) in favor of the Trustee, pursuant to which the Borrower has granted to the Trustee, as security for the Bonds, all of the Borrower’s right, title and interest in and to any and all rights, benefits and privileges (but not the obligations) under, and granted a security interest in, the Assigned

Agreement, and all payments due and to become due to the Borrower thereunder, for the benefit of the holders of the Bonds.

NOW, THEREFORE, in consideration of the holders of the Bonds now or hereafter entering into the financing documents in connection with the Indenture and to induce such parties to purchase and hold the Bonds and release the proceeds thereof, and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, the parties hereby agree as follows:

1. Consent to Collateral Assignment. The Project Party hereby acknowledges notice and receipt of, and consents to the terms and provisions of, the Collateral Assignment.

2. Definitions. Capitalized terms not defined herein shall have the respective meanings given to them in the Collateral Assignment or the Indenture, as applicable. Unless otherwise stated, references herein to any Person shall include its permitted successors and assigns and, in the case of any governmental authority, any Person succeeding to its functions and capacities.

3. Representations and Warranties. The Project Party hereby represents and warrants that:

(a) The Project Party is a limited liability company duly organized, validly existing and in good standing under the laws of the State. The Project Party is duly qualified to do business and is in good standing in all jurisdictions where necessary in light of the business it conducts and the property it owns and intends to conduct and own and in light of the transactions contemplated by the Assigned Agreement. No filing, recording, publishing or other act that has not been made or done is necessary or desirable in connection with the existence or good standing of the Project Party or the conduct of its business.

(b) The Project Party has the full power, authority and legal right to execute, deliver and perform its obligations hereunder and under the Assigned Agreement. The execution, delivery and performance by the Project Party of this Consent and Agreement and the Assigned Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action. This Consent and Agreement and the Assigned Agreement have been duly executed and delivered by the Project Party and constitute the legal, valid and binding obligations of the Project Party enforceable against the Project Party in accordance with their respective terms, except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) The execution, delivery and performance by the Project Party of this Consent and Agreement and the Assigned Agreement do not and will not (i) require any consent or approval of the governing body of the Project Party or any partners or members of the Project Party or of any other Person that has not been obtained and each such consent or approval that has been obtained is in full force and effect, (ii) violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award having applicability to the Project Party or

any provision of the articles of incorporation or bylaws of the Project Party (the “Corporate Documents”), (iii) conflict with, result in a breach of or constitute a default under any provision of the Corporate Documents or any resolution of the governing body of the Project Party or any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Project Party is a party or by which the Project Party or its properties and assets are bound or affected or (iv) result in, or require the creation or imposition of, any lien upon or with respect to any of the assets or properties of the Project Party now owned or hereafter acquired. The Project Party is not in violation of any such law, rule or regulation, order, writ, judgment, decree, determination or award referred to in clause (ii) above or its Corporate Documents or in breach of or default under any provision of its Corporate Documents or any material agreement, lease or instrument referred to in clause (iii) above.

(d) Each government approval required for the execution, delivery or performance of this Consent and Agreement and the Assigned Agreement by the Project Party has been validly issued and duly obtained, taken or made, is not subject to any condition, does not impose restrictions or requirements inconsistent with the terms hereof or of the Assigned Agreement, is in full force and effect and is not subject to appeal.

(e) This Consent and Agreement and the Assigned Agreement (assuming the due authorization, execution and delivery by, and binding effect on, the Borrower) are in full force and effect.

(f) There is no action, suit or proceeding at law or in equity by or before any government authority, arbitral tribunal or other body now pending or to the actual knowledge of the Project Party, threatened against or affecting the Project Party or any of its properties, rights or assets that (i) if adversely determined, individually or in the aggregate, could have a material adverse effect on its ability to perform its obligations hereunder or under the Assigned Agreement or (ii) questions the validity, binding effect or enforceability hereof or of the Assigned Agreement or any action taken or to be taken pursuant hereto or thereto or any of the transactions contemplated hereby or thereby.

(g) The Project Party is not in default under any material covenant or obligation hereunder or under the Assigned Agreement and no such default has occurred prior to the date hereof. The Project Party has no actual knowledge that the Borrower is in default under any material covenant or obligation of the Assigned Agreement or that any such default has occurred prior to the date hereof. After giving effect to the assignment by the Borrower to the Trustee of the Assigned Agreement pursuant to the Collateral Assignment, and after giving effect to the acknowledgment of and consent to such assignment by the Project Party, there exists no event or condition that would constitute a default, or that would, with the giving of notice or lapse of time or both, constitute a default under the Assigned Agreement. The Project Party has complied with all conditions precedent to its obligations to perform under the Assigned Agreement. As of the date hereof, the Project Party has no actual knowledge that the Borrower has not complied with all conditions precedent to its obligations to perform under the Assigned Agreement.

(h) This Consent and Agreement and the Assigned Agreement constitute and include all agreements entered into by the Project Party relating to, and required for the

consummation of, the transactions contemplated by this Consent and Agreement and the Assigned Agreement.

4. Consent and Agreement. The Project Party hereby acknowledges and agrees that:

(a) The Trustee and any assignee thereof shall be entitled to exercise any and all rights of the Borrower under the Assigned Agreement in accordance with its terms and the Project Party shall comply in all respects with such exercise. Without limiting the generality of the foregoing, the Trustee and any assignee thereof shall have the full right and power to enforce directly against the Project Party all obligations of the Project Party under the Assigned Agreement and otherwise to exercise all remedies thereunder and to make all demands and give all notices and make all requests required or permitted to be made by the Borrower under the Assigned Agreement.

(b) The Project Party will not, without the prior written consent of the Trustee, take any action to (i) cancel or terminate, or suspend performance under, the Assigned Agreement (except as expressly provided in the Assigned Agreement) or consent to or accept any cancellation, termination or suspension thereof, (ii) exercise any of its rights set forth in the Assigned Agreement to cancel or terminate, or suspend performance under (other than due to an event of force majeure if and as set forth in the Assigned Agreement, but excluding exercising its rights to terminate based on such an event of force majeure) the Assigned Agreement unless the Project Party shall have delivered to the Trustee and the Depository Bank written notice specifying the nature of the default giving rise to such right (and, in the case of a payment default, specifying the amount thereof) and that it intends to exercise such right on a date not less than (the following periods in this clause (ii) shall be tolled until the Trustee receives such written notice) (A) with respect to a monetary default, ten (10) Business Days, (B) with respect to a default (as set forth in the Assigned Agreement) based on Borrower's bankruptcy, other than involuntary bankruptcy, thirty (30) Business Days, and (C) with respect to any other default or right of termination, fifteen (15) Business Days (subject to the below), and permitting the Trustee to cure such default by making a payment in the amount in default or by performing or causing to be performed the obligation in default, as the case may be, provided that Trustee shall have provided notice to Project Party of its intention to cure such default, (iii) amend, supplement or otherwise modify the Assigned Agreement (as in effect on the date hereof), provided, however, that the Trustee's consent to such amendment, supplement or modification shall not be unreasonably withheld, delayed or conditioned, but in any event such consent shall be deemed given if no objection from the Trustee is received by the Project Party within fifteen (15) Business Days after the Trustee receives written notice of any intention to amend, supplement or modify the Assigned Agreement, (iv) sell, assign or otherwise dispose of (other than by operation of law) any part of its interest in the Assigned Agreement to any entity not affiliated with the Project Party or (v) petition, request or take any other legal or administrative action that seeks, or may reasonably be expected, to rescind, terminate, suspend, amend or modify the Assigned Agreement or any part thereof. In furtherance of the foregoing clause (ii), the Project Party agrees that, notwithstanding anything contained in the Assigned Agreement to the contrary, upon the occurrence of a default under the Assigned Agreement that cannot by its nature be cured by the payment of money, the Project Party will not cancel or terminate the Assigned Agreement (X) if, prior to the end of the cure period (as set forth in the Assigned Agreement), the Trustee shall have provided the Project Party with written notice of its intention to cure such default and (Y) if, and for so long as, the

Trustee shall be diligently seeking to cure such default or otherwise to institute foreclosure proceedings, or otherwise to acquire the Borrower's interest in the Assigned Agreement, the Project Party shall grant the Trustee a reasonable period of time not to exceed sixty (60) days to cure such default upon the occurrence of such foreclosure or acquisition. The provisions of this subsection (b) shall not limit or impair the Project Party's right to reject and terminate the Assigned Agreement pursuant to a bankruptcy or insolvency proceeding involving the Project Party.

(c) The Project Party shall deliver to the Trustee and the Depository Bank at the addresses set forth on the signature pages hereof, or at such other address as the Trustee or the Depository Bank may designate in writing from time to time to the Project Party, concurrently with the delivery thereof to the Borrower, a copy of each material notice (including but not limited to notice of termination of the Assigned Agreement), request or demand given by the Project Party pursuant to the Assigned Agreement.

(d) In the event the Trustee or its designee(s) directly or indirectly takes possession of or title to the Project, other than through a lease or leasehold mortgage entered into solely for purposes of providing financing to the Borrower for all or any part of the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), the Trustee or its designee(s) shall assume all of the Borrower's obligations arising under the Assigned Agreement and all related agreements for only the period of time during which the Trustee or its designee(s) has taken such possession (but such obligations shall not exceed the Borrower's under the Assigned Agreement); provided that, the Trustee or its designee(s) shall have no liability for (i) any monetary obligations of the Borrower under the Assigned Agreement that are due and owing to the Project Party as of the assumption date or (ii) any liabilities that arise following any assignment of the Assigned Agreement and the assumption of its obligations by an assignee from the Trustee or its designee(s) pursuant to the rights granted to the Trustee or its designee(s) in the Collateral Assignment; provided further, however, that prior to such assumption, if the Project Party advises the Trustee in writing that the Project Party will require that the Trustee cure (or cause to be cured) any event of default existing as of the possession date that the Trustee or its designee(s) has the power to cure, in order to avoid the exercise by the Project Party (in its sole discretion) of the Project Party's right to terminate the Assigned Agreement with respect to such event of default, then the Trustee or its designee(s), at its option and in its reasonable judgment, may elect to either (A) cause such event of default to be cured or (B) not assume the Assigned Agreement.

(e) Upon the exercise by the Trustee of the applicable remedies set forth in the Indenture, the Trustee may assign its rights and interests and the rights and interests of the Borrower under the Assigned Agreement to any purchaser or transferee of the Project, if such purchaser or transferee (i) is an entity with financial qualifications and operating experience (whether directly or through a contract with an experienced operations and maintenance contractor) reasonably equivalent to the Borrower and (ii) assumes all of the Borrower's obligations under the Assigned Agreement and cures any outstanding defaults that are susceptible to cure. Upon such assignment and assumption, the Trustee shall be relieved of all obligations under the Assigned Agreement arising after such assignment and assumption.

(f) If (i) the Assigned Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding involving the Borrower, (ii) the Assigned Agreement is terminated as a result of any voluntary bankruptcy or insolvency proceeding involving the Borrower or (iii) the Assigned Agreement is terminated as a result of any involuntary bankruptcy or insolvency proceeding involving the Borrower, then the Project Party shall execute and deliver to the Trustee or such designee(s) a new Assigned Agreement for the balance of the remaining term under the original Assigned Agreement before giving effect to such rejection or termination, which new Assigned Agreement shall contain the same conditions, agreements, terms, provisions and limitations as the original Assigned Agreement (except for any requirements which have been fulfilled by the Borrower and the Project Party prior to such rejection or termination); provided that (x) (A) with respect (i) above, within ninety (90) days after such rejection, (B) with respect to (ii) above, within thirty (30) days after such voluntary termination or (C) with respect to (iii) above, within sixty (60) days after such involuntary termination, the Trustee or its designee(s) shall certify in writing to the Project Party that the Trustee intends to perform the obligations of the Borrower to the extent required under the Assigned Agreement, (y) the Trustee or its designee(s) directly or indirectly shall take possession of, or title to, the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), and (z) the Trustee shall, or shall cause its designee(s) to, cure all defaults susceptible to being cured under the Assigned Agreement that were not cured prior to or during the bankruptcy proceeding.

(g) In the event the Trustee or its designee(s), or any purchaser, transferee, grantee or assignee of the interests of the Trustee or its designee(s) in the Project assumes or becomes liable under the Assigned Agreement (as contemplated in subsection (d), (e), or (f) above or otherwise), liability in respect of any and all obligations of any such party under the Assigned Agreement shall be limited solely to such party's interest in the Project (and no officer, director, employee, shareholder or agent thereof shall have any liability with respect thereto).

(h) Upon the request of the Borrower or the Trustee, or their respective designee(s), the Project Party shall deliver an estoppel certificate with respect to the Project Party's performance of the Assigned Agreement on terms acceptable to Project Party in its reasonable determination.

(i) Nothing contained in this Consent and Agreement shall be deemed or construed to obligate the Trustee to take any action hereunder or under or with respect to the Assigned Agreement or to perform or discharge any indebtedness, liability, obligation or duty of either the Borrower or the Project Party under the Assigned Agreement, the Indenture or any agreement, obligation or duty in connection therewith except as expressly contemplated in the Indenture. In the event the Trustee determines to take any action hereunder, the Trustee shall have no obligation to take such action unless it has received indemnity satisfactory to it. Such indemnity, at the Trustee's reasonable judgment, shall be in the form it selects, whether cash, securities, surety or bond. In all events, the Trustee shall have no liability for anything hereunder whatsoever and shall be held harmless absent its gross negligence or willful misconduct.

(j) Regardless of the occurrence of an Event of Default under the Indenture, the Borrower shall submit to the Trustee requisitions for payment from the Project Fund as necessary to timely pay to the Project Party any amounts owed (other than in respect of indemnity

obligations of the Borrower) to the Project Party pursuant to the terms of the Assigned Agreement. For the avoidance of doubt, the Borrower and the Project Party acknowledge Section 3.09 of the Indenture.

(k) The Borrower shall deliver notice of any Event of Default under the Indenture to the Project Party within three (3) days of the occurrence of such Event of Default.

5. Miscellaneous.

(a) No failure on the part of the Trustee or any of its agents to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(b) All notices, requests and other communications provided for herein and under the Assigned Agreement (including, without limitation, any modifications of, or waivers or consents under, this Consent and Agreement) shall be given or made in writing (including, without limitation, by facsimile) delivered to the intended recipient at the “Address for Notices” specified below its name on the signature pages hereof or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Consent and Agreement, all such communications shall be deemed to have been duly given when transmitted by facsimile or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

(c) This Consent and Agreement may be amended or modified only by an instrument in writing signed by the Borrower, the Project Party, the Depository Bank and the Trustee in accordance with the Indenture, and any provision of this Consent and Agreement may be waived by the Trustee acting in accordance with the Indenture; provided that no amendment, modification or waiver shall, unless by an instrument in writing signed by the Trustee acting with the consent of the holders of the Bonds, alter the terms of this Section 5(c). Any waiver shall be effective only for the specified purpose for which it was given.

(d) This Consent and Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the Project Party, the Borrower, the holders of the Bonds, the Depository Bank and the Trustee (provided, however, that the Project Party shall not assign or transfer its rights hereunder without the prior written consent of the Trustee).

(e) This Consent and Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Consent and Agreement by signing any such counterpart. This Consent and Agreement shall become effective at such time as the Trustee and the Depository Bank shall have received counterparts hereof signed by all of the intended parties hereto. The exchange of copies of this Consent and Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Consent and Agreement as to the parties hereto and may be used in lieu of the original Consent and

Agreement and signature pages for all purposes. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Consent and Agreement or any document to be signed in connection with this Consent and Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

(f) If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Depository Bank, the Trustee and the other holders of Bonds in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

(g) Headings appearing herein are used solely for convenience and are not intended to affect the interpretation of any provision of this Consent and Agreement.

(h) EACH OF THE PROJECT PARTY AND THE BORROWER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT OF THE DISTRICT OF ARIZONA AND OF ANY STATE COURT SITTING IN MARICOPA COUNTY, ARIZONA FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS CONSENT AND AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PROJECT PARTY AND THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(i) THIS CONSENT AND AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE CONSTITUTION AND LAWS OF THE STATE APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THE STATE.

(j) EACH OF THE PROJECT PARTY, THE BORROWER, THE DEPOSITORY BANK AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT AND AGREEMENT OR THE ASSIGNED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned by its officer duly authorized has caused this Consent and Agreement to be duly executed and delivered and effective as of the date first set forth above.

JS WALTZ CONSTRUCTION LLC

By: _____
Name: _____
Title: _____

Address for Notices:
JS Waltz Construction LLC
449 South 48th Street, Suite 105
Tempe, Arizona 85281
Attention: Matthew Waltz

Acknowledged and Agreed:

LEGACY CARES, INC.

By: _____
Name: _____
Title: _____

Address for Notices:

Legacy Cares, Inc.
1900 West Chandler Boulevard, Suite 15-315
Chandler, Arizona 85224
Attention: Douglas Moss, President

Acknowledged and Agreed:

UMB BANK, N.A.

By: _____
Sandra Battas, Vice President

Address for Notices:

UMB Bank, N.A.

2777 East Camelback Road, Suite 359

Phoenix, Arizona 85016

Attention: Sandra Battas

Acknowledged and Agreed:

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Depository Bank

By: _____

Name: _____

Title: _____

Address for Notices:

Zions Bancorporation, National Association

6001 No. 24th Street

Phoenix, Arizona 85016

Attention: Pamela Saucer, Corporate Trust Administrator

LIMITED OFFERING MEMORANDUM



NEW ISSUE - BOOK-ENTRY ONLY

NOT RATED

In the opinion of Gust Rosenfeld P.L.C., Bond Counsel, in reliance on the opinion of McCann Garland Ridall & Burke LLC, inter alia, that the Borrower is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") and has received from the Internal Revenue Service a determination letter dated November 15, 2019, as to its status as exempt from federal income tax under Section 501(c)(3) of the Code, and based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds (as defined herein) is excluded from gross income for federal income tax purposes under Section 103 of the Code and is not a specific item of tax preference for purposes of the federal alternative minimum tax under existing laws, regulations, rulings and decisions in effect on the respective dates of delivery of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. However, no opinion is expressed concerning the status of interest on any Tax-Exempt Series 2020A Bond or any Tax-Exempt Series 2020C Bond for any period that such Tax-Exempt Series 2020A Bond or Tax-Exempt Series 2020C Bond is held by a "substantial user" of facilities financed or refinanced by the Series 2020 Bonds (as defined herein) or by a "related person" within the meaning of Section 147(a) of the Code. Bond Counsel is also of the opinion (i) that interest on the Taxable Series 2020B Bonds (as defined herein) is not excluded from gross income for federal tax purposes but (ii) that interest on the Series 2020 Bonds is exempt from State of Arizona personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds. See "TAX MATTERS."

\$212,960,000

**ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY**

**Economic Development
Revenue Bonds,
Tax-Exempt Series 2020A
(Legacy Cares, Inc. Project)**

\$6,810,000

**ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY**

**Economic Development
Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc. Project)**

\$31,000,000

**ARIZONA INDUSTRIAL
DEVELOPMENT
AUTHORITY**

**Economic Development
Revenue Bonds,
Tax-Exempt Turbo
Redemption Series 2020C
(Legacy Cares, Inc. Project)**

Dated: Date of Delivery

Due: July 1, as shown on inside front cover

Each of the (i) Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the "Tax-Exempt Series 2020A Bonds"), (ii) Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the "Taxable Series 2020B Bonds,"), and (iii) Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the "Tax-Exempt Series 2020C Bonds" together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the "Series 2020 Bonds") are special limited obligations of the Arizona Industrial Development Authority (the "Issuer"), a nonprofit corporation designated as a political subdivision of the State of Arizona (the "State") in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the "Act"), payable solely from and secured by a pledge of loan repayments under notes issued under the terms of a Loan Agreement, dated as of August 1, 2020, by and between the Issuer and Legacy Cares, Inc. (the "Borrower"), and from other amounts derived from the Trust Estate, as defined herein. See "INTRODUCTORY STATEMENT—Security for the Bonds" herein. The Series 2020 Bonds, the premium, if any, and the interest thereon do not constitute a debt or a loan of credit or a pledge of the full faith and credit or taxing power of the Issuer, the Arizona Finance Authority, or of the State, or of any political subdivision thereof, within the meaning of any State constitutional provision or statutory limitation and shall never constitute nor give rise to a pecuniary liability of the Issuer, the Arizona Finance Authority, the State or any political subdivision thereof. The Issuer has no taxing power.

The Series 2020 Bonds will bear interest from the date of their delivery at the rates shown on the inside front cover and will be issued in fully registered form in denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 pursuant to an Indenture of Trust, dated as of August 1, 2020 (the "Indenture"), by and between the Issuer and UMB Bank, N.A., as trustee. Interest on the Series 2020 Bonds will be payable semiannually in arrears on each January 1 and July 1, commencing January 1, 2021. Principal of and premium, if any, on the Series 2020 Bonds will be payable at maturity or upon prior redemption, including mandatory sinking fund redemption and mandatory redemption upon receipt of Surplus Revenues, as described herein under "THE BONDS—Redemption." The Series 2020 Bonds are expected to be delivered in book-entry form through the facilities of The Depository Trust Company, New York, New York. See "BOOK-ENTRY-ONLY SYSTEM" herein.

Purchase of the Series 2020 Bonds involves a significant degree of investment risk. Prospective purchasers of the Series 2020 Bonds should be aware of certain investment considerations and risk factors in evaluating an investment in such Bonds. See "RISK FACTORS" herein.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2020 BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, COUNSEL, ADVISOR, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY, INDIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTES OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EMPLOYEES, COUNSEL, ADVISORS, OR AGENTS AS SUCH, IS EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE SERIES 2020 BONDS.

THE SERIES 2020 BONDS ARE OFFERED ONLY TO "QUALIFIED INSTITUTIONAL BUYERS" AND "ACCREDITED INVESTORS," EACH WITHIN THE MEANING OF RULES PROMULGATED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND EACH EXECUTING AN INVESTOR LETTER SET FORTH IN "APPENDIX I – FORM OF INVESTOR LETTER" HERETO. THE SERIES 2020 BONDS AND BENEFICIAL INTERESTS THEREIN MAY BE TRANSFERRED, UPON SATISFACTION OF CERTAIN CONDITIONS, ONLY TO CERTAIN QUALIFIED INSTITUTIONAL BUYERS OR ACCREDITED INVESTORS. SEE "NOTICE TO INVESTORS: TRANSFER RESTRICTIONS" and "SERIES 2020 BOND PURCHASE AND PLAN OF DISTRIBUTION" herein. B.C. Ziegler and Company is serving as Underwriter in connection with the issuance of the Series 2020 Bonds, and in such capacity has agreed to use its best efforts to solicit, on behalf of the Borrower, offers to purchase the Series 2020 Bonds.

The Series 2020 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of validity by Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel to the Issuer, and to certain other conditions. Certain legal matters will be passed upon for the Borrower by McCann Garland Ridall & Burke LLC, Pittsburgh, Pennsylvania, and for the Issuer by Kutak Rock LLP, Scottsdale, Arizona.



Dated: August 11, 2020

MATURITY SCHEDULE

\$212,960,000

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

Economic Development Revenue Bonds,

Tax-Exempt Series 2020A

(Legacy Cares, Inc. Project)

Maturity (July 1)	Principal Amount	Interest Rate	Price	Yield	CUSIP* No.
2024	\$ 8,450,000	6.250%	100.000	6.250%	040523 AA0
2025	8,980,000	6.375%	100.000	6.375%	040523 AB8
2026	9,550,000	6.500%	100.000	6.500%	040523 AC6
2027	10,175,000	6.625%	100.000	6.625%	040523 AD4
2028	10,845,000	6.750%	100.000	6.750%	040523 AE2

\$164,960,000 – 7.750% - Term Bond Due July 1, 2050 – Yield 7.836% - Price 99.000 - CUSIP* 040523 AF9

\$6,810,000

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

Economic Development Revenue Bonds,

Taxable Series 2020B

(Legacy Cares, Inc. Project)

\$6,810,000 – 9.000% - Term Bond Due July 1, 2030 – Yield 9.250% - Price 98.384 – CUSIP* 040523 AG7

\$31,000,000

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY

Economic Development Revenue Bonds,

Tax-Exempt Turbo Redemption Series 2020C

(Legacy Cares, Inc. Project)

\$31,000,000 – 6.750% - Term Bond Due July 1, 2030 – Yield 6.890% - Price 99.000 – CUSIP* 040523 AH5

* Copyright 2020, CUSIP Global Services. CUSIP is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by Standard & Poor's Capital IQ. CUSIP data herein are provided by Standard & Poor's, CUSIP Service Bureau, a Division of The McGraw-Hill Companies, Inc. The CUSIP numbers listed are being provided solely for the convenience of the holders only at the time of issuance of the Series 2020 Bonds and the Issuer does not make any representations with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2020 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2020 Bonds.

INITIAL INVESTOR NOTICES

The information contained in this Limited Offering Memorandum has been obtained from Legacy Cares, Inc. (the “**Borrower**”) and other sources that are deemed to be reliable. This Limited Offering Memorandum is submitted in connection with the sale of the securities referred to herein, and may not be reproduced or be used, in whole or in part, for any other purpose. The delivery of this Limited Offering Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date.

Only the information set forth herein relating to the Issuer under the headings “THE ISSUER” and “LITIGATION - The Issuer” has been obtained from the Issuer. All other information herein has been obtained by the Underwriter from the Borrower and other sources deemed by the Underwriter to be reliable but is not guaranteed as to accuracy or completeness by, and is not to be construed as representations of the Issuer or the Underwriter. The Issuer has not reviewed or approved any information in this Limited Offering Memorandum except information relating to the Issuer under the headings “THE ISSUER” and “LITIGATION - The Issuer.” The Issuer shall bear no responsibility for the accuracy or completeness of any information in this Limited Offering Memorandum other than information which is directly provided by the Issuer.

B.C. Ziegler and Company (the “**Underwriter**”) has provided the following sentence for inclusion in this Limited Offering Memorandum: The Underwriter has reviewed the information in this Limited Offering Memorandum in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No dealer, salesman or any other person has been authorized by the Borrower, the Issuer or the Underwriter to give any information or to make any representations other than as contained in this Limited Offering Memorandum in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Limited Offering Memorandum does not constitute an offer of any securities, other than those described on the cover page, or an offer to sell or a solicitation of an offer to buy in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Limited Offering Memorandum nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Borrower or the Issuer since the date hereof.

The Series 2020 Bonds will not be registered under the Securities Act of 1933, as amended, and the Indenture of Trust under which the Series 2020 Bonds will be issued (the “**Indenture**”) will not be qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts. The Series 2020 Bonds have not been recommended by any federal or state securities commission or regulatory authority. Such commissions and regulatory authorities will not have reviewed or passed upon the accuracy or adequacy of this Limited Offering Memorandum. The registration or qualification of the Series 2020 Bonds in accordance with the applicable provisions of securities laws of the jurisdictions in which the Series 2020 Bonds have been registered or qualified and the exemption therefrom in other jurisdictions cannot be

regarded as a recommendation thereof by any such jurisdiction. Any representation to the contrary is a criminal offense.

NEITHER THE ISSUER NOR THE UNDERWRITER MAKE ANY REPRESENTATION AS TO THE ACCURACY, COMPLETENESS, OR ADEQUACY OF THE INFORMATION SUPPLIED BY THE DEPOSITORY TRUST COMPANY FOR USE IN THIS LIMITED OFFERING MEMORANDUM.

In making an investment decision, investors must rely on their own examination of the Series 2020 Bonds, the Borrower, and the terms of the offering, including the merits and risks involved, and make an independent decision whether the offering meets the investor's investment objectives and financial risk tolerance.

YOU SHOULD MAKE YOUR OWN DECISION WHETHER THIS OFFERING MEETS YOUR INVESTMENT OBJECTIVES AND RISK TOLERANCE LEVEL. NO FEDERAL OR STATE SECURITIES COMMISSION HAS APPROVED, DISAPPROVED, ENDORSED OR RECOMMENDED THIS OFFERING. NO INDEPENDENT PERSON HAS CONFIRMED THE ACCURACY OR TRUTHFULNESS OF THE DISCLOSURE CONTAINED HEREIN, OR WHETHER IT IS COMPLETE.

NOTICE TO ARIZONA RESIDENTS ONLY:

THE SERIES 2020 BONDS HAVE NOT BEEN REGISTERED UNDER THE ARIZONA SECURITIES ACT IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION PURSUANT TO A.R.S. SECTION 44-1844.A.1. AND THEREFORE CANNOT BE RESOLD UNLESS THEY ARE ALSO REGISTERED OR UNLESS AN EXEMPTION FROM REGISTRATION IS AVAILABLE.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained or incorporated by reference in this Limited Offering Memorandum, such as the statements concerning the projected costs and financial performance of the Series 2020 Project (as defined herein), including, without limitation, the financial projections described in "PROJECTED FINANCIAL INFORMATION" below in this Limited Offering Memorandum, statements containing the words "may," "assumes," "forecasts," "positions," "predicts," "strategy," "will," "expects," "estimates," "anticipates," "believes," "projects," "intends," "plans," "budgets," "potential," "continue," "target" and variations thereof, and other statements contained or incorporated by reference in this Limited Offering Memorandum regarding matters that are not historical facts are forward-looking statements. Because such statements involve risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to:

- risks and uncertainties involving companies with very little operating history and limited assets such as the Borrower;
- risks and uncertainties regarding the design, construction, startup and operation of the Series 2020 Project;

- risks related to performance on the part of suppliers of goods and services to the Series 2020 Project;
- uncertainties relating to general economic conditions and the amount and rate of growth in expenses;
- uncertainties relating to government and regulatory policies, the legal environment, the competitive environment in which the Borrower and Legacy Sports operate; and
- other factors, including those described in this Limited Offering Memorandum under “RISK FACTORS.”

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date that they are made. Neither the Issuer nor the Borrower undertakes any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

This Limited Offering Memorandum and the documents that are referenced in this Limited Offering Memorandum should be read completely and with the understanding that the Borrower’s actual future results may be materially different from what the Borrower expects. The Borrower may not update the forward-looking statements, even though the Borrower’s situation may change in the future, unless the Borrower has obligations under the federal securities laws to update and disclose material developments related to previously disclosed information. All of the forward-looking statements contained in this Limited Offering Memorandum are qualified by these cautionary statements.

INVESTMENT CONSIDERATIONS; TRANSFER RESTRICTIONS

PURCHASE OF THE SERIES 2020 BONDS INVOLVES A SIGNIFICANT DEGREE OF INVESTMENT RISK. PROSPECTIVE PURCHASERS OF THE SERIES 2020 BONDS SHOULD BE AWARE OF CERTAIN INVESTMENT CONSIDERATIONS AND RISK FACTORS IN EVALUATING AN INVESTMENT IN THE SERIES 2020 BONDS (SEE “RISK FACTORS” HEREIN).

THE SERIES 2020 BONDS DESCRIBED HEREIN HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), OR THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. THE SERIES 2020 BONDS MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OR (2) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE STATE SECURITIES LAWS AND THE SECURITIES LAWS OF OTHER JURISDICTIONS, AND IN THE CASE OF A TRANSACTION EXEMPT FROM REGISTRATION, UNLESS THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL REASONABLY SATISFACTORY TO IT THAT SUCH TRANSACTION DOES NOT REQUIRE REGISTRATION UNDER THE SECURITIES ACT AND SUCH OTHER APPLICABLE LAWS.

THE SERIES 2020 BONDS DESCRIBED HEREIN AND BENEFICIAL OWNERSHIP INTERESTS THEREIN ARE BEING OFFERED HEREBY ONLY TO “QUALIFIED INSTITUTIONAL BUYERS,” AS THAT TERM IS DEFINED IN RULE 144A OF THE SECURITIES AND EXCHANGE COMMISSION, “ACCREDITED INVESTORS,” AS THAT TERM IS DEFINED IN RULE 501(A)(1), (2), (3) OR (8) OF REGULATION D OF THE SECURITIES AND EXCHANGE COMMISSION, OR AN ENTITY ALL OF THE EQUITY OWNERS OF WHICH ARE ACCREDITED INVESTORS, EACH AS PROMULGATED UNDER THE SECURITIES ACT. SUBSEQUENT TRANSFERS OF THE SERIES 2020 BONDS ARE SUBJECT TO RESTRICTIONS AS DESCRIBED HEREIN. SEE “NOTICE TO INVESTORS: TRANSFER RESTRICTIONS” HEREIN. EACH INITIAL PURCHASER OF THE SERIES 2020 BONDS MUST EXECUTE AN INVESTOR LETTER IN THE FORM SET FORTH IN “APPENDIX I—FORM OF INVESTOR LETTER” HERETO IN CONNECTION WITH ITS PURCHASE OF THE SERIES 2020 BONDS.

POTENTIAL INVESTORS ARE EXPECTED TO CONDUCT THEIR OWN INQUIRIES INTO THE BORROWER AND THE SERIES 2020 PROJECT, AND ARE SOLELY RESPONSIBLE FOR EVALUATING THE MERITS AND RISKS OF AN INVESTMENT IN THE SERIES 2020 BONDS, MUST BE ABLE TO BEAR THE ECONOMIC RISK OF AN INVESTMENT IN THE SERIES 2020 BONDS AND MUST BE ABLE TO AFFORD COMPLETE LOSS OF SUCH INVESTMENT. INVESTORS SHOULD READ THE ENTIRE LIMITED OFFERING MEMORANDUM, INCLUDING ALL APPENDICES ATTACHED HERETO, AND ARE OFFERED HEREBY AN OPPORTUNITY TO OBTAIN INFORMATION FROM THE BORROWER ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION (SEE “SERIES 2020 BOND PURCHASE AND PLAN OF DISTRIBUTION” HEREIN). CERTAIN RISKS ASSOCIATED WITH THE PURCHASE OF THE SERIES 2020 BONDS ARE SET FORTH UNDER “RISK FACTORS” HEREIN. THE CONTENTS OF THIS LIMITED OFFERING MEMORANDUM ARE NOT TO BE CONSTRUED AS LEGAL, TAX OR INVESTMENT ADVICE; EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ADVISORS AS TO LEGAL, TAX, BUSINESS AND RELATED MATTERS CONCERNING AN INVESTMENT IN THE SERIES 2020 BONDS.

THE INFORMATION CONTAINED IN THIS LIMITED OFFERING MEMORANDUM IS QUALIFIED IN ITS ENTIRETY BY EACH INVESTOR’S OPPORTUNITY TO CONTACT THE BORROWER FOR FURTHER INFORMATION, AND THE MORE DETAILED INFORMATION SET FORTH IN THE ATTACHED APPENDICES. EACH INVESTOR IS ADVISED TO REVIEW CAREFULLY EACH OF THE ATTACHED APPENDICES PRIOR TO MAKING AN INVESTMENT DECISION WITH RESPECT TO THE SERIES 2020 BONDS.

THE FOLLOWING INFORMATION REPRESENTS ONLY A BRIEF OUTLINE OF THE DATA PRESENTED AND IS NOT REPRESENTED AS BEING COMPREHENSIVE AND COMPLETE. THE INDENTURE, THE LOAN AGREEMENT AND THE OTHER TRANSACTIONAL DOCUMENTS MUST BE REVIEWED IN THEIR ENTIRETY FOR A COMPLETE AND DETAILED DESCRIPTION OF ALL THE MATTERS SUMMARIZED OR REFERRED TO HEREIN.

Table of Contents

	Page
OFFERING SUMMARY	S-1
INTRODUCTORY STATEMENT	1
THE ISSUER	5
THE BORROWER AND LEGACY SPORTS.....	6
THE SERIES 2020 PROJECT.....	11
CONSTRUCTION AND OPERATION OF THE SERIES 2020 PROJECT	17
STRUCTURE	23
ESTIMATED SOURCES AND USES OF FUNDS	28
DEBT SERVICE SCHEDULE FOR SERIES 2020 BONDS	28
THE BONDS	29
SECURITY FOR THE BONDS.....	36
BOOK-ENTRY-ONLY SYSTEM	40
PROJECTED FINANCIAL INFORMATION.....	44
RISK FACTORS	45
NOTICE TO INVESTORS: TRANSFER RESTRICTIONS.....	55
SERIES 2020 BOND PURCHASE AND PLAN OF DISTRIBUTION.....	56
LITIGATION.....	57
CONTINUING DISCLOSURE.....	57
TAX MATTERS.....	59
RELATIONSHIPS AMONG PARTIES	67
LEGAL MATTERS.....	67
INDEPENDENT FEASIBILITY CONSULTANTS.....	67
MISCELLANEOUS	67
APPENDIX A — Certain Information Regarding the Borrower.....	A-1
APPENDIX B — Form of Indenture	B-1
APPENDIX C — Form of Loan Agreement.....	C-1
APPENDIX D — Form of Deposit Account Control Agreement.....	D-1
APPENDIX E — Form of Leasehold Deed of Trust.....	E-1
APPENDIX F — Form of Qualified Management Agreement.....	F-1
APPENDIX G — Form of Pre-Opening Agreement	G-1
APPENDIX H — Form of Post-Opening Operating Agreement.....	H-1
APPENDIX I — Form of Investor Letter	I-1
APPENDIX J — Form of Disclosure Dissemination Agent Agreement.....	J-1
APPENDIX K — Form of Opinion of Bond Counsel	K-1
APPENDIX L — Feasibility Study	L-1
APPENDIX M — Peer Review & Impact Analysis	M-1
APPENDIX N — Construction Contract	N-1
APPENDIX O — Ground Lease.....	O-1
APPENDIX P — Summary of Pre-Contracts and Letters of Intent	P-1
APPENDIX Q — Form of Collateral Assignment of Contracts, Permits, Licenses and Plans	Q-1
APPENDIX R — Form of Consent and Agreement (Construction Contract).....	R-1

[THIS PAGE INTENTIONALLY LEFT BLANK]

OFFERING SUMMARY

The following summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this Limited Offering Memorandum. Capitalized terms used in this summary and not otherwise defined have the meanings specified in this Limited Offering Memorandum.

Issuer	Arizona Industrial Development Authority (the “ Issuer ”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “ State ”) in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “ Act ”).
Borrower	Legacy Cares, Inc. (the “ Borrower ”), an Arizona nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
Trustee.....	UMB Bank, N.A.
Series 2020 Project.....	The Series 2020 Project, to be known as Legacy Sports Park, will be a multi-sports park facility and family entertainment complex to be located on a 320-acre site, at the intersection of State Route 24 and Ellsworth Road, in Mesa, Arizona.

The outdoor facilities of Legacy Sports Park will include the following: (i) a multi-field soccer complex consisting of twenty-two (22) soccer fields, with an additional twenty-four (24) to forty-six (46) fields for large tournament capacity, one (1) soccer stadium-type expanded field with an approximately 10,000 person seating capacity, one (1) auxiliary turf field with an approximately 5,000 person seating capacity, and one (1) additional soccer field designated as a soccer-based performance training center; (ii) ten (10) softball/youth baseball fields, including an expanded stadium field; (iii) thirteen (13) sand volleyball/sand soccer courts with a stadium court; (iv) a pickleball complex consisting of forty (40) pickleball courts, one (1) of which will be a stadium court. Also included will be an obstacle course racing compound with zip lines, a twelve (12) -lane batting cage training center, an outdoor amphitheater with an approximately 1,000 person seating capacity, an eSports videogaming/competition center, and space allocated for an optional track & field center.

The indoor facilities of the Series 2020 Project will include the following:

(i) **Legacy Center** main building, housing a restaurant/bar and grill, food court, retail shops, amusement arcade center, TV / Radio production, and support facilities, including safety, security, operations management, and the business administrative center for the sports park, all within an approximate 630,000 square foot building;

(ii) **Legacy Health, Wellness & Fitness Center**, which will provide athletic training through individualized and team programs with a focus on increasing the athletic abilities of individuals of all ages by defining their strengths and weaknesses and then developing specific performance solutions. Health, wellness, nutrition, anti-aging, cross training/aerobics, physical therapy and general fitness facilities will also be available for those with specialized training and improvement needs. The 20,000-square foot center is located within the main Legacy Center building complex;

(iii) **Legacy Performance Training Center**, which will provide a performance and strengthening center for the more advanced athlete. The 10,000-square foot center, located in the main Legacy Center building, shall be constructed with an indoor/outdoor component that will include a separate turf field for training. As an annex to the Health, Wellness and Fitness center, the participants will have access to all personal training, strengthening and rehabilitation facilities offered at the sports park;

(iv) **Legacy Indoor Multi-Sports Center**, which will provide an 80,000-square foot large climate-controlled indoor turf or sport flooring facility supporting six (6) professional FUTSAL courts or twenty-eight (28) additional volleyball courts, plus a 50,000-square foot gymnastics, cheer, and dance center; and

(v) **Legacy Indoor Team Sports Center**, which will provide a 170,000-square foot indoor gymnasium that will include eight (8) full-size NCAA basketball courts and eight (8) high school size basketball courts, all capable of dual use to support sixteen (16) volleyball courts.

Securities Offered

The Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “**Tax-Exempt Series 2020A Bonds**”), the Economic Development Revenue Bonds, Taxable Series 2020B

(Legacy Cares, Inc. Project) (the “**Taxable Series 2020B Bonds**,”) and the Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “**Tax-Exempt Series 2020C Bonds**” together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the “**Series 2020 Bonds**”), each in Authorized Denominations of \$100,000 or any integral multiple of \$5,000 in excess of \$100,000 dated their date of issuance.

Maturity.....	July 1, as shown on the inside front cover page.
Interest.....	Payable at the rates shown on the inside front cover page on each January 1 and July 1, commencing January 1, 2021, calculated on the basis of a 360-day year consisting of twelve 30-day months.
Principal Amortization.....	Interest only up to July 1, 2022; principal thereafter as shown on the due dates on the inside front cover page and by operation of mandatory sinking fund redemptions.
Ratings	Not rated.
Financing Documents	The Series 2020 Bonds will be issued under an Indenture of Trust (the “ Indenture ”) between the Issuer and UMB Bank, N.A., as Trustee. Series 2020 Bond proceeds will be loaned by the Issuer to the Borrower under a Loan Agreement, with three promissory notes of the Borrower—one the Series 2020A Promissory Note, in the principal amount of the Tax-Exempt Series 2020A Bonds, one the Series 2020B Promissory Note, in the principal amount of the Taxable Series 2020B Bonds and one the Series 2020C Promissory Note, in the principal amount of the Tax-Exempt Series 2020C Bonds—evidencing the Borrower’s obligation to repay such loan. The Indenture allows for the issuance of Additional Bonds on parity with the Series 2020 Bonds in accordance with its terms.
Use of Proceeds.....	The net proceeds from the sale of the Series 2020 Bonds will be used to assist the Borrower in financing a portion of the cost of (i) acquiring, constructing, renovating, improving, equipping and operating the Series 2020 Project, (ii) funding certain required reserve funds under the Indenture, (iii) paying capitalized interest, operating costs and working capital costs on the Series 2020 Bonds and (iv) paying costs of issuance of the Series 2020 Bonds.

Capitalized Interest	Interest on the Series 2020 Bonds through July 1, 2022, will be funded with Series 2020 Bond proceeds deposited on the date of issuance of the Series 2020 Bonds into the Bond Fund established under the Indenture.
Debt Service Reserve Funds ..	\$22,000,000 of Series 2020 Bond proceeds will be deposited on the date of issuance of the Series 2020 Bonds into the Debt Service Reserve Funds established under the Indenture.
Other Trust Estate Funds and Accounts Held Under Indenture	Bond Fund, Capitalized Interest Fund, Project Fund, Cost of Issuance Fund, Rebate Fund, Tax and Insurance Escrow Fund, Revenue Fund, Expense Fund, Operating Reserve Fund, Repair and Replacement Fund, Surplus Fund and Accelerated Redemption Fund.
Security Documents	Leasehold Deed of Trust, Project Document Collateral Assignment, and Deposit Account Control Agreement, each as defined under “SECURITY FOR THE BONDS”.
Project Documents	Construction Contract, Ground Lease, Pre-Contracts and Letters of Intent, Qualified Management Agreement, Pre-Opening Agreement and Post-Opening Operating Agreement. See “CONSTRUCTION AND OPERATION OF THE SERIES 2020 PROJECT” and “STRUCTURE”.
Landlord’s First Right of Purchase under Amendment to Ground Lease	Under an amendment to the Ground Lease, following the declaration of an Event of Default under the financing documents that govern the Borrower’s financing with its lender, the Landlord shall have a first right of purchase to purchase the outstanding Series 2020 Bonds. The purchase price of the Series 2020 Bonds shall be a price as established by holders of no less than 65% of the outstanding principal amount of the Series 2020 Bonds. See “STRUCTURE – Ground Lease”.
Distribution of Series 2020 Bonds	The Series 2020 Bonds are being offered only to “Qualified Institutional Buyers,” as that term is defined in Rule 144A of the Securities and Exchange Commission, “Accredited Investors” as that term is defined in Rule 501(a) of Regulation D of the Securities and Exchange Commission, or an entity all of the equity owners of which are Accredited Investors. See “NOTICE TO INVESTORS: TRANSFER RESTRICTIONS” and “APPENDIX I—FORM OF INVESTOR LETTER.”

Optional Redemption	The Series 2020 Bonds are subject to redemption at the option of the Issuer in whole or in part on any date commencing July 1, 2027, at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed, as shown herein under “THE BONDS—Redemption— <i>Optional Redemption of the Series 2020 Bonds.</i> ”
Redemption Upon Occurrence of Certain Events of Default ..	The Series 2020 Bonds are subject to extraordinary redemption in whole or in part on any date at a redemption price equal to the principal amount of each Bond to be redeemed plus accrued interest to the redemption date at the expense of the Borrower from Net Proceeds of any insurance policy or condemnation award (provided, such Net Proceeds are in excess of \$500,000 (plus the CPI Adjustment)) and in the event the related Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings as provided in the Loan Agreement. In addition, if at any time the Borrower achieves an investment grade or higher rating for the Series 2020 Bonds from S&P, Moody’s or Fitch Ratings (or any other nationally recognized rating service upon the discontinuance of any or all of such rating services), the Series 2020 Bonds are subject to redemption at the option of the Borrower in whole or in part on any date at their principal amount plus accrued interest to the redemption date, plus a 3% premium reduced as determined by the schedule under “THE BONDS – Redemption – <i>Optional Redemption of the Series 2020 Bonds</i> ”. See “THE BONDS – Redemption – <i>Redemption of Series 2020 Bonds Upon Occurrence of Certain Events</i> ”.
Mandatory Sinking Fund Redemption	The Series 2020 Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts, as shown herein under “THE BONDS—Redemption— <i>Mandatory Sinking Fund Redemption.</i> ”

Mandatory Redemption Upon Determination of Taxability...	The Tax-Exempt Series 2020A Bonds and the Tax-Exempt Series 2020C Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, plus a 5% premium, upon the occurrence of a Determination of Taxability related to such Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds, as applicable, as described herein under “THE BONDS—Redemption— <i>Mandatory Redemption Upon Determination of Taxability.</i> ”
Mandatory Redemption Upon Receipt of Surplus Revenues .	The Series 2020 Bonds are subject to mandatory redemption upon the receipt of excess revenues in the Surplus Fund as described herein under “THE BONDS—Redemption— <i>Mandatory Redemption Upon Receipt of Surplus Revenues.</i> ”
Major Borrower Covenants....	In the Loan Agreement, the Borrower covenants (i) to maintain a Debt Service Coverage Ratio of at least 1.35 to 1.00, measured annually commencing with the audit for the Borrower’s Fiscal Year ending December 31, 2022; (ii) not to incur additional Indebtedness other than as described in the Loan Agreement; (iii) to maintain 90 Days Cash on Hand determined by dividing the amount held in the Operating Reserve Fund by the quotient of the Budgeted Expenses for the measurement period divided by 365, as further described in the Loan Agreement; (iv) to maintain an Operating Reserve Fund Requirement of at least \$12,500,000; and (v) to maintain a minimum of \$500,000 in the Repair and Replacement Fund. See APPENDIX C—FORM OF LOAN AGREEMENT attached hereto.

LIMITED OFFERING MEMORANDUM

\$212,960,000
ARIZONA
INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Tax-Exempt Series
2020A
(Legacy Cares, Inc.
Project)

\$6,810,000
ARIZONA
INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc.
Project)

\$31,000,000
ARIZONA
INDUSTRIAL
DEVELOPMENT
AUTHORITY
Economic Development
Revenue Bonds,
Tax-Exempt Turbo
Redemption Series 2020C
(Legacy Cares, Inc.
Project)

INTRODUCTORY STATEMENT

General

This Limited Offering Memorandum, including the cover page, inside front cover pages and Appendices hereto, provides information concerning the issuance by the Arizona Industrial Development Authority (the “**Issuer**”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “**State**”) in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “**Act**”), of its (i) Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “**Tax-Exempt Series 2020A Bonds**”) in the aggregate principal amount of \$212,960,000, (ii) Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “**Taxable Series 2020B Bonds**,”) in the aggregate principal amount of \$6,810,000 and (iii) Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “**Tax-Exempt Series 2020C Bonds**” together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the “**Series 2020 Bonds**”) in the aggregate principal amount of \$31,000,000. The Series 2020 Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2020 (the “**Indenture**”), between the Issuer and UMB Bank, N.A., as trustee (the “**Trustee**”). The Indenture allows for the issuance of additional series of bonds (a “**Series**”) to be secured on a parity basis with the Series 2020 Bonds in accordance with the terms of the Indenture (the “**Additional Bonds**”). The Series 2020 Bonds, together with any Additional Bonds, are referred to in the Indenture and herein as the “**Bonds**.” Capitalized terms used in this Limited Offering Memorandum and not otherwise defined herein have the meanings set forth in “APPENDIX B—FORM OF INDENTURE.”

Purpose

The proceeds of the sale of the Series 2020 Bonds will be loaned to Legacy Cares, Inc. (the “**Borrower**”), an Arizona nonprofit corporation and organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “**Code**”), pursuant to the terms and

provisions of a Loan Agreement, dated as of August 1, 2020 (the “**Loan Agreement**”), between the Issuer and the Borrower. To evidence the loan of the proceeds of the Series 2020 Bonds to the Borrower (the “**Loan**”), the Borrower will issue and deliver its (i) Series 2020A Promissory Note, in the principal amount of the Tax-Exempt Series 2020A Bonds in substantially the form attached in Exhibit A to the Loan Agreement (the “**Series 2020A Promissory Note**”), (ii) Series 2020B Promissory Note, in the principal amount of the Taxable Series 2020B Bonds in substantially the form attached in Exhibit A to the Loan Agreement (the “**Series 2020B Promissory Note**,” and (iii) Series 2020C Promissory Note, in the principal amount of the Tax-Exempt Series 2020C Bonds in substantially the form attached in Exhibit A to the Loan Agreement (the “**Series 2020C Promissory Note**”, together with the Series 2020A Promissory Note and the Series 2020B Promissory Note and any Additional Promissory Notes, the “**Promissory Notes**”). See “APPENDIX C—FORM OF LOAN AGREEMENT.”

The Borrower will use the proceeds of the sale of the Series 2020 Bonds to finance a portion of the cost of (i) acquiring, constructing, renovating, improving, equipping and operating a multi-sports park facility and family entertainment complex located at the intersection of State Route 24 and Ellsworth Road, in Mesa, Arizona (the “**Series 2020 Project**” or the “**Legacy Sports Park**”), (ii) funding certain required reserve funds under the Indenture, (iii) paying capitalized interest, operating costs and working capital costs on the Series 2020 Bonds and (iv) paying costs of issuance of the Series 2020 Bonds.

The Issuer

The Issuer is a nonprofit corporation designated as a political subdivision of the State in accordance with the provisions of the Constitution of the State and the Act. The Issuer is authorized and empowered under the Act, particularly Sections 35-701 *et seq.*, thereof, to issue revenue bonds for the purpose of financing the costs of among other things, facilities suitable for a “[p]roject” under the Act, including “[f]acilities owned or operated by a nonprofit organization described in section 501(c) of the [Code].”.

PAYMENT OF THE PRINCIPAL OF THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE DESCRIBED IN THE INDENTURE. THE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE ARIZONA FINANCE AUTHORITY (THE “**AFA**”), THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

The Borrower

The Borrower is an Arizona nonprofit corporation and 501(c)(3) organization that on January 14, 2020, was converted from Legacy Cares, LLC, an Arizona limited liability company organized on June 28, 2018, to a nonprofit corporation under State law. The Borrower, as Legacy Cares, Inc., received a determination letter dated November 15, 2019, from the Internal Revenue Service as to its status as exempt from federal income tax under Section 501(c)(3) of the Code. The Borrower has no members. The Borrower is governed by a board of directors, which consists of the following three directors: Douglas Moss, Daniel O'Brien and Lawrence White.

Legacy Sports

Legacy Sports USA, LLC, an Arizona limited liability company ("**Legacy Sports**"), was organized on December 26, 2017, and will serve as the manager of the Series 2020 Project, providing the overall management, supervision, direction, and operation in accordance with the terms of the Qualified Management Agreement entered into between Legacy Sports and the Borrower, as described herein under "CONSTRUCTION AND OPERATION OF THE SERIES 2020 PROJECT – Operation of the Series 2020 Project." See "APPENDIX F—FORM OF QUALIFIED MANAGEMENT AGREEMENT." Legacy Sports is managed by its members, Randy J. Miller, J. Michael Baggett and Matt Waltz.

Security for the Bonds

General. The Series 2020 Bonds and any Additional Bonds that may be issued under the Indenture are payable solely from the Trust Estate (as defined herein). The "**Trust Estate**" consists of (i) the rights, title and interests of the Issuer under the Loan Agreement, except the Issuer's Unassigned Rights; (ii) the rights, title and interests of the Issuer in the Facilities, subject to Permitted Encumbrances, except the Issuer's Unassigned Rights; (iii) the Revenues and all rights, title and interests of the Issuer in the Pledged Revenues, subject to Permitted Encumbrances, except the Issuer's Unassigned Rights; (iv) the rights, title and interests of the Issuer and the Borrower under the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing (Series 2020) dated as of August 1, 2020 (the "**Leasehold Deed of Trust**"), between the Borrower, as trustor, and the Trustee, as beneficiary, subject to Permitted Encumbrances, and the Promissory Notes; (v) all Funds created in the Indenture, including funds under the Deposit Account Control Agreement dated as of August 1, 2020 (the "**Deposit Account Control Agreement**"), among UMB Bank, N.A., as secured party, Legacy Sports and Wells Fargo

Bank, N.A., as Legacy Sports' bank, with respect to Legacy Sports' existing operating account (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for (i) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding under the Indenture, (ii) all trust accounts containing all insurance and condemnation proceeds, and (iii) all Revenues payable to the Trustee for the payment of fees and expenses of the Issuer pursuant to the Loan Agreement and the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and (f) any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee, which by the Indenture is authorized to receive any and all such property at any and all times and to hold and apply the same, subject to the terms of the Indenture.

Security Documents. Payments of the principal of, and interest on, the Series 2020 Bonds and any Additional Bonds that may be issued also are secured by the rights and interests pledged to the Trustee under the following documents: Leasehold Deed of Trust, the Collateral Assignment of Contracts, Permits, Licenses and Plans (the "Project Document Collateral Assignment") to be entered into by and between the Borrower and the Trustee, a form of which is attached hereto as APPENDIX Q, and the Deposit Account Control Agreement.

Risks of Investing in Bonds

Investment in the Series 2020 Bonds involves significant risk. See "RISK FACTORS" below for a discussion of certain factors that should be considered in evaluating an investment in the Series 2020 Bonds.

No Rating

The Series 2020 Bonds are not rated by any rating agency.

Summary

This Limited Offering Memorandum speaks only as of its date, and the information contained herein is subject to change without notice. This "INTRODUCTORY STATEMENT" is only a brief description, and a full review should be made of this entire Limited Offering Memorandum (including the cover page, introductory pages and appendices), as well as the documents summarized or described herein and attached hereto. The summaries and references to all documents and other instruments referred to in this Limited Offering Memorandum do not purport to be complete and are subject to and qualified in their entirety by reference to the full text of each such document or instrument, copies of which, if not attached as APPENDICES to this Limited Offering Memorandum, are available at the offices of the Trustee at 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016 or upon request from B.C. Ziegler and Company, as the Underwriter, One North Wacker Drive, Suite 2000, Chicago, Illinois 60606.

THE ISSUER

General

The Issuer is an Arizona nonprofit corporation designated as a political subdivision of the State incorporated with the approval of the AFA, pursuant to the provisions of the Constitution and laws of the State, including the Act. The Issuer is governed by a Board of Directors, presently consisting of five members, who are appointed by the Governor of the State to concurrently serve as directors of the AFA, an authority established in the Governor's Office of Economic Opportunity pursuant to Title 41, Chapter 53, Article 2, Arizona Revised Statutes, as amended.

Pursuant to the Act, the Issuer is empowered to issue its bonds to provide funds for financing or refinancing the costs of the acquisition, construction, improvement, equipping or operating of a "project," as defined in the Act, including facilities such as the Series 2020 Project to be financed with proceeds of the Series 2020 Bonds.

The Issuer has assets and may attain additional assets in the future. However, such assets are not pledged to secure payment of the Series 2020 Bonds, and the Issuer has no obligation or expectation of making such assets subject to the lien of the Indenture. The Issuer has no taxing power and has committed no source of funds for payment of the Series 2020 Bonds other than the Trust Estate established under the Indenture. The Issuer does not have the power to pledge its general credit or to pledge the general credit or taxing power of the State or of any political subdivision thereof, including but not limited to, the AFA. All payments made pursuant to the Loan Agreement will be made directly from the Borrower to the Trustee for disbursement to the Registered Owners.

The Issuer does not and will not in the future monitor the financial condition of the Borrower or Legacy Sports, or the use or operation of the Series 2020 Project, or otherwise monitor payment of the Series 2020 Bonds or compliance with the documents relating thereto. The responsibility for the use and operation of the Series 2020 Project will rest entirely with the Borrower and not with the Issuer. The Issuer will rely entirely upon the Trustee, the Borrower and Legacy Sports, as applicable, to carry out their respective responsibilities under the Loan Agreement, the Indenture, the Qualified Management Agreement (as defined herein), the Pre-Opening Agreement (as defined herein), the Post-Opening Operating Agreement (as defined herein) and the Tax Regulatory Agreement of Issuer dated August 20, 2020 (the "**Tax Regulatory Agreement**"), confirmed and delivered by the Borrower, with respect to the Series 2020 Project to be financed with proceeds of the Series 2020 Bonds.

The Issuer has determined that financial or operating data concerning the Issuer is not material to any decision to purchase, hold or sell the Series 2020 Bonds, and the Issuer will not provide any such information.

None of the Issuer, its Board of Directors, its employees, its advisors, its contractors, its consultants or its agents has furnished, reviewed, investigated or verified the information contained in this Limited Offering Memorandum other than the information contained under this heading and the heading entitled "LITIGATION – The Issuer." The Issuer has not, and will not, undertake any responsibilities to provide continuing disclosure with respect to the Series 2020 Bonds or the

security therefor, and the Issuer will have no liability to holders of the Series 2020 Bonds with respect to any such disclosure.

No Recourse to the Issuer

PAYMENT OF THE PRINCIPAL OF THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER AND WILL BE PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

THE BORROWER AND LEGACY SPORTS

The Borrower

The Borrower is an Arizona nonprofit corporation and 501(c)(3) organization that on January 14, 2020, was converted from Legacy Cares, LLC, an Arizona limited liability company organized on June 28, 2018, to a nonprofit corporation. The Borrower has no members. The Borrower is governed by a board of directors, which consists of the following three directors: Douglas Moss, Daniel O'Brien and Lawrence White. Douglas Moss is the President and Executive Director of the Borrower.

The Borrower was incorporated under the Arizona Nonprofit Corporation Act, and is organized and operated for charitable scientific, literary and educational purposes permitted within the scope of Section 501(c)(3) of the Code.

As set forth in the Borrower's Bylaws, the Borrower is a family sports and entertainment organization dedicated to creating life changing opportunities for all individuals. The Borrower's goals and objectives are inspired from the philosophy of leaving a lasting "Legacy" for the youth of today who will become the future leaders and valued members of society, their families and for future generations. The Borrower's philosophy is to provide athletes and non-athletes alike of all ages, economic backgrounds and levels of athletic proficiency, the opportunity to participate in sports while fostering the enjoyment and camaraderie of teamwork and perseverance, key components in athletic competition and lifetime success.

The Borrower's mission is to provide families a safe, friendly, high-quality environment in which to experience different sporting, artistic, educational, and entertainment amenities. The Borrower will serve the community by providing opportunities to explore, learn and develop new and existing skills and to extract untapped abilities, while promoting health, fitness, and a wellness lifestyle.

The current members of the Board of Directors of the Borrower and the offices, if any, they hold with the Borrower are as described in APPENDIX A—Certain Information Regarding the Borrower.

Legacy Sports

Legacy Sports was organized pursuant to the provisions of the Arizona Limited Liability Company Act, on December 26, 2017, is located at 19550 North Grayhawk Drive, Unit 1078, Scottsdale, Arizona 85255, and will serve as the manager of the Series 2020 Project, providing the overall management, supervision, direction, and operation in accordance with the terms of the Qualified Management Agreement entered into between Legacy Sports and the Borrower, as described herein under "CONSTRUCTION AND OPERATION OF THE SERIES 2020 PROJECT - Operation of the Series 2020 Project." See "APPENDIX F—FORM OF QUALIFIED MANAGEMENT AGREEMENT."

Since the date of its organization, Legacy Sports has been involved with the planning and development of the Series 2020 Project. In accordance with the provisions of its Amended Operating Agreement ("**Operating Agreement**"), management of the business and affairs of Legacy Sports is vested in its members. The members of Legacy Sports are Randy J. Miller, J. Michael Baggett, and Matthew Waltz. Each member has the number of votes equal to his percentage of ownership interest in Legacy Sports.

The Operating Agreement provides for the appointment of officers. The members appointed Chad Miller as President of Legacy Sports. Mr. Miller controls the day-to-day operation and business decisions of Legacy Sports with the approval of the members.

The Operating Agreement provides that management decisions related to the operations of Legacy Sports require a majority vote of the members. However, certain actions require a vote of one hundred percent (100%) of the members such as the following: (i) merger or consolidation of Legacy Sports; (ii) acquisition or sale of any interest in real property; (iii) creation of indebtedness for borrowed money, whether secured or not; and (iv) obligating Legacy Sports or any member as a surety, guarantor or accommodation party.

The Operating Agreement also provides that the addition of new members requires one hundred percent (100%) approval of the existing members and outlines the procedure for admitting new members. In the event that unanimity is required for corporate actions and there is disagreement among members, the Operating Agreement provides for methods to break the deadlock and for arbitration, if ultimately necessary.

Additionally, the Operating Agreement provides for indemnification from debts, obligations, and liability for those members and officers acting on behalf of Legacy Sports. The Operating Agreement grants Legacy Sports authority to purchase insurance for the benefit of members and officers providing coverage for liability regarding acts and omissions occurring in the scope of their duties as representatives of Legacy Sports.

The Operating Agreement provides that Legacy Sports shall be terminated upon the written decision of all members to dissolve, the entry of a judicial dissolution or a sale of substantially all of its assets and receipt of full compensation.

While Legacy Sports has been in existence for less than three (3) years, Legacy Sports has assembled an executive and management team, to develop the Series 2020 Project in the Phoenix, Arizona area. Legacy Sports' executive management team has experience in the sports industry, and includes former coaches, professional athletes, and individuals who have served as executives with Walt Disney World Resort's ESPN Wide World of Sports Complex. The following paragraphs describe the experience of the executive management team.

Randy J. Miller, Chairman and Founder: As the Chairman and Founder of Legacy Sports, Mr. R.J. Miller initiated the development of the Legacy Sports Park. He utilized his knowledge of individual and team athletics in the strategic planning and conceptual modeling of the business, facility design, and operations and management structure of the Legacy Sports Park.

Mr. R.J. Miller played professional baseball with numerous minor league baseball organizations for several years. In addition, he has participated in and managed several Open/Major Division World Softball Tournaments, and has been active in the management of various Softball Leagues, Youth Basketball, Pop Warner Football, Little League and Babe Ruth baseball leagues throughout the Metro-Phoenix area. His experience in sports facility management derived from his business associations with Big League Dreams in California, Arizona, Nevada and Texas; Legends Sports Complex in The Woodlands, Texas; Salvation Army South Mountain Kroc Center in Phoenix, Arizona; Twin Creeks Sports Complex in Sunnyvale, California; Victory Lane Sports Park in Glendale, Arizona; and The Sports Facilities Advisors in Clearwater, Florida.

Chad Miller, Chief Executive Officer: Mr. Miller has experience in team sports, from collegiate to professional, and direct experience with large team sport organizations. He attended and played baseball at the University of Nevada Las Vegas, then played professional baseball for several different professional organizations, including the Anaheim Angels. Mr. Miller is also a Fiesta Bowl Committee Member in the Phoenix valley. As a member of this organization, he is an active participant in the organization's responsibility to host and coordinate two college football bowl games every year: The Play Station Fiesta Bowl and The Cheez-It Bowl (formerly the Insight Bowl). Mr. Miller also served as the Director of Business Development and Client Relations for Business & Decision, an international consulting and systems integration company headquartered in Paris, France. During his time at Business & Decision, he was responsible for the management of international brands such as Louis Vuitton, Tiffany & Co., Tag Heuer, and Sephora, while also spearheading the firm's advancement into the sports and entertainment industry, by forging partnerships with organization such as Nike, USA Track and Field, the Arizona Diamondbacks, Phoenix Suns, Arizona Coyotes, Indianapolis Motor Speedway, Major League Baseball, and the National Collegiate Athletic Association.

Jeff de Laveaga, Chief Operating Officer: Mr. de Laveaga is responsible for the day-to-day leadership and general management of the company. He is a leader in youth sports throughout Arizona, creating Arizona's largest youth basketball organizations, Arizona Gym Rats and Arizona Magic Pump-N-Run. Prior to joining Legacy Sports, Mr. de Laveaga served as a Director of Sport for Victorium, a multi-sport facility in North Scottsdale.

Matt Bjorklund, Chief Sports Officer: Mr. Bjorklund is responsible for the basketball program operations, oversight of the indoor and outdoor sporting events, and oversight of the day-to-day pro shop management and production facility for soft goods. Mr. Bjorklund has over 20-years of experience in youth and collegiate level sports, and was one of the original founders and owners of Breakdown Sports USA, which has grown into a multi-million-dollar media outlet covering Minnesota statewide high school athletics. Mr. Bjorklund was formerly the Director of Operations and Recruiting for PowerHouse Hoops in Arizona, where he worked hand-in-hand on a national level with Nike Grassroots and Under Armour. PowerHouse Hoops has grown into one of the premiere club basketball programs in the Nation with over 50 teams spread across five states and two countries.

Rich McGuinness, Executive Director of Sports: Mr. McGuinness is responsible for the football program, and development and oversight of national sporting events that are hosted, owned, and operated by Legacy Sports Park. He has over 20 years of experience creating and executing national and global events in football, basketball, baseball, and softball with emphasis on youth and collegiate sports programs. His career in sports management and operations includes creating sporting events, such as the U.S. Army All-American Bowl, a national all-star football event created in 2000, which featured among the top 80 high school football athletes; the National Youth Football Championship, a national event that featured hundreds of top teams competing for a world championship in regional play and on a national stage; and the Women's Basketball Hall of Fame Championship, a national championship played in multiple regions throughout the United States for girls' club basketball teams from fourth grade through eighth grade with a championship event finale. Mr. McGuinness was formerly the Managing Partner of the Pro Football Hall of Fame Academy in Canton, Ohio.

Andrew Bayless, Director of Bar & Restaurants: Mr. Bayless has a background of Corporate, Franchise, and Independent Restaurant experience, and has served in several restaurant operational roles including General Manager and Franchisee. These roles included participation in the California Pizza Kitchen (CPK) for 14 years where he served as General Manager and Senior Opening General Manager. During his time with CPK, Mr. Bayless opened 15 new stores, hiring, training, and developing restaurant management teams. Mr. Bayless also served as Operations Partner for Buffalo Wild Wings in the Phoenix franchise group for seven years, operating five Phoenix Valley locations. Additionally, Mr. Bayless is the Arizona Market Franchisee for the sports bar and restaurant chain Twin Peaks, where he oversees business operations.

Troy Dunniway, Director of eSports: Mr. Dunniway is a creative director, game designer, producer, technologist and manager with over 28 years of experience in gaming, movies, entertainment and technology. He has managed, or been a partner in, several game development companies in the United States, Canada, China, Brazil and India. Mr. Dunniway is a pioneer in Transmedia Storytelling and Alternate Reality Gaming. Dunniway served as the lead designer / developer of the popular Microsoft gaming console X-BOX, and over 120 high profile games on mobile, PC, console and hardware platform. He served as the lead designer / developer of the popular Microsoft gaming console X-BOX, and over 120 high profile games on mobile, PC, console and hardware platform. Mr. Dunniway has been, and continues to be a keynote speaker at Game Development Conferences and Universities around the world.

John Bisignano, Executive Consultant: Mr. Bisignano has over 35 years in the sports industry, with experience in operations management of large sports organizations, including the Central Florida Sports Commission, The Walt Disney World Resort, and the Walt Disney World Resort – Disney Sports Attraction. As the former President and Chief Executive Officer of the Central Florida Sports Commission, he was responsible for enhancing national and international sports tourism and generating economic impact through world class sporting events. Mr. Bisignano’s career included thirty-two years with The Walt Disney World Resort, spanning a wide variety range of venues and experiences ranging from hospitality to event operations and new business development. As the Manager of Business Development for The Walt Disney World Resort – Disney Sports Attractions, he established new market segments and relationships for sports business, expanding ESPN Wide World of Sports event base.

Michael Millay, Executive Consultant: Mr. Millay had experience as the 20-year Director of Sports Development of ESPN Wide World of Sports and Director of Sports Events at Walt Disney World Resort in Orlando, Florida to the Legacy Sports Park. His career in sports management has included management consulting and planning focusing on sports related services to governmental agencies, not-for-profit agencies, and youth sports businesses. Mr. Millay’s primary focus has been on sports development, sports tourism, strategic planning, event properties, and faculty programming and operations.

See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BORROWER.”

THE SERIES 2020 PROJECT

Overview

The Borrower will build, own and operate the Series 2020 Project, known as Legacy Sports Park. Legacy Sports Park will be a multi-sports park facility and family entertainment complex that will be located on a 320-acre site, at the intersection of State Route 24 and Ellsworth Road, in Mesa, Arizona.

The outdoor facilities of Legacy Sports Park will include the following: (i) a multi-field soccer complex consisting of twenty-two (22) soccer fields, with an additional twenty-four (24) to forty-six (46) fields for large tournament capacity, one (1) soccer stadium-type expanded field with an approximately 10,000 person seating capacity, one (1) auxiliary turf field with an approximately 5,000 person seating capacity, and one (1) additional soccer field designated as a soccer-based performance training center; (ii) ten (10) softball/youth baseball fields including an expanded stadium field; (iii) thirteen (13) sand volleyball/sand soccer courts with a stadium court; (iv) a pickleball complex consisting of forty (40) pickleball courts, one (1) of which will be a stadium court. Also included will be an obstacle course racing compound with zip lines, a twelve (12) - lane batting cage training center, an outdoor amphitheater with an approximately 1,000 person seating capacity, an eSports videogaming/competition center, and space allocated for an optional track & field center.

The indoor facilities of the Series 2020 Project will include the following:

(i) **Legacy Center** main building, housing a restaurant/bar and grill, food court, retail shops, amusement arcade center, TV / Radio production, and support facilities, including safety, security, operations management, and the business administrative center for the sports park, all within an approximate 630,000 square foot building;

(ii) **Legacy Health, Wellness & Fitness Center**, which will provide athletic training through individualized and team programs with a focus on increasing the athletic abilities of individuals of all ages by defining their strengths and weaknesses and then developing specific performance solutions. Health, wellness, nutrition, anti-aging, cross training/aerobics, physical therapy and general fitness facilities will also be available for those with specialized training and improvement needs. The 20,000-square foot center is located within the main Legacy Center building complex;

(iii) **Legacy Performance Training Center**, which will provide a performance and strengthening center for the more advanced athlete. The 10,000-square foot center, located in the main Legacy Center building, shall be constructed with an indoor/outdoor component that will include a separate turf field for training. As an annex to the Health, Wellness and Fitness center, the participants will have access to all personal training, strengthening and rehabilitation facilities offered at the sports park;

(iv) **Legacy Indoor Multi-Sports Center**, which will provide an 80,000-square foot large climate controlled indoor turf or sport flooring facility supporting six (6) professional FUTSAL courts or twenty-eight (28) additional volleyball courts, plus a 50,000-square foot gymnastics, cheer, and dance center; and

(v) **Legacy Indoor Team Sports Center**, which will provide a 170,000-square foot indoor gymnasium that will include eight (8) full-size NCAA basketball courts and eight (8) high school size basketball courts, all capable of dual use to support sixteen (16) volleyball courts.

The market demand for facilities in the Phoenix Metropolitan area is evidenced by the existing number of playing fields that are available to the player population in the area. The table below identifies the market supply based on an inventory of existing facilities (fields, courts, and Esports stations) and the facilities intended to be provided by Legacy Sports Park.

MARKET SUPPLY (LEGACY SPORTS PARK AND EXISTING MARKET)					
SPORT	LEGACY SPORTS PARK		EXISTING MARKET		SUPPLY
	No. of Participants Per Event (or Weekly)	No. of Facilities Available	No. of Participants in the Existing Market	No. of Facilities Available in the Existing Market	No. of Facilities Available in the Market (Legacy Sports Park & Existing Market)
Baseball (Adult/ Youth)	1,176	10	42,443	30	40
Softball	2,475	10	28,938	28	38
Basketball	10,720	17	81,027	23	40
Soccer	26,350	49	43,407	58	107
Volleyball (Indoor)	30,575	60	36,655	34	94
Volleyball (Sand)	438	13	10,542	32	45
Pickleball	1,460	41	14,586	44	85
Futsal	4,700	6	23,117	12	18
Esports	450	450	150,280	1,080	1,530
Gym., Cheer, & Dance	8,300	1	21,260	10	11
Sources: Legacy Sports Park Peer Review and Impact Analysis – Johnson Consulting; Local Sports Community Organizations; and Legacy Sports Management.					

The table below identifies the market demand and the fulfillment of that demand by the supply of facilities (Legacy Sports Park and Existing Market). **Note that there is a deficit in the availability of facilities in comparison to the market demand.**

MARKET DEMAND AND FULFILLMENT OF MARKET DEMAND				
SPORT	MARKET DEMAND	FULFILLMENT OF MARKET DEMAND		
	No. of Facilities Needed to Meet the Estimated Market Demand	% of Market Facilities Fulfilled by Legacy Park	% of Market Facilities Fulfilled by the Supply (Legacy Sports Park and Existing Market)	% of Unfulfilled Market Demand (Deficit)
Baseball (Adult/Youth)	213	5%	19%	(81%)
Softball	145	7%	26%	(74%)
Basketball	345	5%	12%	(88%)
Soccer	203	24%	53%	(47%)
Volleyball (Indoor)	143	42%	66%	(34%)
Volleyball (Sand)	247	5%	18%	(82%)
Pickleball	342	12%	25%	(75%)
Futsal	203	3%	9%	(91%)
Esports	4,227	11%	36%	(64%)
Gym., Cheer, & Dance	31	3%	35%	(65%)
Sources: Legacy Sports Park Peer Review and Impact Analysis – Johnson Consulting; Local Sports Community Organizations; and Legacy Sports Management.				

As indicated in the table above, the demand for facilities exceeds the supply of facilities in the Phoenix Metropolitan area, particularly with tournament programming. Most sporting events included in the Legacy Sports Park business model require large facilities with multiple outdoor fields or indoor courts to accommodate concurrent gameplay throughout each day of a tournament to ensure all teams are afforded the opportunity to participate and advance towards championship status. Currently, each tournament organization is required to scatter its tournament play over many individual facility locations with a limited number of fields available to accommodate the large number of teams involved in a tournament.

Special events, camps, clinics, practices, and non-team-related sporting events such as running events, individual betterment through physical development such as personal training and performance improvement, and non-athletic events including festivals, performing arts and other community-oriented events, require large open indoor or outdoor facilities with amenities, which the Legacy Sports Park intends to provide.

Although the Legacy Sports Park does not fulfill the total market demand, it assists in solving tournament scheduling through making available fields or courts to accommodate large tournament facilities together with amenities.

See “APPENDIX A—CERTAIN INFORMATION REGARDING THE BORROWER.”

Feasibility Study Conclusions

Legacy Sports retained The Sports Facilities Advisory, LLC (“SFA”) to evaluate the feasibility of the Series 2020 Project. SFA specializes in the planning, funding, and management of sports and recreation facilities, with a project portfolio totaling more than \$8 billion in planned and operational facilities. SFA assists sports tourism destinations, private developers, parks and recreation departments, national, state and local government entities, and universities and educational institutions.

SFA conducted a market analysis, programming analysis, and financial analysis, and developed the Five-Year Operating Pro Forma (the “**Feasibility Study**”), a copy of which is attached hereto as APPENDIX L. The Feasibility Study is based on industry trends and provides a detailed review of programs, products, services, registration, volume, pricing, revenue generation, organizational structure, developmental, contractual and financial aspects of the Series 2020 Project. See “INDEPENDENT FEASIBILITY CONSULTANT; INDEPENDENT ECONOMIC IMPACT CONSULTANT.”

SFA provided the following services in connection with the Feasibility Study:

- Conducted market research encompassing:
 - Demographics and socioeconomics;
 - Local, regional, and national sports participation rates; and
 - Existing competition and known future developments.
- Researched existing local and regional sports and recreation facilities, including:
 - Facility amenities.
 - Facility quality;
 - Program seasonality; and
 - Program pricing.
- Conducted an in-depth planning and strategy session with the Legacy Sports Park project team.
- Reviewed existing data provided by the Legacy Sports Park project team, including Pre-Contracts and Letters of Intent provided by existing service providers and event operators.
- Created a program plan and provided opinions on the layout and sizing of the facilities based on demand projections, utilization schedules, and price point estimates provided by existing service providers and event operators.
- Developed detailed, five-year pro forma and financial projections for facility operations.

On the basis of SFA’s analysis of the Series 2020 Project, SFA reached the following conclusions in the Feasibility Study:

- More than 40 different venues are represented in the revenue forecast, with more event possibilities to be determined during further business planning;
- The revenue growth rate is expected to range from 8.6% at the end of Year 1 to 5.3% in Year 5, averaging 6.3% over a five-year period;

- The Legacy Sports Park facility is expected to generate positive earnings before interest, taxes, depreciation and amortization (EBITDA) beginning in Year 1 of operations and continuing to be positive in Year 5, and beyond; and
- The facility covers its debt service and has a positive net operating income in Year 1.

The Legacy Sports business model used a 2.2% annual revenue growth rate for the first five years of operations. Subsequent to SFA developing the Feasibility Study, the Legacy Sports business model was expanded to include additional revenue-generating venues and other business opportunities, including without limitation, the relocation to the Series 2020 Project of the respective athletic programs of each of the Arizona Interscholastic Association and the Canyon Athletic Association, and the engagement of Gemini Sports Group, a national sports marketing firm, to serve Legacy Sports and the Series 2020 Project as marketing manager for branding, sponsorships and other marketing functions. SFA reviewed and analyzed the revised business model, utilizing its proprietary data base, and affirmed its prior findings regarding feasibility and the increased revenue to be generated as a result of the additions.

See “APPENDIX L—FEASIBILITY STUDY.”

Conclusions of Peer Review & Impact Analysis

Legacy Sports has retained C. H. Johnson Consulting, Inc. (“**Johnson Consulting**”), an Illinois corporation, to prepare a Peer Review & Impact Analysis (the “**Peer Review**”), a copy of which is attached as APPENDIX M hereto.

Johnson Consulting, founded in 1996 in Chicago, Illinois, has conducted engagements in the U.S., Central and South America, Asia, Africa and Europe, with a focus on economic, market, and financial analysis for a variety of land uses, including sports venues, convention centers, hotels, retail, housing, and specialized development throughout predevelopment and through continuing operation.

Johnson Consulting staff has served in the sports and real estate planning and consulting fields for several decades. Johnson Consulting provides market research, deal structuring, and consulting expertise for sports facilities and associated real estate districts. Johnson Consulting’s services include market and case study analysis, economic and fiscal impact projections, operational audits and strategic planning for municipalities, authorities, universities, and economic development agencies. Johnson Consulting works on complex sports facility projects, including multi-use complexes, stadiums, arenas, recreation centers, and indoor practice facilities. Johnson Consulting also specializes in public-private partnerships and the utilization of alternative funding strategies to execute development projects.

Johnson Consulting has provided analysis, insight, and recommendations for various youth sports complexes, stadiums, and arenas across the U.S. Additionally, Johnson Consulting has provided services to many types of professional sports, including NFL, NHL, NBA, and MLS. Johnson Consulting’s knowledge of sports, tourism, hotels, retail, residential and general real estate helps it devise real estate strategies around projects.

The key objectives of the Peer Review are as follows:

- A profile of key market characteristics as they relate to the potential to support the Series 2020 Project.
- A set of comparative case studies of other regional and national sports complexes that are similar in size, program and development cost.
- An independent review of the program and concepts proposed by Legacy Sports, including opining on the viability of the Series 2020 Project from a peer review of the Feasibility Study, as well as the current status of the development and market.
- A comprehensive economic impact analysis of the Series 2020 Project that employs evidence-based assumptions in line with industry standards to ensure the most accurate projections possible.

Johnson Consulting performed the following tasks in connection with the Peer Review:

- Analyzed local market characteristics, based upon published sources of data and information.
- Reviewed, analyzed and assessed the Feasibility Study and the proposed business plan in connection therewith.
- Analyzed and revised the market performance of the Series 2020 Project over a ten-year period, in terms of demand and utilization.
- Estimated the economic and fiscal impact of the Series 2020 Project.

On the basis of Johnson Consulting's experience and its analysis of the Feasibility Study and the Pre-Contracts and Letters of Intent, Johnson Consulting reached the following conclusions in the Peer Review:

- The following factors are indicative of a market that is well-situated to support a multi-sports park facility and family entertainment complex, like the Series 2020 Project, through local demand and the ability to create a robust regional, national and international draw:
 - The Phoenix Metropolitan area and the State overall are growing at a rapid pace, and there is a large existing population base within the immediate region surrounding the Series 2020 Project, as well as within the broader region which the Series 2020 Project will draw from; and
 - The community has appropriate education and income levels and participates in sports and physical activities at above-average rates; and
 - The local economy is stable, unemployment is low, and the area has a strong corporate presence.
- Based on certain assumed participation rates, Johnson Consulting's market penetration analysis identified a total of 315,322 total participants, being the people that can potentially participate in soccer, basketball, volleyball, baseball, softball, sand volleyball and lacrosse. While these participants account for one visit each,

as with complexes comparable to the Series 2020 Project, many participants will travel to the Series 2020 Project more than once per year.

- There is significant demand for a project like the Series 2020 Project.
- The concept of the Series 2020 Project is reasonable and market supportable.
- The Series 2020 Project, as proposed, will serve both local parks and recreational usage and as a sports tourism complex that is among the top sports tourism destinations in the United States.
- The Mesa and greater Phoenix market is in need of additional facilities for all sports on a local, regional and national level.
- A facility that can supply the entire market is ideal and has the potential to transform not just the local Mesa market, but the entire Phoenix area and west coast as a whole as it relates to travel sports.
- The overwhelming demand in the Mesa and greater marketplace is evidenced by the Pre-Contracts and Letters of Intent.
- The Series 2020 Project has the potential to serve an untapped market as the complex is a destination in itself, and there are no real comparable complexes anywhere in the region.

See “APPENDIX M—PEER REVIEW & IMPACT ANALYSIS.”

CONSTRUCTION AND OPERATION OF THE SERIES 2020 PROJECT

Construction of the Series 2020 Project

The Series 2020 Project will be constructed by JS Waltz Construction LLC, an Arizona limited liability company (“**JS Waltz**”), pursuant to the three (3) separate Consensus Docs 415 Standard Design-Build Agreements and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), each dated August 14, 2020 (collectively, the “**Construction Contract**”), each between the Borrower and JS Waltz, under which JS Waltz has agreed to build the entire Series 2020 Project. The Construction Contract provides for a guaranteed maximum contract price of \$168,000,000 (rounded) (the “**Contract Price**”) for the construction and installation of the Series 2020 Project and for engineering services. The Construction Contract and Contract Price consist of the following three (3) scopes of work:

- Sitework, Utilities, and Fields: \$51,316,502;
- Buildings A and B (Practice Buildings): \$55,927,664; and
- Buildings C and D (Arenas): \$60,755,835

The actual Contract Price will equal the cost of the work to be performed plus the design and engineering fees in the amount of \$12,000,000 and a general contractor fee in an amount equal to \$7,761,913. JS Waltz will provide both a Performance Bond and a Payment Bond, each in an amount equal to the Contract Price. JS Waltz has provided an eighteen-month construction schedule indicating the Series 2020 Project will be open to the general public in January 2022.

Pursuant to that certain Consent and Agreement (Construction Contract) to be entered into by and between JS Waltz and the Borrower, a form of which is attached hereto as APPENDIX R, JS Waltz will consent to collateral assignment by the Borrower in favor of the Trustee and will be collaterally assigned by the Borrower to the Trustee by a collateral assignment in a form substantially similar to the Project Document Collateral Assignment.

In addition to fees paid pursuant to the Construction Contract, JS Waltz is entitled to the payment of a development fee in an amount equal to one percent (1%) of the total capital expenditures on the Series 2020 Project (the “**JS Waltz Development Fee**”).

JS Waltz has entered into a Deferral Fee Agreement with the Borrower pursuant to which the JS Waltz Development Fee shall be paid in increments as follows:

- (i) Fifty percent (50%) shall be paid at the end of the first year in which the Series 2020 Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
- (ii) The remaining fifty percent (50%) shall be paid at the end of the second year in which the Series 2020 Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.

See “APPENDIX N—CONSTRUCTION CONTRACT.”

Operation of the Series 2020 Project

The Borrower will enter into a Qualified Management Agreement (the “**Qualified Management Agreement**”) with Legacy Sports, which provides that Legacy Sports shall manage the Series 2020 Project. In turn, Legacy Sports, will enter into a Pre-Opening Agreement (the “**Pre-Opening Agreement**”) with OVG Facilities, LLC, a Delaware limited liability company (“**OVG Facilities**”), a venue-management and event-programming company that operates and manages sports parks, arenas, theaters, convention centers, and amphitheaters throughout the United States. The Pre-Opening Agreement provides that OVG Facilities shall oversee the daily operations of the Series 2020 Project prior to the date on which the Series 2020 Project opens to the general public (the “**Opening Date**”). Legacy Sports and OVG Facilities are negotiating the terms of an Operating Agreement (the “**Post-Opening Operating Agreement**”) with OVG Facilities, which will provide that OVG Facilities shall oversee the daily operations of the Series 2020 Project following the Opening Date. The Series 2020 Project will be staffed with management and an operating crew necessary and appropriate for day-to-day operations. All of the Series 2020 Project operating costs are borne by the Borrower.

Under the Qualified Management Agreement, Legacy Sports shall provide the direction, operation, supervision, and management of the Series 2020 Project.

The Qualified Management Agreement provides that Legacy Sports is to receive (i) on a monthly basis, a Basic Fee equal to seven percent (7%) of Total Revenues for services rendered under the Qualified Management Agreement during the term of the Qualified Management Agreement, (ii) on a monthly basis, an Accounting Fee equal to Five Thousand Dollars (\$5,000) per month, or a pro-rata percentage for any partial month, during the Operating Term and for three (3) months after the termination of the Qualified Management Agreement for its accounting

services, plus any additional fee associated with Legacy Sports' payment of Owner Expenses (as defined therein) and (iii) an Incentive Fee for each Fiscal Year (or any partial Fiscal Year at the beginning or at the end of the term of the Qualified Management Agreement) equal to five percent (5%) of Gross Operating Profit earned in the applicable Fiscal Year during the term of the Qualified Management Agreement based upon performance in accordance with the Performance Quality Standard as set forth in the Qualified Management Agreement. While the Series 2020 Bonds are outstanding, the payment of the Basic Fee, the Accounting Fee and the Incentive Fee shall be subordinate and inferior to payment of the Borrower's debt service; provided, however, notwithstanding anything to the contrary contained in the Qualified Management Agreement, so long as the Series 2020 Bonds are outstanding, if funds are insufficient to pay the Incentive Fee of the Qualified Management Agreement, such amount shall accrue bearing interest at six percent (6%) and remain due and payable until sufficient cash flow is available for such payment, and the obligation to pay any such accrued amounts shall remain an obligation of the Borrower. While the Series 2020 Bonds are outstanding, the payment of the Incentive Fee shall be subject to payment of the Series 2020 Bonds as required under the Loan Agreement. After the Series 2020 Bonds are no longer outstanding, any Incentive Fee shall be paid in accordance with the Qualified Management Agreement. The Qualified Management Agreement provides for payment of additional fees and expenses.

Under the Qualified Management Agreement Legacy Sports is entitled to be paid an initial development fee in an amount equal to five percent (5%) of the total capital expenditures on the Series 2020 Project (the "**Legacy Sports Development Fee**"). The Legacy Sports Development Fee shall be paid from the Surplus Fund in increments as follows:

- (i) Fifty percent (50%) shall be paid at the end of the first year in which the Series 2020 Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
- (ii) The remaining fifty percent (50%) shall be paid at the end of the second year in which the Series 2020 Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.

The Qualified Management Agreement shall have a term of thirty (30) years, to commence on the date on which the Series 2020 Project opens for business to the general public, and expire on the thirtieth (30th) anniversary of the date on which the Series 2020 Project opens for business to the general public, unless sooner terminated in accordance with the provisions of the Qualified Management Agreement.

Under the Qualified Management Agreement, the Borrower's events of default include (i) the Borrower's failure to provide funding in accordance with the Qualified Management Agreement, and such default continuing for a period of five (5) Business Days after written notice from Legacy Sports; and (ii) if within thirty (30) days after receiving Legacy Sports' written request, the Borrower fails to approve any changes, repairs, alterations, improvements, renewals or replacements to the Series 2020 Project which Legacy Sports determines in its reasonable judgment are necessary to (a) protect the Series 2020 Project, the Borrower and/or Legacy Sports liability exposure, (b) ensure material compliance with any applicable code requirements pertaining to life safety systems requirements or (c) ensure material compliance with any applicable Employment Law, then, as Legacy Sports' sole remedy, Legacy Sports may

(x) terminate the Qualified Management Agreement upon thirty (30) days' written notice to the Borrower delivered at any time after the expiration of the Borrower's thirty (30) -day approval period and (y) require the Borrower to pay to Legacy Sports the Termination Fee (as defined therein), which Termination Fee shall be due and payable upon the effective date of the termination of the Qualified Management Agreement.

Other events of default under the Qualified Management Agreement include (i) if either party shall be in default in the payment of any amount required to be paid under the terms of the Qualified Management Agreement, and such default continues for a period of ten (10) days after written notice from the other party; (ii) if either party shall be in material default of its obligations under the Qualified Management Agreement that is likely to result in a threat to the health and safety of the Series 2020 Project's employees or guests, then the non-defaulting party may terminate the Qualified Management Agreement upon written notice if such default is not immediately cured; (iii) if either party shall be in material default in the performance of its other obligations under the Qualified Management Agreement, and such default continues for a period of thirty (30) days after written notice from the other party, provided that if such default cannot by its nature reasonably be cured within such thirty (30) day period, an event of default shall not occur if and so long as the defaulting party promptly commences and diligently pursues the curing of such default; (iv) if either party shall (a) make an assignment for the benefit of creditors, (b) institute any proceeding seeking relief under any federal or state bankruptcy or insolvency laws, (c) institute any proceeding seeking the appointment of a receiver, trustee, custodian or similar official for its business or assets or (d) consent to the institution against it of any Involuntary Proceeding (as defined therein); or (v) if an Involuntary Proceeding shall be commenced against either party and shall remain undismissed for a period of sixty (60) days.

The Qualified Management Agreement contains a consent to collateral assignment by Legacy Sports in favor of the Trustee and will be collaterally assigned by the Borrower to the Trustee by a collateral assignment in a form substantially similar to the Project Document Collateral Assignment.

See "APPENDIX F—FORM OF QUALIFIED MANAGEMENT AGREEMENT."

The Pre-Opening Agreement will expire on the Opening Date unless it is sooner terminated. If (i) by September 1, 2020, the Borrower does not secure financing for construction of the Series 2020 Project, or (ii) the Opening Date does not occur by July 1, 2022, OVG Facilities shall have the right to terminate the Pre-Opening Agreement upon ten (10) days' prior written notice to Legacy Sports.

The services that OVG Facilities will provide to Legacy Sports pursuant to the Pre-Opening Agreement include, but are not limited to, programming and procuring of FF&E, reviewing all operating plans, reviewing and advising regarding existing proformas, providing operating and expense projections, creating full-time and part-time staffing plans, developing booking and scheduling policies, targeting and soliciting special events, establishing a concert promoter incentive program, making recommendations regarding sponsorship and assisting with grand opening planning and execution.

The Pre-Opening Agreement provides that Legacy Sports shall pay to OVG Facilities fees in the amount of \$2,500.00 per month until the sooner of (i) six (6) months prior to the projected opening of the Series 2020 Project to the general public (as publicly announced or by notice from Legacy Sports to OVG Facilities) or (ii) July 31, 2021 (the “**Fee Shift Date**”), and \$7,500.00 per month commencing on the Fee Shift Date through the Opening Date.

See “APPENDIX G—FORM OF PRE-OPENING AGREEMENT.”

Under the terms of the current draft of the Post-Opening Operating Agreement, which OVG Facilities and Legacy Sports are negotiating, OVG Facilities shall manage and operate those aspects of the Series 2020 Project which do not involve the actual sporting events and athletic competition activities held both on indoor and outdoor courts and fields, the training facilities, and health and wellness programs. Under the terms of the current draft of the Post-Opening Operating Agreement, OVG Facilities’ responsibilities include but are not limited to managing guest services, event conversions, purchasing, payroll, fire prevention, security, crowd control, evacuation, emergency response plan, routine repairs, preventative maintenance, janitorial services, landscape and exterior maintenance, energy conservation, ticketing, box office, admission procedures, parking, food and beverage services with the exception of the on-site restaurant and bar and other general user services.

The current draft of the Post-Opening Operating Agreement provides that Legacy Sports shall provide OVG Facilities with the right and license to use the Series 2020 Project for the purposes of providing the agreed-upon services. OVG Facilities will be provided with sufficient office space within the Series 2020 Project and office equipment as is reasonably necessary to enable OVG Facilities to perform its obligations under the Post-Opening Operating Agreement.

The current draft of the Post-Opening Operating Agreement provides that OVG Facilities has committed to make an investment in the Series 2020 Project utilizing its own funds for the development of the Series 2020 Project (“**Capital Contribution**”), and that OVG Facilities and Legacy Sports shall engage in negotiations regarding the ultimate amount and timing of the Capital Contribution.

Pursuant to the terms of the current draft of the Post-Opening Operating Agreement, as soon as reasonably possible subsequent to the Effective Date (as defined in the Post-Opening Operating Agreement) of the Post-Opening Operating Agreement, Legacy Sports and OVG Facilities shall engage in efforts to establish an operating budget for the first year of operation of the Series 2020 Project. Each year thereafter, OVG Facilities shall submit an annual operating budget to Legacy Sports for approval. All revenue generated and received by OVG Facilities shall be deposited into a deposit account in the name of Legacy Sports which is subject to the terms of the Deposit Account Control Agreement. On the first day of each month during the term of the Post-Opening Operating Agreement, Legacy Sports shall cause to be deposited into the OVG Facilities operating account an amount in accordance with the operating budget. If OVG Facilities requires funds in excess of those budgeted amounts, it shall provide notice to Legacy Sports which in turn shall cause the requested amounts to be deposited into the operating account to satisfy those additional operating expenses.

The current draft of the Post-Opening Operating Agreement provides that OVG Facilities shall receive a fixed operations fee in a certain amount per month, which the parties are negotiating, for the first operating year. Beginning with the second operating year, the fixed operations fee shall be increased over the fixed operations fee from the previous operating year in accordance with the percentage increase in the CPI over the previous twelve (12) month period. The fixed operations fee shall be paid in advance on the first day of each month. OVG Facilities shall also be paid a food and beverage incentive fee equal to a certain percentage, which the parties are negotiating, of all gross food and beverage revenue. In addition, OVG Facilities shall be entitled to receive an incentive fee equal to a certain percentage, which the parties are negotiating, of event revenues from all nonsporting events. OVG Facilities shall be entitled to receive a certain percentage, which the parties are negotiating, commission on all sponsorships that it sells. The fixed operations fee, food and beverage incentive fee, incentive fee, and sponsorship commission shall all be paid by or on behalf of Legacy Sports from the deposit account.

The current draft of the Post-Opening Operating Agreement provides that its term shall commence on the Effective Date and expire on the tenth (10th) anniversary of the Opening Date (as defined in the Post-Opening Operating Agreement) unless earlier terminated in accordance with the term of the Post-Opening Operating Agreement.

The current draft of the Post-Opening Operating Agreement provides that it may be terminated (i) by Legacy Sports upon thirty (30) days' written notice to OVG Facilities in the event of a permanent closure of the Series 2020 Project, the fact of which is certified by Legacy Sports in writing to OVG Facilities; (ii) by either party upon thirty (30) days' written notice, if the other party fails to perform or comply with any of the material terms, covenants, agreements or conditions of the Post-Opening Operating Agreement, and such failure is not cured during such thirty (30) -day cure period; provided, however, if such failure cannot reasonably be cured within such thirty (30) -day period, then a longer period of time shall be afforded to cure such breach, up to a total of ninety (90) days, provided that the party in default is diligently seeking a cure and the non-defaulting party is not irreparably harmed by the extension of the cure period; (iii) by OVG Facilities if the operating budget is not approved or adjusted as may be necessary by Legacy Sports in a manner which in OVG Facilities' reasonable judgment could materially impede or impair the ability of OVG Facilities to manage, operate, or promote the Series 2020 Project, upon one hundred eighty (180) days' written notice to Legacy Sports; (iv) by OVG Facilities if Legacy Sports shall fail to make capital expenditures which materially interfere, impede or impair the ability of OVG Facilities to manage, operate, or promote the Series 2020 Project upon one hundred eighty (180) days' written notice to Legacy Sports; or (v) by either party immediately by written notice upon the other party being judged bankrupt or insolvent, or if any receiver or trustee of all or any part of the business property of the other party shall be appointed and shall not be discharged within one hundred twenty (120) days after appointment, or if either party shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition in bankruptcy or insolvency, or shall apply for bankruptcy under the bankruptcy or insolvency laws now in force or hereinafter enacted, Federal, State or otherwise, or if such petition shall be filed against either party and shall not be dismissed within one hundred twenty (120) days after such filing.

The current draft of the Post-Opening Operating Agreement provides that if the Post-Opening Operating Agreement is terminated for any reason prior to the end of its term, Legacy

Sports shall pay OVG Facilities any unpaid fees, earned prior and prorated to the date of termination, paid within thirty (30) days of the effective date of termination.

The current draft of the Post-Opening Operating Agreement provides that in the event the Post-Opening Operating Agreement is terminated by Legacy Sports because of permanent closure of the Series 2020 Project, in addition to the payment of the fees due, Legacy Sports shall reimburse OVG Facilities for any actual ordinary and necessary expenses, if any, incurred by OVG Facilities in withdrawing from the provision of services following such termination. Such ordinary and necessary expenses shall include any reasonable costs actually incurred by OVG Facilities.

The current draft of the Post-Opening Operating Agreement provides that upon termination or expiration of the Post-Opening Operating Agreement for any reason, (i) OVG Facilities shall promptly discontinue the performance of all Services and surrender and vacate the Series 2020 Project, (ii) OVG Facilities shall return to Legacy Sports all property, equipment and furnishings in good repair, normal wear and tear excepted, (iii) Legacy Sports shall promptly pay OVG Facilities all fees due OVG Facilities up to the date of termination or expiration, and (iv) OVG Facilities shall deliver or otherwise make available to the Legacy Sports all data, electronic files, documents (including, without limitation, contracts and forms), procedures, reports, estimates, summaries, intellectual property, and other such information and materials with respect to the Series 2020 Project as may have been accumulated by OVG Facilities in performing its obligations.

Each of the Pre-Opening Agreement and the Post-Opening Operating Agreement contains a consent to collateral assignment by Legacy Sports in favor of the Trustee and will be collaterally assigned by Legacy Sports to the Borrower, and from the Borrower to the Trustee, by a collateral assignment in a form substantially similar to the Project Document Collateral Assignment.

See “APPENDIX H—FORM OF POST-OPENING OPERATING AGREEMENT.”

STRUCTURE

Ground Lease

The Borrower entered into a Ground Lease dated May 20, 2020, as amended by Amendment No.1 to Ground Lease, dated July 27, 2020 (the “**Ground Lease**”), with Pacific Proving, LLC (“**Landlord**”) for the lease of 320 acres of vacant land located at the intersection of State Route 24 and Ellsworth Road, Mesa, Arizona (the “**Premises**”), on which the Series 2020 Project will be constructed.

Arturo Moreno and William Levine are the principals of the Landlord. Arturo Moreno is the owner of the Los Angeles Angels baseball team. Mr. Moreno and Mr. Levine initially partnered in a billboard advertising company, Outdoor Systems, which they sold to Infinity Broadcasting for \$8.7 billion in 1999. In addition to his ownership of the Los Angeles Angels, Mr. Moreno currently has stakes in other billboard advertising companies and different real estate holdings, including Angels Stadium of Anaheim.

Mr. Levine has a diverse real estate portfolio, owning developments across the United States and around the Phoenix, Arizona Metro Area, such as Desert Ridge Shopping Center, Uptown Plaza, Scottsdale Highland Plaza, and the former General Motors Proving Grounds.

The commencement date of the term of the Ground Lease is January 1, 2021, at which time the Borrower will become obligated to pay equal monthly installments of an annual rental payment of \$3,484,800, which amount will annually increase by 2% over the prior year. The term of the Ground Lease is forty (40) years with two (2) five (5) year options to extend the Ground Lease term at the Borrower's sole discretion upon notice to Landlord.

If by December 15, 2020, the Borrower does not obtain from the applicable governmental authorities all necessary and desirable approvals for the Initial Improvements (as defined in the Ground Lease), the Landlord shall have the right upon sixty (60) days' prior written notice to the Borrower to terminate the Ground Lease unless the Borrower obtains such approvals prior to the expiration of the sixty (60) day period.

If within one hundred twenty (120) days after the Borrower obtains from the applicable governmental authorities all necessary and desirable approvals for the Initial Improvements and all required permits and authorizations, the Borrower has not commenced construction of the Initial Improvements, the Landlord shall have the right upon ninety (90) days' prior written notice to the Borrower to terminate the Ground Lease unless the Borrower commences construction of the Initial Improvements prior to the expiration of such ninety (90) day period.

If the Borrower has not accomplished a milestone set forth in the Ground Lease by the applicable date set forth in the Ground Lease, the Landlord shall have, as its sole right and remedy for such failure, the right upon ninety (90) days' prior written notice to the Borrower given at any time after the missed milestone, but prior to substantial completion of such milestone, to draw upon the payment and performance bonds or letter of credit required under the Ground Lease upon written notice to the Borrower, unless the Borrower accomplishes such milestone prior to the expiration of such ninety (90) day period.

Pursuant to the terms of the Ground Lease, the Borrower will own all the Improvements constructed on the Premises during the term of the Ground Lease. The Borrower is required to pay real estate taxes and utilities, maintain insurance on the Premises and is responsible for maintenance. The Borrower is obligated to provide liability insurance as well as casualty insurance in an amount equal to replacement cost of the Improvements. In the event of damage or destruction of the Improvements, the Borrower is required to restore, replace or rebuild the Improvements to such standards and conditions existing prior to any such destruction or damages.

The Borrower is also required to provide a rental replacement bond covering a period of not less than thirty-six (36) months or a reserve fund equal to but not less than thirty-six (36) months of rent.

Under the Ground Lease, the Borrower commits an event of default if it fails to timely pay monthly rent and such default continues for a period of five (5) days after receipt of written notice from Landlord. The Ground Lease provides for events of default for non-monetary related events which in certain instances are subject to cure periods of up to one hundred eighty (180) days.

The Ground Lease provides that it may be subject and subordinate to an encumbrance on the Premises, and that in the event it is, the Landlord must provide the Borrower with a non-disturbance agreement from the Landlord's lender.

The Ground Lease provides for the Landlord's consent to the imposition of a leasehold mortgage and the Leasehold Deed of Trust (collectively, the "**Borrower's Leasehold Mortgage**") on the Borrower's leasehold interest in the Premises.

The Ground Lease provides that following the declaration of an Event of Default under the financing documents that govern the Borrower's financing with its lender, the Landlord shall have a first right of purchase to acquire all, but not less than all, of the outstanding Series 2020 Bonds.

The purchase price of the Series 2020 Bonds shall be a price as established by holders of no less than 65% of the outstanding principal amount of the Series 2020 Bonds (the "**Bond Call Price**"). The Bond Call Price shall be presented to the Landlord by no later than ten (10) business days following the declaration of an Event of Default. Landlord must respond to the Borrower's lender with either acceptance or the rejection of the Bond Call Price within ten (10) business days after its receipt of the subject price. If the Bond Call Price is accepted, the Series 2020 Bonds must be sold via a nationally recognized broker-dealer chosen by the holders of the Series 2020 Bonds and purchased by the Landlord's chosen broker-dealer within five (5) business days of acceptance. If the Bond Call Price is rejected, the holders of the Series 2020 Bonds shall have no obligation with regard to a sale of the Series 2020 Bonds to the Landlord. Upon Landlord's rejection of the offer to sell the Series 2020 Bonds as described in the Ground Lease, and subject to the terms of the Ground Lease, the Borrower's lender may proceed to exercise any and all remedies provided to it in the Leasehold Deed of Trust without claim or interference from the Landlord.

The Ground Lease also provides that (i) if the Landlord shall terminate the Ground Lease as a result of an Event of Default, (ii) the Ground Lease is terminated for any other reason (other than in connection with a total condemnation), or (iii) the Ground Lease shall be rejected by the Borrower in any bankruptcy, insolvency, reorganization or similar proceeding, then Borrower's lender, upon payment of the Base Rent, Rent and any other amounts then remaining unpaid under the Ground Lease and the curing of such Events of Default, the Borrower's lender shall have the option to obtain a new lease upon its written request made within thirty (30) days after the effective date of such termination or rejection (the "**New Lease**"). Such New Lease shall be made with either the Borrower's lender or such other transferee as the Borrower's lender may designate. Such New Lease shall be effective as of the date of termination or rejection of the Ground Lease, shall be upon all of the other terms, conditions and covenants of the Ground Lease, it being the intention of the parties to preserve the Ground Lease and the leasehold estate created by the Ground Lease for the benefit of the Borrower's lender without interruption. In order for a Borrower's Leasehold Mortgage to be entitled to the New Lease provisions, the Borrower's Leasehold Mortgage shall not secure the repayment of sums in excess of 110% of the original principal amount of the Series 2020 Bonds.

See "APPENDIX O—GROUND LEASE."

Pre-Contracts and Letters of Intent

Legacy Sports has entered into a number of binding pre-contracts and letters of intent (the “**Pre-Contracts and Letters of Intent**”) with third parties regarding use of the Series 2020 Project. The Pre-Contracts and Letters of Intent do not contain termination provisions that are favorable to the respective third parties. Each of the Pre-Contracts and Letters of Intent provides that Legacy Sports and each respective third party shall enter a formal, complete agreement regarding the respective use of the Series 2020 Project. However, there can be no assurance that the definitive contracts will contain termination provisions that are not favorable to third parties.

Legacy Sports has received 25 binding Pre-Contracts from organizations indicating their commitment to use the facilities of Legacy Sports Park. Another 26 organizations have confirmed their commitment to use Legacy Sports Park and have signed Letters of Intent. Due to current facility agreements with other parties, these organizations cannot sign a pre-contract with Legacy Sports at this time, but they are willing to do so after construction ground-breaking. Another 76 organizations provided indications of interest should an opening arise.

Set forth below is the percent of Legacy Sports Park’s capacity that is under a binding Pre-Contract, which indicates that many of the sporting events are already contracted at capacity.

PERCENT OF LEGACY SPORTS PARK’S CAPACITY UNDER A PRE-CONTRACT	
Sport	% of Capacity Under A Pre-Contract
Baseball (Adult & Youth)	0%
Softball	100%
Basketball	100%
Soccer	94%
Volleyball (Indoor)	93%
Volleyball (Sand)	100%
Pickleball	35%
Futsal	21%
Esports	2%
Gymnastics, Cheer & Dance	100%
Sources: Legacy Sports Park Management	

The table below provides a summary of the total number and value of the Pre-Contracts executed, Letters of Intent, and indications of interest.

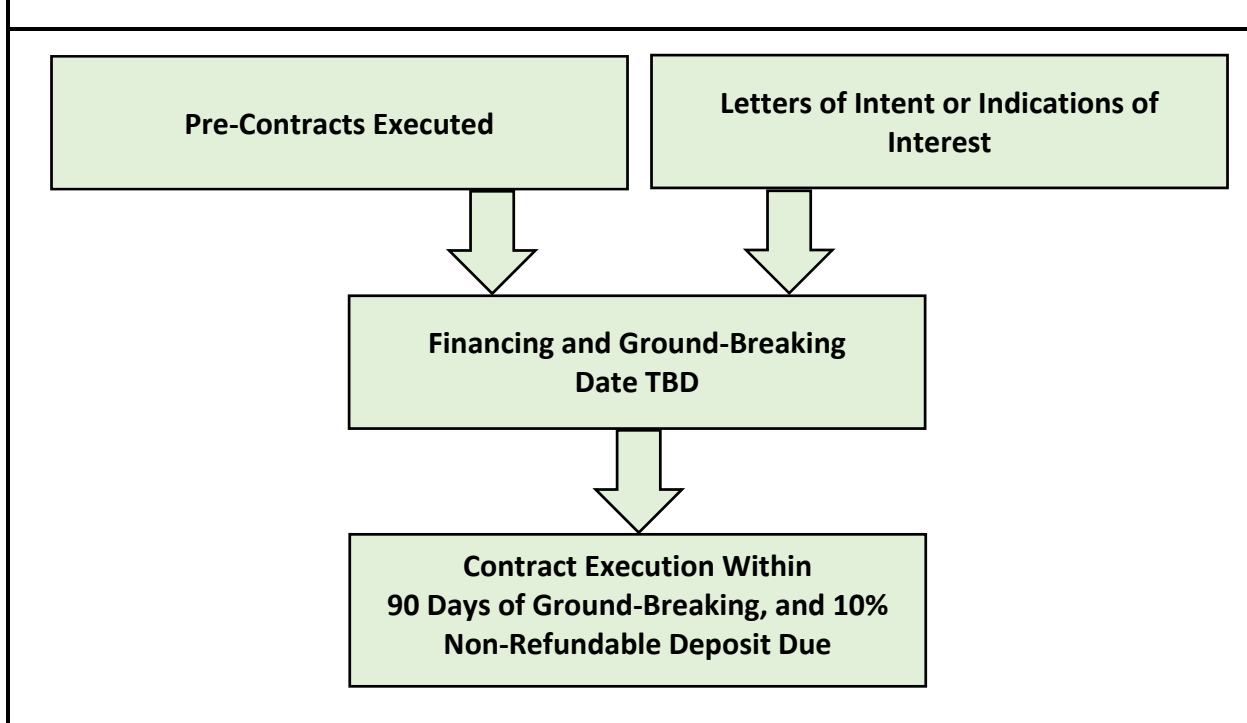
SUMMARY OF PRE-CONTRACTS EXECUTED, LETTERS OF INTENT, AND INDICATIONS OF INTEREST

Description	Organizations	Annual Revenue	% of Revenue
Pre-Contracts Executed	25	\$ 23,040,410	55%
Letters of Intent	26	\$ 18,898,181	45%
Indications of Interest	76	\$ -	N/A
Total	127	\$ 41,938,591	100%
Sources: Legacy Sports Park Management			

The annual revenue identified above represents direct revenue and does not include concessions, restaurant/bar, merchandise, entrance fees, or parking fees associated with each organization.

100% of the Pre-Contracts and the Letters of Intent are intended to be converted to contracts and executed within 90 days of construction ground-breaking. A 10% non-refundable deposit is intended to be required of each organization with the execution of each contract. The table below illustrates the process of converting Pre-Contracts and Letters of Intent to contracts.

PROCESS OF CONVERTING PRE-CONTRACTS, LETTERS OF INTENT, AND INDICATIONS OF INTEREST



Attached as Appendix P hereto is a summary of the Pre-Contracts and Letters of Intent (the “Summary of Pre-Contracts and Letters of Intent”).

See “APPENDIX P—SUMMARY OF PRE-CONTRACTS AND LETTERS OF INTENT.”

ESTIMATED SOURCES AND USES OF FUNDS

The proceeds received by the Issuer from the sale of the Series 2020 Bonds, plus additional moneys delivered from other sources to the Trustee, shall be deposited with the Trustee, who will distribute such proceeds and additional moneys as shown below:

Series 2020 Bonds and Other Sources

Sources of Funds

Par Amount of Tax-Exempt Series 2020A Bonds	\$212,960,000.00
Original Issue Discount (2020A)	(1,649,600.00)
Par Amount of Taxable Series 2020B Bonds	6,810,000.00
Original Issue Discount (2020B)	(110,049.60)
Par Amount of Tax-Exempt Series 2020C Bonds	31,000,000.00
Original Issue Discount (2020C)	(310,000.00)
OVG (Contract Advance)	10,000,000.00
Deferred Advisory Fee	2,737,500.00
Investment Earnings (PTA Project Fund)	468,888.50
Cash Contribution	<u>2,300,000.00</u>
Total Sources	\$264,206,738.90

Uses of Funds

Construction Fund (GMP)	\$168,000,000.00
Contingency	1,825,000.00
FF&E	5,000,000.00
Design and Water	4,700,000.00
Pre-Development Costs	4,800,000.00
Pre-Opening Working Capital	12,500,000.00
Capitalized Interest Fund (20 months)	37,234,562.52
Debt Service Reserve Fund	22,000,000.00
Costs of Issuance	3,128,272.50
Underwriter’s Discount	5,015,400.00
Additional Proceeds	<u>3,503.88</u>
Total Uses	<u><u>\$264,206,738.90</u></u>

DEBT SERVICE SCHEDULE FOR SERIES 2020 BONDS

At an interest rate of 6.250% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2024; an interest rate of 6.375% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2025; an interest rate of 6.500% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2026; an interest rate of 6.625% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2027; an interest rate of 6.750% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2028; an interest rate of 7.750% on the Tax-Exempt Series 2020A Bonds maturing on July 1, 2030; an interest rate of 9.000% on the Taxable Series 2020B Bonds maturing on July 1, 2030; an interest rate of 6.750% on the Tax-Exempt Series 2020C Bonds maturing on July 1, 2030 and amortization

of principal commencing on July 1, 2023 in the amounts shown below, the following table sets forth the debt service on the Series 2020 Bonds:

Period -Ended July 1	Tax-Exempt Series 2020A			Taxable Series 2020B			Tax-Exempt Series 2020C			Aggregate Debt Service
	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	Principal	Interest	Total Debt Service	
2021		\$13,746,097.42	\$13,746,097.42		\$529,477.50	\$529,477.50		\$ 1,807,687.50	\$ 1,807,687.50	\$ 16,083,262.42
2022		15,911,881.26	15,911,881.26		612,900.00	612,900.00		2,092,500.00	2,092,500.00	18,617,281.26
2023		15,911,881.26	15,911,881.26	\$615,000.00	612,900.00	1,227,900.00	\$ 3,050,000.00	2,092,500.00	5,142,500.00	22,282,281.26
2024	8,450,000.00	15,911,881.26	24,361,881.26	675,000.00	557,550.00	1,232,550.00	3,255,000.00	1,886,625.00	5,141,625.00	30,736,056.26
2025	8,980,000.00	15,383,756.26	24,363,756.26	735,000.00	496,800.00	1,231,800.00	3,475,000.00	1,666,912.50	5,141,912.50	30,737,468.76
2026	9,550,000.00	14,811,281.26	24,361,281.26	800,000.00	430,650.00	1,230,650.00	3,710,000.00	1,432,350.00	5,142,350.00	30,734,281.26
2027	10,175,000.00	14,190,531.26	24,365,531.26	870,000.00	358,650.00	1,228,650.00	3,960,000.00	1,181,925.00	5,141,925.00	30,736,106.26
2028	10,845,000.00	13,516,437.50	24,361,437.50	950,000.00	280,350.00	1,230,350.00	4,225,000.00	914,625.00	5,139,625.00	30,731,412.50
2029		12,784,400.00	12,784,400.00	1,035,000.00	194,850.00	1,229,850.00	4,510,000.00	629,437.50	5,139,437.50	19,153,687.50
2030		12,784,400.00	12,784,400.00	1,130,000.00	101,700.00	1,231,700.00	4,815,000.00	325,012.50	5,140,012.50	19,156,112.50
2031	3,705,000.00	12,784,400.00	16,489,400.00							16,489,400.00
2032	3,995,000.00	12,497,262.50	16,492,262.50							16,492,262.50
2033	4,300,000.00	12,187,650.00	16,487,650.00							16,487,650.00
2034	4,635,000.00	11,854,400.00	16,489,400.00							16,489,400.00
2035	4,995,000.00	11,495,187.50	16,490,187.50							16,490,187.50
2036	5,380,000.00	11,108,075.00	16,488,075.00							16,488,075.00
2037	5,800,000.00	10,691,125.00	16,491,125.00							16,491,125.00
2038	6,250,000.00	10,241,625.00	16,491,625.00							16,491,625.00
2039	6,735,000.00	9,757,250.00	16,492,250.00							16,492,250.00
2040	7,255,000.00	9,235,287.50	16,490,287.50							16,490,287.50
2041	7,815,000.00	8,673,025.00	16,488,025.00							16,488,025.00
2042	8,425,000.00	8,067,362.50	16,492,362.50							16,492,362.50
2043	9,075,000.00	7,414,425.00	16,489,425.00							16,489,425.00
2044	9,780,000.00	6,711,112.50	16,491,112.50							16,491,112.50
2045	10,535,000.00	5,953,162.50	16,488,162.50							16,488,162.50
2046	11,355,000.00	5,136,700.00	16,491,700.00							16,491,700.00
2047	12,235,000.00	4,256,687.50	16,491,687.50							16,491,687.50
2048	13,180,000.00	3,308,475.00	16,488,475.00							16,488,475.00
2049	14,205,000.00	2,287,025.00	16,492,025.00							16,492,025.00
2050	15,305,000.00	1,186,137.50	16,491,137.50							16,491,137.50
	\$212,960,000.00	\$309,798,922.48	\$522,758,922.48	\$6,810,000.00	\$4,175,827.50	\$10,985,827.50	\$31,000,000.00	\$14,029,575.00	\$45,029,575.00	\$578,774,324.98

THE BONDS

General

The Series 2020 Bonds shall be dated as of the date of initial delivery thereof. The Series 2020 Bonds shall bear interest on the basis of a 360-day year, consisting of twelve 30-day months, from their date until payment of principal has been made or provided for, payable on each January 1 and July 1, commencing January 1, 2021 (each an “**Interest Payment Date**”), except that Series 2020 Bonds that are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for,

or if no interest has been paid, from the date of the Bonds. The Series 2020 Bonds shall mature in the principal amounts and on the dates and shall bear interest at the rates set forth below:

Tax-Exempt Series 2020A Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate
2024	\$ 8,450,000	6.250%
2025	8,980,000	6.375%
2026	9,550,000	6.500%
2027	10,175,000	6.625%
2028	10,845,000	6.750%
2050	164,960,000	7.750%

Taxable Series 2020B Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate
	\$6,810,000.00	9.000%

Tax-Exempt Series 2020C Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate
	\$31,000,000.00	6.750%

The Bonds are issuable in Authorized Denominations. “**Authorized Denominations**” means \$100,000 or any integral multiple of \$5,000 in excess thereof. The Bonds will be transferable and exchangeable as set forth in the Indenture, and will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company (“**DTC**”). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in Authorized Denominations (see “BOOK-ENTRY-ONLY SYSTEM”).

The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee or at the designated office of its successor in trust. Payment of principal of and any premium on the Bonds shall be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee. Payment of interest on any Bond shall be made to the Registered Owner thereof by check mailed on each Interest Payment Date by the Trustee to the Registered Owner at his or her address as it last appears on the registration records kept by the Trustee at the close of business on the Regular Record Date for such Interest Payment Date (except that the Registered Owners of at least \$1,000,000 in aggregate principal amount of Bonds Outstanding may, by written request received at least 10 Business Days prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America), but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owners of the Bonds not less than 10 days prior thereto by first-class mail to each such Registered Owner as shown on the registration

records on the date selected by the Trustee stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the United States of America.

Additional Bonds

The Issuer may issue Additional Bonds from time to time only with respect to the Series 2020 Project pursuant to the terms and conditions of the Indenture.

Redemption

Optional Redemption of the Series 2020 Bonds. The Series 2020 Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the applicable Promissory Note made by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing July 1, 2027 (if less than all of such Series 2020 Bonds to be selected, as provided in the Indenture), at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed as follows:

Redemption Date	Price
July 1, 2027 through and including June 30, 2028	103%
July 1, 2028 through and including June 30, 2029	102%
July 1, 2029 through and including June 30, 2030	101%
July 1, 2030 and thereafter	100%

Additional Bonds shall be subject to optional redemption at such times and upon such terms as shall be fixed by the related Supplemental Indenture.

In case of optional redemption of the Series 2020 Bonds, the Borrower shall, at least 45 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Trustee), deliver a written request to the Issuer and the Trustee notifying the Issuer and the Trustee of such redemption date and of the principal amount of the Bonds to be redeemed and shall, on or prior to the redemption date, deliver to the Trustee Protected Funds sufficient to pay the redemption price of all Bonds subject to, and selected for, redemption.

Redemption of Series 2020 Bonds Upon Occurrence of Certain Events. Either of the Series 2020 Bonds are also subject to extraordinary redemption at the expense of the Borrower if the Net Proceeds of any insurance policy or condemnation award are in excess of \$500,000 (plus the CPI Adjustment) and if any of the following events occurs: (i) the Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a certificate of an Authorized Representative of the Borrower filed with the Trustee, (a) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, (b) the Borrower is prevented from carrying on its normal operations for a period of six consecutive months, or (c) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of the Loan Agreement; (ii)

title to, or the temporary use for a period of six months or more of, all or substantially all of the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title; or (iii) as a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, the Loan Agreement shall have become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in the Loan Agreement. If called pursuant to the Indenture, such Series 2020 Bonds are callable on any date in whole or in part from and to the extent of funds on deposit under the Indenture and available for this purpose, such funds to be Protected Funds, at a redemption price equal to the principal amount of each Bond to be redeemed and accrued interest to the redemption date.

If at any time the Borrower achieves an investment grade or higher rating for the Series 2020 Bonds from Standard & Poor's Rating Services, Moody's Investors Service, Inc., or Fitch Ratings or upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, the Series 2020 Bonds are subject to redemption at the option of the Borrower in whole or in part on any date, at their principal amount plus accrued interest to the date fixed for redemption plus a premium as determined by the schedule under "THE BONDS-Redemption-Optional Redemption of the Series 2020 Bonds".

Mandatory Sinking Fund Redemption. The Tax-Exempt Series 2020A Bonds maturing on July 1, 2050 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2031	\$3,705,000	2041	\$7,815,000
2032	3,995,000	2042	8,425,000
2033	4,300,000	2043	9,075,000
2034	4,635,000	2044	9,780,000
2035	4,995,000	2045	10,535,000
2036	5,380,000	2046	11,355,000
2037	5,800,000	2047	12,235,000
2038	6,250,000	2048	13,180,000
2039	6,735,000	2049	14,205,000
2040	7,255,000	2050*	15,305,000

*Maturity Date

The Taxable Series 2020B Bonds maturing on July 1, 2030 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2023	\$615,000	2027	\$870,000
2024	675,000	2028	950,000
2025	735,000	2029	1,035,000
2026	800,000	2030*	1,130,000

*Maturity Date

The Tax-Exempt Series 2020C Bonds maturing on July 1, 2030 are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2023	\$3,050,000	2027	3,960,000
2024	3,255,000	2028	4,225,000
2025	3,475,000	2029	4,510,000
2026	3,710,000	2030*	4,815,000

*Maturity Date

Additional Bonds of a Series may be subject to mandatory sinking fund redemption at such times and upon such terms as shall be fixed by the related Supplemental Indenture relating to such Additional Bonds.

Mandatory Redemption Upon Determination of Taxability. The tax-exempt Bonds of a Series are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, plus a 5% premium, upon the occurrence of a Determination of Taxability related to such tax-exempt Bonds; provided, however, that the Trustee shall not redeem tax-exempt Bonds of a Series unless the Trustee shall have on deposit Protected Funds in the amount sufficient to pay the principal amount of and the redemption premium on, plus accrued interest on, the tax-exempt Bonds of that Series to be redeemed to the date of such redemption. The redemption date shall be the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 12 months following the finalization of the Determination of Taxability.

Mandatory Redemption Upon Receipt of Surplus Revenues. To the extent surplus revenues are transferred to, and are available in the Accelerated Redemption Fund pursuant to the Indenture, the Tax-Exempt Series 2020C Bonds are subject to mandatory redemption upon receipt of surplus revenues in the Accelerated Redemption Fund at a price equal to one hundred percent (100%) of the principal amount thereof, plus accrued interest to the date of redemption in Authorized Denominations. After 100% of the Tax-Exempt Series 2020C Bonds have been redeemed, surplus revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Taxable Series 2020B Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption in Authorized Denominations. After 100% of the Taxable Series 2020B Bonds have been redeemed, revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Tax-Exempt Series 2020A Bonds maturing on or after July 1, 2030, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption in Authorized Denominations.

Mandatory Redemption Related to Excess Bond Proceeds. To the extent excess Bond proceeds are transferred to, and are available in the Surplus Fund pursuant to the Indenture, such excess Bond proceeds shall be applied to mandatory redemption of the Series 2020 Bonds in the manner set forth in the Indenture.

Method of Selecting Bonds. In the event that less than all of the Outstanding Series 2020 Bonds shall be redeemed, the Series 2020 Bonds will be redeemed in inverse order of maturity, or if less than all of the Series 2020 Bonds in a single maturity shall be redeemed, the selection of Series 2020 Bonds or portions thereof to be redeemed shall be selected by lot within such maturity. Unless otherwise specifically stated in a Supplemental Indenture with respect to Additional Bonds, any partial redemption within a Series of Bonds shall be redeemed in inverse order of maturity, or if less than all of the Bonds in a single maturity shall be redeemed, the Bonds redeemed shall be selected by lot within such maturity.

Notices of Redemption. In case of optional redemption of all or a portion of the Series 2020 Bonds pursuant to the Indenture, the Borrower shall, at least 45 days prior to the redemption date, but in any event in sufficient time to permit the Trustee to give the notice in the Indenture, deliver a written notice to the Issuer and the Trustee (unless a shorter notice shall be satisfactory to the Issuer and the Trustee) notifying the Issuer and the Trustee of such redemption date and of the principal amount of the applicable series of Series 2020 Bonds to be redeemed and shall prior to the redemption date, deliver to the Trustee sufficient funds to pay the redemption price of all such Series 2020 Bonds subject to redemption.

All or a portion of the Series 2020 Bonds shall be called for extraordinary or mandatory redemption upon the occurrence of the events set forth in the Indenture. The Trustee shall determine the principal amount of the Series 2020 Bonds to be called for redemption, the applicable redemption price or prices, and the provision or provisions of the Indenture pursuant to which such Series 2020 Bonds are to be called for redemption.

In the case of every redemption, the Trustee shall cause notice of such redemption, in the name of the Issuer, by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Series 2020 Bonds designated for redemption in whole or in part, at their addresses

as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Series 2020 Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient moneys (which in the case of a redemption pursuant to Sections 5.01, 5.02 or 5.03A of the Indenture shall be Protected Funds) to redeem such Series 2020 Bonds and that if such money is not so received, no Series 2020 Bonds shall be redeemed. The Trustee shall furnish the Borrower with a copy of each notice of redemption given with respect to any optional redemption under the Indenture, any extraordinary redemption under the Indenture or any mandatory redemption under the Indenture, as soon as practicable after the delivery of notice to the Registered Owners of the Series 2020 Bonds.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Series 2020 Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Series 2020 Bonds are to be redeemed, the notice of redemption shall specify the series and numbers of the Series 2020 Bonds or portions thereof to be redeemed.

Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue. On or before the redemption date specified in any notice of redemption of the Borrower delivered pursuant to the Indenture, moneys (which in the case of a redemption pursuant to Sections 5.01, 5.02 or 5.03A of the Indenture shall be Protected Funds) sufficient to redeem all the Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Trustee by the Borrower. On the redemption date, the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of the Indenture, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Bonds to be redeemed shall not be deemed to be Outstanding under the Indenture, and the Issuer shall be under no further liability in respect thereof, as provided in the Indenture.

Cancellation. All Series 2020 Bonds that have been redeemed and all Series 2020 Bonds delivered to the Trustee by the Borrower for cancellation shall be cancelled by the Trustee and disposed of as provided in the Indenture.

Partial Redemption of Bonds. Upon surrender of any Series 2020 Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, the cost of which shall be paid by the Borrower, a new Bond or Bonds of the same Series and maturity and of Authorized Denominations, in an aggregate principal amount equal to that portion of the Bond not redeemed.

No Partial Optional Redemption in Event of Default. Notwithstanding any provisions of the Indenture, the Series 2020 Bonds shall not be subject to partial optional redemption pursuant

to the Indenture if an Event of Default has occurred thereunder and has not been cured or otherwise waived by the Trustee for the purpose of making any such redemption payment.

SECURITY FOR THE BONDS

General

Payment of principal of, and the premium, if any, and interest on, the Bonds will be paid from Revenues (as defined below), which consist of certain Loan Payments received by the Issuer and the Trustee from the Borrower pursuant to the Loan Agreement, as well as other moneys. The Bonds will also be payable from the proceeds from the sale of the Bonds and from income derived from the investment of moneys held under the Indenture under the circumstances set forth in the Indenture.

“**Revenues**” means, to the extent permitted by law, all payments received by the Trustee for the account of the Issuer pursuant to the Loan Agreement and the Indenture.

The Issuer will assign to the Trustee, as security for the Bonds, the Trust Estate. The Series 2020 Bonds and any Additional Bonds that may be issued under the Indenture are payable solely from the Trust Estate.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS WILL NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS WILL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT WILL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EMPLOYEE, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EMPLOYEES, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS OR AGENTS, IF ANY, AS SUCH IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

The Loan Agreement

During the term of the Loan Agreement, the Borrower shall pay as repayment of the Loan until the principal of and premium, if any, and interest on each Promissory Note has been paid or provision for the payment thereof otherwise has been made in accordance with the Loan Agreement, into the Revenue Fund on each monthly date on which the Borrower is scheduled to remit payments to the Trustee pursuant to the Irrevocable Pledge and Assignment.

Except as provided in the Loan Agreement, the obligations of the Borrower to make the payments required under the Loan Agreement and to perform and observe the other agreements on its part contained in the Loan Agreement shall be absolute and unconditional. The Borrower (i) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for in the Loan Agreement, (ii) will perform and observe all of its other agreements contained in the Loan Agreement, the Leasehold Deed of Trust and each Promissory Note, and (iii) except as provided in the Loan Agreement, will not terminate the Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Facilities, failure of consideration, eviction or constructive eviction, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with the Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Borrower may at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons that the Borrower deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Facilities.

Application of Funds under the Indenture

While Bonds are outstanding, the Trustee shall, not later than the first Business Day of each month, beginning July 1, 2022, (i) withdraw all amounts on account pursuant to the Deposit Account Control Agreement and (ii) deposit such amounts into the Revenue Fund and make the disbursements as set forth below.

There shall be deposited in the Revenue Fund as and when received, Pledged Revenues pursuant to the Indenture, the Revenues and all other moneys deposited into the Revenue Fund pursuant to the Loan Agreement or the Indenture. All moneys held on deposit in the Revenue Fund shall be disbursed by the Trustee commencing on the dates provided below and in the following order of priority:

FIRST: on the first Business Day of each month, commencing July 1, 2022, to the Expense Fund, an amount of money equal to 1/12th of the Budgeted Expenses;

SECOND: on the first Business Day of each month, commencing July 1, 2022, to the Bond Fund, (i) an amount of moneys, less any credits received against such amounts, equal to

1/6th of the interest due on the Bonds on the next Interest Payment Date, plus (ii) commencing on July 1, 2022, an amount of moneys, less any credits received against such amount, equal to 1/12th of the principal due on the Bonds on the next Principal Payment Date, plus (iii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

THIRD: commencing on the Payment Date following the related Bond Closing, for deposit in the Debt Service Reserve Fund an amount of money, if any, equal to the difference between the Maximum Annual Debt Service amount and the amount deposited into the Debt Service Reserve Fund pursuant to the Indenture, and thereafter on each Payment Date the amount necessary to cure any deficiency therein in accordance with the Indenture;

FOURTH: (i) on each Payment Date, to the Tax and Insurance Escrow Fund, an amount of money equal to the payment required to be made for the purpose of paying applicable taxes pursuant to the Loan Agreement, plus (ii) on the first day of each month, beginning September 1, 2020, to the Tax and Insurance Escrow Fund, an amount of money equal to the payment required to be made for the purpose of paying insurance premiums pursuant to the Loan Agreement, plus (iii) all amounts that were previously due under clauses (i) and (ii) of this paragraph but were not transferred because of an insufficiency in moneys available therefor;

FIFTH: on each Payment Date, to the Rebate Fund, commencing in the month following the determination of the Rebate Amount and continuing until the full amount is so paid, any amount of money as calculated by the Rebate Analyst, required to be deposited in the Rebate Fund;

SIXTH: on each Payment Date, to the Expense Fund, an amount of moneys equal to 1/2 of the Trustee's Annual Fee and Trustee's Annual Expenses due on the next July 1;

SEVENTH: on each Payment Date, to the Expense Fund (i) an amount equal to 1/2 of the amount owed to the Rebate Analyst on the next July 1; plus (ii) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

EIGHTH: on the first Business Day of each month, commencing July 1, 2022, and terminating July 1, 2023, to the Operating Reserve Fund an amount of money equal to 1/12th of the minimum Operating Reserve Fund Requirement. On each Payment Date, commencing July 1, 2023, an amount necessary to cure any deficiency in the Operating Reserve Fund pursuant to the Indenture;

NINTH: on the first Business Day of each month, commencing July 1, 2022, and terminating on July 1, 2023, an amount of money equal to 1/12th of the minimum Repair and Replacement Fund Requirement. On each Payment Date, commencing July 1, 2023, to the Repair and Replacement Fund, an amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the minimum Repair and Replacement Fund Requirement;

TENTH: on each Payment Date, if the Borrower is not in default under the Loan Agreement, to the Surplus Fund all amounts of money remaining on deposit in the Revenue Fund after the Trustee has made the disbursements required in FIRST through NINTH above; and

ELEVENTH: on each Payment Date, if the balance of money on deposit in the Surplus Fund exceeds the amount of \$5,000,000, then 50% of such excess money shall be transferred to the Accelerated Redemption Fund and 50% allocated first to payment of the “Basic Fees”, the “Accounting Fees”, the “Development Fees” and any “Incentive Fees” then due as set forth in the Qualified Management Agreement, and second the remaining balance thereof to the Borrower for use in support of its charitable mission.

Limitations on Distributions from the Surplus Fund

There shall be deposited in the Surplus Fund (i) excess Bond proceeds transferred from the Project Fund and (ii) all amounts remaining from Pledged Revenues after the Trustee has made all disbursements specified above under “SECURITY FOR THE BONDS – Application of Funds under the Indenture” “FIRST” through “NINTH.” Excess Bond proceeds in the Surplus Fund shall be applied to the payment of principal, premium, if any, and interest on Bonds as set forth in the Indenture. Subject to transfers to the Accelerated Redemption Fund, to the “Basic Fees”, the “Accounting Fees” and “Incentive Fees” and to the Borrower as set forth above under “SECURITY FOR THE BONDS – Application of Funds under the Indenture” “ELEVENTH,” moneys in the Surplus Fund resulting from a deposit of Pledged Revenues may be used for the payment of principal of, premium, if any, and interest on the Bonds in the event moneys in the Repair and Replacement Fund, the Bond Fund, the Debt Service Reserve Fund and the Operating Reserve Fund are insufficient to make such payments when due, whether on an Interest Payment Date, Principal Payment Date or otherwise. Upon the occurrence of an Event of Default under the Indenture and the exercise by the Trustee of the remedy specified in the Indenture, any moneys in the Surplus Fund shall be transferred by the Trustee to the Bond Fund and applied in accordance with the Indenture. On the final maturity date of the Bonds, any moneys in the Surplus Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and used to pay the principal of and interest on such Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Surplus Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and applied to the payment of the principal of, premium, if any, and interest on such Bonds.

Debt Service Reserve Fund

Except as provided in the Indenture, moneys in the Debt Service Reserve Fund, if any, shall be used solely for the payment of the principal of, premium, if any, and interest on the Series 2020 Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an Interest Payment Date, sinking fund redemption date, maturity date or otherwise.

To the extent any moneys have been withdrawn from the Debt Service Reserve Fund by the Trustee, no portion of the Pledged Revenues shall be considered surplus revenues or available to the Borrower until such Pledged Revenues, or other available moneys, have first been applied to the extent required to reimburse the Debt Service Reserve Fund for any such withdrawal or to restore the Debt Service Reserve Fund Requirement.

The Trustee shall value the Investment Obligations in the Debt Service Reserve Fund semiannually on January 1 and July 1 of each year at the lesser of their face amount or market

value. If on any valuation date the amount in any subaccount of the Debt Service Reserve Fund related to such Series of Bonds (determined pursuant to the Indenture) is greater than the Series Debt Service Reserve Fund Requirement for such Series of Bonds, such excess shall be transferred by the Trustee to the Bond Fund in accordance with the Indenture. If on any valuation date the amount in any subaccount of the Debt Service Reserve Fund is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds and the deficiency is caused solely by a decreased value of the Investment Obligations therein and not due to a transfer to cure a shortfall in the Bond Fund, the Borrower agrees that the Trustee shall, in accordance with the Indenture, deposit into that subaccount of the Debt Service Reserve Fund an amount equal to the amount by which the Debt Service Reserve Fund amount for such Series of Bonds is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds on or prior to the next Payment Date following that valuation date. If on any Payment Date the amount in any subaccount of the Debt Service Reserve Fund is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds and the deficiency is caused by a transfer to cure a shortfall in the Bond Fund resulting from the failure of the Borrower to make the payments due on each Promissory Note, the Borrower agrees pursuant to the Loan Agreement to pay to the Trustee all amounts transferred to the Bond Fund to make up for any amounts not paid on each Promissory Note; such payments shall be made in not more than one year in substantially equal installments beginning on the Payment Date in the month following such deficiency.

Leasehold Deed of Trust

The Borrower will execute the Leasehold Deed of Trust, as security for its obligations to make Loan Payments and its other obligations under the Loan Agreement. The Borrower will grant to the Trustee for the benefit of the Registered Owners of the Series 2020 Bonds, all of the Borrower's estate, right, title and interest whether now owned or hereafter acquired in and to the Mortgaged Estate (as defined in the Leasehold Deed of Trust), which includes but is not limited to the Real Property, the Equipment, the Derivative Interests, the Intangibles and the Claims and Awards (each as defined in the Leasehold Deed of Trust).

Other Security

Each of the Pre-Contracts and Letters of Intent, the Construction Contract, the Pre-Opening Agreement, the Post-Opening Operating Agreement and the Qualified Management Agreement will be collaterally assigned in favor of the Trustee by a collateral assignment in a form substantially similar to the Project Document Collateral Assignment.

BOOK-ENTRY-ONLY SYSTEM

Portions of the following information concerning DTC and DTC's book-entry system have been obtained from DTC. The Issuer, the Borrower, and the Underwriter make no representation as to the accuracy of such information.

Initially, DTC will act as securities depository for the Series 2020 Bonds. The Series 2020 Bonds initially will be issued as fully-registered securities, registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each issue of the

Series 2020 Bonds, each in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("**DTCC**"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). Direct Participants and Indirect Participants are referred to herein, collectively as "**Participants**," and, individually as a "**Participant**." DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "**SEC**"). More information about DTC can be found at www.dtcc.com.

Purchases of Series 2020 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("**Beneficial Owner**") is in turn to be recorded on Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2020 Bonds, except in the event that use of the book-entry-only system for the Series 2020 Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2020 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding Series 2020 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent by the Trustee to DTC. If less than all of the Series 2020 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in the Series 2020 Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2020 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer as soon as possible after the Regular Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2020 Bonds are credited on the Regular Record Date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the Series 2020 Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Issuer or the Trustee, on each payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, the Borrower, the Underwriter or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Issuer or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

DTC may discontinue providing its services as depository with respect to the Series 2020 Bonds at any time by giving reasonable notice to the Issuer or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Series 2020 Bond certificates are required to be printed and delivered.

The Issuer, upon the direction of the Borrower, may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository, each referred to

herein as the “**Securities Depository**”). In that event, Series 2020 certificates for the Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Borrower believes to be reliable, but none of the Borrower, the Issuer or the Underwriter takes any responsibility for the accuracy thereof.

No representation is made by the Issuer, the Trustee, the Borrower or the Underwriter as to absence of changes in such information subsequent to the date hereof.

The Issuer, the Borrower, the Trustee and the Underwriter will have no responsibility or obligation to any Securities Depository, any Participants in the book-entry system, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by the Securities Depository or by any Participant of any amount due to any Participant or Beneficial Owner, respectively, in respect of the principal amount or redemption or interest on, any Series 2020 Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Series 2020 Bonds; or (v) any other action taken by the Securities Depository or any Participant.

In the event of the discontinuance of the book-entry system for the Series 2020 Bonds, Bond certificates will be printed and delivered and the following provisions of the Indenture will apply: (i) principal of the Series 2020 Bonds will be payable upon surrender of such Bonds at the designated corporate trust office of the Trustee; (ii) Series 2020 Bonds may be transferred or exchanged for other Series 2020 Bonds of the same maturity of Authorized Denominations at the designated corporate trust office of the Trustee, without cost to the owner thereof except for any tax or other governmental charge; and (iii) Series 2020 Bond certificates are required to be printed and delivered in Authorized Denominations.

PROJECTED FINANCIAL INFORMATION

Set forth below is the summary five-year pro forma financial statement of the Borrower for the years ending December 31, 2022 through December 31, 2026, which include the debt service payments due on the Series 2020 Bonds and calculations of debt service coverage ratios.

SUMMARY FIVE-YEAR PRO FORMA					
Description	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Facility Revenue	\$ 91,140,891	\$ 93,145,991	\$ 95,195,202	\$ 97,289,497	\$ 99,429,866
Branding, Etc.	5,110,000	5,222,420	5,337,313	5,454,734	5,574,738
Total Revenue	\$ 96,250,891	\$ 98,368,411	\$ 100,532,516	\$ 102,744,231	\$ 105,004,604
Annual Operating Expenses					
Facility Expenses	\$ 7,227,200	\$ 7,369,020	\$ 7,513,679	\$ 7,661,234	\$ 7,811,744
Operating Expenses	2,611,500	\$ 2,657,248	2,703,982	2,751,725	2,800,499
Venue Expenses	11,934,698	\$ 12,246,805	12,567,334	12,896,515	13,234,588
Payroll Expenses	7,631,000	\$ 7,821,775	8,017,319	8,217,752	8,423,196
Adjustments/Contingency	1,100,000	-	-	-	-
Total Operating Expenses	\$ 30,504,398	\$ 30,094,848	\$ 30,802,314	\$ 31,527,226	\$ 32,270,027
EBITDA	\$65,746,493	\$68,273,563	\$69,730,202	\$71,217,005	\$72,734,577
% of Revenue	68.3%	69.4%	69.4%	69.3%	69.3%
Less Annual Debt Service	19,572,700	30,694,256	30,659,669	30,692,481	\$30,694,306
Cash Flow After Debt Service	\$46,173,793	\$37,579,267	\$39,070,533	\$40,524,524	42,040,271
Debt Service Coverage Ratio	3.36x	2.22x	2.27x	2.32x	2.37x

SFA, with experience in valuing public and private sports facilities, was engaged to determine the financial feasibility of the Series 2020 Project. SFA's original financial analysis, which was used as the basis for the Series 2020 Project's business model, identified a revenue growth rate ranging from 8.6% at the end of Year 1 to 5.3% in Year 5, averaging 6.3% over a five-year period. The Series 2020 Project's business model used a 2.2% annual revenue growth rate for the first five years. Subsequent to the creation of the original financial projections, the Series 2020 Project business model was expanded to include additional revenue generating venues and other business opportunities, as described above under "THE SERIES 2020 PROJECT—Feasibility Study Conclusions. SFA has reviewed and analyzed the revised business model, utilizing its proprietary data base, and affirmed its prior findings regarding feasibility and the increased revenue to be generated as a result of the additions. The financial projections provided herein include forecasts, projections and other predictive statements that represent assumptions and expectations in respect to current available information.

These forecasts and projections are based on industry trends and binding letters of intent, and they involve risks, variables and uncertainties. The actual performance results may differ from those projected herein. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

RISK FACTORS

Ownership of the Series 2020 Bonds is subject to numerous risks. Prospective investors in the Series 2020 Bonds should review all of the information in this Limited Offering Memorandum carefully prior to purchasing any of the Series 2020 Bonds. The paragraphs below discuss certain risks assumed by the owners of the Series 2020 Bonds related to the Series 2020 Bonds and the Borrower, but are not intended to be a complete enumeration of all risks associated with the purchase or holding of the Series 2020 Bonds. Additional risks and uncertainties may also impair the Borrower's business and profitability. If any of the following risks, or any other risks, actually occur, the Borrower's business, financial condition or results of operations would likely suffer. In that case, the Borrower's ability to satisfy the obligations to which the Series 2020 Bonds relate may be impaired, and investors may lose all or part of the money they paid to purchase the Series 2020 Bonds.

Limited Obligations

The Series 2020 Bonds are special limited obligations of the Issuer. The Issuer has pledged no assets to payment of debt service on the Series 2020 Bonds except its right to receive payments from the Borrower pursuant to the Loan Agreement. Neither the Series 2020 Bonds nor the Issuer's obligation under the Indenture constitute a general obligation or other indebtedness of the Issuer, the AFA, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation. The Issuer has no taxing power. See "THE ISSUER."

Cautionary statements regarding forward-looking statements in this Limited Offering Memorandum

When used in this Limited Offering Memorandum, in any continuing disclosure by the Borrower, in any of Borrower's press releases and in any oral statements made with the approval of an authorized executive officer of the Borrower, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project" or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those presently anticipated or projected. The Borrower cautions readers not to place undue reliance on any such forward-looking statements. The Borrower advises readers that certain factors could affect the financial performance of the Borrower and could cause actual results of the Borrower for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements.

The Borrower has minimal operating history and limited assets

The Borrower has never constructed or owned a sports park facility or entertainment park. The Borrower was formed in 2020 to own and operate the Series 2020 Project; as such, the Borrower has minimal operating history and no net worth. The Borrower is dependent on JS Waltz to complete construction of the Series 2020 Project and will be responsible for the operation and maintenance of the Series 2020 Project. The Borrower's assets and revenues available to make the payments required by the Loan Agreement are limited to its leasehold interest in the Series 2020 Project and the revenues from the Series 2020 Project. The Borrower has no other assets or revenues available to make payments required by the Loan Agreement or to satisfy any liabilities incurred as a result of ownership of the Series 2020 Project. Should the Borrower be unable to meet its obligations under the Loan Agreement, the Trustee's remedies will be limited to foreclosure or the power of sale under the Leasehold Deed of Trust, recovery against the Trust Estate and recovery against the funds and accounts held by the Trustee pursuant to the Indenture (other than the Rebate Fund).

Construction Risks

Construction of the Series 2020 Project is subject to delays due to force majeure events, and unforeseen conditions. The Series 2020 Project construction schedule includes three months of free float, in the overall critical path schedule of the project, for potential delays due to force majeure events and unforeseen conditions. However, the Series 2020 Project may be subject to delays beyond the control of the Borrower.

The Series 2020 Project is subject to governmental regulations, which could harm the Borrower's financial performance

The Series 2020 Project is subject to various government regulations, including regulations covering building height restrictions. These regulations are mandated by the Federal Aviation Administration. In addition, the Borrower's activities will fall under a number of health and safety regulations and laws and regulations relating to zoning. Compliance with these regulations and permitting requirements could delay the development of the Series 2020 Project and could harm the Borrower's financial condition, which could in turn have a material adverse effect on an investment in the Series 2020 Bonds.

The Series 2020 Project is in the vicinity of the Phoenix-Mesa Gateway Airport and is subject to the Airport Overflight Area (the "AOA") designated as an AOA-2 zoned area, which encompasses most of the offsite land beyond the airport property that is not within the airport flight path. The Series 2020 Project is compatible with the Phoenix-Mesa Gateway Airport and AOA-2 zoning regulations, including the height restriction regulation limiting the maximum elevation of any site development to elevation 1500.0. The Series 2020 Project site lies at elevation range of 1380.0 to 1400.0 and will not exceed the height restrictions. Additionally, all field lighting will be of the non-glare down-facing LED light fixture types to further avoid any interference with airport operations.

The Series 2020 Project, due to its proximity to the Phoenix-Mesa Gateway Airport, will experience aircraft overflights, which are expected to generate noise levels that may be of concern

to some individuals. The mix of aviation activities and types of aircraft expected to be located and operate at the Phoenix-Mesa Gateway Airport now and in the future include scheduled and unscheduled commercial charters, commercial air carriers and commercial air cargo operations, all of which are expected to use large commercial aircraft; general aviation activity using corporate and executive jets, helicopters, and propeller aircraft; aviation flight training schools using training aircraft; and military activity using high performance military jets. The size of aircraft and frequency of use of such aircraft may change over time depending on market and technology changes.

In addition, the Premises is currently zoned Industrial-2 under the Maricopa County zoning classifications. The law firm of Beus, Gilbert McGroder, PLLC (the “**Beus Firm**”) participated in that Industrial-2 zoning for a majority of the Premises. Legacy Sports has retained the Beus Firm to assist in the annexation of the Premises by the City of Mesa. The Landlord has authorized the annexation of the Premises and that process is currently underway.

State law requires that upon annexation to a municipality from a county, the municipality is required to place the equivalent zoning from the county on the property upon annexation to the new municipality. The City of Mesa does not have an Industrial-2 zoning category. The nearest comparable zoning district would be Mesa’s Light Industrial (“**LI**”) zoning district. The Beus Firm has advised Legacy Sports that the planned activities set forth in the Series 2020 Project site plan are permitted on the LI zoning district which allows both small-scale and large-scale commercial recreation. In the event that any planned activity falls outside of the LI, such activity is allowed under a special use permit which will be requested. If LI or comparable zoning is unable to be obtained, it may adversely affect or prohibit implementation of the Series 2020 Project.

Competition from other athletic venues

The Series 2020 Project may be in competition with other athletic venues in the region that may be available at a lower cost to participants. The Series 2020 Project may also be in competition on a nationwide basis with similar sports venues currently in operation or ones to be developed in the future. Unlike many of the competing facilities, the Series 2020 Project is versatile and will include over 50 different internal venues, providing a hub for diverse programming of sports, recreation, and entertainment activities paired with amenities and professional programming for leagues, tournaments, camps, and instruction, and it is intended as a destination venue for family events, youth sports, youth sports training camps, and traveling leagues, and is not dependent on a single source use or the local geographic area. The Series 2020 Project has already procured binding Pre-Contracts and Letters of Intent for 90% occupancy prior to the beginning of construction, providing a revenue base upon the commencement of operations.

Economic and other factors

Future economic and other factors may adversely affect the Borrower’s revenues and expenses and, consequently, the Borrower’s ability to make payments under the Loan Agreement. Among the factors that could have such adverse effects are: increased costs associated with technological advances; changes in government regulation; future claims for accidents or other torts at the Series 2020 Project to the extent they are in excess of or excluded from any insurance coverage for such claims; and the occurrence of natural disasters, such as floods or earthquakes.

Potential impact of infectious diseases

The spread of certain infectious diseases, including the strain of coronavirus commonly known as COVID-19, can alter the behavior of businesses and people in a manner that has negative effects on global, state and local economies. The effect of such infectious diseases could cause, and in some cases has caused, governmental entities to prohibit gatherings of groups of people like those that comprise the primary activities at the Series 2020 Project. Such prohibitions could have a substantial adverse effect on the sources of revenue for the Series 2020 Project, and in turn could have material adverse effects on an investment in the Series 2020 Bonds. Such prohibitions by governmental entities, warnings by governmental entities, general fear of infectious disease transmission among participants at the Series 2020 Project, or a combination of some or all of the foregoing factors, could result in canceled events or significantly reduced attendance at such events. Drops in attendance could adversely affect the sources of revenue for the Series 2020 Project, and in turn could have material adverse effects on an investment in the Series 2020 Bonds.

The City of Mesa, Arizona's finances may be materially adversely affected by the continued spread of COVID-19 (or a similar future infectious disease), as State municipalities derive significant portions of their revenues from sales taxes on tourism. Cancellation of major tourist events, such as Major League Baseball Spring Training games, and general concerns related to air travel, may have material adverse effects on tourism revenues. Reduction in tourism revenue could cause the City of Mesa to divert capital funds to operating expenses, which may affect the amount of revenues it appropriates to capital projects, such as the public infrastructure improvements contemplated in conjunction with the Series 2020 Project, which improvements are necessary for operation of the Series 2020 Project. Failure by the City of Mesa to construct the public infrastructure improvements when and as planned could have material adverse effects on an investment in the Series 2020 Bonds.

The Borrower, however, cannot predict what effect the spread of infectious diseases like COVID-19 will have on its finances or operations.

Damage, destruction or condemnation

Although the Borrower will be required to obtain certain insurance against damage or loss equal to the replacement value of the Improvements as set forth in the Ground Lease and the Loan Agreement, there can be no assurance that any portion of the Series 2020 Project will not suffer losses for which insurance cannot be or has not been obtained or that the amount of any such loss, or the period during which the Borrower, as a result of damage or destruction to the Series 2020 Project, cannot generate revenues, will not exceed the coverage of any such insurance policies.

If the Series 2020 Project, or any portion thereof, is damaged or destroyed, or is taken in a condemnation proceeding, the proceeds of any insurance or any such condemnation award for the Series 2020 Project, or any portion thereof, must be applied as provided in the Loan Agreement to restore or rebuild the Series 2020 Project or to redeem the Series 2020 Bonds. There can be no assurance that the amount of revenues available to restore or rebuild the Series 2020 Project, or any portion thereof, or to redeem the Series 2020 Bonds, will be sufficient for that purpose, or that any remaining portion of the Series 2020 Project will generate revenues sufficient to pay the expenses of the Borrower and the debt service on the Series 2020 Bonds remaining outstanding.

In the event of a casualty or condemnation with respect to the Series 2020 Project, the Net Proceeds from any insurance policy or the Net Proceeds of any condemnation award resulting from such casualty or condemnation will be applied as provided in the Indenture.

Rights-of-way for future utility and roadway infrastructure needs, such as the proposed SR-24 Freeway, the proposed Williams Field Road, and proposed electric utility corridors have already been allocated or reserved for such uses as provided in the Indenture, the Loan Agreement and the Ground Lease.

Ground Lease

The Premises on which the Series 2020 Project will be located is subject to the Ground Lease. If there is a default under the Ground Lease, the Landlord may have the ability to exercise its rights to terminate the Ground Lease, and therefore, possession of the Premises for a default under the Ground Lease. A default under the Ground Lease is subject to certain cure rights for the Trustee. However, failure to timely exercise such cure rights could result in the termination of the Ground Lease. In addition, the Ground Lease provides for a right of purchase of the Series 2020 Bonds in favor of the Landlord. Following the declaration of an Event of Default under the financing documents that govern the Borrower's financing with its lender, the Landlord shall have a first right of purchase to purchase the outstanding Series 2020 Bonds. The purchase price of the Series 2020 Bonds shall be a price as established by holders of no less than 65% of the outstanding principal amount of the Series 2020 Bonds.

Pre-Contracts and Letters of Intent Enforceability

Since (i) the Pre-Contracts and Letters of Intent do not provide remedies in favor of the Borrower or Legacy Sports for failure to abide by the terms of the Pre-Contracts and Letters of Intent and (ii) any definitive contracts into which the Pre-Contracts and Letters of Intent may be converted have not yet been prepared, there can be no certainty as to the enforceability of the Pre-Contracts, Letters of Intent or definitive contracts (if consummated).

Environmental issues

There can be no assurance that an enforcement action or actions will not be instituted under environmental statutes at a future date with respect to the Land (as defined in the Leasehold Deed of Trust) or the Series 2020 Project. In the event such enforcement actions were initiated, the Borrower could be liable for the costs of removing or otherwise treating pollutant or contaminants located at the Series 2020 Project or on the Land. In addition, under applicable environmental statutes, in the event an enforcement action were initiated, a lien superior to the Trustee's lien on behalf of the Registered Owners of the Series 2020 Bonds could attach to the Series 2020 Project, which would adversely affect the Trustee's ability to realize value from the disposition of the Series 2020 Project upon foreclosure. Furthermore, in determining whether to exercise any foreclosure rights with respect to the Series 2020 Project under the Indenture, the Trustee and the Registered Owners of the Series 2020 Bonds would need to take into account the potential liability of any owner of the Series 2020 Project, including an owner by foreclosure, for clean-up costs with respect to such pollutants and contaminants.

Federal and state regulations

Successful operation of the Series 2020 Project will be contingent upon, among other factors, the ability of the Borrower to comply with federal laws and regulations; federal court decisions; Arizona laws and regulations; and Arizona court decisions. Compliance with these laws and regulations may require additional capital improvements to the Series 2020 Project.

Debt Service Reserve Fund

The Indenture has established the Debt Service Reserve Fund for payment of the principal of, premium, if any, and interest on the Series 2020 Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due. Funding of the Debt Service Reserve Fund will occur initially from proceeds of the Series 2020 Bonds, and thereafter through revenues derived from the Series 2020 Project. If revenues are insufficient to fund the Debt Service Reserve Fund in whole or in part up to the Debt Service Reserve Fund Requirement, then although the Borrower anticipates that it will receive revenues as part of the Trust Estate sufficient to cover debt service on the Series 2020 Bonds, there is no assurance that funds reserved and future revenues received as part of the Trust Estate will be sufficient to cover debt service on the Series 2020 Bonds.

Liquidation of security may not be sufficient in the Event of a Default

It has been the experience of lenders in recent years that attempts to foreclose on commercial property or otherwise realize upon security for obligations are frequently met with defensive measures, such as protracted litigation or bankruptcy proceedings, and that such defensive measures can greatly increase the expense and time involved in achieving such foreclosure or other realization. The liquidation value of assets in a bankruptcy or creditors' proceeding is typically less than the replacement value of such assets for an ongoing business operation. The Series 2020 Project is located on property in which the Borrower holds only a leasehold interest. Consequently, it may be difficult to find a buyer or tenant for the Series 2020 Project if it were necessary to foreclose on the Series 2020 Project (either judicially or through exercise of a power of sale). In addition, the same factors that lead to foreclosure may substantially reduce the value of the Series 2020 Project. If it becomes necessary to foreclose the lien of the Leasehold Deed of Trust on the Series 2020 Project (including the exercise of a power of sale), net proceeds received from any foreclosure sale may be less than the aggregate principal amount of the Series 2020 Bonds outstanding.

Enforceability of remedies

The remedies available to the Trustee or the owners of the Series 2020 Bonds upon an Event of Default under the Indenture, the Loan Agreement and the Leasehold Deed of Trust could be dependent upon judicial actions which are often subject to discretion and delay.

The enforceability of remedies or rights with respect to the Series 2020 Bonds may be limited by State and federal laws, rulings and decisions affecting remedies and by bankruptcy, reorganization, insolvency or other laws affecting creditors' rights or remedies heretofore or hereafter enacted. Under existing constitutional and statutory law and judicial decisions, including specifically federal bankruptcy law, certain remedies specified by the Indenture, the Loan Agreement and the Leasehold Deed of Trust may not be readily available or may be limited. The

various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds, the Indenture, the Loan Agreement and the Leasehold Deed of Trust will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

While the Borrower has mortgaged its interest in the Series 2020 Project under the Leasehold Deed of Trust to secure the payment of the Series 2020 Bonds, if the Borrower were to file a petition for relief under federal bankruptcy law, the filing would operate as an automatic stay of the commencement or continuation of any judicial or other proceeding against the Borrower and its property (including the exercise of a power of sale) and as an automatic stay of any act or proceeding to enforce a lien upon its property. If the bankruptcy court so ordered, the Borrower's property, including its revenues, could be used for the benefit of the Borrower's bankruptcy estate, despite the claims of the Trustee with respect to the Indenture or the Leasehold Deed of Trust, but only by giving appropriate recognition to the right of the Trustee as a secured creditor entitled to "adequate protection" to the extent of the value of the secured claim. If a bankruptcy court concludes that the Trustee has "adequate protection," it may (i) substitute other security for the property subject to the lien of the Indenture or the Leasehold Deed of Trust and (ii) subordinate the lien of the Indenture or the Leasehold Deed of Trust (a) to claims by persons supplying goods, services or credit to the Borrower after bankruptcy and (b) to the administrative expenses of the bankruptcy proceeding. In addition, the bankruptcy laws permit wide latitude with respect to the adoption of a reorganization plan even though the plan has not been accepted by the owners of a majority in aggregate principal amount of the Series 2020 Bonds, if such owners are provided with the value of their claim or the "indubitable equivalent" thereof. The amount realized by the Trustee might depend on a federal bankruptcy court's interpretation of "indubitable equivalent" and adequate protection under the existing circumstances.

Financial projections

The financial projections contained herein include the best estimate by management of the Borrower of the expected results from operation of the Series 2020 Project, assuming completion of the Series 2020 Project on time and within budget and payment of operating expenses. Events and circumstances frequently do not occur as expected, and there will usually be differences between the forecasted and actual results, and those differences may be material.

BECAUSE THERE IS NO ASSURANCE THAT ACTUAL EVENTS WILL CORRESPOND WITH ASSUMPTIONS MADE, NO GUARANTY CAN BE MADE THAT THE FINANCIAL PROJECTIONS WILL CORRESPOND WITH THE RESULTS ACTUALLY ACHIEVED IN THE FUTURE. ACTUAL OPERATING RESULTS MAY BE AFFECTED BY MANY UNCONTROLLABLE FACTORS, INCLUDING BUT NOT LIMITED TO, INCREASED COSTS, FAILURE BY MANAGEMENT OF THE BORROWER TO EXECUTE ITS PLANS, LOWER THAN ANTICIPATED REVENUES, TAXES, GOVERNMENTAL CONTROLS, CHANGES IN APPLICABLE GOVERNMENTAL REGULATION, AND GENERAL ECONOMIC CONDITIONS.

Taxation of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds; Bond audit

Prospective purchasers of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds should be aware that the ownership of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds may result in collateral federal income tax consequences to certain taxpayers, including without limitation S corporations, foreign corporations operating branches in the United States of America, property and casualty insurance companies, banks, thrifts or other financial institutions or certain recipients of Social Security or Railroad Retirement benefits. Prospective purchasers are advised to consult their own tax advisors as to (i) the tax consequences of purchasing or owning Series 2020 Bonds, and (ii) the status of interest on the Series 2020 Bonds under the tax laws of any state other than the State.

The interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds may be includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds for a variety of reasons. The exclusion from gross income is dependent upon, among other things, compliance with certain restrictions regarding investment of bond proceeds and continuing compliance by the Borrower with the Loan Agreement and the Tax Regulatory Agreement under which enforcement remedies available to the Issuer and the Trustee are limited. See “TAX MATTERS” herein.

There are many events that could affect the value and liquidity or marketability of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds after their issuance, including but not limited to public knowledge of an audit of the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds by the IRS, a general change in interest rates for comparable securities, a change in federal or state income tax rates, legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. Certain tax considerations relevant to owners of Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds who purchase Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds after their issuance may be different from those relevant to purchasers upon issuance.

If interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds becomes includable in gross income for federal income tax purposes, the market for and value of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds could be adversely affected. Moreover, there can be no assurance that the presently advantageous provisions of the Code, or the rules and regulations thereunder, will not be retroactively adversely amended or modified, thereby resulting in the inclusion in gross income of the interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds for federal income tax purposes. For example, a “flat tax” may adversely affect the advantage of owning tax-exempt bonds, including the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. There can be no assurance that Congress will not adopt legislation applicable to tax-exempt bonds in general, to the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, to the Borrower or to the Series 2020 Project and that the Borrower or the Series 2020 Project would be able to comply with any such future legislation in a manner necessary to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. The Borrower is required to comply with federal income tax law requirements in

order to maintain the excludability from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds to the extent that any such requirements are made applicable to the Series 2020 Project. There is no assurance that the Borrower would be able to comply with any such requirements.

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to above or could adversely affect the market value of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. Purchasers of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

After the date of issuance of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds or the market prices of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. Further, no assurance can be given that pending or future legislation or amendments to the Code, if enacted into law, or any proposed legislation or amendments to the Code, will not adversely affect the value of, or the tax status of interest on, the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds. Prospective purchasers of Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds are urged to consult their own tax advisors with respect to proposals to restructure the federal income tax.

If a Determination of Taxability with respect to the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds were to occur, the applicable Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds to which the Determination of Taxability would apply would be subject to mandatory redemption, as a whole and not in part (except in limited circumstances), at a redemption price equal to 100% of the principal amount thereof plus interest accrued to the redemption date plus a 3% premium, on the earliest practicable date for which notice can be given following such determination. If the Tax-Exempt Series 2020A Bonds and/or Tax-Exempt Series 2020C Bonds were to be redeemed upon a Determination of Taxability, the Borrower would not have the resources to make the required payments to redeem the Bonds. The source of such redemption price would be a refinancing, and there can be no assurance that such a refinancing could be attained.

The IRS conducts an audit program to examine compliance with the requirements regarding tax-exempt status. If the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds become the subject of an audit, under current IRS procedures, the Issuer would be treated as the taxpayer, and the owners of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, as applicable, would have limited rights to participate in the audit process. The initiation of an audit with respect to the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds could adversely affect the market value and liquidity of the applicable Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Tax-Exempt Series 2020A Bonds and/or Tax-Exempt Series 2020C Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Bonds. No ruling with respect to the tax-exempt status of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds has been or will be sought from the IRS, however, and opinions of counsel are not binding on the IRS or the courts, and are not guarantees. There can be no assurance, therefore, that an audit of the Tax-Exempt Series 2020A Bonds or Tax-Exempt Series 2020C Bonds would not adversely affect the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, as applicable.

Bond Counsel's engagement with respect to the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds ends with the issuance of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, and unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Borrower or the beneficial owners regarding the tax-exempt status of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Issuer and its appointed counsel including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds would be difficult, obtaining an independent review of IRS positions with which the Issuer or the Borrower legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds for audit, or the course or result of such audit, or an audit of tax-exempt bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds, and may cause the Issuer, the Borrower or the beneficial owners to incur significant expense.

Neither the opinion of Bond Counsel nor this Limited Offering Memorandum purport to address the likelihood or effect of any of the potential events or such other tax considerations described above, and prospective purchasers of the Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds.

Legal Opinions

The various legal opinions to be delivered concurrently with the delivery of the Series 2020 Bonds will express the professional judgment of the attorneys rendering the opinions on the legal issues explicitly addressed therein on the date thereof. By rendering a legal opinion, the opinion

giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction, nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

In addition, such opinions will be qualified as to the enforceability of the various legal instruments by, among others, limitations imposed by state and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws affecting the enforcement of creditors' rights generally.

Uncertainty of investment income

The investment earnings of and accumulations in, certain funds established under the Indenture have been estimated and are based on assumed interest rates as indicated. While these assumptions are believed to be reasonable in view of the rates of return presently and previously available on the types of securities in which the Trustee is permitted to invest under the Indenture, there can be no assurance that similar interest rates will be available on such securities in the future, nor can there be any assurance that the estimated funds will actually be realized.

The absence of a secondary market; no rating

No application has been made for a credit rating for the Series 2020 Bonds. The absence of a rating adversely affects the market for the Series 2020 Bonds. There can be no assurance that there will be a secondary market for the purchase or sale of the Series 2020 Bonds. From time to time there may be no market for the Series 2020 Bonds, depending upon prevailing market conditions, the financial condition or market position of firms which may make the secondary market, and the financial condition and results of operations of the Series 2020 Project. Transferability and marketability of the Series 2020 Bonds is further limited by the terms and conditions of the Indenture requiring transfers of Series 2020 Bonds in minimum denominations of \$100,000 and integral multiples of \$5,000 in excess of \$100,000, the execution of an investor letter by each initial purchaser of the Series 2020 Bonds substantially in the form attached hereto as "APPENDIX I—FORM OF INVESTOR LETTER" and as Exhibit B to the Indenture (the "Investor Letter"), and the limitation on subsequent transfers of the Series 2020 Bonds only to eligible transferees as described below under "NOTICE TO INVESTORS: TRANSFER RESTRICTIONS". The Series 2020 Bonds should therefore be considered long-term investments in which funds are committed until maturity or sinking fund redemption.

NOTICE TO INVESTORS: TRANSFER RESTRICTIONS

Purchase of the Series 2020 Bonds described herein involves a high degree of risk. See "RISK FACTORS" above.

THE REGISTERED OWNERS OF THE SERIES 2020 BONDS AGREE THAT ANY TRANSFER OF THE SERIES 2020 BONDS OR ANY INTEREST THEREIN WILL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF THE INDENTURE AS DESCRIBED HEREIN AND ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS.

As a condition to the purchase of the Series 2020 Bonds or any interest therein by the initial purchasers, each initial purchaser of a Series 2020 Bond or a beneficial ownership interest in the Series 2020 Bonds will be required to execute an express agreement making the acknowledgments, representations, warrants and agreements described in the Indenture. Such express agreement will be substantially in the form of the Investor Letter attached as “APPENDIX I—Form of Investor Letter” hereto and each such initial purchaser also is deemed to have represented to and agreed with the Issuer and the Trustee as to the items set forth in Section 2.13 of the Indenture (relating to Restrictions on Registrations and Transfer).

Any transfer of a Series 2020 Bond or any interest therein which is not made in compliance with the provisions of the Indenture described in this section will be null and void and will not be given effect for any purpose under the Indenture.

SERIES 2020 BOND PURCHASE AND PLAN OF DISTRIBUTION

Pursuant to the Bond Purchase Agreement among the Issuer, the Borrower and B.C. Ziegler and Company (the “**Underwriter**”), the Underwriter has agreed to use its best efforts, on behalf of the Borrower, to solicit, at a market rate of interest, purchases of the Series 2020 Bonds from the Issuer by Qualified Institutional Buyers or Accredited Investors which customarily purchase tax-exempt fixed income securities in large denominations at a price of par. The Borrower will pay the Underwriter a fee of \$5,015,400 (comprised of \$2,142,872.25 for the Tax-Exempt Series 2020A Bonds, \$2,560,595.74 for the Taxable Series 2020B Bonds and \$311,932.01 for the Tax-Exempt Series 2020C Bonds) on the Closing Date in consideration of such efforts.

The Series 2020 Bonds are being offered only to Qualified Institutional Buyers and Accredited Investors. The Underwriter has not (i) made any investigation into the financial condition or affairs of the Borrower on behalf of any prospective purchaser of the Series 2020 Bonds, or (ii) assumed any responsibility for any information or materials furnished by the Issuer or the Borrower to any prospective purchaser of the Series 2020 Bonds. Each prospective purchaser of the Series 2020 Bonds is being furnished a copy of this Limited Offering Memorandum, together with the Appendices hereto and any supplements to this Limited Offering Memorandum which may have been prepared. In addition, each prospective purchaser is hereby offered the opportunity, prior to purchasing any Series 2020 Bonds and at any time the Series 2020 Bonds are outstanding, to ask questions of, and receive answers from, the Borrower concerning the terms and conditions of the offering, and to obtain any additional relevant information, to the extent the Borrower possesses the same or can acquire it without unreasonable effort or expense. Each prospective purchaser also may obtain access to documents and information related to the Borrower and the Series 2020 Project by requesting from the Underwriter access to the data room. Each initial purchaser, by purchasing the Series 2020 Bonds and delivering the required Investor Letter (a form of which is attached to this Limited Offering Memorandum as “APPENDIX I—FORM OF INVESTOR LETTER”), represents to, and each person who subsequently purchases or otherwise acquires a Series 2020 Bond or Beneficial Ownership Interest or any other interest in a Series 2020 Bond by its acquisition or acceptance of such Series 2020 Bond or interest in a Series 2020 Bond is deemed to represent to the Issuer and the Trustee, among other things, that it has had an opportunity to ask questions of, and receive answers from, and that it has received all information and materials it regards as necessary to evaluate all merits and risks of its investment from, the Borrower. Inquiries concerning additional information should be directed in writing to

Legacy Cares, Inc., 1900 West Chandler Boulevard, Suite 15-315, Chandler, Arizona 85224; Attention: Douglas Moss, President.

Because the Series 2020 Bonds are being offered only to Qualified Institutional Buyers and Accredited Investors, as described above, and each purchaser is responsible for evaluating the merits and risks of such purchaser's investment in the Series 2020 Bonds, each purchaser of the Series 2020 Bonds must be able to bear the economic risks of such purchaser's investment in the Series 2020 Bonds. Each purchaser, by purchasing the Series 2020 Bonds (and each initial purchaser by delivering the required Investor Letter), represents to the Issuer and the Trustee that it has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of tax-exempt obligations, to be able to evaluate the merits and risks of its investment in the Series 2020 Bonds. Moreover, each purchaser, by purchasing the Series 2020 Bonds (and each initial purchaser by delivering the required Investor Letter), represents to and agrees with the Issuer and the Trustee that (i) its purchase of the Series 2020 Bonds is for its own account, or for the account of a Qualified Institutional Buyer or an Accredited Investor, for the purpose of investment and not with a view to distribution, transfer or resale, (ii) it does not intend to distribute, transfer or resell the Series 2020 Bonds or transfer the Series 2020 Bonds or any portion thereof, and (iii) in the event it does resell or otherwise dispose of the Series 2020 Bonds or any portion thereof, it will comply with all applicable state and federal securities laws then in effect.

LITIGATION

The Issuer

As of the date hereof, there is no litigation pending (as to which the Issuer has received service of process) or, to the actual knowledge of the Issuer, overtly threatened in writing directly against the Issuer to restrain or enjoin the issuance, sale, execution or delivery of the Series 2020 Bonds or any proceedings of the Issuer with respect to the issuance or sale thereof, or the pledge or application of any monies or security for the Series 2020 Bonds or the existence or powers of the Issuer.

The Borrower

No action, suit, proceeding or investigation is pending against the Borrower or Legacy Sports, or to the Borrower's or Legacy Sports' knowledge, threatened which might materially adversely affect the business or properties or financial condition of the Borrower, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of either Promissory Note, the Loan Agreement, or any other documents executed by the Borrower or Legacy Sports in connection with the Loan Payments on the Series 2020 Bonds, the performance by either the Borrower or Legacy Sports of any of their respective obligations thereunder, or the consummation of any of the transactions contemplated thereby.

CONTINUING DISCLOSURE

The Borrower and Digital Assurance Certification, LLC ("DAC"), a Florida limited liability company, will enter into a Disclosure Dissemination Agent Agreement (the "Dissemination Agreement"), a form of which is set forth in APPENDIX J—FORM OF

DISCLOSURE DISSEMINATION AGENT AGREEMENT attached hereto, for the benefit of the Registered Owners of the Bonds upon their issuance. The Borrower will covenant for the benefit of the owners of the Series 2020 Bonds to (i) provide certain financial information relating to the Borrower within one hundred twenty (120) days after the end of each Fiscal Year of the Borrower beginning with the Fiscal Year ending on December 31, 2020 (the “**Annual Report**”), (ii) provide narrative reports of the progress on the construction of the Series 2020 Project within fifteen (15) days after the end of each calendar month beginning with the month ending September 30, 2020 (the “**Monthly Report**”), (iii) provide certain operating data and financial information relating to the Borrower and the Series 2020 Project within sixty (60) days after the end of each fiscal quarter of the Borrower beginning with the fiscal quarter ending on June 30, 2020 (the “**Quarterly Report**”), and (iv) provide notices of the occurrence of certain enumerated events, in certain cases if deemed material under federal laws. The Annual Report, the Monthly Report, the Quarterly Report and notices of material events will be filed by the Borrower with (i) the Municipal Securities Rulemaking Board (the “**MSRB**”) through MSRB’s Electronic Municipal Market Assess system at <http://emma.msrb.org> (“**EMMA**”) in the electronic format then prescribed by the SEC pursuant to SEC Rule 15c2-12(b)(5) (the “**Rule**”), and (ii) any public or private repository or entity designated by a state as a state repository, if any, for the purposes of the Rule. This information will be made available free to securities brokers and the general public through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX J—FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT attached hereto.

Financial information regarding the Borrower can be obtained from Douglas Moss, President, of the Borrower, 1900 West Chandler Boulevard, Suite 15-315, Chandler, Arizona 85224.

The obligations of the Borrower described above will remain in effect only for such period that (i) the Series 2020 Bonds are Outstanding in accordance with their terms and (ii) the Borrower remains an “obligated person” with respect to the Bonds within the meaning of the Rule. The Borrower reserves the right to terminate its obligation to provide notices of material events, as set forth above, if and when the Borrower no longer remains an “obligated person” with respect to the Series 2020 Bonds within the meaning of the Rule. The Borrower acknowledges that its undertaking pursuant to the Rule described under this heading is intended to be for the benefit of the Registered Owners (including holders of beneficial interests in the Series 2020 Bonds).

In the event of a failure of the Borrower to comply with the disclosure requirements set forth in the Dissemination Agreement, any Registered Owner may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the Borrower to file its Annual Report, Monthly Report, or Quarterly Report or to give notice of a listed event. A default in compliance with the disclosure requirements under the Dissemination Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under the Dissemination Agreement in the event of any failure of the Borrower to comply with the disclosure requirements shall be an action to compel performance.

Pursuant to the Dissemination Agreement, DAC will serve as the Borrower's Disclosure Dissemination Agent for the purpose of assisting the Borrower and to ensure ongoing compliance with its continuing disclosure filing requirements.

TAX MATTERS

Tax-Exempt Series 2020A Bonds and Tax-Exempt Series 2020C Bonds

General. In the opinion of Gust Rosenfeld P.L.C. ("**Bond Counsel**"), in reliance on the opinion of McCann Garland Ridall & Burke LLC, that the Borrower is an organization described in Section 501(c)(3) of the Code, and based on an analysis of existing laws, regulations, rulings and court decisions under existing law, the interest on the Tax Exempt Series 2020A Bonds and Tax-Exempt Series 2020 C Bonds (collectively, hereinafter the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Series 2020C Bonds, the "Tax-Exempt Series 2020 Bonds") is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation provided by the laws of the State. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Tax-Exempt Series 2020 Bonds and the interest thereon.

The opinions on federal and State tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the Issuer and the Borrower contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Tax-Exempt Series 2020 Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State income tax purposes. The Issuer and the Borrower have covenanted to take the actions required of them for the interest on the Tax-Exempt Series 2020 Bonds to be and to remain excludable from gross income for federal and State income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinion assumes the accuracy of such certifications and representations and the continuing compliance by the Issuer and the Borrower with such covenants. Noncompliance with these covenants by the Issuer or the Borrower may cause the interest on the Tax-Exempt Series 2020 Bonds to be included in gross income for federal and State income tax purposes retroactively to the date of issuance of the Tax-Exempt Series 2020 Bonds.

The opinion of Bond Counsel is based on current legal authority and covers certain matters not directly addressed by such authority. It represents Bond Counsel's legal judgment as to the excludability of interest on the Tax-Exempt Series 2020 Bonds from gross income for federal and State income tax purposes but is not a guarantee of that conclusion. The opinion is not binding on the Internal Revenue Service ("**IRS**") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Code, the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Tax-Exempt Series 2020 Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be

deemed to have incurred (or continued) indebtedness to purchase or carry the Tax-Exempt Series 2020 Bonds. Bond Counsel will express no opinion regarding any such consequences.

Original Issue Discount. Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Tax-Exempt Series 2020 Bond is less than the stated redemption price of such Tax-Exempt Series 2020 Bonds at maturity, then such Tax-Exempt Series 2020 Bond is considered to have “original issue discount” equal to the difference between such initial offering price and the amount payable at maturity (such Tax-Exempt Series 2020 Bonds are referred to as “**OID Bonds**”). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bond on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

Amortizable Bond Premium. For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Tax-Exempt Series 2020 Bond is sold over the amount payable at maturity thereof, constitutes for the original purchasers of such Tax-Exempt Series 2020 Bonds (collectively, the “**Original Premium Bonds**”) an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer’s basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the “**Premium Bonds**”). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer’s yield to maturity determined by using the taxpayer’s basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer’s adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

Market Discount. The “market discount rules” of the Code apply to the Tax-Exempt Series 2020 Bonds. Accordingly, holders acquiring their Tax-Exempt Series 2020 Bonds subsequent to the initial issuance of the Tax-Exempt Series 2020 Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid after March 31, 2007, on tax-exempt obligations, including the Tax-Exempt Series 2020 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, “Request for Taxpayer Identification Number and Certification,” or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to “backup withholding,” which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a “payor” generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Tax-Exempt Series 2020 Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Tax-Exempt Series 2020 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner’s federal income tax once the required information is furnished to the IRS.

Exemption Under State Tax Law. Bond Counsel is also of the opinion that, under existing State statutes, interest on the Tax-Exempt Series 2020 Bonds is exempt from State income tax. Bond Counsel has expressed no opinion regarding other tax consequences arising with respect to the Tax-Exempt Series 2020 Bonds under the laws of the State or any other state or jurisdiction.

Future Developments. Bond Counsel’s engagement with respect to the Tax-Exempt Series 2020 Bonds ends with the issuance of the Tax-Exempt Series 2020 Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the Issuer, the Borrower or the beneficial owners of the Tax-Exempt Series 2020 Bonds in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Tax-Exempt Series 2020 Bonds, under current IRS procedures, the IRS will treat the Issuer as the taxpayer and the beneficial owners of the Tax-Exempt Series 2020 Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

No assurance can be given that any future legislation or clarifications or amendments to the Code, if enacted into law, will not contain proposals which could cause the interest on the Tax-Exempt Series 2020 Bonds to be subject directly or indirectly to federal or State income taxation or otherwise prevent the holders from realizing the full current benefit of the status of the interest thereon. In addition, such legislation, whether currently proposed, proposed in the future or enacted, could adversely affect the market price or marketability of the Tax-Exempt Series 2020 Bonds. Bond Counsel expresses no opinion regarding any pending or proposed federal or State tax legislation.

Further, no assurance can be given that any actions of the IRS, including, but not limited to, selection of the Tax-Exempt Series 2020 Bonds for audit examination, or the course or result of any examination of the Tax-Exempt Series 2020 Bonds, or other bonds which present similar tax issues, will not affect the market price of the Tax-Exempt Series 2020 Bonds.

Investors should consult with their tax advisors as to the tax consequences of their acquisition, holding or disposition of the Tax-Exempt Series 2020 Bonds, including the impact of any pending or proposed federal or State tax legislation.

Taxable Series 2020B Bonds

General. In the opinion of Bond Counsel, the Taxable Series 2020B Bonds and the interest thereon are exempt from all taxation provided by the laws of the State. Bond Counsel will express no opinion regarding any other state tax consequences arising with respect to the Taxable Series 2020B Bonds and the interest thereon.

In the opinion of Bond Counsel, interest on the Taxable Series 2020B Bonds is not excluded from gross income for federal tax purposes under Section 103 of the Code. Bond Counsel will express no opinion regarding any other federal tax consequences relating to the ownership or disposition of, or the accrual or receipt of interest on, the Taxable Series 2020B Bonds.

The following discussion is a summary of the principal United States federal income tax consequences of the acquisition, ownership and disposition of the Taxable Series 2020B Bonds by original purchasers of the Taxable Series 2020B Bonds who are U.S. Holders (as defined below). This summary is based on the Code, Treasury regulations, revenue rulings and court decisions, all as now in effect and all subject to change at any time, possibly with retroactive effect. This summary assumes that the Taxable Series 2020B Bonds will be held as “capital assets” under the Code, and it does not discuss all of the United States federal income tax consequences that may be relevant to a U.S. Holder in light of its particular circumstances or to U.S. Holders subject to special rules, such as insurance companies, financial institutions, tax exempt organizations, dealers in securities or foreign currencies, persons holding the Taxable Series 2020B Bonds as a position in a “hedge” or “straddle” for United States federal income tax purposes, U.S. Holders whose functional currency (as defined in Section 985 of the Code) is not the United States dollar, U.S. Holders who acquire Taxable Series 2020B Bonds in the secondary market, or individuals, estates and trusts subject to the tax on unearned income imposed by Section 1411 of the Code. Each prospective purchaser of the Taxable Series 2020B Bonds should consult with its own tax advisor

concerning the United States federal income tax and other tax consequences to it of the acquisition, ownership and disposition of the Taxable Series 2020B Bonds as well as any tax consequences that may arise under the laws of any state, local or foreign tax jurisdiction.

Certain taxpayers that are required to prepare certified financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Series 2020B Bonds at the time that such income, gain or loss is taken into account on such financial statements instead of under the rules described below.

As used herein, the term “**U.S. Holder**” means a beneficial owner of a Taxable Series 2020B Bond that is for United States federal income tax purposes (i) a citizen or resident of the United States, (ii) a corporation, partnership or other entity created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust whose administration is subject to the primary jurisdiction of a United States court and which has one or more United States fiduciaries who have the authority to control all substantial decisions of the trust.

U.S. Holders – Interest Income. Interest and original issue discount (as defined below) on the Taxable Series 2020B Bonds are not excludable from gross income for United States federal income tax purposes.

Original Issue Discount. For United States federal income tax purposes, a Taxable Series 2020B Bond will be treated as issued with original issue discount (“**OID**”) if the excess of a Taxable Series 2020B Bond’s “stated redemption price at maturity” over its “issue price” equals or exceeds a statutorily determined de minimis amount. The “issue price” of each Taxable Series 2020B Bond in a particular issue equals the first price at which a substantial amount of such issue is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The “**stated redemption price at maturity**” of a Taxable Series 2020B Bond is the sum of all payments provided by such Taxable Series 2020B Bond other than “qualified stated interest” payments. The term “**qualified stated interest**” generally means stated interest that is unconditionally payable in cash or property (other than debt instruments of the issuer) at least annually at a single fixed rate. In general, if the excess of a Taxable Series 2020B Bond’s stated redemption price at maturity over its issue price is less than 0.25 percent of the Taxable Series 2020B Bond’s stated redemption price at maturity multiplied by the number of complete years to its maturity (the “**de minimis amount**”), then such excess, if any, constitutes de minimis OID, and the Taxable Series 2020B Bond is not treated as being issued with OID and all payments of stated interest (including stated interest that would otherwise be characterized as OID) is treated as qualified stated interest, as described below.

Payments of qualified stated interest on a Taxable Series 2020B Bond are taxable to a U.S. Holder as ordinary interest income at the time such payments are accrued or are received in accordance with the U.S. Holder’s regular method of tax accounting. A U.S. Holder of a Taxable Series 2020B Bond having a maturity of more than one year from its date of issue generally must include OID in income as ordinary interest as it accrues on a constant yield method in advance of receipt of the cash payments attributable to such income, regardless of such U.S. Holder’s regular

method of tax accounting. The amount of OID included in income by the U.S. Holder of a Taxable Series 2020B Bond is the sum of the daily portions of OID with respect to such Taxable Series 2020B Bond for each day during the taxable year (or portion of the taxable year) on which such U.S. Holder held such Taxable Series 2020B Bond. The daily portion of OID on any Taxable Series 2020B Bond is determined by allocating to each day in any “accrual period” a ratable portion of the OID allocable to the accrual period. All accrual periods with respect to a Taxable Series 2020B Bond may be of any length and the accrual periods may vary in length over the term of the Taxable Series 2020B Bond, *provided* that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or final day of an accrual period. The amount of OID allocable to an accrual period is generally equal to the difference between (i) the product of the Taxable Series 2020B Bond’s “adjusted issue price” at the beginning of such accrual period and such Taxable Series 2020B Bond’s yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period) and (ii) the amount of any qualified stated interest payments allocable to such accrual period. The “**adjusted issue price**” of a Taxable Series 2020B Bond at the beginning of any accrual period is the issue price of the Taxable Series 2020B Bond plus the amount of accrued OID includable in income for all prior accrual periods minus the amount of any prior payments on the Taxable Series 2020B Bond other than qualified stated interest payments. The amount of OID allocable to an initial short accrual period may be computed using any reasonable method if all other accrual periods other than a final short accrual period are of equal length. The amount of OID allocable to the final accrual period is the difference between (i) the amount payable at the maturity of the Taxable Series 2020B Bond (other than a payment of qualified stated interest) and (ii) the Taxable Series 2020B Bond’s adjusted issue price as of the beginning of the final accrual period. Under the OID rules, U.S. Holders generally will have to include in income increasingly greater amounts of OID in successive accrual periods.

A U.S. Holder may elect to include in gross income all interest that accrues on a Taxable Series 2020B Bond using the constant yield method described in the immediately preceding paragraph, with the modifications described below. For purposes of this election, interest includes, among other things, stated interest, OID and de minimis OID, as adjusted by any amortizable bond premium described below under the heading “TAX MATTERS – Taxable Series 2020B Bonds – *Amortizable Bond Premium*.” In applying the constant yield method to a Taxable Series 2020B Bond with respect to which this election has been made, the issue price of the Taxable Series 2020B Bond will equal its cost to the electing U.S. Holder, the issue date of the Taxable Series 2020B Bond will be the date of its acquisition by the electing U.S. Holder, and no payments on the Taxable Series 2020B Bond will be treated as payments of qualified stated interest. The election will generally apply only to the Taxable Series 2020B Bond with respect to which it is made and may not be revoked without the consent of the Internal Revenue Service. If this election is made with respect to a Taxable Series 2020B Bond with amortizable bond premium, then the electing U.S. Holder will be deemed to have elected to apply amortizable bond premium against interest with respect to all debt instruments with amortizable bond premium (other than debt instruments the interest on which is excludable from gross income) held by the electing U.S. Holder as of the beginning of the taxable year in which the Taxable Series 2020B Bond with respect to which the election is made is acquired or thereafter acquired. The deemed election with

respect to amortizable bond premium may not be revoked without the consent of the Internal Revenue Service.

U.S. Holders of any Taxable Series 2020B Bonds issued with OID should consult their own tax advisors with respect to the treatment of OID for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Taxable Series 2020B Bonds.

Amortizable Bond Premium. In general, if a U.S. Holder acquires a Taxable Series 2020B Bond for a purchase price (excluding accrued interest) or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Taxable Series 2020B Bond after the acquisition date (excluding certain “qualified stated interest” that is unconditionally payable at least annually at prescribed rates), that premium constitutes “bond premium” on that Taxable Series 2020B Bond (a “**Taxable Premium Bond**”). In general, if a U.S. Holder of a Taxable Premium Bond elects to amortize the premium as “amortizable bond premium” over the remaining term of the Taxable Premium Bond, determined based on constant yield principles (in certain cases involving a Taxable Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the highest yield on such bond), the amortizable premium is treated as an offset to interest income; the U.S. Holder will make a corresponding adjustment to such U.S. Holder’s basis in the Taxable Premium Bond. Any such election applies to all debt instruments of the U.S. Holder (other than tax exempt bonds) held at the beginning of the first taxable year to which the election applies and to all such debt instruments thereafter acquired, and is irrevocable without the IRS’s consent. A U.S. Holder of a Taxable Premium Bond that so elects to amortize bond premium does so by offsetting the qualified stated interest allocable to each interest accrual period under the U.S. Holder’s regular method of federal tax accounting against the bond premium allocable to that period. If the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is treated as a bond premium deduction under Section 171 (a)(1) of the Code, subject to certain limitations. If a Taxable Premium Bond is optionally callable before maturity at a price in excess of its stated redemption price at maturity, special rules may apply with respect to the amortization of bond premium. Under certain circumstances, the U.S. Holder of a Taxable Premium Bond may realize a taxable gain upon disposition of the Taxable Premium Bond even though it is sold or redeemed for an amount less than or equal to the U.S. Holder’s original acquisition cost.

U.S. Holders of any Taxable Premium Bonds should consult their own tax advisors with respect to the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, and disposition of Taxable Premium Bonds.

U.S. Holders – Disposition of Taxable Series 2020B Bonds. Except as discussed above, upon the sale, exchange, redemption, or other disposition (which would include a legal defeasance) of a Taxable Series 2020B Bond, a U.S. Holder generally will recognize taxable gain or loss in an amount equal to the difference between the amount realized (other than amounts attributable to accrued interest not previously includable in income) and such U.S. Holder’s adjusted tax basis in the Taxable Series 2020B Bond. A U.S. Holder’s adjusted tax basis in a Taxable Series 2020B

Bond generally will equal such U.S. Holder's initial investment in the Taxable Series 2020B Bond, increased by any OID included in the U.S. Holder's income with respect to the Taxable Series 2020B Bond and decreased by the amount of any payments, other than qualified stated interest payments, received and bond premium amortized with respect to such Taxable Series 2020B Bond. Such gain or loss generally will be long term capital gain or loss if the Taxable Series 2020B Bond was held for more than one year.

U.S. Holders – Defeasance. U.S. Holders of the Taxable Series 2020B Bonds should be aware that, for federal income tax purposes, the deposit of moneys or securities in escrow in such amount and manner as to cause the Taxable Series 2020B Bonds to be deemed to be no longer outstanding under the Indenture (a “**defeasance**”), could result in a deemed exchange under Section 1001 of the Code and a recognition by such owner of taxable income or loss, without any corresponding receipt of moneys. In addition, for federal income tax purposes, the character and timing of receipt of payments on the Taxable Series 2020B Bonds subsequent to any such defeasance could also be affected. U.S. Holders of the Taxable Series 2020B Bonds are advised to consult with their own tax advisors regarding the consequences of a defeasance for federal income tax purposes, and for state and local tax purposes.

U.S. Holders – Net Investment Income. Certain non-corporate U.S. Holders may owe an additional 3.8 percent tax on the lesser of (i) their “net investment income”; or (ii) the amount by which their “modified adjusted gross income” exceeds the statutory threshold amount, based upon their filing status (for example, \$200,000 for unmarried individuals or \$250,000 for married couples filing jointly). U.S. Holders should consult with their own tax advisors regarding the application of such net investment income tax.

U.S. Holders – Backup Withholding and Information Reporting. In general, information reporting requirements will apply to non-corporate U.S. Holders with respect to payments of principal, payments of interest, and the accrual of OID on a Taxable Series 2020B Bond and the proceeds of the sale of a Taxable Series 2020B Bond before maturity within the United States. Backup withholding at a rate provided for in the Code will apply to such payments and to payments of OID unless the U.S. Holder (i) is a corporation or other exempt recipient and, when required, demonstrates that fact, or (ii) provides a correct taxpayer identification number, certifies under penalties of perjury, when required, that such U.S. Holder is not subject to backup withholding and has not been notified by the Internal Revenue Service that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from a payment to a beneficial owner, and which constitutes over withholding, would be allowed as a refund or a credit against such beneficial owner's United States federal income tax provided the required information is furnished to the IRS.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, could affect the market price or marketability of the Taxable Series 2020B Bonds. Prospective purchasers of the Taxable Series 2020B Bonds should consult their own tax advisors regarding the foregoing matters.

RELATIONSHIPS AMONG PARTIES

Gust Rosenfeld P.L.C. serves as Bond Counsel in connection with the issuance of the Series 2020 Bonds. From time to time, Gust Rosenfeld P.L.C. also serves as counsel to the Underwriter, the Issuer and the Trustee. Stites & Harbison, PLLC serves as counsel to the Underwriter. McCann Garland Ridall & Burke LLC, serves as counsel to the Borrower and Legacy Sports. J. Michael Baggett is a member of both (i) McCann Garland Ridall & Burke LLC, counsel to the Borrower and Legacy Sports, and (ii) Legacy Sports. Matt Waltz is a member of both JS Waltz and Legacy Sports.

LEGAL MATTERS

Legal matters incidental to the authorization and issuance of the Series 2020 Bonds are subject to the unqualified approving opinion of Gust Rosenfeld P.L.C., Phoenix, Arizona, Bond Counsel. Other than the descriptions of legal documents prepared by Bond Counsel and Bond Counsel's approving legal opinions set forth herein under the captions "THE BONDS," "SECURITY FOR THE BONDS," "TAX MATTERS," "APPENDIX B—FORM OF INDENTURE," "APPENDIX C—FORM OF LOAN AGREEMENT," "APPENDIX D—FORM OF DEPOSIT ACCOUNT CONTROL AGREEMENT," "APPENDIX E—FORM OF LEASEHOLD DEED OF TRUST," and "APPENDIX K—FORM OF OPINION OF BOND COUNSEL," which have been reviewed by Bond Counsel, Bond Counsel has not reviewed nor undertakes any responsibility for any of the information contained in this Limited Offering Memorandum. Certain legal matters will be passed upon for the Issuer by Kutak Rock LLP, Scottsdale, Arizona, and for the Borrower by McCann Garland Ridall & Burke LLC, Pittsburgh, Pennsylvania.

The Underwriter has been represented by Stites & Harbison, PLLC, Louisville, Kentucky. Stites & Harbison, PLLC has no obligation, responsibility or liability, direct or indirect, with respect to the Registered Owners of the Series 2020 Bonds, the Issuer or the Borrower. Stites & Harbison, PLLC has not been engaged, and has not undertaken, to verify the accuracy, completeness or fairness of the information set forth herein on behalf of, or for the benefit of, the Issuer, the Borrower or the Registered Owners of the Series 2020 Bonds.

INDEPENDENT FEASIBILITY CONSULTANTS

SFA has acted as an independent feasibility consultant and prepared the Feasibility Study, a copy of which is attached as APPENDIX L hereto, of the Series 2020 Project.

Johnson Consulting has acted as an independent feasibility consultant and prepared the Peer Review, a copy of which is attached as APPENDIX M hereto.

MISCELLANEOUS

Any statements in this Limited Offering Memorandum involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the statements will be realized. This Limited Offering Memorandum is not to be construed as a contract or agreement between the Issuer and/or the Borrower and the Registered Owners of the Series 2020 Bonds.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2020 Bonds, the security for the payment of the Series 2020 Bonds and the rights and obligations of the registered owners thereof.

The Borrower has furnished the information herein relating to the Borrower and the Series 2020 Project. The Issuer has furnished only the information herein under the caption "THE ISSUER" and the caption "LITIGATION - The Issuer". The Underwriter has furnished the information in this Limited Offering Memorandum with respect to the offering prices of the Series 2020 Bonds, and the information under the captions "SERIES 2020 BOND PURCHASE AND PLAN OF DISTRIBUTION," "ESTIMATED SOURCES AND USES OF FUNDS," and "DEBT SERVICE SCHEDULE FOR SERIES 2020 BONDS."

References herein to the Act, and all other legislative acts referred to herein are only summaries, excerpts or brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

OTHER THAN WITH RESPECT TO INFORMATION CONCERNING THE ISSUER CONTAINED UNDER THE CAPTIONS "THE ISSUER" AND "LITIGATION - The Issuer", NONE OF THE INFORMATION IN THIS LIMITED OFFERING MEMORANDUM HAS BEEN SUPPLIED OR VERIFIED BY THE ISSUER, AND THE ISSUER MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AS TO (I) THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION; (II) THE VALIDITY OF THE SERIES 2020 BONDS; OR (III) THE TAX STATUS OF THE INTEREST ON THE SERIES 2020 BONDS.

Additional information may be obtained upon request from Legacy Cares, Inc., 1900 West Chandler Boulevard, Suite 15-315, Chandler, Arizona 85224; Attention: Douglas Moss, President.

[Remainder of this page intentionally is blank.]

The execution of this Limited Offering Memorandum has been duly authorized by the Borrower.

LEGACY CARES, INC.

By: /s/ Douglas Moss

President

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A

CERTAIN INFORMATION REGARDING THE BORROWER

[THIS PAGE INTENTIONALLY LEFT BLANK]

CERTAIN INFORMATION REGARDING THE BORROWER

The information provided in this Appendix A has been provided by the Borrower, and no representation is made by the Issuer or the Underwriter as to its accuracy or completeness. Capitalized terms not defined herein shall have the meanings to such terms in the forepart of this Limited Offering Memorandum. Information in this Appendix A concerning the contents of any contract, agreement or other instrument does not purport to be complete.

APPENDIX A

1.0 EXECUTIVE SUMMARY

1.1 THE BORROWER – LEGACY CARES

Legacy Cares, Inc. (“Legacy Cares” or the “Borrower”) is a non-profit 501(c)(3) entity which was incorporated in the State of Arizona in 2018. Legacy Cares is an organization dedicated to creating life changing opportunities for all individuals through access to family entertainment facilities centered around youth sports. The organization’s goals and objectives are inspired from the principle of leaving a lasting “Legacy” for the youth of today who will become the future leaders and valued members of society, their families and for future generations. Legacy Cares’ philosophy is to provide athletes and non-athletes of all ages, economic backgrounds and levels of athletic proficiency, the opportunity to participate in sports while fostering the enjoyment and camaraderie of teamwork and perseverance, key components in athletic competition and lifetime success. Legacy Cares will develop, own, and operate youth sports and family entertainment facilities, the first of which is Legacy Sports Park, a state-of-the-art multi-sport youth and family entertainment facility that will be located in Mesa, Arizona.

Legacy Cares’ leadership is comprised of a three-person Board of Directors, who are businessmen with experience in the sports and entertainment industry. They are dedicated to serving the community by providing opportunities to learn and explore new skills and abilities, while promoting health, fitness and wellness lifestyle coaching.

Douglas Moss, Executive Director

Mr. Moss serves as the Executive Director of Legacy Cares. He has held numerous executive positions in a career spanning more than 30 years in the sports and entertainment industry. He started at Madison Square Garden (MSG) in 1986, as Senior Vice President of Sales for MSG Network. In 1992, he was named President of MSG Network and served in that capacity until December 1994, when he joined the Buffalo Sabres of the National Hockey League. As President and Chief Executive Officer (“CEO”) of the Buffalo Sabres, Mr. Moss was charged with overseeing team operations, including the building of Marine Midland Arena (now First Niagara Center). His background in professional hockey also includes senior roles with the International Hockey League and Anaheim Mighty Ducks. Mr. Moss also served as President of the Phoenix Coyotes.

Mr. Moss was the founder and CEO of MK Solutions Group, a sports and entertainment technology company. Currently he is General Manager of Sports and Entertainment for Leyard/Planar Systems where he is responsible for creating and developing innovative solutions and strategic alliances with the sports and entertainment industry utilizing Leyard/Planar’s industry-leading light emitting diode and liquid crystal display technologies. He negotiated a partnership with Lighthouse Technologies, LTD while directing the operations of the division, resulting in project awards in both professional and collegiate sports.

Daniel O'Brien, Director

Mr. O'Brien was the first American winner in the decathlon in the 1996 Summer Olympics since 1976, resulting in his being then considered the "World's Greatest Athlete." Prior to winning the gold in 1996 and after failing to qualify for the United States Olympic team in 1992, Mr. O'Brien set a new World Record at the Decastar Invitational Competition in Talence, France – defeating the 1992 Olympic Gold Medalist Robert Zmelik, won the 1993 and 1995 World Championships, the 1994 Goodwill Games, and three US Championships - all leading to the 1996 Olympic Gold Medal in Atlanta. Mr. O'Brien's name is synonymous with athletic achievement and success both on and off the field.

Mr. O'Brien continues to promote the sport that has given so much to him. He is the on-field emcee for major USA Track & Field events, and involved as both a host and celebrity athlete for the USA Track & Field's "*Win With Integrity*" program, a community outreach and mentoring program designed to help children make good life decisions, set positive goals, and adhere to a drug-free lifestyle.

Mr. O'Brien also works very closely with the United States Olympic Committee as part of its Olympic Ambassador Program, mentoring athletes in the areas of media training, preparation, and peak performance. Mr. O'Brien can also be seen on www.teamusa.org where he hosts a Web series called "Can Dan Do It?" In this series, Mr. O'Brien attempts 28 different Olympic events to see if the World's Greatest Athlete, can, in fact, excel in any sport.

Mr. O'Brien also serves as a motivational speaker for company leaders and employees, and has worked as both a color commentator and guest analyst for networks such as ESPN, CBS, NBC, SEC Network, and ACC Network. He was part of NBC's 2012 Olympic coverage from London.

Lawrence K. White, Director

Mr. White is a senior finance professional with expertise in mergers and acquisitions, operations, negotiation of debt instruments, cash flow management, and bank and investor relations. Mr. White began his financial career in 1987 after graduating from the San Diego State University School of Accountancy. Throughout the years following graduation, Mr. White became a certified public accountant in Arizona and Massachusetts. His professional career has included work with the following entities:

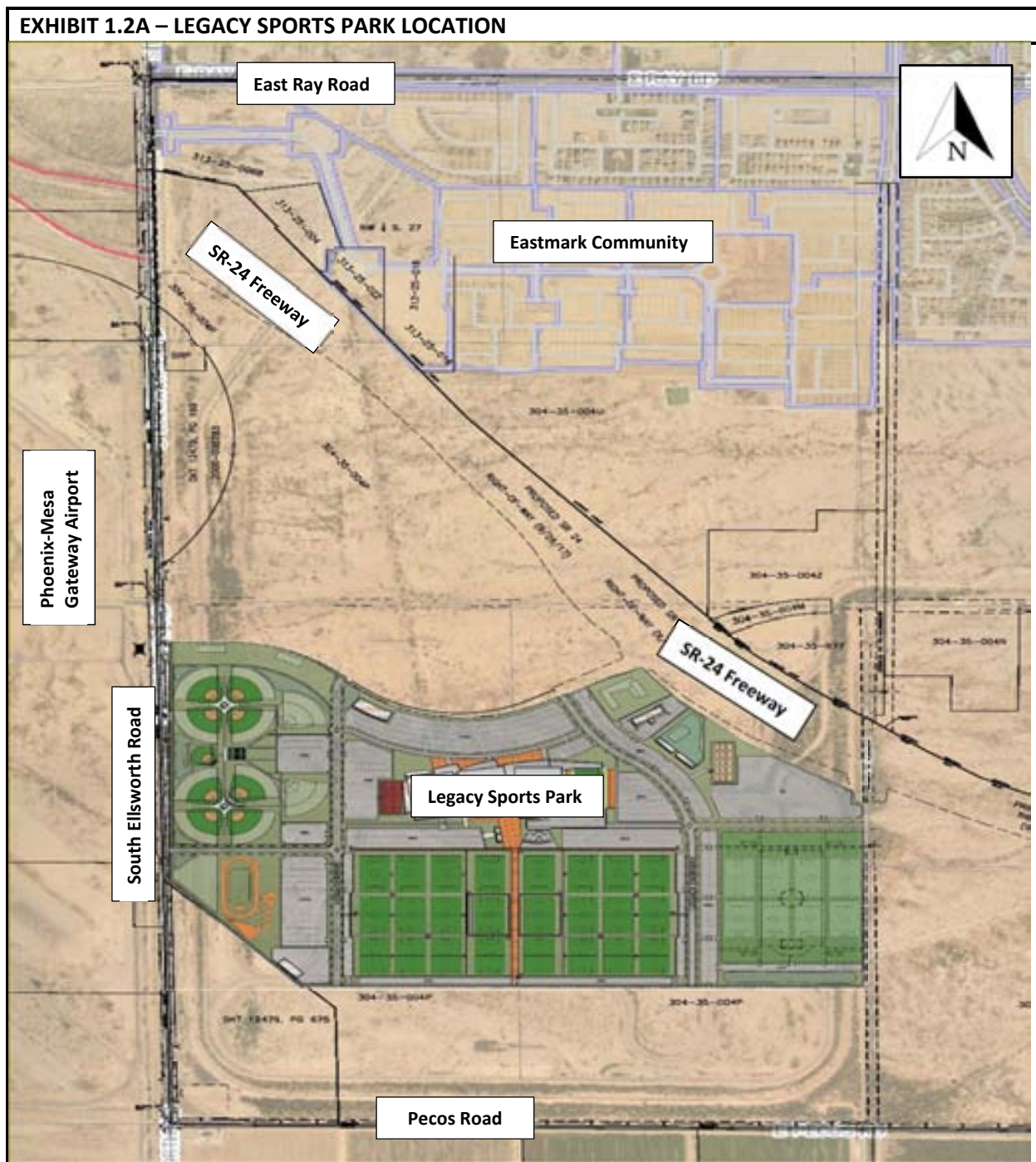
- | | |
|------------------------------|--|
| ▪ Price Waterhouse | ▪ Meredith Management Corporation |
| ▪ Arizona Diamondbacks | ▪ Elizabeth Arden Salon-Holdings, Inc. |
| ▪ Pannell Kerr Foster, P.C. | ▪ The Boston Financial Group |
| ▪ Main Street and Main, Inc. | ▪ Dragontech International |

Mr. White has served in the following capacities or provided assistance in the following transactions:

- Chief Financial Officer ("CFO") and Vice President – Business Development for Hybridchart, Inc., a healthcare cloud-based technology company specializing in charge capture and census management. White worked with the CEO on capital raising and market expansion efforts.
- Interim CFO for Yam Management, LLC, a local Scottsdale, Arizona family office managing nearly \$2.2 billion in assets for the founder of GoDaddy, Inc. Holdings include a hedge fund, golf club manufacturing company, five motorcycle dealerships, commercial real estate ownership, collateralized real estate lending business, advertising agency, and media production studio.
- Interim Vice President of Finance for Redflex, Inc., a company in the electronic photo enforcement industry. White developed the company's financial planning and analysis function / budgeting process, redesigned the company's overall cash management / forecasting processes, and managed the company's most recent year-end audit in accordance with the reporting standards of the International Financial Reporting Standards Foundation. The Company's corporate parent is based in Melbourne, Australia and is publicly traded on the Australian Stock Exchange.

1.2 ABOUT LEGACY SPORTS PARK

The Legacy Sports Park will be constructed on a 320-acre site in Mesa, Arizona on South Ellsworth Road between Williams Field Road and Pecos Road. The project site is situated within the former General Motors Proving Grounds, located adjacent to the Phoenix-Mesa Gateway Airport. Bordering the sports park site on the east side will be the new State Route 24 roadway, currently scheduled to begin construction in 2020. The new freeway will have an offramp at Williams Field Road, which will provide direct access to the sports park site on the north side. Exhibit 1.2A below identifies the general location of the sports park.



Legacy Sports Park consists of outdoor and indoor athletic facilities and entertainment sports venues. The outdoor facilities will include a multi-field soccer complex consisting of 22 soccer fields plus an additional 24-26 fields for large tournament capacity, a soccer stadium-type expanded field with an approximately 10,000 person seating capacity, an auxiliary turf field with an approximately 5,000 person seating capacity, one additional soccer field designed as a soccer-based performance training center, 10 softball/youth baseball fields including an expanded stadium field, 13 sand volleyball/sand soccer courts with a stadium court, a 40-court pickleball complex plus a stadium court, an obstacle course racing compound with zip lines, a 12-lane batting cage training center, an outdoor amphitheater with an approximately 1,000 person seating capacity, and space allocated for an optional track & field center. With its multiple playing fields for each venue, the sports park will serve as a regional hub for team training and competition at various levels of expertise and proficiency.

The main fieldhouse building complex includes large indoor facilities for multiple basketball and volleyball courts, futsal and other team sport gymnasiums, cheer/dance/gymnastics competition centers, a dedicated fixed-seat indoor arena with seating capacity of 4,500, an Esports videogaming competition center, and dining and other amenities necessary for a complete fieldhouse multi-sport destination center. Exhibit 1.2B below identifies the general layout of the sports park.

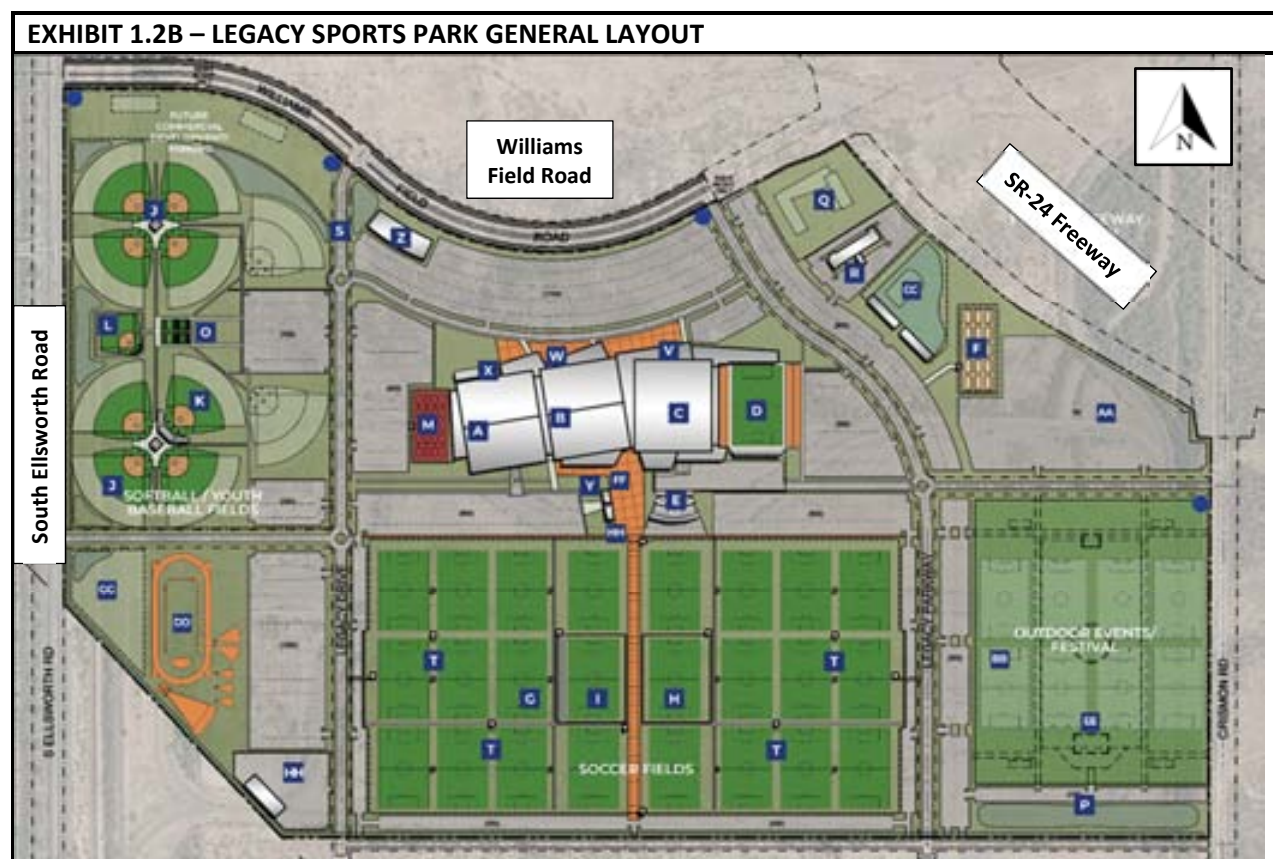


Exhibit 1.2C below identifies the master plan layout of the sports park with a description of the facilities within the park. Note that areas labeled as Q, R, Z, CC, and KK, shown in red text on the next page site plan legend, and the land associated with these areas, are not part of the collateral for the bond financing and are being planned for future development.

EXHIBIT 1.2C – LEGACY SPORTS PARK MASTER PLAN LAYOUT



LEGEND

- | | | | | |
|-----------------------------|------------------------------------|----------------------|----------------------|----------------------------------|
| A. Multipurpose Bldg. | I. Soccer Training Ctr. | P. Detention Basin | W. Administration | DD. Track & Field Center |
| B. Fieldhouse | J. Softball/Youth Baseball Fields | Q. School/Academy | X. Health & Wellness | EE. Staging & Rigging Structures |
| C. Arena Center & Esports | K. Softball/Youth Baseball Stadium | R. Hotel/Dormitory | Y. Food Court/Dining | FF. Team Staging/Ped Plaza |
| D. Stadium | L. Softball Field | S. Main Entrance | Z. Medical Center | GG. OCR Courses |
| E. Amphitheater | M. Pickleball Courts | T. Concession Bldgs. | AA. RV Parking | HH. Facilities Control Bldg. |
| F. Sand Volleyball & Soccer | N. Retail Area | U. Irrig. Pumphouse | BB. Soccer Fields | II. Viewing Towner |
| G. Soccer Fields | O. Batting Training Area | V. Arena Lobby | CC. Flow Rider Park | JJ. Control Entry Bldg. |
| H. Aux. Soccer/Multipurpose | | | | KK. Future Development |

NOTE: RED TEXT INDICATES AREAS THAT ARE NOT PART OF THE COLLATERAL FOR THE BOND FINANCING

1.3 KEY PROJECT ELEMENTS

There are several key elements of the Project, as described below:

Multiple Profit Centers: Legacy Sports Park has over 50 different internal profit-center venues within the park, providing a hub for a variety of sports and recreation activities paired with amenities and professional programming for leagues, tournaments, camps, and instruction.

State of the Art Facilities: The sports park is comprised of 320 acres that will provide over 100 premiere playing fields, indoor team sports facilities, Esports venues, concerts, family dining, retail outlets, hotel, and other family entertainment venues. The park intends to provide access to sports medicine through partnerships with healthcare professionals. The facility will offer health, fitness, wellness, anti-aging, and weight loss services.

Annual Visitors to the Park: The Legacy Sports Park is estimated to attract over three million visitors per year. These figures are based upon events identified through the binding pre-contracts and Letters of Intent (“LOIs”) and multiplier assumptions provided by The Sports Facilities Advisory (“SFA”), the consultant that developed the feasibility study, and confirmed by OVG Facilities (the “operator”) and Johnson Consulting (the “Peer Review Consultant”).

Contracted Revenue: Prior to breaking ground, Legacy Sports Park is close to 90% occupancy based on binding LOIs, providing a significant contracted revenue base upon commencement of operations.

Government Participation: The City of Mesa (“City”) is participating in the project by providing \$1.5 million in cash incentives, such as Bed Tax rebates and waiving of permit fees. Additionally, the City has allocated up to \$40 million in their Capital Improvement Plan budget for additional off-site infrastructure, such as the development of property frontage roads, lights, freeways off ramps, and infrastructure brought to the property lines, that will directly benefit the Legacy Sports Park. The Arizona Sports and Tourism Authority is also participating by providing up to \$5 million in funding for tourism promotion.

Debt Service Coverage: Legacy Sports Park is projected to generate a net cash flow of approximately \$46 million in the first year of operations based on LOIs, with a debt service coverage ratio exceeding 3.30x. These numbers do not include any ancillary program revenues. Please refer to the financial projections provided in Section 1.11, Exhibit 1.11B herein.

Project Reserves and Other Special Trust Funds: The Bond financing structure includes special trust funds secured by the Bond Trustee, including the following:

- A Debt Service Reserve Fund that, if necessary, can be used for the payment of the principal, premium, and interest on the bonds.
- An Operating Reserve Fund, which includes:
 - Unexpected repairs or replacements of equipment or facilities for which no budget item was anticipated; or
 - Increases in the costs of operations due to increases in utilities, fuel or other purchases of materials that are required for the operation of the facilities; or
 - Any costs, levies or fines imposed upon the Borrower as a result of the operations of Borrower at the Facilities that could or may result in a lien being imposed upon the Facilities; or
 - Costs to prosecute or defend any action or proceeding arising out of any occurrence or claim accruing or arising out of the Borrower's operation of the Project.
- A Tax and Insurance Escrow Fund, which includes:
 - Payment of real property or ad valorem taxes with respect to the facilities, and
 - Payment of premiums for the insurance policies required for the Facilities.
- A Repair and Replacement Fund for the systematic replacement or renovation of assets, established over a period of 36 months after the issuance of the bonds.
- A Redemption Fund to accelerate payment of principal funded from excess operating proceeds.

1.4 MARKET DEMAND AND PRE-CONTRACTS

The market demand for facilities in the Phoenix Metropolitan area is evidenced by the existing number of playing fields that are available to the player population in the area. Exhibit 1.4A below identifies the market supply based on an inventory of existing facilities (fields, courts, and Esports stations) and the facilities intended to be provided by Legacy Sports Park.

EXHIBIT 1.4A – MARKET SUPPLY (LEGACY SPORTS PARK AND EXISTING MARKET)					
SPORT	LEGACY SPORTS PARK		EXISTING MARKET		SUPPLY
	No. of Participants Per Event (or Weekly)	No. of Facilities Available	No. of Participants in the Existing Market	No. of Facilities Available in the Existing Market	No. of Facilities Available in the Market (Legacy Sports Park & Existing Market)
Baseball (Adult/ Youth)	1,176	10	42,443	30	40
Softball	2,475	10	28,938	28	38
Basketball	10,720	17	81,027	23	40
Soccer	26,350	49	43,407	58	107
Volleyball (Indoor)	30,575	60	36,655	34	94
Volleyball (Sand)	438	13	10,542	32	45
Pickleball	1,460	41	14,586	44	85
Futsal	4,700	6	23,117	12	18
Esports	450	450	150,280	1,080	1,530
Gym., Cheer, & Dance	8,300	1	21,260	10	11
Sources: Legacy Sports Park Peer Review and Impact Analysis – Johnson Consulting; Local Sports Community Organizations; and Legacy Sports Management.					

Exhibit 1.4B below identifies the market demand and the fulfillment of that demand by the supply of facilities (Legacy Sports Park and Existing Market). **Note that there is a deficit in the availability of facilities in comparison to the market demand.**

EXHIBIT 1.4B – MARKET DEMAND AND FULLFILLMENT OF MARKET DEMAND				
SPORT	MARKET DEMAND	FULLFILLMENT OF MARKET DEMAND		
	No. of Facilities Needed to Meet the Estimated Market Demand	% of Market Facilities Fulfilled by Legacy Park	% of Market Facilities Fulfilled by the Supply (Legacy Sports Park and Existing Market)	% of Unfulfilled Market Demand (Deficit)
Baseball (Adult/Youth)	213	5%	19%	(81%)
Softball	145	7%	26%	(74%)
Basketball	345	5%	12%	(88%)
Soccer	203	24%	53%	(47%)
Volleyball (Indoor)	143	42%	66%	(34%)
Volleyball (Sand)	247	5%	18%	(82%)
Pickleball	342	12%	25%	(75%)
Futsal	203	3%	9%	(91%)
Esports	4,227	11%	36%	(64%)
Gym., Cheer, & Dance	31	3%	35%	(65%)
Sources: Legacy Sports Park Peer Review and Impact Analysis – Johnson Consulting; Local Sports Community Organizations; and Legacy Sports Management.				

As indicated in Exhibit 1.4B above, the demand for facilities exceeds the supply of facilities in the Phoenix Metropolitan area, particularly with tournament programming. Most sporting events included in the Legacy Sports Park business model require large facilities with multiple outdoor fields or indoor courts to accommodate concurrent gameplay throughout each day of a tournament to ensure all teams are afforded the opportunity to participate and advance towards championship status. Currently, each tournament organization is required to scatter its tournament play over many individual facility locations with a limited number of fields available to accommodate the large number of teams involved in a tournament.

Special events, camps, clinics, practices, and non-team-related sporting events such as running events, individual betterment through physical development such as personal training and performance improvement, and non-athletic events including festivals, performing arts and other community-oriented events, require large open indoor or outdoor facilities with amenities, which the Legacy Sports Park intends to provide.

Although the Legacy Sports Park does not fulfill the total market demand, it assists in solving tournament scheduling through making available fields or courts to accommodate large tournament facilities together with amenities.

Pre-Contracts Executed, LOIs, and Indications of Interest

Legacy Sports USA, LLC (“LS-USA”) has received 25 binding pre-contracts from organizations indicating their commitment to use the facilities of Legacy Sports Park. Another 26 organizations have confirmed their commitment to use Legacy Sports Park and have signed LOIs. Due to current facility agreements with other parties, these organizations cannot sign a pre-contract with LS-USA at this time, but they are willing to do so after construction ground-breaking. Another 76 organizations provided indications of interest should an opening arise.

Exhibit 1.4C below identifies the percent of Legacy Sports Park’s capacity that is under a binding pre-contract. As illustrated in the exhibit, many of the sporting events are already contracted at capacity.

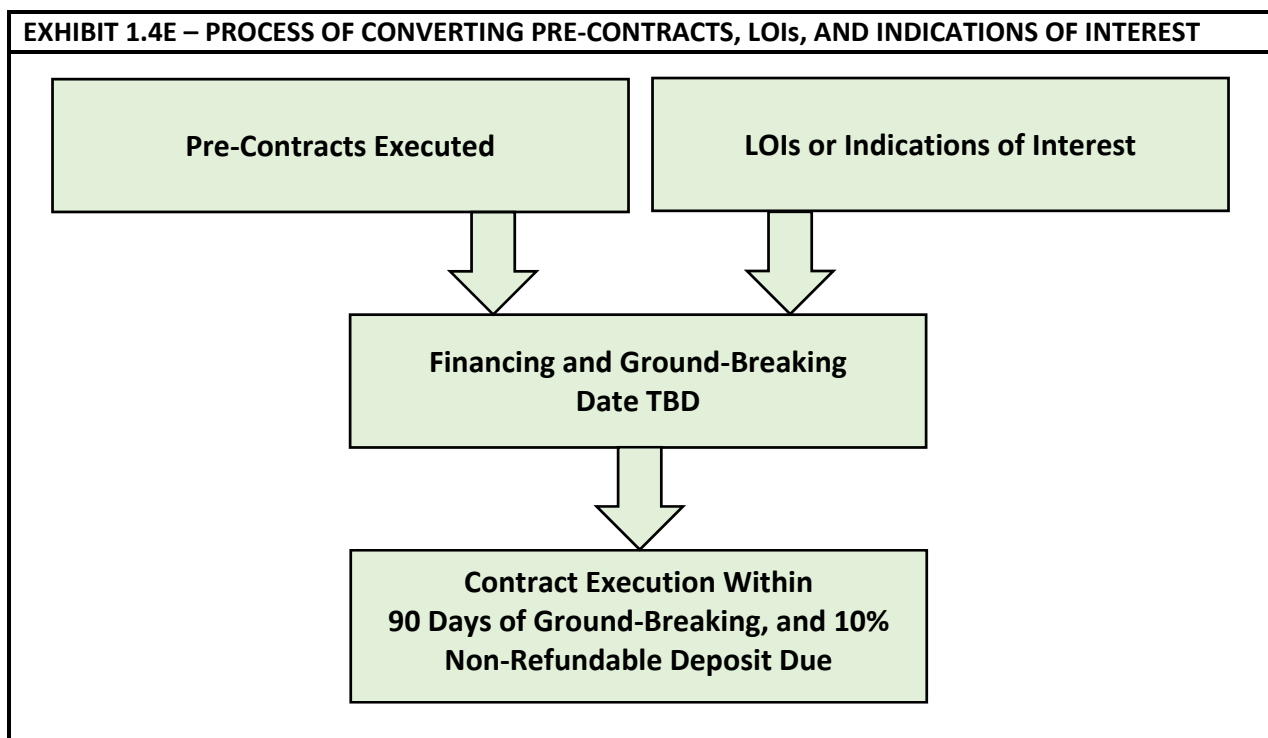
EXHIBIT 1.4C – PERCENT OF LEGACY SPORTS PARK’S CAPACITY UNDER A PRE-CONTRACT	
Sport	% of Capacity Under A Pre-Contract
Baseball (Adult & Youth)	0%
Softball	100%
Basketball	100%
Soccer	94%
Volleyball (Indoor)	93%
Volleyball (Sand)	100%
Pickleball	35%
Futsal	21%
Esports	2%
Gymnastics, Cheer & Dance	100%
Sources: Legacy Sports Park Management	

Exhibit 1.4D below provides a summary of the total number and value of the pre-contracts executed, LOIs, and indications of interest.

EXHIBIT 1.4D – SUMMARY OF PRE-CONTRACTS EXECUTED, LOIs, AND INDICATIONS OF INTEREST			
Description	Organizations	Annual Revenue	% of Revenue
Pre-Contracts Executed	25	\$ 23,040,410	55%
Letters of Intent	26	\$ 18,898,181	45%
Indications of Interest	76	\$ -	N/A
Total	127	\$ 41,938,591	100%
Sources: Legacy Sports Park Management			

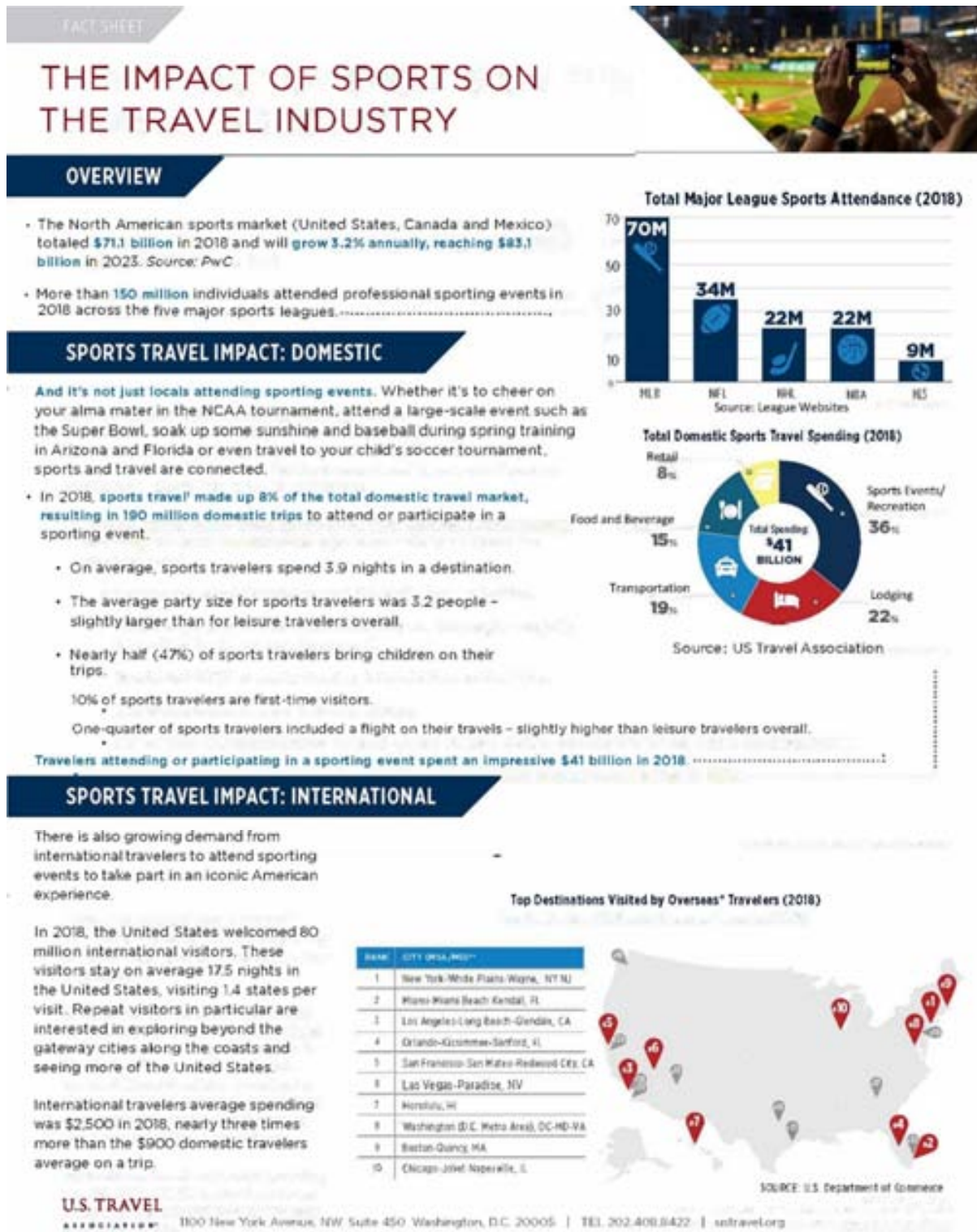
The annual revenue identified in Exhibit 1.4C above represents **direct revenue** and does not include concessions, restaurant/bar, merchandise, entrance fees, or parking fees associated with each organization.

100% of the pre-contracts and the LOIs can be converted to contracts and executed within 90 days of construction ground-breaking. A 10% non-refundable deposit will be required of each organization with the execution of each contract. Exhibit 1.4E below illustrates the process of converting pre-contracts and LOIs to contracts.



1.5 SPORTS INDUSTRY MARKET

The sports industry market in North America totaled more than \$71.8 billion in 2018 and is expected to grow 3.2% annually, reaching \$83.1 billion by 2023. The industry is self-supported nationwide due to its tremendous success and ever-growing need for additional facilities that must be designed to accommodate large capacity team sports in a family-oriented environment. The following articles provide sourced information relevant to the sports industry market.



FACT SHEET

THE IMPACT OF SPORTS ON THE TRAVEL INDUSTRY

- Nearly 4 in 10 (37%) international travelers indicated that they were interested in an NBA, NFL or MLB experience when visiting the U.S. in 2019, up from 24% in 2018. This translates into nearly 30 million visitors.
- More than half of South Koreans and Mexicans are interested in attending a sports game.



- Many sports leagues are promoting themselves internationally to spur new demand and tap into new fanbases across the globe. Destinations are looking at this increased growth as an opportunity to attract new travelers to their markets.

Top International Source Markets (2018)

Country	International Arrivals to the U.S. (millions)
All Countries	79.6
Canada	21.2
Mexico	18.5
United Kingdom	4.7
Japan	3.5
China	3.0
South Korea	2.2
Brazil	2.2
Germany	2.1
France	1.8
India	1.4
Australia	1.4
Italy	1.1
Argentina	1.0

SOURCE: U.S. Department of Commerce

MLB

- Of the total 628 MLB players across 24 teams, more than half (55%) were foreign-born in the 2019 season.
- Top countries represented: Canada, Argentina, Brazil, Colombia, Ghana, France, Costa Rica and Venezuela.

MLB

- A record-high 29% of MLB players were foreign-born, spanning 21 countries.

NHL

- Canada contributes the highest number of NHL players to teams' roster, with 44% of the total, followed by the U.S., Sweden and Russia.

NBA

- The NBA now has over 100 international players on rosters, representing 42 countries.
- According to the Chinese Basketball Association, more than 300 million Chinese play basketball.
- Basketball is set to become the next soccer and is experiencing its largest growth in Australia, Italy, China, Russia, Vietnam, South Africa and India.

NBA International Players by Country (2018)

Canada	1%	Senegal	1%
France	5%	Sweden	1%
Spain	7%	Tunisia	1%
Australia	1%	United Kingdom	1%
Republic of the Congo	1%		
Russia	1%	TOTAL	104

SOURCE: National Basketball League

DOMESTIC COMPETITIVE YOUTH SPORTS

Domestically, with the rise of competitive youth sports, families across America are increasingly combining their vacations with their children's sports events, resulting in "tounacations".

- The U.S. youth-sports economy—including travel, equipment, team membership, facility rentals, etc.—was a \$17 billion market in 2018 and has increased by 55% since 2010. Source: WinterGreen Research
- In 2018, 2% of domestic leisure trips included participation or attendance in a youth sporting event. Source: Longwoods International

U.S. TRAVEL
ASSOCIATION

1100 New York Avenue, NW Suite 450 Washington, D.C. 20005 | TEL 202.408.8422 | ustravel.org

The youth sports industry has developed into a large market that includes economics associated with the physical activity at sports parks and the economic impact to surrounding commercial businesses and industries. Demographics of youth sports involve millions of boys and girls who thrive on team sports through personal development and increased physical fitness, as an extension of the classroom.

An article appearing on an Economic Development website from Currituck County, North Carolina describes this economic trend.

<https://www.thinkcurrituck.com/blog/youth-sports-tourism-opportunities-currituck-county-nc>



3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County



When it comes to economic opportunities for the Currituck County mainland, youth sports tourism has the potential to "knock it out of the park"

Last year, youth sports were worth more than the NFL, nearly surpassing revenues for the NBA and MLB combined. And towns across the country are engaging in an arms race to capitalize on the "sports tourism" boom that shows no signs of stopping.

<https://www.thinkcurrituck.com/blog/youth-sports-tourism-opportunities-currituck-county-no>

2/13

3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County

A study from independent organization WinterGreen Research shows that the youth sports market generated \$15 billion in the United States in 2017 -- more than the \$15 billion generated by the NFL, arguably the most powerful brand in American sports. That number is up almost 10 percent from 2017 and is expected to reach a staggering \$57.8 billion in the next five years.

Much of that comes from "sports tourism," considered the fastest growing sector of the travel industry. What is sports tourism? Simply put, youth athletes and their families are spending thousands of dollars on travel for youth sports teams and tournaments, which bring economic opportunities that rival those of traditional tourism.

In a 2017 episode of HBO's "Real Sports," facility developer and youth sports consultant **Dev Pathik** dubbed the phenomenon "tourna-cation" -- tournaments are replacing vacations for the modern American family. He estimated that sports travel generates \$9 billion per year, a figure that is growing by 20 percent annually.

Of course, this presents a lucrative opportunity for communities that are able to capitalize on the "tourism" appeal of youth sports. New facilities mean new tourism draws, which in turn generate revenue from registration fees, hotel stays, tourist shops and other local hospitality -- not to mention the uptick in local employment.

Towns are already building high-scale facilities to stimulate their local economies, particularly in the South. That 2017 episode of HBO's Real Sports highlighted Myrtle Beach, South Carolina, which has reinvented itself from a coastal tourism hub to a youth sports mecca. **Jonathan Paris**, the city's executive director of sports tourism, said the industry generated \$158 million of revenue in 2017, with a \$187 million windfall the year before.

<https://www.thinkcurrituck.com/blog/youth-sports-tourism-opportunities-currituck-county-nc>

3/13

3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County

It's not just in traditional tourist spots, either. In 2014, **Rocky Top Sports World** opened in Gatlinburg, Tennessee, a town with roughly 4,000 people. The \$20-million facility nearly paid for itself in its first year with the tourism dollars it generated. Last year, it had an estimated \$45.7-million impact on local Sevier County.

These projects are happening in North Carolina, too.



Dev Pathik (right) discusses sports development in Rocky Mount, NC on HBO's Real Sports.

Developers in Rocky Mount, a two hours' drive from Currituck County, opened the doors this past October to the **Rocky Mount Event Center**, a \$48-million facility that is expected to bring \$264 million to the region in the next 10 years. After being featured by HBO's Real Sports in 2017, the town saw \$4.25 million in direct investment in a 60-day span, according to the downtown development office, in anticipation of the tourism draw from the sports complex. The 165,000-square-foot facility is expected to

3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County

bring 400,000 annual visitors and 46,000 additional hotel room stays by 2023.

In Greensboro, local developer **Richard Beard** told **The Rhino Times** this month that sports tourism shepherded the town through its financial collapse a decade ago. The area is known for hosting prominent ACC championships, but Greensboro Convention and Visitors Bureau CEO **Henri Fourier** said this summer's **Amateur Athletic Union (AAU) Junior Olympics** will be the largest event the city has ever seen -- marking another economic highlight for Guilford County.

The experiences in Greensboro and other cities are a barometer for the success of youth sports, and Currituck County is already cashing in. Just last month, the county was selected to host the **2019 Tar Heel Softball State Tournament in July**, with 32 teams from across the state descending on **Currituck Community Park** in Barco. That spells the potential for more than a thousand players, coaches, parents and fans to flood Currituck County with "tourism" dollars that would have otherwise rewarded another community with the necessary facilities.

3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County



That likely wouldn't have been possible just a few years ago, before the opening of Community Park in May 2017. And there still remains greater opportunity for Currituck County to capitalize on this booming industry.

In 2018, HVS Consulting and Valuations proposed a 75-room hotel in Currituck County, which currently features no hotel brands on its mainland. The proposal cited the sports tourism draw of Community Park as a key revenue generator for a hotel, in part because multi-day sports tournaments often necessitate lodging for potentially thousands of coaches, players and their families.

It works the other way, too: just as sports tourism helps local hotels, improved lodging options can help increase sports tourism. The proposal explains that a hotel would "serve as a catalyst for future booking increases at the county's sports complex" because families could stay in Currituck County for multi-day tournaments as opposed to booking a hotel in nearby Pasquotank County or Chesapeake, Virginia.

<https://www.thinkcurrituck.com/blog/youth-sports-tourism-opportunities-currituck-county-nc>

6/13

3/14/2020

"Sports tourism" generating millions for areas similar to Currituck County

The construction of an indoor facility could maximize revenue from the tourism sector, too. Outdoor fields like those in Community Park are great for summertime, when baseball and softball season is in full swing. Yet coastal cities already see tourism dollars in the summer. An indoor facility like the one in Rocky Mount -- which houses eight basketball courts, 16 volleyball courts and a master event space -- could keep revenue flowing from sports travel during the fall, winter and spring and make Currituck County a year-round tourist destination.

Thanks to its unspoiled natural spaces and majestic waterways, Currituck County has enjoyed its reputation as an outdoor "Sportsman's Paradise" for generations. But it might just be time to add to that legacy with a new generation and a perfect setting on the county mainland.

1.6 BENEFITS AND OPPORTUNITIES OF LEGACY SPORTS PARK

Legacy Cares is dedicated to supporting student athletes

through their scholar athlete program. The program leverages the power of athletics and wellness to cultivate the discipline, confidence and social-emotional skills needed to support success in school, as well as success in life. The program is designed to engage and empower students to achieve success in their education and beyond, through:

- Academic Coaching and Mentoring
- Health and Wellness
- College and Career Readiness

The Legacy Sports Park will provide athletes and non-athletes of all ages, economic backgrounds and levels of athletic proficiency, the opportunity to participate in sports while fostering the enjoyment and camaraderie of teamwork and perseverance, key components in athletic competition and lifetime success.

The mission is to provide families a safe, friendly, high-quality environment in which to experience different sporting, artistic, educational, and entertainment amenities. The sports park will serve the community by providing opportunities to explore, learn and develop new and existing skills and to extract untapped abilities, while promoting health, fitness and a wellness lifestyle.

Legacy Sports Park offers benefits and provides opportunities to the local economy, sports community, the City, Maricopa County, State of Arizona and the national sports industry, a number of which are set forth below:

Benefits

- Access to an increased number of playing fields that supplement the local school districts, public parks and recreation facilities, and privatized sports parks shortage in the Phoenix valley;
- New sports technologies applied to the design of each sports park component;
- Assists local sports organizations that do not have an opportunity to become resident at a mixed-sport operations and business center, by offering to relocate their operations to the sports park while also allowing such organizations to benefit from other business and entertainment support services offered at the sports park;
- Provides new facilities in large capacities that do not exist in Arizona or the western United States including an Esports video-gaming center and multiple basketball and volleyball courts under one roof;
- Presents a new multi-sport hub for regional and national tournaments to attract teams, athletes and spectators to a facility that has the capacity to support large tournaments while also providing entertainment for spectator family members;
- Increased tourism business for local businesses including those who benefit from overnight stays with increased employment opportunities beyond the sports park;
- Increased sales and hotel taxes, supporting local government; and
- Promotes a lifestyle focused on health, wellness, and physical fitness.

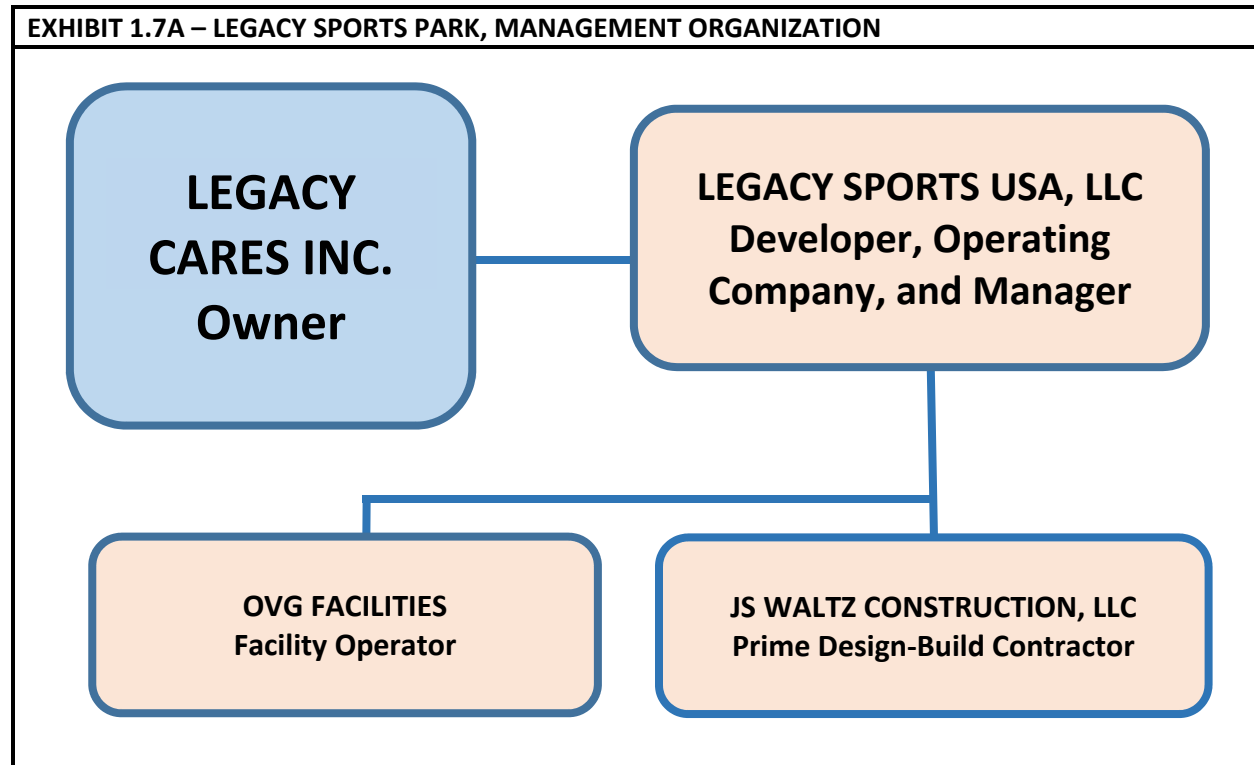
Opportunities

- Growth for local, regional, and national sports groups and organizations due to increased quantity of available courts, fields, and related facilities;
- Local business support for food, beverage, supplies, and services needed to operate the sports park complex;
- Onsite employment opportunities for all ages and skill levels due to the vastness of the sports park and the array of positions at the complex;
- Offsite employment opportunities due to increased residual local business from support services provided to the sports park and local tourism-driven businesses;
- Potential athletic-based curriculum education programming at the privatized academy planned for in the future / next phase expansion plans of the sports park; and
- Athletic proficiency and mentoring created through the training and specialized sports medicine services offered to advance the physical and mental capabilities of the athletes in a personal and teaming growth-based environment.

1.7 LEGACY SPORTS PARK, MANAGEMENT ORGANIZATION

Legacy Cares, Inc. has contracted with LS-USA to serve as the

Developer, Operating Company, and Manager of Legacy Sports Park, which includes management and oversight of Project Development, Facilities Operations, and Maintenance. Exhibit 1.7A below identifies the management organization.



LS-USA's Executive Management and Executive Consultant Team have experience in the sports industry. The LS-USA team includes former coaches, professional athletes, and individuals who have served as executives with Walt Disney World Resort's ESPN Wide World of Sports Complex. The following paragraphs highlight the experience of the Executive Management and Executive Consultant Team.

Randy J. Miller, Chairman and Founder: As the Chairman and Founder of Legacy Sports, Mr. R.J. Miller initiated the development of the sports park. He utilized his knowledge of individual and team athletics in the strategic planning and conceptual modeling of the business, facility design, and operations and management structure of the Legacy Sports Park.

Mr. R.J. Miller played professional baseball with numerous minor league baseball organizations for several years. In addition, he has participated in and managed several Open/Major Division World Softball Tournaments, and has been active in the management of various Softball Leagues, Youth Basketball, Pop Warner Football, Little League and Babe Ruth baseball leagues throughout the Metro-Phoenix area. His experience in sports facility management derived from his business associations with Big League Dreams in California, Arizona, Nevada and Texas; Legends Sports Complex in The Woodlands, Texas; Salvation Army South Mountain Kroc Center in Phoenix, Arizona; Twin Creeks Sports Complex in Sunnyvale, California; Victory Lane Sports Park in Glendale, Arizona; and The Sports Facilities Advisors in Clearwater, Florida.

Throughout his career in the Metro Phoenix, Arizona area, he has served in active management roles as a board member and coach of Pop Warner football; director, sponsor, and manager of softball teams and leagues from youth to open world softball tournaments; organizer, director and sponsor of the United States Specialty Sports Association and Amateur Softball Association leagues and tournaments; coach of youth sports at YMCA soccer and basketball; and board member and coach of little league baseball and Babe Ruth baseball.

Chad Miller, Chief Executive Officer

Mr. Miller serves as the Chief Executive Officer of LS-USA. He has experience and participation in team sports, from collegiate to professional, and direct experience with large team sport organizations. Mr. Miller provides support to LS-USA with recommendations based upon his knowledge of minor and major league team sports programs.

Mr. Miller attended and played baseball at the University of Nevada Las Vegas, then played professional baseball for 5 years for several different professional organizations, including the Anaheim Angels. After his career playing professional baseball, Mr. Miller became the Director of Major Accounts, for LS-USA. Mr. Miller facilitated and designed marketing and sales presentations along with developing operational programming models for multi-million-dollar projects to professional organizations across the country. Mr. Miller was responsible for the sales, marketing, and programming efforts instrumental in privatizing sports/entertainment facilities, which enhanced tax revenues back to municipalities nationwide by using statistical and predictive analytics.

Mr. Miller is also a Fiesta Bowl Committee Member in the Phoenix valley. As a member of this organization, Mr. Miller is an active participant in the organization's responsibility to host and coordinate two college football bowl games every year: The Play Station Fiesta Bowl and The Cheez-It Bowl (formerly the Insight Bowl). Every year, the Fiesta Bowl Committee hosts charity events throughout the Phoenix valley including The Fiesta Bowl Golf Tournament, Hole-in-One Challenge, Honeywell Aerospace Competition, National Band / Cheerleading Championship, National Collegiate Athletic Association ("NCAA") Youth Football Challenge, Fellowship of Christian Athletes Banquet, and The Fiesta Bowl Parade.

Mr. Miller also served as the Director of Business Development and Client Relations for Business & Decision, an international consulting and systems integration company headquartered in Paris, France. Business & Decision is a leader in business operations consulting, enterprise performance management, customer relationship management, enterprise resource planning, and financial system management. During his time at Business & Decision, he was responsible for the management of international brands such as Louis Vuitton, Tiffany & Co., Tag Heuer, and Sephora, while also spearheading the firm's advancement into the sports and entertainment industry, by forging partnerships with organization such as Nike, USA Track and Field, the Arizona Diamondbacks, Phoenix Suns, Arizona Coyotes, Indianapolis Motor Speedway, Major League Baseball, and the NCAA.

Jeff de Laveaga, Chief Operating Officer

Mr. de Laveaga serves as Chief Operating Officer of LS-USA and is responsible for the day-to-day leadership and general management of the company. He is a leader in youth sports throughout Arizona, creating Arizona's largest and most successful youth basketball organizations, Arizona Gym Rats and Arizona Magic Pump-N-Run. Over the course of his tenure, Mr. de Laveaga has sent over 200 Arizona athletes onto college with athletic scholarships.

Mr. de Laveaga received his master's degree from the University of Phoenix and his bachelor's degree from California Lutheran University in Thousand Oaks California. He has been inducted into four Hall of Fames for his athletic performance success: the first inductee into California Lutheran University, California High School, Contra Costa County and Ventura County. Mr. de Laveaga played professional basketball in Australia for five years where he earned the league's "Most Valuable Player" award, averaging 42 points a game. He still holds the scoring record of 84 points in a game, featuring 18 made three pointers.

Prior to joining LS-USA, Mr. de Laveaga served as a Director of Sport for Victorium, a multi-sport facility in North Scottsdale, ran the western region for AT&T Local Services division in San Francisco, and started and sold two startup companies.

Matt Bjorklund, Chief Sports Officer

Mr. Bjorklund serves as the Chief Sports Officer of LS-USA where he is responsible for the basketball program operations, oversight of the indoor and outdoor sporting events, oversight of the day-to-day pro shop management and production facility for soft goods, and assistance in special events management.

Mr. Bjorklund has over 20-years of experience in youth and collegiate level sports. Mr. Bjorklund was one of the original founders and owners of Breakdown Sports USA (formerly Minnesota Sports Preview), a multi-million-dollar media outlet covering Minnesota statewide high school athletics. During his time with The Breakdown, Mr. Bjorklund developed and managed national level basketball and volleyball tournaments and special events including the Tip-Off Classic, Granite City Classic, Minnesota/Wisconsin Boarder Battle, and the Timberwolves Shootout.

Mr. Bjorklund was formerly the Director of Operations and Recruiting for PowerHouse Hoops in Arizona, where he worked on a national level with Nike Grassroots and Under Armour. PowerHouse Hoops is a club basketball program with over 50 teams spread across five states and two countries. With a network of collegiate coaches, Mr. Bjorklund has assisted in awarding nearly \$4 million in scholarships over the past six years, and is an established recruiting consultant in Arizona and Minnesota.

Rich McGuinness, Executive Director of Sports

Mr. McGuinness serves as the Executive Director of Sports for LS-USA where he is responsible for the football program, as well as development and oversight of national sporting events that are hosted, owned, and operated by Legacy Sports Park.

Mr. McGuinness has over 20 years of experience creating and executing national and global events in football, basketball, baseball, and softball with emphasis on youth and collegiate sports programs. Mr. McGuinness was formerly the Managing Partner of the Pro Football Hall of Fame Academy in Canton, Ohio.

His career in sports management and operations includes creating sporting events, such as the following:

- U.S. Army All-American Bowl – A national all-star football event created in 2000, which featured among the top 80 high school football athletes.
- World Bowl on CBS Sports Network – An all-star football game that featured football athletes televised on CBS Sports Network.
- National Signing Day – A nationally televised platform on CBS Sports Network that profiled football athletes as they announced their college commitment "live" to the nation on the morning of National Signing Day.

- The Ride – A reality television series that documented eight high school quarterbacks searching for a college scholarship as they trained with NFL coaches and competed against one another in a series of challenges testing their quarterback and leadership ability. Televised on Fox Sports, NBC Sports and MTV2.
- The National Youth Football Championship – An event that featured youth tackle teams competing for a championship. The championship game was featured on national television and teams from the U.S, Mexico and Canada competed.
- Flag Fest – The event hosted more than 200 flag football teams (non-contact), featuring team competition, and skills challenges.
- 7v7 National Championship – The 7v7 football platform featured over 1,000 high school and club 7v7 teams competing regionally and nationally for a championship.
- The Hall of Fame Football Academy – A training academy with NFL coaches that developed and trained football athletes from 4th grade to 11th grade.
- Women’s Basketball Hall of Fame Championship – A national championship played in multiple regions throughout the United States for girls’ club basketball teams from 4th grade through 8th grade.
- All-American Baseball Game Powered by PlayStation – The all-American baseball game televised on Fox Sports that featured certain Major League Baseball (“MLB”) draft choices.
- Super Series Baseball – A national travel baseball event series that features travel baseball teams from around the United States.
- The All-American Softball Game – A softball all-star event that features 8th graders competing in an East vs West format.
- The Front Office Academy – A weekend Academy that trains and educates young students on the careers of a front office sports executive. The event features executives from the National Basketball Association (“NBA”), the National Hockey League (“NHL”), MLB, and the NFL, covering topics such as salary caps, scouting and roster management.
- McDonald’s All-American Basketball Game – Featuring high school boys and girls on national television (ESPN) playing in different cities across the country.

Many of these events will be relocated to Legacy Sports Park.

J. Michael Baggett, General Counsel

Mr. Baggett serves as General Counsel of LS-USA where he is responsible for the legal oversight of the administration of the company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that legal decisions of the Board of Directors are implemented. Mr. Baggett is the named legal representative on legal documents, with responsibility to ensure that the company and its directors operate within the law. Mr. Baggett provides personalized legal counseling and oversight of the structure of formal business engagements, contracts, and commitments of LS-USA.

Mr. Baggett received his Juris Doctor degree from Duquesne University and a Bachelor of Public Administration Degree from Rider College in Lawrenceville, New Jersey in Administration and Political Science. He is admitted to practice law in the states of Pennsylvania and Arizona and is a member of the Bar of the Supreme Court of Pennsylvania, United States Third Circuit Court of Appeals, United States Fourth Circuit Court of Appeals, United States Tax Court, United States District Court for the Western District of Pennsylvania, a member of the Pennsylvania Bar Association, Business Law and Civil Litigation section, and the Allegheny County Bar Association Bankruptcy and Commercial Law sections. Mr. Baggett is a former judicial law clerk, and he is an attorney and Partner in the law firm of McCann, Garland, Ridall & Burke in

Pittsburgh, Pennsylvania, where he concentrates mainly in the areas of business, corporate, and commercial law.

While at Rider College, Mr. Baggett was captain of the basketball team which competed on the NCAA Division 1 level. He is a member of the university's Sports Hall of Fame. His involvement with basketball has continued as a director and officer of Pittsburgh Hoops, Inc. and MLC Partners, Inc. Both organizations are engaged in organizing, sponsoring, and promoting charity basketball tournaments in Western Pennsylvania.

Dr. Eric Neufang, Clinic Director of Legacy Physical Therapy & Wellness Center

Dr. Neufang serves as The Clinic Director of Legacy Physical Therapy and Wellness Center. He has over 20 years of experience owning and operating clinics that treat athletes of all ages. Dr. Neufang graduated with a Bachelor of Science degree from LeMoyne College in Syracuse, New York, and received his Doctor of Chiropractic degree from New York Chiropractic College in 1996.

After graduation, Dr. Neufang was the first chiropractor to work with an MD-based urgent care center in central New York. At that time, he was also a clinical instructor for the outpatient center at New York Chiropractic College where he trained students during their residency program.

Since moving to Arizona in 2003, he continued his interdisciplinary approach to healthcare and was Director of Rehabilitation with the Spine Institute of Arizona. Dr. Neufang has been asked to give expert testimony for American Family Insurance, State Farm, The New York State Workers Compensation Board, and The Attorney General for the State of Arizona. Dr. Neufang has also performed independent medical evaluations and record reviews for many of the country's leading insurance carriers. In 2007 he was the keynote speaker for the Arizona Workers Compensation Claims Association spring convention. Dr. Neufang has been a member of the American Chiropractic Association as well as the North American Spine Society.

Andrew Bayless, Director of Bar and Restaurants

Mr. Bayless serves as the Director of Bar and Restaurants for LS-USA, bringing corporate franchise, and independent restaurant experience to the Legacy Sports Park Project.

Mr. Bayless has served in several restaurant operational roles ranging from Regional Training Manager, General Manager, and Franchisee. These roles included participation in the California Pizza Kitchen ("CPK") for 14 years where he served as General Manager and Senior Opening General Manager. During his time with CPK, Mr. Bayless opened 15 new stores, hiring, training, and developing restaurant management teams. Mr. Bayless also served as Operations Partner for Buffalo Wild Wings in the Phoenix franchise group for seven years, operating five Phoenix Valley locations. Additionally, Mr. Bayless is the Arizona Market Franchisee for the sports bar and restaurant chain Twin Peaks, where he oversees business operations. Throughout his career Mr. Bayless has received acknowledgements for sales achievement, training accomplishments, and local community involvement. Mr. Bayless' expertise is in systems set up, audio/visual design, and restaurant operations of sports driven concepts.

Troy Dunningway, Director of Esports

Mr. Dunningway serves as the Director of Esports for LS-USA. Mr. Dunningway is a creative director, game designer, producer, technologist and manager with over 28 years of experience in gaming, movies, entertainment, and technology. Mr. Dunningway has managed, or been a partner in, several game development companies in the United States, Canada, China, Brazil, and India. Beyond gaming, Mr. Dunningway has worked in location-based theme park design, education and medical technologies, and other related technology areas outside of gaming.

Mr. Dunningway has been involved with companies such as: Samsung, Disney, Microsoft, Electronic Arts, Sony, UBISOFT and other development companies and publishers. Before becoming a game developer, Mr. Dunningway was a Hollywood pioneer for this generation's special effects used in motion pictures, such as: Star Wars, A.I., 300, SAW, James Bond, Tales of Despereaux, Where the Wild Things Are, Flash, Batman, Jumper, Bruce Lee, Babylon 5, and over a dozen other Hollywood properties.

Mr. Dunningway is a pioneer in Transmedia Storytelling and Alternate Reality Gaming. Mr. Dunningway served as the lead designer / developer of the popular Microsoft gaming console X-BOX, and over 120 high profile games on mobile, PC, console and hardware platform. Mr. Dunningway is actively working on a variety of mobile, social, and cross-platform games, helping companies like Atari and others develop multiple cross-platform game projects.

Mr. Dunningway has been, and continues to be a keynote speaker at Game Development Conferences and Universities worldwide. Mr. Dunningway has authored or contributed to numerous books and articles on game development, game design, and art production. The following website references some of his articles www.gamasutra.com.

John Bisignano, Executive Consultant

Mr. Bisignano serves as an Executive Consultant to LS-USA. Mr. Bisignano has over 35 years in the sports industry, and experience in operations management of large sports organizations, including the Central Florida Sports Commission, The Walt Disney World Resort, and the Walt Disney World Resort – Disney Sports Attraction. As the former President and CEO of the Central Florida Sports Commission, Mr. Bisignano was responsible for enhancing national and international sports tourism and generating economic impact through sporting events in the Central Florida Region spanning the City of Orlando, Lake County, Osceola County and Seminole County.

Mr. Bisignano's career included thirty-two years with The Walt Disney World Resort, spanning a range of venues and experiences from hospitality to event operations and new business development. As the Manager of Business Development for The Walt Disney World Resort – Disney Sports Attractions, Mr. Bisignano established new market segments and relationships for sports business, expanding the ESPN Wide World of Sports event base. Event properties include ESPN Rise Girls Showcase with six Olympic Family events, US Lacrosse, USA Field Hockey, Muddy Buddy (Competitor Group) and Disney Created events.

Highlights of Mr. Bisignano's career in sports operations management include:

- Member, National Association of Sports Commissions (NASC): 1995 – Present (25 years)
- Board of Directors, NASC: 2001-2008
- Inductee, NASC Hall of Fame: 2018
- Manager, Business Development, Walt Disney World Resort - Disney Sports Attractions: 2002 – 2012

- Manager, Event Sales & Programming, Walt Disney World Resort - Disney Sports Attractions: 1994 – 2002 (Founding member of the ESPN Wide World of Sports Complex)
- Sales Manager, Convention, Resort, and Entertainment; Walt Disney World Resort | Disney Sports Attractions: 1996 – 1994

Michael Millay, Executive Consultant

Mr. Millay serves as an Executive Consultant to LS-USA, bringing over twenty years of experience working as the Director of Sports Development of ESPN Wide World of Sports and Director of Sports Events at Walt Disney World Resort in Orlando, Florida. Mr. Millay's career in sports management has included management consulting and planning focusing on sports related services to governmental agencies, not-for-profit agencies, and youth sports businesses. Mr. Millay's primary focus has been on sports development, sports tourism, strategic planning, event properties, and faculty programming and operations.

Highlights of Mr. Millay's career in sports business management include:

- Board Member, National Council of Youth Sports, 2011 – Present (9 years)
- Board of Directors, Central Florida Sports Commission: 2010 – Present (10 years)
- Founding Member, National Association of Sports Commissions: 1990 – Present (30 years)
- Director, Sports Development, Walt Disney World Resort | ESPN Wide World of Sports: 2008-2014
- Director, Sports Events, The Walt Disney Company: 1994 – 2008
- Executive Director, Greater New Orleans Sports Foundation: 1988 – 1994
- Board of Directors, Florida Rush Soccer Club: 1998 – Present (22 years)
- Member, Advisory Board of Directors, DeVos Sport Business Management: 2014 – Present (6 years)
- Board of Directors, Corporate Games USA: 2015 – Present (5 years)



Introduction to OVG Facilities

LS-USA will contract with OVG Facilities to oversee the day to day operations of Legacy Sports Park. OVG Facilities will work in tandem with LS-USA in managing key performance indicators and revenue generating events.

A division of Oak View Group, LLC ("Oak View Group"), OVG Facilities is a venue management and event programming company that operates and manages sports parks, arenas, theaters, convention centers, and amphitheaters throughout the United States. OVG Facilities' parent company, Oak View Group, was founded by Irving Azoff and Tim Leiweke.

Irving Azoff, Board Member

Mr. Azoff, a 2020 inductee into the Rock and Roll Hall of Fame, has over 40 years of experience in music and entertainment. In 1974, Mr. Azoff founded Front Line Management, which ultimately led to the creation of Azoff Music Management.

During his career, Mr. Azoff also served as the Chairman and CEO of Ticketmaster, Chairman of Live Nation, and Chairman and CEO of MSG Entertainment. Mr. Azoff has guided the careers for artists such as the Eagles, Fleetwood Mac, Doobie Brothers, Steely Dan, Bon Jovi, Van Halen, Lizzo, Travis Scott, Harry Styles, Christina Aguilera, and Meghan Trainor. In addition, Mr. Azoff now leads Global Music Rights – an advocate for artist music publishing.

Tim Leiweke, Chief Executive Officer

Mr. Leiweke has over 40 years of experience in the sports and entertainment industry. Mr. Leiweke worked as one of the youngest sports executives in the NBA and the NHL. He also served as the CEO of AEG Corporation and was responsible for developing the Staples Center, a twenty-thousand-seat arena, and L.A. Live, a sports and entertainment district that surrounds the Staples Center in downtown Los Angeles. He helped create music festivals and has worked with teams across the NBA, NHL, Major League Soccer ("MLS"), American Hockey League, and the German Hockey League.

Hank Abate, OVG Facilities President

Mr. Abate has over 30 years of experience in arena, theater, and stadium management. Prior to his role with OVG Facilities, Mr. Abate was the Executive Vice President of Venue Management for The Madison Square Garden Company having oversight of MSG, Radio City Music Hall, The Beacon Theater, The Chicago Theater, and The Los Angeles Forum. He is the former Senior Vice President of Global Spectrum (now Spectra Venue Management) and for MSG. While with Global Spectrum, Mr. Abate assisted in merging the operations of Ovations Food Services and Global Spectrum Facilities Management, while overseeing more than 40 facilities with a focus on increasing event activity. Mr. Abate also spent 20 years working for SMG Facility Management, where he had principal responsibility for SMG managed arenas, stadiums, and several convention centers.

Peter Luukko, OVG Facilities Chairman

Under Mr. Luukko's guidance, OVG Facilities provides services that make an impactful difference to public entertainment facilities, whether it is by securing entertainment content, identifying and correcting operating inefficiencies, or designing and implementing emergency procedures and policies and providing critical staff training. Prior to his role with OVG Facilities, Mr. Luukko served as Executive Chairman of the Florida Panthers Hockey Club and Sunrise Sports and Entertainment. Under Mr. Luukko's leadership, the franchise experienced several accomplishments including hosting the 2015 National Hockey League Draft, and an increase in ticket and corporate partnership revenue. Mr. Luukko's management also resulted in an increase in bookings of a variety of shows at the team's home venue, the BB&T Center.

Mr. Luukko also served as President and Chief Operating Officer of Comcast-Spectacor, L.P. for more than 25 years, overseeing the Philadelphia Flyers of the NHL, while serving as a member of the National Hockey League Board of Governors. He oversaw Comcast-Spectacor's facility-management business, Global Spectrum (now Spectra), which ran more than 125 sports arenas, stadiums, and convention centers during his tenure. He was also responsible for the expansion of Comcast-Spectacor's businesses including its food and beverage, ticketing, and sponsorship sales divisions. Under Mr. Luukko's leadership, Comcast-Spectacor helped Philadelphia attract events, including the 2000 Republican National Convention, the 2000 NCAA Women's Final Four, the 2001 NCAA Men's East Regionals, the 2001 and 2002 X-Games, the 2002 NBA All-Star Weekend, the 2008 U.S. Olympic Team Trials for Gymnastics, the 2011 NCAA Wrestling Championships, and the 2014 NCAA Frozen Four.

OVG Facilities' support team is comprised of executives who, in their tenure, have helped build other venue management companies including SMG, Global Spectrum (now Spectra), and AEG. Prior to their time at OVG Facilities, many of the senior leaders oversaw the pre-opening, construction, and grand opening of arenas, stadiums, convention centers, and performing arts centers throughout North America, including University of Phoenix Stadium (now State Farm Stadium) in Glendale, Arizona home to the Arizona Cardinals of the National Football League; Talen Energy Stadium in Philadelphia, Pennsylvania, home to the Philadelphia Union of Major League Soccer; and Colonial Life Arena on the campus of University of South Carolina in Columbia, South Carolina. OVG Facilities' General Manager for the Savannah Civic Center and New Savannah Arena, Monty Jones, Jr., oversaw the pre-opening, construction, and grand opening of the Hoover Met Sports Complex, a 250-acre amateur sports complex in Hoover, Alabama.

Exhibit 1.7B below includes a partial list of OVG Facilities' clients and facilities for which they will provide consulting services or venue management.

EXHIBIT 1.7B – PARTIAL LIST OF OVG FACILITIES' CLIENTS	
Facility Name	Facility Description/Information Weblink
New Agua Caliente Sports Arena Palm Springs, CA	10,000-Seat Sports and Entertainment Venue that Includes Hockey, Concerts, Festivals, and Special Events (To be completed in 2021)
Avalon Theatre Grand Junction, CO	1,100-Seat Event Center and Theatre www.avalontheatrej.com/
Belmont Park Arena Elmont, NY	19,000-Seat Multipurpose Arena, Home of the NY Islanders NHL Team (To be completed in 2021) https://esd.ny.gov/belmont-park-redevelopment-project
Bon Secours Wellness Arena Greenville, SC	15,959-Seat Multipurpose Arena that includes Basketball, Hockey, Concerts, Festivals, and Special Events www.bonsecoursarena.com/
CHI Health Center Arena – Omaha Omaha, NE	18,300-Seat Multipurpose Arena that includes Basketball, Concerts, Festivals, and Special Events http://chihealthcenteromaha.com/arena/
Frankenmuth Credit Union Event Center: Birch Run, MI	100,000-SF Entertainment and Event Center https://frankenmuthcueventcenter.com/
Fredericksburg Baseball Stadium Fredericksburg, VA	5,000-Seat Baseball Stadium https://ballparkdigest.com/2020/02/03/oak-view-group-facilities-to-book-fredericksburg-ballpark-events/
Fredericksburg Expo & Conference Center: Fredericksburg, VA	120,000-SF Exposition and Conference Center https://augustafreepress.com/fredericksburg-brings-in-partner-to-lead-booking-at-convention-center-ballpark/
Kovalchick Convention and Athletic Complex Indiana University of PA Indiana, PA	148,500-SF Multipurpose Facility that includes a 17,000-SF Conference Center, a 6,000-SF Corporate Training and Executive Conference Center, and a 5,000-Seat Arena for Sporting Events and Concerts http://www.kovalchickcomplex.com/about-us
Las Colonias Park Amphitheater Grand Junction, CO	4,100-Seat Outdoor Entertainment Venue www.theampgi.com/
Rupp Arena Lexington, KY	19,900-Seat Multipurpose Arena that includes Basketball, Concerts, Festivals, and Special Events www.rupparena.com/
Savannah Arena Savannah, GA	9,000-Seat Multipurpose Sports and Entertainment Arena (To be completed in 2021) http://pinnaclevs.us/news.html

Savannah Civic Center Savannah, GA	2,566-Seat Theater and 7,200-Seat Multipurpose Arena that Hosts Over 500 Annual Events, Including Sporting Events, Concerts, and Conventions/Trade Shows https://savannahcivic.com/
---	--

Exhibit 1.7C below includes a list of services offered by OVG Facilities.

EXHIBIT 1.7C – SERVICES OFFERED BY OVG FACILITIES	
▪	Pre-opening planning and Grand Opening coordination and implementation
▪	Sales and marketing
▪	Convention and meeting sales and services
▪	Premium seating sales and service
▪	Sponsorship Sales
▪	Evaluation, negotiation, and oversight of vendors and contracts
▪	Box Office management
▪	Event, ticketing, and booking management
▪	Event coordination and management
▪	VIP and hospitality programs management
▪	Service contract evaluation and management
▪	Food and beverage management
▪	Parking management
▪	Merchandise development and management
▪	Develop and implement emergency policies and procedures
▪	Front of House management and staffing
▪	Back of House management and staffing
▪	Security assessments and implementation
▪	Security services management
▪	Develop and monitor market assessments, competitive analysis, and competitor strategies

For more information about OVG Facilities, please visit their website at www.ovgfacilities.com.

Introduction to Oak View Group

Oak View Group is the largest sports and entertainment venue developer in the world. The company is comprised of nine different divisions with over 570 employees, operating and booking 30 venue locations, and hosting over 65 million attendees in more than 3,500 live events. As a division of Oak View Group, OVG Facilities has the ability to draw upon the resources of its parent company and the other divisions within the company, which includes:





Oak View Group has partnered with equity investors and strategic partners in sports and entertainment opportunities. These equity investors and partners include:



Introduction to JS Waltz Construction, LLC



JS Waltz Construction, LLC (“Waltz”) is a development and construction company that has executed and delivered projects including K-12, Higher Education, Sports and Recreation, Multi-Family Housing, Senior Living Facilities, Hospitality, Restaurant, Retail and other special use facilities. Waltz has been helping clients implement facility solutions that meet strategic, financial, and operational objectives since 2005. Waltz focuses exclusively on the development, planning, design, construction, financing, and ownership of new facilities.

Waltz, under agreement with LS-USA, is responsible for managing the design development and construction aspects of this design-build project through construction completion. With the design-build delivery method, owners have one-point accountability for the completion of their building or renovation, i.e., Waltz assumes the responsibility for the entire project. In this construction method, Waltz holds single-source responsibility and contractual risk for every aspect of a project, from estimation, pre-construction to architecture, engineering, subcontracting, construction, and post-construction. Exhibit 1.7D below includes a list of services offered by Waltz.

EXHIBIT 1.7D – SERVICES OFFERED BY WALTZ
▪ Business planning and feasibility studies
▪ Market and site analysis
▪ Project development and coordination
▪ Land use approval and entitlements
▪ Regulatory compliance and assessment
▪ Project budgeting and cash flow analysis
▪ Sourcing and analyzing of debt and equity financing
▪ Pre-financing funding
▪ Space programming
▪ Consulting with and, as applicable, retaining architects, engineers, subcontractors, and vendors
▪ Construction scheduling
▪ Construction and construction management
▪ Project management
▪ Site Logistics Coordination
▪ Pre-Construction
▪ Conceptual & Detailed Cost Estimates
▪ Building Information Management
▪ Procurement Analysis
▪ Site Logistics
▪ On-Site Construction Supervision
▪ Cost & Schedule Control
▪ Site Logistics Coordination
▪ Quality Control & Assurance Programs
▪ Safety Programs
▪ Post-Construction Warranty Administration
▪ Owner Furniture Fixtures & Equipment Installation and Coordination

For more information about JS Waltz Construction, LLC, please visit their website at www.WaltzConstruction.com.

1.8 LEGACY FAMILY OF BUSINESS PARTNERS

LS-USA brings a network of business partners and relationships to the project. Below is a list of the

strategic business partners who are now aligned with LS-USA.

- Arizona Interscholastic Association
- Arizona Sports & Entertainment Commission
- Arizona Youth Soccer Association
- Arizona Events Group
- Arizona Junior Beach Volleyball
- Arizona Region of USA Volleyball
- Arizona Girls Lacrosse
- Arizona Sports & Tourism Authority
- Arizona Elite Basketball Club
- Arizona Basketball Coaches Association
- Arizona Volleyball Coaches Association
- Active Health Chiropractic & Physical Therapy
- Banner Medical Group
- Benedictine University
- Breakdown Sports USA
- Canyon Athletic Association
- Christ's Church of the Valley
- Conner Sports
- Cor Clinic
- Dan O'Brien Sports
- Delaware North
- Fan X
- I9 Sports Group
- Junior Volleyball Association
- Live Nation
- MADC Entertainment
- Manchester United Soccer Club
- Maricopa County Parks & Recreation Department
- National Football League Hall of Fame
- Oak View Group
- On-Air Sports Marketing
- USA Pickleball Association
- Phoenix Rising Soccer Club (Youth)
- Position Sports
- Powerhouse Hoops
- Raceplace Events
- Razer Esports
- Real Sale Lake Soccer Club
- Relentless Beats
- SC del Sol Soccer
- Scottsdale Soccer
- Southwest Legacy Dance Competition
- Special Olympics
- Tournament Sports
- Triple Threat Performance
- University of Oklahoma
- USA Futsal
- USA Gymnastics
- USA Soccer
- Top Choice Baseball (USSSA Arizona)
- Volleyball Festivus

1.9 ADDITIONAL BUSINESS INTERESTS

Other sports, sports medicine, tourism and community businesses and entities have approached LS-USA and

expressed interest in joining the Legacy Sports Park team and promoting and marketing their services and products at the sports park, including those set forth below:

Soccer/Multipurpose Fields

- Arizona United League ("USL")
- Barnsley Women's Football Club
- Hub Sports Phoenix
- Kroenke Sports
- Manchester United
- Canada National Teams (MNT & WNT)
- CONCACAF
- CONMEBOL
- MLS, SUM, NASL, USSF, USL, OPD, ECNL
- NCE Soccer
- National Premier League
- English Premier League ("EPL")

- Championship Football / EPL League 2nd Division
- Scottsdale Rugby Club
- USA Sevens Rugby
- US Lacrosse
- Arizona Girls Lacrosse Association

Softball

- US Specialty Sports Association Softball
- Amateur Softball Association
- USA Softball
- Women's National Softball Association

Youth Baseball / Softball

- USA Baseball
- USA Softball
- US Specialty Sports Association Baseball
- Arizona Babe Ruth Baseball and Softball
- Total Game
- Korean National Baseball Team
- T-Rex Baseball
- Cal Ripken Baseball
- Inferno Baseball Club
- Arizona Grinders Baseball
- Storm Baseball Club
- Arizona Predators
- Hot Shots Softball

Volleyball (Outdoor Sand Courts)

- EVP Beach Volleyball
- Sand Club Academy
- Amateur Athletic Union (“AAU”) Volleyball
- Arizona Interscholastic Assoc.
- Paul Mitchell Tour
- Junior Volleyball Association
- RPM Beach Volleyball Club

Pickle Ball

- Andre Agassi
- USA Pickleball Assoc.

Esports & Virtual Entertainment Centers

- Blizzard Entertainment
- Razer
- Riot Games
- Twitch

Pro Shop/Sporting Goods Sales

- Nike Outlet
- Ebay
- Under Armour
- BSN Sports
- Footlocker, Inc.
- Lululemon
- Dick’s Sporting Goods
- Adidas
- Puma
- Play It Again Sports
- New Balance

Videotaping & Sales

- Drone Video Company
- RunnerSpace
- Pixellot
- Hudl

Kiosks

- WSI Sportswear
- American Kiosk

Food Service, Beverage & Concessions

- Delaware North
- Shamrock Foods
- US Foods
- Crescent Crown
- Hensley Distribution Company
- Southern Glazer’s Wine and Spirits
- Coca Cola
- Fired Pie

Special Events & Concerts

- W Production Group
- Event Pros.
- Relentless Beats
- Live Nation
- PlayStation Fiesta Bowl
- Special Olympics Arizona
- Dance Academy
- International Friendlies Soccer
- Arizona Event Group
- Steve Levine Entertainment

Indoor Basketball

- Powerhouse Hoops
- Arizona Elite
- Arizona Preps
- GNG Hoops
- Basketball Factory
- Fat Lever NBA Alumni Assoc.
- 360 Hoops
- Phoenix Suns G League
- Nike EYBL
- Adidas Gauntlet
- Power Aide
- Asics Basketball
- Just 4 Hoopin
- Southwest Showcases

- Big Sky Conference
- California Pacific Conference
- Breakdown Sports USA

Indoor Volleyball

- Volleyball Festival
- Rush Volleyball
- Revolution VB Academy
- RPM Volleyball Club
- USA Volleyball
- East Valley Juniors Volleyball
- Junior Volleyball Association

Indoor Stadium Court – Special Uses & Events

- Arizona Interscholastic Association
- Max Preps
- Benedictine University
- Canyon Athletic Association

Obstacle Course Racing/Zip Lines

- Tough Mudder
- Battle Frog
- Adventure Series

Health & Wellness / Anti-Aging

- Lifenetics
- Banner Health
- Red Mountain Weight Loss
- Body Logic

Physical Therapy

- Banner Medical Group
- Fischer Sports
- St. Vincent's PT Physio
- Therapy ReHab Plus

Nutrition

- Isagenix International
- One Stop Nutrition

General Fitness

- SheaNetics
- Orange Therapy
- Mountain Side Fitness

- BILT by Agassi and Reyes
- Power Plate
- Precor
- Techno gym
- Power systems
- Cybex
- Nautilus
- SicFit

Cheer / Dance / Gymnastics

- Spring It On
- Arizona Dynamics
- USA Cheer and Dance
- USA Gymnastics
- Varsity Cheer

Performance Training & Strengthening

- ReHab Plus
- A Better Athlete
- Fast Athlete
- Triple Threat Performance
- Altius training
- Team EXOS
- Dan O'Brien Training

Multi-Use Indoor Turf Field

- Mondo
- Connor Flooring
- Taratan APS
- Beynon Sports

Running Events

- Running in the USA
- Arizona Roadrunners
- Sole Sports
- Phx Pheet Run Club
- Race Online
- Finish Lynx
- Miles Split
- Race Place

Advertising & Branding/Naming Rights

- Owens Harkey

1.10 COMPARISON TO OTHER SPORTS PARKS

Numerous sports parks throughout the country have been developed to provide advanced sports

facilities for youth sports. Private and public sports parks increase economic benefits to local communities through improved commercial sales and hospitality revenue directly related to the sports complex attendance, which often includes overnight lodging for tournaments. Because of its all-inclusive features, Legacy Sports Park anticipates that it will exceed revenues produced by similar facilities for the purpose of providing economic and fiscal benefits to the local community and the region through increased sales, jobs, tax-based revenue and related business. Below is an overview of these other sports parks.

Overland Park Soccer Complex

Overland Park, Kansas

- Municipal City-Owned Soccer Complex
- **\$36 Million Construction Cost**
- 96 Acre Property
- **12 Regulation Size Soccer Fields**
- Each of its soccer fields contains a cooling system to control the temperature of the turf. Evaporative cooling fans are located next to player's benches, and all fields have video boards to post game results and information. Overland Park hosted the 2013 US Youth Soccer National Championship tournament and has hosted the 2010 Youth Soccer National Championship and the 2012 Youth Soccer Region II Presidents Cup.
- Season: 8-Month – Spring, Summer and Fall Operations



Reach 11 Sports Complex

Phoenix, Arizona

- Municipal City-Owned Soccer Complex
- Soccer, Youth Baseball (Arizona Diamondbacks-operated)
- **\$33-plus Million Construction Cost**
- 300 Acre Property
- **18 Regulation Size Soccer Fields**
- The Sports Complex is a City of Phoenix park that has hosted international, national, and regional tournaments in soccer, field hockey, and rugby. The Arizona Diamondbacks have youth baseball fields at this facility, including two fully accessible youth baseball fields and two traditional youth baseball fields. The facility has over 2,000 parking spaces.
- Season: 12-Month – Year-Round Operations



Lake Point Sports

Emerson, Georgia

- Privately-Owned Multi-Sport Athletic Center
- Soccer, Baseball, Softball, Basketball, Lacrosse, Track & Field
- **\$100-plus Million Construction Cost**
- 1,300 Acre Property
- **14 Regulation Size Soccer Fields**
- Features sports venues and five million square feet of amenities including onsite hotels, restaurants, themed retail, and water parks.
- Season: 12-Month – Year-Round Operations



Grand Park Sports Complex

Westfield, Indiana

- Municipal City-Owned Mixed-Use Youth Sports Complex
- Soccer, Football, Baseball, Softball
- **\$45-plus Million Construction Cost**
- 480 Acre Property
- **31 Regulation Size Soccer Fields**
- The complex has mixed-use soccer and football fields and baseball and softball diamonds. The park has been open since 2012 and hosts millions of visitors from 48 states and Canada. Officials estimate that 1,000,000 people will visit the complex during each year of operation. Youth sports and college baseball teams have already used Grand Park where over 20,000 people visit on an average weekend.
- Season: 8-Month – Spring, Summer and Fall Operations



San Bernardino Soccer Complex

San Bernardino, California

- Municipal City-Owned Soccer Complex
- Soccer
- **\$35-plus Million Construction Cost**
- 60 Acre Property
- **17 Regulation Size Soccer Fields**
- City officials estimate that each year about 450,000 people use the soccer fields, including tournaments. The Soccer Complex serves six soccer clubs and hosts 38 tournaments each year.
- Season: 12-Month – Year-Round Operations



Utah Youth Soccer Complex

West Jordan, Utah

- Municipal City-Owned Soccer Complex
- Soccer
- **\$40-plus Million Construction Cost (approx.)**
- 117 Acre Property
- **20 Regulation Size Soccer Fields**
- West Jordan is home to soccer clubs and one of the top-rated sports facilities in the country. The Soccer Complex occupies 117 acres. The City has hosted many US Youth Soccer tournaments including the Presidents Cup.
- Season: 8-Month – Spring, Summer and Fall Operations



IMG Academy

Bradenton, Florida

- Privately-Owned Athletic-Oriented College Prep School
- Baseball, Basketball, Tennis, Soccer, Football, Golf, Lacrosse, Track & Field, Athletic & Personal Development
- **\$150-plus Million Construction Cost (approx.)**
- 225 Acre Property
- **10 Regulation Size Soccer Fields**
- The facility features multiple soccer fields and a track & field facility. The faculty and staff of IMG Academy work in conjunction with the parents, administrators, athletic and performance coaches, dorm mentors, and student services staff to provide an environment conducive to learning, playing, and living the life of 'the total student-athlete.'
- Season: 12-Month – Year-Round Operations



American Sports Center

Anaheim, California

- Privately-Owned Indoor Court Facility
- Basketball, Volleyball
- **\$32 Million Construction Cost**
- 260,000 Square Foot Facility
- The facility features 34 volleyball courts that can be converted into 25 basketball courts. The 242,000 square foot facility is home to the US Men's and Women's National Volleyball team along with youth club volleyball and basketball programs, adult basketball and futsal leagues, and weekend tournaments and events.



National Sports Center

Blaine, Minnesota

- Privately-Owned Multi-Venue Sports Park
- Multiple Indoor & Outdoor Sports on Turf, Ice and Hardwood
- **\$50-plus Million Construction Cost (approx.)**
- 602 Acre Property
- The facility provides sports venues, events, leagues, and development programs including soccer, hockey, golf, cycling, lacrosse, baseball, football, broomball, rugby, and others.
- The campus includes 52 athletic fields; the Schwan Super Rink, an eight-sheet ice arena; a 8,500-seat stadium; the Schwan Center meeting and events center; the Sport Expo Center, an 18,000 square foot clear-span hall, the 18-hole Victory Links golf course; an indoor Sports Hall with a Field Turf in-fill field; a 250-meter wood outdoor cycling velodrome, and a 180-bed Residence Hall with cafeteria.



Bo Jackson's Elite Sports

Lockport, Illinois

- Privately-Owned Indoor Multi-Sport Complex
- Baseball/Softball, Football, Soccer, Lacrosse
- **\$22.5-plus Million Construction Cost**
- The facility is an indoor sports training center with an air-supported structure and 88,000 square feet of training space for athletes, with clear spans and 65-foot high ceilings. The facility provides training opportunities for turf sport teams (baseball/softball, football, soccer, and lacrosse) and athletes to improve athleticism and personal leadership skills.



Spooky Nook Sports

Lancaster, Pennsylvania

- Privately-Owned Indoor/Outdoor Multi-Sport Complex
- Basketball, Field Hockey, Volleyball, Soccer Fields, 200-Meter Indoor Track, Full-Sized Baseball Infield, Fitness & Climbing Center
- **\$150-plus Million Construction Cost (approx.)**
- The facility features a large indoor sports complex that is a destination for families, athletes, and businesses. With more than 700,000 square feet under one roof and over 50 acres of outdoor facilities, the facility hosts clubs, leagues, tournaments, and championship events throughout every season.



Unlike many of the smaller single-use competitors, Legacy Sports Park has over 50 different internal profit-center venues within the park, providing a hub for a variety of sports and recreation activities paired with amenities and professional programming for leagues, tournaments, camps, and instruction. The Legacy Sports Park is comprised of 320 acres that will provide over 100 premiere playing fields, indoor team sports facilities, Esports venues, concerts, family dining, retail outlets, hotel, and many other family entertainment venues. The park intends to provide sports medicine through alliances with healthcare partners. The facility will offer health, fitness, wellness, anti-aging, and weight loss services.

The Legacy Sports Park is estimated to attract over three million visitors per year, making it the largest privately-owned sports / entertainment park in the Western United States, second largest in the nation. The key differentiator to comparable facilities is the fact that Legacy Sports Park has binding pre-contracts and LOIs for 100% occupancy prior to breaking ground, providing a revenue base upon the commencement of operations. LS-USA has received inquiries from local, regional, and national sports organizations, clubs, vendors, retailers, manufacturers, and other sports industry-related businesses who have expressed interest in relocating or expanding their operations and markets to the Legacy Sports Park.

1.11 FINANCIAL PROJECTIONS

More than 50 different internal business profit center venues are included in the Legacy Sports Park business model, supported by letters of commitment for usage, with more event possibilities to be determined during final design and further business planning. Exhibit 1.11A below provides a summary of the projected revenues over a five-year period.

EXHIBIT 1.11A – PROJECTED REVENUES SUMMARY					
Description	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Gross Revenue	\$ 96,250,891	\$ 98,368,411	\$ 100,532,516	\$ 102,744,231	\$ 105,004,604
Total Revenue	\$ 96,250,891	\$ 98,368,411	\$100,532,516	\$ 102,744,231	\$ 105,004,604

SFA, with expertise in valuing public and private sports facilities, was engaged to determine the financial feasibility of the project. SFA's original financial analysis, which was used as the basis for the sports park's business model, identified a revenue growth rate ranging from 8.6% at the end of Year 1 to 5.3% in Year 5, averaging 6.3% over a five-year period. The sports park's business model used a 2.2% annual revenue growth rate for the first five years. Subsequent to the creation of the original financial projections, the sports park business model was expanded to include additional revenue generating venues and other business opportunities, such as additional branding, sponsorships and naming rights, and commitments from the Arizona Interscholastic Association and the Canyon Athletic Association. SFA has reviewed and analyzed the revised business model, utilizing its proprietary data base, and affirmed its prior findings regarding feasibility and the increased revenue to be generated as a result of the additions. Revenue and expenses have been projected in detail for each venue located throughout the park including general admission. A Summary Five Year Pro Forma is included in Exhibit 1.11B, below.

EXHIBIT 1.11B - SUMMARY FIVE YEAR PRO FORMA					
Description	Year 1	Year 2	Year 3	Year 4	Year 5
Revenue					
Facility Revenue	\$ 91,140,891	\$ 93,145,991	\$ 95,195,202	\$ 97,289,497	\$ 99,429,866
Branding, Etc.	\$ 5,110,000	\$ 5,222,420	\$ 5,337,313	\$ 5,454,734	\$ 5,574,738
Total Revenue	\$ 96,250,891	\$ 98,368,411	\$ 100,532,516	\$ 102,744,231	\$ 105,004,604
Annual Operating Expenses					
Facility Expenses	\$ 7,227,200	\$ 7,369,020	\$ 7,513,679	\$ 7,661,234	\$ 7,811,744
Operating Expenses	\$ 2,611,500	\$ 2,657,248	\$ 2,703,982	\$ 2,751,725	\$ 2,800,499
Venue Expenses	\$ 11,934,698	\$ 12,246,805	\$ 12,567,334	\$ 12,896,515	\$ 13,234,588
Payroll Expenses	\$ 7,631,000	\$ 7,821,775	\$ 8,017,319	\$ 8,217,752	\$ 8,423,196
Adjustments/Contingency	\$ 1,100,000	\$ -	\$ -	\$ -	\$ -
Total Operating Expenses	\$ 30,504,398	\$ 30,094,848	\$ 30,802,314	\$ 31,527,226	\$ 32,270,027
EBITDA	\$65,746,493	\$68,273,563	\$69,730,202	\$71,217,005	\$72,734,577
% of Revenue	68.3%	69.4%	69.4%	69.3%	69.3%
Less Annual Debt Service	\$19,572,700	\$30,694,256	\$30,659,669	\$30,692,481	\$30,694,306
Cash Flow After Debt Service	\$46,173,793	\$37,579,307	\$39,070,533	\$40,524,524	\$42,040,271
Debt Service Coverage Ratio	3.36x	2.22x	2.27x	2.32x	2.37x

As indicated in Exhibit 1.11B above, the sports park is expected to generate a net cash flow of approximately \$46 million in the first year of operations, with a debt service coverage ratio exceeding 3.3x.

Exhibit 1.11C below identifies the revenue sources/venues and projected revenues for each venue over a three-year period.

EXHIBIT 1.11C– REVENUE SOURCES/VENUES			
Revenue Sources	Year 1	Year 2	Year 3
Multiple Sports	\$ 6,564,900	\$ 6,709,328	\$ 6,856,933
Baseball/Softball	\$ 1,833,700	\$ 1,874,041	\$ 1,915,270
Soccer - Football (Outdoor)	\$ 9,345,150	\$ 9,550,743	\$ 9,760,860
FUTSAL (Indoor)	\$ 1,304,640	\$ 1,333,342	\$ 1,362,676
Volleyball (Indoor & Outdoor)	\$ 5,685,040	\$ 5,810,111	\$ 5,937,933
Basketball	\$ 1,342,720	\$ 1,372,260	\$ 1,402,450
E Sports	\$ 7,779,845	\$ 7,951,002	\$ 8,125,924
Cheer/Dance/Gymnastics	\$ 284,940	\$ 291,209	\$ 297,615
Pickleball / Lacrosse / Cricket / Rugby / Others	\$ 2,149,456	\$ 2,196,744	\$ 2,245,072
Camps / Youth Programming	\$ 1,803,200	\$ 1,842,870	\$ 1,883,414
Perf. Training, Fitness, Medical, Health & Wellness	\$ 3,845,000	\$ 3,929,590	\$ 4,016,041
Special Events	\$ 3,490,445	\$ 3,567,235	\$ 3,645,714
Branding, Sponsorships & Naming Rights	\$ 5,110,000	\$ 5,222,420	\$ 5,337,313
Concessions, Rest./Bar, Food Court, & Retail	\$ 22,072,601	\$ 22,558,199	\$ 23,054,479
Park Admission/Entrance Fees	\$ 14,178,024	\$ 14,489,941	\$ 14,808,719
Park Vehicle Parking Fees	\$ 9,461,230	\$ 9,669,377	\$ 9,882,103
Total Revenue	\$ 96,250,891	\$ 98,368,411	\$ 100,532,516
Projected Average Growth Rate		2.2%	2.2%

The financial projections provided herein include forecasts, projections and other predictive statements that represent assumptions and expectations in respect to current available information. These forecasts and projections are based on industry trends and binding LOIs, and they involve risks, variables, and uncertainties. The actual performance results may differ from those projected herein. Consequently, no guarantee is presented or implied as to the accuracy of specific forecasts, projections or predictive statements contained herein.

1.12 INDEPENDENT ANALYSIS

SFA conducted a feasibility study that included market research, financial viability, and financial projections for a range of sports, recreation, entertainment, and event programs.

SFA is a firm specializing in the planning, funding, and management of sports and recreation facilities, with a project portfolio totaling more than \$8 billion in planned and operational facilities. SFA assists sports tourism destinations, private developers, parks and recreation departments, national/state/local government entities, and universities and educational institutions. SFA's analysis included the following elements:

- Conducted market research encompassing:
 - Demographics and socioeconomics;
 - Local, regional, and national sports participation rates; and
 - Existing competition and known future developments.
- Researched existing local and regional sports and recreation facilities, including:
 - Facility amenities.
 - Facility quality;
 - Program seasonality; and
 - Program pricing.
- Conducted an in-depth planning and strategy session with the Legacy Sports Park project team.
- Reviewed existing data provided by the Legacy Sports Park project team, including Letters of Commitment provided by existing service providers and event operators.
- Created a program plan and provided opinions on the layout and sizing of the facilities based on demand projections, utilization schedules, and price point estimates provided by existing service providers and event operators.
- Developed detailed, five year pro forma and financial projections for facility operations.

For more information about SFA, please visit their website at <https://sportadvisory.com>.

2.0 THE PROJECT

2.1 THE DEVELOPMENT PLAN

Legacy Sports Park will be developed and constructed in one phase. The initial construction will begin in June 2020 with grading, civil sitework and utilities, and roadway infrastructure, followed by construction of the outdoor sports fields and the indoor building facilities. Construction will be completed within 20 months. By constructing the sitework and the buildings concurrently, the project may be completed at the same time. Once the general sitework and the buildings are complete, the remaining site improvements will be constructed including roadways, parking lots and lighting, perimeter fencing and secured entrance gates, and the common area landscaping and irrigation systems. Construction of the new Legacy Parkway will serve as the main access road into the sports park with additional access provided with offsite road and street improvements.



The outdoor facilities include 10 softball/youth baseball fields with movable outfield fencing for adjusting the field dimensions from adult to youth play; a Harmon Killebrew Miracle Field that will provide opportunities for children with disabilities to play Miracle League baseball, regardless of their abilities; a 12-lane batting cage facility for batting proficiency advancement; 25 international-sized soccer fields including a main soccer stadium, an auxiliary smaller stadium field, and a soccer

performance training center; a 40-court pickleball center including one enhanced stadium-type court; 31 sand volleyball/sand soccer courts including one enhanced stadium-type court; an AAU competition track & field complex including an 8-lane track and interior field; a 50-acre special events area for outdoor concerts and performing arts, overflow athletic events and staging areas, and food and other types of festivals; an extreme challenge/obstacle course racing center for extreme personal and team-building endurance training; all necessary infrastructure including utilities, parking, fencing, roadways, landscaping, security, and maintenance facilities; and additional acreage for future hotel, academy / private schooling, and retail / restaurant business expansion.



The indoor facilities incorporate the development of new multi-story structures including:

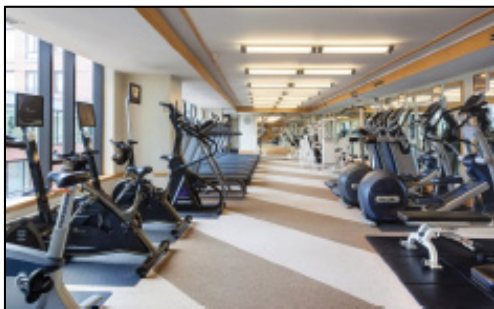
The **Legacy Center** main building houses restaurant/bar and grills, retail shops, an Esports videogaming center, virtual reality arcade center, television and radio broadcasting and production facilities, lecture hall/auditorium, support facilities including safety, security, operations management, and the business administrative center for the sports park, all within an approximate 650,000 square foot building.



The **Legacy Indoor Team Sports Center** gymnasiums will provide a large indoor hardwood floor court complex capable of supporting up to 16 combination-use professional regulation size basketball courts or 32 regulation size volleyball courts. A stadium regulation size arena basketball court will be included with fixed seating for approximately 6,000 spectators plus capacity for an additional 1,500-2,000 special events seating and serve as the center court for basketball and volleyball tournament finals as well as other indoor-

based special events and performing arts. Additionally, the center will include support facilities including restrooms, team meeting rooms, locker rooms, storage, and venue office space and be located near the restaurant for food and beverage service. The center, including the arena court, will be sized to approximately 350,000 square feet, with final configuration to be determined during the final design and floorplan layout.

The **Legacy Health, Wellness & Fitness Center** will provide athletic training through individualized and teamed programs with a focus on increasing the athletic abilities of individuals of all ages by defining their strengths and weaknesses and then developing specific performance solutions. Health, wellness, nutrition, anti-aging, crossfit/aerobics, physical therapy, and general fitness facilities will also be available for those with specialized training and improvement needs. The 50,000-square foot center will be located near or adjacent to the main Legacy Center building.



The **Legacy Performance Training Center** will provide a performance and strengthening center for the more advanced athlete. The center, located in the main Legacy Center building, will be constructed with an indoor/outdoor component that will include a separate turf field for training. As an annex to the Health, Wellness and Fitness center, the participants will have access to all personal training, strengthening and rehabilitation facilities.

The **Legacy Indoor Multi-Sports Center** will provide a 200,000 square foot climate-controlled indoor turf or sport court-type floored facility supporting six regulation-size futsal courts and a 50,000 square foot center for cheer / dance / gymnastics competitions and other indoor sports and commercial mixed-uses.





The **Legacy Soccer Building/Main Building Annex** will serve as the soccer program's headquarters and gateway to the soccer stadium field complex for teams and spectators. This 10,000-20,000-square foot facility will provide space for the soccer program administration, training, meeting rooms, and other soccer program management requirements. The soccer program building will provide viewing access to the soccer stadium field.

The **Legacy Outdoor Amphitheater** will provide an outdoor setting for special events, performing arts, award ceremonies and other unique uses. With a 1,000-seat capacity and stage with sound and lighting amenities, the amphitheater will host many types of events during the day and at night. Located next to the main building, the amphitheater patrons will have access to food, beverage, restroom, and other sports park features located next to it.



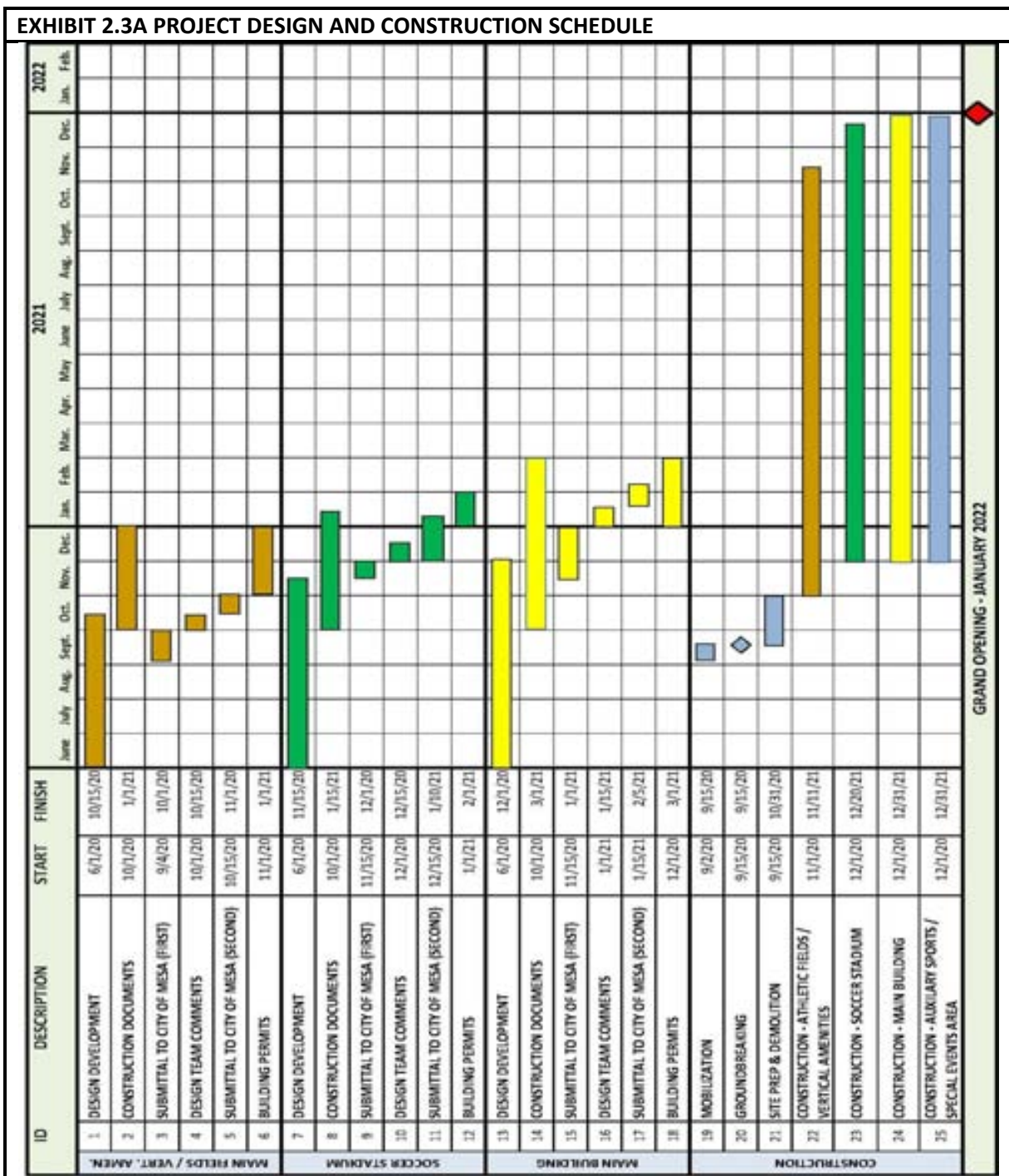
2.2 PROJECT DEVELOPMENT BUDGET

The project development budget is \$195,000,000 and includes the cost of design and construction of the sports park under a guaranteed maximum price ("GMP") contract provided by Waltz, the prime design-build contractor; acquisition of furniture fixtures and equipment ("FF&E"); costs associated with SRP (electric utility company) for items such as project design review, SRP design and engineering, and connection fees, which are not included in the GMP contract; purchase of water credits; pre-development costs, and pre-opening working capital. Exhibit 2.2A below provides a summary of the project development budget.

EXHIBIT 2.2A - PROJECT DEVELOPMENT BUDGET			
Construction Fund (GMP) Summary			
CSI Division Costs (Site Work, Utilities, Fields, Bldgs)	Site	Buildings	Total
Subtotal	\$ 39,111,519	\$ 88,147,596	\$127,259,115
Soft Costs			
Public-Service, Tap & Development Fees	\$ 234,669	\$ 528,885	\$ 763,554
Building Permit, Plan Check Fees	\$ 118,038	\$ 266,030	\$ 384,068
Design / Engineering Fees	\$ 3,500,000	\$ 8,500,000	\$ 12,000,000
Waltz Contingency	\$ 1,955,576	\$ 4,407,380	\$ 6,362,956
Insurance & General Liability	\$ 628,877	\$ 1,425,898	\$ 2,054,775
Performance & Payment Bond	\$ 455,487	\$ 1,032,758	\$ 1,488,245
Pre-Construction Services	\$ 475,725	\$ 850,000	\$ 1,325,725
Fee	\$ 2,209,802	\$ 5,552,111	\$ 7,761,913
AZ Resale Tax	\$ 2,626,809	\$ 5,972,840	\$ 8,599,649
Subtotal	\$ 12,204,983	\$ 28,535,902	\$ 40,740,885
Total Construction Fund (GMP) ⁽¹⁾	\$ 51,316,502	\$ 116,683,498	\$168,000,000
Other Project Development Budget Items			
Furniture Fixtures and Equipment (FF&E)			\$ 5,000,000
Design and Water			\$ 4,700,000
Pre-Development Costs			\$ 4,800,000
Pre-Opening Working Capital			\$ 12,500,000
Total Other Project Development Items			\$ 27,000,000
Total Project Development Budget			\$195,000,000
Note 1: Numbers may differ from the GMP Contract Price due to rounding.			

2.3 CONSTRUCTION SCHEDULE

The Legacy Sports Park will be designed and constructed using the design-build project delivery method. This approach utilizes two major components, the design phase, and the construction phase, each with their own schedules that interface with each other. The two phases will overlap as the construction phase will commence before the design phase is fully completed, thus substantiating the use of the design-build concept for an expedited completion schedule. The summarized timeline and schedule of design and construction activities is presented in Exhibit 2.3A below:



The site design of the sports park is currently underway and is scheduled to be completed by November 2020. In the interim, a design review package will be completed and submitted to the City's building department(s) for review, approval, and permitting while the interior building design work continues. The interim design review package will include the site layout, demolition, grading, utility, drainage, and other plans necessary to begin the initial construction phase.

Site grading and underground utility work will begin in September 2020, followed by site grading and underground utility work, as the design plans are completed and initial building permits are being issued. As the sitework continues during 2020 and into 2021, vertical construction of the buildings, including erection of structural steel, building exterior elevations and roofing, and building infrastructure will begin in the first quarter of 2021. The outdoor playing fields are scheduled to be completed in November 2021, limited primarily by the growing season of fall/winter grasses in Arizona. Construction of the buildings is scheduled to be completed during the fourth quarter of 2021. All remaining buildout will be coordinated with the sports park's operational commitments, in time for a Grand Opening in January 2022.

LS-USA and its design-build construction team intends to work closely with local governmental agencies to expedite their review, approval, and permit issuance of all design packages and to avoid any aspect of the work that could delay the interim and final completion milestone dates of the project.

2.4 PROJECT AGREEMENTS

As the project owner, Legacy Cares will enter into agreements with a number of entities that will provide services for the development, construction, and operations management of the Project, which includes the following:

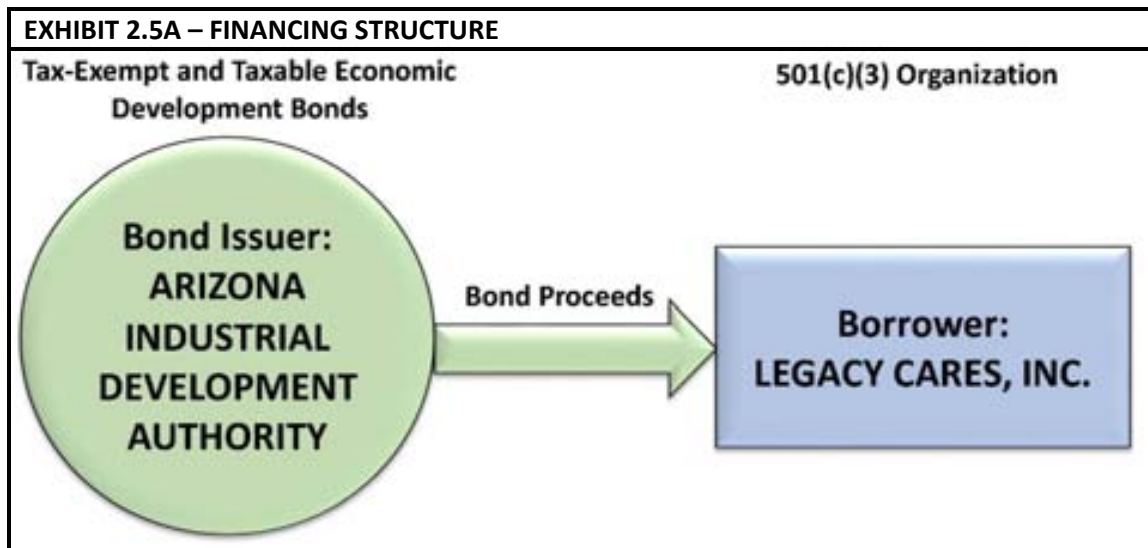
- A) Pacific Proving, LLC. is the landlord and owner of the property upon which the Legacy Sports Park will be built. Legacy Cares and Pacific Proving, LLC, an unrelated party to either Legacy Cares or LS-USA, have negotiated a 40-year ground lease with options to extend the ground lease for an additional 10-years exercisable upon written notice from Legacy Cares.
- B) The City and Legacy Cares are entering into a Development Agreement that outlines the City's participation in the project, including rebates, permit fees, off-site infrastructure, and capital improvements.
- C) LS-USA is the Co-Developer, Operating Company, and Manager of Legacy Sports Park, which includes management and oversight of Project Development and Revenue Operations of the park. LS-USA shall be paid an initial Project development fee in an amount equal to five percent (5%) of the total capital expenditures on the Project. The development fee shall be deferred and paid in increments as follows:
 - Fifty percent (50%) shall be paid at the end of the first year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
 - The remaining fifty percent (50%) shall be paid at the end of the second year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.
- D) OVG Facilities is an independent company under agreement with LS-USA. OVG Facilities will be the facility operator responsible for the day to day operations and marketing of Legacy Sports Park.
- E) Waltz is under agreement with LS-USA. Waltz is responsible for managing the design development and construction aspects of the Project through construction completion. In addition to the GMP contract, Waltz shall be paid an initial Project development fee in an amount equal to one percent (1%) of the total capital expenditures on the Project. The development fee shall be deferred and paid in increments as follows:
 - Fifty percent (50%) shall be paid at the end of the first year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
 - The remaining fifty percent (50%) shall be paid at the end of the second year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.

Waltz's responsibilities include the following contracts and services:

- I. GMP construction contract and performance bond;
 - II. Contracts with all subcontractors, vendors and material suppliers and prepare the contracts for signature by the applicable party;
 - III. Finalize contracts, agreements and similar items with the City, County and State and with quasi-governmental entities;
 - IV. Manage the architects, engineers, subcontractors, and material suppliers, and finalize the plans and specifications for the Project;
 - V. Work with prime contractor, subcontractors, Project professionals and similar parties to obtain final permits and approvals for the development and construction of the Project;
 - VI. Work with prime contractor to finalize the construction schedule;
 - VII. Provide a responsibility matrix for the work to be completed by various parties involved in the development and construction of the Project;
 - VIII. Prepare monthly draw requests for the Project;
 - IX. Provide monthly progress reports and budget analysis; and
 - X. Provide services necessary to transition the operation of the Project to Legacy Cares and LS-USA upon substantial completion of the entire Project or portions of the Project.
- F) Icing Investment Holdings, LLC ("IIH") is an independent company providing advisory services under an agreement with LS-USA. IIH shall be paid an advisory fee of one percent (1%) of the total capital expenditures on the Project. The advisory fee shall be paid in increments as follows:
- Fifty percent (50%) shall be paid at the end of the first year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
 - The remaining fifty percent (50%) shall be paid at the end of the second year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.
- G) KingDog Enterprises LLC is an independent company providing technology advisory services under an agreement with LS-USA. IIH shall be paid an advisory fee of one half of one percent (0.5%) of the total capital expenditures on the Project. The advisory fee shall be paid in increments as follows:
- Fifty percent (50%) shall be paid at the end of the first year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and
 - The remaining fifty percent (50%) shall be paid at the end of the second year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.

2.5 FINANCING STRUCTURE

The Project will be financed through an offering of tax-exempt and taxable economic development bonds in two senior series. The Bonds will be issued by the Arizona Industrial Development Authority, an authorized conduit issuer of municipal revenue bonds and economic development bonds. The non-rated bonds will have various maturity dates with a maximum of 30-years. Exhibit 2.5A below depicts the financing structure.



The proceeds of the Series 2020 Economic Development Bonds will be used by Legacy Cares, to (i) finance the design and construction of the Project, (ii) fund a debt service reserve fund, (iii) fund a capitalized interest fund, (iv) pay transaction costs of the issuance, and (v) other capital expenditures of the Borrower.

2.6 STRATEGIC PARTNERSHIPS

LS-USA has developed strategic business partnerships as a part of the sports park's business model. These relationships, indicated in Exhibit 2.6A below, have matured as exemplified by the issuance of pre-contracts and LOIs confirming the intention of these organization to relocate their sports businesses to Legacy Sports Park. The organizations and sports club are the core of the local, regional, and national sports industry including soccer, softball/baseball, futsal, pickleball, basketball, volleyball, running, and sports-related food, beverage, clothing, and equipment product sales.

In addition to these partners, LS-USA has fostered relationships with local businesses to provide support services to the operations of the sports park including cleaning, maintenance, food and beverage, office supplies, and other essential needs.

EXHIBIT 2.6A – STRATEGIC RELATIONSHIPS



- END -

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B

FORM OF INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

INDENTURE OF TRUST

between

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY,
as Issuer

and

UMB BANK, N.A.
as Trustee

\$212,960,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Series 2020A
(Legacy Cares, Inc. Project)
and

\$6,810,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc. Project)
and

\$31,000,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Turbo Redemption Series 2020C
(Legacy Cares, Inc. Project)

Dated as of August 1, 2020

TABLE OF CONTENTS

Page

ARTICLE I DEFINITIONS; INDENTURE TO CONSTITUTE CONTRACT

Section 1.01.	Definitions	4
Section 1.02.	Indenture to Constitute Contract	18

ARTICLE II AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01.	Authorized Amount of Bonds	18
Section 2.02.	All Bonds Equally and Ratably Secured by Trust Estate; Limited Obligation of Bonds and Pledges Securing the Same	18
Section 2.03.	Authorization of Series 2020 Bonds; Payment of Bonds.....	19
Section 2.04.	Execution of Bonds	21
Section 2.05.	Registration, Transfer and Exchange of Bonds; Persons Treated as Registered Owners.....	21
Section 2.06.	Lost, Stolen, Destroyed and Mutilated Bonds.....	22
Section 2.07.	Delivery of Series 2020 Bonds.....	22
Section 2.08.	Authentication Certificate	23
Section 2.09.	Cancellation and Disposition of Bonds.....	23
Section 2.10.	Temporary Bonds.....	24
Section 2.11.	Additional Bonds.....	24
Section 2.12.	Book-Entry System	26
Section 2.13.	Restrictions on Registration and Transfer.....	30
Section 2.14.	CUSIP Numbers	30
Section 2.15.	Trustee to Provide Notice to Issuer of Annual Outstanding Principal Amount	30

ARTICLE III REVENUES AND FUNDS

Section 3.01.	Pledge of Trust Estate	30
Section 3.02.	Establishment of Funds; Deposit of Series 2020 Bond Proceeds and Other Moneys; Assignment of Payments	30
Section 3.03.	Payments into the Bond Fund	31
Section 3.04.	Use of Moneys in the Bond Fund.....	32

Section 3.05.	Custody of the Bond Fund	32
Section 3.06.	Payments into the Debt Service Reserve Fund	32
Section 3.07.	Use of Moneys in the Debt Service Reserve Fund.....	33
Section 3.08.	Custody of the Debt Service Reserve Fund	34
Section 3.09.	Payments Into and Use of Moneys in the Project Fund; Disbursements	34
Section 3.10.	Payments into and Use of the Capitalized Interest Fund	35
Section 3.11.	Reserved	35
Section 3.12.	Payments into and Use of Moneys in the Cost of Issuance Fund	35
Section 3.13.	Termination of Cost of Issuance Fund	35
Section 3.14.	Custody of the Cost of Issuance Fund.....	36
Section 3.15	Rebate Fund.....	36
Section 3.16	Custody of the Rebate Fund.....	38
Section 3.17.	Tax and Insurance Escrow Fund.....	38
Section 3.18.	Revenue Fund	39
Section 3.19.	Expense Fund.....	40
Section 3.20.	Use of Moneys in the Expense Fund	41
Section 3.21.	Operating Reserve Fund	41
Section 3.22.	Payments into and Use of Money in the Repair and Replacement Fund.....	42
Section 3.23.	Payments into and Use of Moneys in the Surplus Fund	44
Section 3.24.	Payments into and Use of Moneys in the Accelerated Redemption Fund.....	44
Section 3.25.	Nonpresentment of Bonds.....	44
Section 3.26.	Moneys to be Held in Trust	44
Section 3.27.	Insurance and Condemnation Proceeds	44
Section 3.28.	Repayment to the Borrower from the Funds.....	45

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01.	Performance of Covenants	45
Section 4.02.	Instruments of Further Assurance	46
Section 4.03.	Payment of Principal, Premium, if any, and Interest	46
Section 4.04.	[Reserved]	46
Section 4.05.	Unrelated Bond Issues	46
Section 4.06.	Security Instruments	46
Section 4.07.	Rights Under the Loan Agreement	47
Section 4.08.	Performance of Obligations	47

ARTICLE V REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.01.	Optional Redemption of Bonds	48
Section 5.02.	Redemption of Bonds Upon Occurrence of Certain Events	48
Section 5.03.	Mandatory Sinking Fund Redemption.....	49
Section 5.03A.	Mandatory Redemption Upon Determination of Taxability.....	49
Section 5.03B.	Mandatory Redemption upon Receipt of Surplus Revenues	50
Section 5.04.	Method of Selecting Bonds.....	50

Section 5.05.	Notices of Redemption	50
Section 5.06.	Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue.....	51
Section 5.07.	Cancellation	51
Section 5.08.	Partial Redemption of Bonds	51
Section 5.09.	No Partial Optional Redemption in Event of Default.....	51

ARTICLE VI INVESTMENTS

Section 6.01.	Investment of Moneys.....	51
---------------	---------------------------	----

ARTICLE VII DISCHARGE OF INDENTURE

Section 7.01.	Discharge of this Indenture	52
Section 7.02.	Survival	54

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01.	Events of Default.....	54
Section 8.02.	Remedies for Events of Default Under this Indenture	55
Section 8.03.	Direction of Remedies.....	56
Section 8.04.	Rights and Remedies of Registered Owners	56
Section 8.05.	Application of Moneys.....	57
Section 8.06.	Trustee May Enforce Rights Without Bonds	58
Section 8.07.	Proofs of Claim	58
Section 8.08.	Delay or Omission No Waiver	59
Section 8.09.	No Waiver of One Default to Affect Another.....	59
Section 8.10.	Discontinuance of Proceedings on Default; Position of Parties Restored	59
Section 8.11.	Waivers of Events of Default	59

ARTICLE IX CONCERNING THE TRUSTEE

Section 9.01.	Duties of the Trustee	60
Section 9.02.	Fees and Expenses of Trustee	63
Section 9.03.	Resignation or Replacement of Trustee	63
Section 9.04.	Conversion, Consolidation or Merger of Trustee.....	64

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LOAN AGREEMENT AND THE LEASEHOLD DEED OF TRUST

Section 10.01.	Supplemental Indentures Not Requiring Consent of Registered Owners	64
Section 10.02.	Supplemental Indentures Requiring Consent of Registered Owners	65

Section 10.03.	Execution of Supplemental Indentures	66
Section 10.04.	Issuer Consent Required to Less Restrictive Requirements of Indenture and Loan Agreement	66
Section 10.05.	[Reserved]	67
Section 10.06.	Amendments, etc., of the Loan Agreement Not Requiring Consent of Registered Owners.....	67
Section 10.07.	Amendments, etc., of the Loan Agreement and Deposit Account Control Agreement Requiring Consent of Registered Owners	67
Section 10.08.	Execution of Amended Loan Agreement and Deposit Account Control Agreement	67
Section 10.09.	[Reserved]	68
Section 10.10.	Amendments, etc., of a Leasehold Deed of Trust Not Requiring Consent of Registered Owners	68
Section 10.11.	Amendments, etc., of a Leasehold Deed of Trust Requiring Consent of Registered Owners	68
Section 10.12.	Execution of Amended Leasehold Deed of Trust.....	69

ARTICLE XI MISCELLANEOUS

Section 11.01.	Evidence of Signature of Registered Owners and Ownership of Bonds	69
Section 11.02.	Parties Interested Herein	70
Section 11.03.	Titles, Headings, Etc.	70
Section 11.04.	Severability	70
Section 11.05.	Third Party Beneficiaries	70
Section 11.06.	Governing Law	70
Section 11.07.	Execution in Counterparts.....	70
Section 11.08.	Limitation of Liability of Officials of Issuer	70
Section 11.09.	Notices	72
Section 11.10.	Payments Due on Days Other Than Business Days	73
Section 11.11.	No Personal Liability of Officials of the Issuer or the Trustee.....	73
Section 11.12.	Bonds Owned by the Issuer or the Borrower.....	73
Section 11.13.	Undertaking to Provide Ongoing Disclosure.....	73
Section 11.14.	Right to Inspect.....	74
Section 11.15.	Incorporation of Terms of Loan Agreement.....	74
Section 11.16.	Notice of Arizona Revised Statutes Section 38-511 - Cancellation	74
Section 11.17.	No Boycott of Israel.....	74
Section 11.18.	Force Majeure	74
Section 11.19.	U.S.A. Patriot Act	74

EXHIBIT A	FORM OF SERIES 2020 BONDS
EXHIBIT B	FORM OF INVESTOR LETTER

INDENTURE OF TRUST

THIS INDENTURE OF TRUST, dated as of August 1, 2020 (as the same may be amended and supplemented, including by Supplemental Indentures), the (“Indenture”), is between the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Issuer”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, and **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”), being authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America.

W I T N E S S E T H:

WHEREAS, the Issuer exists under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”); and

WHEREAS, pursuant to the Act, the Issuer is authorized to issue revenue bonds the proceeds thereof to be used to finance or refinance the costs of acquisition, construction, improvement, equipping or operation of a “project” as defined in the Act, which includes residential real property for dwelling units; and

WHEREAS, Legacy Cares, Inc., an Arizona not-for-profit corporation and 501(c)(3) organization (the “Borrower”), has requested that the Issuer issue its \$212,960,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “Tax-Exempt Series 2020A Bonds”), its \$6,810,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “Taxable Series 2020B Bonds”) and its \$31,000,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “Tax-Exempt Turbo Redemption Series 2020C Bonds”) (collectively, the Tax-Exempt Series 2020A Bonds, the Taxable Series 2020B Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds are referred to herein as the “Series 2020 Bonds”) and loan the proceeds thereof to the Borrower (the “Loan”) pursuant to a Loan Agreement dated as of even date herewith (the “Loan Agreement”) between the Issuer and the Borrower, for the purposes of financing a portion of the cost of (i) acquiring, constructing, renovating, improving, equipping and operating a state of the art, premier family multi-sports park facility and entertainment complex located at the intersection of SR 24 and Ellsworth Road in Mesa, Arizona (the “Series 2020 Facilities”), (ii) funding any required reserve fund under this Indenture, (iii) paying capitalized interest, operating costs and working capital costs on the Series 2020 Bonds, and (iv) paying costs of issuance of the Series 2020 Bonds (collectively, the “Series 2020 Project”); and

WHEREAS, the governing body of the Issuer has authorized the issuance of the Bonds pursuant to Resolution No. 2020-14, adopted on March 25, 2020 (the “Resolution”), pursuant to the terms and conditions of this Indenture; and

WHEREAS, the Issuer has deemed it desirable and in keeping with its purposes under the Act to issue the Bonds under this Indenture and to loan the proceeds thereof to the Borrower to finance the Project and the reserves, capitalized interest and costs and expenses associated with the issuance of the Bonds; and

WHEREAS, the Series 2020 Bonds are to be substantially in the form set forth in Exhibit A hereto with such necessary or appropriate variations, omissions and insertions as permitted or required by this Indenture; and

WHEREAS, the Bonds will be secured by a pledge and assignment of certain rights of the Issuer under the Loan Agreement (excluding the Issuer’s Unassigned Rights (as defined herein)) to the Trustee; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and of the interest and premium, if any, thereon, the Issuer has authorized the execution and delivery of this Indenture; and

WHEREAS, all acts and proceedings and required by law and necessary (i) to make the Series 2020 Bonds, when authenticated by the Trustee and issued as provided in this Indenture, the valid, binding and legal special limited obligations of the Issuer and (ii) to constitute this Indenture a valid, binding and legal instrument for the security of the Bonds (as defined herein) in accordance with its terms, have been done and taken; and the execution and delivery of this Indenture have been in all respects duly authorized.

NOW, THEREFORE, in consideration of the premises and the mutual promises, representations and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

That the Issuer, in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the premises and the mutual covenants contained herein and the purchase and acceptance of the Bonds by the Registered Owners (as defined herein) thereof, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, in order to secure the payment of the principal of, premium, if any, and interest on all Bonds at any time Outstanding (as defined herein) under this Indenture, according to their tenor and effect, to secure the performance and observance of all the covenants and conditions in the Bonds and herein contained, and to declare the terms and conditions upon and subject to which the Bonds are issued and secured, has executed and delivered this Indenture and has granted, bargained, sold, alienated, assigned, pledged, set over and confirmed, and by these presents does grant, bargain, sell, assign, pledge, set over and confirm unto UMB BANK, N.A., as Trustee, to

the extent provided herein, and to its successors and assigns forever, the following described property, franchises and income:

(a) The rights, title and interests of the Issuer under the Loan Agreement (as defined below), except the Issuer's Unassigned Rights.

(b) The rights, title and interests of the Issuer in the Facilities (as defined herein), subject to Permitted Encumbrances (as defined herein), except the Issuer's Unassigned Rights.

(c) The Revenues (defined herein) and all rights, title and interests of the Issuer in the Pledged Revenues (as defined herein), subject to Permitted Encumbrances, except the Issuer's Unassigned Rights.

(d) The rights, title and interests of the Issuer and the Borrower under the Leasehold Deed of Trust subject to Permitted Encumbrances, and the Promissory Notes (each defined herein).

(e) All Funds created in this Indenture, including funds under the Deposit Account Control Agreement (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund (each as defined herein)), except for (i) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding hereunder, (ii) all trust accounts containing all insurance and condemnation proceeds, and (iii) all Revenues (as defined herein) payable to the Trustee for the payment of fees and expenses of the Issuer pursuant to the Loan Agreement and this Indenture, subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in this Indenture.

(f) All funds deposited or held in the Funds created in this Indenture, whether as cash contributions or deferred payments described in the (i) Qualified Management Agreement (as defined herein), (ii) Operating Agreement between OVG Facilities, LLC ("OVG Facilities"), and Legacy Sports USA, LLC, which will provide that OVG Facilities shall oversee the daily operations of the Series 2020 Project following the opening date, (iii) Deferral Fee Agreement between Borrower and KingDog Enterprises, LLC, dated August 17, 2020, (iv) Deferral Fee Agreement between Borrower and JS Waltz Construction LLC, dated August 16, 2020, and (v) Deferral Fee Agreement between Borrower and Legacy Sports USA, LLC, dated August 17, 2020.

(g) Any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security hereunder by the Issuer or by anyone on its behalf or with its written consent in favor of the Trustee, which is hereby authorized to receive any and all such property at any and all times and to hold and apply the same, subject to the terms hereof.

TO HAVE AND TO HOLD the same with all privileges and appurtenances hereby conveyed and assigned, or agreed or intended to be, to the Trustee and its successors in said trust and assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth in this Indenture, except as herein provided for the equal and proportionate benefit, security and protection of all Registered Owners of the Bonds issued under and secured by this Indenture without privilege, priority or distinction as to the Lien or otherwise of any of the Bonds over any other of the Bonds except as otherwise provided in Article VII hereof or with respect to moneys otherwise held to redeem or pay particular Bonds hereunder;

PROVIDED, HOWEVER, that if the Issuer or its successors or assigns shall well and truly pay, or cause to be paid, the principal of the Bonds and the premium, if any, and the interest due or to become due thereon, at the times and in the manner mentioned in the Bonds according to the true intent and meaning thereof, and shall cause the payments to be made into the Bond Fund as hereinafter required or shall provide, as permitted hereby, for the payment thereof by depositing with the Trustee the entire amount due or to become due thereon, or certain securities as herein permitted and shall well and truly keep, perform and observe all the covenants and conditions pursuant to the terms of this Indenture to be kept, performed and observed by it, and shall pay or cause to be paid to the Trustee, the Issuer and the United States of America all sums of money due or to become due to them in accordance with the terms and provisions hereof, then upon such final payments this Indenture and the rights hereby granted shall cease, terminate, and be void; otherwise this Indenture is to be and remain in full force and effect.

IT IS HEREBY EXPRESSLY ACKNOWLEDGED that the Issuer has entered into this Indenture and issued (or will issue) the Bonds to fulfill the public purposes of the Act, and the Trustee hereby accepts such trust and covenants to enforce the provisions of this Indenture and the Loan Agreement so as to effect the public purposes of the Act.

THIS INDENTURE FURTHER WITNESSETH, and it is expressly declared, that all Bonds issued and secured hereunder are to be issued, authenticated and delivered, and all said property, rights, interests, and revenues and funds hereby pledged, assigned and mortgaged are to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the Issuer has agreed and covenanted, and does hereby agree and covenant with the Trustee for the benefit of the Registered Owners from time to time of the Bonds as follows:

ARTICLE I DEFINITIONS; INDENTURE TO CONSTITUTE CONTRACT

Section 1.01. Definitions. All words and phrases defined in Article I of the Loan Agreement and not otherwise defined herein shall have the same meaning in this Indenture. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“Accelerated Redemption Fund” means the fund by that name created pursuant to Section 3.02 herein.

“Accredited Investor” means a Person that meets the requirements of Sections 230.501(a)(1), (2), (3) and (7) of the Securities Act of 1933, as amended (17 CFR Part 230).

“Act of Bankruptcy” means the filing of a petition in bankruptcy under the United States Bankruptcy Code, or the institution of proceedings under state insolvency or other laws affecting creditors’ rights generally, by or against the Issuer or the Borrower as debtor; provided that such filings or proceedings have not been dismissed or, if dismissed, are subject to appeal.

“Additional Bonds” means Bonds that may be issued under Section 2.11 of this Indenture.

“Additional Promissory Notes” means any nonnegotiable promissory note or notes, in addition to the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note, executed and delivered by the Borrower to the Trustee in connection with the issuance of Additional Bonds, as provided in the Loan Agreement.

“Affiliate” or *“Affiliates”* means any Person sharing common ownership, management or control with another Person.

“Annual Debt Service” means principal and interest amounts due on the Bonds of each maturity.

“Authorized Denomination” means, (a) with respect to the Series 2020 Bonds, \$100,000 and any integral multiples of \$5,000 in excess thereof with a minimum initial purchase of \$100,000 and (b) with respect to a Series of Additional Bonds, the amount set forth in the related Supplemental Indenture.

“Authorized Representative” means, (a) in the case of the Issuer, the President of the Issuer or any other person at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee and signed on behalf of the Issuer by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document; or, (b) in the case of the Borrower, the President or the Secretary of the Borrower or any other officer, board member or person authorized by a resolution of the Board of Directors of the Borrower in a certificate furnished to the Trustee, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

“Beneficial Owners” means the person or entity for whom the Bonds were deposited with DTC in the name of its nominee, Cede & Co. A Person’s qualification as a Beneficial Owner shall be demonstrated by such showing as shall be reasonably acceptable to the Trustee.

“Bond Closing” means, as to any Series of Additional Bonds, the date upon which such Series of Additional Bonds are delivered for due consideration, and, as to the Series 2020 Bonds, August 20, 2020.

“Bond Counsel” means Gust Rosenfeld P.L.C., or such other firm of nationally recognized attorneys with a proven reputation in the field of municipal finance and experienced in the

financing of facilities for non-exempt persons through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103 of the Code, and approved by the Issuer and the Borrower.

“*Bond Fund*” means the fund by that name created pursuant to Section 3.02 herein.

“*Bond Purchase Agreement*” means as to a Series of Additional Bonds, the bond purchase agreement among the Issuer, the underwriter named therein and the Borrower related to such Series of Additional Bonds and, as to the Series 2020 Bonds, means the Bond Purchase Agreement, dated August 11, 2020, among the Issuer, the Underwriter and the Borrower.

“*Bonds*” means, collectively, the Series 2020 Bonds and any Additional Bonds.

“*Borrower*” means Legacy Cares, Inc., an Arizona not-for-profit corporation and 501(c)(3) organization, or any surviving, resulting or transferee corporation under Arizona laws, as provided in Section 8.02 of the Loan Agreement.

“*Borrower Documents*” means the Loan Agreement, the Leasehold Deed of Trust, the Deposit Account Control Agreement, the Promissory Notes, the Bond Purchase Agreement, the Dissemination Agreement, the Tax Regulatory Agreement, and each of the other agreements, certificates, contracts or instruments to be executed by the Borrower in connection with the issuance of a Series of Bonds or the financing of a portion of the expenses associated with the Series Project.

“*Budgeted Expenses*” means, the amount of expenses related to the operation and maintenance of the Facilities (excluding Pledged Revenues used to pay debt service on the related Series of Bonds) and anticipated to be incurred during the current Fiscal Year, as approved by the Borrower pursuant to the Series 2020 Qualified Management Agreement and certified to the Trustee in a certificate of an Authorized Representative of the Borrower by no later than December 15 of the prior Fiscal Year.

“*Business Day*” means any day other than a Saturday or Sunday or a day on which the Federal Reserve System is closed.

“*Capitalized Interest Fund*” means the fund by that name created pursuant to Section 3.02 herein.

“*Cede & Co.*” means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

“*Code*” means the Internal Revenue Code of 1986, as amended. References to the Code and Sections of the Code include relevant applicable Regulations and, in addition, all revenue rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

“Cost of Issuance Fund” means the fund by that name created pursuant to Section 3.02 herein.

“CPI Adjustment” means, with respect to a calendar year, the increase over the prior calendar year in the Consumer Price Index for Phoenix-Mesa-Scottsdale, AZ (MSA), as provided by the Borrower to the Trustee in a written certificate of an Authorized Representative of the Borrower.

“Debt Service Reserve Fund” means the fund by that name created pursuant to Section 3.02 herein.

“Debt Service Reserve Fund Requirement” means, as of any date, the aggregate of the Series Debt Service Reserve Fund Requirement for all Series of Bonds for which any Bonds of such Series are at the time Outstanding.

“Deposit Account Control Agreement” means the Deposit Account Control Agreement dated as of August 1, 2020, among UMB Bank, NA, as secured party, Legacy Sports USA, LLC, as account holder, and Wells Fargo Bank, as the account holder’s bank, with respect to the account holder’s existing operating account.

“Determination of Taxability” means, with respect to a Series of Bonds, (a) the enactment of legislation or the adoption of final regulations or a final decision, ruling or technical advice by any federal judicial or administrative authority which has the effect of requiring interest on a Tax-Exempt Bond to be included in the gross income of the Beneficial Owner for federal income tax purposes or (b) the receipt by the Issuer and Trustee of a written opinion of Bond Counsel to the effect that interest on a Tax-Exempt Bond must be included in the gross income of the Beneficial Owner for federal income tax purposes. A Determination of Taxability will not result from the inclusion of interest on any Tax-Exempt Bond in the computation of the alternative minimum tax imposed by Section 55 of the Code or the tax imposed on the net passive income of certain S corporations under Section 1375 of the Code.

“Dissemination Agreement” means, with respect to the Series 2020 Bonds, the Disclosure Dissemination Agent Agreement dated the date of the Bond Closing for the Series 2020 Bonds, executed by the Borrower and Digital Assurance Certification, LLC pursuant to Section 2.05 of the Loan Agreement and, as to any Series of Additional Bonds, the continuing disclosure agreement or similar document executed by the Borrower in connection with the issuance of such Additional Bonds.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Expense Fund” means the fund by that name created pursuant to Section 3.02 herein.

“Facilities” means, collectively, the Series 2020 Facilities and all additional land, buildings and equipment owned or leased by the Borrower and at any time pledged to the Trustee to secure the Bonds.

“*Fiscal Year*” means the Borrower’s fiscal year, which currently begins on January 1 and ends on December 31 of each calendar year.

“*Funds*” means, collectively, the Bond Fund, the Capitalized Interest Fund, the Debt Service Reserve Fund, the Project Fund, the Cost of Issuance Fund, the Rebate Fund, the Tax and Insurance Escrow Fund, the Revenue Fund, the Expense Fund, the Operating Reserve Fund, the Repair and Replacement Fund, the Surplus Fund, the Accelerated Redemption Fund and any other funds, accounts or subaccounts held by the Trustee hereunder or under the Deposit Account Control Agreement.

“*Generally Accepted Accounting Principles*” means those accounting principles applicable in the preparation of financial statements of the Borrower, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

“*Government Obligations*” means bills, certificates of indebtedness, notes, bonds or similar securities that are direct obligations of, or the principal and interest of which are unconditionally guaranteed by, the United States of America.

“*Indebtedness*” means, with respect to the Borrower and subject to Permitted Encumbrances, all indebtedness of the Borrower for borrowed moneys, or which has been incurred or assumed in connection with the acquisition, construction, improvement, operation and/or equipping of the Facilities, no matter how created, secured by the Facilities or the Pledged Revenues, whether or not such indebtedness is assumed by the Borrower, including any leases required to be capitalized in accordance with Generally Accepted Accounting Principles, installment purchase obligations and guaranties.

“*Independent*” means a Person who is not a member of the governing body of the Borrower or its Affiliates or an officer or employee of the Borrower or its Affiliates.

“*Interest Payment Date*” means, as to a Series of Additional Bonds, the Interest Payment Date established in the related Supplemental Indenture and, as to the Series 2020 Bonds, means each July 1 and January 1, commencing January 1, 2021.

“*Investment Manager*” means Public Trust Advisors, LLC, or such other entity contracted to invest the Bond proceeds deposited in the Project Fund.

“*Investment Obligations*” means the Investment Obligations for any Series of Additional Bonds as set forth in the related Supplemental Indenture and, as to the Series 2020 Bonds, any of the following that at the time are lawful investments under the laws of the State (the Trustee entitled to conclusively rely upon written investment direction of the Borrower as a determination that such investments are lawful investments) and applicable banking regulations for the money held under this Indenture:

- (a) Government Obligations;

(b) debt obligations that are (i) issued by any state or political subdivision thereof or any agency or instrumentality of such state or political subdivision, and (ii) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by Standard & Poor's Rating Services ("S&P") or Moody's Investors Service, Inc. ("Moody's"), or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service;

(c) any bond, debenture, note, participation certificate or other similar obligation issued by a government-sponsored agency (such as the Federal National Mortgage Association, the Federal Home Loan Bank System, the Federal Home Loan Mortgage Corporation or the Federal Farm Credit Bank) that is either (i) at the time of purchase, rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service, or (ii) backed by the full faith and credit of the United States of America;

(d) U.S. denominated deposit account, certificates of deposit and banker's acceptances of any bank, trust company, or savings and loan association, including the Trustee or its Affiliates, that have a rating on their short-term certificates of deposit on the date of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service, and that mature not more than 365 days after the date of purchase;

(e) commercial paper that is rated at the time of purchase in one of the two highest short-term rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by either S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service, and that matures not more than 270 days after the date of purchase;

(f) bonds, notes, debentures or other evidences of indebtedness issued or guaranteed by a corporation that are, at the time of purchase, rated in any of the three highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service;

(g) asset-backed securities, commercial mortgage-backed securities, or mortgage-backed securities that are, at the time of purchase, rated in any of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service;

(h) investment agreements with banks that at the time the agreement is executed are at the time of purchase rated in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) assigned by any

rating service or investment agreements with non-bank financial institutions, provided that (i) all of the unsecured, direct long-term debt of either the non-bank financial institution or the related guarantor of such non-bank financial institution is rated by any rating service at the time the agreement is executed in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise) for obligations of that nature; or (ii) if the non-bank financial institution and any related guarantor have no outstanding long-term debt that is rated, all of the short-term debt of either the non-bank financial institution or the related guarantor of the non-bank financial institution is at the time of purchase rated in one of the two highest rating categories (without regard to any refinement or gradation of the rating category by numerical modifier or otherwise) assigned to short-term indebtedness by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service. If such non-bank financial institution and any guarantor do not have any short-term or long-term debt, but do have a rating in one of the two highest rating categories (without regard to any refinement or gradation of rating category by numerical modifier or otherwise), then investment agreements with the non-bank financial institution will be permitted;

(i) repurchase agreements with respect to and secured by Government Obligations or by obligations described in paragraphs (b) and (c) above, which agreements may be entered into with a bank (including the Trustee or its Affiliates), a trust company, financial services firm or a broker dealer that is a member of the Securities Investors Protection Corporation, provided that (i) the Trustee or a custodial agent of the Trustee has possession of the collateral and that the collateral is free and clear of third-party claims, (ii) a master repurchase agreement or specific written repurchase agreement governs the transaction, (iii) the collateral securities are valued no less frequently than monthly, and (iv) the fair market value of the collateral securities in relation to the amount of the repurchase obligation, including principal and interest, is equal to at least 103%, and (v) such obligations must be held in the custody of the Trustee or the Trustee's agent;

(j) investments in a money market fund, including funds of the Trustee or its Affiliates, rated (at the time of purchase) in the highest rating category for this type of investment by S&P or Moody's, or upon the discontinuance of either or both of such rating services, any other nationally recognized rating service; and

(k) shares in any investment company, money market mutual fund, fixed income mutual fund, Exchange Traded Fund or other collective investment fund registered under the Investment Company Act of 1940, whose shares are registered under the Securities Act, and whose investments consist solely of Investment Obligations as defined in paragraphs (a) through (i) above, including money market mutual funds from which the Trustee or its Affiliates derive a fee for investment advisory or other services to the fund.

The Trustee shall be entitled to assume that any investment which at the time of purchase is an Investment Obligation remains an Investment Obligation thereafter, absent receipt of written notice or information to the contrary.

For the purposes of this definition, obligations issued or held in the name of the Trustee (or in the name of Issuer and payable to the Trustee) in book-entry form on the books of the Department of Treasury of the United States shall be deemed to be deposited with the Trustee.

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

“Issuer” means the Arizona Industrial Development Authority, a nonprofit corporation designated as a political subdivision of the State in accordance with the provisions of the Constitution of the State and under the Act, and its successors and assigns.

“Issuer Documents” means, with respect to a Series of Bonds, the Loan Agreement, this Indenture, the Bond Purchase Agreement, and any other agreement, certificate, contract, or instrument to be executed by the Issuer in connection with the issuance of the Bonds or the financing of a portion of the expenses associated with the related Series Project.

“Issuer Indemnified Party” or *“Issuer Indemnified Parties”* means the Issuer, the Arizona Finance Authority (“AFA”), the State, and each of their past, present, and future directors, officers, counsel, advisors, employees, agents, contractors, consultants and executive directors (if any), individually and collectively.

“Issuer Late Fees” means 10% of any amount due to the Issuer that is received by the Issuer more than 15 calendar days after the due date.

“Issuer’s Fees and Expenses” means (a) payment or reimbursement to the Issuer for any expenses or indemnification hereunder or under the Loan Agreement; and (b) any other reasonable costs or expenses (including reasonable attorneys’ fees) that may be incurred by the Issuer hereunder or under the Loan Agreement or with respect to the Bonds, plus any Issuer Late Fees incurred with respect to any of the foregoing.

“Issuer’s Unassigned Rights” means the rights of the Issuer expressly granted to the Issuer in this Indenture or in the Loan Agreement (a) to receive the Issuer’s Fees and Expenses, payments due under the Loan Agreement and any other payments due to the Issuer under this Indenture or the Loan Agreement; (b) to be held harmless and indemnified in accordance with this Indenture and the Loan Agreement; (c) to immunity and limitation from liability under the Borrower Documents, including but not limited to, as set forth in Section 8.06 of the Loan Agreement, (d) to be reimbursed for fees and expenses upon enforcement of the Loan Agreement and as otherwise required by the Borrower Documents; (e) to receive notices in accordance with this Indenture and the Loan Agreement; and (f) to give and withhold consent to amendments, changes, modifications and alterations of the Loan Agreement pursuant to the terms thereof.

“Leasehold Deed of Trust” means, individually and collectively, as applicable, each Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, among the Borrower, as trustor, the Trustee, as beneficiary, and the Title Company, as trustee, and any modifications thereto, relating to the Facilities.

“Letter of Representations” means the Blanket Issuer Letter of Representations from the Issuer to DTC.

“Limited Offering Memorandum” means the Limited Offering Memorandum dated August 11, 2020, relating to the Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), the Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and the Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project).

“Loan” means, collectively, all loan installments by the Issuer to the Borrower of the proceeds from the sale of the Bonds pursuant to the Loan Agreement.

“Loan Agreement” means, individually and collectively, as applicable, the Loan Agreement by and between the Issuer and the Borrower, dated as of August 1, 2020, and any other loan agreement between the Borrower and the Issuer with respect to the Bonds and any amendment or supplement thereto, made in conformity with the requirements hereof and of the Loan Agreement.

“Loan Payments” means those payments required to be paid by the Borrower pursuant to Section 5.01 of the Loan Agreement.

“Maximum Annual Debt Service” means, as of any date of calculation, the highest principal and interest payment (excluding the final maturity payment for a Series of Bonds) requirements with respect to all Bonds Outstanding for any succeeding Fiscal Year.

“Net Proceeds” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

“Operating Expenses” means fees and expenses of the Borrower incurred with respect to the Facilities, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Borrower, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Borrower not otherwise mentioned in the Loan Agreement, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Borrower; provided, however, “Operating Expenses” shall not include (i) depreciation, amortization or other non-cash expenses nor those expenses which are actually paid

from any revenues of the Borrower which are not Pledged Revenues, and (ii) solely when calculating Debt Service Coverage Ratio, interest paid on the Bonds.

“Operating Reserve Fund” means the fund by that name created pursuant to Section 3.02 herein.

“Operating Reserve Fund Requirement” means, as to the Series 2020 Bonds, \$12,500,000.00, as increased on the first day of each year by an amount equal to then-current Operating Reserve Fund Requirement multiplied by the CPI Adjustment and, as to a Series of Additional Bonds, the Operating Reserve Fund Requirement established for that Series of Additional Bonds in the related Supplemental Indenture, as increased on the first day of each year by an amount equal to then-current Operating Reserve Fund Requirement multiplied by the CPI Adjustment.

“Opinion of Counsel” means an opinion in writing of legal counsel, who may be counsel to the Issuer, the Trustee or the Borrower, reasonably acceptable to the addressee thereof.

“Outstanding” means when used with respect to the Bonds, as of any particular time, all Bonds that have been duly authenticated and delivered by the Trustee under this Indenture, except:

- (a) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation after purchase in the open market or because of payment at or redemption prior to maturity;

- (b) Bonds for the payment or redemption of which cash funds (or securities to the extent permitted in Section 7.01 hereof) shall have been theretofore deposited with the Trustee (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Trustee, shall have been filed with the Trustee;

- (c) Bonds in lieu of which other Bonds have been authenticated under Section 2.05, 2.06 or 2.10 hereof;

- (d) Bonds for which the conditions enumerated in Section 5.08 hereof have been met;

- (e) Bonds owned by the Borrower or any of its Affiliates; and

- (f) Bonds paid pursuant to Section 2.09 hereof.

“Participants” means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Bonds as a securities depository.

“Payment Date” means the monthly date on which the Borrower is scheduled to remit payments to the Trustee.

“Permitted Encumbrances” means, as of any particular time, those items described on Exhibit B attached to a Leasehold Deed of Trust and any of the following:

- (a) Liens for taxes and special assessments on the Facilities not then delinquent;
- (b) the Leasehold Deed of Trust;
- (c) purchase money security interests with respect to any item of equipment related to the Facilities as permitted by the Loan Agreement;
- (d) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions that would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value that would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the mortgage granted by the Leasehold Deed of Trust);
- (e) mechanics’ and materialmen’s Liens related to the Facilities when payment of the related bill is not overdue and as may be permitted by the Loan Agreement;
- (f) mechanics’ and materialmen’s Liens, security interests or other encumbrances related to the Facilities to the extent being contested as permitted in Section 6.01 of the Loan Agreement;
- (g) judgment liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed or for which a bond adequate to satisfy the lien has been issued;
- (h) (i) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facilities or materially and adversely affect the value thereof, or (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facilities; (ii) Liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges not yet due or delinquent; (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facilities that do not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (iv) rights reserved to or vested in any municipality or public authority to control or regulate the Facilities or to use the Facilities in any manner, which rights do not materially impair the use of the Facilities or materially and adversely affect the value thereof;
- (i) Liens and any other restrictions, exceptions, leases, easements or encumbrances that are existing on the date of initial issuance and delivery of the Series 2020 Bonds, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to

apply to any portion of the Facilities not subject to such Lien on such date, unless such Lien as so extended, renewed or modified would otherwise qualify as a Permitted Encumbrance hereunder or is otherwise permitted pursuant to Section 8.13 of the Loan Agreement;

(j) Liens on the Facilities or the Pledged Revenues to secure payment of Indebtedness that meets the conditions described in Section 8.13 of the Loan Agreement;

(k) Liens arising by reason of an Irrevocable Deposit; or

(l) Any working capital facility secured by discrete collateral of the Borrower or operator and not secured by Pledged Revenues.

“*Person*” includes an individual, association, corporation, partnership, limited liability company, joint venture, any entity or a government or an agency or a political subdivision thereof.

“*Pledged Revenues*” means, to the extent permitted by law, all revenues, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Borrower related to the Facilities, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with Generally Accepted Accounting Principles, including, without limitation, payments (whether paid to the Borrower or to the Trustee on behalf of the Borrower), proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Borrower; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law.

“*Principal Payment Date*” or “*sinking fund payment date*” means, as to a Series of Additional Bonds, the Principal Payment Date or sinking fund payment date established for that Series of Bonds in the related Supplemental Indenture and, as to the Series 2020 Bonds, means each July 1, commencing July 1, 2023.

“*Project*” means, collectively, with respect to the Series 2020 Bonds, the Series 2020 Project and, as to any Series of Additional Bonds, that Series Project described in the related amendment or supplement to the Loan Agreement.

“*Project Fund*” means the fund by that name created pursuant to Section 3.02 herein and includes the subaccounts contained therein.

“*Promissory Notes*” means the Series 2020A Promissory Note, the Series 2020B Promissory Note, the Series 2020C Promissory Note and any Additional Promissory Notes.

“*Protected Funds*” means any: (a) funds transferred from the Debt Service Reserve Fund, other than funds in the Debt Service Reserve Fund or the Operating Reserve Fund which have not been on deposit in the Debt Service Reserve Fund or the Operating Reserve Fund for a period of at least 91 consecutive days, during which period no Act of Bankruptcy shall have occurred; (b) proceeds of any other revenue bonds of the Issuer issued to refund, in whole or in part, the Bonds, or any other payments made by a party other than the Borrower to purchase or pay debt service on

the Bonds, or any other funds (so long as an Opinion of Counsel familiar with bankruptcy matters is first filed with the Trustee stating, in effect, that the proceeds of such revenue bonds, or other payments or funds, as the case may be, to the Registered Owners, will not constitute voidable preferences under Section 547 of the Bankruptcy Code if the Borrower, the Issuer or other third party making the payments were to become a debtor under the Bankruptcy Code); (c) moneys held by the Trustee in the Bond Fund for a period of at least 91 consecutive days, during which period no Act of Bankruptcy shall have occurred; (d) cash proceeds (as defined in the Arizona Uniform Commercial Code) of any collateral pledged to the Trustee to secure payment of the Bonds or the Borrower's obligations under the Loan Agreement that are delivered to the Trustee within 10 days after receipt thereof by the Borrower; (e) moneys received by the Trustee from the buyer or buyers as the result of the sale of all or a portion of the Facilities; and (f) investment earnings from the foregoing funds.

"Qualified Institutional Buyer" means a Person meeting the requirements of Section 230.144A(a)(1) of the Securities Act of 1933, as amended (17 CFR Part 230).

"Rebate Amount" means the Rebate Amount with respect to a Series of tax-exempt Bonds determined in accordance with Section 3.18 herein.

"Rebate Analyst" means an Independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained by the Borrower and compensated by the Borrower to make the computations and give the directions required under Section 3.18 of this Indenture.

"Rebate Fund" means the fund by that name created pursuant to Section 3.02 herein.

"Rebate Year" means, as to a Series of tax-exempt Bonds, the period beginning on the date of issuance of that Series of tax-exempt Bonds and ending on the next succeeding December 31, and for all other Rebate Years, the one-year period beginning on the day after the end of the preceding Rebate Year and ending on the following December 31, unless the Borrower, the Issuer and the Trustee are advised by the Rebate Analyst that another period is required by law; provided, however, that the last Rebate Year for a Series of tax-exempt Bonds shall end on the date the Bonds of such Series are no longer Outstanding.

"Registered Owner" means the Person or Persons in whose name or names a particular Bond is registered on the registration records maintained for that purpose pursuant to Section 2.05 hereof.

"Regular Record Date" means the 15th day of the month next preceding each Interest Payment Date.

"Regulations" means the temporary or final Income Tax Regulations applicable to a Series of tax-exempt Bonds issued pursuant to Sections 103 and 141 through 150 of the Code or Section 103 of the Internal Revenue Code of 1954, as amended. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by

the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Tax- Exempt Bonds.

“Repair and Replacement Fund” means the Repair and Replacement Fund created in Section 3.02 herein.

“Repair and Replacement Fund Requirement” means, subject to Section 3.27 hereof: (i) with respect to the Series 2020 Bonds \$500,000.00, as increased on the first day of each year by an amount equal to then-current Repair and Replacement Fund Requirement multiplied by the CPI Adjustment; and (ii) with respect to each Series of Additional Bonds, such amount as set forth in the related Supplemental Indenture, as increased on the first day of each year by an amount equal to then-current Repair and Replacement Fund Requirement multiplied by the CPI Adjustment.

“Revenue Fund” means the fund by that name created pursuant to Section 3.02 herein.

“Revenues” means, to the extent permitted by law, all payments received by the Trustee for the account of the Issuer pursuant to the Loan Agreement and this Indenture.

“Securities Act” means the Securities Act of 1933, as amended (17 CFR Part 230).

“Series” means a series of Bonds issued pursuant to this Indenture.

“Series 2020A Promissory Note” means the Series 2020A Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$212,960,000, the form of which is attached in Exhibit A to the Loan Agreement.

“Series 2020B Promissory Note” means the Series 2020B Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$6,810,000, the form of which is attached in Exhibit A to the Loan Agreement.

“Series 2020C Promissory Note” means the Series 2020C Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$31,000,000, the form of which is attached in Exhibit A to the Loan Agreement.

“Series 2020 Qualified Management Agreement” means that certain Qualified Management Agreement between the Borrower and Legacy Sports USA, LLC, dated August 20, 2020, relating to the Series 2020 Project, which meets the requirements of paragraph 2.03(d)(ii) of the Loan Agreement.

“Series Debt Service Reserve Fund Requirement” means, (a) for the Series 2020 Bonds, an amount equal to \$22,000,000, (b) for any Series of Additional Bonds, an amount, determined at the time of issuance of such Additional Bonds, not to exceed the least of (i) 10% of the original principal amount of such Additional Bonds, (ii) 125% of the average Annual Debt Service payment

on such Additional Bonds, (iii) 100% of the Maximum Annual Debt Service payable on such Additional Bonds, or (iv) an amount which, when added to the existing Series Debt Service Reserve Fund Requirement for each Series of Outstanding Bonds, will not cause the total Debt Service Reserve Fund Requirement to exceed the Maximum Annual Debt Service payable on the Outstanding Bonds and the Additional Bonds; provided the Series Debt Service Reserve Fund Requirement for any Series of Additional Bonds may be revised to a lesser amount in accordance with requirements of Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

“*Series Project*” means the portion of the Project related to a Series of Bonds.

“*Special Record Date*” means a special record date, which shall be a Business Day, fixed to determine the names and addresses of Registered Owners for purposes of paying interest on a special Interest Payment Date for the payment of defaulted interest, all as further provided in Section 2.03 hereof.

“*State*” means the State of Arizona.

“*Supplemental Indenture*” means any indenture supplemental to this Indenture entered into between the Issuer and the Trustee in accordance with Article X hereof.

“*Surplus Fund*” means the fund by that name created pursuant to Section 3.02 herein.

“*Taxable Series 2020B Bonds*” mean those Bonds, as defined in the Loan Agreement, the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is not excludable from gross income of the Beneficial Owners thereof for federal income tax purposes.

“*Tax and Insurance Escrow Fund*” means the fund by that name created pursuant to Section 3.02 herein.

“*Tax-Exempt Series 2020A Bonds*” mean those Bonds, as defined in the Loan Agreement, the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the Beneficial Owners thereof for federal income tax purposes.

“*Tax-Exempt Turbo Redemption Series 2020C Bonds*” mean those Bonds, as defined in the Loan Agreement, the interest on which, in the opinion of Bond Counsel delivered at the time of issuance thereof, is excludable from gross income of the Beneficial Owners thereof for federal income tax purposes.

“*Tax Regulatory Agreement*” means, with respect to each Series of tax-exempt Bonds, the Tax Regulatory Agreement of the Issuer, dated as of the Bond Closing of such Series of tax-exempt Bonds, as amended from time to time.

“*Title Company*” means the title company selected by the Borrower as trustor under the Leasehold Deed of Trust and, with respect to the Series 2020 Bonds, Commonwealth Land Title Insurance Company, or its successors, Affiliates or assigns.

“*Trust Estate*” means the property pledged, assigned and mortgaged to the Trustee pursuant to the granting clauses hereof.

“*Trustee*” means UMB Bank, N.A., designated as paying agent, registrar and trustee hereunder, or any successor corporate trustee.

“*Trustee’s Expenses*” means the reasonable expenses incurred by the Trustee under this Indenture, including reasonable counsel fees and expenses (including fees and expenses at trial or appellate proceedings).

“*Trustee’s Fees*” means the annual fee of the Trustee payable to the Trustee as Trustee, Registrar and Paying Agent under this Indenture, provided that such fee does not include amounts due, if any, for extraordinary services and expenses of the Trustee.

“*Trustee Indemnified Parties*” or “*Trustee Indemnified Party*” means the Trustee, its past, present and future directors, officers, employees, agents, counsel, contractors, subcontractors, licensees and invitees, individually and collectively.

“*Underwriter*” means B.C. Ziegler and Company, Chicago, Illinois, and any successors or assigns.

Section 1.02. Indenture to Constitute Contract. In consideration of the purchase and acceptance of any or all of the Bonds by those who shall own the same from time to time, the provisions of this Indenture shall be part of the contract of the Issuer with the Registered Owners of the Bonds, and shall be deemed to be and shall constitute contracts between the Issuer, the Trustee and the Registered Owners from time to time of the Bonds. The pledge made in this Indenture and the provisions, covenants and agreements herein set forth to be performed by or on behalf of the Issuer shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds except as otherwise provided in Article VII hereof or with respect to moneys otherwise held to redeem or pay particular Bonds hereunder. All of the Bonds, regardless of the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or pursuant to this Indenture.

ARTICLE II

AUTHORIZATION, TERMS, EXECUTION AND ISSUANCE OF BONDS

Section 2.01. Authorized Amount of Bonds. No Bonds may be issued under this Indenture except in accordance with this Article. The total aggregate principal amount of any Series 2020 Bonds that may be issued hereunder is hereby expressly limited to \$250,770,000 except as provided in Sections 2.05, 2.06 and 2.10 herein.

Section 2.02. All Bonds Equally and Ratably Secured by Trust Estate; Limited Obligation of Bonds and Pledges Securing the Same. Except as hereinafter provided, all Bonds issued under this Indenture and at any time Outstanding shall in all respects be equally and ratably secured hereby, without preference, priority or distinction on account of the date or dates or the

actual time or times of the issue or maturity of the Bonds, so that all Bonds at any time issued and Outstanding hereunder shall have the same right, lien and preference under and by virtue of this Indenture, and shall all be equally and ratably secured hereby.

THE BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA OR OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, COUNSEL, ADVISORS, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

Section 2.03. Authorization of Series 2020 Bonds; Payment of Bonds.

(a) Upon the satisfaction of the conditions, and in the manner provided for in this Indenture, there is hereby authorized to be issued hereunder and secured hereby an issue of bonds designated as “Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project),” “Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project)” and “Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project).” The Series 2020 Bonds shall be issuable as fully registered bonds in Authorized Denominations and shall be numbered separately and lettered, if at all, in such manner as the Trustee shall determine. The Series 2020 Bonds may be issued in one or more taxable or tax-exempt series as set forth herein.

(b) The Series 2020 Bonds shall be dated as of the date of initial delivery thereof. The Series 2020 Bonds shall bear interest on the basis of a 360-day year, consisting of twelve 30-day

months, from their date until payment of principal has been made or provided for, payable on each Interest Payment Date, except that Series 2020 Bonds that are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Bonds. The Series 2020 Bonds shall mature in the principal amounts and on the dates and shall bear interest at the rates set forth below:

Tax-Exempt Series 2020A Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2024	\$8,450,000	6.250%
July 1, 2025	8,980,000	6.375
July 1, 2026	9,550,000	6.500
July 1, 2027	10,175,000	6.625
July 1, 2028	10,845,000	6.750
July 1, 2050*	164,960,000	7.750

**Maturity Date for July 1, 2050 Term Bond*

Taxable Series 2020B Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$6,810,000	9.000%

**Maturity Date for July 1, 2030 Term Bond*

Tax-Exempt Turbo Redemption Series 2020C Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$31,000,000	6.750%

**Maturity Date for July 1, 2030 Term Bond*

(c) The Series 2020 Bonds, or any designated maturity thereof, may be subject to the mandatory sinking fund redemption provisions of Section 5.03 hereof. The Series 2020 Bonds are otherwise subject to prior redemption as herein set forth. The Series 2020 Bonds shall be substantially in the form and tenor hereinabove recited with such appropriate variations, omissions and insertions as are permitted or required by this Indenture.

(d) The principal of and premium, if any, on the Bonds shall be payable in lawful money of the United States of America at the designated corporate trust office of the Trustee or at

the designated office of its successor in trust. Payment of principal of and any premium on the Bonds shall be payable upon presentation and surrender of the Bonds at the designated corporate trust office of the Trustee. Payment of interest on any Bond shall be made to the Registered Owner thereof by check mailed on each Interest Payment Date by the Trustee to the Registered Owner at his or her address as it last appears on the registration records kept by the Trustee at the close of business on the Regular Record Date for such Interest Payment Date (except that the Registered Owners of at least \$500,000 in aggregate principal amount of Bonds Outstanding may, by written request received at least 10 Business Days prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States of America), but any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner thereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner thereof at the close of business on a Special Record Date for the payment of any such defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of such Special Record Date shall be given to the Registered Owners of the Bonds not less than 10 days prior thereto by first-class mail to each such Registered Owner as shown on the registration records on the date selected by the Trustee stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. All such payments shall be made in lawful money of the United States of America.

Section 2.04. Execution of Bonds. (a) The Bonds shall be executed on behalf of the Issuer with the manual or facsimile signature of an Authorized Representative. The signature of such officer may be mechanically or photographically reproduced on the Bonds.

If any officer of the Issuer whose signature appears on any Bond ceases to be such officer before delivery thereof, such signature shall remain valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond may be signed on behalf of the Issuer by any Authorized Representative as is at the time of execution of such Bond an Authorized Representative, even though at the date of this Indenture, such person was not an Authorized Representative.

(b) Limited Obligation. THE BONDS AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA OR OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA OR THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THE BONDS AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, EMPLOYEE OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, EXECUTIVE DIRECTOR, COUNSEL, ADVISORS, CONTRACTORS, CONSULTANTS, EMPLOYEES OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THE BONDS.

Section 2.05. Registration, Transfer and Exchange of Bonds; Persons Treated as Registered Owners. The Trustee shall keep the books for the registration and for the transfer of the Bonds as provided in this Indenture. Subject to Section 2.13 hereof, upon surrender for transfer of any Bond at the designated corporate trust office of the Trustee duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his attorney duly authorized in writing, the Issuer shall execute and the Trustee shall authenticate and deliver in the name of the transferee or transferees a new Bond or Bonds for a like Series and aggregate principal amount of the same maturity. The Trustee shall not be responsible for ensuring that any transfer restrictions binding on a Beneficial Owner other than a Registered Owner of such Bond have been complied with in connection with the transfer of Bonds.

Bonds may be exchanged at the designated corporate trust office of the Trustee for a like Series and aggregate principal amount of Bonds of the same maturity in Authorized Denominations. The Issuer shall execute and the Trustee shall authenticate and deliver Bonds that the Registered Owner making the exchange is entitled to receive, bearing numbers not contemporaneously Outstanding. The execution by the Issuer of any Bond of any Authorized Denomination shall constitute full and due authorization of such denomination and the Trustee shall thereby be authorized to authenticate and deliver such Bond.

The Trustee shall not be required to transfer or exchange any Bond during any period beginning on a Regular Record Date or Special Record Date with respect to such Bond and ending at the close of business on the Business Day immediately preceding the next Interest Payment Date or Principal Payment Date, as applicable. The Trustee shall not be required to transfer or exchange any Bond subject to redemption during the period of five days before the mailing of notice of redemption as herein provided; except that Bonds not subject to mandatory sinking fund redemption in accordance with Section 5.03 hereof with respect to the Series 2020 Bonds and in accordance with the related Supplemental Indenture with respect to any Additional Bonds may be transferred or exchanged during such period in the event of a mandatory sinking fund redemption. After the giving of such notice the Trustee shall not be required to transfer or exchange any Bond, which Bond or portion thereof has been called for redemption.

As to any Bond, the person in whose name the same shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, except to the extent otherwise provided herein with respect to Regular Record Dates and Special Record Dates for the payment of interest,

and payment of either principal or interest on any Bond shall be made only to or upon the written order of the Registered Owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums paid.

The Trustee shall require the payment by any Registered Owner requesting exchange or transfer of any tax or other generally imposed governmental charge required to be paid with respect to such exchange or transfer.

Section 2.06. Lost, Stolen, Destroyed and Mutilated Bonds. Upon receipt by the Trustee of evidence satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Bond and, in the case of a lost, stolen or destroyed Bond, of indemnity satisfactory to it, and upon surrender and cancellation of the Bond, if mutilated, (a) the Issuer shall execute, and the Trustee shall authenticate and deliver, a new Bond of the same Series, date, maturity and Authorized Denomination in lieu of such lost, stolen, destroyed or mutilated Bond or (b) if such lost, stolen, destroyed or mutilated Bond shall have matured or have been called for redemption, in lieu of executing and delivering a new Bond as aforesaid, the Trustee at the written direction of the Issuer, may pay such Bond. Any such new Bond shall bear a number not contemporaneously Outstanding. The applicant for any such new Bond may be required to pay all expenses and charges of the Issuer and of the Trustee in connection with the issuance of such Bond. All Bonds shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing conditions are exclusive with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds, negotiable instruments or other securities.

Section 2.07. Delivery of Series 2020 Bonds. Upon the execution and delivery of this Indenture, the Issuer shall execute and deliver to the Trustee and the Trustee shall authenticate the Series 2020 Bonds and deliver them to the Underwriter as directed by the Issuer and as hereinafter in this Section provided. Prior to the delivery by the Trustee of any of the Series 2020 Bonds, there shall have been filed with or delivered to the Trustee the following:

(a) A resolution duly adopted by the Issuer, authorizing the execution and delivery of the Loan Agreement, the Bond Purchase Agreement related to the Series 2020 Bonds and this Indenture and the issuance of the Series 2020 Bonds.

(b) A duly executed copy of this Indenture, the Loan Agreement, the Leasehold Deed of Trust, and the Deposit Account Control Agreement related to the Series 2020 Bonds.

(c) Each of the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note duly executed by the Borrower and duly endorsed by the Issuer to the order of the Trustee without recourse or warranty.

(d) The written order of the Issuer as to the delivery of the Series 2020 Bonds, signed by an Authorized Representative of the Issuer.

(e) An opinion of Bond Counsel substantially to the effect that the Series 2020 Bonds constitute legal, valid and binding obligations of the Issuer and that the interest on the Tax-Exempt

Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds will be excluded from gross income for federal income tax purposes to the Beneficial Owners thereof.

(f) A binding commitment to issue a lender's policy of title insurance as required by Section 4.10 of the Loan Agreement.

(g) Opinions of counsel with respect to the Borrower in form and substance acceptable to the Issuer, the Underwriter and Bond Counsel.

(h) An investor letter regarding the Series 2020 Bonds in the form attached hereto as Exhibit B, acceptable to the Issuer and the Underwriter and executed by the purchaser or purchasers of the Series 2020 Bonds.

(i) Such other documents and opinions of counsel as the Issuer, the Underwriter or Bond Counsel may reasonably request.

Section 2.08. Authentication Certificate. No Bond shall be valid or become obligatory for any purpose or entitled to any security or benefit under this Indenture unless and until a certificate of authentication of such Bond has been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Indenture. The certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all the Bonds.

Section 2.09. Cancellation and Disposition of Bonds. Whenever any Outstanding Bonds shall be delivered to the Trustee for the cancellation thereof pursuant to this Indenture, upon payment of the principal amount thereof or for replacement pursuant to Section 2.06 hereof, such Bonds shall be promptly cancelled and disposed by the Trustee in accordance with its then customary procedures and evidence of such disposition shall be furnished by the Trustee to the Issuer and the Borrower, if requested, in writing.

Section 2.10. Temporary Bonds. Pending the preparation of definitive Bonds, the Issuer may execute and the Trustee shall authenticate and deliver temporary Bonds. Temporary Bonds shall be issuable as registered Bonds without coupons, of any Authorized Denomination, and substantially in the form of the definitive Bonds but with such omissions, insertions and variations as may be appropriate for temporary Bonds, all as may be determined by the Issuer. Every temporary Bond shall be executed by the Issuer and be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. As promptly as practicable the Issuer shall execute and shall furnish definitive Bonds and thereupon temporary Bonds may be surrendered in exchange therefor without charge at the designated corporate trust office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds a like aggregate principal amount of definitive Bonds. Until so exchanged the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds.

Section 2.11. Additional Bonds. The Issuer may issue Additional Bonds from time to time only with respect to Project pursuant to the terms and conditions of this Indenture.

Any Additional Bonds shall, to the extent provided for herein, be on a parity with the Series 2020 Bonds and any Additional Bonds theretofore or thereafter issued and Outstanding as to the assignment to the Trustee of the Issuer's right, title and interest in the Trust Estate for the payment of debt service on the Bonds; provided, that nothing herein shall prevent the payment of debt service on any series of Additional Bonds from (i) being otherwise secured and protected from sources or by property or instruments not applicable to the Series 2020 Bonds and any one or more Series of Additional Bonds, or (ii) not being secured and protected from sources or by property or instruments not applicable to the Series 2020 Bonds and any one or more Series of Additional Bonds.

Any Additional Bonds may only be issued (i) if Borrower is not in Default as defined herein, (ii) if all required reserves are fully funded as specified herein and (iii) the conditions set forth in Section 8.13(a) or (b) of the Indenture (relating to the Debt Service Coverage Ratio and bond holder consent) have been satisfied.

Before the Trustee shall authenticate and deliver any Additional Bonds, the Trustee shall receive the following items:

(a) Duly executed counterparts of (i) the Loan Agreement (or an amendment or supplement to the existing Loan Agreement) relating to the Project to be financed or refinanced from the proceeds of the Additional Bonds then to be issued and which Loan Agreement or amendment or supplement provides for payments sufficient to pay the debt service charges on the related Additional Bonds, (ii) the supplement to this Indenture providing for the issuance of and the terms and conditions of the Additional Bonds, (iii) any required amendments or supplements to the Leasehold Deed of Trust and (iv) any required amendments to the Deposit Account Control Agreement.

(b) One or more Additional Promissory Notes in an aggregate principal amount equal to the aggregate principal amount of the related Additional Bonds and duly endorsed by the Issuer to the order of the Trustee without recourse or warranty.

(c) A written order of the Issuer as to the delivery of the Additional Bonds, signed by an Authorized Representative of the Issuer.

(d) A copy of the resolution duly adopted by the Issuer authorizing (i) the execution and delivery of the amendment or supplement to the existing Loan Agreement, the Bond Purchase Agreement with the Issuer and the Underwriter, and Supplemental Indenture, each relating to the Additional Bonds and (ii) the issuance of the Additional Bonds.

(e) An opinion of Bond Counsel: (i) to the effect that the Additional Bonds to be delivered will be valid and legal special obligations of the Issuer in accordance with their terms and will be secured hereunder equally and on a parity (except as otherwise permitted herein) with all other Bonds at the time Outstanding hereunder as to the assignment to the Trustee of the Trust

Estate; (ii) the issuance of the Additional Bonds is permitted hereby; and (iii) the issuance of the Additional Bonds will not result in the interest on any Outstanding Bonds that are tax-exempt Bonds becoming included in gross income for federal income tax purposes and that the issuance of the Additional Bonds will not result in the loss of exemption from the registration requirements under the Securities Act, as amended, of the bonds and this Indenture.

(f) A written Opinion of Counsel to the Borrower, which counsel shall be reasonably satisfactory to the Issuer, to the effect that the Loan Agreement or the amendment or supplement to the Loan Agreement, Deposit Account Control Agreement, any Leasehold Deed of Trust and Additional Promissory Notes have been duly authorized, executed and delivered by the Borrower, and that the Loan Agreement or the amendment or supplement to the Loan Agreement, any Leasehold Deed of Trust and Additional Promissory Notes constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms, subject to exceptions reasonably satisfactory to the Trustee for bankruptcy, insolvency and similar laws and the application of equitable principles.

(g) Written evidence from the Borrower to the Trustee and the Issuer that on delivery of the Additional Bonds then to be delivered there will be or has been paid into or provided for the Debt Service Reserve Fund any amounts required by this Indenture or the supplement to this Indenture relating to such Additional Bonds.

(h) The Trustee has received the consents or certifications required by Section 8.13 of the Loan Agreement.

(i) If the Bonds are then rated, written evidence from the rating service to the Trustee and the Issuer to the effect that the issuance of the Additional Bonds will not cause the rating service to lower or withdraw its rating(s) on Outstanding Bonds.

(j) Unless evidence satisfactory to the Trustee is provided that upon issuance of the Additional Bonds, the rating on the Outstanding Bonds (including the Additional Bonds), if then rated, will not be lower than an investment grade rating, an investor letter, in form satisfactory to the Issuer, from each of the purchasers of the Additional Bonds.

When (i) the documents listed above have been received by the Trustee, and (ii) the Additional Bonds have been executed and authenticated, the Trustee shall deliver the Additional Bonds to or on the order of the initial purchaser thereof, but only upon payment to the Trustee of the specified amount (including, without limitation, any accrued interest) set forth in the order to which reference is made in paragraph (c) above.

Section 2.12. Book-Entry System.

(a) Notwithstanding any other provision hereof, each Series of Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each of the maturities of that Series of Bonds. Upon initial issuance, the ownership of each Bond shall be registered in the registration records kept by the Trustee in the name of Cede & Co., as nominee of DTC. Except

as provided in Section 2.12(d) hereof, all of the Outstanding Bonds shall be registered in the registration records kept by the Trustee in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the registration records kept by the Trustee in the name of Cede & Co., as nominee of DTC, the Issuer and the Trustee shall have no responsibility or obligation to any Participant or to any person on behalf of which a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, none of the Issuer, the Borrower, or the Trustee shall have responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other person, other than a Registered Owner, as shown in the registration records kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption or (iii) the payment to any Participant or any other person, other than a Registered Owner, as shown in the registration records kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest on the Bonds. The Issuer, the Borrower and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration records kept by the Trustee as the absolute owner of such Bond for the purpose of payment of principal, premium and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the registration records kept by the Trustee, or their respective attorneys duly authorized in writing, as provided in Section 2.03 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No Person other than a Registered Owner, as shown in the registration records kept by the Trustee, shall receive a certificated Bond evidencing the obligation to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to Regular Record Dates and Special Record Dates, the words "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The Trustee shall take all action necessary for all representations of the Issuer in the Letter of Representations with respect to the paying agents and the bond registrar, respectively, to at all times to be complied with.

(d) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving notice to the Issuer, the Borrower and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Issuer, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Issuer determines that:

(A) DTC is unable to discharge its responsibilities with respect to the Bonds, or

(B) continuation of the requirement that all of the Outstanding Bonds be registered in the registration records kept by the Trustee in the name of Cede & Co. or any other nominee of DTC, is not in the best interest of the Beneficial Owners of the Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection 2.12(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection 2.12(d)(i) or subsection 2.12(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Issuer, is willing and able to undertake such functions upon reasonable and customary terms, the Issuer is obligated to deliver Bond certificates at the expense of the Beneficial Owners of the Bonds, as described in this Indenture, and the Bonds shall no longer be restricted to being registered in the registration records kept by the Trustee in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Indenture.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations.

Section 2.13. Restrictions on Registration and Transfer. The Series 2020 Bonds are subject to the following restrictions on registration and transfer:

(a) THE REGISTERED OWNERS OF THE BONDS AGREE THAT ANY TRANSFER OF THE BONDS OR ANY INTEREST THEREIN WILL BE MADE IN ACCORDANCE WITH THE PROVISIONS OF THIS INDENTURE AND IN COMPLIANCE WITH ALL APPLICABLE STATE AND FEDERAL SECURITIES LAWS.

(b) Each Person who is or who becomes a Beneficial Owner of a Bond or a Registered Owner of a Bond shall be deemed by the acceptance or acquisition of such interest as a Beneficial Owner or interest in a Bond to have agreed to be bound by the provisions of this Section 2.13.

(c) Any transfer of a Bond or any interest therein which is not made in compliance with this Section 2.13 shall be null and void and shall not be given effect for any purpose hereunder.

(d) Each Person who becomes a Beneficial Owner of a Bond or who purchases or otherwise acquires a Bond or any other interest in a Bond by its acquisition or acceptance of such Bond or interest in a Bond, whether upon original issuance or subsequent acquisition from an initial purchaser, is deemed to have agreed to be bound by the provisions set forth in paragraphs (i) through (vi), below, and to have represented to and agreed with the Issuer and Trustee that:

(i) In connection with its acquisition of such Bond or interest in a Bond, (A) none of the Issuer, the Borrower, the Trustee, or any of their respective Affiliates is acting as a fiduciary or financial or investment advisor for such Registered Owner; (B) such Registered Owner

is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Trustee, or any of their respective Affiliates; (C) such Registered Owner has consulted with its own accounting, legal, and tax advisors to the extent it has deemed necessary to make an informed investment decision and has made its own investment decision (including decisions regarding the suitability of any transaction pursuant to this Indenture) based upon its own judgment and upon any advice from such advisors as it has deemed necessary and not upon any view expressed by the Issuer, the Trustee, or any of their respective Affiliates; (D) the Registered Owner is a Qualified Institutional Buyer or an Accredited Investor, is purchasing the Bonds for its own account, or for the account of a Qualified Institutional Buyer or an Accredited Investor; (E) the Registered Owner does not intend to distribute, transfer or resell the Bonds or any portion thereof; and (F) the Registered Owner is able to bear the economic risk of an investment in the Bonds, and has such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of purchasing the Bonds;

(ii) The Registered Owner has received and reviewed the Limited Offering Memorandum, including the appendices thereto, and recognizes that (A) an investment in the Bonds involves significant risks, including, but not limited to, the risks described in the Limited Offering Memorandum under the caption “RISK FACTORS”; and (B) there is no established market for the Bonds and that none will develop;

(iii) The Registered Owner has reviewed the Limited Offering Memorandum and has (A) made its decision to invest after its review of the Limited Offering Memorandum, including the appendices thereto, and based upon certain other information it has obtained and that it deems relevant to its investment in the Bonds; (B) made its own independent review of credit and related matters applicable to the Borrower, the Issuer, the purchase and holding of the Bonds, and otherwise related to its investment in the Bonds; and (C) had the opportunity to ask questions of and receive answers from the Borrower concerning its purchase of the Bonds and all matters relating thereto or any additional information it deemed necessary in its decision to purchase the Bonds, and all requested information has been furnished to the Registered Owner;

(iv) The Registered Owner (A) understands that the Bonds are being offered only to Qualified Institutional Buyers and Accredited Investors and, if the Bondholder decides to resell or otherwise transfer its Bonds or any interest therein, it agrees that it will resell or transfer such Bonds only to a Person whom it reasonably believes is a Qualified Institutional Buyer or an Accredited Investor acquiring the Bonds for its own account; (B) acknowledges that it is solely responsible for compliance with the sales restrictions on the Bonds in connection with any subsequent transfer of the Bonds made by it; and (C) acknowledges and agrees that none of the Issuer, the Borrower or the Trustee takes responsibility for, and makes no representation to the Registered Owner or any subsequent purchaser or other acquirer with regard to, a sale, transfer or other disposition of the Bonds in violation of the transfer restrictions or any securities law consequences thereof;

(v) The Registered Owner will notify each transferee of the Bonds or of any interest therein of the deemed representations set out in this Section 2.13; and

(vi) The Registered Owner (A) acknowledges that the Bonds have not been and will not be registered under the Securities Act or the securities or “Blue Sky” laws of any state in reliance upon exemptions from such registration requirements; (B) acknowledges that this Indenture has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption set forth therein; and (C) agrees to comply with all applicable federal and state securities laws then in effect with respect to any sale or other disposition of the Bonds by the Registered Owner and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

THE SERIES 2020 BONDS HAVE NOT BEEN AND ARE NOT INTENDED TO BE REGISTERED UNDER THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS OF THE STATE OF ARIZONA OR REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

THE SERIES 2020 BONDS MAY BE TRANSFERRED IN WHOLE OR IN PART ONLY TO TRANSFEREES WHO (A) CAN BEAR THE ECONOMIC RISK OF THE PURCHASE OF THE SERIES 2020 BONDS, (B) HAVE SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERIT OF AN INVESTMENT IN THE SERIES 2020 BONDS AND (C) ACKNOWLEDGE THAT THE SERIES 2020 BONDS ARE SUITABLE ONLY FOR INCLUSION IN A DIVERSIFIED PORTFOLIO CONTAINING HIGH YIELD, HIGH RISK SECURITIES AND HAS UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL THE INFORMATION DEEMED NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE SERIES 2020 BONDS.

Section 2.14. CUSIP Numbers. The Issuer in issuing the Bonds may use “CUSIP” numbers (if then generally in use), and, if so, the Trustee shall use “CUSIP” numbers in notices of redemption as a convenience to Registered Owners; provided that the Trustee shall have no liability for any defect in the “CUSIP” numbers as they appear on any Bond, notice or elsewhere, and, provided further that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Issuer will promptly notify the Trustee in writing of any change in the “CUSIP” numbers.

Section 2.15. Trustee to Provide Notice to Issuer of Annual Outstanding Principal Amount. The Trustee shall provide to the Issuer, no later than December 1 of each year, commencing December 1, 2021, the expected principal amount of all Bonds to be Outstanding under this Indenture as of January 1 of the following year, and from time to time at the request of the Issuer.

ARTICLE III REVENUES AND FUNDS

Section 3.01. Pledge of Trust Estate. Subject only to the rights of the Issuer to apply amounts under the provisions of this Article, a pledge of the Trust Estate to the extent provided herein is hereby made, and the same is pledged to secure the payment of the principal of, premium, if any, and interest on the Bonds. The pledge hereby made shall be valid and binding from and after the time of the delivery by the Trustee of the first Bond authenticated and delivered under this Indenture. The security so pledged and then or thereafter received by the Issuer shall immediately be subject to the Lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Issuer with respect to the Trust Estate and the Lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Issuer irrespective of whether such parties have notice thereof.

Section 3.02. Establishment of Funds; Deposit of Series 2020 Bond Proceeds and Other Moneys; Assignment of Payments.

(a) The Issuer hereby establishes and creates the following Funds, which shall be special trust funds held by the Trustee:

- (i) Bond Fund;
- (ii) Debt Service Reserve Fund;
- (iii) Project Fund;
- (iv) Capitalized Interest Fund;
- (v) Cost of Issuance Fund;
- (vi) Rebate Fund;
- (vii) Tax and Insurance Escrow Fund;
- (viii) Revenue Fund;
- (ix) Expense Fund;
- (x) Operating Reserve Fund;
- (xi) Repair and Replacement Fund;
- (xii) Surplus Fund; and
- (xiii) Accelerated Redemption Fund.

The Trustee is authorized to establish accounts or subaccounts in each of the Funds if necessary to keep the proceeds of one Series of Bonds separate from the proceeds of any other Series of Bonds.

(b) On the Bond Closing for the Series 2020 Bonds, the Trustee shall deposit the proceeds of the Series 2020 Bonds, less the underwriter's discount of \$5,015,400.00, as follows:

- (i) Into the Bond Fund, proceeds of the Series 2020 Bonds in the amount of \$0.00;

(ii) Into the Cost of Issuance Fund, proceeds of the Series 2020 Bonds in the amount of \$3,128,272.50; provided that \$912,505 of which shall thereafter be transferred to the Project Fund;

(iii) Into the Debt Service Reserve Fund, proceeds of the Series 2020 Bonds in the amount of \$22,000,000.00;

(iv) Into the Project Fund, proceeds of the Series 2020 Bonds in the amount of \$181,322,115.38.

(v) Into the Capitalized Interest Fund, proceeds of the Series 2020 Bonds in the amount of \$37,234,562.52.

(c) The Borrower has covenanted in Section 2.06 of the Loan Agreement to, while Borrower's obligations under the Loan Agreement are outstanding or unsatisfied, ensure that the Deposit Account Control Agreement and the Series 2020 Qualified Management Agreement, which together provide for deposit of Pledged Revenues into a controlled account for the benefit of the Trustee in fulfilling its obligations under this Indenture, shall be irrevocable. While Bonds are outstanding, Trustee shall, not later than the first Business Day of each month, beginning July 1, 2022, (i) withdraw all amounts on account pursuant to the Deposit Account Control Agreement and (ii) deposit all such amounts into the Revenue Fund and make the distributions as set forth in Section 3.18 below. Any moneys remaining on deposit with the Trustee after all of Borrower's obligations under the Loan Agreement have been fully and unconditionally satisfied shall be transferred within two Business Days by the Trustee to the Borrower.

Section 3.03. Payments into the Bond Fund. With respect to the Series 2020 Bonds, the Trustee shall deposit the amounts described in Section 3.02(b) hereof into the Bond Fund, which amount shall be used, together with interest earnings thereon, to pay interest coming due on the Series 2020 Bonds. With respect to each Series of Additional Bonds there shall be deposited into the Bond Fund on the date of the Bond Closing of a Series of Additional Bonds, accrued interest, if any, on such Series of Additional Bonds and an amount, if any, to pay capitalized interest all as specified in the Supplemental Indenture related to such Series of Additional Bonds. There shall be deposited into the Bond Fund as and when received (a) disbursements from the Revenue Fund as provided in Section 3.18 herein, (b) all moneys transferred to the Bond Fund pursuant to Sections 3.06, 3.07, 3.08, 3.09, 3.13, 3.15, 3.21, 3.22 or 3.23 hereof, (c) all other moneys deposited into the Bond Fund pursuant to the Loan Agreement or this Indenture, and (d) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower, not inconsistent with the Loan Agreement or this Indenture, that such moneys are to be paid into the Bond Fund.

Section 3.04. Use of Moneys in the Bond Fund. Except as provided in this Section and in Sections 3.15, 3.28 and 8.05 hereof, moneys in the Bond Fund shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds on each Principal Payment Date and each Interest Payment Date, respectively. If on any Interest Payment Date or Principal Payment Date there are any amounts on deposit in the Bond Fund in excess of the amount necessary to pay principal and interest then due on the Bonds on such Principal Payment Date or

Interest Payment Date, as applicable, such excess shall be transferred to the Revenue Fund and used to make any disbursements required by, and in the order of priority of, Section 3.18.

Section 3.05. Custody of the Bond Fund. The Bond Fund shall be in the custody of the Trustee, but in the name of the Issuer, and the Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Bond Fund to pay the principal of, premium, if any, and interest on the related Series of Bonds as the same become due and payable, and to withdraw sufficient funds from the Bond Fund for other purposes authorized in Section 3.04 hereof.

Amounts on deposit in the Bond Fund shall be held in trust solely for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and applied only in accordance with the provisions of this Indenture, and the Borrower shall not have any legal, equitable or reversionary interest in, or right to, such amounts. In the event of any Act of Bankruptcy by the Borrower, the Borrower has no right to assert, claim or contend that any portion of the Bond Fund is property of its bankruptcy estate as defined by 11 U.S.C. § 541.

Section 3.06. Payments into the Debt Service Reserve Fund. With respect to the Series 2020 Bonds, the Trustee shall deposit the amounts described in Section 3.02(b) hereof into a subaccount of the Debt Service Reserve Fund related to the Series 2020 Bonds. Upon the issuance of each Series of Additional Bonds, there shall be deposited into the related subaccount of the Debt Service Reserve Fund, an amount specified in the related Supplemental Indenture equal to the related Series Debt Service Reserve Fund Requirement. There shall also be deposited into the Debt Service Reserve Fund (a) all moneys transferred to the Debt Service Reserve Fund from the Bond Fund in accordance with Section 3.07 hereof, (b) all other moneys required to be deposited therein pursuant to the Loan Agreement or this Indenture, and (c) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the Debt Service Reserve Fund. In the event amounts on deposit in any subaccount of the Debt Service Reserve Fund are less than the Series Debt Service Reserve Fund Requirement for the related Series of Bonds, the Trustee shall notify by written notice, within five Business Days of when the Trustee has knowledge of such deficiency, the Issuer, and the Borrower of such deficiency and that such deficiency must be replenished in accordance with Section 5.01 of the Loan Agreement and Section 3.07 herein. Interest and other income received on investments of moneys in the Debt Service Reserve Fund shall be transferred to the Bond Fund so long as the Debt Service Reserve Fund and each subaccount thereof is funded to an amount equal to the Debt Service Reserve Fund Requirement and the Series Debt Service Reserve Fund Requirement for such Series of Bonds, respectively.

Section 3.07. Use of Moneys in the Debt Service Reserve Fund. Except as provided in Sections 3.18 and 3.23 hereof, moneys in the Debt Service Reserve Fund, if any, shall be used solely for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Bond Fund are insufficient to make such payments when due, whether on an Interest Payment Date, sinking fund redemption date, maturity date or otherwise. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 10.02(a) of the Loan Agreement and Section 8.02(a) hereof, any moneys in the Debt Service Reserve Fund shall be transferred by the Trustee to the Bond Fund. On the final maturity date of a

Series of Bonds, any moneys in the subaccount of the Debt Service Reserve Fund related to such Series of Bonds may be used to pay the principal of and interest on such Series of Bonds on such final maturity date. In the event of a partial redemption of a Series of Bonds, a portion of the moneys in the Debt Service Reserve Fund may be used towards the partial redemption, so long as the remaining moneys in the Debt Service Reserve Fund equal the Maximum Annual Debt Service on the remaining Outstanding Bonds. In the event of the redemption of a Series of Bonds in whole, any moneys in the subaccount of the Debt Service Reserve Fund related to such Series of Bonds shall be transferred to the Bond Fund and applied to the payment of the principal of and premium, if any, on such Series of Bonds. In the event of a prepayment in whole of amounts due under the Loan Agreement with respect to the Promissory Notes and the defeasance pursuant to Section 7.01 herein of all of the Outstanding Bonds of the related Series, any moneys in the subaccount of the Debt Service Reserve Fund related to such Series of Bonds shall be applied to the defeasance of such Series of Bonds.

To the extent any moneys have been withdrawn from the Debt Service Reserve Fund by the Trustee, no portion of the Pledged Revenues shall be considered surplus revenues or available to the Borrower until such Pledged Revenues, or other available moneys, have first been applied to the extent required to reimburse the Debt Service Reserve Fund for any such withdrawal or to restore the Debt Service Reserve Fund Requirement.

The Trustee shall value the Investment Obligations in the Debt Service Reserve Fund semiannually on January 1 and July 1 of each year at the lesser of their face amount or market value. The Trustee may utilize and conclusively rely upon securities pricing services available to it in making such valuation. If on any valuation date the amount in any subaccount of the Debt Service Reserve Fund related to such Series of Bonds (determined pursuant to this Section) is greater than the Series Debt Service Reserve Fund Requirement for such Series of Bonds, such excess funds shall be transferred by the Trustee to the Bond Fund in accordance with Section 3.06 hereof. If on any valuation date the amount in any subaccount of the Debt Service Reserve Fund (determined pursuant to this Section) is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds and the deficiency is caused solely by a decreased value of the Investment Obligations therein and not due to a transfer to cure a shortfall in the Bond Fund, the Borrower agrees that the Trustee shall, in accordance with Section 3.18, deposit into that subaccount of the Debt Service Reserve Fund an amount equal to the amount by which the Debt Service Reserve Fund amount for such Series of Bonds is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds on or prior to the next Payment Date following that valuation date. If on any Payment Date the amount in any subaccount of the Debt Service Reserve Fund is less than the Series Debt Service Reserve Fund Requirement for such Series of Bonds and the deficiency is caused by a transfer to cure a shortfall in the Bond Fund resulting from the failure of the Borrower to make the payments due on the Promissory Notes, the Borrower agrees pursuant to Section 5.01 of the Loan Agreement to pay to the Trustee all amounts transferred to the Bond Fund to make up for any amounts not paid on the Promissory Notes; such payments shall be made in not more than one year in substantially equal installments beginning on the Payment Date in the month following such deficiency.

Amounts on deposit in the Debt Service Reserve Fund shall be held in trust solely for the benefit of the Registered Owners and the Beneficial Owners of the Bonds and applied only in

accordance with the provisions of this Indenture, and the Borrower shall not have any legal, equitable or reversionary interest in, or right to, such amounts. In the event of any Act of Bankruptcy, the Borrower has no right to assert, claim or contend that any portion of the Debt Service Reserve Fund is property of its bankruptcy estate as defined by 11 U.S.C. § 541.

Section 3.08. Custody of the Debt Service Reserve Fund. The Debt Service Reserve Fund shall be in the custody of the Trustee but in the name of the Issuer and the Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the applicable subaccounts of the Debt Service Reserve Fund to pay the principal of, premium, if any, and interest on the Bonds and for the purposes described in Sections 3.15 and 3.18 hereof, which authorization and direction the Trustee hereby accepts. In the event there shall be a deficiency in the Bond Fund on any payment date for the Bonds because of a default by the Borrower under the Loan Agreement, the Trustee shall promptly make up such deficiency from the applicable subaccount of the Debt Service Reserve Fund.

Section 3.09. Payments Into and Use of Moneys in the Project Fund; Disbursements. With respect to the Series 2020 Bonds, the Trustee shall deposit the amounts described in Section 3.02(b) hereof into a subaccount (taxable or tax-exempt) of the Project Fund. With respect to each Series of Additional Bonds, the amount of proceeds to be deposited in the related subaccount of the Project Fund shall be provided for in the related Supplemental Indenture. The Trustee is hereby authorized and directed to make each disbursement required by the provisions of Section 4.02 of the Loan Agreement and, with respect to any Series of Additional Bonds, the related Loan Agreement and the related Supplemental Indenture and to disburse amounts in the related subaccount of the Project Fund. The Trustee shall keep and maintain adequate records pertaining to the Project Fund and all disbursements therefrom, and, with respect to any Series of Additional Bonds, shall provide monthly statements of transactions to the Borrower and any construction administrator.

Before each payment is made from the Project Fund by the Trustee, there shall be filed with the Trustee a requisition conforming to the requirements of this Section and Section 4.02 of the Loan Agreement, and in the form attached thereto as Exhibit B.

Each such requisition shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts. Upon receipt of each such requisition, signed by an Authorized Representative of the Borrower, the Trustee shall pay the amount set forth therein as directed by the terms thereof upon the Trustee's receipt of each such requisition.

Upon the receipt by the Trustee of a certificate conforming with the requirements of Section 4.02 of the Loan Agreement, and after payment of costs payable from the Project Fund or provision having been made for payment of such costs not yet due by retaining such costs in the Project Fund or otherwise as directed in such certificate, the Trustee shall transfer any remaining balance in the Project Fund into the Surplus Fund, which the Trustee shall establish and hold in trust. The moneys in the Surplus Fund shall be used and applied as set forth in Section 3.23 hereof. Notwithstanding any provisions of this Indenture, the moneys in the Surplus Fund shall be invested at the specific written instruction of the Borrower to the Trustee at a yield no

higher than the Yield on the Outstanding Bonds (unless in an opinion of Bond Counsel addressed to the Trustee investment at a higher Yield would not cause interest on the Bonds to become no longer tax-exempt), and all such investment income shall be deposited in the Surplus Fund and expended or reinvested as provided above.

In the event of redemption of all the Bonds pursuant to Article V hereof or an Event of Default which causes acceleration of the Bonds, any moneys then remaining in the Project Fund shall be transferred to the Bond Fund and all moneys in the Bond Fund shall be used to redeem Bonds.

Section 3.10. Payments into and Use of the Capitalized Interest Fund. With respect to the Series 2020 Bonds, the Trustee shall deposit the amounts described in Section 3.02(b) hereof into the Capitalized Interest Fund, which amounts shall be used, together with interest earnings thereon, to pay interest coming due on the Series 2020 Bonds on each Interest Payment Date through July 1, 2022.

Section 3.11. Termination of the Capitalized Interest Fund. Any amounts remaining on deposit in the Capitalized Interest Fund following the July 1, 2022 Interest Payment Date shall be transferred to the Bond Fund and used pursuant to Section 3.04 herein.

Section 3.12. Payments into and Use of Moneys in the Cost of Issuance Fund. With respect to the Series 2020 Bonds, the Trustee shall deposit the moneys described in Section 3.02(b) hereof into each respective subaccount of the Cost of Issuance Fund (taxable and tax-exempt subaccount). With respect to each Series of Additional Bonds, there shall be deposited into the Cost of Issuance Fund that amount as provided in the related Supplemental Indenture. Except as provided in Section 3.15 hereof, such moneys shall be expended to pay issuance expenses in accordance with the provisions of Section 4.04 of the Loan Agreement. The Trustee is hereby authorized and directed to disburse amounts in the Cost of Issuance Fund for each payment in accordance with Section 4.04 of the Loan Agreement.

The Trustee shall keep and maintain adequate records pertaining to the Cost of Issuance Fund and all payments therefrom, which shall be open to inspection by the Borrower, the Issuer or their duly authorized agents during normal business hours of the Trustee upon reasonable notice to the Trustee.

Section 3.13. Termination of Cost of Issuance Fund. With respect to the Series 2020 Bonds, any amounts remaining on deposit in the Cost of Issuance Fund 90 days after the Bond Closing for the Series 2020 Bonds shall be transferred to the Bond Fund and disbursed pursuant to Section 3.04 herein. With respect to each Series of Additional Bonds, any amounts remaining on deposit in the Cost of Issuance Fund on the date 90 days after the Bond Closing of the related Series of Bonds shall be transferred to the related subaccount of the Bond Fund and used pursuant to Section 3.04 herein.

Section 3.14. Custody of the Cost of Issuance Fund. The Cost of Issuance Fund shall be in the custody of the Trustee but in the name of the Issuer and the Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Cost of Issuance Fund for the purposes set forth in

Section 4.04 of the Loan Agreement and Section 3.12 hereof, which authorization and direction the Trustee hereby accepts.

Section 3.15. Rebate Fund. There shall be established for each Series of tax-exempt Bonds a separate subaccount in the Rebate Fund related to such Series of tax-exempt Bonds. There shall be deposited in each subaccount of the Rebate Fund as and when received (a) investment income on moneys in the related Funds to the extent provided in the direction of the Borrower pursuant to Section 4.08 of the Loan Agreement and subject to the limitations in Section 6.01 hereof, (b) moneys received from the Borrower pursuant to Section 5.01(f) of the Loan Agreement, (c) moneys transferred to the Rebate Fund from the Cost of Issuance Fund, the Debt Service Reserve Fund (but only to the extent that the amount on deposit therein is in excess of the related Debt Service Reserve Fund Requirement), the Project Fund, the Tax and Insurance Escrow Fund, the Operating Reserve Fund (but only to the extent that the amount on deposit therein is in excess of the related Operating Reserve Fund Requirement) and the Bond Fund pursuant to the provisions of this Section, and (d) all other moneys received by the Trustee when accompanied by directions not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the related subaccount of the Rebate Fund. All amounts in the Rebate Fund, including income earned from investment of such amounts, shall be held by the Trustee, in trust, free and clear of the Lien of this Indenture. Amounts in the Rebate Fund shall not be used for the payment of debt service on the Bonds.

With respect to each Series of tax-exempt Bonds, 30 days after each Rebate Year, beginning December 31, 2020, and not later than 10 days after the redemption, payment at maturity or other retirement of the last bond of any Series of tax-exempt Bonds, the Borrower shall engage, and furnish information to, the Rebate Analyst and cause the Rebate Analyst to calculate the Rebate Amount with respect to that Series of tax-exempt Bonds and deliver to the Trustee a copy of the report of the Rebate Analyst. Upon receipt of the Rebate Analyst's report, the Trustee shall determine if the amount in the related subaccount of the Rebate Fund is equal to the calculated Rebate Amount. The Trustee shall notify the Borrower of the amount then on deposit in the applicable subaccount in the Rebate Fund. If the amount in the related subaccount of the Rebate Fund is in excess of the amount required to be therein in accordance with the report of the Rebate Analyst, then such excess shall be transferred to the Bond Fund. To the extent the moneys in the related subaccount of the Rebate Fund are less than the amount required to be deposited therein, the Trustee shall transfer such amounts necessary to reserve for the anticipated Rebate Amount payment to the United States Department of the Treasury from the Revenue Fund in accordance with Section 3.18 hereof.

If at any time the Borrower is required to retain the Rebate Analyst to calculate the Rebate Amount but fails to deliver a report to the Trustee in a timely manner, then the Trustee shall retain a Rebate Analyst, at the expense of the Borrower, to calculate the Rebate Amount. If the Trustee is required to retain or pay the Rebate Analyst, then the Trustee, after delivering to the Borrower a demand for payment of an amount sufficient to pay the Rebate Analyst, shall withdraw such amount as may be needed to pay the Rebate Analyst: first, from the Expense Fund and, second, from the subaccount of the Debt Service Reserve Fund related to the applicable Series of Bonds (but only to the extent that the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement), the Cost of Issuance Fund, the Project Fund, the Tax and Insurance Escrow

Fund, the Operating Reserve Fund (but only to the extent that the amount on deposit therein is in excess of the Operating Reserve Fund Requirement), the Repair and Replacement Fund and the Bond Fund.

The Trustee shall have the right, but shall not be obligated, to seek written instructions from any Rebate Analyst as it deems necessary, concerning any payments to be made by it from the Rebate Fund and shall be free from any liability for acting in accordance with such written instructions.

The Trustee, on behalf of the Issuer, is hereby directed to pay to the United States Department of the Treasury from time to time the amounts as required by the report of the Rebate Analyst, provided that the Trustee shall pay over to the United States Department of the Treasury: (a) at least once each five years after the issuance date of a Series of tax-exempt Bonds within 60 days of the date as of which the Rebate Amount was calculated, an amount equal to 90% of the Rebate Amount allocable to that Series of tax-exempt Bonds as of such date (and not theretofore paid to the United States Department of the Treasury) and (b) not later than 60 days after the redemption, payment at maturity or other retirement of the last bond of a Series of tax-exempt Bonds, 100% of the Rebate Amount allocable to such Series of tax-exempt Bonds.

If, at any time when the Trustee is required to withdraw money from the Rebate Fund, the moneys on deposit in a subaccount of the Rebate Fund are insufficient for the purposes thereof, notwithstanding any investment of moneys requirements in Section 6.01 hereof, the Trustee, after first delivering a demand for such deficiency to the Borrower and no money for such purpose is provided by the Borrower, shall transfer moneys to the Rebate Fund from the following Funds in the following order of priority: the subaccount of the Debt Service Reserve Fund related to the applicable Series of Bonds (but only to the extent that the amount on deposit therein is in excess of the Debt Service Reserve Fund Requirement), the Cost of Issuance Fund, the Project Fund, the Tax and Insurance Escrow Fund, the Operating Reserve Fund (but only to the extent that the amount on deposit therein is in excess of the Operating Reserve Fund Requirement), the Repair and Replacement Fund and the Bond Fund.

The Trustee shall comply with the instructions contained in this Indenture and in the Tax Regulatory Agreement, provided that computations and payments may be made on other bases, at other times, and in other amounts, or omitted altogether, all as shall be set forth in an opinion of Bond Counsel to the effect that compliance with such instructions will not adversely affect any exclusion of interest on any of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds from gross income for federal income tax purposes (the "Subsequent Rebate Instructions"), even if such Subsequent Rebate Instructions are different from or inconsistent with this Section. The Trustee shall be entitled to rely conclusively on the calculations made pursuant to this Section and any Subsequent Rebate Instructions and shall not be responsible for any loss or damage resulting from any action taken or omitted to be taken in reliance upon those calculations.

Within 60 days after the end of each Rebate Year, the Trustee, in reliance upon the report of the Rebate Analyst, shall deliver to the Issuer a certificate stating that all necessary actions have been taken as required by this Indenture and the Tax Regulatory Agreement, including but not

limited to, (a) the required annual arbitrage rebate calculations, and (b) payment of the Rebate Amount, if any, in accordance with Section 148(f) of the Code and the direction of the Rebate Analyst.

This section shall supersede all other sections of this Indenture, to the end that the exclusion from gross income for the purposes of federal income taxation of interest on a Series of tax-exempt Bonds shall not be adversely affected as a result of the inadequacy at any time of the Rebate Fund, unless the total amount held by the Trustee under all Funds established hereunder is insufficient.

The Trustee shall retain records of the determination of the amount required to be deposited in the Rebate Fund, of the proceeds of any investments of money in the Rebate Fund, and of the amounts paid to the United States Department of the Treasury until the date six years after the discharge of the last of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds.

Section 3.16. Custody of the Rebate Fund. The Rebate Fund shall be in the custody of the Trustee but in the name of the Issuer, and the Issuer authorizes and directs the Trustee to withdraw funds from the Rebate Fund for the purposes set forth in Section 3.15 hereof, which authorization and direction the Trustee hereby accepts.

Section 3.17. Tax and Insurance Escrow Fund.

(a) The Trustee shall deposit into the Tax and Insurance Escrow Fund all amounts required to be deposited therein pursuant to this Indenture, including but not limited to the payments required to be made by the Borrower pursuant to Section 5.01(d) of the Loan Agreement.

(b) Amounts on deposit in the Tax and Insurance Escrow Fund shall be used to:

(i) pay real property or ad valorem taxes with respect to the Facilities, if any;
and

(ii) to pay premiums for the insurance policies required to be maintained with respect to the Facilities.

(c) The Trustee shall, at the request of an Authorized Representative of the Borrower, disburse moneys from the Tax and Insurance Escrow Fund in payment of the costs set forth in subsections (b)(i) and (ii) above upon receipt by the Trustee of requisition certificates in the form of Exhibit C to the Loan Agreement signed by an Authorized Representative of the Borrower:

(i) stating with respect to each payment to be made:

(A) the date of the requisition,

(B) the name and address of the entity to whom payment is due,

(C) the amount to be paid,

(D) that each obligation mentioned therein has been properly incurred, is a proper charge against the Tax and Insurance Escrow Fund, and has not been the basis of any previous withdrawal, and

(E) that the disbursement requested will be used to pay taxes or insurance with respect to the Facilities as described in subsection (b) above; and

(ii) accompanied by a bill, invoice or statement of account for such obligation.

Notwithstanding the foregoing, the Trustee shall have the right, but not the obligation, to withdraw moneys from the Tax and Insurance Escrow Fund at any time and to use those funds to pay the items described in subsection (b) above without a requisition certificate from an Authorized Representative of the Borrower in order to maintain the insurance with respect to the Facilities as provided in subsection (b) above or to prevent any of the items described in subsection (b) above from becoming past due.

Section 3.18. Revenue Fund. There shall be deposited in the Revenue Fund as and when received, Pledged Revenues pursuant to Section 3.02 hereof, the Revenues and all other moneys deposited into the Revenue Fund pursuant to the Loan Agreement or this Indenture. All moneys

held on deposit in the Revenue Fund shall be disbursed by the Trustee commencing on the dates provided below and in the following order of priority:

FIRST: on the first Business Day of each month, commencing July 1, 2022, to the Expense Fund, an amount of money equal to 1/12 of the Budgeted Expenses;

SECOND: on the first Business Day of each month, commencing July 1, 2022, to the Bond Fund, (a) an amount of moneys, less any credits received against such amounts, equal to 1/6th of the interest due on the Bonds on the next Interest Payment Date, plus (b) commencing on July 1, 2022, an amount of moneys, less any credits received against such amount, equal to 1/12th of the principal due on the Bonds on the next Principal Payment Date, and plus (c) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

THIRD: commencing on the Payment Date following the related Bond Closing, for deposit in the Debt Service Reserve Fund an amount of money, if any, equal to the difference between the Maximum Annual Debt Service amount and the amount deposited into the Debt Service Reserve Fund pursuant to Section 3.02(b)(iii) hereof, and thereafter on each Payment Date the amount necessary to cure any deficiency therein in accordance with Section 3.07 hereof;

FOURTH: (a) on each Payment Date, to the Tax and Insurance Escrow Fund, an amount of money equal to the payment required to be made for the purpose of paying applicable taxes pursuant to Section 5.01(d) of the Loan Agreement, plus (b) on the first day of each month, beginning September 1, 2020, to the Tax and Insurance Escrow Fund, an amount of money equal to the payment required to be made for the purpose of paying insurance premiums pursuant to Section 5.01(d) of the Loan Agreement, plus (c) all amounts that were previously due under clauses (a) and (b) of this paragraph but were not transferred because of an insufficiency in moneys available therefor;

FIFTH: on each Payment Date, to the Rebate Fund, commencing in the month following the determination of the Rebate Amount and continuing until the full amount is so paid, any amount of money as calculated by the Rebate Analyst, required to be deposited in the Rebate Fund;

SIXTH: on each Payment Date, to the Expense Fund, an amount of moneys equal to 1/2 of the Trustee's Annual Fee and Trustee's Annual Expenses due on the next July 1;

SEVENTH: on each Payment Date, to the Expense Fund (a) an amount equal to 1/2 of the amount owed to the Rebate Analyst on the next July 1; plus (b) any amount previously due under this paragraph but that remains unpaid because of an insufficiency in moneys available therefor;

EIGHTH: on the first Business Day of each month, commencing July 1, 2022, and terminating July 1, 2023, to the Operating Reserve Fund an amount of money equal to 1/12th of the minimum Operating Reserve Fund Requirement. On each Payment Date, commencing July 1,

2023, an amount necessary to cure any deficiency in the Operating Reserve Fund pursuant to Section 3.21 herein;

NINTH: on the first Business Day of each month, commencing July 1, 2022, and terminating on July 1, 2023, an amount of money equal to 1/12th of the minimum Repair and Replacement Fund Requirement. On each Payment Date, commencing July 1, 2023, to the Repair and Replacement Fund, an amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the minimum Repair and Replacement Fund Requirement;

TENTH: on each Payment Date, if the Borrower is not in default under the Loan Agreement, to the Surplus Fund all amounts of money remaining on deposit in the Revenue Fund after the Trustee has made the disbursements required in FIRST through NINTH above; and

ELEVENTH: on each Payment Date, if the balance of money on deposit in the Surplus Fund exceeds the amount of \$5,000,000, then 50% of such excess money shall be transferred to the Accelerated Redemption Fund and 50% allocated first to payment of the “Basic Fees,” the “Accounting Fees,” “Development Fees” and any “Incentive Fees” then due as set forth in the Qualified Management Agreement, and second the remaining balance thereof to the Borrower for use in support of its charitable mission.

Section 3.19. Expense Fund. There shall be deposited into the Expense Fund as and when received (a) all moneys transferred from the Revenue Fund to the Expense Fund pursuant to Section 3.18 FIRST hereof, (b) all other moneys required to be deposited therein pursuant to the Loan Agreement or this Indenture, and (c) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the Expense Fund.

Section 3.20. Use of Moneys in the Expense Fund. The Issuer hereby authorizes and directs the Trustee to withdraw sufficient funds from the Expense Fund to pay (a) on each January 1 and July 1 in each year commencing January 1, 2021, to the Trustee an amount equal to the Trustee’s Expenses and 1/2 of the Trustee’s Fees for that year; (b) on January 1, 2021, and on each January 1 thereafter so long as any Tax-Exempt Series 2020A Bonds or the Tax-Exempt Turbo Redemption Series 2020C Bonds remain Outstanding, to the Rebate Analyst, any amount owed as payment for its services; and (c) on the first Business Day of each month commencing July 1, 2022, the amounts set forth in Section 3.18 FIRST to the Manager (as defined in the Qualified Management Agreement).

Section 3.21. Payments into and Use of Moneys in the Operating Reserve Fund. Upon completion of the Series 2020 Facilities, Revenues equal to 90 days of budgeted Operating Expenses shall be deposited to the Operating Reserve Fund. There also shall be deposited into the Operating Reserve Fund amounts transferred from the Revenue Fund pursuant to Section 3.18, EIGHTH hereof, and all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower, not inconsistent with the Loan Agreement or this Indenture, that such moneys are to be paid into the Operating Reserve Fund. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 10.02(a) of the Loan Agreement and Section 8.02(a) hereof, any moneys in

the Operating Reserve Fund shall be transferred by the Trustee to the Bond Fund and applied in accordance with Section 8.05 hereof. On the final maturity date of the Bonds, any moneys in the Operating Reserve Fund may, upon the written direction of the Borrower, be transferred to the Bond Fund and used to pay the principal of and interest on such Bonds on such final maturity date.

The Operating Reserve Fund shall be maintained at an amount not less than the Operating Reserve Fund Requirement. Moneys in the Operating Reserve Fund may be used for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Bond Fund and the Debt Service Reserve Fund are insufficient to make such payments when due, whether on an Interest Payment Date, Principal Payment Date or otherwise. Amounts in the Operating Reserve Fund may also be disbursed to the Borrower (a) to pay all or a portion of the Budgeted Expenses or payments due under the Loan Agreement or (b) upon the demonstration by the Borrower of extraordinary expenses that Materially Exceed those expenses in any expense category as indicated in the Budgeted Expenses for any given year during which the Bonds shall remain Outstanding. For purposes of this Indenture, an expense shall “Materially Exceed” the Budgeted Expenses if it shall affect any expense item that (i) is outside the control of the Borrower, (ii) reasonable efforts on behalf of the Borrower could not have avoided the expense, and (iii) exceeds the then current year-to-date budgeted expense for such expense item by not less than five percent. The following are examples of expenses for which disbursements from the Operating Reserve Fund may be made:

1. Unexpected repairs or replacements of equipment or facilities for which no budget item shall have been anticipated;
2. Increases in the costs of operations due to increases in utilities, fuel or other purchases of materials that are required for the operation of the Facilities;
3. Any costs, levies or fines imposed upon the Borrower as a result of the operations of Borrower at the Facilities that could or may result in a Lien being imposed upon the Facilities; or
4. Costs to prosecute or defend any action or proceeding arising out of any occurrence or claim accruing or arising out of the Borrower’s operation of the Project.

With respect to items 1 through 4 above, the Borrower shall submit a requisition certificate in the form attached to the Loan Agreement as Exhibit D to the Trustee (i) identifying the nature and cost of any expense for which a disbursement from the Operating Reserve Fund shall be made, (ii) providing an accompanying receipt, invoice or other evidence of the cost and use of the expense for which the disbursement shall be made, and (iii) certifying to Trustee that the disbursement is appropriate. Trustee shall reimburse or pay as directed from the Operating Reserve Fund such amount or amounts as shall be indicated in the disbursement request within five Business Days following receipt of such request.

If on any January 1 or July 1 the amount in the Operating Reserve Fund is greater than the Operating Reserve Fund Requirement, such excess shall be transferred to the Surplus Fund. If at any time the aggregate amount in the Operating Reserve Fund is less than the Operating Reserve

Fund Requirement and the deficiency is caused by a decreased value of the Investment Obligations therein, the Trustee shall begin depositing the Pledged Revenues into the Operating Reserve Fund pursuant to Section 3.18 hereof until amounts on deposit in the Operating Reserve Fund equal the Operating Reserve Fund Requirement. If at any time the aggregate amount in the Operating Reserve Fund is less than the Operating Reserve Fund Requirement and the deficiency is caused by a withdrawal to pay Budgeted Expenses or extraordinary expenses which Materially Exceed Budgeted Expenses or to pay principal and interest on the Bonds, the Borrower agrees, pursuant to Section 5.01 of the Loan Agreement, to repay to the Trustee all amounts withdrawn in not more than one year in substantially equal installments in the month following the withdrawal or deficiency.

Section 3.22. Payments into and Use of Moneys in the Repair and Replacement Fund.

There shall be deposited into the Repair and Replacement Fund as and when received (a) all payments by the Borrower pursuant to Section 5.01(j) of the Loan Agreement, (b) all other moneys deposited into the Repair and Replacement Fund pursuant to the Loan Agreement or this Indenture, and (c) all other moneys received by the Trustee when accompanied by directions from an Authorized Representative of the Borrower not inconsistent with the Loan Agreement or this Indenture that such moneys are to be paid into the Repair and Replacement Fund. There shall also be retained in the Repair and Replacement Fund, interest and other income received on investment of moneys in the Repair and Replacement Fund to the extent provided in Section 6.01 hereof. Any amounts on deposit in the Repair and Replacement Fund in excess of the Repair and Replacement Fund Requirement shall be transferred by the Trustee to the Bond Fund and applied to the payment of the interest on the Bonds; provided, however, that the amount remaining in the Repair and Replacement Fund immediately after such transfer shall not be less than the Repair and Replacement Fund Requirement. The Repair and Replacement Fund shall be established as set forth in Section 3.18 NINTH hereof.

Absent an Event of Default hereunder, the Trustee is hereby authorized and directed to make each disbursement required by the provisions of Section 4.12 of the Loan Agreement and to issue its checks therefor; provided that to the extent an expense is eligible to be paid from the Operating Reserve Fund for extraordinary expenses which Materially Exceed those expenses in any category as indicated in the Budgeted Expenses, such expense shall be paid first from the Operating Reserve Fund, and second, from the Repair and Replacement Fund. The Trustee shall keep and maintain adequate records pertaining to the Repair and Replacement Fund and all disbursements therefrom and shall annually file an accounting thereof with the Issuer and the Borrower.

To the extent required by law, each five years following the issuance of the Series 2020 Bonds until redemption or final maturity of any Series of the Bonds, the Borrower shall retain the services of an Independent consultant qualified to evaluate the sufficiency of the Operating Reserve Fund Requirement and the Repair and Replacement Fund Requirement for the purposes described in this Article III. The consultant shall report its findings to the Borrower and to the Trustee and make such recommendations as the Independent consultant deems appropriate. If the consultant determines that the current Operating Reserve Fund Requirement and/or Repair and Replacement Fund Requirement are insufficient, the amounts of the Operating Reserve Fund

Requirement and/or the Repair and Replacement Fund Requirement will be adjusted according to such determination.

The moneys in the Repair and Replacement Fund may be used for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Bond Fund, the Debt Service Reserve Fund and the Operating Reserve Fund are insufficient to make such payments when due, whether on an Interest Payment Date, Principal Payment Date or otherwise. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 8.02(a) hereof, any moneys in the Repair and Replacement Fund shall be transferred by the Trustee to the Bond Fund and applied in accordance with Section 8.05 hereof. On the final maturity date of the Bonds, any moneys in the Repair and Replacement Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and used to pay the principal of and interest on such Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Repair and Replacement Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and applied to the payment of the principal of, premium, if any, and interest on such Bonds.

The Repair and Replacement Fund shall be in the custody of the Trustee but in the name of the Issuer and the Issuer authorizes and directs the Trustee to withdraw sufficient funds from the Repair and Replacement Fund for the purposes described in this Section 3.22, which authorization and direction the Trustee hereby accepts.

Section 3.23. Payments into and Use of Moneys in the Surplus Fund. There shall be deposited in the Surplus Fund (a) excess Bond proceeds transferred from the Project Fund and (b) all amounts remaining from Pledged Revenues after the Trustee has made all disbursements specified in Section 3.18 FIRST through NINTH. Excess Bond proceeds in the Surplus Fund shall be applied to the payment of principal of, premium, if any, and interest on Bonds as set forth in Section 5.03C hereof. Subject to transfers to the Accelerated Redemption Fund, to the “Basic Fees,” the “Accounting Fees” and any “Incentive Fees” and to Borrower as set forth in Section 3.18 ELEVENTH, moneys in the Surplus Fund resulting from a deposit of Pledged Revenues may be used for the payment of the principal of, premium, if any, and interest on the Bonds in the event moneys in the Repair and Replacement Fund, the Bond Fund, the Debt Service Reserve Fund and the Operating Reserve Fund are insufficient to make such payments when due, whether on an Interest Payment Date, Principal Payment Date or otherwise. Upon the occurrence of an Event of Default hereunder and the exercise by the Trustee of the remedy specified in Section 8.02(a) hereof, any moneys in the Surplus Fund shall be transferred by the Trustee to the Bond Fund and applied in accordance with Section 8.05 hereof. On the final maturity date of the Bonds, any moneys in the Surplus Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and used to pay the principal of and interest on such Bonds on such final maturity date. In the event of the redemption of the Bonds in whole, any moneys in the Surplus Fund may, upon the direction of the Borrower, be transferred to the Bond Fund and applied to the payment of the principal of, premium, if any, and interest on such Bonds.

Section 3.24. Payments into and Use of Moneys in the Accelerated Redemption Fund. There shall be deposited in the Accelerated Redemption Fund Pledged Revenues from the Surplus Fund in an amount consistent with Section 3.18 ELEVENTH herein. Moneys deposited in the

Accelerated Redemption Fund shall be used pursuant to Section 5.03B hereof for the purpose of mandatory redemption. All funds on deposit in the Accelerated Redemption Fund shall be yield-restricted to an investment yield not greater than the arbitrage yield on the Series 2020 Bonds.

Section 3.25. Nonpresentment of Bonds. In the event any Bonds, or portions thereof, shall not be presented for payment when the principal thereof becomes due, either at maturity, the date fixed for redemption thereof, or otherwise, if funds sufficient for the payment thereof, including accrued interest thereon, shall have been deposited into the Bond Fund or otherwise made available to the Trustee for deposit therein, then on and after the date said principal becomes due, all interest thereon shall cease to accrue and all liability of the Issuer to the Registered Owner or Registered Owners thereof for the payment of such Bonds, shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such fund or funds in a separate trust account for the benefit of the Registered Owner or Registered Owners of such Bonds, who shall thereafter be restricted exclusively to such fund or funds for any claim of whatever nature on his, her or their part under this Indenture with respect to said Bond or on, or with respect to, said Bond. Such moneys shall not be required to be invested during such period by the Trustee. If any Bond shall not be presented for payment within the period of two years following the date when such Bond becomes due, whether by maturity or otherwise, the Trustee shall return to the Borrower such funds theretofore held by it for payment of such Bonds. Thereafter, the Registered Owner of that Bond shall look only to the Borrower for payment and then only to amounts so received by the Borrower. The obligations of the Trustee under this Section shall be subject, however, to any law applicable to the unclaimed funds or the Trustee providing other requirements for the disposition of unclaimed property.

Section 3.26. Moneys to be Held in Trust. All moneys required to be deposited with or paid to the Trustee under any provision of this Indenture shall be held by the Trustee in trust for the purposes specified in this Indenture, and, except for moneys deposited with or paid to the Trustee for the payment or redemption of specific Bonds and moneys held by the Trustee in the Rebate Fund, the Cost of Issuance Fund, the Tax and Insurance Escrow Fund, and in the separate trust accounts pursuant to Sections 3.25 and 3.27 hereof (to the extent, in the case of moneys held pursuant to Section 3.27 hereof, such moneys are held pending disbursement for repair or replacement of the Facilities), shall, while held by the Trustee, constitute part of the Trust Estate and be subject to the Lien hereof.

Section 3.27. Insurance and Condemnation Proceeds. Reference is hereby made to the provisions of the Loan Agreement wherein it is provided that under certain circumstances the Net Proceeds of insurance payments and condemnation awards are to be paid to the Trustee and to be disbursed and paid out as therein provided. The Trustee hereby accepts and agrees to perform such duties and obligations specified in the Loan Agreement. The Trustee shall fully cooperate with the Borrower in the handling and conduct of any prospective or pending insurable event or condemnation proceeding with respect to the Facilities or any part thereof.

Section 3.28. Repayment to the Borrower from the Funds. Any amounts remaining in the Funds after payment in full of the Bonds (or making provision for such payment), the fees and expenses of the Trustee and all other amounts required to be paid hereunder and under the Loan Agreement to the Issuer, the Trustee and others (including payments into the Rebate Fund and to

the United States Department of the Treasury), shall be paid to the Borrower upon the discharge of this Indenture.

ARTICLE IV COVENANTS OF THE ISSUER

Section 4.01. Performance of Covenants. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Indenture, in any and every Bond and in all proceedings of the Issuer pertaining thereto. The Issuer covenants, represents, warrants and agrees that it is duly authorized under the Constitution and laws of the State, including particularly and without limitation the Act, to issue the Bonds and to execute this Indenture, to pledge the Trust Estate in the manner and to the extent herein set forth, that all actions on its part required for the issuance of the Bonds and the execution and delivery of this Indenture have been duly and effectively taken or will be duly taken as provided herein, and that this Indenture is a legal, valid and enforceable instrument of the Issuer and that the Bonds in the hands of the Registered Owners thereof are and will be legal, valid and enforceable obligations of the Issuer according to the terms thereof, except as the enforceability thereof may be limited by insolvency, bankruptcy, reorganization, moratorium or other laws affecting the enforcement of creditors' rights generally or against public corporations such as the Issuer and by the application of general principles of equity.

The Issuer covenants that it will take no action reasonably within its control which will permit an investment or other use of the proceeds of any Series of tax-exempt Bonds and will take no action with respect to the amounts payable under the Loan Agreement that would cause any Series of tax-exempt Bonds to be arbitrage bonds under Section 148(a) of the Code and the Regulations thereunder or "federally guaranteed" within the meaning of Section 149(b) of the Code and the Regulations thereunder, and it further covenants that it will comply with the requirements of such Sections and Regulations. The foregoing covenants shall extend throughout the term of the Tax-Exempt Series 2020A Bonds, the Tax-Exempt Turbo Redemption Series 2020C Bonds and any subsequent Series of tax-exempt Bonds, to all Funds and accounts created under this Indenture and all money on deposit to the credit of any such Fund or account, and to any other amounts which are tax-exempt Bond proceeds for purposes of Section 148 of the Code and the Regulations thereunder.

The Issuer covenants that it will take no action and permit no action within its control to be taken which would adversely affect the exemption from federal income tax of interest on any Series of tax-exempt Bonds. The Issuer is deemed to have complied with this paragraph if the Issuer complies with this Indenture, to grant the security interest herein provided, to assign and pledge the Loan Agreement and the Promissory Note (except as otherwise provided herein) and to assign and pledge the amounts hereby assigned and pledged in the manner and to the extent herein set forth; all action on its part for the issuance of the Bonds and the execution and delivery of this Indenture has been duly and effectively taken; and that the Bonds in the hands of the owners thereof are and will be legal, valid and enforceable limited and special obligations of the Issuer according to the terms thereof and hereof. The Issuer covenants that it will comply with the Tax Regulatory Agreement.

Promptly upon the issuance of any public rating by a rating service of the Borrower or any of its obligations, but in any event not later than three years after the date the Series 2020 Project opens to the public, the Borrower agrees to promptly obtain a rating on the Bonds from a rating service, with which the Issuer will reasonably cooperate, at the sole cost of the Borrower.

Section 4.02. Instruments of Further Assurance. The Issuer agrees that the Trustee may defend its rights to the payments and other amounts due under the Loan Agreement for the benefit of the Registered Owners of the Bonds against the claims and demands of all persons whomsoever. The Issuer covenants that it will, at the Borrower's cost, do, execute, acknowledge, and deliver such instruments supplemental hereto and such further acts, instruments, and transfers as the Trustee may reasonably require for the better assuring, transferring, mortgaging, conveying, pledging, assigning, and confirming unto the Trustee, the all and singular rights assigned and the amounts of Issuer's interest in and to all interests, revenues, proceeds, and receipts pledged hereby to the payment of the principal of, premium, if any, and interest on the Bonds in the manner and to the extent contemplated herein. The Issuer covenants and agrees that, except as herein provided, it will not sell, convey, assign, pledge, encumber or otherwise dispose of any part of the Pledged Revenues payable under the Loan Agreement, or its rights thereunder. The Issuer shall be under no obligation to prepare, record, or file any such instruments or transfers.

Section 4.03. Payment of Principal, Premium, if any, and Interest. The Issuer will promptly pay or cause to be paid the principal of, premium, if any, and interest on all Bonds issued hereunder according to the terms hereof. The principal, premium, if any, and interest payments are payable solely from the Trust Estate, which is hereby specifically pledged to the payment thereof in the manner and to the extent herein specified. Nothing in the Bonds or in this Indenture shall be considered or construed as pledging any funds or assets of the Issuer other than those pledged hereby or creating any liability of the Issuer Indemnified Parties.

Section 4.04. [Reserved]

Section 4.05. Unrelated Bond Issues. The Issuer has, prior to the issuance of the Bonds, issued, and subsequent to the issuance of the Bonds, the Issuer expects to issue, various series of bonds in connection with the financing of other projects (said bonds together with any bonds issued by the Issuer between the date hereof and issuance of the Bonds shall be referred to herein as the "Other Bonds"). Any pledge, mortgage, or assignment made in connection with any Other Bonds shall be protected, and any funds pledged or assigned for the payment of principal, premium, if any, or interest on the Other Bonds shall not be used for the payment of principal, premium, if any, or interest on the Bonds. Correspondingly, any pledge, mortgage, or assignment made in connection with the Bonds shall be protected, and any funds pledged or assigned for the payment of the Bonds shall not be used for the payment of principal, premium, if any, or interest on the Other Bonds.

Section 4.06. Security Instruments. In order to perfect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Loan Agreement, the Issuer, to the extent permitted by law and at the request of the Trustee or Borrower, will execute such security agreements or financing statements, naming the Trustee as assignee and pledgee of the Trust Estate assigned and pledged under this Indenture for the payment of the principal of and premium, if any,

and interest on the Bonds and as otherwise provided herein, and the Borrower will cause the same to be duly filed and recorded, as the case may be, in the appropriate State and county offices as required by the provisions of the Uniform Commercial Code or other similar law as adopted in the State, as from time to time amended, the costs for which, if any, shall be paid by the Borrower. The Borrower shall notify the Trustee in writing if it files and records such security agreement or financing statement. To continue the security interest evidenced by such security agreements or financing statements, the Trustee at the expense of the Borrower shall file and record or cause to be filed and recorded such necessary continuation statements from time to time as may be required pursuant to the provisions of the said Uniform Commercial Code or other similar law to fully preserve and protect the security interest of the Trustee in the Trust Estate and to perfect the security interest in the Loan Agreement provided the Trustee has been timely provided a copy of the originally-filed financing statement. In no event shall the Trustee be obligated to file or review any initial financing statement to be filed by the Borrower or Issuer hereunder. The Issuer, to the extent permitted by law, at the expense of the Borrower, shall execute and cause to be executed any and all further instruments as shall be reasonably required by law or requested by the Trustee for such protection and perfection of the interests of the Trustee and the Registered Owners, and the Borrower or its agent, as the case may be, shall, file and refile or cause to be filed and refiled such instruments which shall be necessary to preserve and perfect the Lien of this Indenture upon the Trust Estate until the principal of and premium, if any, and interest on the Bonds issued hereunder shall have been paid or provision for their payment shall be duly made as herein provided.

Section 4.07. Rights Under the Loan Agreement. The Issuer will observe all of the obligations, terms and conditions required on its part to be observed or performed under the Loan Agreement. The Issuer agrees that to the extent the Loan Agreement gives the Trustee some right or privilege, or in any way attempts to confer upon the Trustee the ability for the Trustee to protect the security for payment of the Bonds, that such part of the Loan Agreement shall be as though it were set out in this Indenture in full.

The Issuer agrees that the Trustee as assignee of the Loan Agreement may, but shall have no obligation to, enforce, in its name or in the name of the Issuer (other than Issuer's Unassigned Rights), all rights of the Issuer and all obligations of the Borrower under and pursuant to the Loan Agreement (subject to certain exceptions stated in the granting clauses hereof) for and on behalf of the Registered Owners, whether or not the Issuer is in default hereunder.

Section 4.08. Performance of Obligations. Any performance by the Issuer of all duties and obligations imposed upon it hereby, the exercise by it of all powers granted to it hereunder, the carrying out of all covenants, agreements and promises made by it hereunder, and the liability of the Issuer for all covenants hereunder, shall be limited solely to the Trust Estate, including revenues and receipts derived from the Loan Agreement, the Promissory Notes and the Leasehold Deed of Trust, and the Issuer Indemnified Parties shall not be responsible for its or their duties, obligations, powers or covenants hereunder (except for any fraud or intentional misrepresentation thereby) except to the extent of the Trust Estate.

Subject to Section 4.03 hereof, the Issuer shall have no liability or obligation with respect to the payment of the principal of, premium, if any, or interest on the Bonds. None of the provisions

of this Indenture shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the revenues pledged hereunder, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping, it being understood that such services shall be performed or provided by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Indenture, in every Bond executed, authenticated, and delivered hereunder, in the Loan Agreement and in all of its proceedings pertaining thereto; provided, however, that (a) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Trustee, and (b) the Issuer shall have received the instrument to be executed, and, at the Issuer's option, shall have received from the Borrower assurance satisfactory to the Issuer that the Issuer shall be reimbursed for its reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument.

The Issuer shall not be obligated to execute any documents or take any other action under or pursuant to this Indenture, the Loan Agreement or any other document in connection with the Bonds unless and until provision for the payment of expenses of the Issuer shall have been made. Provisions for expenses shall be deemed to have been made upon arrangements reasonably satisfactory to the Issuer for the provision of expenses being agreed upon by the Issuer and the party requesting such execution.

ARTICLE V REDEMPTION OF BONDS PRIOR TO MATURITY

Section 5.01. Optional Redemption of Bonds.

(a) The Series 2020 Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2020 Promissory Note made by the Borrower pursuant to Section 11.01 of the Loan Agreement) in whole or in part on any date commencing July 1, 2027 (if less than all of such Series 2020 Bonds to be selected, as provided in Section 5.04 hereof), at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed as follows:

<u>Redemption Date</u>	<u>Price</u>
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

(b) Additional Bonds shall be subject to optional redemption at such times and upon such terms as shall be fixed by the related Supplemental Indenture.

(c) In case of optional redemption of the Bonds, the Borrower shall, at least 45 days prior to the redemption date (unless a shorter notice shall be satisfactory to the Trustee), deliver a written request to the Issuer and the Trustee notifying the Issuer and the Trustee of such redemption date and of the principal amount of the Bonds to be redeemed and shall, on or prior to the redemption date, deliver to the Trustee Protected Funds sufficient to pay the redemption price of all Bonds subject to, and selected for, redemption.

Section 5.02. Redemption of Bonds Upon Occurrence of Certain Events.

(a) The Bonds of a Series are also subject to extraordinary redemption at the expense of the Borrower from the Net Proceeds of any insurance policy or condemnation award and in the event the related Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings as provided in Sections 7.01 and 7.02 of the Loan Agreement; provided, such Net Proceeds are in excess of \$500,000 (plus the CPI Adjustment). If called pursuant to this Section 5.02(a), such Bonds are callable on any date in whole or in part from and to the extent of funds on deposit under this Indenture and available for this purpose, such funds to be Protected Funds, at a redemption price equal to the principal amount of each Bond to be redeemed and accrued interest to the redemption date.

(b) If at any time the Borrower achieves an investment grade or higher rating for the Series 2020 Bonds from S&P, Moody's, or Fitch Ratings or upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, the Series 2020 Bonds are subject to redemption at the option of the Borrower in whole or in part on any date, at their principal amount plus accrued interest to the date fixed for redemption, plus a 3% premium, reduced as determined by the schedule set forth in Section 5.01(a) hereof.

Section 5.03. Mandatory Sinking Fund Redemption.

(a) The Series 2020 Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund on the redemption dates and in the principal amounts as follows:

Tax-Exempt Series 2020A Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2050*	164,960,000	7.750

*Maturity Date for July 1, 2050 Term Bond

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2031	\$3,705,000	2041	\$7,815,000
2032	3,995,000	2042	8,425,000
2033	4,300,000	2043	9,075,000
2034	4,635,000	2044	9,780,000
2035	4,995,000	2045	10,535,000
2036	5,380,000	2046	11,355,000
2037	5,800,000	2047	12,235,000
2038	6,250,000	2048	13,180,000
2039	6,735,000	2049	14,205,000
2040	7,255,000	2050	15,305,000*

*Maturity Date

Taxable Series 2020B Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$6,810,000	9.000%

*Maturity Date for July 1, 2030 Term Bond

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2023	\$615,000	2027	\$870,000
2024	675,000	2028	950,000
2025	735,000	2029	1,035,000
2026	800,000	2030	1,130,000*

*Maturity Date

Tax-Exempt Turbo Redemption Series 2020C Bonds

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$31,000,000	6.750%

*Maturity Date for July 1, 2030 Term Bond

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2023	\$3,050,000	2027	\$3,960,000
2024	3,255,000	2028	4,225,000
2025	3,475,000	2029	4,510,000
2026	3,710,000	2030	4,815,000*

*Maturity Date

(b) Additional Bonds of a Series may be subject to mandatory sinking fund redemption at such times and upon such terms as shall be fixed by the related Supplemental Indenture relating to such Additional Bonds.

Section 5.03A. Mandatory Redemption Upon Determination of Taxability. The tax-exempt Bonds of a Series are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, plus a 5% premium, upon the occurrence of a Determination of Taxability related to such tax-exempt Bonds; provided, however, that the Trustee shall not redeem tax-exempt Bond of a Series unless the Trustee shall have on deposit Protected Funds in the amount sufficient to pay the principal amount of and the redemption premium on, plus accrued interest on, the tax-exempt Bonds of that Series to be redeemed to the date of such redemption. The redemption date shall be the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 12 months following the finalization of the Determination of Taxability.

Section 5.03B. Mandatory Redemption Upon Receipt of Surplus Revenues. To the extent surplus revenues are transferred to, and are available in the Accelerated Redemption Fund pursuant to Sections 3.18 and 3.24 hereof, the Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory redemption upon receipt of surplus revenues in the Accelerated Redemption Fund at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Tax-Exempt Turbo Redemption Series 2020C Bonds have been redeemed, surplus revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Taxable Series 2020B Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Taxable Series 2020B Bonds have been redeemed, revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Tax-Exempt Series 2020A Bonds maturing on or after July 1, 2030, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations.

Section 5.03C. Mandatory Redemption Related to Excess Bond Proceeds. To the extent excess Bond proceeds are transferred to and are available in the Surplus Fund pursuant to Sections 3.09 and 3.23 hereof, such excess Bond proceeds shall be applied to mandatory redemption of the Series 2020 Bonds in the manner set forth in Section 5.03B hereof.

Section 5.04. Method of Selecting Bonds. In the event that less than all of the Outstanding Series 2020 Bonds shall be redeemed, the Series 2020 Bonds will be redeemed in inverse order of

maturity, or if less than all of the Series 2020 Bonds in a single maturity shall be redeemed, the selection of Series 2020 Bonds or portions thereof to be redeemed shall be selected by lot within such maturity. Unless otherwise specifically stated in a Supplemental Indenture with respect to Additional Bonds, any partial redemption within a Series of Bonds shall be redeemed in inverse order of maturity, or if less than all of the Bonds in a single maturity shall be redeemed, the Bonds redeemed shall be selected by lot within such maturity.

Section 5.05. Notices of Redemption.

(a) In case of redemption of all or a portion of the Bonds pursuant to Section 5.01 hereof, the Borrower shall, at least 45 days prior to the redemption date, but in any event in sufficient time to permit the Trustee to give the notice in subsection (c) of this Section, deliver a written notice to the Issuer and the Trustee (unless a shorter notice shall be satisfactory to the Issuer and Trustee) notifying the Issuer and the Trustee of such redemption date and of the principal amount of the applicable series of Bonds to be redeemed and shall, prior to the redemption date, deliver to the Trustee sufficient funds to pay the redemption price of all such Bonds subject to redemption.

(b) All or a portion of the Bonds shall be called for extraordinary or mandatory redemption upon occurrence of the events set forth in Sections 5.02, 5.03, 5.03A or 5.03B hereof. The Trustee shall determine the principal amount of the Bonds to be called for redemption, the applicable redemption price or prices, and the provision or provisions of this Indenture pursuant to which such Bonds are to be called for redemption.

(c) In the case of every redemption, the Trustee shall cause notice of such redemption, in the name of the Issuer, by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient moneys (which in the case of a redemption pursuant to Sections 5.01, 5.02 or 5.03A shall be Protected Funds) to redeem such Bonds and that if such money is not so received, no Bonds shall be redeemed. The Trustee shall furnish the Borrower with a copy of each notice of redemption given with respect to any optional redemption under Section 5.01 hereof, any extraordinary redemption under Section 5.02 hereof or any mandatory redemption under Sections 5.03A, 5.03B or 5.03C hereof, as soon as practicable after the delivery of notice to the Registered Owners of the Bonds.

(d) Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Bonds are to be redeemed, the notice of redemption shall specify the series and numbers of the Bonds or portions thereof to be redeemed.

Section 5.06. Bonds Due and Payable on Redemption Date; Interest Ceases to Accrue.

On or before the redemption date specified in any notice of redemption of the Borrower delivered pursuant to Section 5.05 hereof, moneys (which in the case of a redemption pursuant to Sections 5.01, 5.02 or 5.03A shall be Protected Funds) sufficient to redeem all the Bonds called for redemption at the appropriate redemption price, including accrued interest to the date fixed for redemption, shall be deposited with the Trustee by the Borrower. On the redemption date, the principal amount of each Bond to be redeemed, together with the accrued interest thereon to such date and redemption premium, if any, shall become due and payable; and from and after such date, notice having been given and deposit having been made in accordance with the provisions of this Article, then, notwithstanding that any Bonds called for redemption shall not have been surrendered, no further interest shall accrue on any of such Bonds. From and after such date of redemption (such notice having been given and such deposit having been made) the Bonds to be redeemed shall not be deemed to be Outstanding hereunder, and the Issuer shall be under no further liability in respect thereof, as provided in Section 3.25 hereof.

Section 5.07. Cancellation. All Bonds that have been redeemed and all Bonds delivered to the Trustee by the Borrower for cancellation shall be cancelled by the Trustee and disposed of as provided in Section 2.09 hereof.

Section 5.08. Partial Redemption of Bonds. Upon surrender of any Bond for redemption in part only, the Issuer shall execute and the Trustee shall authenticate and deliver to the Registered Owner thereof, the cost of which shall be paid by the Borrower, a new Bond or Bonds of the same Series and maturity and of Authorized Denominations, in an aggregate principal amount equal to that portion of the Bond not redeemed.

Section 5.09. No Partial Optional Redemption in Event of Default. Notwithstanding any provisions of this Article, the Bonds shall not be subject to partial optional redemption pursuant to Section 5.01 hereof if an Event of Default has occurred hereunder and has not been cured or otherwise waived by the Trustee for the purpose of making any such redemption payment.

ARTICLE VI INVESTMENTS

Section 6.01. Investment of Moneys. Money in any Fund or subaccount therein shall be invested and reinvested by the Investment Manager in Investment Obligations, at the written direction of the Authorized Representative of the Borrower. Absent such written direction, the Trustee shall hold moneys uninvested. At no time shall any funds constituting gross proceeds of the tax- exempt Bonds be used in any manner to cause or result in a prohibited payment under applicable Regulations pertaining to, or in any other fashion as would constitute failure of compliance with, Section 148 of the Code. Investments of moneys in the Bond Fund shall mature or be redeemable at the times and in the amounts necessary to provide moneys to pay the principal of, premium, if any, and interest on the Bonds as they become due at stated maturity or by redemption. Each investment of moneys in the Funds shall mature or be redeemable without penalty at such time as may be necessary to make payments from such Fund.

Any of those investments may be purchased from or sold to the Investment Manager or any bank, trust company or savings and loan association affiliated with the Investment Manager or the Trustee. The Investment Manager shall sell or redeem investments credited to the Bond Fund to produce sufficient moneys applicable hereunder to and at the times required for the purposes of paying the principal of, premium, if any, and interest on the Bonds when due as aforesaid, and shall do so without necessity for any order on behalf of the Issuer and without restriction by reason of any order. An investment made from moneys credited to any of the Funds shall constitute part of that respective Fund. Proceeds of the sale of and income on investments in the Funds shall be credited to such Funds. For purposes of this Indenture, the Investment Obligations shall be valued by the Investment Manager on each January 1 and July 1 at face amount or market value, whichever is less, except as otherwise provided in Article III hereof.

The Trustee shall furnish the Borrower periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the Borrower. Upon the Borrower's election, such statements will be delivered via the Trustee's online service and upon electing such service, paper statements will be provided only upon request. The Borrower waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The Borrower further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker.

ARTICLE VII DISCHARGE OF INDENTURE

Section 7.01. Discharge of this Indenture. If, when the Bonds secured hereby shall be paid in accordance with their terms (or payment of the Bonds has been provided for in the manner set forth in the following paragraph), together with all other sums payable hereunder, all amounts payable to the Issuer and the Trustee under the Loan Agreement and all amounts payable to the United States Department of the Treasury pursuant to Section 148 of the Code, then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. Also if all Outstanding Bonds secured hereby shall have been purchased by the Borrower and delivered to the Trustee for cancellation, and all other sums payable hereunder, all amounts payable to the Issuer and the Trustee under the Loan Agreement, and all amounts payable to the United States Department of the Treasury pursuant to Section 148 of the Code have been paid, or provision shall have been made for the payment of the same, then this Indenture and the Trust Estate and all rights granted hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, upon the request of the Borrower, the Trustee shall assign and transfer to the Borrower all property then held by the Trustee hereunder with respect to the Borrower and shall execute such documents as may be reasonably required by the Borrower and shall turn over to the Borrower the appropriate amount of any surplus in any Fund pursuant to Section 3.23 hereof.

Payment of any Outstanding Bond shall, prior to the maturity or redemption date thereof, be deemed to have been provided for within the meaning and with the effect expressed in this Section if: (a) in the case that said Bond is to be redeemed on any date prior to its maturity, the Borrower shall have given to the Trustee in form satisfactory to it irrevocable instructions to give,

on a date in accordance with the provisions of Section 5.05 hereof, notice of redemption of such Bond on said redemption date, such notice to be given in accordance with the provisions of Section 5.05 hereof; (b) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations which shall not contain provisions permitting the redemption thereof at the option of the issuer thereof, the principal of and the interest on which when due, and without any reinvestment thereof, will provide moneys which, together with the moneys, if any, deposited with or held by the Trustee at the same time, shall be sufficient to pay when due the principal of and premium, if any, and interest due and to become due on said Bond on and prior to the redemption date or maturity date thereof, as the case may be; (c) there shall have been delivered to the Trustee a certificate from a firm of certified public accountants certifying as to the sufficiency of the deposit made pursuant to the preceding clause (b), provided, however, such certificate shall not be required if the deposit consists solely of moneys to be held by the Trustee without need for any investment thereof; (d) there shall have been delivered to the Trustee an opinion of Bond Counsel satisfactory to the Issuer that such payment does not adversely affect the exclusion from gross income of interest on the tax-exempt Bonds; and (e) in the event said Bond is not by its terms subject to redemption within the next 45 days, the Borrower shall have given the Trustee in form satisfactory to it irrevocable instructions to give, as soon as practicable in the same manner as the notice of redemption is given pursuant to Section 5.05 hereof, a notice to the Registered Owner of such Bond that the deposit required by (b) above has been made with the Trustee and that payment of said Bond has been provided for in accordance with this Section and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal of and premium, if any, and interest on said Bond. Neither such securities nor moneys deposited with the Trustee pursuant to this Section or principal or interest payments on any such securities shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest on said Bond; provided any cash received from such principal or interest payments on such securities deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in securities of the type described in clause (b) of this paragraph maturing at times and in amounts sufficient to pay when due the principal of and premium, if any, and interest to become due on said Bond on or prior to such redemption date or maturity date thereof, as the case may be. At such time as payment of a Bond has been provided for as aforesaid, such Bond shall no longer be secured by or entitled to the benefits of this Indenture, except for the purpose of any payment from such moneys or securities deposited with the Trustee.

The release of the obligations of the Issuer and Borrower under this Section shall be without prejudice to the right of the Trustee or the Issuer to be paid compensation for all services previously agreed upon in writing rendered by it hereunder and all its reasonable expenses, charges and other disbursements (including attorneys' fees and expenses) incurred on or about the administration of the trust hereby created and the performance of its powers and duties hereunder.

The provisions contained in this Section 7.01 apply equally to the discharge of the Lien of this Indenture for all of the Bonds or any portion thereof.

Section 7.02. Survival. Notwithstanding the payment in full of the Bonds, the discharge of this Indenture as set forth in Section 7.01 above, the resignation and removal of the Trustee and the termination or expiration of the Loan Agreement, the Leasehold Deed of Trust, and the Deposit

Account Control Agreement all provisions in this Indenture concerning (a) the tax-exempt status of any tax-exempt Series of Bonds (including, but not limited to provisions concerning the payment of the Rebate Amount), (b) the interpretation of this Indenture, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Issuer Indemnified Parties from liability, (g) the Issuer's lack of pecuniary liability; and (h) the indemnity of the Trustee and the Trustee Indemnified Parties and the rights, powers and duties of the Trustee as may be necessary and convenient for the payment of amounts due or to become due on the Bonds and the registration, transfer, exchange and replacement of Bonds, shall survive and remain in full force and effect.

ARTICLE VIII DEFAULTS AND REMEDIES

Section 8.01. Events of Default. Each of the following is hereby defined as and shall be deemed an "Event of Default" with respect to Bonds issued under this Indenture:

(a) Failure in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at the stated maturity thereof, on a sinking fund payment date or upon proceedings for redemption.

(b) Failure in the payment of any installment of interest on any Bond when the same shall become due and payable.

(c) Failure to observe or perform any other covenant, agreement, contract or other provision of the Bonds or this Indenture (other than as referred to in (a) or (b) of this Section) and such default shall continue for a period of 45 days after written notice to the Issuer, the Borrower and the Trustee from the Beneficial Owners of at least 25% in aggregate principal amount of the Bonds then Outstanding, or to the Issuer and the Borrower from the Trustee, specifying such default and requiring the same to be remedied; provided that, with respect to any such failure covered by this subsection (c), no Event of Default shall be deemed to have occurred so long as a course of action adequate to remedy such failure shall have been commenced within such 45-day period and shall thereafter be diligently prosecuted to completion and the failure shall be remedied thereby within 90 days of such notification.

(d) The occurrence of an "Event of Default" under the Loan Agreement, Deposit Account Control Agreement, or the Leasehold Deed of Trust.

Upon the occurrence of an Event of Default with respect to Bonds under this Indenture, the Trustee shall promptly notify the Borrower and the Issuer by electronic mail, confirmed by overnight mail or courier, of such occurrence, which notification shall set forth the specific nature of the Event of Default or Defaults.

The time periods for cure set forth in (c) above shall not be applicable to any events or actions which cause or might cause a Determination of Taxability.

Section 8.02. Remedies for Events of Default Under this Indenture. Upon the occurrence of an Event of Default with respect to Bonds issued hereunder, the Trustee shall have the following rights and remedies:

(a) Acceleration. In the event the Borrower is in default under any Loan Agreement, the Trustee (i) may by notice in writing given to the Issuer and the Borrower or (ii) shall, upon the written request of the Beneficial Owners of not less than a majority of the Bonds then Outstanding, declare the principal amount of all Bonds then Outstanding and the interest accrued thereon to be immediately due and payable and said principal and interest shall thereupon become immediately due and payable. Upon any declaration of acceleration hereunder, the Issuer and the Trustee shall immediately declare all Loan Payments under the Loan Agreement to be immediately due and payable as provided in Section 10.02 of the Loan Agreement.

(b) Receivership. Upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Registered Owners, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers, with respect to the Borrower, of the rents, revenues, income, products and profits related to the Borrower and the Facilities, pending such proceedings, but, notwithstanding the appointment of any receiver, trustee or other custodian, the Trustee shall be entitled to the possession and control of any cash, securities or other instruments at the time held by, or payable or deliverable under the provisions of this Indenture to, the Trustee.

(c) Foreclosure. The Trustee shall have the right of foreclosure on all or any portion of any Facilities or any interest of the Issuer or Borrower therein with the power of sale under the Leasehold Deed of Trust and may realize upon the security interest in the Pledged Revenues and exercise all of the rights and remedies of a secured party under the Uniform Commercial Code of the State with respect thereto. Notwithstanding the foregoing, the parties hereby acknowledge Trustee's powers as set forth in this Section 8.02(c) may be impacted in the event of an exercise of the first right of purchase set forth in Section 11.04 of the Ground Lease between Pacific Proving, LLC and Borrower, dated May 20, 2020, as amended by that certain Amendment No. 1 to Ground Lease, dated July 27, 2020, and a successful purchase of all of the Bonds then Outstanding by the landlord under such ground lease.

(d) Suit for Judgment on the Bonds. The Trustee shall be entitled to sue for and recover judgment, either before or after or during the pendency of any proceedings for the enforcement of the Lien of this Indenture, for the enforcement of any of its rights, or the rights of the Registered Owners, but any such judgment against the Issuer shall be enforceable only against the Trust Estate. No recovery of any judgment by the Trustee shall in any manner or to any extent affect the Lien of this Indenture or any rights, powers or remedies of the Trustee hereunder, or any liens, rights, powers or remedies of the Registered Owners of the Bonds, but such liens, rights, powers and remedies of the Trustee and of the Registered Owners shall continue unimpaired as before.

No right or remedy is intended to be exclusive of any other right or remedy, but each and every such right or remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law or in equity or by statute.

If any Event of Default hereunder shall have occurred, and if requested by the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding, and after being indemnified or receiving other assurances as provided in Section 9.01 hereof, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Registered Owners of such Bonds.

Section 8.03. Direction of Remedies. Anything in this Indenture to the contrary notwithstanding, the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, at any time, to the extent permitted by law, by an instrument or instruments in writing executed and delivered to the Trustee, to direct the time, method, and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Indenture, or for the appointment of a receiver, or any other proceedings or remedies permitted in accordance with the provisions hereof. The Trustee shall not be required to act on any direction given to it pursuant to this Section unless it has received indemnity satisfactory to it as provided in Section 9.01 hereof.

Section 8.04. Rights and Remedies of Registered Owners. No Registered Owner of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default has occurred of which the Trustee has been notified as provided in Section 9.01 hereof, or of which by Section 9.01 hereof it is deemed to have notice, nor unless such default shall have become an Event of Default and the Registered Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless they have also offered to the Trustee indemnity or other assurances as provided in Section 9.01 hereof nor unless the Trustee shall thereafter fail or refuse to exercise within a reasonable period of time (not to exceed 30 days) the powers hereinbefore granted, or to institute such action, suit or proceeding in its own name; and such notification, request, and offer of indemnity or other assurances are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more Registered Owners of the Bonds shall have the right in any manner whatsoever to affect, disturb or prejudice the Lien of this Indenture by his, her or their action or to enforce any right hereunder except in the manner herein provided and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal benefit of the Registered Owners of the Bonds then Outstanding (it being understood that the Trustee does not have an affirmative duty to ascertain whether or not such actions or forbearances are unduly prejudicial to such Registered Owners). Nothing in this Indenture contained shall, however, affect or impair the right of any Registered Owner of Bonds to enforce the payment, by the institution of any suit, action or proceeding in equity or at law, of the principal of, premium, if any or interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on each of the Bonds to the respective Registered Owners of the Bonds at the time and place, from the source and in the manner herein and in the Bonds expressed.

Section 8.05. Application of Moneys. All moneys received by the Trustee pursuant to any right given or action taken under the provisions of this Article shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys, including the costs and expenses of the Registered Owners and the expenses, liabilities and advances incurred or made by the Trustee, including fees and expenses of its attorneys, agents and advisors, be held or deposited into the Bond Fund during the continuance of an Event of Default and shall be applied as follows:

(a) Unless the principal of all the Bonds in default shall have become or shall have been declared due and payable, all such moneys shall be applied:

FIRST, to the payment to the Persons entitled thereto of all of interest then due on the Bonds, in the order of the maturity of such interest and, if the amount available shall not be sufficient to pay in full any particular installment, then to the payment ratably, according to the amounts due on such installment, to the Persons entitled thereto, without any discrimination or privilege; and

SECOND, to the payment to the Persons entitled thereto of the unpaid principal of and premium, if any, on any of the Bonds which shall have become due (other than Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of their due dates and, if the amount available shall not be sufficient to pay in full Bonds due on any particular date, together with such interest, then to the payment ratably, according to the amount of principal due on such date, to the persons entitled thereto, without any discrimination or privilege.

(b) If the principal of all the Bonds shall have become due or shall have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon all of the Bonds, without preference or priority of principal over interest or of interest over principal, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege.

(c) If the principal of all the Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this Article then, subject to the provisions of paragraph (b) of this Section in the event that the principal of all the Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of paragraph (a) of this Section.

Whenever moneys are to be applied pursuant to the provisions of this Section, such moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Trustee shall apply such funds, it shall fix the date (which shall be an Interest Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such dates shall cease to accrue. The Trustee shall give such notice as it may deem appropriate of the deposit of any such moneys and of the fixing of any such date, and shall not be required to make payment to the Registered Owner of any Bond until

such Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if fully paid.

Whenever all of the Bonds, the premium, if any, and interest thereon have been paid under the provisions of this Section and all expenses and fees of the Trustee (including attorneys' fees and expenses) and all other amounts to be paid to the Issuer or the Trustee or the United States Department of the Treasury hereunder or under the Loan Agreement have been paid, any balance remaining in the Funds shall be applied as provided in Section 3.23 hereof.

Section 8.06. Trustee May Enforce Rights Without Bonds. All rights of action and claims under this Indenture or any of the Bonds Outstanding may be enforced by the Trustee without the possession of any of the Bonds or the production thereof in any trial or proceedings relative thereto; and any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee, without the necessity of joining as plaintiffs or defendants any Registered Owners of the Bonds.

Section 8.07. Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer or to the Borrower or any other obligor upon the Bonds or to the property of the Issuer, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, from prepayment on the Promissory Notes, as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer and/or the Borrower for the payment of overdue principal or interest) shall be entitled and empowered, by intervention of such proceeding or otherwise:

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Registered Owners allowed in such judicial proceeding; and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(b) any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Registered Owner to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Registered Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel.

So long as Bonds are Outstanding the Trustee is hereby appointed, and the successive respective Registered Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective Registered Owners of the Bonds, with authority to make or file, in the respective names of the Registered Owners of the Bonds or on behalf of all Registered Owners of the Bonds, as a class, any proof of debt, amendment to proof of debt, petition or other documents and to execute any

other papers and documents and to do and perform any and all acts and things for and on behalf of all Registered Owners of the Bonds as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claim of the Registered Owners of the Bonds against the Issuer, the Borrower or any other obligor allowed in receivership, insolvency, liquidation, bankruptcy or other proceeding, to which the Issuer, the Borrower or any other obligor, as the case may be, shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 8.08. Delay or Omission No Waiver. No delay or omission of the Trustee or of any Registered Owner to exercise any right or power accruing upon any default shall exhaust or impair any such right or power or shall be construed to be a waiver of any such default, or acquiescence therein; and every power and remedy given by this Indenture may be exercised from time to time and as often as may be deemed expedient.

Section 8.09. No Waiver of One Default to Affect Another. No waiver of any default hereunder, whether by the Trustee or the Registered Owners, shall extend to or affect any subsequent or any other then existing default or shall impair any rights or remedies consequent thereon.

Section 8.10. Discontinuance of Proceedings on Default; Position of Parties Restored. In case the Trustee or the Registered Owners shall have proceeded to enforce any rights under this Indenture and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or the Registered Owners, then and in every such case the Issuer, the Trustee and the Registered Owners shall be restored to their former position and rights hereunder with respect to the Trust Estate, and all rights, remedies, and powers of the Issuer, the Trustee and the Registered Owners shall continue as if no such proceedings had been taken.

Section 8.11. Waivers of Events of Default. The Trustee may waive any Event of Default hereunder and its consequences and rescind any declaration of acceleration of maturity of principal of and interest on the Bonds, and shall do so upon the written request of the Registered Owners of at least two-thirds (2/3) of the aggregate principal amount of the Bonds then Outstanding; provided, however, that there shall not be waived (a) any Event of Default in the payment of the principal of or premium on any Outstanding Bonds at the date of maturity or redemption thereof or any default in the payment when due of the interest on any such Bonds, unless prior to such waiver or rescission, all arrears of interest or all arrears of payments of the principal and premium, if any, and all expenses of the Trustee, and all amounts to be paid to the Issuer and the Trustee hereunder and under the Loan Agreement, in connection with such default shall have been paid or provided for, or (b) any default in the payment of amounts set forth in Section 5.01(f) of the Loan Agreement. In case of any such waiver or rescission, or in case any proceedings taken by the Trustee on account of any such default shall have been discontinued or abandoned or determined adversely to the Trustee, then and in every such case the Issuer, the Trustee and the Registered Owners shall be restored to their former positions and rights hereunder respectively, but no such waiver or rescission shall extend to or affect any subsequent or other default, or impair any rights or remedies consequent thereon.

ARTICLE IX CONCERNING THE TRUSTEE

Section 9.01. Duties of the Trustee. The Trustee hereby accepts the trusts imposed upon it by this Indenture and agrees to perform said trusts, but only upon and subject to the following express terms and conditions, and no implied covenants or obligations shall be read into this Indenture against the Trustee:

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing or waiver of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under similar circumstances.

(b) The Trustee may execute any of the trusts hereof or powers hereunder and perform any of its duties by or through attorneys, agents, receivers or employees but shall be answerable for the conduct of the same in accordance with the standards specified above and in subsection (g) of this Section, and shall be entitled to act upon an Opinion of Counsel concerning all matters of the trust hereof and its duties hereunder, and may in all cases pay such reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trusts hereof. The Trustee may act upon an Opinion of Counsel and shall not be responsible for any loss or damage resulting from any action taken by the Trustee, or any failure to act by the Trustee, when such action or inaction are in good faith in reliance upon such Opinion of Counsel.

(c) The Trustee shall not be responsible for any recital herein or in the Bonds (except in respect to the certificate of authentication of the Trustee endorsed on the Bonds), or for insuring the Facilities or collecting any insurance moneys or for the validity of the execution by the Issuer of this Indenture or of any supplements hereto or instruments of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value of or title to the Facilities, and the Trustee shall not be bound to ascertain or inquire as to the performance or observance of any covenants, conditions or agreements on the part of the Issuer, or on the part of the Borrower, except as hereinafter set forth; but the Trustee may require of the Borrower full information and advice as to the performance of the covenants, conditions, and agreements as to the condition of the Facilities contained herein or in the Loan Agreement. The Trustee shall not be responsible or liable for any loss, tax, fee or other charge suffered in connection with any investment, reinvestment or liquidation of an investment of funds made by it in accordance with Section 6.01 hereof.

(d) The Trustee shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Trustee may become the Registered Owner of the Bonds with the same rights which it would have if not Trustee.

(e) The Trustee shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, opinion or other paper or document reasonably believed to be

genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Trustee pursuant to this Indenture upon the request or the consent of the Issuer or any person who at the time of making such request or giving such consent is the Registered Owner of any Bonds shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in place thereof.

(f) As to the existence or nonexistence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to conclusively rely upon a certificate signed on behalf of the Issuer by an Authorized Representative of the Issuer or on behalf of the Borrower by an Authorized Representative of the Borrower or such other person as may be designated for such purpose by the Issuer or Borrower as sufficient evidence of the facts therein contained, and prior to the occurrence of a default of which the Trustee has been notified as provided in subsection (h) of this Section, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive rights of the Trustee to do things enumerated in this Indenture shall not be construed as a duty, and the Trustee shall not be answerable for other than its negligence or willful misconduct and shall not be answerable for any negligent act of its attorneys, agents or receivers which have been selected by the Trustee with due care, subject to Section 9.01(b) hereof.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any default hereunder, except for failure of any payments set forth in Article III hereof, unless a responsible officer in the trust department of the Trustee shall be specifically notified in writing of such default by the Issuer or the Registered Owners of at least a majority in aggregate principal amount of Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee, must, in order to be effective, be delivered at the address of the Trustee provided for in Section 11.09 hereof, and, in the absence of such notice so delivered, the Trustee may conclusively assume that there is no default except as aforesaid.

(i) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Indenture or law. The Trustee shall not be under any liability for interest on any moneys received hereunder.

(j) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right, but shall not be required, to inspect any and all of the Trust Estate, including all books, papers and records of the Borrower pertaining to the Project and the Bonds.

(k) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the premises.

(l) Notwithstanding anything in this Indenture contained, the Trustee shall have the right, but shall not be required, to demand in respect of the authentication of any Bonds, the

withdrawal of any cash, the release of any property or any action whatsoever within the purview of this Indenture, any showings, certificates, opinions, appraisals or other information or corporate action or evidence thereof, in addition to that by the terms hereof required, as a condition of such action by the Trustee deemed desirable for the purpose of establishing the right of the Issuer or the Borrower to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Trustee.

(m) Before taking any action under Article VIII hereof, the Trustee may require that indemnity satisfactory to it or other assurances be furnished to it for the reimbursement of all expenses which it may incur and to protect it against all risk and liability by reason of any action so taken, including without limitation any and all environmental liability, and except only any liability which may result from its negligence or willful misconduct. The Trustee may take action without requiring such indemnification or other assurances and in such event, the Trustee shall be entitled to indemnification by the Borrower pursuant to Section 8.06 of the Loan Agreement and to reimbursement of its fees and expenses (including attorneys' fees and expenses) pursuant to Section 9.02 hereof.

(n) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or other disclosure prepared or distributed in connection with the Bonds.

(o) The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(p) In no event shall the Trustee be responsible or liable for special, indirect, punitive or consequential loss or damage of any kind whatsoever (including, but not limited to, loss of profit) irrespective of whether the Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

Section 9.02. Fees and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement for its reasonable fees for its services rendered hereunder as and when the same become due and all expenses reasonably and necessarily made or incurred by the Trustee in connection with such services, including legal fees and expenses, as and when the same become due as provided in Section 5.01 of the Loan Agreement. The covenants in this Section 9.02 shall survive the termination of this Indenture, the discharge of the Bonds and the resignation and removal of the Trustee.

Section 9.03. Resignation or Replacement of Trustee. The present or any future Trustee may resign by giving to the Issuer, the Borrower, and the Registered Owners 90 days' notice of such resignation. Such resignation shall take effect immediately on the appointment of a successor. The present or any future Trustee may be removed at any time by an instrument or concurrent instruments in writing signed by the Issuer, by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding or, if the Borrower is not in default under the Loan Agreement, by the Borrower and such removal shall take effect immediately on the appointment

of a successor. The Trustee may also be removed at any time for any breach of the trust set forth herein.

In case the present or any future Trustee shall at any time resign or be removed or otherwise become incapable of acting, a successor may be appointed by the Registered Owners of a majority in aggregate principal amount of the Bonds Outstanding by an instrument or concurrent instruments signed by such Registered Owners, or their attorneys-in-fact duly appointed; provided that the Issuer (with the consent of the Borrower if it is not then in default under the Loan Agreement) or the Borrower (if it is not then in default under the Loan Agreement) may appoint a successor until a new successor shall be appointed by the Registered Owners of a majority in aggregate principal amount of Bonds Outstanding as herein authorized. The Issuer, upon making such appointment, shall forthwith give notice thereof to the Registered Owners and the Borrower, which notice may be given concurrently with the notice of resignation given by any resigning Trustee. Any successor so appointed by the Issuer shall immediately and without further act be superseded by a successor appointed in the manner above provided by the Registered Owners of a majority in aggregate principal amount of the Bonds then Outstanding. In the event that the Issuer or the Registered Owners fail to appoint a successor within 60 days after the giving of notice of resignation or removal, the Trustee may at the expense of the Borrower, petition a court of competent jurisdiction for appointment of a successor trustee.

Every successor trustee shall always be a bank or trust company in good standing, be qualified to act hereunder, be subject to examination by a federal or state authority and have capital and surplus of not less than \$50,000,000. Any successor appointed hereunder shall execute, acknowledge and deliver to the Issuer an instrument accepting such appointment hereunder, and thereupon such successor shall, without any further act, deed or conveyance, become vested with all the estates, properties, rights, powers and trusts of its predecessor in the trust hereunder with like effect as if originally named as Trustee herein; but the Trustee retiring shall, nevertheless, on the written demand of its successor, execute and deliver an instrument conveying and transferring to such successor, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the predecessor (subject, however, to the terms and conditions herein set forth, including, without limitation, the right of the predecessor Trustee to be paid and reimbursed in full for its fees and expenses pursuant to Section 9.02 hereof and to be indemnified pursuant to Section 8.06 of the Loan Agreement), who shall duly assign, transfer and deliver to the successor all properties and moneys held by it under this Indenture. Should any instrument in writing from the Issuer be reasonably required by any successor for such vesting and confirming, the Issuer shall execute, acknowledge and deliver the said deeds, conveyances and instruments on the request of such successor.

The notices provided for in this Section to be given to the Registered Owners shall be given by the Trustee by mailing to the Registered Owners of the Bonds at their addresses as the same shall last appear upon the registration records. The notices provided for in this Section to be given to the Issuer, the Borrower and the retiring Trustee shall be given in accordance with Section 11.09 hereof.

The instruments evidencing the resignation or removal of the Trustee and the appointment of a successor hereunder, together with all other instruments provided for in this Section, shall be

filed and/or recorded by the successor Trustee in each recording office where this Indenture shall have been filed and/or recorded.

Section 9.04. Conversion, Consolidation or Merger of Trustee. Any bank or trust company into which the Trustee or its successor may be converted, merged or with which it may be consolidated, or to which it may sell or transfer its trust business as a whole or substantially as a whole shall be the successor of the Trustee under this Indenture with the same rights, powers, duties and obligations and subject to the same restrictions, limitations and liabilities as its predecessor, all without the execution or filing of any papers or any further act on the part of any of the parties hereto, anything herein to the contrary notwithstanding. In case any of the Bonds to be issued hereunder shall have been authenticated, but not delivered, any successor Trustee may adopt the certificate of any predecessor Trustee, and deliver the same as authenticated; and, in case any of such Bonds shall not have been authenticated, any successor Trustee may authenticate such Bonds in the name of such successor Trustee.

ARTICLE X SUPPLEMENTAL INDENTURES AND AMENDMENTS OF THE LOAN AGREEMENT AND THE LEASEHOLD DEED OF TRUST

Section 10.01. Supplemental Indentures Not Requiring Consent of Registered Owners. The Issuer may and, at the request of the Borrower, the Trustee may, without the consent of, or notice to, the Registered Owners, enter into such indentures supplemental hereto (which supplemental indentures shall thereafter form a part hereof) for any one or more or all of the following purposes:

- (a) To add to the covenants and agreements of the Issuer contained in this Indenture for the protection or benefit of the Registered Owners, other covenants and agreements thereafter to be observed for the protection or benefit of the Registered Owners, or to surrender or limit any right or power herein reserved or conferred upon the Issuer;
- (b) To cure any ambiguity, or to cure, correct or supplement any defect or inconsistent provision contained in this Indenture, or to make any provisions with respect to matters arising under this Indenture or for any other purpose if such provisions are necessary or desirable and do not materially adversely affect the interests of the Registered Owners of the Bonds;
- (c) To subject to the Lien of this Indenture additional revenues, properties or collateral;
- (d) To modify, alter, amend or supplement this Indenture in such a manner as shall permit the qualification hereof under the Trust Indenture Act of 1939, as from time to time amended; or
- (e) To provide for the issuance of Additional Bonds unless consent is required pursuant to Section 2.11 hereof.

Section 10.02. Supplemental Indentures Requiring Consent of Registered Owners. Exclusive of supplemental indentures covered by Section 10.01 hereof, the Registered Owners of

at least a majority of aggregate principal amount of the Bonds then Outstanding shall have the right, from time to time, to consent to and approve the execution by the Issuer and the Trustee of such indenture or indentures supplemental hereto as shall be deemed necessary or desirable by the Issuer for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that without the consent of the Registered Owners of all of the Bonds at the time Outstanding and adversely affected thereby nothing herein contained (exclusive of supplemental indentures covered by Section 10.01 hereof) shall permit, or be construed as permitting:

- (a) an extension of the maturity of, or a reduction of the principal amount of, or a reduction of the rate of, or extension of the time of payment of interest on, or a reduction of a premium payable upon any redemption of, any Bond;
- (b) the deprivation of the Registered Owner of any Bond then Outstanding of the Lien or the priority of the Lien created by this Indenture (other than as permitted hereby when such Bond was initially issued);
- (c) a privilege or priority of any Bond or Bonds over any other Bond or Bonds; or
- (d) a reduction in the aggregate principal amount of the Bonds, if any, required for consent to such supplemental indenture or amendment to the Loan Agreement or Deposit Account Control Agreement.

If at any time the Issuer shall request the Trustee to enter into such supplemental indenture for any of the purposes of this Section, the Trustee shall, upon being reasonably indemnified to its satisfaction by the Borrower with respect to expenses, mail by first-class mail notice of the proposed execution of such supplemental indenture to the Registered Owners of the Bonds at their addresses as the same shall last appear upon the registration records. Notice of such execution shall be prepared by the Issuer. The Borrower shall be responsible for such expenses. Such notice shall briefly set forth the nature of the proposed supplemental indenture and shall state that copies thereof are on file at the designated corporate trust office of the Trustee for inspection. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such supplemental indenture shall have consented to and approved the execution thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

No Supplemental Indenture shall supplement or amend (i) the definition of Underwriter hereunder or (ii) the requirement in paragraph 4 of Section 2.11 that the authorizing resolution of the Issuer authorize a Bond Purchase Agreement with the Underwriter.

Section 10.03. Execution of Supplemental Indentures. The Trustee is authorized to join with the Issuer in the execution of any such supplemental indenture and to make further agreements and stipulations that may be contained therein, but the Trustee shall not be obligated to enter into

any such supplemental indenture that materially adversely affects its rights, duties, or immunities under this Indenture. The Trustee shall be provided an opinion of Bond Counsel to the effect that each such supplemental indenture (a) has been validly authorized and duly executed by the Issuer and is enforceable against the Issuer in accordance with its terms, (b) will not adversely affect the qualification of the Bonds as obligations that may be issued pursuant to the Act, (c) will not adversely affect the exclusion from gross income of interest on a tax-exempt Series of Bonds for federal income tax purposes and (d) is permitted pursuant to the terms of this Indenture. Any supplemental indenture executed in accordance with the provisions of this Article shall thereafter form a part of this Indenture and all the terms and conditions contained in any such supplemental indenture as to any provision authorized to be contained therein shall be deemed to be part of this Indenture for any and all purposes. In case of the execution and delivery of any supplemental indenture, express reference may be made thereto in the text of the Bonds issued thereafter, if any.

Section 10.04. Issuer Consent Required to Less Restrictive Requirements of Indenture and Loan Agreement. The Issuer has imposed certain requirements on the Trustee, the Borrower, the ownership or operation of the Facilities, or the Bonds, that are more restrictive than those required by the Act, the Regulations, or the Code, and, for that reason, any proposed amendment, modification, or supplement to this Indenture or the Loan Agreement that provides for less restrictive covenants than required by the Issuer, but permitted by law, shall require the Issuer's consent, which may be withheld for any reason.

Section 10.05. [Reserved]

Section 10.06. Amendments, etc., of the Loan Agreement and Deposit Account Control Agreement Not Requiring Consent of Registered Owners. The Issuer and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of a Loan Agreement and Deposit Account Control Agreement as may be required (a) by the provisions of such Loan Agreement and Deposit Account Control Agreement or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein that is not to the adverse prejudice of the Trustee nor materially adversely affects the interests of the Registered Owners of the Bonds.

Section 10.07. Amendments, etc., of the Loan Agreement and Deposit Account Control Agreement Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.06 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of a Loan Agreement and Deposit Account Control Agreement without the giving of notice to and receiving the written approval or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Issuer and the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Loan Agreement and Deposit Account Control Agreement, the Trustee shall, upon being reasonably indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall be prepared by the Borrower and shall briefly set forth the nature of such proposed amendment, change or modification and

shall state that copies of the instrument embodying the same are on file at the designated office of the Trustee for inspection. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the applicable Series of Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.08. Execution of Amended Loan Agreement and Deposit Account Control Agreement. The Trustee shall, prior to its consent to any supplemental amendment or change to a Loan Agreement and Deposit Account Control Agreement, require delivery of (a) an opinion of the Issuer's legal counsel to the effect that such supplemental amendment or change to the Loan Agreement and Deposit Account Control Agreement has been validly authorized and duly executed by the Issuer and is enforceable against the Issuer in accordance with its terms, (b) an opinion of legal counsel to the Borrower to the effect that such supplemental amendment or change to the Loan Agreement and Deposit Account Control Agreement has been validly authorized and duly executed by the Borrower and is enforceable against the Borrower in accordance with its terms, and (c) an opinion of Bond Counsel to the effect that such supplemental amendment or change to the Loan Agreement and Deposit Account Control Agreement will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act, will not adversely affect the exclusion from gross income of interest on any tax-exempt Series of Bonds for federal income tax purposes, and is permitted pursuant to the terms of this Indenture. After execution thereof, any supplemental amendment, modification or change to a Loan Agreement and Deposit Account Control Agreement executed in accordance with the provisions of this Article shall thereafter form a part of such Loan Agreement and Deposit Account Control Agreement and all the terms and conditions contained in any such amendment, modification or change to such Loan Agreement and Deposit Account Control Agreement as to any provision authorized to be contained therein shall be deemed to be part of such Loan Agreement and Deposit Account Control Agreement for any and all purposes.

Section 10.09. [Reserved]

Section 10.10. Amendments, etc., of a Leasehold Deed of Trust Not Requiring Consent of Registered Owners. The Issuer and the Trustee may, without the consent of or notice to the Registered Owners, consent to any amendment, change or modification of a Leasehold Deed of Trust as may be required (a) by the provisions of the Leasehold Deed of Trust or this Indenture, (b) for the purpose of curing any ambiguity or formal defect or omission, or (c) in connection with any other change therein which is not to the adverse prejudice of the Trustee nor materially adversely affects the interests of the Registered Owners of the Bonds.

Section 10.11. Amendments, etc., of a Leasehold Deed of Trust Requiring Consent of Registered Owners. Except for the amendments, changes or modifications referred to in Section 10.10 hereof, neither the Issuer nor the Trustee shall consent to any other amendment, change or modification of the Leasehold Deed of Trust without the giving of notice and the written approval

or consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, subject to the same limitations set forth in Section 10.02 hereof. Such notice and consent shall be given and procured as provided in Section 10.02 hereof. If at any time the Borrower shall request the consent of the Trustee to any such proposed amendment, change or modification of the Leasehold Deed of Trust, the Trustee shall, upon being reasonably indemnified by the Borrower with respect to expenses, cause notice of such proposed amendment, change or modification to be given in the same manner as provided in Section 10.02 hereof. Such notice shall be prepared by the Borrower and shall briefly set forth the nature of such proposed amendment, change or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Trustee for inspection by all Registered Owners. If, within 60 days following the mailing of such notice, the Registered Owners of the requisite principal amount of the Bonds Outstanding at the time of the execution of any such amendment, change or modification shall have consented to and approved the execution of the agreement reflecting such amendment, change or modification thereof as herein provided, no Registered Owner of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the Borrower or the Issuer from executing the same or from taking any action pursuant to the provisions thereof.

Section 10.12. Execution of Amended Leasehold Deed of Trust. The Trustee shall, prior to its consent to any supplemental amendment or change to the Leasehold Deed of Trust, require delivery of (a) an opinion of legal counsel to the Borrower and the trustor thereunder (if the Borrower is not the trustor) to the effect that such supplemental amendment or change to the Leasehold Deed of Trust has been validly authorized and duly executed by the Borrower and the trustor thereunder (if the Borrower is not the trustor) and is enforceable against the Borrower and the trustor thereunder (if the Borrower is not the trustor) in accordance with its terms, and (b) an opinion of Bond Counsel to the effect that such supplemental amendment or change to the Leasehold Deed of Trust will not adversely affect the qualification of the Bonds as obligations which may be issued pursuant to the Act, will not adversely affect the exclusion from gross income of interest on any tax-exempt Series of Bonds for federal income tax purposes, and is permitted pursuant to the terms of this Indenture. After execution thereof, any supplemental amendment, modification or change to such Leasehold Deed of Trust executed in accordance with the provisions of this Article shall thereafter form a part of the Leasehold Deed of Trust and all the terms and conditions contained in any such amendment, modification or change to that Leasehold Deed of Trust as to any provision authorized to be contained therein shall be deemed to be part of such Leasehold Deed of Trust for any and all purposes.

ARTICLE XI MISCELLANEOUS

Section 11.01. Evidence of Signature of Registered Owners and Ownership of Bonds. Any request, consent or other instrument which this Indenture may require or permit to be signed and executed by the Registered Owners may be in one or more instruments of similar tenor, and shall be signed or executed by such Registered Owners in person or by their attorneys appointed in writing. Proof of the execution of any such instrument or of an instrument appointing any such attorney, or the Registered Owners of Bonds shall be sufficient (except as otherwise herein

expressly provided) if made in the following manner, but the Trustee may, nevertheless, require further or other proof in cases where it deems the same desirable:

(a) The fact and date of the execution by any Registered Owner or his or her attorney of such instrument may be proved by the certificate of any officer authorized to take acknowledgments in the jurisdiction in which he purports to act that the person signing such request or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution, duly sworn to before a notary public.

(b) The Registered Owners of any Bond and the amount and numbers of such Bonds and the date of owning the same shall be proved by the registration records of the Issuer kept by the Trustee.

Any request or consent of the Registered Owner of any Bond shall bind all future owners of such Bond in respect of anything done or suffered to be done by the Issuer or the Trustee in accordance therewith.

Section 11.02. Parties Interested Herein. With the exception of rights herein expressly conferred on the Borrower, nothing in this Indenture expressed or implied is intended or shall be construed to confer upon or to give to, any person other than the Issuer, the Issuer Indemnified Parties, the Trustee, the Trustee Indemnified Parties and the Registered Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Issuer shall be for the sole and exclusive benefit of the Issuer, the Issuer Indemnified Parties, the Trustee, the Trustee Indemnified Parties and the Registered Owners of the Bonds.

Section 11.03. Titles, Headings, Etc. The titles and headings of the articles, sections, and subsections of this Indenture have been inserted for convenience of reference only and shall in no way modify or restrict any of the terms or provisions hereof.

Section 11.04. Severability. In the event any provision of this Indenture shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.05. Third Party Beneficiaries. Each of the Issuer Indemnified Parties, other than the Issuer, and the Trustee Indemnified Parties, other than the Trustee, are intended third party beneficiaries of this Indenture. Nothing in this Indenture shall confer any right upon any person other than the parties hereto and the specifically designated third party beneficiaries of this Indenture.

Section 11.06. Governing Law. This Indenture shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to any choice-of-law or conflicts-of-law principles or provisions, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Indenture

against the Issuer shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower or the Facilities.

Section 11.07. Execution in Counterparts. This Indenture may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. The exchange of copies of this Indenture and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Indenture as to the parties hereto and may be used in lieu of the original Indenture and signature pages for all purposes.

Section 11.08. Limitation of Liability of Officials of Issuer. Anything in this Indenture to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Trustee or the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Indenture, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Project or the issuance and sale of the Bonds, against any of the Issuer Indemnified Parties, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any of the Issuer Indemnified Parties, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Trustee, or to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each of the Issuer Indemnified Parties is, by the execution of the Bonds, this Indenture, and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Bonds, this Indenture, and the other Issuer Documents, is expressly waived and released.

No agreements or provisions contained herein, or any agreement, covenant, or undertaking by the Issuer in connection with the Project or the issuance, sale, and/or delivery of the Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the revenues pledged hereby for the payment of the Bonds and their application as provided in this Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Bonds, this Indenture or the Loan Agreement, or in any document executed by the Issuer in connection with the Project, the Facilities or the issuance and sale of the Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent the same can be paid or recovered from the Revenues pledged for the payment of the Bonds or other revenues derived under the Loan Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Revenues pledged under this Indenture for the payment of the

Bonds or other revenue derived under the Loan Agreement. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against the Issuer's general credit. In making the agreements, provisions, and covenants set forth in this Indenture, the Issuer has not obligated itself, except with respect to the application of the Revenues pledged in this Indenture for the payment of the Bonds or other revenues derived under the Loan Agreement.

Except during the continuance of an Event of Default, the Borrower shall have the duty to direct the Trustee to invest or reinvest all money held for the credit of funds established by this Indenture in accordance with Article VI of this Indenture.

Section 11.09. Notices. Except as otherwise provided in Section 8.01, all notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when transmitted via electronic means or mailed by certified mail, facsimile (confirmed by certified mail), return receipt requested, postage prepaid, or overnight courier, addressed as follows:

If to the Issuer: Arizona Industrial Development Authority
c/o Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: President
Email: admin@arizonaida.com

With a copy to: Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: Kelly A. McGuire, Esq.
Telephone: (480) 429-5000
Email: kelly.mcguire@kutakrock.com

If to the Borrower: Legacy Cares, Inc.
1900 West Chandler Boulevard, #15-315
Chandler, Arizona 85224
Attention: Douglas G. Moss, President
Telephone: (480) 902-9701
Email: dgmooss@legacycares.com

With a copy to: Gust Rosenfeld, P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004
Attention: Timothy A. Stratton, Esq.
Telephone: (602) 257-7465
Facsimile: (602) 340-1538
Email: tstratton@gustlaw.com

If to the Trustee: UMB Bank, N.A.
2777 East Camelback Road, Suite 359
Phoenix, Arizona 85016
Attention: Sandy Battas
Telephone: (602) 912-9725
Email: Sandra.Battas@umb.com

The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction.

Section 11.10. Payments Due on Days Other Than Business Days. If the date for making any payment or the last day for performance of any act or the exercise of any right, as provided in this Indenture, is not a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, unless otherwise provided herein, with the same force and effect as if done on the nominal date provided in this Indenture.

Section 11.11. No Personal Liability of Officials of the Issuer or the Trustee. No covenant or agreement contained in the Bonds or in this Indenture shall be deemed to be the covenant or agreement of any elected or appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Bonds, including any officer or employee of the Trustee, shall be liable personally on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 11.12. Bonds Owned by the Issuer or the Borrower. In determining whether Registered Owners of Bonds in the requisite aggregate principal amount have concurred in any direction, consent or waiver under this Indenture, Bonds that are owned by the Issuer or the Borrower or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower (unless the Issuer, the Borrower or such person owns all the Bonds that are then Outstanding) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, except that, for the purpose of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only the Bonds that the Trustee knows are so owned shall be so disregarded. The Bonds so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Bonds and that the pledgee is not the Issuer, the Borrower or any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Borrower. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.13. Undertaking to Provide Ongoing Disclosure. Pursuant to Section 2.05 of the Loan Agreement, the Borrower has undertaken all responsibility for compliance with continuing disclosure requirements, and the Issuer and the Trustee shall have no liability to the Registered Owners of the Bonds or any other person with respect to Securities Exchange Commission Rule 15c2-12, as amended. Notwithstanding any other provision of this Indenture,

failure of the Borrower to comply with the Dissemination Agreement shall not be considered an Event of Default hereunder or under the Loan Agreement; however, a Registered Owner or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the noncompliant Borrower to comply with its obligations under Section 2.05 of the Loan Agreement.

Section 11.14. Right to Inspect. Following reasonable notice to the Borrower, at any and all reasonable times, the Trustee, and the Issuer and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but no duty or obligation to do so) during regular business hours fully to inspect the Facilities, including all books and records of the Borrower (excluding records the confidentiality of which may be protected by law), and to make such copies and memoranda from and with regard thereto as may be desired; provided, however, that any disclosure to any third party of the results of any such inspection shall be made only if required by law and then only with proper respect and due regard for the confidentiality requests of donors to the Borrower.

Additionally, at the direction of the Borrower, the Issuer hereby appoints the Trustee to keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipts and disbursements received or disbursed according to this Indenture, and such books shall be available for inspections by the Registered Owner of any of the Bonds and by the Borrower during normal business hours of the Trustee and under reasonable conditions and upon reasonable prior notice to the Trustee.

Section 11.15. Incorporation of Terms of Loan Agreement. The parties hereto acknowledge and agree that to the extent applicable, the terms and provisions of the Loan Agreement are incorporated herein as if they were contained in this Indenture.

Section 11.16. Notice of Arizona Revised Statutes Section 38-511 - Cancellation. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Indenture under the law of the State.

Section 11.17. No Boycott of Israel. Pursuant to Arizona Revised Statutes Section 35-393 *et seq.*, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Indenture will not engage in, a boycott of Israel. The term “boycott” has the meaning set forth in Arizona Revised Statutes Section 35-393.

Section 11.18. Force Majeure. In no event shall the Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, pandemics, public emergencies declared by government authority, nuclear or natural catastrophes or acts of God, and interruptions, loss or malfunctions of utilities, or communications services; it being understood that the Trustee shall use reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

Section 11.19. U.S.A. Patriot Act. The parties hereto acknowledge that in accordance with Section 326 of the U.S.A. Patriot Act, the Trustee, like all financial institutions and in order to help fight the funding of terrorism and money laundering, is required to obtain, verify, and record information that identifies each person or legal entity that establishes a relationship or opens an account with the Trustee. The parties to this Indenture agree that they will provide the Trustee with such information as it may request in order for the Trustee to satisfy the requirements of the U.S.A. Patriot Act.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Issuer has caused these presents to be signed in its name and behalf by its duly authorized officer, and to evidence its acceptance of the trusts hereby created, the Trustee has caused these presents to be signed in its name and behalf by its duly authorized signatory, all as of the date first above written.

**ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

UMB BANK, N.A., as Trustee

By: _____
Name: _____
Title: _____

EXHIBIT A – FORMS OF BONDS

FORM OF TAX-EXEMPT SERIES 2020A BOND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND HAS NOT BEEN AND IS NOT INTENDED TO BE REGISTERED UNDER THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS OF THE STATE OF ARIZONA OR REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

THIS BOND MAY BE TRANSFERRED, IN WHOLE OR IN PART ONLY TO ANOTHER QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN REGULATION D OF THE SECURITIES ACT) OR TO AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS, AND AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION) BY EXECUTING AN INVESTOR LETTER AND WHO BY PURCHASE OF THIS BOND ACKNOWLEDGES SUCH BUYER (A) CAN BEAR THE ECONOMIC RISK OF THE PURCHASE OF THE BOND, (B) HAS SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERIT OF AN INVESTMENT IN THE BONDS AND (C) ACKNOWLEDGES THAT THE BOND IS SUITABLE ONLY FOR INCLUSION IN A DIVERSIFIED PORTFOLIO CONTAINING HIGH YIELD, HIGH RISK SECURITIES AND HAS UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL THE INFORMATION DEEMED NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE BOND.

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT REVENUE BOND
TAX-EXEMPT SERIES 2020A
(LEGACY CARES, INC. PROJECT)**

NO. RA – 1 \$ _____

<u>MATURITY DATE</u>	<u>DATED</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
July 1, 20__	_____, 20__	_____%	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY (the “Issuer”), a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”), incorporated pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above (unless this Bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, N.A. as trustee (the “Trustee”) under an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), by and between the Issuer and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the 15th day of the month next preceding any Interest Payment Date (the “Regular Record Date”) by check mailed to such Registered Owner (except that registered owners of at least \$500,000 in aggregate principal amount of the Tax-Exempt Series 2020A Bonds (as defined below) Outstanding may, by written request received by the Trustee at least 10 Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in like coin or currency from the date hereof at the interest rate set forth above, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021, until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Tax-Exempt Series 2020A Bonds not less than 10 days prior thereto.

This Bond is one of Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “Tax-Exempt Series 2020A Bonds”) duly authorized by the Issuer in the aggregate principal amount of \$212,960,000, issued under and equally and ratably secured by the Indenture. The Tax-Exempt Series 2020A Bonds have been issued under the Act, to provide financing for Legacy Cares, Inc., an Arizona not-for-profit corporation (the “Borrower”), to finance a portion of the cost of acquiring, constructing, improving, operating and equipping a state of the art, premier family multi-sports park facility and entertainment complex located in Mesa, Arizona, to fund the Debt Service Reserve Fund and the Operating Reserve Fund as described in the Indenture, to pay funded interest on the Tax-Exempt Series 2020A Bonds and to pay certain costs of issuing of the Tax-Exempt Series 2020A Bonds (the “Project”).

As provided in the Indenture, additional bonds of the Issuer may be issued only with respect to the Project (as defined in the Indenture) and may be secured on a parity basis with the Tax-Exempt Series 2020A Bonds (the “Additional Bonds” and, together with the Tax-Exempt Series 2020A Bonds, the “Bonds”). Such Additional Bonds may be issued from time to time in one or more series, in various principal amounts and for the benefit of the Borrower, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such Additional Bonds and other obligations issued and to be issued under the Indenture is not limited.

This Bond is a special, limited obligation of the Issuer payable solely from and secured by an assignment and pledge of (i) all rights, title and interest of Issuer in and to, including amounts payable under, the Loan Agreement (the “Loan Agreement”) dated as of August 1, 2020, between the Issuer and the Borrower (except the Issuer’s Unassigned Rights as defined in the Loan Agreement); (ii) the rights, title and interests of the Issuer in the Project, subject to Permitted Encumbrances (as defined in the Indenture), and except Issuer’s Unassigned Rights; (iii) the Revenues and all rights, title and interests of the Issuer in

the Pledged Revenues, subject to Permitted Encumbrances, except Issuer's Unassigned Rights; (iv) the rights, title and interests of the Issuer and the Borrower under the Leasehold Deed of Trust subject to Permitted Encumbrances and Tax-Exempt Series 2020A Promissory Note; (v) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for (a) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding under the Indenture, (b) all trust accounts containing all insurance and condemnation proceeds, and (c) all Revenues payable to the Trustee for the payment of fees and expenses of the Issuer pursuant to the Loan Agreement and the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and (vi) any and all other interests in real or personal property of every name and nature from time to time specifically mortgaged, pledged or hypothecated by the Borrower in writing.

THE FINANCING OF THE PROJECT HAS BEEN AUTHORIZED BY A RESOLUTION DULY ADOPTED BY THE ISSUER PURSUANT TO THE LAWS OF THE STATE. THE TAX-EXEMPT SERIES 2020A BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE TAX-EXEMPT SERIES 2020A BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE TAX-EXEMPT SERIES 2020A BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN AND IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, COUNSEL, ADVISORS, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THIS BOND.

Redemption Provisions

Optional Redemption. The Tax-Exempt Series 2020A Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2020A Promissory Note made by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing July 1, 2027 (if less than all of such Tax-Exempt Series 2020A Bonds to be selected as provided below), at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed as follows:

<u>Redemption Date</u>	<u>Price</u>
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

Redemption of Bonds Upon Occurrence of Certain Events.

Condemnation, Damage or Destruction of Facilities. The Bonds, including the Tax-Exempt Series 2020A Bonds, are also subject to extraordinary redemption at the expense of the Borrower from the Net Proceeds of any insurance policy or condemnation award and in the event the Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings as provided in the Loan Agreement; provided, such Net Proceeds are in excess of \$500,000 (plus the CPI Adjustment). If called pursuant to the Indenture, the Bonds, including the Tax-Exempt Series 2020A Bonds, are callable on any date in whole or in part from and to the extent of funds on deposit under the Indenture and available for this purpose, such funds to be Protected Funds, at a redemption price equal to the principal amount of each Bond to be redeemed and accrued interest to the redemption date.

Investment Grade Rating of Bonds. If at any time the Borrower achieves an investment grade or higher rating for the Tax-Exempt Series 2020A Bonds from Standard & Poor's Rating Services, Moody's Investors Service, Inc., or Fitch Ratings or upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, the Bonds, including the Tax-Exempt Series 2020A Bonds, are subject to redemption at the option of the Borrower in whole or in part on any date, at their principal amount plus accrued interest to the date fixed for redemption, plus a 3% premium, reduced as determined by the schedule set forth in Section 5.01(a) of the Indenture.

Mandatory Sinking Fund Redemption. The Tax-Exempt Series 2020A Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2050*	164,960,000	7.750

*Maturity Date for July 1, 2050 Term Bond

Redemption Date (July 1)	Principal Amount (\$)	Redemption Date (July 1)	Principal Amount (\$)
2031	\$3,705,000	2041	\$7,815,000
2032	3,995,000	2042	8,425,000
2033	4,300,000	2043	9,075,000
2034	4,635,000	2044	9,780,000
2035	4,995,000	2045	10,535,000
2036	5,380,000	2046	11,355,000
2037	5,800,000	2047	12,235,000
2038	6,250,000	2048	13,180,000
2039	6,735,000	2049	14,205,000
2040	7,255,000	2050	15,305,000*

*Maturity Date

Mandatory Redemption Upon Determination of Taxability. The Tax-Exempt Series 2020A Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus accrued interest thereon to the date of redemption, plus a 5% premium, upon the occurrence of a Determination of Taxability related to the Tax-Exempt Series 2020A Bonds as provided in the Indenture; provided, however, that the Trustee shall not redeem Tax-Exempt Series 2020A Bonds unless the Trustee shall have on deposit Protected Funds in the amount sufficient to pay the principal amount of and the redemption premium on, plus accrued interest on, the Tax-Exempt Series 2020A Bonds to be redeemed to the date of such redemption.

Mandatory Redemption Upon Receipt of Surplus Revenues. To the extent surplus revenues are transferred to, and are available in the Accelerated Redemption Fund pursuant to Sections 3.18 and 3.24 of the Indenture, the Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory redemption upon receipt of surplus revenues in the Accelerated Redemption Fund at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Tax-Exempt Turbo Redemption Series 2020C Bonds have been redeemed, surplus revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Taxable Series 2020B Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Taxable Series 2020B Bonds have been redeemed, revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Tax-Exempt Series 2020A Bonds maturing on or after July 1, 2030, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations.

Mandatory Redemption Related to Excess Bond Proceeds. To the extent excess Bond proceeds are transferred to and are available in the Surplus Fund pursuant to Sections 3.09 and 3.23 of the Indenture, such excess Bond proceeds shall be applied to mandatory redemption of the Series 2020 Bonds in the manner set forth in the “Mandatory Redemption Upon Receipt of Surplus Revenues” provisions above.

Method of Selecting Tax-Exempt Series 2020A Bonds; Notices. Unless otherwise specifically stated in the Indenture, any redemption of Tax-Exempt Series 2020A Bonds shall be redeemed in inverse order of maturity, or if less than all of the Tax-Exempt Series 2020A Bonds in a single maturity shall be redeemed, the Tax-Exempt Series 2020A Bonds redeemed shall be selected by lot within such maturity.

In the case of every redemption, the Trustee shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Tax-Exempt Series 2020A Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient amounts (which in the case of redemption pursuant to Optional Redemption and Redemption of Bonds Upon Occurrence of Certain Events must be Protected Funds) to redeem such Tax-Exempt Series 2020A Bonds and that if such money is not so received, no Tax-Exempt Series 2020A Bonds shall be redeemed.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Tax-Exempt Series 2020A Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Tax-Exempt Series 2020A Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Tax-Exempt Series 2020A Bonds or portions thereof to be redeemed.

The Tax-Exempt Series 2020A Bonds which are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Tax-Exempt Series 2020A Bonds. The Tax-Exempt Series 2020A Bonds shall initially be issued as a single fully registered bond for each series and maturity thereof.

This Bond is fully transferable by the Registered Owner hereof in person or by his or her duly authorized attorney on the registration books kept by the Trustee, upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Trustee; subject, however, to the terms of the Indenture which limit the transfer and exchange of Tax-Exempt Series 2020A Bonds during certain periods. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Issuer shall require the payment by any Registered Owner of this Bond requesting exchange or transfer of the reasonable expenses of the Issuer, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding the foregoing, so long as the ownership of the Tax-Exempt Series 2020A Bonds is maintained in book-entry form by The Depository Trust Company (the "Securities Depository") or a nominee thereof, this Bond may be transferred in whole but not in part only to the Securities Depository or a nominee thereof or to a successor Securities Depository or its nominee.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the registered owners of the Tax-Exempt Series 2020A Bonds may be made by the Issuer and the Trustee but without the consent of the registered owners of the Tax-Exempt Series 2020A Bonds in certain cases described in the Indenture, including any change which does not materially adversely affect the interests of the Registered Owners of the Tax-Exempt Series 2020A Bonds. Certain other amendments may be made by the Issuer and the Trustee with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Tax-Exempt Series 2020A Bonds then Outstanding; provided, however, that no such modification or amendment shall be made which will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond, which are unconditional unless consented to by all Registered Owners adversely affected by such change. Any such consent by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Tax-Exempt Series 2020A Bonds issued upon the transfer or exchange of this bond whether or not notation of such consent is made upon this Bond.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an Event of Default under the Indenture shall occur, the principal of all the Bonds at any such time Outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded

by the Trustee, with the consent of the Registered Owners of a requisite principal amount of the Tax-Exempt Series 2020A Bonds then Outstanding.

None of the members of the board of directors of the Borrower, the board of directors of the Issuer or any person executing the Tax-Exempt Series 2020A Bonds shall be liable personally on the Tax-Exempt Series 2020A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability and obligations of the Issuer under the Loan Agreement and the Indenture with respect to all or any portion of the Tax-Exempt Series 2020A Bonds may be discharged at or prior to the maturity or redemption of the Tax-Exempt Series 2020A Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Loan Agreement and the Indenture.

No covenant or agreement contained in the Tax-Exempt Series 2020A Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Tax-Exempt Series 2020A Bonds, including any officer or employee of the Trustee, shall be liable personally on the Tax-Exempt Series 2020A Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed.

Copies of the Indenture, the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust and other documents relating to the Tax-Exempt Series 2020A Bonds are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Borrower, the terms of and security for the Tax-Exempt Series 2020A Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owners of the Tax-Exempt Series 2020A Bonds, amendments, and the rights, duties and obligations of the Issuer and the Trustee to all of which the Registered Owner hereof, by acceptance of this Bond, assents.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, Arizona Industrial Development Authority caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President.

ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Tax-Exempt Series 2020A Bonds described in the within mentioned Indenture of Trust.

Date: _____, 2020.

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Tax-Exempt Series 2020A Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints the Trustee under the Indenture as registrar and attorney to register the transfer of the within Tax-Exempt Series 2020A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature guaranteed by:

NOTICE: Signature of the registered owner must be guaranteed by an eligible guarantor institution meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Tax-Exempt Series 2020A Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF TAXABLE SERIES 2020B BOND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS

WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND HAS NOT BEEN AND IS NOT INTENDED TO BE REGISTERED UNDER THE SECURITIES AND EXCHANGE ACT OF 1934 AND ALL APPLICABLE SECURITIES LAWS OF THE STATE OF ARIZONA OR REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

THIS BOND MAY BE TRANSFERRED, IN WHOLE OR IN PART ONLY TO ANOTHER QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN REGULATION D OF THE SECURITIES ACT) OR TO AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS, AND AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION) BY EXECUTING AN INVESTOR LETTER AND WHO BY PURCHASE OF THIS BOND ACKNOWLEDGES SUCH BUYER (A) CAN BEAR THE ECONOMIC RISK OF THE PURCHASE OF THE BOND, (B) HAS SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERIT OF AN INVESTMENT IN THE BONDS AND (C) ACKNOWLEDGES THAT THE BOND IS SUITABLE ONLY FOR INCLUSION IN A DIVERSIFIED PORTFOLIO CONTAINING HIGH YIELD, HIGH RISK SECURITIES AND HAS UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL THE INFORMATION DEEMED NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE BOND.

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT REVENUE BOND
TAXABLE SERIES 2020B
(LEGACY CARES, INC. PROJECT)**

NO. RA – 1 \$ _____

<u>MATURITY DATE</u>	<u>DATED</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
July 1, 20__	_____, 20__	_____%	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY (the “Issuer”), a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”), incorporated pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above (unless this Bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, N.A. as trustee (the “Trustee”) under an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), by and between the Issuer and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the 15th day of the month next preceding any Interest Payment Date (the “Regular Record Date”) by check mailed to such

Registered Owner (except that registered owners of at least \$500,000 in aggregate principal amount of the Taxable Series 2020B Bonds (as defined below) Outstanding may, by written request received by the Trustee at least 10 Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in like coin or currency from the date hereof at the interest rate set forth above, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021, until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Taxable Series 2020B Bonds not less than 10 days prior thereto.

This Bond is one of Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “Taxable Series 2020B Bonds”) duly authorized by the Issuer in the aggregate principal amount of \$6,810,000, issued under and equally and ratably secured by the Indenture. The Taxable Series 2020B Bonds have been issued under the Act, to provide financing for Legacy Cares, Inc., an Arizona not-for-profit corporation (the “Borrower”), to finance a portion of the cost of acquiring, constructing, improving, operating and equipping a state of the art, premier family multi-sports park facility and entertainment complex located in Mesa, Arizona, to fund the Debt Service Reserve Fund and the Operating Reserve Fund as described in the Indenture, to pay funded interest on the Taxable Series 2020B Bonds and to pay certain costs of issuing of the Taxable Series 2020B Bonds (the “Project”).

As provided in the Indenture, additional bonds of the Issuer may be issued only with respect to the Project (as defined in the Indenture) and may be secured on a parity basis with the Taxable Series 2020B Bonds (the “Additional Bonds” and, together with the Taxable Series 2020B Bonds, the “Bonds”). Such Additional Bonds may be issued from time to time in one or more series, in various principal amounts and for the benefit of the Borrower, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such Additional Bonds and other obligations issued and to be issued under the Indenture is not limited.

This Bond is a special, limited obligation of the Issuer payable solely from and secured by an assignment and pledge of (i) all rights, title and interest of Issuer in and to, including amounts payable under, the Loan Agreement dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and the Borrower (except the Issuer’s Unassigned Rights as defined in the Loan Agreement); (ii) the rights, title and interests of the Issuer in the Project, subject to Permitted Encumbrances (as defined in the Indenture), and except Issuer’s Unassigned Rights; (iii) the Revenues and all rights, title and interests of the Issuer in the Pledged Revenues, subject to Permitted Encumbrances, except Issuer’s Unassigned Rights; (iv) the rights, title and interests of the Issuer and the Borrower under the Leasehold Deed of Trust subject to Permitted Encumbrances and the Series 2020B Promissory Note; (v) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for (a) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding under the Indenture, (b) all trust accounts containing all insurance and condemnation proceeds, and (c) all Revenues payable to the Trustee for the payment of fees and expenses of the Issuer pursuant to the Loan Agreement and the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and (vi) any and all other interests in real or personal property of every name and nature from time to time specifically mortgaged, pledged or hypothecated by the Borrower in writing.

THE FINANCING OF THE PROJECT HAS BEEN AUTHORIZED BY A RESOLUTION DULY ADOPTED BY THE ISSUER PURSUANT TO THE LAWS OF THE STATE. THE TAXABLE SERIES 2020B BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE TAXABLE SERIES 2020B BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE TAXABLE SERIES 2020B BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN AND IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, COUNSEL, ADVISORS, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THIS BOND.

Redemption Provisions

Optional Redemption. The Taxable Series 2020B Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2020B Promissory Note made by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing July 1, 2027 (if less than all of such Taxable Series 2020B Bonds to be selected as provided below), at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed as follows:

<u>Redemption Date</u>	<u>Price</u>
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

Redemption of Bonds Upon Occurrence of Certain Events.

Condemnation, Damage or Destruction of Facilities. The Bonds, including the Taxable Series 2020B Bonds, are also subject to extraordinary redemption at the expense of the Borrower from the Net Proceeds of any insurance policy or condemnation award and in the event the Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings as provided in the Loan Agreement; provided, such Net Proceeds are in excess of \$500,000 (plus the CPI Adjustment). If called pursuant to the Indenture, the Bonds, including the Taxable Series 2020B Bonds, are callable on any date in whole or in part from and to the extent of funds on deposit under the Indenture and available for this purpose, such funds to be Protected Funds, at a redemption price equal to the principal amount of each Bond to be redeemed and accrued interest to the redemption date.

Investment Grade Rating of Bonds. If at any time the Borrower achieves an investment grade or higher rating for the Taxable Series 2020B Bonds from Standard & Poor's Rating Services, Moody's Investors Service, or Fitch Ratings or upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, the Bonds, including the Taxable Series 2020B Bonds, are subject to redemption at the option of the Borrower in whole or in part on any date, at their principal amount plus accrued interest to the date fixed for redemption, plus a 3% premium, reduced as determined by the schedule set forth in Section 5.01(a) of the Indenture.

Mandatory Sinking Fund Redemption. The Taxable Series 2020B Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$6,810,000	9.000%

*Maturity Date for July 1, 2030 Term Bond

<u>Redemption Date (July 1)</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date (July 1)</u>	<u>Principal Amount (\$)</u>
2023	\$615,000	2027	\$870,000
2024	675,000	2028	950,000
2025	735,000	2029	1,035,000
2026	800,000	2030	1,130,000*

*Maturity Date

Mandatory Redemption Upon Receipt of Surplus Revenues. To the extent surplus revenues are transferred to, and are available in the Accelerated Redemption Fund pursuant to Sections 3.18 and 3.24 of the Indenture, the Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory

redemption upon receipt of surplus revenues in the Accelerated Redemption Fund at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Tax-Exempt Turbo Redemption Series 2020C Bonds have been redeemed, surplus revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Taxable Series 2020B Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Taxable Series 2020B Bonds have been redeemed, revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Tax-Exempt Series 2020A Bonds maturing on or after July 1, 2030, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations.

Mandatory Redemption Related to Excess Bond Proceeds. To the extent excess Bond proceeds are transferred to and are available in the Surplus Fund pursuant to Sections 3.09 and 3.23 of the Indenture, such excess Bond proceeds shall be applied to mandatory redemption of the Series 2020 Bonds in the manner set forth in the “Mandatory Redemption Upon Receipt of Surplus Revenues” provisions above.

Method of Selecting Taxable Series 2020B Bonds; Notices. Unless otherwise specifically stated in the Indenture, any redemption of Taxable Series 2020B Bonds shall be redeemed in inverse order of maturity, or if less than all of the Taxable Series 2020B Bonds in a single maturity shall be redeemed, the Taxable Series 2020B Bonds redeemed shall be selected by lot within such maturity.

In the case of every redemption, the Trustee shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Taxable Series 2020B Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient amounts (which in the case of redemption pursuant to Optional Redemption and Redemption of Bonds Upon Occurrence of Certain Events must be Protected Funds) to redeem such Taxable Series 2020B Bonds and that if such money is not so received, no Taxable Series 2020B Bonds shall be redeemed.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Taxable Series 2020B Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Taxable Series 2020B Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Taxable Series 2020B Bonds or portions thereof to be redeemed.

The Taxable Series 2020B Bonds which are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Taxable Series 2020B Bonds. The Taxable Series 2020B Bonds shall initially be issued as a single fully registered bond for each series and maturity thereof.

This Bond is fully transferable by the Registered Owner hereof in person or by his or her duly authorized attorney on the registration books kept by the Trustee, upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Trustee; subject, however, to the terms of the Indenture which limit the transfer and exchange of the Taxable Series 2020B Bonds during certain periods. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the

terms, limitations and conditions set forth in the Indenture. The Trustee and the Issuer shall require the payment by any Registered Owner of this Bond requesting exchange or transfer of the reasonable expenses of the Issuer, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding the foregoing, so long as the ownership of the Taxable Series 2020B Bonds is maintained in book-entry form by The Depository Trust Company (the "Securities Depository") or a nominee thereof, this Bond may be transferred in whole but not in part only to the Securities Depository or a nominee thereof or to a successor Securities Depository or its nominee.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the registered owners of the Taxable Series 2020B Bonds may be made by the Issuer and the Trustee but without the consent of the registered owners of the Taxable Series 2020B Bonds in certain cases described in the Indenture, including any change which does not materially adversely affect the interests of the Registered Owners of the Taxable Series 2020B Bonds. Certain other amendments may be made by the Issuer and the Trustee with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Taxable Series 2020B Bonds then Outstanding; provided, however, that no such modification or amendment shall be made which will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond, which are unconditional unless consented to by all Registered Owners adversely affected by such change. Any such consent by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Taxable Series 2020B Bonds issued upon the transfer or exchange of this bond whether or not notation of such consent is made upon this Bond.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an Event of Default under the Indenture shall occur, the principal of all the Bonds at any such time Outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Trustee, with the consent of the Registered Owners of a requisite principal amount of the Taxable Series 2020B Bonds then Outstanding.

None of the members of the board of directors of the Borrower, the board of directors of the Issuer or any person executing the Taxable Series 2020B Bonds shall be liable personally on the Taxable Series 2020B Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability and obligations of the Issuer under the Loan Agreement and the Indenture with respect to all or any portion of the Taxable Series 2020B Bonds may be discharged at or prior to the maturity or redemption of the Taxable Series 2020B Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Loan Agreement and the Indenture.

No covenant or agreement contained in the Taxable Series 2020B Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Taxable Series 2020B Bonds, including any officer or employee of the Trustee, shall be liable personally on the Taxable Series 2020B Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed.

Copies of the Indenture, the Loan Agreement, the Leasehold Deed of Trust and other documents relating to the Taxable Series 2020B Bonds are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Borrower, the terms of and security for the Taxable Series 2020B Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owners of the Taxable Series 2020B Bonds, amendments, and the rights, duties and obligations of the Issuer and the Trustee to all of which the Registered Owner hereof, by acceptance of this Bond, assents.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, Arizona Industrial Development Authority caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President.

ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Taxable Series 2020B Bonds described in the within mentioned Indenture of Trust.

Date: _____, 2020.

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Taxable Series 2020B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints the Trustee under the Indenture as registrar and attorney to register the transfer of the within Taxable Series 2020B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature guaranteed by:

NOTICE: Signature of the registered owner must be guaranteed by an eligible guarantor institution meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Taxable Series 2020B Bond in every particular, without alteration or enlargement or any change whatsoever.

FORM OF TAX-EXEMPT TURBO REDEMPTION SERIES 2020C BOND

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

EXCEPT AS OTHERWISE PROVIDED IN THE INDENTURE, THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO ANOTHER NOMINEE OF THE SECURITIES DEPOSITORY (AS DEFINED HEREIN) OR TO A SUCCESSOR SECURITIES DEPOSITORY OR TO A NOMINEE OF A SUCCESSOR SECURITIES DEPOSITORY.

THIS BOND HAS NOT BEEN AND IS NOT INTENDED TO BE REGISTERED UNDER THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS OF THE STATE OF ARIZONA OR REGISTERED OR OTHERWISE QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION.

THIS BOND MAY BE TRANSFERRED, IN WHOLE OR IN PART ONLY TO ANOTHER QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN REGULATION D OF THE SECURITIES ACT) OR TO AN ACCREDITED INVESTOR (EXCLUDING NATURAL PERSONS, AND AS DEFINED IN RULE 501 OF REGULATION D OF THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION) BY EXECUTING AN INVESTOR LETTER AND WHO BY PURCHASE OF THIS BOND ACKNOWLEDGES SUCH BUYER (A) CAN BEAR THE ECONOMIC RISK OF THE PURCHASE OF THE BOND, (B) HAS SUCH KNOWLEDGE AND EXPERIENCE IN BUSINESS AND FINANCIAL MATTERS AS TO BE CAPABLE OF EVALUATING THE RISKS AND MERIT OF AN INVESTMENT IN THE BONDS AND (C) ACKNOWLEDGES THAT THE BOND IS SUITABLE ONLY FOR INCLUSION IN A DIVERSIFIED PORTFOLIO CONTAINING HIGH YIELD, HIGH RISK SECURITIES AND HAS UNDERTAKEN THE RESPONSIBILITY FOR OBTAINING ALL THE INFORMATION DEEMED NECESSARY AND DESIRABLE TO FORM A DECISION TO PURCHASE THE BOND.

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
ECONOMIC DEVELOPMENT REVENUE BOND
TAX-EXEMPT TURBO REDEMPTION SERIES 2020C
(LEGACY CARES, INC. PROJECT)**

NO. RA – 1 \$ _____

<u>MATURITY DATE</u>	<u>DATED</u>	<u>INTEREST RATE</u>	<u>CUSIP</u>
July 1, 20__	_____, 20__	_____%	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY (the “Issuer”), a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”), incorporated pursuant to the provisions of the Constitution of the State and under Title 35, Chapter 5, Arizona Revised Statutes,

as amended (the “Act”), for value received, hereby promises to pay, from the sources hereinafter described, the principal amount stated above in lawful money of the United States of America to the Registered Owner named above, or registered assigns, on the maturity date stated above (unless this Bond shall have been called for prior redemption, in which case on such redemption date), upon the presentation and surrender hereof at the designated corporate trust office of UMB Bank, N.A. as trustee (the “Trustee”) under an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), by and between the Issuer and the Trustee, and to pay, from like sources, to the person who is the Registered Owner hereof on the 15th day of the month next preceding any Interest Payment Date (the “Regular Record Date”) by check mailed to such Registered Owner (except that registered owners of at least \$500,000 in aggregate principal amount of the Tax-Exempt Turbo Redemption Series 2020C Bonds (as defined below) Outstanding may, by written request received by the Trustee at least 10 Business Days (as defined in the Indenture) prior to the Regular Record Date, receive payment of interest by wire transfer at the address specified in such request, which address must be in the United States) at his or her address as it last appears on the registration books kept for that purpose at the offices of the Trustee, interest on said sum in like coin or currency from the date hereof at the interest rate set forth above, payable semiannually on January 1 and July 1 of each year, commencing January 1, 2021, until payment of the principal hereof has been made or provided for. Any such interest not so timely paid or duly provided for shall cease to be payable to the Registered Owner hereof at the close of business on the Regular Record Date and shall be payable to the Registered Owner hereof at the close of business on a Special Record Date for the payment of any defaulted interest. Such Special Record Date shall be fixed by the Trustee whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the Tax-Exempt Turbo Redemption Series 2020C Bonds not less than 10 days prior thereto.

This Bond is one of Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “Tax-Exempt Turbo Redemption Series 2020C Bonds”) duly authorized by the Issuer in the aggregate principal amount of \$31,000,000, issued under and equally and ratably secured by the Indenture. The Tax-Exempt Turbo Redemption Series 2020C Bonds have been issued under the Act, to provide financing for Legacy Cares, Inc., an Arizona not-for-profit corporation (the “Borrower”), to finance a portion of the cost of acquiring, constructing, improving, operating and equipping a state of the art, premier family multi-sports park facility and entertainment complex located in Mesa, Arizona, to fund the Debt Service Reserve Fund and the Operating Reserve Fund as described in the Indenture, to pay funded interest on the Tax-Exempt Turbo Redemption Series 2020C Bonds and to pay certain costs of issuing of the Tax-Exempt Turbo Redemption Series 2020C Bonds (the “Project”).

As provided in the Indenture, additional bonds of the Issuer may be issued only with respect to the Project (as defined in the Indenture) and may be secured on a parity basis with the Tax-Exempt Turbo Redemption Series 2020C Bonds (the “Additional Bonds” and, together with the Tax-Exempt Turbo Redemption Series 2020C Bonds, the “Bonds”). Such Additional Bonds may be issued from time to time in one or more series, in various principal amounts and for the benefit of the Borrower, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such Additional Bonds and other obligations issued and to be issued under the Indenture is not limited.

This Bond is a special, limited obligation of the Issuer payable solely from and secured by an assignment and pledge of (i) all rights, title and interest of Issuer in and to, including amounts payable under, the Loan Agreement (the “Loan Agreement”) dated as of August 1, 2020, between the Issuer and the Borrower (except the Issuer’s Unassigned Rights as defined in the Loan Agreement); (ii) the rights, title and interests of the Issuer in the Project, subject to Permitted Encumbrances (as defined in the Indenture), and except Issuer’s Unassigned Rights; (iii) the Revenues and all rights, title and interests of the Issuer in the Pledged Revenues, subject to Permitted Encumbrances, except Issuer’s Unassigned Rights; (iv) the

rights, title and interests of the Issuer and the Borrower under the Leasehold Deed of Trust subject to Permitted Encumbrances and the Series 2020C Promissory Note (as defined in the Indenture); (v) all Funds created in the Indenture (other than the Cost of Issuance Fund, the Tax and Insurance Escrow Fund and the Rebate Fund), except for (a) moneys or obligations deposited with or paid to the Trustee for the payment or redemption of Bonds that are no longer deemed to be Outstanding under the Indenture, (b) all trust accounts containing all insurance and condemnation proceeds, and (c) all Revenues payable to the Trustee for the payment of fees and expenses of the Issuer pursuant to the Loan Agreement and the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture; and (vi) any and all other interests in real or personal property of every name and nature from time to time specifically mortgaged, pledged or hypothecated by the Borrower in writing.

THE FINANCING OF THE PROJECT HAS BEEN AUTHORIZED BY A RESOLUTION DULY ADOPTED BY THE ISSUER PURSUANT TO THE LAWS OF THE STATE. THE TAX-EXEMPT TURBO REDEMPTION SERIES 2020C BONDS, THE PREMIUM, IF ANY, AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM THE TRUST ESTATE. THE TAX-EXEMPT TURBO REDEMPTION SERIES 2020C BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER, THE AFA, THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE ISSUER, THE AFA, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF. THE TAX-EXEMPT TURBO REDEMPTION SERIES 2020C BONDS SHALL NOT CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE ISSUER, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN AND IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

NO RECOURSE SHALL BE HAD FOR THE PAYMENT OF THE PRINCIPAL OF OR PREMIUM, IF ANY, OR INTEREST ON THIS BOND AGAINST ANY PAST, PRESENT, OR FUTURE OFFICER, DIRECTOR, EXECUTIVE DIRECTOR, COUNSEL, ADVISOR, CONTRACTOR, CONSULTANT, OR AGENT OF THE ISSUER, OR OF ANY SUCCESSOR TO THE ISSUER, AS SUCH, EITHER DIRECTLY OR THROUGH THE ISSUER OR ANY SUCCESSOR TO THE ISSUER, UNDER ANY RULE OF LAW OR EQUITY, STATUTE, OR CONSTITUTION OR BY THE ENFORCEMENT OF ANY ASSESSMENT OR PENALTY OR OTHERWISE, AND ALL SUCH LIABILITY OF ANY SUCH OFFICERS, DIRECTORS, COUNSEL, ADVISORS, OR AGENTS, AS SUCH, IS HEREBY EXPRESSLY WAIVED AND RELEASED AS A CONDITION OF AND CONSIDERATION FOR THE EXECUTION AND ISSUANCE OF THIS BOND.

Redemption Provisions

Optional Redemption. The Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to redemption at the option of the Issuer (which option shall be exercised upon the written direction of the Borrower from prepayment of the Series 2020C Promissory Note made by the Borrower pursuant to the Loan Agreement) in whole or in part on any date commencing July 1, 2027 (if less than all of such Tax-Exempt Turbo Redemption Series 2020C Bonds to be selected as provided below), at the principal amount plus accrued interest to the date fixed for redemption; with a premium expressed as a percentage of the principal amount to be redeemed as follows:

<u>Redemption Date</u>	<u>Price</u>
July 1, 2027 through June 30, 2028	103%
July 1, 2028 through June 30, 2029	102%
July 1, 2029 through June 30, 2030	101%
July 1, 2030 and thereafter	100%

Redemption of Bonds Upon Occurrence of Certain Events.

Condemnation, Damage or Destruction of Facilities. The Bonds, including the Tax-Exempt Turbo Redemption Series 2020C Bonds, are also subject to extraordinary redemption at the expense of the Borrower from the Net Proceeds of any insurance policy or condemnation award and in the event the Facilities or any portion thereof is damaged or destroyed or taken in condemnation proceedings as provided in the Loan Agreement; provided, such Net Proceeds are in excess of \$500,000 (plus the CPI Adjustment). If called pursuant to the Indenture, the Bonds, including the Tax-Exempt Turbo Redemption Series 2020C Bonds, are callable on any date in whole or in part from and to the extent of funds on deposit under the Indenture and available for this purpose, such funds to be Protected Funds, at a redemption price equal to the principal amount of each Bond to be redeemed and accrued interest to the redemption date.

Investment Grade Rating of Bonds. If at any time the Borrower achieves an investment grade or higher rating for the Tax-Exempt Turbo Redemption Series 2020C Bonds from Standard & Poor's Rating Services, Moody's Investors Service, Inc., or Fitch Ratings or upon the discontinuance of any or all of such rating services, any other nationally recognized rating service, the Bonds, including the Tax-Exempt Turbo Redemption Series 2020C Bonds, are subject to redemption at the option of the Borrower in whole or in part on any date, at their principal amount plus accrued interest to the date fixed for redemption, plus a 3% premium, reduced as determined by the schedule set forth in Section 5.01(a) of the Indenture.

Mandatory Sinking Fund Redemption. The Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Fund as follows:

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
July 1, 2030*	\$31,000,000	6.750%

*Maturity Date for July 1, 2030 Term Bond

<u>Redemption Date (July 1)</u>	<u>Principal Amount (\$)</u>	<u>Redemption Date (July 1)</u>	<u>Principal Amount (\$)</u>
2023	\$3,050,000	2027	\$3,960,000
2024	3,255,000	2028	4,225,000
2025	3,475,000	2029	4,510,000
2026	3,710,000	2030	4,815,000*

*Maturity Date

Mandatory Redemption Upon Determination of Taxability. The Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory redemption as a whole at the principal amount thereof, plus

accrued interest thereon to the date of redemption, plus a 5% premium, upon the occurrence of a Determination of Taxability related to the Tax-Exempt Turbo Redemption Series 2020C Bonds as provided in the Indenture; provided, however, that the Trustee shall not redeem Tax-Exempt Turbo Redemption Series 2020C Bonds unless the Trustee shall have on deposit Protected Funds in the amount sufficient to pay the principal amount of and the redemption premium on, plus accrued interest on, the Tax-Exempt Turbo Redemption Series 2020C Bonds to be redeemed to the date of such redemption.

Mandatory Redemption Upon Receipt of Surplus Revenues. To the extent surplus revenues are transferred to, and are available in the Accelerated Redemption Fund pursuant to Sections 3.18 and 3.24 of the Indenture, the Tax-Exempt Turbo Redemption Series 2020C Bonds are subject to mandatory redemption upon receipt of surplus revenues in the Accelerated Redemption Fund at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Tax-Exempt Turbo Redemption Series 2020C Bonds have been redeemed, surplus revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Taxable Series 2020B Bonds at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations. After 100% of the Taxable Series 2020B Bonds have been redeemed, revenues deposited into the Accelerated Redemption Fund will be applied to the mandatory redemption of the Tax-Exempt Series 2020A Bonds maturing on or after July 1, 2030, at a redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption, in Authorized Denominations.

Mandatory Redemption Related to Excess Bond Proceeds. To the extent excess Bond proceeds are transferred to and are available in the Surplus Fund pursuant to Sections 3.09 and 3.23 of the Indenture, such excess Bond proceeds shall be applied to mandatory redemption of the Series 2020 Bonds in the manner set forth in the “Mandatory Redemption Upon Receipt of Surplus Revenues” provisions above.

Method of Selecting Tax-Exempt Turbo Redemption Series 2020C Bonds; Notices. Unless otherwise specifically stated in the Indenture, any redemption of Tax-Exempt Turbo Redemption Series 2020C Bonds shall be redeemed in inverse order of maturity, or if less than all of the Tax-Exempt Turbo Redemption Series 2020C Bonds in a single maturity shall be redeemed, the Tax-Exempt Turbo Redemption Series 2020C Bonds redeemed shall be selected by lot within such maturity.

In the case of every redemption, the Trustee shall cause notice of such redemption by mailing by first-class mail a copy of the redemption notice to the Registered Owners of the Bonds designated for redemption in whole or in part, at their addresses as the same shall last appear upon the registration records, in each case not more than 60 nor less than 30 days prior to the redemption date, provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceedings for the redemption of such Tax-Exempt Turbo Redemption Series 2020C Bonds. The Trustee may state that the redemption is conditioned upon receiving from the Borrower, prior to the redemption date, sufficient amounts (which in the case of redemption pursuant to Optional Redemption and Redemption of Bonds Upon Occurrence of Certain Events must be Protected Funds) to redeem such Tax-Exempt Turbo Redemption Series 2020C Bonds and that if such money is not so received, no Tax-Exempt Turbo Redemption Series 2020C Bonds shall be redeemed.

Each notice of redemption shall specify the date fixed for redemption, the redemption price, the place or places of payment, that payment will be made upon presentation and surrender of the Tax-Exempt Turbo Redemption Series 2020C Bonds to be redeemed, that interest accrued to the date fixed for redemption will be paid as specified in said notice, and that on and after said date interest thereon will cease to accrue. If less than all the Outstanding Tax-Exempt Turbo Redemption Series 2020C Bonds are to be redeemed, the notice of redemption shall specify the numbers of the Tax-Exempt Turbo Redemption Series 2020C Bonds or portions thereof to be redeemed.

The Tax-Exempt Turbo Redemption Series 2020C Bonds which are delivered upon transfer, exchange or other replacement shall bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or if no interest has been paid, from the date of the Tax-Exempt Turbo Redemption Series 2020C Bonds. The Tax-Exempt Turbo Redemption Series 2020C Bonds shall initially be issued as a single fully registered bond for each series and maturity thereof.

This Bond is fully transferable by the Registered Owner hereof in person or by his or her duly authorized attorney on the registration books kept by the Trustee, upon surrender of this Bond together with a duly executed written instrument of transfer satisfactory to the Trustee; subject, however, to the terms of the Indenture which limit the transfer and exchange of Tax-Exempt Turbo Redemption Series 2020C Bonds during certain periods. Upon such transfer a new fully registered bond of Authorized Denomination or Denominations for the same aggregate principal amount will be issued to the transferee in exchange therefor, all subject to the terms, limitations and conditions set forth in the Indenture. The Trustee and the Issuer shall require the payment by any Registered Owner of this Bond requesting exchange or transfer of the reasonable expenses of the Issuer, if any, of a reasonable transfer or exchange fee and of any tax or other governmental charge required to be paid with respect to such exchange or transfer. The Issuer and the Trustee may deem and treat the person in whose name this Bond is registered as the absolute owner hereof, whether or not this Bond shall be overdue, for the purpose of receiving payment and for all other purposes, except to the extent otherwise provided herein and in the Indenture with respect to Regular Record Dates and Special Record Dates for the payment of interest, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

Notwithstanding the foregoing, so long as the ownership of the Tax-Exempt Turbo Redemption Series 2020C Bonds is maintained in book-entry form by The Depository Trust Company (the “Securities Depository”) or a nominee thereof, this Bond may be transferred in whole but not in part only to the Securities Depository or a nominee thereof or to a successor Securities Depository or its nominee.

To the extent permitted by, and as provided in, the Indenture, modifications or amendments of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Issuer and of the registered owners of the Tax-Exempt Turbo Redemption Series 2020C Bonds may be made by the Issuer and the Trustee but without the consent of the registered owners of the Tax-Exempt Turbo Redemption Series 2020C Bonds in certain cases described in the Indenture, including any change which does not materially adversely affect the interests of the Registered Owners of the Tax-Exempt Turbo Redemption Series 2020C Bonds. Certain other amendments may be made by the Issuer and the Trustee with the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Tax-Exempt Turbo Redemption Series 2020C Bonds then Outstanding; provided, however, that no such modification or amendment shall be made which will constitute an extension of the maturity of, or a reduction in the principal amount of, or a reduction of the rate of interest on or extension of the time of payment of interest on, or a reduction of any premium payable upon redemption of, any Bond, which are unconditional unless consented to by all Registered Owners adversely affected by such change. Any such consent by the Registered Owner of this Bond shall be conclusive and binding upon such Registered Owner and upon all future Registered Owners of this Bond and of any Tax-Exempt Turbo Redemption Series 2020C Bonds issued upon the transfer or exchange of this bond whether or not notation of such consent is made upon this Bond.

The Registered Owner of this Bond shall have no right to enforce the provisions of the Indenture or to institute action to enforce the pledge, assignment or covenants made therein or to take any action with respect to an event of default under the Indenture or to institute, appear in, or defend any suit, action or other proceeding at law or in equity with respect thereto, except as provided in the Indenture. In case an Event of Default under the Indenture shall occur, the principal of all the Bonds at any such time Outstanding may be declared or may become due and payable, upon the conditions and in the manner and with the effect

provided in the Indenture. The Indenture provides that such declaration may in certain events be rescinded by the Trustee, with the consent of the Registered Owners of a requisite principal amount of the Tax-Exempt Turbo Redemption Series 2020C Bonds then Outstanding.

None of the members of the board of directors of the Borrower, the board of directors of the Issuer or any person executing the Tax-Exempt Turbo Redemption Series 2020C Bonds shall be liable personally on the Tax-Exempt Turbo Redemption Series 2020C Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

The liability and obligations of the Issuer under the Loan Agreement and the Indenture with respect to all or any portion of the Tax-Exempt Turbo Redemption Series 2020C Bonds may be discharged at or prior to the maturity or redemption of the Tax-Exempt Turbo Redemption Series 2020C Bonds upon the making of provision for the payment thereof on the terms and conditions set forth in the Loan Agreement and the Indenture.

No covenant or agreement contained in the Tax-Exempt Turbo Redemption Series 2020C Bonds or in the Indenture shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Issuer in his or her individual capacity or of any officer, agent, servant or employee of the Trustee in his or her individual capacity, and neither the members of the governing body of the Issuer nor any official executing the Tax-Exempt Turbo Redemption Series 2020C Bonds, including any officer or employee of the Trustee, shall be liable personally on the Tax-Exempt Turbo Redemption Series 2020C Bonds or be subject to any personal liability or accountability by reason of the issuance thereof.

No covenant or agreement contained in the Loan Agreement shall be deemed to be the covenant or agreement of any appointed official, officer, agent, servant or employee of the Borrower in his or her individual capacity, and the members of the governing body of the Borrower shall not be liable personally or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

It is hereby certified, recited and declared that all conditions, acts and things required by the Constitution or statutes of the State or by the Act or the Indenture to exist, to have happened or to have been performed precedent to or in the issuance of this Bond exist, have happened and have been performed.

Copies of the Indenture, the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust and other documents relating to the Tax-Exempt Turbo Redemption Series 2020C Bonds are on file at the designated office of the Trustee, and reference is made to those instruments for the provisions relating, among other things, to the limited liability of the Borrower, the terms of and security for the Tax-Exempt Turbo Redemption Series 2020C Bonds, the custody and application of the proceeds of the Bonds, the rights and remedies of the registered owners of the Tax-Exempt Turbo Redemption Series 2020C Bonds, amendments, and the rights, duties and obligations of the Issuer and the Trustee to all of which the Registered Owner hereof, by acceptance of this Bond, assents.

This Bond shall not be entitled to any benefit under the Indenture or any indenture supplemental thereto, or become valid or obligatory for any purpose until the Trustee shall have signed the certificate of authentication hereon.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Indenture.

IN WITNESS WHEREOF, Arizona Industrial Development Authority caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its President.

ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY

By: _____
President

CERTIFICATE OF AUTHENTICATION

This is one of the Tax-Exempt Turbo Redemption Series 2020C Bonds described in the within mentioned Indenture of Trust.

Date: _____, 2020.

UMB BANK, N.A., as Trustee

By _____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

(Social Security or Federal Taxpayer Identification Number)

(Please print or typewrite Name and Address, including Zip Code, of Assignee)

the within Tax-Exempt Turbo Redemption Series 2020C Bonds and all rights thereunder, and hereby irrevocably constitutes and appoints the Trustee under the Indenture as registrar and attorney to register the transfer of the within Tax-Exempt Turbo Redemption Series 2020C Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date:

Signature guaranteed by:

NOTICE: Signature of the registered owner must be guaranteed by an eligible guarantor institution meeting the requirements of membership or participation in the Security Transfer Agent Medallion Program ("STAMP") or such other "signature guarantee program" as may be determined in substitution for STAMP, all in accordance with the Securities Exchange Act of 1934, as amended.

NOTICE: The signature of the registered owner to this assignment must correspond with the name as it appears on the face of the within Tax-Exempt Turbo Redemption Series 2020C Bond in every particular, without alteration or enlargement or any change whatsoever.

EXHIBIT B
FORM OF INVESTOR LETTER

_____, 2020

Arizona Industrial Development Authority, as Issuer
Arizona Finance Authority
Phoenix, Arizona

Re: Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Series 2020A Bonds (Legacy Cares, Inc. Project),
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Taxable Series 2020B Bonds (Legacy Cares, Inc. Project)
and
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Turbo Redemption Series 2020C Bonds (Legacy Cares, Inc. Project)

Ladies and Gentlemen:

The undersigned as purchaser (the “**Purchaser**”) of (i) \$_____ of the above-referenced Tax-Exempt Series 2020A Bonds (the “**Tax-Exempt Series 2020A Bonds**”), (ii) \$_____ of the above-referenced Taxable Series 2020B Bonds (the “**Taxable Series 2020B Bonds**”) and (iii) \$_____ of the above-referenced Tax-Exempt Turbo Redemption Series 2020C Bonds (the “**Tax-Exempt Series 2020C Bonds**” together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the “**Bonds**”) does hereby certify, represent, and warrant for the benefit of the Arizona Industrial Development Authority (the “**Issuer**”) as follows:

(a) Qualification. The Purchaser is (check all that apply):

_____ (1) a “qualified institutional buyer,” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”);

_____ (2) an “accredited investor,” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act (“**Accredited Investor**”); or

_____ (3) an entity all of the equity owners of which are Accredited Investors.

- (b) No Registration. The Purchaser acknowledges that the Bonds have not been and will not be registered under the Securities Act or the securities or “Blue Sky” laws of any state in reliance upon exemptions from such registration requirements, and that the Indenture of Trust, dated as of August 1, 2020 (the “**Indenture**”), between the Issuer and the Trustee, UMB Bank, N.A. (the “**Trustee**”), has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption set forth therein. The Purchaser agrees to comply with all applicable federal and state securities laws then in effect with respect to any sale or other disposition of the Bonds by the Purchaser and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.
- (c) Sophistication. The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of the Bonds, and is capable of evaluating the merits and risks of its investment in the Bonds. The Purchaser has sought such accounting, legal, and tax advice as it considered necessary to make an informed investment decision. The Purchaser understands that there is no established market for the Bonds and that none will develop.
- (d) Investment Purpose. The Purchaser is purchasing the Bonds for its own account for investment purposes in accordance with the Indenture. The Purchaser does not currently intend to distribute, transfer, or resale the Bonds; provided, however, the Purchaser reserves the right to sell or otherwise dispose of the Bonds in the future in accordance with the requirements set forth in the Indenture.
- (e) Risk Acknowledgment. The Purchaser has received and reviewed a copy of each of the Preliminary Limited Offering Memorandum (the “**Preliminary Limited Offering Memorandum**”) dated June 30, 2020, as supplemented on July 27, 2020, and the Limited Offering Memorandum (the “**Limited Offering Memorandum**”) dated August 11, 2020, each relating to the Bonds, including the respective Appendices thereto, and recognizes that (i) an investment in the Bonds involves significant risks, including but not limited to, the risks described in each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the respective captions “RISK FACTORS” and (ii) the Bonds are not rated by an agency. The Purchaser has reviewed and has made its decision to invest after its review of the Indenture, the Loan Agreement dated as of August 1, 2020, between the Issuer and the Borrower (the “**Loan Agreement**”) and each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and based upon certain other information it has obtained and that it deems relevant to its investment in the Bonds. The Purchaser has made its own independent review of credit and related matters applicable to the Borrower, the Issuer, the purchase and holding of the Bonds, and otherwise related to its investment in the Bonds. The Purchaser has had the opportunity to ask questions of and receive answers from the Borrower concerning the purchase of the Bonds and all matters relating thereto or any additional information it deemed necessary in its decision to purchase the Bonds and all requested information has been furnished to the Purchaser.
- (f) Legal Authorization. The Purchaser has authority to purchase the Bonds and to execute this letter and any other instrument and document required to be executed by the Purchaser in connection with the purchase of the Bonds. The undersigned is authorized to make the

certifications, representations, and warranties contained herein by execution of this letter on behalf of the Purchaser.

- (g) Common Control. The Purchaser is not now and has never been controlled by, or under common control with, the Borrower or the Issuer. Neither the Borrower nor the Issuer has ever been and neither is now controlled by the Purchaser. The Purchaser has entered into no arrangements with the Borrower, the Issuer, or any of their affiliates in connection with the Bonds.
- (h) SPECIAL LIMITED OBLIGATIONS. The Purchaser understands that the Bonds are special limited, and not general, obligations of the Issuer payable solely from the revenues received by the Trustee. The Purchaser understands that the Bonds are not secured by any obligations or the pledge of any monies received or to be received from taxation or from the State or any political subdivision or taxing district thereof (including, without implied limitation, the Issuer and the Arizona Finance Authority), and that the Bonds will never represent or constitute a general obligation, debt, or bonded indebtedness of the Arizona Finance Authority, the State, or any political subdivision thereof, and that no right will exist to have taxes levied by the Arizona Finance Authority, the State, or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on the Bonds, and that payment of the principal of, premium, if any, and interest on the Bonds depends upon the general credit of the Borrower and upon the net cash flow from the Series 2020 Project. The Purchaser understands that the Issuer has no taxing power. The Purchaser understands that the Bonds are payable solely from the revenues derived by the Trustee from loan repayments made by the Borrower under the Loan Agreement and the Promissory Notes, from amounts on deposit in the Funds established under the Indenture, and from amounts realized by the Trustee under the Leasehold Deed of Trust.
- (i) Transfer Restrictions. The Purchaser understands and acknowledges that neither the Bonds have been registered or qualified under the Securities Act or the securities laws of any state, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. Further, the Purchaser understands and acknowledges that the Bonds will not be listed on any securities exchange. The Purchaser has been informed and agrees that the Bonds may not be transferred to any person that is not a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act or an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act without registration under the Securities Act or an available exemption from registration.
- (j) Reliance. The Purchaser acknowledges that the sale of the Bonds by the Issuer to the Purchaser is made in reliance upon the certifications, representation, and warranties made by the Purchaser to the Issuer.
- (k) INDEPENDENT EVALUATION; WAIVER OF ISSUER’S DUE DILIGENCE; RELEASE. The Purchaser has independently evaluated the factors associated with its investment decision. The Purchaser has been given full and complete access to and has been furnished with all information requested by the Purchaser regarding the Borrower, and has conducted such other

investigations relating to the Issuer, the Borrower, the Series 2020 Project, and the Bonds, as in the opinion of the Purchaser was necessary in connection with its purchase of the Bonds. The Purchaser acknowledges that the Issuer, the Arizona Finance Authority, the State and any of their past, present, and future directors, officers, members, employees, counsel, advisors, consultants, contractors and agents of any of the foregoing (each individually an “**Issuer Party**” and all collectively the “**Issuer Parties**”) have not undertaken to furnish information to the Purchaser, except for the information in each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the respective captions “THE ISSUER” and “LITIGATION – The Issuer,” or to ascertain the accuracy or completeness of any information that may have been furnished to the Purchaser by or on behalf of the Issuer or the Borrower relating to the operations, financial condition or future prospects of the Borrower or the Series 2020 Project and that none of the Issuer Parties have made any representations concerning the accuracy or completeness of any information supplied to the Purchaser or relating to the Borrower and the Series 2020 Project. The Purchaser further acknowledges that the Borrower has not undertaken to furnish information to the Purchaser regarding the Issuer, or to ascertain the accuracy or completeness of any information that may have been furnished to the Purchaser by or on behalf of the Issuer and that the Borrower has not made any representations concerning the accuracy or completeness of any information supplied to the Purchaser relating to the Issuer. The Purchaser hereby waives any requirements of due diligence in investigation or inquiry on the part of any of the Issuer Parties and all claims, actions, or causes of action which the Purchaser may have directly or indirectly from or relating to any action which the Issuer or the Arizona Finance Authority took, or could have taken, in connection with the issuance and sale of the Bonds to the Purchaser.

- (l) Defined Terms. Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

[remainder of page intentionally blank; signature page follows]

Very truly yours,

[NAME OF PURCHASER]

By
Name:
Title:

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX C

FORM OF LOAN AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

LOAN AGREEMENT

by and between

**ARIZONA INDUSTRIAL
DEVELOPMENT AUTHORITY,**
as Issuer

and

LEGACY CARES, INC.,
as Borrower

\$212,960,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Series 2020A
(Legacy Cares, Inc. Project)
and

\$6,810,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc. Project)
and

\$31,000,000

Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Turbo Redemption Series 2020C
(Legacy Cares, Inc. Project)

Dated as of August 1, 2020

Pursuant to the Indenture (as defined herein), the rights of the Arizona Industrial Development Authority hereunder, other than the Issuer Unassigned Rights (as defined in the Indenture referred to above), have been assigned to the Trustee (as defined herein), as trustee under such Indenture.

TABLE OF CONTENTS

Page

ARTICLE I	
DEFINITIONS.....	2

ARTICLE II REPRESENTATIONS AND COVENANTS

Section 2.01.	Representations by the Issuer.	13
Section 2.02.	Representations by and Covenants of the Borrower.....	14
Section 2.03.	Tax Covenants for Tax-Exempt Series 2020A Bonds, Tax-Exempt Turbo Redemption Series 2020C Bonds.....	16
Section 2.04.	[Reserved]	
Section 2.05.	Dissemination Agreement	23
Section 2.06.	Deposit Account Control Agreement	23
Section 2.07.	Environmental Matters.	23

ARTICLE III TERM OF LOAN AGREEMENT

ARTICLE IV THE SERIES 2020 PROJECT; ISSUANCE OF THE SERIES 2020 BONDS

Section 4.01.	Agreement to Issue Series 2020 Bonds	25
Section 4.02.	Disbursements from the Project Fund	25
Section 4.03.	[Reserved].....	25
Section 4.04.	Disbursements from the Cost of Issuance Fund	25
Section 4.05.	Disbursements from Tax and Insurance Escrow Fund	26
Section 4.06.	Rebate	26
Section 4.07.	Obligation of the Borrower to Furnish Documents to Trustee	26
Section 4.08.	Investment of Moneys.	26
Section 4.09.	Tax Covenant.....	26
Section 4.10.	Title Insurance; Security Interest.....	27
Section 4.11.	Disbursements from the Operating Reserve Fund.....	27
Section 4.12.	Disbursements from the Repair and Replacement Fund	27

ARTICLE V PAYMENT PROVISIONS

Section 5.01.	Loan Payments and Other Amounts Payable	28
Section 5.02.	Pledge By Borrower	30
Section 5.03.	Payees of Payments.	30
Section 5.04.	Obligations of Borrower Hereunder Unconditional	31

ARTICLE VI
MAINTENANCE, TAXES AND INSURANCE

	<u>Page</u>
Section 6.01.	Maintenance and Modifications of Facilities by Borrower 31
Section 6.02.	Taxes, Other Governmental Charges and Utility Charges 32
Section 6.03.	Insurance Required 33
Section 6.04.	Application of Net Proceeds of Insurance 35
Section 6.05.	Advances by Issuer or Trustee..... 35

ARTICLE VII
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01.	Damage, Destruction and Condemnation 35
Section 7.02.	Mandatory Prepayments 36
Section 7.03.	Borrower Entitled to Certain Net Proceeds 37
Section 7.04.	No Change in Loan Payments; No Liens 37
Section 7.05.	Investment of Net Proceeds 37

ARTICLE VIII
SPECIAL COVENANTS

Section 8.01.	No Warranty of Condition or Suitability by the Issuer..... 37
Section 8.02.	Consolidation, Merger, Sale or Conveyance 37
Section 8.03.	Further Assurances. 38
Section 8.04.	Audits..... 39
Section 8.05.	Financial Records and Statements; Financial Covenants; Reports..... 39
Section 8.06.	Release and Indemnification Covenants..... 43
Section 8.07.	Authority of Authorized Representative of the Borrower 45
Section 8.08.	Authority of Authorized Representative of the Issuer 45
Section 8.09.	Licenses and Qualifications 45
Section 8.10.	Right to Inspect..... 45
Section 8.11.	[Reserved]..... 45
Section 8.12.	Nonsectarian Use 45
Section 8.13.	Limitations on Incurrence of Additional Indebtedness..... 46
Section 8.14.	Covenant to Comply with Indenture..... 46
Section 8.15.	Continuation of Operation in Event of Casualty 46
Section 8.16.	Maintenance of Nonprofit Status..... 46

ARTICLE IX
ASSIGNMENT AND PLEDGE;
REDEMPTION OF SERIES 2020 BONDS

Section 9.01.	Assignment and Pledge by Issuer 46
Section 9.02.	Redemption of Series 2020 Bonds 46

ARTICLE X EVENTS OF DEFAULT AND REMEDIES

	<u>Page</u>
Section 10.01. Events of Default	47
Section 10.02. Remedies on Default.....	49
Section 10.03. No Remedy Exclusive.	50
Section 10.04. Agreement to Pay Attorneys' Fees and Expenses	50
Section 10.05. Waiver.....	51
Section 10.06. Proofs of Claim.....	51
Section 10.07. Treatment of Funds in Bankruptcy	52

ARTICLE XI PREPAYMENT OF THE LOAN

Section 11.01. General Option to Prepay the Loan	52
Section 11.02. Prepayment Credits.....	53
Section 11.03. Notice of Prepayment	53
Section 11.04. Use of Prepayment Moneys.....	53

ARTICLE XII MISCELLANEOUS

Section 12.01. Notices	53
Section 12.02. Binding Effect.....	54
Section 12.03. Severability	54
Section 12.04. Third Party Beneficiaries	54
Section 12.05. Amounts Remaining in Funds	54
Section 12.06. Amendments, Changes and Modifications	55
Section 12.07. Execution in Counterparts	55
Section 12.08. Governing Law	55
Section 12.09. Filing.....	55
Section 12.10. Cancellation at Expiration of Term of Loan Agreement	55
Section 12.11. Default by Issuer; Limited Liability	55
Section 12.12. No Personal Liability of Officials of the Borrower, Issuer or the Trustee. ...	56
Section 12.13. Limitation of Issuer's Liability	56
Section 12.14. No Warranty by Issuer.....	57
Section 12.15. Prior Loan Agreements Superseded	58
Section 12.16. Covenant by the Borrower with Respect to Statements, Representations and Warranties	58
Section 12.17. Captions	58
Section 12.18. Payments Due on Days Other Than Business Days	58
Section 12.19. Provision of General Application	58
Section 12.20. Survival	58
Section 12.21. Notice of Change in Fact	59
Section 12.22. Notice of A.R.S. Section 38-511 - Cancellation	59
Section 12.23. No Boycott of Israel.....	59

Section 12.24.	Concerning Successors and Assigns	59
EXHIBIT A	FORM OF SERIES 2020A PROMISSORY NOTE	
	FORM OF SERIES 2020B PROMISSORY NOTE	
	FORM OF SERIES 2020C PROMISSORY NOTE	
EXHIBIT B	FORM OF PROJECT FUND REQUISITION CERTIFICATE	
EXHIBIT C	FORM OF TAX AND INSURANCE ESCROW FUND REQUISITION CERTIFICATE	
EXHIBIT D	FORM OF OPERATING RESERVE FUND REQUISITION CERTIFICATE	
EXHIBIT E	FORM OF REPAIR AND REPLACEMENT FUND REQUISITION CERTIFICATE	
EXHIBIT F	INITIAL DISBURSEMENT FROM PROJECT FUND	
EXHIBIT G	FORM OF BUDGETED EXPENSES CERTIFICATE	
EXHIBIT H	COSTS OF ISSUANCE PAYABLE AT CLOSING	

LOAN AGREEMENT

THIS LOAN AGREEMENT, dated as of August 1, 2020 (this “Loan Agreement”), is between the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Issuer”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, and **LEGACY CARES, INC.**, an Arizona not-for-profit corporation and 501(c)(3) organization (the “Borrower”).

WITNESSETH:

WHEREAS, the Issuer is empowered under Title 35, Chapter 5, Arizona Revised Statutes, as amended (the “Act”), to issue revenue bonds for the purposes set forth in the Act, including the making of secured and unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of a “project” (as defined in the Act); and

WHEREAS, pursuant to the Act, the Issuer is authorized to issue its revenue bonds and lend the proceeds thereof to a developer for the purpose of financing or refinancing costs of acquisition, construction, improvement, equipping or operation of a project, which includes mixed-use multisport complex and related facilities for use by the public, and owned by a nonprofit organization; and

WHEREAS, the Borrower has requested that the Issuer make a loan to the Borrower pursuant to this Loan Agreement (the “Loan”) in order to assist the Borrower in (i) financing all or a portion of the costs of acquiring, constructing, renovating, improving, equipping and operating a state of the art, premier family multi-sports park facility and entertainment complex located to the southeast of the intersection of SR 24 and Ellsworth Road in Mesa, Arizona (the “Series 2020 Facilities”), (ii) funding any required reserve fund under the Indenture (as defined below); (iii) paying capitalized interest, operating costs and working capital costs; and (iv) paying certain issuance expenses of the Series 2020 Bonds (collectively, the “Series 2020 Project”); and

WHEREAS, the Issuer has determined to issue its \$212,960,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “Tax-Exempt Series 2020A Bonds”) and its \$6,810,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “Taxable Series 2020B Bonds”) and its \$31,000,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “Tax-Exempt Turbo Redemption Series 2020C Bonds”) and together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the “Series 2020 Bonds”), pursuant to an Indenture of Trust, dated as of even date with this Loan Agreement (the “Indenture”), as the same may be modified, amended or supplemented from time to time, as therein permitted, between the Issuer and UMB Bank, N.A., as trustee, and use the proceeds of the Series 2020 Bonds to make the Loan; and

WHEREAS, the Loan will be evidenced by three promissory notes in the aggregate principal amount of \$250,770,000 (together, the “Series 2020 Promissory Note”) executed by the Borrower; and

WHEREAS, the Series 2020 Promissory Note will be secured by that certain Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing (the “Leasehold Deed of Trust”), executed by the Borrower in favor of the Trustee; and

WHEREAS, in addition to the other covenants contained herein, the Borrower has agreed to maintain an operating reserve fund in order to secure the payment of its obligations under this Loan Agreement.

NOW, THEREFORE, for and in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the premises and the mutual covenants hereinafter contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto formally covenant, agree and bind themselves as follows (provided, that in the performance of the agreements of the Issuer herein contained, any obligation it may thereby incur shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision whatsoever, or as a pledge of the general credit, faith or taxing power of the Issuer, the State or any political subdivision thereof, except to the extent the Bonds shall be special, limited obligations of the Issuer payable solely out of the revenues and receipts derived from this Loan Agreement, the proceeds of the Bonds, and the income from the temporary investment of such proceeds, all as herein provided):

ARTICLE I DEFINITIONS

All terms defined in Article I of the Indenture and not otherwise defined herein shall have the same meaning in this Loan Agreement. In addition, the following terms, except where the context indicates otherwise, shall have the respective meanings set forth below:

“*Accountant*” means any Independent certified public accounting firm licensed to practice in the State (which may be the firm of accountants that regularly audits the books and accounts of the Borrower) from time to time selected by the Borrower.

“*Additional Promissory Notes*” means any nonnegotiable promissory note or notes, in addition to the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note, executed and delivered by the Borrower to the Trustee in connection with the issuance of Additional Bonds, as provided herein.

“*Authorized Representative*” means, (a) in the case of the Issuer, the President of the Issuer or any other person at the time designated to act on behalf of the Issuer by written certificate furnished to the Trustee and signed on behalf of the Issuer by one of its authorized signatories, which certificate may designate an alternate or alternates, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document; or, (b) in the case of the Borrower, the President or the Secretary of the Borrower or any other officer, board member or person authorized by a

resolution of the Board of Directors of the Borrower in a certificate furnished to the Trustee, and, when used with reference to the performance of any act, the discharge of any duty or the execution of any certificate or other document, any officer, employee or other person authorized to perform such act, discharge such duty or execute such certificate or other document.

“Beneficial Owners” means the person or entity for whom the Bonds were deposited with DTC in the name of its nominee, Cede & Co. A Person’s qualification as a Beneficial Owner shall be demonstrated by such showing as shall be reasonably acceptable to the Trustee.

“Bond Closing” means, as to any Series of Additional Bonds, the date upon which such Series of Additional Bonds are delivered for due consideration, and, as to the Series 2020 Bonds, August 20, 2020.

“Bond Counsel” means Gust Rosenfeld P.L.C., or such other firm of nationally recognized attorneys with a proven reputation in the field of municipal finance and experienced in the financing of facilities for non-exempt persons through the issuance of tax-exempt revenue bonds under the exemption provided under Section 103 of the Code, and approved by the Issuer and the Borrower.

“Bond-Financed Property of a Series” means the property financed with the Net Bond Proceeds of a Series.

“Bond Fund” means the fund by that name created in Section 3.02 of the Indenture.

“Bond Proceeds of a Series” means all amounts actually or constructively received from the sale of the related Series of Bonds (including underwriters’ discount or compensation, but excluding pre-issuance accrued interest) plus all investment earnings thereon.

“Bond Purchase Agreement” means as to any Series of Additional Bonds, the bond purchase agreement among the Issuer, the underwriter named therein and the Borrower related to such Series of Additional Bonds and, as to the Series 2020 Bonds, means the Bond Purchase Agreement, dated August 11, 2020, among the Issuer, the Underwriter and the Borrower.

“Bonds” means, collectively, the Series 2020 Bonds and any Additional Bonds.

“Borrower” means Legacy Cares, Inc., an Arizona not-for-profit corporation and 501(c)(3) organization, or any surviving, resulting or transferee corporation under Arizona laws, as provided in Section 8.02 hereof.

“Borrower Documents” means this Loan Agreement, the Leasehold Deed of Trust, the Deposit Account Control Agreement, the Promissory Notes, the Bond Purchase Agreement, the Dissemination Agreement, the Tax Regulatory Agreement, and each of the other agreements, certificates, contracts or instruments to be executed by the Borrower in connection with the issuance of a Series of Bonds or the financing of a portion of the expenses associated with the Series Project.

“Budgeted Expenses” means, the amount of expenses related to the operation and maintenance of the Facilities (excluding Pledged Revenues used to pay debt service on the related

Series of Bonds) and anticipated to be incurred during the current Fiscal Year, as approved by the Borrower pursuant to the Series 2020 Qualified Management Agreement and certified to the Trustee in a certificate of an Authorized Representative of the Borrower by no later than December 15 of the prior Fiscal Year.

“Business Day” means any day other than a Saturday or Sunday or a day on which the Federal Reserve System is closed.

“Code” means the Internal Revenue Code of 1986, as amended. References to the Code and Sections of the Code include relevant applicable Regulations and, in addition, all revenue rulings, announcements, notices, procedures and judicial determinations under the foregoing applicable to the Bonds.

“Cost of Issuance Fund” means the fund by that name created in Section 3.02 of the Indenture.

“Costs of the Project” in connection with the construction, acquisition, improvement or equipping of a Series Project, means any cost incurred or estimated to be incurred by the Borrower that is reasonable and necessary for carrying out all works and undertakings in providing such Series Project for the Borrower, including the acquisition of real property and any buildings thereon, the cost of equipment and furnishings, the construction, acquisition, improvement or equipping of a Series Project, the cost of necessary studies, surveys, plans and specifications, architectural, engineering, legal or other special services, development, construction and reconstruction necessary or useful in connection with such Series Project, the reasonable cost of financing or refinancing incurred by the Borrower or the Issuer in connection with the execution of this Loan Agreement, or in the course of the construction, acquisition, improvement or equipping of a Series Project, including capitalized interest on amounts disbursed in stages, and the cost of such other items as may be reasonable and necessary for the construction, acquisition, improvement and equipping of a Series Project as permitted under the Act.

“CPI Adjustment” means, with respect to a calendar year, the increase over the prior calendar year in the Consumer Price Index for Phoenix-Mesa-Scottsdale, AZ (MSA), as provided by the Borrower to the Trustee in a written certificate of an Authorized Representative of the Borrower.

“Days Cash on Hand” means, for any period of determination thereof, the amount obtained when dividing the amount of funds held in the Operating Reserve Fund by the quotient of the Budgeted Expenses for such period divided by 365, as certified by an Accountant.

“Days Cash on Hand Requirement” means 90 Days Cash On Hand with respect to the Fiscal Year ending on December 31, 2020, and 90 days for every Fiscal Year thereafter.

“Debt Service Coverage Ratio” means, for any Fiscal Year, the ratio obtained by dividing the Borrower’s Net Project Income Available for Debt Service for such Fiscal Year by the Maximum Annual Debt Service for the Bonds, as such ratio is certified to by an Accountant of the Borrower.

“Debt Service Coverage Ratio Requirement” means, for any Fiscal Year beginning with the Fiscal Year ending December 31, 2020, a Debt Service Coverage Ratio of 1.25 to 1.0.

“Debt Service Reserve Fund” means the fund by that name created pursuant to Section 3.02 of the Indenture.

“Deposit Account Control Agreement” means the Deposit Account Control Agreement dated as of July 1, 2020, among UMB Bank, NA, as secured party, the Manager and Wells Fargo Bank, as the Manager’s bank, with respect to the Manager’s existing operating account.

“Dissemination Agreement” means, with respect to the Series 2020 Bonds, the Disclosure Dissemination Agent Agreement, dated the date of the Bond Closing for the Series 2020 Bonds, executed by the Borrower and Digital Assurance Certification, LLC pursuant to Section 2.05 hereof and, as to any Series of Additional Bonds, the continuing disclosure agreement or similar document executed by the Borrower in connection with the issuance of such Additional Bonds.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Environmental Laws” means, collectively, the following statutes: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§ 9601 *et seq.*; the federal Hazardous Materials Transportation Law, 49 U.S.C. §§ 5101 *et seq.*; the Toxic Substances Control Act, 15 U.S.C. §§ 2601 *et seq.*; the Resource Conservation and Recovery Act, as amended, 42 U.S.C. §§ 6901 *et seq.*; the Clean Water Act, 33 U.S.C. §§ 1251 *et seq.* and the Clean Air Act, 42 U.S.C. §§ 7401 *et seq.*; the Arizona Hazardous Waste Disposal regulations, A.R.S. §§ 49-901, *et seq.*

“Event of Default” means those defaults specified in Section 10.01 hereof and in Section 8.01 of the Indenture.

“Expense Fund” means the fund by that name created pursuant to Section 3.02 of the Indenture.

“Facilities” means, collectively, the Series 2020 Facilities and all additional land, buildings and equipment owned or leased by the Borrower and at any time pledged to the Trustee to secure the Bonds.

“Fiscal Year” means the Borrower’s fiscal year, which currently begins on January 1 and ends on December 31 of each calendar year.

“Funds” mean the Funds as defined in the Indenture.

“Generally Accepted Accounting Principles” means those accounting principles applicable in the preparation of financial statements of the Borrower, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants.

“Hazardous Substances” shall mean any substance or material at the level defined or designated as hazardous or toxic waste, hazardous or toxic material, a hazardous or toxic chemical, a hazardous, toxic or radioactive substance, petroleum or other similar term, by any federal, State or local environmental statute, regulation or ordinance presently in effect or that may be promulgated in the future, as such statutes, regulations and ordinances may be amended from time to time, including, but not limited to, the Environmental Laws.

“Indebtedness” means, with respect to the Borrower and subject to Permitted Encumbrances, all indebtedness of the Borrower for borrowed moneys, or which has been incurred or assumed in connection with the acquisition, construction, improvement, operation and/or equipping of the Facilities, no matter how created, secured by the Facilities or the Pledged Revenues, whether or not such indebtedness is assumed by the Borrower, including any leases required to be capitalized in accordance with Generally Accepted Accounting Principles, installment purchase obligations and guaranties.

“Indenture” means the Indenture of Trust, dated as of July 1, 2020, between the Issuer and the Trustee, including any indentures supplemental thereto made in conformity therewith, pursuant to which the Bonds are authorized to be issued and secured.

“Insurance Consultant” means an Independent insurance consultant and/or risk management firm or an insurance broker or an insurance agent (which may be a consultant, firm, broker or agent with whom the Borrower or the Issuer regularly transacts business) selected by the Borrower.

“Interest Payment Date” means, as to a Series of Additional Bonds, the Interest Payment Date established in the related Supplemental Indenture and, as to the Series 2020 Bonds, means each July 1 and January 1, commencing January 1, 2021.

“Investment” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“Investment Manager” means Public Trust Advisors, LLC or such other entity contracted to invest the Bond proceeds deposited in the Project Fund.

“Irrevocable Deposit” means the irrevocable deposit in trust of cash in an amount (or Government Obligations, the principal of and interest on which will be in an amount) and under terms sufficient to pay all or a specified portion of the principal of, premium, if any, and/or the interest on, as the same shall become due, any Indebtedness which would otherwise be considered Outstanding. The trustee of such deposit shall have possession of any cash and securities (other than book-entry securities) and may be the Trustee or any other trustee authorized to act in such capacity.

“Issuer Indemnified Party” or *“Issuer Indemnified Parties”* means the Issuer, the Arizona Finance Authority (“AFA”), the State, and each of their past, present, and future directors, officers, counsel, advisors, employees, agents, contractors, consultants and executive directors (if any), individually and collectively.

“Leasehold Deed of Trust” means, individually and collectively, as applicable, each Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, among the Borrower, as trustor, the Trustee, as beneficiary, and the Title Company, as trustee, and any modifications thereto, relating to the Facilities.

“Liabilities” means any causes of action (whether in contract, tort or otherwise), claims, costs, damages, demands, judgments, liabilities, losses, suits, audits and expenses (including, without limitation, reasonable costs of investigation, and attorney’s fees and expenses) of every kind, character and nature whatsoever.

“Lien” means any mortgage or pledge of, security interest in, or lien or encumbrance on, any property that secures any Indebtedness or other obligation of the Borrower excluding liens applicable to property in which the Borrower has only a leasehold interest unless the lien secures Indebtedness.

“Limited Offering Memorandum” means the Limited Offering Memorandum dated August 11, 2020, relating to the Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), the Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project), and the Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C Bonds (Legacy Cares, Inc. Project).

“Loan” means, collectively, all loan installments by the Issuer to the Borrower of the proceeds from the sale of the Bonds pursuant to this Loan Agreement.

“Loan Agreement” means, individually and collectively, as applicable, this Loan Agreement by and between the Issuer and the Borrower, dated July 1, 2020, and any other loan agreement between the Borrower and the Issuer with respect to the Bonds and any amendment or supplement thereto, made in conformity with the requirements hereof and of the Indenture.

“Loan Payments” means those payments required to be paid by the Borrower pursuant to Section 5.01 hereof.

“Manager” means Legacy Sports USA, LLC, an Arizona limited liability company, the manager of the Series 2020 Project.

“Maximum Annual Debt Service” means, as of any date of calculation, the highest principal and interest payment (excluding the final maturity payment for a Series of Bonds) requirements with respect to all Bonds Outstanding for any succeeding Fiscal Year.

“Net Bond Proceeds of a Series” means Bond Proceeds of a Series less the portion thereof deposited in the Debt Service Reserve Fund.

“Net Proceeds” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof less the expenses (including attorneys’ fees and expenses) incurred in the collection of such gross proceeds.

“Net Project Income Available for Debt Service” means, for any period of determination thereof, the Pledged Revenues of the Borrower for such period, plus the interest earnings on moneys held in the Debt Service Reserve Fund established under the Indenture minus the total Operating Expenses of the Borrower for such period but excluding (a) any profits or losses which would be regarded as extraordinary items under Generally Accepted Accounting Principles, (b) gain or loss in the extinguishment of Indebtedness of the Borrower, (c) proceeds of any Series of Bonds and any other Indebtedness permitted by this Loan Agreement, and (d) proceeds of insurance policies, other than policies for business interruption insurance, maintained by or for the benefit of the Borrower, the proceeds of any sale, transfer or other disposition of the Facilities or any other of the Borrower’s assets by the Borrower, and any condemnation or any other damage award received by or owing to the Borrower.

“Operating Expenses” means fees and expenses of the Borrower incurred with respect to the Facilities, including maintenance, repair expenses, utility expenses, administrative and legal expenses, miscellaneous operating expenses, advertising costs, payroll expenses (including taxes), the cost of material and supplies used for current operations of the Borrower, the cost of vehicles, equipment leases and service contracts, taxes upon the operations of the Borrower not otherwise mentioned herein, charges for the accumulation of appropriate reserves for current expenses not annually recurrent, but which are such as may reasonably be expected to be incurred in accordance with Generally Accepted Accounting Principles, all in such amounts as reasonably determined by the Borrower; provided, however, “Operating Expenses” shall not include (i) expenses characterized as extraordinary under Generally Accepted Accounting Principles, depreciation, amortization or other non-cash expenses nor those expenses which are actually paid from any revenues of the Borrower which are not Pledged Revenues, and (ii) solely when calculating Debt Service Coverage Ratio, interest paid on the Bonds.

“Operating Reserve Fund” means the fund by that name created pursuant to Section 3.02 of the Indenture.

“Operating Reserve Fund Requirement” means, as to the Series 2020 Bonds, \$12,500,000.00 and, as to a Series of Additional Bonds, the Operating Reserve Fund Requirement established for that Series of Additional Bonds in the related Supplemental Indenture.

“Opinion of Counsel” means an opinion in writing of legal counsel, who may be counsel to the Issuer, the Trustee or the Borrower, reasonably acceptable to the addressee thereof.

“Payment Date” means the monthly date on which the Borrower is scheduled to remit payments to the Trustee.

“Permitted Encumbrances” means, as of any particular time, those items described on Exhibit B attached to a Leasehold Deed of Trust and any of the following:

- (a) Liens for taxes and special assessments on the Facilities not then delinquent;
- (b) the Leasehold Deed of Trust; provided that the rights of any party to, and the lien priority of, any such leasehold deed of trust executed after the date of this Loan Agreement shall

be subordinate to the rights of the parties to, and the lien created by, the Series 2020 Leasehold Deed of Trust as set forth in section 4.10 hereof;

(c) purchase money security interests with respect to any item of equipment related to the Facilities, as permitted by this Loan Agreement;

(d) utility, access, and other easements and rights-of-way, mineral rights and reservations, restrictions and exceptions that would not in the aggregate (i) materially interfere with or impair any present use of the Facilities or any reasonably probable future use of the Facilities, or (ii) materially reduce the value that would be reasonably expected to be received for the Facilities upon any sale (including any foreclosure of the mortgage granted by the Leasehold Deed of Trust);

(e) mechanics' and materialmen's Liens related to the Facilities when payment of the related bill is not overdue and as may be permitted by this Loan Agreement;

(f) mechanics' and materialmen's Liens, security interests or other encumbrances related to the Facilities to the extent being contested as permitted in Section 6.01 hereof;

(g) judgment liens against the Borrower so long as such judgment is being contested and execution thereon is stayed or while the period for responsive pleading has not lapsed or for which a bond adequate to satisfy the lien has been issued;

(h) (i) rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or provision of law, affecting the Facilities, to (A) terminate such right, power, franchise, grant, license or permit, provided that the exercise of such right would not materially impair the use of the Facilities or materially and adversely affect the value thereof, or (B) purchase, condemn, appropriate, or recapture, or designate a purchaser of, the Facilities; (ii) Liens on the Facilities for taxes, assessments, levies, fees, water and sewer charges, and other governmental and similar charges not yet due or delinquent; (iii) easements, rights-of-way, servitudes, restrictions and other minor defects, encumbrances and irregularities in the title to the Facilities that do not materially impair the use of the Facilities or materially and adversely affect the value thereof; or (iv) rights reserved to or vested in any municipality or public authority to control or regulate the Facilities or to use the Facilities in any manner, which rights do not materially impair the use of the Facilities or materially and adversely affect the value thereof;

(i) Liens and any other restrictions, exceptions, leases, easements or encumbrances that are existing on the date of initial issuance and delivery of the Series 2020 Bonds, provided that no such Lien (or the amount of Indebtedness secured thereby), restriction, exception, lease, easement or encumbrance may be increased, extended, renewed or modified to apply to any portion of the Facilities not subject to such Lien on such date, unless such Lien as so extended, renewed or modified would otherwise qualify as a Permitted Encumbrance hereunder or is otherwise permitted pursuant to Section 8.13 hereof;

(j) Liens on the Facilities or the Pledged Revenues to secure payment of Indebtedness that meets the conditions described in Section 8.13 hereof;

(k) Liens arising by reason of an Irrevocable Deposit; or

(l) Any working capital facility secured by discrete collateral of the Borrower or operator and not secured by Pledged Revenues.

“*Person*” includes an individual, association, corporation, partnership, limited liability company, joint venture, any entity or a government or an agency or a political subdivision thereof.

“*Phase I Report*” means the “Phase I Environmental Site Assessment on 290± Acres for Legacy Sport Park” prepared by Geotechnical Testing & Inspections, dated April 13, 2020, in connection with the Series 2020 Facilities.

“*Pledged Revenues*” means, to the extent permitted by law, all revenues, rentals, fees, third-party payments, receipts, donations, contributions or other income of the Borrower related to the Facilities, including the rights to receive such revenues (each subject to Permitted Encumbrances), all as calculated in accordance with Generally Accepted Accounting Principles, including, without limitation, payments (whether paid to the Borrower or to the Trustee on behalf of the Borrower) and proceeds derived from insurance, condemnation proceeds, accounts, contract rights and other rights and assets, whether now or hereafter owned, held or possessed by the Borrower; and all gifts, grants, bequests and contributions (including income and profits therefrom) to the extent permitted by the terms thereof and by law.

“*Principal Payment Date*” or “*sinking fund payment date*” means, as to a Series of Additional Bonds, the Principal Payment Date or sinking fund payment date established for that Series of Bonds in the related Supplemental Indenture and, as to the Series 2020 Bonds, means each July 1, commencing July 1, 2023.

“*Private Business Use*” means use, directly or indirectly, by any Private Person other than use as a member of, and on the same basis as, the general public.

“*Private Person*” means any person other than a “governmental unit” within the meaning of Section 150(a)(2) of the Code.

“*Promissory Notes*” means the Series 2020A Promissory Note, the Series 2020B Promissory Note, the Series 2020C Promissory Note and any Additional Promissory Notes.

“*Rebate Amount*” means the Rebate Amount with respect to a Series of tax-exempt Bonds determined in accordance with Section 3.18 of the Indenture.

“*Rebate Analyst*” means an Independent certified public accountant, financial analyst or Bond Counsel, or any firm of the foregoing, or financial institution, experienced in making the arbitrage and rebate calculations required pursuant to Section 148(f) of the Code, selected and retained by the Borrower and compensated by the Borrower to make the computations and give the directions required under Section 3.15 of the Indenture.

“*Rebate Fund*” means the fund by that name created in Section 3.02 of the Indenture.

“Rebate Year” means Rebate Year as defined in the Indenture.

“Registered Owner” means the Person or Persons in whose name or names a particular Bond is registered on the registration records maintained for that purpose pursuant to Section 2.05 of the Indenture.

“Regulations” means the temporary or final Income Tax Regulations applicable to a Series of tax-exempt Bonds issued pursuant to Sections 103 and 141 through 150 of the Code or Section 103 of the Internal Revenue Code of 1954, as amended. Any reference to a section of the Regulations shall also refer to any successor provision to such section hereafter promulgated by the Internal Revenue Service pursuant to Sections 141 through 150 of the Code and applicable to the Tax- Exempt Bonds.

“Repair and Replacement Fund” means the Repair and Replacement Fund created in Section 3.02 of the Indenture.

“Repair and Replacement Fund Annual Deposit” means an amount equal to \$500,000.00.

“Repair and Replacement Fund Requirement” means, subject to Section 3.22 of the Indenture (a) with respect to the Series 2020 Bonds, \$500,000.00; and (b) with respect to each Series of Additional Bonds, such amount as set forth in the related Supplemental Indenture.

“Revenue Fund” means the fund by that name created pursuant to Section 3.02 of the Indenture.

“Revenues” means, to the extent permitted by law, all payments received by the Trustee for the account of the Issuer pursuant to this Loan Agreement and the Indenture.

“Securities Act” means the Securities Act of 1933, as amended (17 CFR Part 230).

“Series” means a series of Bonds issued pursuant to the Indenture.

“Series 2020 Bonds” means as set forth in the recitals of this Loan Agreement.

“Series 2020 Facilities” means as set forth in the recitals of this Loan Agreement.

“Series 2020 Leasehold Deed of Trust” means the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases, and Fixture Filing, dated as of July 1, 2020, executed by the Borrower, as trustor, in favor of the Trustee, as beneficiary, and the Title Company, as trustee, relating to the Series 2020 Facilities, executed in connection with the issuance of the Series 2020 Bonds.

“Series 2020 Project” means as set forth in the recitals of this Loan Agreement.

“Series 2020 Promissory Note” means, collectively, the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note.

“*Series 2020A Promissory Note*” means the Series 2020A Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$212,960,000, the form of which is attached hereto in Exhibit A.

“*Series 2020B Promissory Note*” means the Series 2020B Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$6,810,000, the form of which is attached hereto in Exhibit A.

“*Series 2020C Promissory Note*” means the Series 2020C Promissory Note, executed by the Borrower and made payable to the Issuer and endorsed by the Issuer to the Trustee, in the aggregate principal amount of \$31,000,000, the form of which is attached hereto in Exhibit A.

“*Series 2020 Qualified Management Agreement*” means that certain Qualified Management Agreement between the Borrower and Legacy Sports USA, LLC, dated August 5, 2020, relating to the Series 2020 Project, which meets the requirements of paragraph 2.03(d)(ii) hereof.

“*Series Debt Service Reserve Fund Requirement*” means, (a) for the Series 2020 Bonds, an amount equal to \$22,000,000.00, (b) for any Series of Additional Bonds, an amount, determined at the time of issuance of such Additional Bonds, not to exceed the least of (i) 10% of the original principal amount of such Additional Bonds, (ii) 125% of the average Annual Debt Service payment on such Additional Bonds, (iii) 100% of the Maximum Annual Debt Service payable on such Additional Bonds, or (iv) an amount which, when added to the existing Series Debt Service Reserve Fund Requirement for each Series of Outstanding Bonds, will not cause the total Debt Service Reserve Fund Requirement to exceed the Maximum Annual Debt Service payable on the Outstanding Bonds and the Additional Bonds; provided the Series Debt Service Reserve Fund Requirement for any Series of Additional Bonds may be revised to a lesser amount in accordance with requirements of Regulations specifying the maximum amount in a reserve fund permitted to be invested without regard to investment yield.

“*Series Project*” means the portion of the Project related to a Series of Bonds.

“*Taxable Series 2020B Bonds*” means as set forth in the recitals of this Loan Agreement.

“*Tax and Insurance Escrow Fund*” means the fund by that name created pursuant to Section 3.02 of the Indenture.

“*Tax and Insurance Escrow Payment*” means (a) commencing on the Payment Date on or after January 1, 2021, and each Payment Date thereafter, an amount equal to a fraction of the greater of (i) real property taxes paid during the preceding calendar year or (ii) real property taxes payable during the current calendar year based on the existing assessed value, where the numerator is the amount of such taxes and the denominator is the number of Payment Dates that will occur during the period between the last date on which such taxes were paid, or if such taxes have not yet been paid, the Bond Closing and the next October 1, unless the Borrower has received notice from the Maricopa County Assessor’s Office of its exemption from such real property taxes, in which case the amount shall be \$0 until such time as the Borrower is notified otherwise, at which

time payments shall be made by the Borrower as herein provided; and (b) on the first day of each month, beginning September 1, 2020, one-twelfth (1/12) of the insurance premiums for all policies required to be maintained by the Borrower relative to the Facilities for such calendar year period pursuant to this Loan Agreement payable in accordance with the terms of such policies and as otherwise stated in a written instruction from the Borrower to the Trustee. Credit for earnings in the Tax and Insurance Escrow Fund may be given annually to offset the amount of the payments for the succeeding year.

“Tax-Exempt Series 2020A Bonds” means as set forth in the recitals of this Loan Agreement.

“Tax-Exempt Turbo Redemption Series 2020C Bonds” means as set forth in the recitals of this Loan Agreement.

“Tax Regulatory Agreement” means, with respect to each Series of tax-exempt Bonds, the Tax Regulatory Agreement of the Issuer (which incorporates the Tax Certificate of the Borrower), dated as of the Bond Closing of such Series of tax-exempt Bonds, as amended from time to time.

“Title Company” means the title company selected by the Borrower as trustor under the Leasehold Deed of Trust and, with respect to the Series 2020 Bonds, Commonwealth Land Title Insurance Company, or its successors, affiliates or assigns.

“Title Policy” means an ALTA extended coverage lender’s policy of title insurance in a form acceptable to the Underwriter.

“Trust Estate” means the property pledged, assigned and mortgaged to the Trustee pursuant to the granting clauses of the Indenture.

“Trustee” means UMB Bank, N.A., designated as paying agent, registrar and trustee under the Indenture, or any successor corporate trustee.

“Trustee Indemnified Parties” or *“Trustee Indemnified Party”* means the Trustee, its past, present and future directors, officers, employees, agents, counsel, contractors, subcontractors, licensees and invitees, individually and collectively.

“Underwriter” means B.C. Ziegler and Company, Chicago, Illinois, and any successors and assigns.

ARTICLE II REPRESENTATIONS AND COVENANTS

Section 2.01. Representations by the Issuer. The Issuer represents that:

(a) The Issuer is a nonprofit corporation designated as a political subdivision of the State, created and existing under the Constitution and laws of the State and pursuant to the Act and the Resolution, the Issuer is authorized to enter into the transactions contemplated by this Loan

Agreement and the Indenture and to carry out its obligations hereunder and thereunder, and has been duly authorized to execute and deliver this Loan Agreement;

(b) The Issuer has found and hereby declares that the issuance of the Series 2020 Bonds to assist the financing of the Series 2020 Project is in furtherance of the public purposes set forth in the Act;

(c) In order to finance a portion of the costs of the Series 2020 Project, in an amount estimated by the Borrower, the Issuer has duly authorized the execution, delivery, and performance on its part of the Bond Purchase Agreement, the Indenture and this Loan Agreement with respect to the Series 2020 Bonds;

(d) To accomplish the foregoing, the Issuer proposes to issue \$250,770,000 in aggregate principal amount of its Series 2020 Bonds immediately following the execution and delivery of this Loan Agreement. The date, denomination or denominations, interest rate or rates, maturity schedules, redemption provisions and other pertinent provisions with respect to the Series 2020 Bonds are set forth in the Indenture;

(e) The Issuer makes no representation or warranty that the amount of the Loan will be adequate or sufficient to finance the Series 2020 Project or any portion thereof, or that the Series 2020 Project will be adequate or sufficient for the purposes of the Borrower; and

(f) The Issuer has not pledged, assigned, or granted, and will not pledge, assign, or grant any of its rights or interest in or under this Loan Agreement for any purpose other than as provided for in the Indenture.

Section 2.02. Representations by and Covenants of the Borrower. The Borrower represents and covenants that:

(a) It is duly organized and validly existing as an Arizona nonprofit corporation and has been designated as a 501(c)(3) organization by the Internal Revenue Service, is in good standing under the laws of the State, it will maintain, extend and renew its corporate existence under the laws of the State, and it will not do, suffer or permit any act or thing to be done whereby its right to transact its functions might or could be terminated or its activities restricted.

(b) The Borrower is organized and operated with the specific power to acquire, develop, construct, renovate, operate, improve, equip and maintain the Facilities. The Borrower has been duly authorized to execute each of the Borrower Documents and consummate all of the transactions contemplated thereby, and the execution, delivery, and performance of the Borrower Documents will not conflict with or constitute a breach of or default by the Borrower under any other instrument or agreement to which the Borrower is a party or by which its property is bound.

(c) The Borrower's execution, delivery, and performance of the Borrower Documents will not constitute a violation of any order, rule, or regulation of any court or governmental agency having jurisdiction over the Borrower.

(d) There are no pending or, to the Borrower's knowledge, threatened actions, suits, or proceedings of any type whatsoever affecting the Borrower, the Borrower's property, or the

Borrower's ability to execute, deliver, and perform with respect to any of the Borrower Documents, except as otherwise set forth in the Limited Offering Memorandum.

(e) The Facilities financed with proceeds of the Loan are or will be comprised of land, buildings, facilities, equipment and/or other items for the benefit of the public and are a "project" within the provisions of the Act.

(f) Neither the representations of the Borrower contained in the Borrower Documents nor any oral or written statement, furnished by or on behalf of the Borrower to the Issuer or the Underwriter in connection with the transactions contemplated hereby, contain any untrue statement of a material fact or fail to state a material fact necessary to make the statements contained herein or therein not misleading. The Borrower has not failed to disclose any facts to the Issuer or the Underwriter in writing that materially and adversely affect or in the future may (so far as the Borrower can now reasonably foresee) materially and adversely affect the properties, business, prospects, profits, or condition (financial or otherwise) of the Borrower, or the ability of the Borrower to perform its obligations under the Borrower Documents or any documents or transactions contemplated hereby or thereby.

(g) The federal employer identification number of the Borrower is 84-3520422.

(h) During the term of this Loan Agreement, the Borrower intends to and will utilize or cause the Series 2020 Facilities financed with the proceeds of the Series 2020 Bonds to be utilized as a "project" within the meaning of the Act as in effect on the date hereof.

(i) The Borrower has obtained, or will obtain before they are required, all necessary approvals of and licenses, permits, consents, and franchises from federal, State, county, municipal, or other governmental authorities having jurisdiction over the Series 2020 Facilities for the Borrower to acquire, construct, renovate, improve, equip, and operate the Series 2020 Facilities and for the Borrower to enter into, execute, and perform its obligations under this Loan Agreement and the other Borrower Documents.

(j) The Series 2020 Facilities, as designed and as proposed to be operated or caused to be operated by the Borrower, and the use of the Series 2020 Facilities meets or will meet all material requirements of law, including requirements of any federal, State, county, city or other governmental authority having jurisdiction over the Series 2020 Facilities or the use and operation thereof.

(k) To the best of the Borrower's knowledge, none of the Issuer Indemnified Parties has any significant or conflicting interest, financial, employment, or otherwise, in the Borrower, the Series 2020 Facilities, or any of the transactions contemplated under the Borrower Documents.

(l) There has been no material adverse change in the financial condition, results of operations or business affairs of the Borrower or the feasibility or physical condition of the Series 2020 Facilities subsequent to the date on which the Issuer granted its resolution approving the issuance of the Series 2020 Bonds.

(m) The Borrower (i) understands the nature of the structure of the transactions related to the financing of the Series 2020 Project; (ii) is familiar with all the provisions of the documents and instruments related to such financing to which the Borrower or the Issuer is a party or of which the Borrower is a beneficiary; (iii) understands the risk inherent in such transactions, including, without limitation, the risk of loss of the Facilities; and (iv) has not relied on the Issuer or the Underwriter for any guidance or expertise in analyzing the financial consequences of such financing transactions or otherwise relied on the Issuer in any manner, except to issue the Series 2020 Bonds in order to provide funds for the Loan.

(n) Subsequent to the Bond Closing and prior to the execution and recordation by the Borrower of the Series 2020 Leasehold Deed of Trust and the filing of the related financing statement, the Borrower will not grant any Liens on the Series 2020 Facilities or the Pledged Revenues (other than the lien against the Pledged Revenues effected by this Loan Agreement and Permitted Encumbrances). Subsequent to execution and recordation of the Series 2020 Leasehold Deed of Trust and the filing of the related financing statement, the Borrower will not grant any subsequent liens on the Series 2020 Facilities or the Pledged Revenues unless the lien created is unconditionally subordinate to the first-position lien of the Series 2020 Leasehold Deed of Trust.

Section 2.03. Tax Covenants for Tax-Exempt Series 2020A Bonds and Tax-Exempt Turbo Redemption Series 2020C Bonds.

(a) The Borrower will not take any action or fail to take any action, which action or failure to take action will adversely affect the exclusion from gross income of the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds for federal income tax purposes or cause the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed under the Code, and in the event of such action or failure to take action, it will, promptly upon having such brought to its attention, take such reasonable actions based upon an opinion of Bond Counsel, and in all cases at the sole expense of the Borrower, as may rescind or otherwise negate such action or failure to take action. The Borrower will not directly or indirectly, use or permit the use of any Bond Proceeds of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds or any other funds of the Borrower, or take or omit to take any action, that would cause the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds to be or become “arbitrage bonds” within the meaning of Section 148(a) of the Code (or its statutory predecessor) or to fail to meet any other applicable requirement of Sections 141, 148, 149 and 150 of the Code (or their statutory predecessors) or cause the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed under the Code or would cause interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds to lose their exclusion from Arizona taxable income under present Arizona law. To that end, the Borrower will comply with all requirements of Sections 141, 148, 149 and 150 of the Code (or their statutory predecessors) to the extent applicable to the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds. In the event that at any time the Borrower is of the opinion that, for purposes of this Section 2.03, it is necessary to restrict or limit the yield on the investment

of any moneys held by the Trustee or otherwise, the Borrower shall so instruct the Trustee in writing.

(b) The Issuer and the Borrower hereby covenant and agree that they shall not enter into any arrangement, formal or informal, pursuant to which the Borrower (or any “related party,” as defined in Regulations Section 1.150-1(b)) shall purchase the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds. This covenant shall not prevent the Borrower from purchasing Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds in the open market for the purpose of tendering them to the Trustee for retirement.

(c) With the intent not to limit the generality of the foregoing, the Borrower covenants and agrees that prior to final payment of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds:

(i) The Borrower has used and will use the Bond-Financed Property of a Series in such a manner that at least 90% of the Net Bond Proceeds of that Series of Bonds will be treated as used, directly or indirectly, by the Borrower in its exempt activities and not more than 10% of the Net Bond Proceeds of that Series of Bonds will be treated as used, directly or indirectly, in a Private Business Use.

(ii) The Borrower may depart from the covenants in subparagraph (c)(i) hereof only if and to the extent that an opinion of Bond Counsel is delivered, at the Borrower’s expense, to the Trustee that (A) states the extent to which the Borrower may depart from such covenants, and (B) states that such departure from such covenants will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds or cause the interest on any portion thereof to become an item of tax preference for purposes of alternative minimum tax imposed on individuals and corporations under the Code.

(iii) The Borrower has not and will not secure directly or indirectly more than 10% of either the principal of or the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds by any interest in property used or to be used for any Private Business Use or payments in respect of property used or to be used for any Private Business Use. The Borrower will not cause or permit more than 10% of either the principal of or the interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds to be derived directly or indirectly from payments (whether or not to the Issuer or the Borrower) in respect of property, or borrowed money, used or to be used for any Private Business Use.

(iv) Except as permitted by Section 149(b)(3) of the Code, the Borrower will not permit any Series of Bonds to be federally guaranteed within the meaning of Section 149(b) of the Code.

(v) The weighted average maturity of each of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds does not exceed

120% of the weighted average reasonably expected remaining economic life of the Bond-Financed Property of that Series, determined in accordance with Section 147(b) of the Code. For purposes of the preceding sentence, the reasonably expected economic life of property shall be determined as of the date such property was placed in service or, if later, the date of issuance of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds. In addition, the cost of refinancing the acquisition of land shall not be taken into account in determining the reasonably expected economic life of property refinanced by the Tax-Exempt Series 2020A Bonds and the Tax-exempt Turbo Redemption Series 2020C Bonds unless 25% or more of the Net Bond Proceeds of either Series were used to refinance the cost of acquiring land, in which case such land shall be treated as having an economic life of 30 years and shall be taken into account for purposes of determining the reasonably expected economic life of the Bond-Financed Property of that Series.

(vi) The statements concerning the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds and the application of the Bond Proceeds of that Series required by Section 149(e) of the Code, and approved by the Borrower on behalf of the Issuer, are true and complete for the purposes for which intended. The Borrower shall prepare and submit, or cause to be submitted, true and complete amendments of, or supplements to, those statements if in an opinion of Bond Counsel such amendments or supplements are deemed to be necessary or advisable.

(vii) No changes will be made in the Bond-Financed Property of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds or in the use of such facilities that will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds or will cause the interest on the Bonds, or any portion thereof, to constitute an item of tax preference for purposes of the alternative minimum tax imposed under the Code. The Borrower will use the Bond-Financed Property of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds or cause such Bond-Financed Property of such Series to be used so long as the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds remain unpaid so as to constitute a “project” within the meaning of the Act.

(viii) No Net Bond Proceeds of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds will be used to reimburse the Borrower for any expenditure made by the Borrower more than 60 days prior to a qualifying declaration of intent, which is approved by Bond Counsel, except for planning costs and other preliminary expenditures within the meaning of Regulations Section 1.150-2 (f)(2) not in excess of 20% of the issue price of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds and de minimis expenses within the meaning of Regulations §1.150-2(f)(1).

(ix) The Borrower will not make any investment or deposit in Investment Obligations (as defined in the Indenture) or which involves the payment or agreement to pay to a party other than the United States of America an amount that is required to be paid to the United States of America by entering into a transaction that reduces the Rebate

Amount payable to the United States of America or results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the yield on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds not been relevant to either party to the transaction.

(d) Use of Bond-Financed Property of a Series.

(i) General. For purposes of this Loan Agreement, the use by a Private Person of the Bond-Financed Property of a Series pursuant to a qualified management agreement (as hereafter described) shall not be treated as a Private Business Use by such Private Person of such Bond-Financed Property of a Series or of funds used to finance or refinance such Bond-Financed Property of a Series.

(ii) Qualified Management Agreements. An arrangement under which services are to be provided by a Private Person ("Service Provider") involving the use of all or any portion of, or any function of, the Bond-Financed Property of a Series (for example, management services for an entire facility or a specific department of a facility) ("Service Contract") is a "qualified management agreement" if all of the following conditions are satisfied:

(A) The compensation for services provided pursuant to the Service Contract is reasonable. Compensation includes payments to reimburse actual and direct expenses paid by the Service Provider and related administrative overhead expenses of the Service Provider.

(B) None of the compensation for services provided pursuant to the Service Contract is based on net profits from the operation of the managed property of the related Series or any portion thereof.

Compensation to the Service Provider will not be treated as providing a share of net profits if no element of the compensation takes into account, or is contingent upon, either the managed property's net profits or both the managed property's revenues and expenses (other than any reimbursements of direct and actual expenses paid by the Service Provider to unrelated third parties) for any fiscal period. For this purpose, the elements of the compensation are the eligibility for, the amount of, and the timing of the payment of the compensation. Incentive compensation will not be treated as providing a share of net profits if the eligibility for the incentive compensation is determined by the Service Provider's performance in meeting one or more standards that measure quality of services, performance, or productivity, and the amount and the timing of the payment of the compensation meet the requirements of this subparagraph (d)(ii)(B).

(C) None of the compensation for services provided pursuant to the Service Contract is based on net losses from the operation of the managed property of the related Series or any portion thereof. An arrangement will not be treated as requiring the Service Provider to bear a share of net losses if:

1) The determination of the amount of the Service Provider's compensation and the amount of any expenses to be paid by the Service Provider (and not reimbursed), separately and collectively, do not take into account either the managed property's net losses or both the managed property's revenues and expenses for any fiscal period; and

2) The timing of the payment of compensation is not contingent upon the managed property's net losses.

(D) The term of the Service Contract, including all renewal options (as defined in Regulations Section 1.141-1(b)), must not be greater than the lesser of 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property. For this purpose, economic life is determined in the same manner as under Section 147(b) of the Code as of the beginning of the term of the Service Contract. A Service Contract that is materially modified with respect to any matters relevant to this subparagraph (d) is retested under this subparagraph (d) as a new Service Contract as of the date of the material modification.

(E) The Borrower must exercise a significant degree of control over the use of the managed property. This control requirement is met if the Service Contract requires the Borrower to approve the annual budget of the managed property, capital expenditures with respect to the managed property, each disposition of property that is part of the managed property, rates charged for the use of the managed property, and the general nature and type of use of the managed property.

(F) The Borrower must bear the risk of loss upon damage or destruction of the managed property (for example, due to force majeure). A Borrower does not fail to meet this risk of loss requirement as a result of insuring against risk of loss through a third party or imposing upon the Service Provider a penalty for failure to operate the managed property in accordance with the standards set forth in the Qualified Management Agreement.

(G) The Service Provider agrees that it is not entitled to and will not take any tax position that is inconsistent with being a Service Provider to the Borrower with respect to the managed property. This includes, but is not limited to, the following: the Service Provider must agree not to claim any depreciation or amortization deduction, investment tax credit, or deduction for any payment as rent with respect to the managed property.

(H) The Service Provider has no role or relationship with the Borrower, directly or indirectly, that, in effect, substantially limits the Borrower's ability to exercise its rights under the Service Contract, including cancellation rights. For purposes of this subparagraph (d)(ii)(H), a Service Provider will not be treated as having a role or relationship with the Borrower if:

1) The Service Provider and its directors, officers, shareholders, partners, members and employees possess in the aggregate, directly or indirectly, no more than 20 percent of the voting power of the governing body of the Borrower.

2) The governing body of the Borrower does not include the chief executive officer of the Service Provider or the chairperson (or equivalent executive) of the governing body of the Service Provider.

3) The chief executive officer of the Service Provider is not the chief executive officer of the Borrower or any of the Borrower's "related parties" (within the meaning of Regulations Section 1.150-1(b)).

(iii) Exceptions. The following exceptions apply to the entirety of subparagraph (d)(ii), unless otherwise specified:

(A) A Service Provider's use of a project (as defined in §1.141-6(a)(3)) that is functionally related and subordinate to performance of its services under a Qualified Management Agreement for managed property that meets the conditions of Section 5 of Rev. Proc. 2017-13 does not result in Private Business Use of that project.

(B) Without regard to whether the Service Provider pays expenses with respect to the operation of the managed property without reimbursement by the Borrower, compensation for services will not be treated as providing a share of net profits or requiring the Service Provider to bear a share of net losses under subparagraphs (d)(ii)(B) and (d)(ii)(C), respectively, if the compensation for services is:

1) Based solely on a capitation fee, a periodic fixed fee, or a per-unit fee;

2) Incentive compensation described in the last sentence of subparagraph (d)(ii)(B); or

3) A combination of these types of compensation.

(C) Additionally, deferral due to insufficient net cash flows from the operation of the managed property of the payment of compensation that otherwise meets the requirements of subparagraphs (d)(ii)(B) and (d)(ii)(C) will not cause the deferred compensation to be treated as contingent upon net profits or net losses under subparagraphs (d)(ii)(B) and (d)(ii)(C), respectively, if the Service Contract includes requirements that:

- 1) The compensation is payable at least annually;
- 2) The Borrower is subject to reasonable consequences for late payment, such as reasonable interest charges or late payment fees; and
- 3) The Borrower will pay such deferred compensation (with interest or late payment fees) no later than the end of five years after the original due date of the payment.

(e) The Borrower covenants to comply with the covenants and procedures set forth in Section 3.18 of the Indenture and to deposit in the Rebate Fund such amount as may be necessary to maintain the deposit in the Rebate Fund at the Rebate Requirement.

(f) All covenants and obligations of the Borrower contained in this Section 2.03 shall remain in effect and be binding upon the Borrower until all of the Bonds have been paid, notwithstanding any earlier termination of this Loan Agreement or any provision for payment of principal of and premium, if any, and interest on the Outstanding Tax-Exempt Series 2020A Bonds and Loan Payments and release and discharge of the Indenture.

(g) Notwithstanding any provision of this Section 2.03, if the Borrower provides, at the Borrower's expense, to the Trustee and to the Issuer, an opinion of Bond Counsel to the effect that any action required under this Section or Section 3.18 of the Indenture is no longer required, or to the effect that some further action is required, to maintain the exclusions from gross income of interest on the Bonds pursuant to Section 103(a) of the Code, the Borrower, the Issuer and the Trustee may rely conclusively on such opinion in complying with the provisions hereof and Section 3.18 of the Indenture, and the covenants hereunder shall be deemed to be modified to that extent.

(h) The Borrower agrees that it will not take any action or fail to take any action or cause or permit any circumstance to arise or continue if such action or circumstance or failure to take an action would cause any revocation or adverse modification of such federal income tax status, unless it obtains, at the Borrower's expense, an opinion of Bond Counsel, addressed to the Trustee, that such revocation or modification will not adversely affect the exclusion from gross income under Section 103(a) of the Code of interest paid on the Bonds or cause the interest on the Bonds, or any portion thereof, to become an item of tax preference for purposes of the alternative minimum tax imposed under the Code.

(i) The following obligation to make payments is subject to the limitations in subsection (iii) below.

(i) To Correct Underpayments. If the Borrower shall be notified by the Issuer, the Rebate Analyst or the Trustee as of any date that any payment made to the United States Treasury in respect of a Series of Bonds pursuant to the rebate provisions of the Indenture shall have failed to satisfy any requirement of Regulations Section 1.148.3 (whether or not such failure shall be due to any default by the Borrower), the Borrower shall (A) pay to the Trustee (for deposit to the Rebate Fund) the correct amount in respect

thereof, interest thereon, and any penalty imposed under Regulations Section 1.148.3(h), and (B) in the event that the Borrower has any knowledge of the reason for such failure, deliver to the Trustee a brief written explanation of such failure and any basis for concluding that such failure was not due to willful neglect.

(ii) Preservation of Accounting Records. The Borrower shall retain, and on request of the Rebate Analyst, the Issuer or the Trustee, provide to any such person copies of all of the Borrower's accounting records relating to the accounts and subaccounts in the Funds, for at least six years after the later of the final maturity (whether at stated maturity or earlier prepayment) of the Promissory Note or the first date on which no Bonds are Outstanding.

(iii) Limitation. The Borrower shall have no responsibility or liability to the Issuer or any other person for, and shall not be obligated to make payments in respect of, any rebate obligation other than as specifically stated herein, and then only to the extent of the Rebate Amount relating to funds held under the Indenture and any further Rebate Amount owed as a result of the actions or omissions of the Borrower.

Section 2.04. [Reserved].

Section 2.05. Dissemination Agreement. The Borrower hereby covenants to enter into the Dissemination Agreement for the benefit of the holders of the Series 2020 Bonds contemporaneously with the issuance of the Series 2020 Bonds, which Dissemination Agreement may be further amended to address any Additional Bonds.

Section 2.06. Deposit Account Control Agreement. The Borrower hereby acknowledges that Manager has delivered the fully-executed Deposit Account Control Agreement and the Series 2020 Qualified Management Agreement, which together provide for the payment of all Pledged Revenues into an account controlled by the Trustee for use in ensuring payments will be made in accordance with the Indenture. The Borrower hereby covenants that the Deposit Account Control Agreement and the Series 2020 Qualified Management Agreement shall remain irrevocable so long as any obligations of the Borrower hereunder remain outstanding or unsatisfied. The Borrower, at its expense, will cooperate with the Trustee with respect to the enforcement of the Deposit Account Control Agreement.

Section 2.07. Environmental Matters.

(a) To the best of its knowledge, and after due inquiry, which inquiry consists of reviewing the Phase I Report, the Borrower has not been informed of, nor does the Borrower have any knowledge of (i) the presence of any Hazardous Substances on any of the Series 2020 Facilities, or (ii) any spills, releases, threatened releases, discharges or disposals of Hazardous Substances that have occurred or are presently occurring on or onto any of the Series 2020 Facilities or any properties adjacent to any of the Series 2020 Facilities, or (iii) any spills or disposals of Hazardous Substances that have occurred or are presently occurring on any other properties as a result of any construction on or operation and use of the Series 2020 Facilities.

(b) In connection with the construction on or operation and use of the Series 2020 Facilities, the Borrower represents that it will comply with any applicable local, state or federal environmental laws, regulations, ordinances and administrative and judicial orders relating to the generation, treatment, recycling, reuse, sale, storage, handling, transport and disposal of any Hazardous Substances.

(c) The Borrower represents and warrants that it has not given any release or waiver of liability that would impair any claim based upon Hazardous Substances to a previous owner of the Series 2020 Facilities or to any party who may be potentially responsible for the presence of Hazardous Substances thereon, nor has it made promises of indemnification regarding Hazardous Substances on or associated with the Series 2020 Facilities to any person other than the Issuer, the Issuer Indemnified Parties, the Trustee or the Trustee Indemnified Parties.

(d) In the event that the Borrower becomes aware of the release of any Hazardous Substances on, or other environmental condition or liability with respect to, the Series 2020 Facilities in violation of the Environmental Laws, the Borrower agrees to promptly notify the Issuer and the Trustee in writing of such condition. The Borrower further agrees to take actions to investigate and clean up the release of any Hazardous Substances on, or other environmental condition or liability affecting, the Series 2020 Facilities, promptly after the Borrower becomes aware of any such condition and to keep the Issuer and the Trustee advised of all such actions taken by the Borrower.

(e) The representations and warranties set forth in this Section 2.07 shall survive the expiration or termination of the Borrower Documents, the payment of the Series 2020 Bonds, and the discharge of any obligations owed by the parties to each other and will survive any transfer of title to the Series 2020 Facilities, whether by foreclosure, or otherwise and shall not be affected by any investigation by or on behalf of the Issuer or the Trustee or any information which the Issuer or the Trustee may have or obtain with respect thereto.

ARTICLE III

TERM OF THE LOAN AGREEMENT

This Loan Agreement shall remain in full force and effect from the date of delivery hereof until such time as all of the payments on the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note shall have been fully paid or provision is made for such payment pursuant to Section 11.01 hereof and the Indenture and all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note, all fees and expenses of the Issuer accrued and to accrue through final payment of the Series 2020 Promissory Note and all other liabilities of the Borrower accrued and to accrue through final payment of the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note under this Loan Agreement and the Indenture have been paid or provision is made for such payments pursuant to Section 11.01 hereof and the Indenture; provided, however, notwithstanding any other provision hereof (a) the indemnification provisions of Section 8.06 hereof and agreements contained in Section 10.04 hereof shall survive after the termination of the term of this Loan Agreement; (b) all agreements, representations and certifications by the Borrower as to the exclusion from gross income of interest on the Tax-

Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds shall survive termination of the term hereof until the expiration of statutes of limitation applicable to the liability of the Registered Owners of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds for federal and state income taxes with respect to interest on the Bonds; and (c) upon the defeasance of the Indenture, all such indemnification provisions shall be enforceable by the Issuer Indemnified Parties and the Trustee Indemnified Parties, and all such agreements, representations and certifications regarding the exclusion from gross income of the interest on the Bonds shall be enforceable by the Registered Owners of the Bonds, directly against the Borrower.

ARTICLE IV

THE SERIES 2020 PROJECT; ISSUANCE OF THE SERIES 2020 BONDS

Section 4.01. Agreement to Issue Series 2020 Bonds. In order to provide funds to make the Loan and upon satisfaction of the conditions contained in Section 2.07 of the Indenture and Section 9 of the Bond Purchase Agreement, the Issuer will sell and cause to be delivered to the Underwriter the Series 2020 Bonds and will make such Loan and direct the Trustee to make the deposits from the proceeds of the Series 2020 Bonds as set forth in Section 3.02(b) of the Indenture.

Section 4.02. Disbursements from the Project Fund.

(a) The Issuer has, in the Indenture, authorized and directed the Trustee to disburse the moneys in the Project Fund to pay the Costs of the Series 2020 Project. The Trustee shall disburse the amounts set forth on Exhibit F attached hereto to the parties listed on such exhibit upon receipt of an invoice therefor. In addition, the Trustee shall transfer moneys in the Project Fund to pay Costs of the Project upon receipt by the Trustee of a completed requisition certificate, in the form attached hereto as Exhibit B, signed by an Authorized Representative of the Borrower.

(b) Any amounts remaining on deposit in the Project Fund six months after the completion of the Series 2020 Project shall be transferred by the Trustee to the Bond Fund.

Section 4.03. Disbursements from the Expense Fund. The Issuer has, in the Indenture, authorized and directed the Trustee to disburse moneys in the Expense Fund, in accordance with Section 3.20 of the Indenture, to pay the Budgeted Expenses. The Trustee shall disburse such amounts pursuant to the then-current completed Budgeted Expenses Certificate, signed by the Borrower, in the form attached hereto as Exhibit G.

Section 4.04. Disbursements from the Cost of Issuance Fund.

(a) The Issuer has, in the Indenture, authorized and directed the Trustee to make payments from the Cost of Issuance Fund for the payment of issuance expenses as provided in this Section. Payments shall be made from a subaccount of the Cost of Issuance Fund related to a Series of Bonds only for paying the costs of legal, accounting, organization, marketing, Trustee or other special services and other fees and expenses, incurred or to be incurred by or on behalf of the Issuer or the Borrower in connection with the issuance of such Series of Bonds. The Issuer does not make any warranty either express or implied that the moneys in the Cost of Issuance

Fund available for payment of the foregoing costs will be sufficient to pay such costs in full, and the Borrower agrees to pay such costs in excess of the amount in the Cost of Issuance Fund from any moneys legally available for such purpose. The Borrower shall not be entitled, as a result of paying the issuance expenses pursuant to this Section, to any reimbursement therefor from the Issuer, the Trustee, the Registered Owners or the Beneficial Owners, nor shall it be entitled to any diminution in or postponement of the Loan Payments or other amounts required to be paid under this Loan Agreement. Each payment out of the Cost of Issuance Fund shall be made only upon receipt by the Trustee of an invoice from each payee in amounts not to exceed those as set forth in Exhibit H attached hereto or otherwise authorized by the Borrower. Borrower represents and warrants that all items set forth on Exhibit H represent costs of issuance necessary for the completion of the issuance of the Bonds and Project.

(b) Any amounts remaining on deposit in the Cost of Issuance Fund 90 days after the Bond Closing for the Series 2020 Bonds shall be transferred by the Trustee to the Bond Fund.

Section 4.05. Disbursements from Tax and Insurance Escrow Fund. The Issuer has, in the Indenture, authorized the Trustee to make payments from the Tax and Insurance Escrow Fund for the payment of (a) real property or ad valorem taxes with respect to the Facilities, and (b) premiums for the insurance policies required to be maintained by the Borrower pursuant to this Loan Agreement. Each payment out of the Tax and Insurance Escrow Fund shall be made only upon receipt by the Trustee of a completed requisition, in the form attached hereto as Exhibit C, signed by an Authorized Representative of the Borrower.

Section 4.06. Rebate. The Borrower shall provide to the Trustee and the Issuer no later than 30 days after the end of each Rebate Year, (a) a certificate to the effect that all requirements of this Loan Agreement, the Indenture and the Tax Regulatory Agreement with respect to the Rebate Fund have been met on a continuing basis, (b) the proper amounts have been and are on deposit in the Rebate Fund, and (c) timely payment of all amounts due and owing to the United States Treasury have been made, which certificate may be based in part on the computations of the Rebate Analyst. If the certification required by (c) above cannot be made, the Borrower shall deposit moneys with the Trustee in amounts sufficient to pay all rebate due and owing, together with a direction from the Borrower to the Trustee to pay such money over to the United States Treasury.

Section 4.07. Obligation of the Borrower to Furnish Documents to Trustee. The Borrower agrees that the requisitions referred to in Sections 4.02, 4.04, 4.05, 4.11 and 4.12 hereof must be furnished to the Trustee before the Trustee will disburse funds held under the Indenture.

Section 4.08. Investment of Moneys. Any moneys held as a part of the Funds shall be invested, reinvested and transferred to other Funds by the Investment Manager as provided in Article VI of the Indenture. In addition, the Borrower covenants that any money held as a part of the Funds shall be invested in compliance with the procedures established by the Tax Regulatory Agreement to the extent required to comply with the covenants contained in Section 2.03 hereof.

Section 4.09. Tax Covenant. The Borrower covenants, represents and warrants that it will comply with the procedures set forth in the Tax Regulatory Agreement implementing the covenants in Section 2.03 to the extent necessary under the Code to maintain the exclusion from

gross income of interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds for federal income tax purposes or to avoid the application of any penalties under the Code, subject to any applicable statute of limitations.

Section 4.10. Title Insurance; Security Interest.

(a) On the date of issuance of the Series 2020 Bonds, the Borrower will provide the Trustee with an irrevocable, binding commitment of the Title Company to issue an extended form lender's title insurance policy or policies insuring the Trustee's interest in and Lien against the Series 2020 Facilities, subject to any Permitted Encumbrances, in an amount not less than the Outstanding principal amount of the Series 2020 Bonds (less any amount deposited into the Debt Service Reserve Fund on such date). Each such policy shall be in the form of an extended American Land Title Association Policy, and may not permit the title insurer to purchase any Series 2020 Bonds in lieu of providing payment under the policy unless, upon purchase, such Series 2020 Bonds are cancelled. The Series 2020 Leasehold Deed of Trust shall be recorded in the real property records of Maricopa County, Arizona, and provide the Trustee with a perfected first position Lien interest in the Series 2020 Facilities, subject to any Permitted Encumbrances other than another Leasehold Deed of Trust.

(b) Upon the execution by the Borrower of the Series 2020 Leasehold Deed of Trust and its subsequent recording, and upon the filing of the UCC financing statement related to the Series 2020 Leasehold Deed of Trust on the date of issuance of the Series 2020 Bonds, the Trustee will have a valid first-position Lien on the Mortgaged Estate (as defined in the Series 2020 Leasehold Deed of Trust) and a valid security interest in the personal property subject to no Liens, charges or encumbrances other than the Permitted Encumbrances, and the Borrower will take all necessary actions, including filing continuation statements, to preserve such Lien and security interest.

Section 4.11. Disbursements from the Operating Reserve Fund. The Issuer has, in the Indenture, authorized and directed the Trustee to disburse moneys in the Operating Reserve Fund, in accordance with Section 3.21 of the Indenture, to pay all expenses in excess of Budgeted Expenses. The Trustee shall disburse such amounts upon receipt of a completed disbursement requisition certificate signed by the Borrower, in the form attached hereto as Exhibit D within five Business Days following receipt of such request.

Section 4.12. Disbursements from the Repair and Replacement Fund. The Issuer has, in the Indenture, authorized and directed the Trustee to make payments from the Repair and Replacement Fund, in accordance with Section 3.27 of the Indenture, as provided in this Section. Payments shall be made from the Repair and Replacement Fund upon receipt by the Trustee of a written requisition certificate from an Authorized Representative of the Borrower, in the form set forth as Exhibit E hereto setting forth the amount and the payee for the purpose of paying the cost of maintenance and replacements which may be required to keep the Facilities in sound condition, including but not limited to replacement of equipment, replacement of any roof or other structural component, exterior painting and the replacement of heating, air conditioning, plumbing and electrical equipment.

ARTICLE V PAYMENT PROVISIONS

Section 5.01. Loan Payments and Other Amounts Payable.

(a) During the term of this Loan Agreement, the Borrower shall pay as repayment of the Loan until the principal of and premium, if any, and interest on the Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note have been paid or provision for the payment thereof otherwise has been made in accordance with this Loan Agreement, into the Revenue Fund on each Payment Date, (i) commencing with the first Payment Date following the Bond Closing for the Series 2020 Bonds, an amount equal to a fraction of the interest due on the Series 2020 Bonds on the next Interest Payment Date where the numerator is the amount of interest due on the Series 2020 Bonds on the next Interest Payment Date and the denominator is the number of Payment Dates that will occur during the period beginning on the last Interest Payment Date (or, if an Interest Payment Date has not yet occurred, the first Payment Date following the Bond Closing for the Series 2020 Bonds) and ending on the day preceding the next Interest Payment Date, and (ii) commencing on the first Payment Date occurring after December 31, 2020, an amount equal to a fraction of the principal due on the Series 2020 Bonds on the next Principal Payment Date where the numerator is the amount of principal due on the Series 2020 Bonds on the next Principal Payment Date and the denominator is the number of Payment Dates that will occur during the period beginning on the last Principal Payment Date (or, if a Principal Payment Date has not yet occurred, April 1, 2021) and the day preceding the next Principal Payment Date; provided, however, the Borrower shall be entitled to a credit against such amounts owed equal to the amounts then on deposit in the Bond Fund and available for payment of such principal and interest.

(b) The Borrower shall pay or provide for the payment of the required amount into the Debt Service Reserve Fund upon notice of any deficiency therein in accordance with Sections 3.06 and 3.07 of the Indenture. If the Trustee determines on any valuation date accorded by Section 3.07 of the Indenture that the amount in a subaccount of the Debt Service Reserve Fund is less than the applicable Series Debt Service Reserve Fund Requirement, the Borrower covenants and agrees to pay to the Trustee for deposit into the appropriate subaccount an amount equal to the amount of such deficiency on or prior to the next occurring Payment Date following that valuation date. If on any Payment Date the amount in a subaccount of the Debt Service Reserve Fund is less than the related Series Debt Service Reserve Fund Requirement and the deficiency is caused by a transfer to cure a shortfall in the Bond Fund resulting from the failure of the Borrower to make the payments due on the applicable Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note, the Borrower agrees pursuant to this Section 5.01 to pay to the Trustee for all amounts transferred to the Bond Fund to make up for any amounts not paid on such Series 2020A Promissory Note, the Series 2020B Promissory Note and the Series 2020C Promissory Note in not more than six months in substantially equal installments beginning on the first Payment Date after the month in which such deficiency occurs.

(c) On or before the redemption date, the Borrower shall pay as repayment of the Loan for deposit into the Bond Fund an amount of money meeting the definition of Protected Funds which, together with the payments made by the Borrower on the Series 2020A Promissory Note,

the Series 2020B Promissory Note and the Series 2020C Promissory Note then on deposit in the Bond Fund, is sufficient to pay the principal of and premium, if any, and interest accrued to the redemption date on the Series 2020 Bonds called for redemption.

(d) During the term of this Loan Agreement, the Borrower shall pay or provide for the payment of all taxes and assessments, general or special, concerning or in any way related to the Facilities or any part thereof, and any other governmental charges and impositions whatsoever related to the Facilities, and premiums for insurance policies maintained on the Facilities as required by this Loan Agreement. In furtherance thereof, the Borrower shall pay to the Trustee each month for deposit into the Tax and Insurance Escrow Fund an amount equal to the Tax and Insurance Escrow Payment.

(e) The Borrower agrees to pay or cause to be paid to the Trustee the reasonable and necessary fees and expenses of the Trustee incurred in performing its duties related to the Series 2020 Bonds, including its attorneys' fees and expenses, as and when the same become due, upon submission of a statement therefor; provided that the Borrower may, without creating a default hereunder, contest in good faith any such fees or expenses.

(f) The Borrower shall pay or cause to be paid to the Trustee for deposit to the Rebate Fund all amounts required to be deposited in the Rebate Fund pursuant to Section 3.18 of the Indenture. The Borrower shall also pay to the Trustee an amount necessary to pay the fees and expenses of the Rebate Analyst when due.

(g) The Borrower agrees to pay or cause to be paid to the Issuer the Issuer's Fees and Expenses, plus any amounts required to reimburse the Issuer for any expenses incurred by the Issuer, whether out-of-pocket or internal, in connection with this Loan Agreement, the Deposit Account Control Agreement, the Indenture, the Series 2020 Bonds, the Tax Regulatory Agreement, the Bond Purchase Agreement, the Series 2020 Project or any other instrument or action relating to the foregoing, including fees, expenses and disbursements of attorneys of the Issuer. The Borrower agrees that the payment under this Loan Agreement shall be a net return to the Issuer over and above any taxes or charges of any nature whatsoever which may currently or hereafter be imposed on the receipts of the Issuer under this Loan Agreement. The Borrower agrees to pay the Issuer's Fee to the Trustee for payment to the Issuer.

(h) The Borrower shall pay or cause to be paid moneys to fund the Operating Reserve Fund pursuant to Section 3.21 of the Indenture. If at any time the aggregate amount in the Operating Reserve Fund is less than the Operating Reserve Fund Requirement, the Borrower agrees to pay or cause to be paid to the Trustee the amount of the shortfall in accordance with the provisions of Section 3.21 of the Indenture.

(i) In the event of a Determination of Taxability and mandatory redemption resulting therefrom as set forth in Section 5.03A of the Indenture, the Borrower agrees to prepay the Series 2020A Promissory Note and pay all premiums required by such redemption in full.

(j) Commencing on the January 1, 2021 Payment Date and on any Payment Date the aggregate amount in the Repair and Replacement Fund is less than the Repair and Replacement Fund Requirement, the Borrower shall pay or cause to be paid to the Trustee an amount equal to

a fraction of the Repair and Replacement Fund Annual Deposit where the numerator is the Repair and Replacement Fund Annual Deposit and the denominator is the number of Payment Dates that will occur during the period beginning on June 1 and ending on the day preceding the next June 1, or such lesser amount as is necessary to cause the aggregate amount in the Repair and Replacement Fund to equal the Repair and Replacement Fund Requirement.

(k) The Borrower shall pay all costs, expenses, damages or other Liabilities, including, without limitation, all reasonable attorneys' fees and expenses incurred by the Issuer or the Trustee in connection with any audit or inquiry by the Internal Revenue Service, Securities Exchange Commission or similar entity in connection with the Series 2020 Bonds or the Borrower.

(l) The payments described in (a) through (j) shall be made by disbursements from the Revenue Fund pursuant to Section 3.18 of the Indenture. In the event the Borrower should fail to make or fail to cause to be made any of the payments required by this Section, the item or installment in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same and, with respect to the payments required by subsections (e), (f), (g) and (k) of this Section 5.01, to pay interest at the highest rate of interest borne by any of the Series 2020 Bonds, or the maximum rate permitted by law if less than such rate.

Section 5.02. Pledge By Borrower. In fulfillment of its obligations hereunder, the Borrower hereby pledges to the Issuer to secure the payment of the Loan and the Series 2020A Promissory Note and the Series 2020B Promissory Note securing such Loan, the following:

(a) all of the Borrower's right, title and interest in and to the Facilities, including all related additions, replacements, substitutions and proceeds for the purposes of securing such Loan;

(b) all Pledged Revenues; and

(c) any and all other interests in real or personal property of every name and nature from time to time hereafter by delivery or by writing of any kind specifically mortgaged, pledged or hypothecated, as and for additional security by the Borrower or by anyone on its behalf.

Section 5.03. Payees of Payments. The Loan Payments provided for in Section 5.01(a) and (c) and the payments under Section 5.01(i) hereof shall be paid in immediately available funds to the Trustee for the account of the Issuer and shall be deposited into the Revenue Fund for transfer to the Bond Fund as appropriate. The payments provided for in Section 5.01(b) hereof shall be paid to the Trustee as provided in Section 3.06 and 3.07 of the Indenture. The payments provided for in Section 5.01(d) hereof shall be paid to the Trustee for further payment to the persons to whom due as provided in Section 3.15(c) of the Indenture. The payments to be made to the Trustee under Section 5.01(e) hereof shall be paid directly to the Trustee for its own use. The payments provided for in Section 5.01(f) hereof shall, with respect to payments required in Section 3.18 of the Indenture, be paid to the Trustee for the account of the Issuer and deposited into the Revenue Fund for transfer to the Rebate Fund and, with respect to the fees of the Rebate Analyst, be paid to the Trustee and deposited into the Revenue Fund for transfer to the Expense Fund. The payments to be made to the Issuer under Section 5.01(g) hereof shall be paid to the

Trustee and deposited into the Revenue Fund for transfer to the Expense Fund for further credit to the Issuer. The payments provided for under Section 5.01(h) hereof shall be paid to the Trustee for deposit into the Revenue Fund for transfer to the Operating Reserve Fund, and further applied for the purposes of the Operating Reserve Fund as provided in Section 3.21 of the Indenture. The payments provided for under Section 5.01(j) hereof shall be paid to the Trustee for deposit into the Revenue Fund for transfer to the Repair and Replacement Fund, and further applied for the purposes of the Repair and Replacement Fund as provided in Section 3.22 of the Indenture. The payments provided for under Section 5.01(k) hereof shall, at the option of the Issuer, be paid by the Borrower directly to the Issuer or to the Trustee and deposited into the Expense Fund.

Section 5.04. Obligations of Borrower Hereunder Unconditional. Except as provided herein, the obligations of the Borrower to make the payments required hereunder and to perform and observe the other agreements on its part contained herein shall be absolute and unconditional. The Borrower (a) will not suspend or discontinue, or permit the suspension or discontinuance of, any payments provided for herein, (b) will perform and observe all of its other agreements contained in this Loan Agreement, the Series 2020 Leasehold Deed of Trust and the Series 2020 Promissory Note, and (c) except as provided in Article XI hereof, will not terminate this Loan Agreement for any cause including, without limiting the generality of the foregoing, any acts or circumstances that may constitute failure to complete the Facilities, failure of consideration, eviction or constructive eviction, destruction of or damage to the Facilities, commercial frustration of purpose, or change in the tax or other laws or administrative rulings of or administrative actions by the United States of America or the State or any political subdivision of either, any failure of the Issuer to perform and observe any agreement, whether express or implied, or any duty, liability, or obligation arising out of or connected with this Loan Agreement, whether express or implied, or any failure of the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture, whether express or implied. The Borrower may at its own cost and expense and in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which the Borrower deems reasonably necessary in order to secure or protect its or its lessees' rights of possession, occupancy and use of the Facilities.

ARTICLE VI MAINTENANCE, TAXES AND INSURANCE

Section 6.01. Maintenance and Modifications of Facilities by Borrower. The Borrower agrees that during the term of this Loan Agreement the Borrower shall operate and maintain the Facilities in compliance with all governmental laws, building codes, ordinances, and regulations and zoning laws as shall be applicable to such Facilities, unless the same are being contested in good faith by appropriate proceedings. The Borrower agrees that during the term of this Loan Agreement it will at its own expense (a) keep the Facilities in as safe of a condition as required by law and (b) except to the extent the Borrower has determined that any portion of the Facilities are obsolete or not useful in its operations, keep the Facilities in good repair and in good operating condition, making from time to time all necessary repairs thereto (including external and structural repairs) and renewals and replacements thereof, all of which shall be accomplished in a workmanlike manner in accordance with all applicable laws. The Borrower may dispose of portions of the Facilities that the Borrower determines to be obsolete or not useful to operations of the Facilities. The Borrower may also, at its own expense, make from time to time any additions,

modifications or improvements to the Facilities it may deem desirable for its purposes that do not substantially reduce its value; provided that all such additions, modifications and improvements made by the Borrower which are affixed to the Facilities shall become a part of the Facilities and subject to the Series 2020 Leasehold Deed of Trust or permitted subsequent Deed of Trust, as applicable. The Borrower will not permit the removal of any personal property from the Facilities unless such personal property is obsolete, sold for fair market value or will be replaced with personal property of an equal or greater value.

The Borrower will not permit any Liens, security interests or other encumbrances other than Permitted Encumbrances to be established or to remain against the Facilities for labor or materials furnished in connection with the Facilities. However, if no Event of Default has occurred and is continuing and after notifying the Trustee of its intention to do so, the Borrower may permit the Liens to remain undischarged and unsatisfied while the Borrower is diligently prosecuting, in good faith and at its own expense, a contest of any mechanics' or other Liens filed or established against the Facilities, including any appeal therefrom. The right of the Borrower to contest a Lien shall not apply, however, if the Facilities or any part thereof will be subject to loss or forfeiture, in which event the Borrower shall promptly pay and cause to be satisfied and discharged all such unpaid items. The Issuer will, at the expense of the Borrower, cooperate fully with the Borrower in any such contest.

In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same, and any amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower under this Loan Agreement, which amount the Borrower agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by any of the Series 2020 Bonds or the maximum rate permitted by law if less than such rate.

Section 6.02. Taxes, Other Governmental Charges and Utility Charges. The Borrower will pay, as the same become due, (a) all taxes and governmental charges of any kind whatsoever or payments in lieu of taxes that may at any time be lawfully assessed or levied against or with respect to the Facilities or any interest therein, or any machinery, equipment, or other property installed or brought by the Borrower therein or thereon which, if not paid, will become a Lien on the Facilities or a charge on the Pledged Revenues prior to or on a parity with the charge thereon under this Loan Agreement, (b) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Facilities and (c) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a Lien on the Facilities provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Borrower shall be obligated to pay only such installments as may have become due during the term of this Loan Agreement.

The Borrower may, at its own expense, but only if no Event of Default (excluding the issue being contested hereunder) has occurred and is continuing, diligently prosecute and in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges contested to remain unpaid during the period of such contest and any appeal therefrom if, in the Opinion of Counsel, the Facilities shall not be subject to loss or forfeiture. In the event that the Borrower is not able to obtain such Opinion of

Counsel, the Borrower shall pay such taxes, assessments or charges promptly or secure the payment by posting a bond with the Trustee in form satisfactory to the Trustee. The Issuer at the expense of the Borrower shall cooperate fully with the Borrower in any such contest. In the event that the Borrower shall fail to pay any of the foregoing items required by this Section to be paid by the Borrower, the Issuer or the Trustee may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower payable to the one making the advance, which amount the Borrower agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest rate of interest borne by the Series 2020 Bonds or the maximum rate permitted by law if less than such rate.

Section 6.03. Insurance Required. Throughout the term of this Loan Agreement, the Borrower shall provide, maintain and keep in force, or cause to be provided, maintained and kept in force, the following insurance coverages relating to the Facilities and the operations of the Borrower, paying as the same become due and payable all premiums with respect thereto:

(a) A lender's title insurance policy or policies in an aggregate amount as required by Section 4.10 herein.

(b) Insurance against loss or damage to the portion of the Facilities comprising buildings and all improvements therein (including, during any period of time when the Borrower is making alterations, repairs or improvements to such buildings, improvements and betterments coverage), all subject to standard form exclusions, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State, in an amount equal to the full replacement value of the Facilities.

(c) Commercial comprehensive general liability and automobile liability insurance against claims arising in, on or about the Facilities, including in, on or about the sidewalks or premises adjacent to the Facilities, providing coverage limits not less than \$1,000,000 per occurrence and \$2,000,000 in aggregate.

(d) Business interruption insurance equal to 12 months debt service on the Bonds and fixed Operating Expenses.

(e) Builder's risk insurance to cover losses incurred during the construction of the Series 2020 Project.

(f) Such other forms of insurance as are customary in the industry or as the Borrower is required by law to provide with respect to the Facilities or the operations of the Borrower, including, without limitation, any legally required worker's compensation insurance and disability benefits insurance.

All the insurance coverage required by this Section may be subject to deductible clauses in such amounts as are customary for facilities of similar size, type and character within the State. On or before September 1, 2020, and at least every three years thereafter, the Borrower shall employ (or cause to be employed), at its own expense, the Insurance Consultant to review the

insurance coverage required by this Section and to render to the Issuer and the Trustee a report as to the adequacy of such coverage and as to its recommendations, if any, for adjustments thereto. The insurance coverage required by this Section may be reduced or otherwise adjusted by the Borrower without the consent of the Trustee or the Issuer, provided that all coverages after such reduction or other adjustment are certified by the Insurance Consultant to be adequate and customary for facilities of like size, type and character, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance and the effect of such terms and such cost upon the Borrower's fees, rentals and charges for the use of the Facilities.

The insurance coverage required by this Section shall be increased or otherwise adjusted by the Borrower if, as a result of such review, the Insurance Consultant finds that the existing coverage is inadequate, taking into account the availability of such insurance, the terms upon which such insurance is available, the cost of such available insurance, and the effect of such terms and such cost upon the Borrower's costs and charges for its services. The insurance coverage required by this Section, and modification thereof permitted or required by this paragraph, shall at all times be adequate and customary for facilities of like size, type and character, and the Borrower shall request that the Insurance Consultant so certify in the report required by this Section. The Borrower shall pay any fees charged by such Insurance Consultant and any expenses incurred by the Issuer and the Trustee.

All policies maintained (or caused to be maintained) by the Borrower pursuant to this Section shall be taken out and maintained with generally recognized, responsible insurance companies rated not less than "A-" by A.M. Best, authorized in the State, which may include "captive" insurance companies or governmental insurance pools, selected by the Borrower. The insurance policies required by subsections (a) and (b) of this Section shall name the Trustee, the Issuer and the Borrower as insureds as their respective interests may appear (provided that with respect to insurance maintained pursuant to subsection (b) of this Section and Section 4.10 herein, the Trustee shall also be named as a mortgagee under the terms of a standard State mortgagee loss payable endorsement), and the Trustee shall also be named as an additional insured on the policies required by subsections (c) and (d) of this Section, and, provided further that all insurance proceeds for losses, and except for worker's compensation, fidelity insurance, business interruption and liability insurance, shall be paid directly to the Trustee. Such policies or certificates of insurance shall (i) provide that the insurer will endeavor to mail 30 days' written notice to the Issuer and the Trustee of any amendment or cancellation prior to expiration of such policy, and (ii) be satisfactory in all other respects to the Trustee.

The Borrower shall deliver to the Trustee (i) upon the date of issuance of the Series 2020 Bonds, the certificate of insurance which the Borrower is then required to maintain pursuant to this Section, together with evidence as to the payment of all premiums then due thereon, (ii) at least 30 days prior to the expiration of any such policies evidence as to the renewal thereof, if then required by this Section, and the payment of all premiums then due with respect thereto, (iii) promptly upon request by the Issuer or the Trustee, but in any case within 90 days after the end of each Fiscal Year, a certificate of an Authorized Representative of the Borrower setting forth the particulars as to all insurance policies maintained by the Borrower pursuant to this Section and certifying that such insurance policies are in full force and effect, that such policies comply

with the provisions of this Section and that all premiums then due thereon have been paid, and if requested by the Issuer or the Trustee, certificates of insurance for such policies.

Section 6.04. Application of Net Proceeds of Insurance. The Net Proceeds of the insurance carried pursuant to subsections (a) and (b) of Section 6.03 hereof shall be applied as provided in Article VII hereof. The Net Proceeds of insurance carried pursuant to subsections (c), (d) and (e) of Section 6.03 hereof shall be applied toward extinguishment or satisfaction of the liability with respect to which such insurance proceeds have been paid.

Section 6.05. Advances by Issuer or Trustee. In the event the Borrower shall fail to maintain the full insurance coverage required by this Loan Agreement or shall fail to keep the Facilities in the condition required hereby (except as otherwise herein permitted), the Issuer or the Trustee may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same, or make the required repairs, renewals and replacements; and all amounts advanced therefor by the Issuer or the Trustee shall become an additional obligation of the Borrower under this Loan Agreement to the one making the advance, which amounts the Borrower agrees to pay on demand together with interest thereon at a rate which shall be 3% per annum above the highest interest rate borne by any of the Series 2020 Bonds or the maximum rate permitted by law if less than such rate.

ARTICLE VII DAMAGE, DESTRUCTION AND CONDEMNATION

Section 7.01. Damage, Destruction and Condemnation. In the event of a casualty or condemnation with respect to the Facilities, and so long as no Event of Default exists and is continuing, the Net Proceeds from any insurance policy or the Net Proceeds of any condemnation award resulting from such casualty or condemnation shall be paid as follows:

(a) Whenever such Net Proceeds from any insurance policy or condemnation award are less than or equal to \$500,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment), such Net Proceeds shall be paid directly to the Borrower and used for the repair, replacement or restoration of the Facilities to substantially the same condition as existed prior to such damage, destruction or condemnation.

(b) Whenever such Net Proceeds from any insurance policy or condemnation award are greater than \$500,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment), such Net Proceeds shall be paid to the Trustee and held in a special trust account to be applied to repair, replace or restore the Facilities unless the Loan is to be prepaid as provided in Section 7.02.

(c) If the Borrower directs the Trustee in writing that the proceeds are to be used to repair, replace or restore the Facilities, the proceeds in such special trust account shall be disbursed by the Trustee for the repair, restoration or replacement of the Facilities upon the receipt by the Trustee from the Borrower of (i) a certificate of an Authorized Representative of the Borrower that substantially states that such repairs, replacements or restorations will restore the Facilities to substantially their original condition, will be completed in accordance with plans and specifications previously provided to the Trustee and that such repairs, replacements or

restorations when completed in accordance with the plans and specifications previously furnished to the Trustee will comply with all applicable statutes, codes and regulations; (ii) a certificate of an Authorized Representative of the Borrower stating that sufficient moneys are available in such special trust account to pay for such repair, restoration or replacements to be completed, together with available business interruption insurance and other available Pledged Revenues, to pay debt service on the Series 2020 Bonds and Operating Expenses during the restoration period and, if at any time during the restoration, the insurance or casualty proceeds are less than the estimated costs to restore, repair or replace the Facilities, the Borrower shall provide the Trustee with cash or cash equivalents in an amount equal to the shortfall; (iii) requisitions from the Borrower upon which the Trustee may conclusively rely; (iv) applicable Lien waivers; and (v) a construction contract. If such Net Proceeds are in excess of \$250,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment), in addition to those requirements listed in (i) through (v) above, the Borrower shall also deliver to the Trustee: (A) an endorsement to the applicable title insurance policy insuring the continued priority of the Lien of the applicable Leasehold Deed of Trust; (B) an opinion of Bond Counsel to the effect that neither such repairs, replacements nor restorations nor such use of such casualty or condemnation proceeds adversely affects the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds; (C) evidence that the Borrower has acquired all permits and licenses necessary for such construction; and (D) evidence of the existence of performance and payment bonds therefor. The Trustee shall retain 10% of the requested disbursements until the repairs, replacements, restorations or improvements are at least 50% complete as certified in writing by an Authorized Representative of the Borrower and 5% of the requested disbursements until final completion of the repairs, replacements, restorations or improvements as certified by an Authorized Representative of the Borrower and receipt of certificates of occupancy, waivers of Liens and, if such Net Proceeds are in excess of \$250,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment), an endorsement to the title policy for the Facilities insuring the continued priority of the Leasehold Deed of Trust. If after completion of any such repairs, replacements, or improvements any funds remain in said special trust fund, the remaining funds shall be transferred by the Trustee to the Revenue Fund and used to make any disbursements required by Section 3.18 of the Indenture which have not otherwise been made, and any excess shall be applied in accordance with Section 3.18 of the Indenture. Notwithstanding the above provisions, all proceeds of business interruption insurance shall be paid to the Trustee and deemed to be Pledged Revenues for purposes of this Loan Agreement, including, without limitation, Section 5.01 hereof, and used in accordance with Section 6.04 hereof.

Section 7.02. Mandatory Prepayments. If the Net Proceeds of any insurance policy or condemnation award with respect to the Facilities are in excess of \$500,000 (which amount shall be increased as of each January 1 by a percentage equal to the CPI Adjustment), the Loan and the Series 2020 Promissory Note securing the Loan are subject to mandatory prepayment as a whole or in part at the principal amount thereof plus accrued interest thereon to the date of prepayment, but without premium, from the Net Proceeds, if any of the events set forth below shall occur:

(a) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a certificate of an Authorized Representative of the Borrower filed with the Trustee, (i) the Facilities cannot reasonably be restored within a period of six consecutive months to the condition thereof immediately preceding such damage or destruction, (ii) the

Borrower is prevented from carrying on its normal operations for a period of six consecutive months, or (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of Section 6.03 hereof.

(b) Title to, or the temporary use for a period of six months or more of, all or substantially all of the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or person, firm or corporation acting under governmental authority or because of a defect in title.

(c) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Borrower in good faith, this Loan Agreement shall have, in the Opinion of Counsel, become void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties as expressed in this Loan Agreement.

Section 7.03. Borrower Entitled to Certain Net Proceeds. The Borrower shall be entitled to the Net Proceeds of any insurance payment or condemnation award or portion thereof attributable to damage or destruction or takings of its property not included under the Leasehold Deed of Trust.

Section 7.04. No Change in Loan Payments; No Liens. All buildings, improvements and equipment acquired in the repair, rebuilding or restoration of the Facilities shall be deemed a part of the Facilities and shall be available for use and occupancy by the Borrower, without the payment of any payments hereunder other than the Loan Payments and other payments required to be made under this Loan Agreement, to the same extent as if they were specifically described herein; provided that no buildings, improvements or equipment shall be acquired subject to any Lien or encumbrance other than Permitted Encumbrances.

Section 7.05. Investment of Net Proceeds. Any Net Proceeds of any insurance payments or condemnation awards with respect to the Facilities held by the Trustee pending restoration, repair or rebuilding shall be invested in Investment Obligations in the same manner as provided in Section 6.01 of the Indenture. Any earnings or profits on such investments shall be considered part of the Net Proceeds.

ARTICLE VIII SPECIAL COVENANTS

Section 8.01. No Warranty of Condition or Suitability by the Issuer. The Issuer makes no warranty, either express or implied, as to the Facilities or that they will be suitable for the Borrower's purposes or needs or that the proceeds of any or all of the Bonds will be sufficient to pay the Costs of the Project.

Section 8.02. Consolidation, Merger, Sale or Conveyance. The Borrower agrees that during the term of this Loan Agreement it will maintain its corporate existence and its status as a 501(c)(3) organization pursuant to the Code, will continue to be a nonprofit corporation duly qualified to do business in the State, will not merge or consolidate with, or sell or convey, except

as provided below, all or substantially all of its interest in the Facilities to, any Person unless (i) no Event of Default has occurred and is continuing, (ii) it first acquires the written consent of the Issuer to such transaction, (iii) it provides to the Trustee notice of its intent at least 90 days in advance of such consolidation, merger, sale or conveyance, (iv) evidence that the merger has been approved and consented to by the Registered Owners of not less than 65% in aggregate amount of the Bonds then outstanding, and (v) unless the acquirer of the interest in the Facilities or the corporation with which it shall be consolidated or the resulting corporation in the case of a merger:

(a) shall assume in writing the performance and observance of all covenants and conditions of this Loan Agreement;

(b) shall provide the Trustee with an opinion of Bond Counsel acceptable to the Issuer to the effect that such merger, consolidation, sale or conveyance will not adversely affect the validity of any of the Series 2020 Bonds or the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds;

(c) shall provide the Issuer and the Trustee with an Opinion of Counsel to the Borrower (which may be rendered in reliance upon the Opinion of Counsel to such other corporation), stating that none of the other entities which are a party to such consolidation, merger or transfer has any pending litigation other than that arising in the ordinary course of business or, has any pending litigation which might reasonably result in a substantial adverse judgment. For the purposes of the preceding sentence, the term “substantial adverse judgment” shall mean a judgment in an amount that exceeds the insurance or reserves therefor by a sum which is more than 2% of the aggregate net worth of the resulting, surviving or transferee corporation immediately after the consummation of such consolidation, merger or transfer and after giving effect thereto;

(d) shall deliver to the Trustee within 30 days of the close of such transaction, copies of all documents executed in connection therewith, one document of which shall include an Opinion of Counsel that all conditions herein have been satisfied and that all liabilities and obligations of the Borrower under the Borrower Documents shall become obligations of the new entity; provided, however, the Borrower shall not be released from same until all of the conditions of this Section 8.02 shall have been met; and

(e) in the case of a consolidation, merger, sale or conveyance, shall provide evidence to the Issuer that the entity can continue to operate the Series 2020 Project as contemplated by the Indenture.

Section 8.03. Further Assurances. The Issuer and the Borrower agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Loan Agreement, subject, however, to the terms and conditions of Article X of the Indenture, and any costs, fees and/or expenses incurred by the Issuer related to same shall be paid by the Borrower.

Section 8.04. Audits. The Borrower agrees that it will have its books and records audited annually (which audit shall include separately stated financial statements with respect to the Series 2020 Project), commencing with the Fiscal Year ending December 31, 2020, by an Accountant as soon as practicable after the close of such Fiscal Year, and shall furnish within 120 days after the end of such Fiscal Year to the Underwriter and the Trustee a copy of the audit report (which report shall convert quarterly information prepared in accordance with practices generally used for public accounting to an audited report prepared in accordance with Generally Accepted Accounting Principles); uploading such audit to the Municipal Securities Rulemaking Board (the “MSRB”) through the MSRB’s Electronic Municipal Market Access system, by the method required by the MSRB, shall be deemed “furnished” for the purposes of this Section. The Borrower will notify the Trustee in writing of a change in its Accountant stating the reasons for such change.

Section 8.05. Financial Records and Statements; Financial Covenants; Reports.

(a) Maintenance of Books and Accounts. The Borrower agrees that it will maintain proper books of records and accounts with full, true and correct entries of all of its dealings substantially in accordance with Generally Accepted Accounting Principles, and such other data and information as may reasonably be requested by the Issuer and the Trustee from time to time of which Borrower has written notice.

(b) Annual Budget. The Borrower shall provide to the Trustee and the Underwriter as soon as is practicable, but in no event later than December 15 of each year, a copy of the Borrower’s annual budget (including Budgeted Expenses) certified by the Borrower in the form attached here in Exhibit G.

(c) Construction Reporting. The Borrower shall, not later than the commencement of construction of the Series 2020 Facilities, retain the services of an Independent consultant whose duties shall include monitoring construction of the Series 2020 Facilities and providing for such reporting thereon as required herein. While construction of the Series 2020 Facilities is ongoing, the Independent consultant shall prepare and provide to the Trustee, the Underwriter, the Disclosure Dissemination Agent (as defined in the Dissemination Agreement) and the holders of the Series 2020 Bonds, not later than the close of business on the first day of each month, beginning with the first full month following commencement of construction on the Series 2020 Facilities, monthly construction progress reports, including notations of any variance from the schedules included in the construction contracts. The Independent consultant shall facilitate a call at least once every two months during construction of the Series 2020 Facilities and once each quarter thereafter until completion of construction of the Series 2020 Facilities, to include, at a minimum, the Underwriter, the Trustee and all holders of the Series 2020 Bonds, to provide updates and to provide for the opportunity for inquiries regarding the Series 2020 Project from the participants.

(d) Operating Reports. The Borrower shall provide to the Trustee, the Underwriter, the Disclosure Dissemination Agent (as defined in the Dissemination Agreement) and the holders of the Series 2020 Bonds, commencing not later than December 31, 2020, quarterly operating reports (including non-construction-related activities prior to completion of construction) including, but not limited to, (i) the Monthly Reports (as such term is defined in the Series 2020

Qualified Management Agreement) for such quarter, including a comparison to the Budgeted Expenses; (ii) major facility use contracts executed, including letters of intent converted to contracts during such quarter and pending letters of intent with anticipated date of conversion to executed use contracts; and (iii) the number and types of the events held during such quarter. Following completion of the Independent consultant's construction monitoring duties as set forth in Section 8.05(c) hereof, the Borrower's Authorized Representative shall be obligated to hold quarterly status calls described in Section 8.05(c) hereof for the first 24 months of operation; thereafter such status calls shall be held at least annually.

(e) Escrow Reports. The Borrower shall provide to the Trustee at least 30 days prior to the renewal date of the insurance required pursuant to this Loan Agreement, a certificate signed by an Authorized Representative of the Borrower certifying as to the amount of each of the Tax and Insurance Escrow Payments relating to such insurance for the following year. In addition, the Borrower shall provide to the Trustee, at least 30 days prior to the Tax and Insurance Escrow Payment due in November of each year during the term of this Loan Agreement, a certificate signed by an Authorized Representative of the Borrower certifying as to the amount of each of the Tax and Insurance Escrow Payments relating to real property taxes due on the Facilities for the following year.

(f) Annual Compliance Certificate. The Borrower will deliver to the Trustee, the Issuer and the Underwriter within 120 days after the end of each of the Borrower's Fiscal Years a certificate executed by the Borrower's president or chief financial officer stating that:

(i) A review of the activities of the Borrower during such Fiscal Year and of performance hereunder has been made under his or her supervision; and

(ii) He or she is familiar with the provisions of this Loan Agreement and the Tax Regulatory Agreement, and to the best of his or her knowledge, based on such review and familiarity, the Borrower has fulfilled all of its obligations hereunder and thereunder throughout the Fiscal Year, and there have been no defaults under this Loan Agreement or the Tax Regulatory Agreement or, if there has been a default in the fulfillment of any such obligation in such Fiscal Year, specifying each such default known to him or her and the nature and status thereof and the actions taken or being taken to correct such default.

(g) Debt Service Coverage Ratio.

(i) The Borrower shall maintain (using Generally Accepted Accounting Principles) a Debt Service Coverage Ratio of at least the amount of the Debt Service Coverage Ratio Requirement, measured semi-annually as of the end of each second and fourth calendar quarter on a rolling four quarter basis, commencing with the calendar quarter ending December 31, 2022; provided, however, that in the event the Borrower fails to maintain (using Generally Accepted Accounting Principles) a Debt Service Coverage Ratio of at least the amount of the Debt Service Coverage Ratio Requirement, the Debt Service Coverage Ratio shall be measured quarterly as of the end of each calendar quarter on a rolling four quarter basis until the Borrower demonstrates a Debt

Service Coverage Ratio of at least the amount of the Debt Service Coverage Ratio Requirement.

(ii) The Borrower shall provide to the Trustee, within 45 days after the end of each second and fourth calendar quarter, commencing with the calendar quarter ending December 31, 2022, a certificate setting forth the Debt Service Coverage Ratio as of the end of each such second or fourth calendar quarter, as applicable, for the period set forth in Section 8.05(g)(i), and setting forth the calculation of the Debt Service Coverage Ratio (a “*DSC Certificate*”); provided, that if the Borrower fails to maintain (using Generally Accepted Accounting Principles) a Debt Service Coverage Ratio of at least the amount of the Debt Service Coverage Ratio Requirement, the Borrower shall provide to the Trustee a DSC Certificate within 45 days after the end of each calendar quarter until the Borrower demonstrates a Debt Service Coverage Ratio of at least the amount of the Debt Service Coverage Ratio Requirement for the immediately preceding 12-month period. Except as set forth in Section 10.01(n) hereof, failure of the Debt Service Coverage Ratio to be at least the amount of the Debt Service Coverage Ratio Requirement shall not immediately be a Loan Default Event; provided the Borrower takes the following actions:

(A) The Borrower shall, within 15 days following delivery of a DSC Certificate that shows a Debt Service Coverage Ratio of less than the amount of the Debt Service Coverage Ratio Requirement, deliver to the Trustee a report explaining the reason for the failure of the Debt Service Coverage Ratio to be at least the amount of the Debt Service Coverage Ratio Requirement and setting forth a remediation plan to cause the Debt Service Coverage Ratio to increase to at least the amount of the Debt Service Coverage Ratio Requirement. The Borrower shall diligently implement such remediation plan.

(B) If the DSC Certificate delivered to the Trustee following the next succeeding calendar quarter continues to show a Debt Service Coverage Ratio of less than the Debt Service Coverage Ratio Requirement, the Borrower shall promptly hire an Independent consultant and cause such Independent consultant to deliver a report to the Trustee setting forth the Independent consultant’s recommendations for actions that will cause the Debt Service Coverage Ratio to increase to the Debt Service Coverage Ratio Requirement. The Independent consultant’s written report and recommendations shall address the rents, fees, rates and other charges relating to the Series 2020 Project and with respect to improvements or changes in the operations and scope of the services delivered by the Borrower so as to permit the Borrower to comply with the Debt Service Coverage Ratio Requirement, which report shall state the extent to which prior recommendations (if any) of the Independent consultant may not have been complied with by the Borrower. A copy of such report shall be sent by the Borrower to the Issuer, the Trustee and the Underwriter as soon as practicable but in no event later than 60 days after the delivery of the most recent DSC Certificate. The Borrower shall revise or cause to be revised such rents, fees, rates and other charges in conformity with any recommendation of the Independent consultant and shall otherwise follow the recommendations of the Independent consultant to

the extent permitted by applicable law. At least quarterly in conjunction with the next DSC Certificate following the submission of its initial report, the Independent consultant shall submit to the Trustee and the Underwriter progress report(s) indicating whether or not the recommendations contained in its initial report are being materially complied with.

(C) If the DSC Certificate delivered to the Trustee following the next succeeding calendar quarter continues to show a Debt Service Coverage Ratio of less than the Debt Service Coverage Ratio Requirement, the Borrower shall cause the Independent consultant to update its report and recommendations and the Borrower shall diligently follow such updated recommendations.

(D) If the DSC Certificate delivered to the Trustee following the next succeeding calendar quarter continues to show a Debt Service Coverage Ratio of less than the Debt Service Coverage Ratio Requirement, an Event of Default shall have occurred; provided however, if an Event of Default has not occurred under Sections 8.01 (a) and (b) of the Indenture, the Registered Owners of all Bonds then Outstanding may waive such Event of Default.

(h) Contracts to Comply with Tax Covenants. Any contract entered into between the Borrower and any Independent consultant engaged by the Borrower pursuant to this Section 8.05 must meet the requirements of this Loan Agreement, including but not limited to Section 2.03(c) of this Loan Agreement.

(i) Maintenance of Lien Position. On or before the date required by laws for continuation of the financing statements filed hereunder, the Borrower shall provide the Trustee with a certificate attaching a copy of the actual filed UCC continuation statement necessary to preserve the Lien on and security interest in the Mortgaged Property (as defined in the Leasehold Deed of Trust) and the Lien on the Pledged Revenues. If the Borrower does not take the action necessary to preserve the Lien on and security interest in the Mortgaged Property and the Lien on the Pledged Revenues, the Trustee may (but in no instance shall be required to) take such action and, in such event, the Trustee shall be entitled to reimbursement from the Borrower of its fees and expenses pursuant to Section 5.01(e) hereof.

(j) Additional Documents Upon Request. The Borrower will provide the Issuer with any of the documents specified in this Section 8.05 upon request by the Issuer.

(k) No Duty to Review. The Borrower's duty to provide the information, records and reports specified in this Section 8.05 shall not be construed to imply a duty on the part of the Trustee to review or analyze such information, records and reports.

(l) Days Cash on Hand. The Borrower shall provide to the Trustee, within 45 days after the end of each second and fourth calendar quarter, commencing with the calendar quarter ending December 31, 2022, a certificate executed by the Borrower stating the Days Cash on Hand as of the end of such calendar quarter, setting forth the calculation of the Days Cash on Hand, and confirming that the Days Cash on Hand is equal to or greater than the Days Cash on Hand Requirement (a "*Days Cash on Hand Certificate*"). If the calculation of Days Cash on Hand

provided in the Days Cash on Hand Certificate is less than the Days Cash on Hand Requirement, the Borrower shall take such steps as set forth in Section 5.01 hereof to ensure the Operating Reserve Fund is restored to the Days Cash on Hand Requirement.

(m) Prerequisites to Surplus Fund Transfer. Without limiting the requirements hereof or any provision of the Deposit Account Control Agreement, the Borrower shall not transfer any amounts distributed from the Surplus Fund (as defined in the Indenture) to its members or other designees unless the most recent DSC Certificate delivered by the Borrower to the Trustee demonstrates a Debt Service Coverage Ratio at least equal to the Debt Service Coverage Ratio Requirement and the most recent Days Cash on Hand Certificate delivered by the Borrower to the Trustee demonstrates that the balance in the Operating Reserve Fund is equal to or greater than the Operating Reserve Fund Requirement.

Section 8.06. Release and Indemnification Covenants. (a) The Borrower agrees to pay, defend, protect, indemnify, and hold each of the Issuer Indemnified Parties and the Trustee Indemnified Parties, harmless for, from and against (i) any and all Liabilities directly or indirectly arising from or relating to the Loan, this Loan Agreement, the Facilities and the Leasehold Deed of Trust and (ii) any and all Liabilities directly or indirectly arising from or relating to the Series 2020 Bonds, the Indenture, or any document related to the issuance and sale of the Series 2020 Bonds, including, but not limited to, the following:

(A) Any injury to or death of any person or damage to property in or upon the Facilities or growing out of or connected with the use, non- use, condition, or occupancy of the Facilities or any part thereof;

(B) Violation of any agreement, covenant, or condition of any of the Borrower Documents;

(C) Violation of any agreement, contract, or restriction relating to the Series 2020 Project;

(D) Violation of any law, ordinance, or regulation affecting the Facilities or any part thereof or the ownership, occupancy, or use thereof;

(E) The issuance and sale of the Series 2020 Bonds or any of them;

(F) Any environmental condition related to the Series 2020 Project;

(G) Any examination, investigation or audit of the Series 2020 Bonds or the Borrower by the Internal Revenue Service or any inquiry by the Securities and Exchange Commission or other governmental or regulatory entity related to the Series 2020 Bonds or the issuance thereof; and

(H) Any statement, information, or certificate furnished by the Borrower to the Issuer or the Trustee that is misleading, untrue, incomplete, or incorrect in any respect.

(b) The Borrower also agrees to pay, defend, protect, indemnify, and hold each of the Issuer Indemnified Parties and the Trustee Indemnified Parties harmless for, from, and against any and all Liabilities directly or indirectly arising from or relating to (i) any errors or omissions of any nature whatsoever contained in any legal proceedings or other official representation or inducement made by or to the Issuer or the Arizona Finance Authority by or on behalf of the Borrower pertaining to the Series 2020 Bonds, and (ii) any Borrower fraud or misrepresentations or omissions contained in the proceedings of the Issuer relating to the issuance of the Series 2020 Bonds or pertaining to the financial condition of the Borrower which, if known to the original purchaser of any of the Bonds or the Underwriter, could reasonably be considered a factor in such Person's decision to purchase the Series 2020 Bonds; provided, however, nothing in this subsection shall be deemed to provide the Issuer with indemnification for the Issuer's omissions or misstatements contained in the Limited Offering Memorandum under the captions "THE ISSUER" and "LITIGATION – The Issuer," as it relates to the Issuer.

(c) Subsections (a) and (b) above are intended to provide indemnification to each Issuer Indemnified Party and Trustee Indemnified Party for his or her active or passive negligence or misconduct; provided, however, nothing in subsections (a) and (b) above shall be deemed to provide indemnification to any Issuer Indemnified Party or any Trustee Indemnified Party with respect to any Liabilities arising from the successful allegation of gross negligence, or willful misconduct of such party.

(d) Any party entitled to indemnification hereunder shall notify the Borrower of the existence of any claim, demand, or other matter to which the Borrower's indemnification obligation applies, and shall give the Borrower a reasonable opportunity to defend the same at its own expense and with counsel satisfactory to the Issuer Indemnified Party and Trustee Indemnified Party, as applicable, provided that the Issuer Indemnified Party and Trustee Indemnified Party shall at all times also have the right to fully participate in the defense. If the Issuer Indemnified Party or Trustee Indemnified Party is advised in an Opinion of Counsel that there may be legal defenses available to either of them that are different from or in addition to those available to the Borrower or if the Borrower shall, after receiving notice of the Borrower's indemnification obligation and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to employ counsel for that purpose satisfactory to the Issuer Indemnified Party and Trustee Indemnified Party, as applicable, the Issuer Indemnified Party and Trustee Indemnified Party, as applicable, shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of, and at the risk of, the Borrower.

The Borrower shall be responsible for the reasonable counsel fees, costs, and expenses of the Issuer Indemnified Parties or the Trustee Indemnified Parties in conducting the defense. The covenants set forth in this Section 8.06 shall survive the termination of this Loan Agreement and the resignation and removal of the Trustee.

Notwithstanding the foregoing, the Borrower shall not be considered an "Indemnified Party" for purposes of this Section.

Section 8.07. Authority of Authorized Representative of the Borrower. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Borrower is

required, or the Issuer or the Trustee is required to take some action at the request of the Borrower, such approval or such request shall be made by the Authorized Representative of the Borrower unless otherwise specified in this Loan Agreement or the Indenture. The Issuer or the Trustee shall be authorized to act on any such approval or request and the Borrower shall have no complaint against the Issuer or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Loan Agreement or the Indenture by an Authorized Representative of the Borrower shall be on behalf of the Borrower and shall not result in any personal liability of such Authorized Representative.

Section 8.08. Authority of Authorized Representative of the Issuer. Whenever under the provisions of this Loan Agreement or the Indenture the approval of the Issuer is required, or the Borrower or the Trustee is required to take some action at the request of the Issuer, such approval or such request shall be made by the Authorized Representative of the Issuer unless otherwise specified in this Loan Agreement or the Indenture. The Borrower or the Trustee shall be authorized to act on any such approval or request and the Issuer shall have no complaint against the Borrower or the Trustee as a result of any such action taken in accordance with such approval or request. The execution of any document or certificate required under the provisions of this Loan Agreement or the Indenture by an Authorized Representative of the Issuer shall be on behalf of the Issuer and shall not result in any personal liability of such Authorized Representative.

Section 8.09. Licenses and Qualifications. The Borrower will do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause its lessees to comply, with such permits, licenses and other governmental approvals necessary for operation of the Series 2020 Project.

Section 8.10. Right to Inspect. Following reasonable notice to the Borrower, at any and all reasonable times during business hours, the Trustee, the Issuer, and their duly authorized agents, attorneys, experts, engineers, accountants and representatives, shall have the right (but no duty or obligation) fully to inspect the Facilities, including all books and records of the Borrower (excluding records the confidentiality of which may be protected by law), and to make such copies and memoranda from and with regard thereto as may be desired; provided, however, that they shall maintain these books and records in confidence unless required by applicable law to do otherwise and it is necessary to distribute the information to some other third party under applicable law.

Section 8.11. [Reserved.]

Section 8.12. Nonsectarian Use. The Borrower agrees that it will be nonsectarian in its programs, admission policies and employment practices and all other operations. The Borrower will comply with all applicable State and federal laws concerning discrimination on the basis of race, creed, color, sex, national origin, or religious belief and will respect, permit, and not interfere with the religious beliefs of persons working for the Borrower.

Section 8.13. Limitations on Incurrence of Additional Indebtedness. The Borrower will not incur any senior Indebtedness secured in whole or in part by the Facilities or the Pledged Revenues. Except as provided in this Section, the Borrower will not incur any additional parity

Indebtedness secured in whole or in part by the Facilities or the Pledged Revenues (with the exception of (i) capital leases requiring annual lease payments not to exceed \$100,000, which leases are expressly permitted hereunder, or (ii) the securing of alternate financing which contemporaneously pays in full all obligations of the Borrower hereunder) without providing evidence to the Trustee of either (a) that the Borrower's Debt Service Coverage Ratio for the preceding two Fiscal Years has been 1.50 and for each of the next three succeeding Fiscal Years is projected to be at least 1.35 of the Maximum Annual Debt Service due under this Loan Agreement during such Fiscal Years (including the proposed additional Indebtedness), or (b) evidence that the incurrence of parity Indebtedness has been approved and consented to by the Registered Owners of not less than 65% in aggregate amount of the Bonds then outstanding. The Borrower covenants that except as specifically provided in this Loan Agreement, it shall not create, assume, incur or suffer to be created, assumed or incurred any Liens (other than Permitted Encumbrances).

Section 8.14. Covenant to Comply with Indenture. The Borrower hereby acknowledges receipt of the Indenture, agrees to be bound by its terms and accepts all obligations and duties imposed thereby.

Section 8.15. Continuation of Operation in Event of Casualty. In the event of any damage to or destruction of the Facilities or any part thereof by fire, lightning, vandalism, malicious mischief and extended coverage perils, the Borrower shall make all diligent and reasonable efforts to continue operation of the Series 2020 Project and Facilities in such a manner that will ensure continuation and ensure due and timely payment of the Loan Payments.

Section 8.16. Maintenance of Nonprofit Status. The Borrower agrees that, at all times while any of the Bonds remain Outstanding, the Borrower shall take all actions necessary to maintain the Borrower's status as an Arizona nonprofit corporation, in good standing in the State and shall at all times maintain its status as a 501(c)(3) organization pursuant to the Code.

ARTICLE IX ASSIGNMENT AND PLEDGE; REDEMPTION OF SERIES 2020 BONDS

Section 9.01. Assignment and Pledge by Issuer. The Issuer shall assign certain of its rights and interests in and under this Loan Agreement, including the Pledged Revenues (but excluding the Issuer's Unassigned Rights), to the Trustee pursuant to the Indenture as security for payment of the principal of, premium, if any, and interest on the Series 2020 Bonds. The Borrower hereby consents to such assignment.

Section 9.02. Redemption of Series 2020 Bonds. Upon the agreement of the Borrower to deposit moneys into the Bond Fund in an amount sufficient to redeem Series 2020 Bonds subject to redemption, the Trustee, at the written request of the Borrower, shall forthwith take all steps (other than the payment of the money required for such redemption) permitted and necessary under the applicable redemption provisions of the Indenture to effect such redemption of the Series 2020 Bonds on the redemption date.

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

Section 10.01. Events of Default. The following shall be “Events of Default” under this Loan Agreement (subject to the notice requirements of Section 12.21 herein) and the term Event of Default shall mean, whenever it is used in this Loan Agreement, any one or more of the following events:

(a) Failure by the Borrower to pay the Loan Payments required to be paid under Section 5.01(a) or (b) hereof and continuation thereof for a period of three Business Days following written notice by the Trustee.

(b) [Reserved].

(c) Failure by the Borrower to provide any of the audits, financial statements or other reports on or before the dates required and continuation thereof for a period of 30 days.

(d) Failure by the Borrower to observe or perform any covenant, condition or agreement on its part to be observed or performed herein or in the Tax Regulatory Agreement other than as referred to in subsection (a) of this Section, for a period of 45 days after written notice, specifying such failure and requesting that it be remedied, shall have been given to the Borrower by the Issuer or the Trustee; provided, with respect to any such failure covered by this subsection (d), no Event of Default shall be deemed to have occurred so long as the Trustee shall have received a certificate of an Authorized Representative of the Borrower stating that a course of action adequate to remedy such failure shall have been commenced within such 45-day period and shall thereafter be diligently pursued to completion and the failure shall be remedied within 90 days of such notification, unless said remedy cannot be performed within 90 days and Borrower is actively working toward a remedy; provided, however, that no such period for remedying a failure shall exceed 120 days without the consent of the Trustee.

(e) The dissolution or liquidation of the Borrower, or failure by the Borrower to promptly contest and have lifted any execution, garnishment, or attachment of such consequence as will impair its ability to meet its obligations or to make any payments under this Loan Agreement. The phrase “dissolution or liquidation of the Borrower,” as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Borrower resulting either from a merger or consolidation of the Borrower into or with another domestic corporation or a dissolution or liquidation of the Borrower following a transfer of all or substantially all of its assets under the conditions permitting such actions contained in Section 8.02 hereof.

(f) The entry of a decree or order for relief by a court having jurisdiction in the premises in respect of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or ordering the winding-up or liquidation of its affairs and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days.

(g) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or State bankruptcy, insolvency or other similar law, or the consent by it to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or for any substantial part of its property, or the making by it of any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of corporate action by the Borrower in furtherance of any of the foregoing.

(h) The occurrence of an Event of Default under the Indenture, the Leasehold Deed of Trust or the Deposit Account Control Agreement.

(i) Any representation or warranty made by the Borrower herein or made by the Borrower in any statement or certificate furnished by the Borrower either required hereby or in connection with the execution and delivery of this Loan Agreement and the sale and the issuance of the Series 2020 Bonds, shall prove to have been untrue in any material respect as of the date of the issuance or making thereof.

(j) Judgment for the payment of money in excess of \$50,000.00 (which is not covered by insurance) is rendered by any court or other governmental body against the Borrower, and the Borrower does not discharge same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof within 60 days from the date of entry thereof, and within said 60-day period or such longer period during which execution of such judgment shall have been stayed, appeal therefrom and cause the execution thereof to be stayed during such appeal while providing such reserves therefor as may be required under Generally Accepted Accounting Principles.

(k) A writ or warrant of attachment or any similar process shall be issued by any court against the Facilities, and such writ or warrant of attachment or any similar process is not released or bonded within 60 days after its entry.

(l) Any of Borrower's representations and warranties herein or in any of the other Borrower Documents with respect to environmental matters are false in any material respect.

(m) [Reserved].

(n) Borrower, at any time, fails to maintain a Debt Service Coverage Ratio of 1:1, or Borrower maintains a Debt Service Coverage Ratio of 1:1 or greater, but less than the Debt Service Coverage Requirement, and Borrower fails to meet the requirements for addressing such shortfall as provided in Section 8.05(g) hereof.

The foregoing provisions of subsection (d) of this Section are subject to the following limitations: If by reason of force majeure the Borrower is unable in whole or in part to carry out its agreements herein contained, other than the obligations on the part of the Borrower contained in Article V and in Sections 6.02, 6.03, and 8.06 hereof, the Borrower shall not be deemed in default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes, lockouts or other industrial

disturbances; acts of public enemies; orders of any kind of the government of the United States or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquake; fire; hurricane; tornadoes; storms; floods; washouts; droughts; arrests; restraint of government and people; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, if possible, to remedy with all reasonable dispatch the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to make settlement of strikes, lockouts or other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable to the Borrower.

Section 10.02. Remedies on Default. Whenever an Event of Default referred to in Section 10.01 hereof shall have occurred and is continuing, the Issuer, or the Trustee where so provided herein, may take any one or more of the following remedial steps:

(a) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may declare the Loan Payments payable hereunder for the remainder of the term of this Loan Agreement to be immediately due and payable, whereupon the same shall become due and payable.

(b) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may exercise the power of sale or foreclose under the Leasehold Deed of Trust on the Facilities and may realize upon the security interest in the Pledged Revenues and may exercise all the rights and remedies of a secured party under the Arizona Uniform Commercial Code with respect thereto. Notwithstanding the foregoing, the parties hereby acknowledge Trustee's powers as set forth in this Section 10.02 may be impacted in the event of an exercise of the first right of purchase set forth in Section 11.04 of the Ground Lease between Pacific Proving, LLC and Borrower, dated May 20, 2022, as amended by that certain Amendment No. 1 to Ground Lease, dated July 27, 2020, and a successful purchase of all of the Bonds then Outstanding by the landlord under such ground lease.

(c) The Trustee (acting as assignee of the Issuer) or the Issuer (in the case of the Issuer's Unassigned Rights in the event of a failure of the Trustee to act under this subsection), as and to the extent provided in the Indenture, may take whatever action at law or in equity as may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance or observance of any obligations, agreements, or covenants of the Borrower under this Loan Agreement.

Notwithstanding the foregoing, prior to the exercise by the Issuer or the Trustee of any remedy that would prevent the application of this paragraph, the Borrower may, at any time, pay all accrued payments hereunder (exclusive of any such payments accrued solely by virtue of declaration pursuant to subsection (a) of the first paragraph of this Section) and fully cure all

defaults, and in such event, the Borrower shall be fully reinstated to its position hereunder as if such Event of Default had never occurred.

In the event that the Borrower fails to make any payment required hereby, the payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid.

Whenever any Event of Default has occurred and is continuing under this Loan Agreement, the Trustee may, but except as otherwise provided in the Indenture shall not be obligated to, exercise any or all of the rights of the Issuer under this Article, upon notice as required to the Issuer. In addition, the Trustee shall have available to it all of the remedies prescribed in the Indenture. If the Trustee is not enforcing the Issuer's rights in a manner to protect the Issuer or is otherwise taking action that brings adverse consequences to the Issuer, then the Issuer may, without the consent of the Trustee, take whatever action at law or in equity may appear necessary or appropriate to enforce the Issuer's Unassigned Rights and to collect all sums then due and thereafter to become due to the Issuer under this Loan Agreement.

Any amounts collected pursuant to action taken under the immediately preceding paragraph (other than sums collected for the Issuer on account of the Issuer's Unassigned Rights, which sums shall be paid directly to the Issuer), after reimbursement of any costs incurred by the Issuer or the Trustee in connection therewith shall be applied in accordance with the provisions of the Indenture.

If the Issuer and/or the Trustee shall have proceeded to enforce its or their rights under this Loan Agreement and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Issuer or the Trustee, then and in every such case, the Borrower, the Issuer and the Trustee shall be restored to their respective positions and rights hereunder, and all rights, remedies and powers of the Borrower, the Issuer and the Trustee shall continue as though no such proceedings had been taken.

Section 10.03. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Issuer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Loan Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than notice required herein or by applicable law. Such rights and remedies as are given to the Issuer hereunder shall also extend to the Trustee, the Beneficial Owners and the Registered Owners, subject to the Indenture.

Section 10.04. Agreement to Pay Attorneys' Fees and Expenses. In the event the Borrower should breach any of the provisions of this Loan Agreement and the Issuer or the Trustee should employ attorneys or incur other expenses for the collection of Loan Payments or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, the Borrower agrees that it will on demand therefore pay to the Issuer

and the Trustee, as the case may be, the reasonable fees of such attorneys and such other reasonable expenses incurred by the Issuer and the Trustee. The obligations of the Borrower arising under this Section shall continue in full force and effect notwithstanding the final payment of the Bonds, the resignation and removal of the Trustee or the termination of this Loan Agreement for any reason.

Section 10.05. Waiver. In the event any agreement contained in this Loan Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach waived and shall not be deemed to waive any other breach hereunder. In view of the assignment of the Issuer's rights in and under this Loan Agreement to the Trustee under the Indenture, the Issuer shall have no power to waive any Event of Default hereunder without the consent of the Trustee. Notwithstanding the foregoing, a waiver of an Event of Default under the Indenture or a rescission of a declaration of acceleration of the Series 2020 Bonds and a rescission and annulment of its consequences shall constitute a waiver of the corresponding Event of Default under this Loan Agreement and a rescission and annulment of its consequences; provided, that no such waiver or rescission shall extend to or affect any subsequent or other default hereunder or impair any right consequent thereon.

Section 10.06. Proofs of Claim. In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Issuer, the Borrower or any other obligor upon the Series 2020 Bonds or the property of the Issuer, the Trustee (irrespective of whether the principal of the Series 2020 Bonds shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Issuer and/or the Borrower for the payment of overdue principal or interest) shall be entitled and empowered, by intervention of such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest owing and unpaid in respect of the Series 2020 Bonds then Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Registered Owners allowed in such judicial proceeding; and to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same; and

(b) any receiver, assignee, trustee, liquidator, sequestrator (or other similar official) in any such judicial proceeding is hereby authorized by each Registered Owner to make such payments to the Trustee, and, in the event that the Trustee shall consent to the making of such payments directly to the Registered Owners, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agent and counsel.

So long as Series 2020 Bonds are Outstanding, the Trustee is appointed under the terms of the Indenture, and the successive respective Registered Owners of the Series 2020 Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee, the true and lawful attorney in fact of the respective Registered Owners of the Series 2020 Bonds, with authority to make or file, in the respective names of the Registered Owners of the Series

2020 Bonds or on behalf of all Registered Owners of the Series 2020 Bonds, as a class, any proof of debt, amendment to proof of debt, petition or other documents and to execute any other papers and documents and to do and perform any and all acts and things for and on behalf of all Registered Owners of the Series 2020 Bonds as a class, as may be necessary or advisable in the opinion of the Trustee, in order to have the respective claim of the Registered Owners of the Series 2020 Bonds against the Issuer, the Borrower or any other obligor allowed in receivership, insolvency, liquidation, bankruptcy or other proceeding, to which the Issuer, the Borrower or any other obligor, as the case may be, shall be a party. The Trustee shall have full power of substitution and delegation in respect of any such powers.

Section 10.07. Treatment of Funds in Bankruptcy. The Borrower acknowledges and agrees that in the event the Borrower commences a case under the United States Bankruptcy Code located at 11 U.S.C. § 101 *et seq.* (the “Bankruptcy Code”) or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (a) amounts on deposit in any of the Funds are not, nor shall they be deemed to be, property of the Borrower’s bankruptcy estate as defined by § 541 of the Bankruptcy Code; (b) that in no event shall the Borrower assert, claim or contend that amounts on deposit in any of the Funds are property of Borrower’s bankruptcy estate; and (c) that amounts on deposit in any of the Funds are held in trust solely for the benefit of the Registered Owners and the Beneficial Owners, shall be applied only in accordance with the provisions of the Indenture and the Borrower has no legal, equitable nor reversionary interest in, or right to, such amounts.

ARTICLE XI PREPAYMENT OF THE LOAN

Section 11.01. General Option to Prepay the Loan. So long as no Event of Default pursuant to Section 10.01 hereunder exists, the Borrower shall have and is hereby granted the option exercisable at any time to prepay all or any portion of the Loan by depositing with the Trustee an amount of money or securities to the extent permitted by Section 7.01 of the Indenture representing the principal amount of and the premium, if any, and interest on the Loan to be paid at maturity, with respect to the Series 2020 Bonds, or prepaid to the date a corresponding amount of Series 2020 Bonds are redeemed. The exercise of the option granted by this Section shall not be cause for redemption of Series 2020 Bonds unless such redemption is permitted at that time under the provisions of the Indenture and the Borrower specifies the date for such redemption. Prior to the date the related Series 2020 Bonds are subject to redemption, the Series 2020 Promissory Note is prepayable at any time in an amount sufficient to defease a related amount of Series 2020 Bonds in accordance with Article VII of the Indenture. In the event the Borrower prepays all of the Loan pursuant to this Section, pays all reasonable and necessary fees and expenses of the Trustee accrued and to accrue through final payment of the Series 2020 Bonds as a result of such prepayment, and all of its liabilities accrued and to accrue hereunder to the Issuer through final payment of the Bonds as a result of such prepayment, and all other amounts payable by the Borrower hereunder, including payments of any Rebate Amount, this Loan Agreement shall terminate except as otherwise provided herein.

Section 11.02. Prepayment Credits. In the event of prepayment by the Borrower of the Loan in whole, and premium, if any, the amounts related to each Series of Bonds then contained in the related subaccounts of the Cost of Issuance Fund, the Project Fund, the Tax and Insurance

Escrow Fund, Debt Service Reserve Fund and the Expense Fund and the amounts of the Borrower's payments on each Promissory Note contained in the related subaccount of the Bond Fund shall be credited first to the Rebate Fund so that it is fully funded for the final payment to the United States Treasury and then against the Borrower's prepayment obligation.

Section 11.03. Notice of Prepayment. In order to exercise the option granted by this Article, the Borrower shall give written notice to the Trustee specifying therein the date of making the prepayment, which date shall be not less than 45 days (unless a shorter notice shall be satisfactory to the Trustee) nor more than 90 days from the date the notice is mailed. In the case of any prepayment pursuant to this Article, the Borrower shall make arrangements with the Trustee for giving the required notice of redemption, if any, with respect to any Series 2020 Bonds to be redeemed and, if applicable, shall pay to the Trustee an amount of money which constitutes Protected Funds sufficient to redeem all of the Series 2020 Bonds to be called for redemption at the appropriate price prior to the redemption date.

Section 11.04. Use of Prepayment Moneys. By virtue of the assignment of the rights of the Issuer under this Loan Agreement to the Trustee, the Borrower agrees to and shall pay any amount required to be paid by it under this Article directly to the Trustee (other than amounts to be paid to the Issuer for its own account). The Trustee shall use the moneys so paid to it by the Borrower (other than amounts to be paid to the Trustee for its own account) as provided in this Loan Agreement and in the Indenture.

ARTICLE XII MISCELLANEOUS

Section 12.01. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when mailed via electronic transmission or by certified mail, return receipt requested, postage prepaid, facsimile (confirmed by certified mail) or overnight courier, addressed as follows:

If to the Issuer:

Arizona Industrial Development Authority
c/o Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: President
Email: admin@arizonaida.com

With a copy to:

Kutak Rock LLP
8601 North Scottsdale Road, Suite 300
Scottsdale, Arizona 85253
Attention: Kelly A. McGuire, Esq.
Telephone: (480) 429-5000
Email: kelly.mcguire@kutakrock.com

If to the Borrower:

Legacy Cares, Inc.
1900 West Chandler Boulevard, #15-315
Chandler, Arizona 85224
Attention: Douglas G. Moss, President
Telephone: (480) 902-9701
Email: dgmoss@legacycares.com

With a copy to:

Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004
Attention: Timothy A. Stratton, Esq.
Telephone: (602) 257-7465
Email: tstratton@gustlaw.com

If to the Trustee:

UMB Bank, N.A.
2777 East Camelback Road, Suite 350
Phoenix, Arizona 85016
Attention: Sandy Battas
Telephone: (602) 912-9725
Email: sandra.battas@umb.com

A duplicate copy of each notice, certificate or other communication given hereunder by the Issuer or the Borrower shall also be given to the Trustee. The Issuer, the Borrower, or the Trustee may, by notice hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction.

Section 12.02. Binding Effect. This Loan Agreement shall inure to the benefit of and shall be binding upon the Issuer and the Borrower, and their respective successors and assigns, subject, however, to the limitations contained in Sections 8.02, 9.01 and 12.10 hereof.

Section 12.03. Severability. In the event any provision of this Loan Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 12.04. Third Party Beneficiaries. Each of the Issuer Indemnified Parties, (other than the Issuer) and the Trustee Indemnified Parties are intended "Third Party Beneficiaries" of this Loan Agreement. Nothing in this Loan Agreement shall confer any right upon any Person other than parties hereto, and those specifically designated as Third Party Beneficiaries of this Loan Agreement.

Section 12.05. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Funds upon termination of this Loan Agreement, provided the Series 2020 Bonds have been fully retired and all amounts due hereunder have been paid in full or

provided for, shall belong to and be paid to the Borrower by the Trustee, as provided in the Indenture.

Section 12.06. Amendments, Changes and Modifications. Except as otherwise provided in this Loan Agreement or in the Indenture, this Loan Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Issuer.

Section 12.07. Execution in Counterparts. This Loan Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 12.08. Governing Law. This Loan Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State, without reference to choice of law principles, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Issuer. The parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Loan Agreement against the Issuer shall be brought and maintained in the Superior Court of the State of Arizona in and for the County of Maricopa, the United States District Court in and for the District of Arizona or any United States Bankruptcy Court in any case involving or having jurisdiction over the Borrower or the Facilities.

Section 12.09. Filing. The Borrower shall cause the Lien on the Facilities granted by the Leasehold Deed of Trust to be recorded with the Recorder of Maricopa County, Arizona. In addition, the Borrower shall cause the security interest in the rights to receive the Pledged Revenues, the Funds and trust accounts referred to in Section 5.01 hereof granted to the Issuer, the assignment of such security interest to the Trustee and the security interest in the Leasehold Deed of Trust granted to the Trustee to be perfected by the filing of financing statements which shall fully comply with the Arizona Uniform Commercial Code in the office of the Secretary of State of Arizona or the office of the Recorder of Maricopa County, Arizona, and in such other office as is at the time provided by law as the proper place for the filing thereof. The parties hereto further agree that all necessary continuation statements shall be filed by the Borrower, with copies provided to the Trustee, within the time prescribed by the Arizona Uniform Commercial Code in order to continue such security interests.

Section 12.10. Cancellation at Expiration of Term of Loan Agreement. Upon the termination of this Loan Agreement, and provided the Series 2020 Bonds have been fully retired and all amounts due hereunder have been paid in full or provided for, the Issuer shall deliver to the Borrower any documents and take or cause the Trustee to take such actions as may be necessary to evidence the termination of this Loan Agreement and the discharge of the Lien hereof and of the Leasehold Deed of Trust.

Section 12.11. Default by Issuer; Limited Liability. Notwithstanding any provision or obligation to the contrary hereinbefore set forth, no provision of this Loan Agreement shall be construed so as to give rise to a pecuniary liability of the Issuer or to give rise to a charge upon the general credit of the Issuer; the liability of the Issuer hereunder shall be limited to its interest in the Series 2020 Project, this Loan Agreement and all other related documents and collateral and the lien of any judgment shall be restricted thereto. In the performance of the agreements of the Issuer herein contained, any obligation it may incur for the payment of money shall not be a debt

of the Issuer, nor shall the Issuer be liable on any obligation so incurred. The Issuer does not assume general liability for the repayment of the Bonds or for the costs, fees, penalties, taxes, interest, omissions, charges, insurance or any other payments recited herein, and shall be obligated to pay the same only out of the amounts payable by the Borrower hereunder. The Issuer shall not be required to do any act whatsoever or exercise any diligence whatsoever to mitigate the damages to the Borrower if a default shall occur hereunder.

Section 12.12. No Personal Liability of Officials of the Borrower, Issuer or the Trustee. None of the covenants, stipulations, promises, agreements and obligations of the Issuer, the Trustee or the Borrower contained herein shall be deemed to be covenants, stipulations, promises, agreements or obligations of any official, officer, agent or employee of the Issuer, the Trustee or the Borrower in his or her individual capacity, and no recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or any claim hereunder against any official, officer, agent or employee of the Issuer or the Borrower or any officer, agent, servant or employee of the Trustee or any natural person executing any Bond, including any officer or employee of the Trustee.

Section 12.13. Limitation of Issuer's Liability.

(a) Reliance by the Issuer on Facts or Certificates. Anything in this Loan Agreement to the contrary notwithstanding, it is expressly understood and agreed by the parties hereto that the Issuer may rely conclusively on the truth and accuracy of any certificate, opinion, notice, or other instrument furnished to the Issuer by the Borrower as to the existence of any fact or state of affairs required hereunder to be noticed by the Issuer.

(b) Immunity of the Issuer's Directors, Executive Director, Officers, Counsel, Review Advisors and Agents. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of the Issuer contained in this Loan Agreement, any other Issuer Documents, or in any Bond or for any claim based hereon or otherwise in respect hereof or upon any obligation, covenant, promise, or agreement of the Issuer contained in any agreement, instrument, or certificate executed in connection with the Series 2020 Project or the issuance and sale of the Series 2020 Bonds, against any Issuer Indemnified Parties, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that no personal liability whatsoever shall attach to, or be incurred by, any Issuer Indemnified Party, either directly or by reason of any of the obligations, covenants, promises, or agreements entered into by the Issuer with the Borrower or the Trustee to be implied therefrom as being supplemental hereto or thereto, and that all personal liability of that character against each and every Issuer Indemnified Party is, by the execution of the Series 2020 Bonds, this Loan Agreement, and the other Issuer Documents, and as a condition of, and as part of the consideration for, the execution of the Series 2020 Bonds, this Loan Agreement, and the other Issuer Documents, is expressly waived and released.

(c) No Pecuniary Liability of the Issuer. No agreements or provisions contained herein, nor any agreement, covenant, or undertaking by the Issuer in connection with the Series 2020 Facilities or the issuance, sale, and/or delivery of the Series 2020 Bonds shall give rise to any pecuniary liability of the Issuer or a charge against its general credit, or shall obligate the Issuer financially in any way, except as may be payable from the revenues pledged hereby for the

payment of the Series 2020 Bonds and their application as provided in the Indenture. No failure of the Issuer to comply with any term, covenant, or agreement contained in the Series 2020 Bonds, this Loan Agreement, or the Indenture, or in any document executed by the Issuer in connection with the Series 2020 Facilities or the issuance and sale of the Series 2020 Bonds, shall subject the Issuer to liability for any claim for damages, costs, or other financial or pecuniary charge, except to the extent that the same can be paid or recovered from the revenues pledged for the payment of the Series 2020 Bonds or other revenues derived under this Loan Agreement. Nothing herein shall preclude a proper party in interest from seeking and obtaining, to the extent permitted by law, specific performance against the Issuer for any failure to comply with any term, condition, covenant, or agreement herein; provided that no costs, expenses, or other monetary relief shall be recoverable from the Issuer, except as may be payable from the Trust Estate under the Indenture for the payment of the Series 2020 Bonds or other revenue derived under this Loan Agreement. No provision, covenant, or agreement contained herein, or any obligations imposed upon the Issuer, or the breach thereof, shall constitute an indebtedness of the Issuer within the meaning of any State constitutional or statutory limitation or shall constitute or give rise to a charge against its general credit. In making the agreements, provisions, and covenants set forth in this Loan Agreement, the Issuer has not obligated itself, except with respect to the application of the Trust Estate under the Indenture for the payment of the Series 2020 Bonds or other revenues derived under this Loan Agreement or the Indenture.

(d) The Issuer's Performance. The Issuer shall have no liability or obligation with respect to the payment of the purchase price of the Series 2020 Bonds. None of the provisions of this Loan Agreement shall require the Issuer to expend or risk its own funds or to otherwise incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless payable from the Trust Estate under the Indenture, or the Issuer shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Issuer shall not be under any obligation hereunder to perform any record keeping or to provide any legal services, it being understood that such services shall be performed or provided as arranged by the Trustee or the Borrower. The Issuer covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Loan Agreement, the Indenture, and any and every Bond executed, authenticated, and delivered under the Indenture; provided, however, that (a) the Issuer shall not be obligated to take any action or execute any instrument pursuant to any provision hereof until it shall have been requested to do so by the Borrower or the Trustee, (b) the Issuer shall have received the instrument to be executed, and (c) any action or execution of any instrument requested of the Issuer shall be at the Borrower's sole expense.

Section 12.14. No Warranty by Issuer. THE BORROWER RECOGNIZES THAT, BECAUSE THE COMPONENTS OF THE FACILITIES HAVE BEEN AND ARE TO BE SELECTED BY IT, THE ISSUER HAS NOT MADE AND SHALL NOT MAKE AN INSPECTION OF THE FACILITIES, IF AND WHEN ACQUIRED, OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL

OR WORKMANSHIP THEREIN, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BORROWER. IN THE EVENT OF ANY DEFECT OR DEFICIENCY OF ANY NATURE IN THE FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL HAVE NO RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO THE FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANY OTHER LAW NOW OR HEREAFTER IN EFFECT.

Section 12.15. Prior Loan Agreements Superseded. This Loan Agreement, together with all agreements executed by the parties concurrently herewith or in conjunction with the initial issuance of the Series 2020 Bonds, shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Issuer and the Borrower relating to the Series 2020 Bonds, the lending of money and the Series 2020 Project.

Section 12.16. Covenant by the Borrower with Respect to Statements, Representations and Warranties. It is understood by the Borrower that all such statements, representations and warranties made in this Loan Agreement shall be deemed to have been relied upon by the Issuer as an inducement to issue the Series 2020 Bonds, and that if any such statements, representations and warranties were false at the time they were made or (with respect to those representations and warranties which are to continue) are breached during the term hereof, such misrepresentation or breach shall constitute a breach of this Loan Agreement which may give rise to an Event of Default hereunder.

Section 12.17. Captions. The captions and headings in this Loan Agreement are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Loan Agreement.

Section 12.18. Payments Due on Days Other Than Business Days. If the date for making any payment or the last date for performance of any act or the exercise of any right, as provided in this Loan Agreement, is not a Business Day such payments may be made or act performed or right exercised on the next succeeding Business Day unless otherwise provided herein, with the same force and effect as if done on the nominal date provided in this Loan Agreement.

Section 12.19. Provision of General Application. Any consent or approval of the Issuer required pursuant to this Loan Agreement shall be in writing and shall not be unreasonably withheld, conditioned or delayed.

Section 12.20. Survival. Notwithstanding the payment in full of the Series 2020 Bonds, the discharge of the Indenture, the resignation and removal of the Trustee and the termination or expiration of the Series 2020A Promissory Note, the Series 2020B Promissory Note, the Series 2020C Promissory Note and this Loan Agreement, all provisions in this Loan Agreement concerning (a) the tax-exempt status of the Tax-Exempt Series 2020A Bonds and the Tax-Exempt Turbo Redemption Series 2020C Bonds (including, but not limited to provisions concerning the

payment of the Rebate Amount), (b) the interpretation of this Loan Agreement, (c) the governing law, (d) the forum for resolving disputes, (e) the Issuer's right to rely on facts or certificates, (f) the indemnity of the Issuer, the Issuer Indemnified Parties, the Trustee and the Trustee Indemnified Parties, and (g) the Issuer's and Trustee's lack of pecuniary liability shall survive and remain in full force and effect.

Section 12.21. Notice of Change in Fact. The Borrower will notify the Issuer, the Underwriter, and the Trustee promptly after the Borrower becomes aware of (a) any change in any material fact or circumstance represented or warranted by the Borrower in this Loan Agreement or in connection with the issuance of the Series 2020 Bonds which would make any such representation or warranty false when made, (b) any default or event which, with notice or lapse of time or both, could become an Event of Default under this Loan Agreement, the Indenture, the Leasehold Deed of Trust, or any Borrower Document, specifying in each case the nature thereof and what action the Borrower has taken, is taking, and/or proposes to take with respect thereto, (c) any Internal Revenue Service audit of the Borrower or the Series 2020 Bonds, (d) any material litigation affecting the Series 2020 Bonds, the Borrower or the Facilities and (e) any default in any indebtedness of the Borrower.

Section 12.22. Notice of A.R.S. Section 38-511 - Cancellation. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Loan Agreement under the laws of the State.

Section 12.23. No Boycott of Israel. Pursuant to A.R.S. Section 35-393 *et seq.*, the Trustee hereby certifies it is not currently engaged in, and for the duration of this Loan Agreement will not engage in, a boycott of Israel. The term "boycott" has the meaning set forth in A.R.S. Section 35-393.

Section 12.24. Concerning Successors and Assigns. All covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the financing herein contemplated and shall continue in full force and effect so long as the obligations hereunder and set forth in the Series 2020 Promissory Note are outstanding and unpaid. Whenever in this Loan Agreement any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all covenants, promises and agreements by or on behalf of the Borrower which are contained in this Loan Agreement shall bind its successors and assigns and inure to the benefit of the successors and assigns of the Issuer.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the Issuer and the Borrower have caused this Agreement to be executed in their respective corporate names by their duly authorized officers, all as of the date first above written.

**ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY, as Issuer**

By:_____

Name:_____

Title:_____

**LEGACY CARES, INC., an Arizona not-for-profit
corporation and 501(c)(3) organization, as Borrower**

By:_____

Name:_____

Title:_____

EXHIBIT A
FORM OF SERIES 2020A PROMISSORY NOTE

\$212,960,000

August 20, 2020

FOR VALUE RECEIVED, the undersigned, **LEGACY CARES, INC.**, an Arizona not-for-profit corporation and 501(c)(3) organization (the “Borrower”), hereby promises to pay to the order of the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Issuer”), the principal sum of TWO HUNDRED TWELVE MILLION NINE HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS (\$212,960,000), together with interest thereon, in installments, on the dates and in the amounts set forth below. The Borrower further agrees to pay as the premium hereon the amount of the premium due, if any, upon any prepayment hereof in accordance with the Loan Agreement (as defined below).

This Note has been issued to evidence a loan made by the Issuer to the Borrower in accordance with that certain Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Borrower and the Issuer. Pursuant to the Loan Agreement, the Issuer has loaned the Borrower the proceeds of the Issuer’s \$212,960,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “Tax-Exempt Series 2020A Bonds”). The Tax-Exempt Series 2020A Bonds are issued by the Issuer pursuant to and in accordance with an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement and the Indenture.

Interest on this Note shall be due January 1 and July 1 (each a “Payment Date”), commencing with the first Payment Date following the Bond Closing for the Tax-Exempt Series 2020A Bonds, in an amount equal to a fraction of the interest due on the Tax-Exempt Series 2020A Bonds on the next Interest Payment Date where the numerator is the amount of interest due on the Tax-Exempt Series 2020A Bonds on the next Interest Payment Date and the denominator is the number of Payment Dates that will occur during the period beginning on the last Interest Payment Date (or, if an Interest Payment Date has not yet occurred, the Bond Closing for the Tax-Exempt Series 2020A Bonds) and ending on the day preceding the next Interest Payment Date, and the principal of this Note shall be due on each Principal Payment Date, commencing on the Principal Payment Date occurring on July 1, 2023, in an amount equal to a fraction of the principal due on the Tax-Exempt Series 2020A Bonds on the next Principal Payment Date where the numerator is the amount of principal due on the Tax-Exempt Series 2020A Bonds on the next Principal Payment Date and the denominator is the number of Principal Payment Dates that will occur during the period beginning on the last Principal Payment Date (or, if a Principal Payment Date has not yet occurred, July 1, 2023) and the day preceding the next Principal Payment Date; provided, however, the Borrower shall be entitled to a credit against such amounts owed equal to the amounts then on deposit in the Bond Fund and available for payment of such principal and interest.

Payments of both principal and interest are to be irrevocably assigned by the Issuer to the Trustee pursuant to the Indenture. Such assignment is to be made as security for the payment of

the Tax-Exempt Series 2020A Bonds to the extent provided in the Indenture. All of the terms, conditions and provisions of the Indenture and the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note.

Payments hereon are to be made in immediately available funds at the designated trust office of the Trustee or at such other place as the Trustee may direct in writing, in accordance with the terms hereof and of the Indenture.

This Note is issued pursuant to the Loan Agreement and is entitled to the benefits and is subject to the conditions thereof. All the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note, and shall control in the interpretation and enforcement of this Note.

In addition to the foregoing, the Borrower hereby promises to pay to the full extent required by the Indenture and the Loan Agreement: (i) the Rebate Amount; (ii) all of the payments and additional charges set forth in Section 5.01 of the Loan Agreement; and (iii) all costs and expenses of collection incurred in connection with any default by the Borrower hereunder and all other payments required to be made by the Borrower pursuant to the Indenture and the Loan Agreement including without limitation those payments referred to in Section 8.06 of the Loan Agreement.

In the event the Borrower fails to make any of the payments required in this Note, such payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon (to the extent legally enforceable) until paid.

The principal of this Note is subject to optional and mandatory prepayment by the Borrower from time to time as set forth in the Loan Agreement.

The Borrower shall have the option to prepay the unpaid balance hereof in whole or in part only as provided in and in accordance with the provisions of the Loan Agreement and the Indenture.

In the event a Payment Date under this Note is not a Business Day, such installment shall be due on the next succeeding Business Day.

The Borrower agrees that if, and as often as, this Note is placed in the hands of any attorney for collection or to defend or enforce any of the Issuer's and/or the Trustee's rights hereunder, the Borrower will pay to the Issuer and/or the Trustee its reasonable attorneys' fees, together with all court costs and other expenses actually paid or incurred by the Issuer and/or the Trustee.

The Borrower and all other persons who may become liable for all or part of this obligation severally waive presentation for payment, demand, notice of nonpayment and protest, all pleas of division and discussion and consent to any extension of time (whether one or more) or renewal hereof. Any such extension or renewal may be made without notice and without discharging liability hereunder.

Upon default in any of the terms or conditions of this Note or upon the occurrence and continuation of an “Event of Default” under the Loan Agreement, at the option of the holder hereof, the entire indebtedness hereby evidenced shall become due and payable then and thereafter as the holder may elect, regardless of the date of maturity hereof, but subject to the provisions of the Loan Agreement. Prior to the exercise of such option, the Trustee shall give written notice to the Borrower.

During the existence of any such Event of Default, the Trustee may apply any payments received on any amount due hereunder or under the terms of the Loan Agreement or the Indenture pursuant to and in accordance with the Loan Agreement and the Indenture.

The obligations of the Borrower to make payments hereunder, under the Indenture and the Loan Agreement and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Note is terminated and paid in full and all amounts due or to become due under the Loan Agreement are paid in full and the Loan Agreement is terminated, the Borrower (i) will not suspend or discontinue any payments under the Loan Agreement or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust and this Note, as applicable; and (iii) except as provided in the Loan Agreement, will not terminate the Loan Agreement, the Leasehold Deed of Trust or this Note for any cause.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or arising under the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust or this Note or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of the Borrower, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Tax-Exempt Series 2020A Bonds.

The records of the Trustee shall be prima facie evidence of the amount owing on this Note.

This Note is to be construed according to the laws of the State of Arizona without regard to any conflicts of law provisions contained therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 20th day of August, 2020.

LEGACY CARES, INC., an Arizona not-for-profit corporation and 501(c)(3) organization, as Borrower

By:_____

Name:_____

Title:_____

[SIGNATURE PAGE FOR SERIES 2020A PROMISSORY NOTE]

PAY TO THE ORDER OF UMB BANK, N.A., IN THE CITY OF PHOENIX, ARIZONA, AS TRUSTEE, WITHOUT RECOURSE AGAINST THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY BUT WITH RECOURSE AGAINST LEGACY CARES, INC.

**ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

SIGNATURE PAGE FOR SERIES 2020A PROMISSORY NOTE

FORM OF SERIES 2020B PROMISSORY NOTE

\$6,810,000

August 20, 2020

FOR VALUE RECEIVED, the undersigned, **LEGACY CARES, INC.**, an Arizona not-for-profit corporation and 501(c)(3) organization (the “Borrower”), hereby promises to pay to the order of the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Issuer”), the principal sum of SIX MILLION EIGHT HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$6,810,000), together with interest thereon, in installments, on the dates and in the amounts set forth below. The Borrower further agrees to pay as the premium hereon the amount of the premium due, if any, upon any prepayment hereof in accordance with the Loan Agreement (as defined below).

This Note has been issued to evidence a loan made by the Issuer to the Borrower in accordance with that certain Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Borrower and the Issuer. Pursuant to the Loan Agreement, the Issuer has loaned the Borrower the proceeds of the Issuer’s \$6,810,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “Taxable Series 2020B Bonds”). The Taxable Series 2020B Bonds are issued by the Issuer pursuant to and in accordance with an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement and the Indenture.

Interest on this Note shall be due January 1 and July 1 (each a “Payment Date”), commencing with the first Payment Date following the Bond Closing for the Taxable Series 2020B Bonds, in an amount equal to a fraction of the interest due on the Taxable Series 2020B Bonds on the next Interest Payment Date where the numerator is the amount of interest due on the Taxable Series 2020B Bonds on the next Interest Payment Date and the denominator is the number of Payment Dates that will occur during the period beginning on the last Interest Payment Date (or, if an Interest Payment Date has not yet occurred, the Bond Closing for the Taxable Series 2020B Bonds) and ending on the day preceding the next Interest Payment Date, and the principal of this Note shall be due on each Principal Payment Date, commencing on the first Principal Payment Date occurring on July 1, 2023, in an amount equal to a fraction of the principal due on the Taxable Series 2020B Bonds on the next Principal Payment Date where the numerator is the amount of principal due on the Taxable Series 2020B Bonds on the next Principal Payment Date and the denominator is the number of Principal Payment Dates that will occur during the period beginning on the last Principal Payment Date (or, if a Principal Payment Date has not yet occurred, July 1, 2023) and the day preceding the next Principal Payment Date; provided, however, the Borrower shall be entitled to a credit against such amounts owed equal to the amounts then on deposit in the Bond Fund and available for payment of such principal and interest.

Payments of both principal and interest are to be irrevocably assigned by the Issuer to the Trustee pursuant to the Indenture. Such assignment is to be made as security for the payment of the Taxable Series 2020B Bonds to the extent provided in the Indenture. All of the terms,

conditions and provisions of the Indenture and the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note.

Payments hereon are to be made in immediately available funds at the designated trust office of the Trustee or at such other place as the Trustee may direct in writing, in accordance with the terms hereof and of the Indenture.

This Note is issued pursuant to the Loan Agreement and is entitled to the benefits and is subject to the conditions thereof. All the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note, and shall control in the interpretation and enforcement of this Note.

In addition to the foregoing, the Borrower hereby promises to pay to the full extent required by the Indenture and the Loan Agreement: (i) all of the payments and additional charges set forth in Section 5.01 of the Loan Agreement; and (ii) all costs and expenses of collection incurred in connection with any default by the Borrower hereunder and all other payments required to be made by the Borrower pursuant to the Indenture and the Loan Agreement including without limitation those payments referred to in Section 8.06 of the Loan Agreement.

In the event the Borrower fails to make any of the payments required in this Note, such payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon (to the extent legally enforceable) until paid.

The principal of this Note is subject to optional and mandatory prepayment by the Borrower from time to time as set forth in the Loan Agreement.

The Borrower shall have the option to prepay the unpaid balance hereof in whole or in part only as provided in and in accordance with the provisions of the Loan Agreement and the Indenture.

In the event a Payment Date under this Note is not a Business Day, such installment shall be due on the next succeeding Business Day.

The Borrower agrees that if, and as often as, this Note is placed in the hands of any attorney for collection or to defend or enforce any of the Issuer's and/or the Trustee's rights hereunder, the Borrower will pay to the Issuer and/or the Trustee its reasonable attorneys' fees, together with all court costs and other expenses actually paid or incurred by the Issuer and/or the Trustee.

The Borrower and all other persons who may become liable for all or part of this obligation severally waive presentation for payment, demand, notice of nonpayment and protest, all pleas of division and discussion and consent to any extension of time (whether one or more) or renewal hereof. Any such extension or renewal may be made without notice and without discharging liability hereunder.

Upon default in any of the terms or conditions of this Note or upon the occurrence and continuation of an "Event of Default" under the Loan Agreement, at the option of the holder hereof,

the entire indebtedness hereby evidenced shall become due and payable then and thereafter as the holder may elect, regardless of the date of maturity hereof, but subject to the provisions of the Loan Agreement. Prior to the exercise of such option, the Trustee shall give written notice to the Borrower.

During the existence of any such Event of Default, the Trustee may apply any payments received on any amount due hereunder or under the terms of the Loan Agreement or the Indenture pursuant to and in accordance with the Loan Agreement and the Indenture.

The obligations of the Borrower to make payments hereunder, under the Indenture and the Loan Agreement and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Note is terminated and paid in full and all amounts due or to become due under the Loan Agreement are paid in full and the Loan Agreement is terminated, the Borrower (i) will not suspend or discontinue any payments under the Loan Agreement or Deposit Account Control Agreement, or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust and this Note, as applicable; and (iii) except as provided in the Loan Agreement, will not terminate the Loan Agreement, the Leasehold Deed of Trust or this Note for any cause.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or arising under the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust or this Note or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of the Borrower, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Taxable Series 2020B Bonds.

The records of the Trustee shall be prima facie evidence of the amount owing on this Note.

This Note is to be construed according to the laws of the State of Arizona without regard to any conflicts of law provisions contained therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 20th day of August, 2020.

LEGACY CARES, INC., an Arizona not-for-profit corporation and 501(c)(3) organization, as Borrower

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE FOR SERIES 2020B PROMISSORY NOTE]

PAY TO THE ORDER OF UMB BANK, N.A., IN THE CITY OF PHOENIX, ARIZONA, AS TRUSTEE, WITHOUT RECOURSE AGAINST THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY BUT WITH RECOURSE AGAINST LEGACY CARES, INC.

**ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

SIGNATURE PAGE FOR SERIES 2020B PROMISSORY NOTE

FORM OF SERIES 2020C PROMISSORY NOTE

\$31,000,000

August 20, 2020

FOR VALUE RECEIVED, the undersigned, **LEGACY CARES, INC.**, an Arizona not-for-profit corporation and 501(c)(3) organization (the “Borrower”), hereby promises to pay to the order of the **ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY** (the “Issuer”), the principal sum of THIRTY ONE MILLION AND NO/100 DOLLARS (\$31,000,000), together with interest thereon, in installments, on the dates and in the amounts set forth below. The Borrower further agrees to pay as the premium hereon the amount of the premium due, if any, upon any prepayment hereof in accordance with the Loan Agreement (as defined below).

This Note has been issued to evidence a loan made by the Issuer to the Borrower in accordance with that certain Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Borrower and the Issuer. Pursuant to the Loan Agreement, the Issuer has loaned the Borrower the proceeds of the Issuer’s \$31,000,000 original principal amount Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “Tax-Exempt Turbo Redemption Series 2020C Bonds”). The Tax-Exempt Turbo Redemption Series 2020C Bonds are issued by the Issuer pursuant to and in accordance with an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee (the “Trustee”). Capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Loan Agreement and the Indenture.

Interest on this Note shall be due January 1 and July 1 (each a “Payment Date”), commencing with the first Payment Date following the Bond Closing for the Tax-Exempt Turbo Redemption Series 2020C Bonds, in an amount equal to a fraction of the interest due on the Tax-Exempt Turbo Redemption Series 2020C Bonds on the next Interest Payment Date where the numerator is the amount of interest due on the Tax-Exempt Turbo Redemption Series 2020C Bonds on the next Interest Payment Date and the denominator is the number of Payment Dates that will occur during the period beginning on the last Interest Payment Date (or, if an Interest Payment Date has not yet occurred, the Bond Closing for the Tax-Exempt Turbo Redemption Series 2020C Bonds) and ending on the day preceding the next Interest Payment Date, and the principal of this Note shall be due on each Principal Payment Date, commencing on the first Principal Payment Date occurring on July 1, 2023, in an amount equal to a fraction of the principal due on the Tax-Exempt Turbo Redemption Series 2020C Bonds on the next Principal Payment Date where the numerator is the amount of principal due on the Tax-Exempt Turbo Redemption Series 2020C Bonds on the next Principal Payment Date and the denominator is the number of Principal Payment Dates that will occur during the period beginning on the last Principal Payment Date (or, if a Principal Payment Date has not yet occurred, July 1, 2023) and the day preceding the next Principal Payment Date; provided, however, the Borrower shall be entitled to a credit against such amounts owed equal to the amounts then on deposit in the Bond Fund and available for payment of such principal and interest.

Payments of both principal and interest are to be irrevocably assigned by the Issuer to the Trustee pursuant to the Indenture. Such assignment is to be made as security for the payment of

the Tax-Exempt Turbo Redemption Series 2020C Bonds to the extent provided in the Indenture. All of the terms, conditions and provisions of the Indenture and the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note.

Payments hereon are to be made in immediately available funds at the designated trust office of the Trustee or at such other place as the Trustee may direct in writing, in accordance with the terms hereof and of the Indenture.

This Note is issued pursuant to the Loan Agreement and is entitled to the benefits and is subject to the conditions thereof. All the terms, conditions and provisions of the Loan Agreement are, by this reference thereto, incorporated herein as part of this Note, and shall control in the interpretation and enforcement of this Note.

In addition to the foregoing, the Borrower hereby promises to pay to the full extent required by the Indenture and the Loan Agreement: (i) the Rebate Amount; (ii) all of the payments and additional charges set forth in Section 5.01 of the Loan Agreement; and (iii) all costs and expenses of collection incurred in connection with any default by the Borrower hereunder and all other payments required to be made by the Borrower pursuant to the Indenture and the Loan Agreement including without limitation those payments referred to in Section 8.06 of the Loan Agreement.

In the event the Borrower fails to make any of the payments required in this Note, such payment so in default shall continue as an obligation of the Borrower until the amount in default shall have been fully paid, and the Borrower agrees to pay the same with interest thereon (to the extent legally enforceable) until paid.

The principal of this Note is subject to optional and mandatory prepayment by the Borrower from time to time as set forth in the Loan Agreement.

The Borrower shall have the option to prepay the unpaid balance hereof in whole or in part only as provided in and in accordance with the provisions of the Loan Agreement and the Indenture.

In the event a Payment Date under this Note is not a Business Day, such installment shall be due on the next succeeding Business Day.

The Borrower agrees that if, and as often as, this Note is placed in the hands of any attorney for collection or to defend or enforce any of the Issuer's and/or the Trustee's rights hereunder, the Borrower will pay to the Issuer and/or the Trustee its reasonable attorneys' fees, together with all court costs and other expenses actually paid or incurred by the Issuer and/or the Trustee.

The Borrower and all other persons who may become liable for all or part of this obligation severally waive presentation for payment, demand, notice of nonpayment and protest, all pleas of division and discussion and consent to any extension of time (whether one or more) or renewal hereof. Any such extension or renewal may be made without notice and without discharging liability hereunder.

Upon default in any of the terms or conditions of this Note or upon the occurrence and continuation of an “Event of Default” under the Loan Agreement, at the option of the holder hereof, the entire indebtedness hereby evidenced shall become due and payable then and thereafter as the holder may elect, regardless of the date of maturity hereof, but subject to the provisions of the Loan Agreement. Prior to the exercise of such option, the Trustee shall give written notice to the Borrower.

During the existence of any such Event of Default, the Trustee may apply any payments received on any amount due hereunder or under the terms of the Loan Agreement or the Indenture pursuant to and in accordance with the Loan Agreement and the Indenture.

The obligations of the Borrower to make payments hereunder, under the Indenture and the Loan Agreement and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Note is terminated and paid in full and all amounts due or to become due under the Loan Agreement are paid in full and the Loan Agreement is terminated, the Borrower (i) will not suspend or discontinue any payments under the Loan Agreement or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust and this Note, as applicable; and (iii) except as provided in the Loan Agreement, will not terminate the Loan Agreement, the Leasehold Deed of Trust or this Note for any cause.

No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or arising under the Loan Agreement, the Deposit Account Control Agreement, the Leasehold Deed of Trust or this Note or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of the Borrower, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Tax-Exempt Series 2020A Bonds.

The records of the Trustee shall be prima facie evidence of the amount owing on this Note.

This Note is to be construed according to the laws of the State of Arizona without regard to any conflicts of law provisions contained therein.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the 20th day of August, 2020.

LEGACY CARES, INC., an Arizona not-for-profit corporation and 501(c)(3) organization, as Borrower

By: _____
Name: _____
Title: _____

[SIGNATURE PAGE FOR SERIES 2020C PROMISSORY NOTE]

PAY TO THE ORDER OF UMB BANK, N.A., IN THE CITY OF PHOENIX, ARIZONA, AS TRUSTEE, WITHOUT RECOURSE AGAINST THE ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY BUT WITH RECOURSE AGAINST LEGACY CARES, INC.

**ARIZONA INDUSTRIAL DEVELOPMENT
AUTHORITY**

By: _____
Name: _____
Title: _____

SIGNATURE PAGE FOR SERIES 2020C PROMISSORY NOTE

EXHIBIT B
FORM OF PROJECT FUND REQUISITION CERTIFICATE

Requisition No.

PROJECT FUND REQUISITION CERTIFICATE

To: UMB Bank, N.A., as trustee (the “Trustee”), under the Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority (the “Issuer”) and the Trustee

Re: Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) issued pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and Legacy Cares, Inc. (the “Borrower”)

The undersigned Authorized Representative of the Borrower hereby requests that the following amounts be transferred to the following payees for the following Costs of the Project:

<u>Payee</u>	<u>Amount</u>	<u>Description</u>	<u>Wiring Instructions</u>
--------------	---------------	--------------------	----------------------------

The undersigned Authorized Representative of the Borrower hereby states and certifies:

(i) these Costs of the Project were properly incurred in connection with financing of the Series 2020 Project;

(ii) these Costs of the Project are valid costs under the Act and no part thereof has been included in any other Requisition Certificate previously filed with the Trustee under the provisions of the Indenture or reimbursed to the Borrower from proceeds of the Series 2020 Bonds;

(iii) no Liens exist for the portion of the Series 2020 Project covered by this certificate, other than Permitted Encumbrances; and

(iv) no Event of Default currently exists (or with the passage of time, will exist) with respect to the Borrower Documents.

Capitalized terms used but not defined herein have the meanings assigned to such terms in the Indenture and the Loan Agreement.

Dated: _____, 2020.

LEGACY CARES, INC., an Arizona
not-for-profit corporation and 501(c)(3)
organization

By: _____

Name: _____

Title: _____

EXHIBIT C
FORM OF TAX AND INSURANCE ESCROW FUND REQUISITION CERTIFICATE

Requisition No. _____

TAX AND INSURANCE FUND REQUISITION CERTIFICATE

To: UMB Bank, N.A., as trustee (the “Trustee”), under the Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority (the “Issuer”) and the Trustee

Re: Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) issued pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and Legacy Cares, Inc. (the “Borrower”)

Pursuant to Section 4.05 of the Loan Agreement and Section 3.17(c) of the Indenture (Tax and Insurance Escrow Fund), please disburse funds for the payment of real property taxes/insurance (circle one) premiums due in connection with the Facilities located at the southeast intersection of Ellsworth Road and SR 24 in Mesa, Arizona as follows:

PAYABLE TO:

ADDRESS:

AMOUNT DUE: \$ _____

Attached are the following:

Invoice _____

Cancelled check (attach only if invoice is already paid)

The obligation(s) has (have) been properly incurred and is (are) a proper charge against the Tax and Insurance Escrow Fund subaccount and has (have) not been the basis of any previous withdrawal. The disbursement requested will be used to either (a) pay taxes or insurance with respect to the Facilities, or (b) reimburse Borrower for payment of taxes or insurance premiums paid with respect to the Facilities.

Dated: _____

LEGACY CARES, INC.,
an Arizona not-for-profit corporation
and 501(c)(3) organization

By: _____

Name: _____

Title: _____

EXHIBIT D
FORM OF OPERATING RESERVE FUND REQUISITION CERTIFICATE

Requisition No. _____

OPERATING RESERVE FUND REQUISITION CERTIFICATE

To: UMB Bank, N.A., as trustee (the “Trustee”), under the Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority (the “Issuer”) and the Trustee

Re: Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) issued pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and Legacy Cares, Inc. (the “Borrower”)

The undersigned, an authorized representative of the Borrower, hereby requests a disbursement of \$ _____ from the Operating Reserve Fund established under the Indenture and certifies to the Trustee that such amount is required (a) to pay all or any portion of Borrower’s Budgeted Expenses or payments due under the Loan Agreement, or (b) to pay expenses in excess of Budgeted Expenses anticipated for the Borrower. If the Operating Reserve Fund is being used pursuant to (a) above, the undersigned certifies that such use will not cause the Borrower to use the Operating Reserve Fund for such purposes more than twice this Fiscal Year nor in any two consecutive months. The undersigned acknowledges and agrees that, subsequent to such disbursement, the Operating Reserve Fund shall be replenished in accordance with the requirements of Section 3.21 of the Indenture.

Dated: _____

LEGACY CARES, INC.,
an Arizona not-for-profit corporation
and 501(c)(3) organization

By: _____

Name: _____

Title: _____

EXHIBIT E

FORM OF REPAIR AND REPLACEMENT FUND REQUISITION CERTIFICATE

To: Requisition No.

REPAIR AND REPLACEMENT FUND REQUISITION CERTIFICATE

To: UMB Bank, N.A., as trustee (the “Trustee”), under the Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority (the “Issuer”) and the Trustee

Re: Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) issued pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and Legacy Cares, Inc. (the “Borrower”)

The undersigned, an authorized representative of the Borrower hereby requests a disbursement of \$_____ from the Repair and Replacement Fund established under the Indenture and certifies to the Trustee that such amount is required to pay all or any portion the Borrower’s cost of maintenance and replacements which are required to keep the Facilities in sound condition. The undersigned acknowledges and agrees that, subsequent to such disbursement, the Repair and Replacement Fund shall be replenished in accordance with the requirements of Section 3.22 of the Indenture and Section 5.01(j) of the Loan Agreement.

Dated: _____

LEGACY CARES, INC.,
an Arizona not-for-profit corporation
and 501(c)(3) organization

By: _____

Name: _____

Title: _____

EXHIBIT F
INITIAL DISBURSEMENT FROM THE PROJECT FUND

PAYEE	EXPENSE	AMOUNT
Legacy Sports USA LLC	Pre-Development Cost Reimbursement	\$1,200,000.00
JS Waltz Construction LLC	Pre-Development Cost Reimbursement	\$1,298,771.54
	TOTAL	\$2,498,771.54

EXHIBIT G

FORM OF BUDGETED EXPENSES CERTIFICATE

To: Requisition No.

BUDGETED EXPENSES CERTIFICATE – CALENDAR YEAR BEGINNING _____, 20____

To: UMB Bank, N.A., as trustee (the “Trustee”), under the Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority (the “Issuer”) and the Trustee

Re: Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) issued pursuant to the Indenture and the Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), between the Issuer and Legacy Cares, Inc. (the “Borrower”)

The undersigned, an authorized representative of the Borrower certifies that the Budgeted Expenses for the calendar year beginning _____, 20____, are \$ _____. The undersigned acknowledges and agrees that disbursement of the Budgeted Expenses shall be in accordance with the requirements of Section 3.20 of the Indenture and Section 4.03 of the Loan Agreement.

Dated: _____

LEGACY CARES, INC.,
an Arizona not-for-profit corporation
and 501(c)(3) organization

By: _____

Name: _____

Title: _____

EXHIBIT H
COSTS OF ISSUANCE PAYABLE AT CLOSING

Borrower's Counsel (McCann, Garland, Ridall & Burk)	\$150,000.00
Bond Counsel (Gust Rosenfeld)	250,000.00
Issuer's Counsel (Kutak Rock)	35,000.00
Issuer (AZIDA)	1,065,772.50
Technology Advisory Fee (Doug Moss)	912,500.00
Trustee (UMB Bank)	12,000.00
Trustee's Counsel (Thompson Hine)	10,000.00
Purchaser's Counsel (Greenberg Traurig)	100,000.00
Title Insurance Policy and Endorsements (TBD)	190,000.00
Dissemination Agent (DAC)	3,000.00
Underwriter's Counsel (Stites and Harbison)	250,000.00
Contingency	150,000.00
TOTAL	<u>\$3,128,272.50</u>

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

FORM OF DEPOSIT ACCOUNT CONTROL AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

DEPOSIT ACCOUNT CONTROL AGREEMENT

This DEPOSIT ACCOUNT CONTROL AGREEMENT (this “Agreement”) is entered into by **LEGACY SPORTS USA, LLC** an Arizona limited liability company (“Account Holder”), **WELLS FARGO BANK, NATIONAL ASSOCIATION** (“Depository Bank”), and **UMB BANK, N.A.** (“Secured Party”), and effective on August 1, 2020. Depository Bank, Account Holder and Secured Party are collectively the “Parties” and each is individually a “Party”.

PRELIMINARY STATEMENTS

A. Account Holder granted Secured Party a security interest in, among other things, all of Account Holder’s right, title and interest in and to the deposit account maintained by the Depository Bank described below (the “Specified Deposit Account”):

Bank Name:	Wells Fargo Bank, N.A.
ABA Number:	121 000 248
Account Name:	Legacy Sports USA LLC
Account Number:	73 470 21201
Reference:	Legacy Cares
Bank Address:	21040 N. Tatum Blvd. Phoenix, AZ 85050
Contact:	Donna Hobel (480) 538-5000

B. The Parties are entering into this Agreement to perfect the security interest of Secured Party in, and to evidence Secured Party’s control over, the Specified Deposit Account as granted pursuant to the Loan Agreement by and between the Arizona Industrial Development Authority (“AZIDA”) and Legacy Cares, Inc., an Arizona non-profit corporation, dated August 1, 2020 (the “Loan Agreement”), and an Indenture of Trust by and between AZIDA and Secured Party dated August 1, 2020 (the “Indenture of Trust”).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing introduction and Preliminary Statements, which are incorporated herein by reference, and for other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties agree as follows:

1. Notice and Acknowledgement of Security Interest. Depository Bank confirms that the Specified Deposit Account is in the name of Account Holder. Account Holder and Secured Party hereby notify Depository Bank of, and Depository Bank hereby acknowledges, the security interest Account Holder granted to Secured Party in all of Account Holder’s right, title and interest in the Specified Deposit Account and all funds deposited in the Specified Deposit Account.

2. Control of Specified Deposit Account.

(a) Until this Agreement is terminated according to Section 12 below, Depository Bank shall not permit Account Holder to make withdrawals from the Specified Deposit Account. During the term of this Agreement, Account Holder shall be permitted to make deposits into, and allow for receipt of funds from third parties into, the Specified Deposit Account.

(b) Secured Party may withdraw funds from the Specified Deposit Account in amounts and at such times as it deems necessary and appropriate to comply with the Secured Party's obligations under the Indenture of Trust.

(c) Secured Party's power under this Agreement to give Depository Bank Instructions includes, without limitation, the power to give "stop payment orders" for any items being presented to the Specified Deposit Account for payment. Account Holder confirms that Depository Bank should follow the Instructions even if the result of following the Instructions is that Depository Bank dishonors items presented for payment from the Specified Deposit Account. Account Holder further confirms that Depository Bank will have no liability to Account Holder for the wrongful dishonor of such items resulting from Depository Bank following the Instructions.

(d) During the term of this Agreement, Depository Bank shall (i) comply with all instructions originated by Secured Party with respect to the disposition of funds in the Specified Deposit Account ("Instructions") and disregard any instructions from Account Holder with respect to the Specified Deposit Account and dispositions of funds therein, and (ii) otherwise deal with the Specified Deposit Account as directed by Secured Party.

3. Certain Other Agreements.

(a) Secured Party agrees that copies of all Instructions given hereunder or in connection herewith by Secured Party to Depository Bank shall be delivered substantially simultaneously to Account Holder, and Account Holder agrees that the failure of Secured Party to provide any such copy shall not affect the validity or effectiveness of such notice.

(b) Depository Bank will not be liable to Account Holder for complying with Instructions even if Account Holder notifies Depository Bank that Secured Party is not legally entitled to issue Instructions. Depository Bank need not investigate whether Secured Party is entitled to give Instructions.

(c) Depository Bank shall have no responsibility or liability to Secured Party for complying with any order or Instruction, whether oral or written, concerning the Specified Deposit Account, except to the extent such compliance would violate any written instructions or orders previously received from Secured Party. Depository Bank shall not have any liability to Account Holder or Secured Party for losses or liabilities resulting from any failure to comply with Instructions relating to the Specified Deposit Account or delay in complying with such instructions if compliance with such instructions would require Depository Bank to violate any then-existing injunction or order of any court of competent jurisdiction, including, without limitation, in any bankruptcy case under Title 11 of the United States Code.

(d) This Agreement supplements or modifies rather than replaces the account agreement, terms and conditions and other standard documentation and other agreements in effect from time to time between Depository Bank and Account Holder with respect to the Specified Deposit Account and the services provided in connection with the Specified Deposit Account. The terms of this Agreement will prevail over any conflict between this Agreement and any other agreement between Depository Bank and Account Holder, except that this Agreement will not alter or affect any mandatory arbitration provisions (now or hereafter existing) between Depository Bank and Account Holder.

4. **Account Information.** Account Holder hereby instructs Depository Bank, and Depository Bank agrees, to furnish to Secured Party, upon request of Secured Party, bank statements with respect to the Specified Deposit Account that are customarily provided to account holders of Depository Bank at the times such statements are normally provided to account holders of Depository Bank, through the normal method of transmission, including United States mail, with a copy to Account Holder, at Account Holder's expense. The Secured Party will have no duty to monitor or examine the source or nature of funds deposited in or credited to the Specified Deposit Account or to any other account of the Account Holder or the Depository Bank. Additionally, Account Holder instructs Depository Bank and Depository Bank agrees to make available to Secured Party and Account Holder, upon request of Secured Party, copies of all daily debit and credit advices of the Specified Deposit Account and any other item reasonably requested by Secured Party. If Depository Bank receives any notice of a claim of a third party in respect of the Specified Deposit Account or legal process of any kind relating to Account Holder, Depository Bank shall make a reasonable effort to give notice to Secured Party and Account Holder of such legal process.

5. **Additional Agreements and Documents.** Account Holder agrees to execute and deliver such other agreements and documents as Secured Party or Depository Bank may reasonably request, in form and substance reasonably satisfactory to Secured Party or Depository Bank, to carry out or to confirm the provisions of this Agreement.

6. **Failure or Indulgence Not Waiver; Remedies Cumulative.** No failure or delay on the part of Secured Party in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude any other or further exercise thereof or of any other power, right or privilege. All rights and remedies existing under this Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

7. **Modification.** No amendment, modification or waiver of any provision of this Agreement will be effective unless consented to in writing (a) by the Secured Party and, (b) if the amendment, modification waiver affects the rights or obligations of Depository Bank, then also by the Depository Bank. Any such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

8. **Notices.** Any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, or sent by facsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier

service, upon receipt of facsimile, or three Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided that notices to Secured Party shall not be effective until received. For the purposes hereof, the address of each Party hereto shall be set forth under such Party's name on the signature pages hereof or such other address as shall be designated by such Party in a written notice delivered to the other Parties hereto. Depository Bank shall not incur any liability to Account Holder or Secured Party in acting upon any written notice delivered in accordance with this Section 8 that Depository Bank believes in good faith to be genuine and what it purports to be.

9. Governing Law. This Agreement shall be governed by and construed in accordance with the laws and judicial decisions of the State of Arizona, without reference to any choice-of-law or conflicts-of-law principles or provisions, except as such laws may be preempted by any federal rules, regulations and laws applicable to the Parties hereto. The Parties hereto expressly acknowledge and agree that any judicial action to interpret or enforce the terms of this Agreement shall be brought and maintained in the Superior Court of the State of Arizona, in and for the County of Maricopa, the United States District Court in and for the District of Arizona, or any United States Bankruptcy Court in any case involving or having jurisdiction over the Account Holder. Each of the Parties hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

10. Successors and Assigns. Whenever in this Agreement any of the Parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such Party, and all covenants, promises, and agreements by or on behalf of Account Holder or by and on behalf of Depository Bank shall bind and inure to the benefit of the successors and assigns of Account Holder, Depository Bank and Secured Party.

11. Execution in Counterparts. This Agreement may be executed in any number of counterparts, and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts taken together shall constitute but one and the same instrument. Signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. The exchange of copies of this Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Agreement as to the Parties hereto and may be used in lieu of the original Agreement and signature pages for all purposes.

12. Termination.

(a) Secured Party may terminate this Agreement at any time by delivering written notice to Depository Bank and Account Holder, and Secured Party shall terminate this Agreement upon cessation of its obligations under the Indenture of Trust. Depository Bank may terminate this Agreement at any time by delivering prior written notice to Secured Party and Account Holder at least 30 days prior to such termination. Depository Bank may also terminate this Agreement immediately, if Depository Bank reasonably believes that the Specified Deposit Account is being used in connection with any unlawful activity or this Agreement becomes contrary to applicable law. Termination of this Agreement does not affect any obligation incurred under this Agreement before the effective date of the termination. However, in no event will Depository Bank have any obligation under this Agreement after the effective date of the termination, except as expressly otherwise set forth in this Agreement.

(b) If Depository Bank terminates this Agreement, then on the termination date Depository Bank shall (unless otherwise legally prohibited) immediately transmit to the Secured Party all collected funds, if any, then on deposit in the Specified Deposit Account unless the Depository Bank has been provided with Instructions from the Secured Party and agreed to by the Account Holder to transmit the collected funds to another depository account.

(c) Sections 2, 3, 5, 6, 8, 9, 10, 14, 15, and 16 survive termination of this Agreement.

13. Definitions; Rules of Construction. Unless otherwise defined herein, terms used in Articles 8 and 9 of the Uniform Commercial Code in the State of Arizona as in effect on the date hereof are used herein as therein defined. The section headings in this Agreement are inserted for convenience of reference only and may not be considered a part of this Agreement for any other purpose or be given any substantive effect.

14. Returned Items; Fees and Expenses of Depository Bank. Depository Bank will not charge or debit, or exercise any right of offset or banker's lien against, the Specified Deposit Account except as provided in this Section 14. The Depository Bank may charge the Specified Deposit Account for all customary and reasonable charges of Depository Bank resulting from the Specified Deposit Account, and Depository Bank may setoff against the Specified Deposit Account for any items deposited in the Specified Deposit Account that are returned for any reason or otherwise not collected, overdrafts on the Specified Deposit Account and for all service charges, commissions, expenses, fees and other items ordinarily chargeable to the Specified Deposit Account (all of which are collectively, "charges and fees"). Account Holder agrees to pay the amount of any customary fees and any returned item immediately upon demand to the extent that there are not sufficient funds in the Specified Deposit Account to cover such amount on the day of the debit. Secured Party agrees to reimburse the Depository Bank for all charges and fees for which there were insufficient funds in the Specified Deposit Account to satisfy the amount thereof as a result and to the extent of the funds that Depository Bank forwarded to Secured Party pursuant to the terms of this Agreement, provided the Secured Party has received proceeds from the corresponding returned items under this Agreement and still has such proceeds in its possession. The Secured Party's obligation is not in its individual capacity, but solely in its capacity as Trustee under the Indenture of Trust.

15. Exculpation and Indemnity.

(a) In no event will Depository Bank be liable to Account Holder or Secured Party for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties, or other causes beyond Depository Bank's reasonable control or for indirect, special, punitive, incidental, lost profits, or consequential damages.

(b) Account Holder agrees to indemnify and hold Depository Bank and its officers, directors, employees, and agents (each an "Indemnified Person") harmless from and against any and all liabilities, claims and expenses of any kind or nature whatsoever arising out of this Agreement (including the reasonable fees and disbursements of counsel in connection with any investigative, administrative, or judicial proceeding, whether or not any Indemnified Person shall be designated a party thereto) even if such liability actually or allegedly arises from the ordinary, comparative or contingent negligence or strict liability of any Indemnified Person, but not if any such liabilities, claims or expenses arise from the gross negligence or willful misconduct of an Indemnified Person.

(c) The provisions of this Section 15 survive termination of this Agreement.

16. Tax Reporting. Depository Bank will make all reports concerning the Specified Deposit Account required under the Internal Revenue Code or any applicable state taxation laws, rules or regulations in the name and taxpayer identification number of Account Holder.

17. Court Orders. If, from time to time, any Specified Deposit Account becomes subject to any order, subpoena or other legal processes (including, without limitation, any judgment, decree, injunction, garnishment, tax levy, writ of seizure, or similar action) from any court, or federal, state or local government entity (individually or collectively, an "Order"). Depository Bank may comply with the Order without liability to Secured Party, Account Holder or any other person, even if the Order is later annulled, reversed, modified or vacated.

18. Force Majeure. The Account Holder, the Depository Bank and the Secured Party will not be liable for any failure to perform their obligations herein when the failure arises out of causes beyond their control, including, without limitation, an act of a governmental regulatory/authority, including a declaration of public emergency that prevents a Party from continuing operations, an act of God, accident, equipment failure, labor disputes or system failure; provided, however, that the affected Party has exercised such diligence as the circumstances require.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their duly authorized agents as of the day and year first above written.

ACCOUNT HOLDER:

LEGACY SPORTS USA, LLC, an
Arizona limited liability company

By: _____
Name: Chad Miller
Title: CEO

Notice Address:
Legacy Cares, Inc.
19550 N. Grayhawk Drive, Suite 1078
Scottsdale, Arizona 85255
Attention: Chad Miller

DEPOSITORY BANK:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION**

By: _____
Name: _____
Title: _____

Notice Address:
Wells Fargo Bank, National Association

Attention: _____

SECURED PARTY:

UMB BANK, N.A.

By: _____

Name: Sandy Battas

Title: Vice President

Notice Address:

UMB Bank, N.A.

2777 E. Camelback Road, Suite 350

Phoenix, Arizona 85016

Attention: Sandy Battas

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

FORM OF LEASEHOLD DEED OF TRUST

[THIS PAGE INTENTIONALLY LEFT BLANK]

When Recorded Mail To:

GUST ROSENFELD P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004
Attention: Timothy A. Stratton

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS
AND LEASES, AND FIXTURE FILING
(Series 2020)**

LEGACY CARES, INC.,
as Trustor
to

UMB BANK, N.A.,
as Bond Trustee and Beneficiary
and

Commonwealth Land Title Insurance Company,
as Trustee

\$212,960,000
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Series 2020A
(Legacy Cares, Inc. Project)
and

\$6,810,000
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Taxable Series 2020B
(Legacy Cares, Inc. Project)
and

\$31,000,000
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Turbo Redemption Series 2020C
(Legacy Cares, Inc. Project)

Dated as of August 1, 2020

TABLE OF CONTENTS

ARTICLE I REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE TRUSTOR

Section 1.01.	Payment of Secured Obligations.....	5
Section 1.02.	Title; Priority; Permitted Encumbrances; Authority.....	5
Section 1.03.	Maintenance; Repair; Alterations	5
Section 1.04.	Required Insurance	5
Section 1.05.	Delivery of Insurance Policies; Payment of Premiums	5
Section 1.06.	Insurance Proceeds	6
Section 1.07.	Assignment of Policies Upon Foreclosure.....	6
Section 1.08.	Expenses; Indemnifications; Waiver of Set-Off and Recoupment	6
Section 1.09.	Taxes and Impositions	8
Section 1.10.	Utilities.....	9
Section 1.11.	Actions Affecting Mortgaged Estate	9
Section 1.12.	Actions by the Beneficiary To Preserve Mortgaged Estate	9
Section 1.13.	Survival of Warranties	10
Section 1.14.	Eminent Domain	10
Section 1.15.	Additional Security	11
Section 1.16.	No Additional Liens.....	11
Section 1.17.	Successors and Assigns	11
Section 1.18.	Inspections	11
Section 1.19.	Liens.....	11
Section 1.20.	Restrictions Affecting Title	12
Section 1.21.	Further Assurances	12
Section 1.22.	Performance of Covenants.....	12
Section 1.23.	Notification of Event of Default Under Leasehold Deed of Trust.....	12
Section 1.24.	Organization; Due Authorization.....	12
Section 1.25.	Liabilities; Compliance With Other Instruments	13
Section 1.26.	Enforceability.....	13
Section 1.27.	Pending Litigation.....	13
Section 1.28.	Compliance With Law	13
Section 1.29.	After-Acquired Property	13
Section 1.30.	Transfer of Interests in the Trustor or Mortgaged Estate.....	14
Section 1.31.	Lease Provisions	14
Section 1.32.	Defeasance Terminates Lien.....	14

ARTICLE II ENVIRONMENTAL MATTERS

Section 2.01.	Environmental Matters	14
---------------	-----------------------------	----

**ARTICLE III
ASSIGNMENT OF RENTS AND LEASES**

Section 3.01.	Assignment of Revenues	14
Section 3.02.	Collection Upon Default.....	15
Section 3.03.	Statutory Rights	15

**ARTICLE IV
SECURITY AGREEMENT**

Section 4.01.	Creation of Security Interest.....	15
Section 4.02.	Warranties; Representations and Covenants of the Trustor.....	16

**ARTICLE V
EVENTS OF DEFAULT
AND REMEDIES UPON DEFAULT**

Section 5.01.	Events of Default	17
Section 5.02.	Acceleration Upon Default; Additional Remedies	17
Section 5.03.	Exercise of Power of Sale.....	19
Section 5.04.	Appointment of Receiver.....	20
Section 5.05.	Remedies Not Exclusive.....	20
Section 5.06.	Possession of Mortgaged Estate	21
Section 5.07.	Relief from Stay.....	21
Section 5.08.	Cash Collateral.....	22
Section 5.09.	Landlord Exercise of First Right of Purchase.....	22

**ARTICLE VI
MISCELLANEOUS**

Section 6.01.	Governing Law	22
Section 6.02.	Waiver of Rights.....	22
Section 6.03.	Limitation of Interest	25
Section 6.04.	Notices	25
Section 6.05.	Captions	26
Section 6.06.	Invalidity of Certain Provisions; Conflicting Provisions.....	26
Section 6.07.	Subrogation.....	27
Section 6.08.	Change in Ownership	27
Section 6.09.	Assignment of the Beneficiary's Interest	27
Section 6.10.	Time Is of the Essence.....	27
Section 6.11.	Obligations of the Trustor.....	28
Section 6.12.	Immunity of Individuals	28
Section 6.13.	Amendments, Changes and Modifications	28

**ARTICLES VII
TRUSTEE**

Section 7.01.	Resignation of the Trustee	28
Section 7.02.	Successor Trustee	28
Section 7.03.	Separate and Co-Trustees	28
Section 7.04.	Liability of the Trustee	29
Section 7.05	Payment of the Trustee’s Compensation	29
Signature Page	30
Exhibit A – Legal Description		
Exhibit B – Title Exceptions		

**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT,
ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING
(Series 2020)**

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES, AND FIXTURE FILING (Series 2020) (this “Leasehold Deed of Trust”) is made as of August 1, 2020, by **LEGACY CARES, INC.**, an Arizona not-for-profit corporation and 501(c)(3) organization, as trustor (the “Trustor”), whose mailing address is 1900 West Chandler Boulevard, Suite 15-315, Chandler, Arizona 85224, **UMB BANK, N.A.**, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as bond trustee for the Bonds (as defined below) and as beneficiary on behalf of the holders of the Bonds (the “Beneficiary”), whose mailing address is 2777 East Camelback Road, Suite 350, Phoenix, Arizona 85016, Attention: Sandra Battas. All capitalized terms not defined herein shall have the meanings given to such terms in the Indenture (as defined below) or the Series 2020 Loan Agreement (as defined below), as applicable.

PRELIMINARY STATEMENTS

A. Pursuant to an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Arizona Industrial Development Authority, a nonprofit corporation designated a political subdivision of the State of Arizona (the “State”) in accordance with the provisions of the Constitution of the State and under Title 35, Chapter 5 of Arizona Revised Statutes, as amended (the “Act”) and (referred to as “Issuer” thereunder, herein, and under the Series 2020 Loan Agreement described below) and Beneficiary (as trustee thereunder), the Issuer is issuing its Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) in the aggregate principal amount of \$212,960,000 (the “Tax-Exempt Series 2020A Bonds”), its Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) in the aggregate principal amount of \$6,810,000 (the “Taxable Series 2020B Bonds”) and its Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) in the aggregate principal amount of \$31,000,000 (the “Tax-Exempt Turbo Redemption Series 2020C Bonds” and together with the Tax-Exempt Series 2020A Bonds and Taxable Series 2020B Bonds, the “Series 2020 Bonds”) to (i) assist the Trustor in financing, as applicable, the costs of acquiring, constructing, renovating, improving, equipping and operating, as applicable, land and buildings owned by the Trustor for use in connection with its state of the art, premier family multi-sports park facility (collectively, the “Series 2020 Facilities”), (ii) fund a debt service reserve fund and an operating reserve fund, (iii) pay capitalized interest on the Series 2020 Bonds, and (iv) pay certain issuance expenses.

B. The proceeds of the Series 2020 Bonds will be loaned to the Trustor pursuant to a Loan Agreement, dated as of August 1, 2020 (the “Series 2020 Loan Agreement”), between the Trustor and the Beneficiary/Issuer, as evidenced by three promissory notes, the first, executed by the Trustor with respect to the proceeds of the Tax-Exempt Series 2020A Bonds borrowed by the Trustor, in the original principal amount of \$212,960,000 (the “Series 2020A Promissory Note”), the second, executed by the Trustor with respect to the proceeds of the Taxable Series 2020B borrowed by the Trustor, in the original principal amount of \$6,810,000 (the “Series 2020B Promissory Note”) and the third, executed by the Trustor with respect to the proceeds of the Tax-Exempt Turbo Redemption Series 2020C Bonds borrowed by the Trustor, in the original principal amount of \$31,000,000 (the “Series 2020C

Promissory Note” and together with the Series 2020A Promissory Note and Series 2020B Promissory Note, the “Series 2020 Promissory Note”).

C. Pursuant to the Indenture, the Issuer may issue additional bonds (the “Additional Bonds” and, together with the Series 2020 Bonds, the “Bonds”) and loan the proceeds thereof to the Trustor pursuant to a separate loan agreement or amendment to an existing loan agreement (collectively with the Series 2020 Loan Agreement, the “Loan Agreement”) to finance or refinance additional facilities. Any such additional loan will be evidenced by a separate promissory note executed by the Trustor with respect to the Additional Bonds (the “Additional Promissory Note” and, together with the Series 2020 Promissory Note, the “Promissory Note”).

The Promissory Note, the Loan Agreement, the Deposit Account Control Agreement and this Leasehold Deed of Trust are collectively referred to herein as the “Financing Documents.” Pursuant to the Indenture, the Financing Documents have been pledged and assigned by the Issuer to the Beneficiary.

D. The Bonds are payable from and secured by payments to be made by the Trustor under the Financing Documents. The Bonds are secured by the Trust Estate (as defined in the Indenture), including, without limitation, a first priority lien on, and security interest in, the Series 2020 Facilities pursuant to this Leasehold Deed of Trust.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including, without limitation, the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, the Trustor hereby irrevocably creates a security interest in, warrants, grants, bargains, sells, transfers, conveys and assigns to the Trustee and to its assigns forever, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY, for the benefit and security of the Beneficiary, under and subject to the terms and conditions hereinafter set forth, all of the Trustor’s estate, right, title and interests in, to and under any and all of the following property whether now or hereafter owned, erected or acquired, together with all cash and noncash proceeds thereof, which may be referred to herein as the “Mortgaged Estate”:

A. Land. The leasehold interest held in the real property located in Maricopa County, Arizona, described in Exhibit A attached hereto and by this reference incorporated herein (the “Land”).

B. Improvements. Any and all buildings, structures, fixtures and improvements, including, without limitation, the fixtures, attachments and other articles attached to such buildings, structures and improvements on the Land (collectively, the “Improvements” and, together with the Land, the “Real Property”).

C. Equipment. All goods, furniture, furnishings, equipment, supplies and other tangible personal property whether in the possession of the Trustor, warehousemen, bailees or any other person (collectively, the “Equipment”).

D. Rents and Derivative Interests. All rents, issues, profits, revenues, royalties, income and other benefits derived from the Real Property, the Intangibles (as defined below) and the

Equipment and the operation thereof, including, without limitation, all monies to be used for the purposes set forth in the Loan Agreement and the Indenture, and any and all entitlements, warrants, gifts, donations, grants, and bequests, to the extent allowed by the terms thereof, regardless of the source (collectively, the "Revenues"); all estate, right, title and interest of the Trustor in and to all leases and subleases covering the Real Property or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash and security deposits, advance rentals and deposits or payments of similar nature, including all accounts pledged under the Deposit Account Control Agreement; all right, title and interest of the Trustor in and to all options to purchase or lease the Real Property or any portion thereof or interest therein, and any greater estate therein now owned or hereafter acquired; all interests, estate or other claims, both in law and in equity, which the Trustor now has or may hereafter acquire in the Real Property or any portion thereof or interest therein; all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, all right, title and interest of the Trustor, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property (all of the foregoing in this paragraph being, collectively, the "Derivative Interests").

E. Intangibles. All of the Trustor's interest in all existing and future accounts, contract rights, general intangibles, files, books of account, plans, specifications, agreements, permits, licenses and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, furnishing, equipping, servicing or management of the Real Property (whether now existing or entered into or obtained after the date hereof), all existing and future names under or by which the Real Property or any portion thereof may at any time be operated or known, all rights to carry on business under any such names or any variant thereof, and all existing and future telephone numbers and listings, advertising and marketing materials, trademarks, tradenames, licenses, patents, copyrights and good will in any way relating to the Real Property or any portion thereof (collectively, the "Intangibles").

F. Claims and Awards. All the estate, interest, right, title, other claim or demand, including, without limitation, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which the Trustor now has or may hereafter acquire in the Real Property, the Equipment, the Derivative Interests, or the Intangibles and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Property, the Equipment, the Derivative Interests, or the Intangibles including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages (collectively, the "Claims and Awards").

G. Proceeds. All of the rents, revenues, issues, profits, products and proceeds of any and all of the foregoing.

A first lien security interest is granted by this Leasehold Deed of Trust in that portion of the Mortgaged Estate that constitutes personalty pursuant to and as set forth in Article IV hereof.

TO HAVE AND TO HOLD the Mortgaged Estate hereby granted or mortgaged or intended to be granted or mortgaged, unto the Trustee, and its permitted successors and assigns.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Secured Obligations (as defined below) shall be paid when due, and if the Trustor shall keep, perform and observe all and singular the obligations, covenants, agreements and provisions in this Leasehold Deed of Trust expressed to be kept, performed by and observed by or on the part of the Trustor, then this Leasehold Deed of Trust and the estate and rights hereby granted shall cease, determine and be void, but otherwise shall be and remain in full force and effect.

THIS LEASEHOLD DEED OF TRUST SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

- (i) Payment of indebtedness evidenced by the Promissory Note and all replacements, renewals, amendments, extensions, substitutions and modifications thereof bearing interest and being payable as provided therein;
- (ii) Payment of all indebtedness and performance of all obligations and covenants of the Trustor under the Loan Agreement and each agreement of the Trustor incorporated by reference therein or herein, or contained therein or herein;
- (iii) Payment of all of the principal of, premium, if any, and interest on any future advances under the Promissory Note, the Loan Agreement, this Leasehold Deed of Trust, and any other instrument or other document given to evidence or further secure the payment and performance of any of the obligations thereunder;
- (iv) Payment of all other indebtedness and performance of all other obligations and covenants of the Trustor contained in any Financing Document, together with any other document or instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby;
- (v) Payment of all sums advanced by the Beneficiary to protect the Mortgaged Estate, with interest thereon at the highest rate permitted by any of the Financing Documents or the Indenture from the date of advance by the Beneficiary to the date of payment by the Trustor; and
- (vi) Payment of all other sums, with interest thereon, which may hereafter be owed by the Trustor or its successors or assigns pursuant to the Financing Documents to the Beneficiary or its successors or assigns.

The indebtedness and the obligations secured by this Leasehold Deed of Trust that are described in (i) through (vi) above may be referred to herein collectively as the "Secured Obligations."

It is the intention of the Trustor that the Mortgaged Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the security interest created by this Leasehold Deed of Trust for all such Secured Obligations shall be controlled by the time of proper recording of this Leasehold Deed of Trust. In addition, this Leasehold Deed of Trust shall also secure unpaid balances of advances made with respect to the Mortgaged Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the

Mortgaged Estate, together with interest thereon until paid at the highest rate permitted by any of the Financing Documents or the Indenture, all as contemplated in this Leasehold Deed of Trust, all of which shall constitute a part of the Secured Obligations. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Mortgaged Estate subsequent to the date of recording of this Leasehold Deed of Trust, that until this Leasehold Deed of Trust is released, any debt owed by the Trustor under any Financing Document, including, without limitation, advances made subsequent to the recording of this Leasehold Deed of Trust, shall be secured with the priority afforded this Leasehold Deed of Trust as recorded.

ARTICLE I REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF THE TRUSTOR

The Trustor hereby represents, warrants, covenants and agrees:

Section 1.01. Payment of Secured Obligations. The Trustor hereby grants this Leasehold Deed of Trust to secure the payment and performance when due of the Secured Obligations. The consideration received by the Trustor to execute and deliver this Leasehold Deed of Trust and the liens and security interests created herein are sufficient and will provide a direct economic benefit to the Trustor.

Section 1.02. Title; Priority; Permitted Encumbrances; Authority. The Trustor has a good, marketable and indefeasible leasehold interest to the Mortgaged Estate, which is free from any encumbrance that is superior to the encumbrance of this Leasehold Deed of Trust. This Leasehold Deed of Trust constitutes a valid first lien upon and security interest in the Mortgaged Estate, subject only to (a) the matters set forth as special (non-preprinted) exceptions in the lender's policy of title insurance to be provided to the Beneficiary in connection with this Leasehold Deed of Trust, which matters are set forth on Exhibit B attached hereto and (b) the other Permitted Encumbrances. The Trustor has the full right, power and authority to execute and deliver this Leasehold Deed of Trust and to make the conveyances and grant the interests and security contemplated hereby.

Section 1.03. Maintenance; Repair; Alterations. The Trustor shall keep, maintain, operate, repair and alter the Mortgaged Estate pursuant to and to the extent set forth in the Loan Agreement as relating to the Series 2020 Facilities.

Section 1.04. Required Insurance. The Trustor shall provide, maintain and keep at all times in force those policies of insurance required in the Loan Agreement.

Section 1.05. Delivery of Insurance Policies; Payment of Premiums.

(a) All policies of insurance shall be issued by companies and in amounts as required by the provisions of the Financing Documents.

(b) In the event the Trustor fails to provide, maintain, keep in force or deliver and furnish to the Beneficiary evidence of the policies of insurance required by the Loan Agreement, the Beneficiary may in its sole discretion procure such insurance or single-interest insurance for such risks covering the Beneficiary's interest, and the Trustor will pay all premiums thereon promptly upon

demand by the Beneficiary, and until such payment is made by the Trustor the amount of all such premiums, together with interest thereon at the Default Rate provided by the Promissory Note, shall be secured by this Leasehold Deed of Trust.

(c) Upon occurrence of an Event of Default, the Beneficiary shall apply any sums or amounts received pursuant hereto, or as Revenues or income of the Mortgaged Estate or otherwise, as required under the Loan Agreement. The receipt, use or application of any such sums by the Beneficiary hereunder shall not be construed to affect the maturity of any Secured Obligation or any of the rights or powers of the Beneficiary under the terms of the Financing Documents or any of the obligations of the Trustor or any guarantor under the Financing Documents.

Section 1.06. Insurance Proceeds. After the occurrence of any casualty to the Mortgaged Estate or any part thereof, the Trustor shall give prompt written notice thereof to the Beneficiary and each insurer and promptly submit a claim to such insurer(s) for payment of insurance proceeds. Proceeds of all insurance awards (collectively, the "Insurance Proceeds") shall be held and disbursed as provided in the Loan Agreement and the Indenture. Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and the Trustor shall not be excused in the payment thereof. If any act or occurrence of any kind or nature shall result in damage to or loss or destruction of the Mortgaged Estate, the Trustor shall give immediate notice thereof to the Beneficiary.

Except as provided below, nothing contained in this Leasehold Deed of Trust shall be deemed to excuse the Trustor from repairing or maintaining the Mortgaged Estate as provided in Section 1.3 hereof. The application or release by the Beneficiary of any Insurance Proceeds shall not cure or waive any Event of Default or notice of default under this Leasehold Deed of Trust or invalidate any act done pursuant to such notice.

Section 1.07. Assignment of Policies Upon Foreclosure. In the event of the foreclosure of this Leasehold Deed of Trust, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of the Trustor's rights, including, without limitation, any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.04, subject to limitations on assignment of blanket policies, and limited to such rights as relate to the Mortgaged Estate or such part thereof. If the Beneficiary acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between the Trustor and the Beneficiary) become the sole and absolute owner of the insurance policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.04, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.08. Expenses; Indemnification; Waiver of Set-Off and Recoupment.

(a) The Trustor shall pay or reimburse the Beneficiary and the Trustee for all reasonable expenses incurred by the Beneficiary or the Trustee before and after the date of this Leasehold Deed of Trust with respect to any and all transactions contemplated by this Leasehold Deed of Trust including, without limitation, the preparation of any document reasonably required hereunder

or any amendment, modification, restatement or supplement to this Leasehold Deed of Trust, the delivery of any consent, non-disturbance agreement or similar document in connection with this Leasehold Deed of Trust or the enforcement of any of the Beneficiary's or the Trustee's rights. Such expenses shall include, without limitation, all reasonable title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, privilege taxes, use taxes, insurance premiums (including, without limitation, title insurance premiums), title search and title bringdown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', architects', engineers', consulting professionals', accountants', and attorneys' fees and disbursements.

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by the Beneficiary (including, without limitation, any sale of the Mortgaged Estate, or any action to foreclose this Leasehold Deed of Trust or to collect the Secured Obligations), or any action or proceeding is commenced to which the Beneficiary or the Trustee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Leasehold Deed of Trust (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of the Trustor or any other person or entity obligated hereunder), or in which the Beneficiary or the Trustee is served with any legal process, action, proceeding, filing, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Leasehold Deed of Trust, the Indenture or the Bonds or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Leasehold Deed of Trust and such action or proceeding does not relate to or arise out of the successful allegation of the gross negligence, breach of trust or willful misconduct of the Beneficiary or the Trustee as applicable, then the Trustor will immediately reimburse or pay to the Beneficiary and the Trustee all of the fees and expenses that have been or may be incurred by the Beneficiary and the Trustee, respectively, with respect to the foregoing (including, without limitation, reasonable counsel fees and disbursements), together with interest thereon at the Default Rate, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Leasehold Deed of Trust, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Leasehold Deed of Trust, and shall be deemed to be secured by this Leasehold Deed of Trust. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Leasehold Deed of Trust, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) The Trustor shall defend, protect, indemnify and hold harmless each of the Beneficiary and the Trustee and each of their respective affiliates, and the respective shareholders, directors, officers, partners, members, managers, agents and employees of each of the Beneficiary and the Trustee and each of their respective affiliates for, from and against all claims, obligations, liens, judgments, actions, suits, costs, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Leasehold Deed of Trust, the Mortgaged Estate or the occupancy, ownership, maintenance or management of the Mortgaged Estate by the Trustor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of the Trustor except for such damages successfully alleged to have been incurred due to the gross negligence, breach of trust or willful misconduct of the Beneficiary or the Trustee or their respective affiliates, directors, officers, agents or employees, it being the intent to provide indemnification for the active, or passive negligence of any of the foregoing indemnified parties. This indemnification shall be in addition to any other liability

that the Trustor may otherwise have to the Beneficiary or the Trustee. The payments, reimbursements and indemnifications contained in this Section 1.08 are separate and independent obligations of the Trustor that shall survive the resignation and removal of the Beneficiary and any release, foreclosure or other satisfaction of this Leasehold Deed of Trust, and such indemnifications shall not be subject to any anti-deficiency defense (including, without limitation, any defense raised pursuant to A.R.S. § 33-814).

(d) The Trustor waives any and all right to claim or recover against the Beneficiary, its officers, employees, agents and representatives, for loss of or damage to the Trustor, the Mortgaged Estate, the Trustor's property or the property of others under the Trustor's control from any cause insured against or required to be insured against by the provisions of this Leasehold Deed of Trust except for such damages incurred due to the gross negligence, breach of trust or willful misconduct of the Beneficiary.

(e) All sums payable by the Trustor under this Leasehold Deed of Trust shall be paid without notice, demand, counterclaim, cross-claim setoff, recoupment, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Secured Obligations of the Trustor hereunder shall in no way be released, discharged or otherwise affected by reason of (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Estate or any part thereof, (ii) any restriction or prevention of or interference with any use of the Mortgaged Estate or any part thereof, (iii) any title defect or encumbrance or any eviction from the Mortgaged Estate or any part thereof by title paramount or otherwise, (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to the Trustor, or any action taken with respect to this Leasehold Deed of Trust by any trustee or receiver of the Trustor, or by any court, in any such proceeding, or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not the Trustor shall have actual or constructive notice or knowledge of any of the foregoing. To the extent permitted by law, the Trustor waives all rights now or hereafter conferred by statute, law, or in equity, or otherwise to any abatement, suspension, deferment, diminution or reduction of any Secured Obligation. Notwithstanding the above, the Trustor may maintain a separate suit regarding such matters.

Section 1.09. Taxes and Impositions.

(a) Subject to paragraphs (d) and (e) of this Section 1.09, the Trustor agrees to pay, as the same become due, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever that are assessed or imposed upon the Mortgaged Estate or any part thereof, or become due and payable, and that create, may create or appear to create a lien upon the Mortgaged Estate or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and nongovernmental charges of like nature are hereinafter referred to as "Impositions"); provided however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, the Trustor may pay the same together with any accrued interest and fees on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Mortgaged Estate or any part thereof in lieu of or in addition to the Impositions payable by the Trustor pursuant to subparagraph (a) hereof, or (ii) a license fee, tax or assessment imposed on the Beneficiary, and measured by or based in whole or in part upon the amount of the outstanding Secured Obligations, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subparagraph (a) hereof, and the Trustor shall pay and discharge the same as herein provided with respect to the payment of Impositions.

(c) Subject to the provisions of subparagraph (d) of this Section 1.09, the Trustor covenants to furnish the Beneficiary, within 30 days after the date upon which any such Imposition is due and payable by the Trustor, official receipts of the appropriate taxing authority, or other proof satisfactory to the Beneficiary, evidencing the payment thereof.

(d) Subject to the applicable state law provisions, the Trustor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings, but this shall not be deemed or construed in any way as relieving, modifying, or extending the Trustor's covenant to pay any such Imposition at the time and in the manner provided in this Section 1.09, unless the Trustor has given prior written notice to the Beneficiary of the Trustor's intent to so contest or object to an Imposition, and unless, at the Beneficiary's sole option, (i) the Trustor shall demonstrate to the Beneficiary's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Mortgaged Estate, or any part thereof, (ii) the Trustor shall diligently and in good faith pursue such contest, (iii) the Trustor shall furnish a good and sufficient bond or surety in an amount equal to 125 percent of the contested Imposition, and (iv) the Trustor shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of such proceedings.

(e) The Trustor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Mortgaged Estate as a single lien.

Section 1.10. Utilities. The Trustor shall pay when due all utility charges that are incurred for the benefit of the Mortgaged Estate or any part thereof or which may become a charge or lien against the Mortgaged Estate for gas, electricity, water or sewer services furnished to the Mortgaged Estate and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 1.11. Actions Affecting Mortgaged Estate. The Trustor shall appear in and contest any action or proceeding purporting to affect the title of the Trustor in the Mortgaged Estate or any part thereof or security hereof or the rights or powers of the Beneficiary or the Trustee. The Trustor shall pay all costs and expenses, including, without limitation, cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which the Beneficiary or the Trustee may appear.

Section 1.12. Actions by the Beneficiary To Preserve Mortgaged Estate. Should the Trustor fail to make any payment or to do any act as and in the manner provided in this Leasehold Deed of Trust, the Beneficiary, in its sole discretion, and without notice to, or demand upon, the Trustor and

without releasing the Trustor from any Secured Obligation, may, but shall not be obligated to, make or do the same in such manner and to such extent as the Beneficiary may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), the Beneficiary shall have, and is hereby given the right, but not the obligation (a) to enter upon and take possession of the Mortgaged Estate, (b) to direct the Trustor to terminate any management agent, if any, and to employ such management agent as the Beneficiary may determine in its sole and absolute discretion; provided that the Trustor receives an opinion of Bond Counsel that the hiring of such management agent will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Tax-Exempt Series 2020A Bonds or Tax-Exempt Turbo Redemption Series 2020C Bonds, (c) to make additions, alterations, repairs and improvements to the Mortgaged Estate that it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair, (d) to appear and participate in any action or proceeding affecting or that may affect the security hereof or the rights or powers of the Beneficiary, (e) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt that affects the security of this Leasehold Deed of Trust or which may be or become prior or superior hereto, and (f) in exercising such powers, to pay necessary expenses, including, without limitation, employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by the Beneficiary and any such amounts paid by the Beneficiary shall be secured hereby with the same priority afforded this Leasehold Deed of Trust as recorded. The Trustor shall immediately upon demand therefor by the Beneficiary pay all of the foregoing costs and expenses incurred by the Beneficiary in connection with the exercise by the Beneficiary of the foregoing rights, including, without limitation, costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees and expenses; provided, however, that the Trustor shall not be liable to pay for any such costs or expenses incurred by the Beneficiary due to the gross negligence, breach of trust or willful misconduct of the Beneficiary or its affiliates, directors, officers, agents or employees.

Section 1.13. Survival of Warranties. The Trustor shall fully and faithfully satisfy and perform the Secured Obligations. All representations, warranties and covenants of the Trustor contained herein shall remain continuing obligations, warranties and representations of the Trustor during any time when any portion of the obligations secured by this Leasehold Deed of Trust remain outstanding.

Section 1.14. Eminent Domain. Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should the Trustor receive any notice or other information regarding such proceeding, the Trustor shall give prompt written notice thereof to the Beneficiary. The Beneficiary may participate in any such Condemnation proceedings, and the Trustor shall from time to time deliver to the Beneficiary all instruments requested by the Beneficiary to permit such participation. The Trustor shall, at its expense, diligently prosecute any such proceedings and shall consult with the Beneficiary and its attorneys and experts, and cooperate with it in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be paid to the Trustor or the Beneficiary as provided in Section 7.01 of the Loan Agreement (and similar provisions of any Loan Agreement executed in connection with the issuance of Additional Bonds), and if to the Beneficiary, shall be applied first to all reasonable costs and expenses incurred by the Beneficiary in obtaining the proceeds. The balance of proceeds, if any, shall be applied as directed by the Trustor or the Issuer in accordance with the provisions of the Loan Agreement and the Indenture.

The Trustor hereby assigns and transfers to the Beneficiary, and agrees to execute such further assignments of, all such proceeds, judgments, decrees and awards as the Beneficiary may request. The Beneficiary is hereby authorized, in the name of the Trustor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. The Trustor hereby authorizes, directs and empowers the Beneficiary, at its option and with notice to the Trustor, on the Trustor's behalf, or on behalf of the successors or assigns of the Trustor, to adjust, compromise, claim, collect and receive such proceeds and to give proper receipts and acquittances therefor. The Beneficiary shall not be, in any event or circumstance, liable or responsible for failure to collect or exercise diligence in the collection of any proceeds, judgments, decrees or awards unless such failure is due to the Beneficiary's gross negligence, breach of trust or willful misconduct.

Section 1.15. Additional Security. In the event the Beneficiary at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with or after any sale is made hereunder.

Section 1.16. No Additional Liens. Except for the Permitted Encumbrances, the Trustor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State (the "UCC")).

Section 1.17. Successors and Assigns. Subject to the limitations on transfer of the Mortgaged Estate contained herein or on any other limitations on transfer or changes of ownership of the Trustor contained in any of the Financing Documents, this Leasehold Deed of Trust applies to, inures to the benefit of and binds the Trustor, the Trustee, the Beneficiary, their heirs, legatees, devisees, administrators, executors, successors and assigns. The covenants and agreements of the Trustor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.18. Inspections. The Beneficiary, or its agents, representatives or workmen, are authorized to enter upon notice of two Business Days to the Trustor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto, and for the purpose of performing any of the acts it is authorized to perform under the terms of any of the Financing Documents; provided, however, that no prior notice is required if the Beneficiary reasonably believes that the value of any of the Mortgaged Estate would be impaired during such notice period.

Section 1.19. Liens. The Trustor shall pay and promptly discharge, at the Trustor's cost and expense, all liens, encumbrances and charges upon the Mortgaged Estate, or any part thereof or interest therein, other than the Permitted Encumbrances. The Trustor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided the Trustor shall first deposit with the Beneficiary a bond or other security satisfactory to the Beneficiary in an amount equal to 125 percent of the amount of the claim plus costs (including, without limitation, attorneys' fees) and interest and provided further that the Trustor shall thereafter diligently and in good faith proceed to cause such lien, encumbrance or charge to be removed and discharged. If the Trustor shall fail so to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of the Beneficiary, the Beneficiary may, but shall not be obligated to, discharge the same, either, by paying the amount claimed to be due, or by procuring the discharge of such lien, either, by depositing in court a bond in the amount claimed or otherwise giving security for such claim, or in such manner as is or may be

prescribed by law. Any cost incurred by the Beneficiary in connection with any such payment or discharge shall be secured hereby and shall be immediately due and payable without notice or demand.

Section 1.20. Restrictions Affecting Title. The Trustor shall perform when due all obligations required to be performed by the Trustor by the provisions of any agreement affecting title to the Mortgaged Estate or any part thereof.

Section 1.21. Further Assurances. The Trustor shall, upon the execution and delivery hereof and thereafter from time to time, take such actions as may be necessary to cause this Leasehold Deed of Trust, each supplement and amendment to such instrument and financing statements with respect thereto and each instrument of further assurance (collectively, the "Recordable Documents") to be filed, registered and recorded as may be required by law to publish notice and maintain the first lien or security interest, as applicable, hereof upon the Trust Estate and to publish notice of and protect the validity of the Recordable Documents. The Trustor shall take all action and do all things that it is authorized by law to take and do, and cooperate with the Beneficiary as the Beneficiary deems necessary or desirable, to ensure the release of all encumbrances against the Mortgaged Estate, except the Permitted Encumbrances. So long as any Secured Obligations shall remain unpaid, the Trustor shall execute, acknowledge, where appropriate, and deliver from time to time promptly at the request of the Beneficiary all such instruments and documents as in the opinion of the Beneficiary are necessary or desirable to preserve the first priority lien created by this Leasehold Deed of Trust. If Trustor shall fail or refuse to execute, acknowledge, where appropriate, and deliver such instruments and documents to preserve the first priority lien created by this Leasehold Deed of Trust within 10 Business Days following a written request by the Beneficiary, the Trustor irrevocably constitutes and appoints the Beneficiary as its attorneys-in-fact to execute and deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.22. Performance of Covenants. The Trustor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Financing Documents and in all of its proceedings pertaining to this Leasehold Deed of Trust.

Section 1.23. Notification of Event of Default Under Leasehold Deed of Trust. The Trustor agrees to notify the Beneficiary immediately in writing of any default by the Trustor in the performance or observance of any covenant, agreement, representation, warranty or obligation of the Trustor set forth in this Leasehold Deed of Trust. The Trustor shall also notify the Beneficiary in writing of any event or condition that with the lapse of time or the giving of notice would constitute an Event of Default.

Section 1.24. Organization; Due Authorization. The Trustor affirms that it is a nonprofit corporation and 501(c)(3) organization duly organized, validly existing and in good standing under the laws of the State and has the requisite power, authority and legal right to carry on the business conducted by it and to engage in the transactions contemplated by the Financing Documents to which it is a party. The execution and delivery of the Financing Documents to which it is a party and the performance and observance of the provisions thereof have all been authorized by all necessary actions of the Trustor.

Section 1.25. Liabilities; Compliance With Other Instruments. The Trustor affirms that it has no liabilities regarding the Mortgaged Estate except those hereunder and those otherwise

contemplated or permitted by this Leasehold Deed of Trust and the Financing Documents, none of which are delinquent. The Trustor is not in default (a) in the payment of any taxes levied or assessed against it or its assets, (b) under any applicable statute, rule, order or regulation of any governmental authority, (c) under this Leasehold Deed of Trust or any of the Financing Documents to which it is a party, or (d) under any other agreement to which it is a party or by which it or any of its properties are bound.

Trustor affirms that neither the execution and delivery of this Leasehold Deed of Trust or any of the Financing Documents to which the Trustor is a party, nor the consummation of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof, conflicts with or results or will result in a breach of any of the terms, conditions or provisions of the articles of incorporation of the Trustor, any law, order, rule, regulation, writ, injunction, judgment, or decree of any court or governmental authority, or any agreement or instrument to which the Trustor is a party or by which it or any of its properties are bound, or constitutes or will constitute a default thereunder, or result or will result in the creation or imposition of any lien of any nature whatsoever upon any of its property or assets pursuant to the terms of any such agreement or instrument except the liens created or pennitted by the Financing Documents to which it is a party.

Section 1.26. Enforceability. Trustor affirms that this Leasehold Deed of Trust and each of the Financing Documents to which the Trustor is a party have been duly executed and delivered by the Trustor and constitute legal, valid and binding obligations of the Trustor enforceable in accordance with their respective terms, except as the enforceability (but not the validity thereof) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

Section 1.27. Pending Litigation. Trustor affirms that there are no proceedings pending or, to the knowledge of the Trustor threatened, against or affecting the Trustor or any part of the Mortgaged Estate in any court or before any governmental authority or arbitration board or tribunal that if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Trustor or the right or ability of the Trustor to enter into this Leasehold Deed of Trust or the Financing Documents to which it is a party, and if any such proceedings are subsequently initiated or threatened then the Trustor will promptly provide written notice to the Beneficiary. The Trustor is not in default with respect to any order of any commission or governmental authority or arbitration board or tribunal.

Section 1.28. Compliance With Law. Trustor affirms that the Trustor and the Mortgaged Estate are in compliance with all laws, ordinances, governmental rules or regulations to which they are subject, including, without limitation, the Occupational Safety and Health Act of 1970, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, and all laws, ordinances, governmental rules or regulations relating to environmental protection the violation of which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of the Trustor or the Mortgaged Estate.

Section 1.29. After-Acquired Property. Trustor affirms that all right, title and interest of the Trustor in and to all improvements, alterations, substitutions, restorations and replacements of, and all additions and appurtenances to, the Mortgaged Estate, hereafter acquired by or released to the Trustor, immediately upon such acquisition or release and without any further granting by the Trustor, shall

become part of the Mortgaged Estate and shall be subject to the lien hereof fully, completely and with the same effect as though now owned by the Trustor and specifically described in the Granting Clauses hereof. The Trustor shall execute and deliver to the Trustee and/or the Beneficiary any further assurances, mortgages, grants, conveyances and assignments thereof as the Trustee may reasonably require to subject the same to the lien hereof.

Section 1.30. Transfer of Interests in the Trustor or Mortgaged Estate. Except in accordance with the terms and restrictions of the Loan Agreement and the Indenture, and except for the Permitted Encumbrances, the Trustor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest in the Trustor or any part of the Mortgaged Estate or any interest therein.

Section 1.31. Lease Provisions. Any lease of all or any part of the Mortgaged Estate by the Trustor permitted under this Leasehold Deed of Trust or the Loan Agreement shall contain a provision obligating such lessee to enter into a subordination, attornment and nondisturbance agreement with the Beneficiary.

Section 1.32. Defeasance Terminates Lien. Upon payment and performance in full of all of the Secured Obligations and defeasance of all Outstanding Bonds in accordance with the Indenture, the lien of this Leasehold Deed of Trust upon the Mortgaged Estate shall cease, and the Beneficiary (or the Trustee at the direction of the Beneficiary) shall execute and deliver to the Trustor at the Trustor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II ENVIRONMENTAL MATTERS

Section 2.01. Environmental Matters. The Trustor hereby incorporates and reaffirms those covenants and representations contained in Sections 2.07 and 8.06 of the Loan Agreement (including, without limitation, its covenant to provide certain environmental indemnifications) as an integral part of this Leasehold Deed of Trust; provided, however, that the environmental indemnifications contained in the Loan Agreement and incorporated herein by reference are separate and independent obligations of the Trustor that shall survive any release, foreclosure or other satisfaction of this Leasehold Deed of Trust, and such indemnifications shall not be subject to any anti-deficiency defense (including, without limitation, any defense raised pursuant to A.R.S. § 33-814).

ARTICLE III ASSIGNMENT OF RENTS AND LEASES

Section 3.01. Assignment of Revenues. The Trustor hereby absolutely assigns and transfers to the Beneficiary all the Revenues of the Mortgaged Estate and hereby gives to and confers upon the Beneficiary the right, power and authority to collect such Revenues. The Trustor irrevocably appoints the Beneficiary its true and lawful attorneys-in-fact, at the option of the Beneficiary, at any time and from time to time, to take possession and control of the Mortgaged Estate and to demand, receive and enforce payment, to give receipts, releases and satisfaction, and to sue, in the name of the Trustor or the Beneficiary, for all such Revenues and apply the same to the Secured Obligations. The assignment of the Revenues of the Mortgaged Estate in this Article III is intended to be an absolute assignment from the Trustor to the Beneficiary and not merely the passing of a security interest.

While the assignment made in this Leasehold Deed of Trust is present, direct and continuing, the execution and delivery hereof shall not in any way impair or diminish the obligations of the Trustor under the provisions of any lease nor shall any of the obligations contained in any lease be imposed upon the Beneficiary.

Section 3.02. Collection Upon Default. Upon any Event of Default under any of the Financing Documents, the Beneficiary may, but shall not be required to, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations (a) enter upon and take possession of the Mortgaged Estate, or any part thereof, and in its own name sue for or otherwise collect such Revenues, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including, without limitation, attorneys' fees and expenses, upon any Secured Obligations, and in such order as the Beneficiary may determine, and (b) prepare and submit any applications or other documentation as necessary in order to permit the Beneficiary to collect the Revenues. The collection of such Revenues, or the entering upon and taking possession of the Mortgaged Estate, or the application thereof as aforesaid or the preparation and submission of applications or other documentation, as necessary, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

The Beneficiary shall not be liable to the Trustor, anyone claiming under or through the Trustor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by the Beneficiary hereunder, except to the extent of the Beneficiary's gross negligence or willful misconduct.

Section 3.03. Statutory Rights. The Beneficiary, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Leasehold Deed of Trust or otherwise available under applicable law, shall have all of the rights provided under the laws of the State, including, without limitation, all of the rights set forth in A.R.S. § 33-702(B) (as amended, supplemented or supplanted) regarding enforcement of the assignment of Revenues and leases contained herein.

ARTICLE IV SECURITY AGREEMENT

Section 4.01. Creation of Security Interest. With respect to any portion of the Mortgaged Estate that constitutes personal property or fixtures (including, without limitation, all after-acquired property) governed by the UCC, this Leasehold Deed of Trust shall constitute a security agreement between the Trustor as the debtor and the Beneficiary as the secured party, and the Trustor hereby grants to the Beneficiary a security interest in such portion of the Mortgaged Estate (such portion being the "Personalty"). The parties hereto agree that all necessary financing statements and continuation statements shall be filed by the Trustor, with copies provided to the Beneficiary within the time prescribed by the UCC in order to continue such security interests. Cumulative of all other rights of the Beneficiary hereunder, the Beneficiary shall have all of the rights conferred upon a secured party by the UCC. The Trustor authorizes, but does not obligate, the Beneficiary to file all financing statements, amendments to financing statements or continuation statements that may from time to time be required by the Beneficiary to establish and maintain the validity and priority of the security interest of the Beneficiary, or any modification thereof, and the Trustor shall deliver any searches required by the Beneficiary to confirm such validity and priority (the cost of which shall be paid by the Trustor). The Beneficiary may, but shall not be obligated to, exercise any or all of the remedies of a secured

party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default the Beneficiary should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' written notice by the Beneficiary to the Trustor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that the Beneficiary may at its option dispose of such property in accordance with the Beneficiary's rights and remedies with respect to the real property pursuant to the provisions of this Leasehold Deed of Trust, in lieu of proceeding under the UCC. It is understood that the Beneficiary shall not be responsible for any defects reflected in the continuation statements.

The Trustor shall give advance notice in writing to the Beneficiary of any proposed change in the Trustor's name, identity, state of organization or business form or structure and will execute and deliver to the Beneficiary, prior to or concurrently with the occurrence of any such change, all additional financing statements that the Beneficiary may reasonably require to establish and maintain the validity and priority of the Beneficiary's security interest with respect to any of the Mortgaged Estate described or referred to herein.

Some of the items of the Mortgaged Estate described herein are goods that are or are to become fixtures related to the Real Property, and it is intended that as to those goods, this Leasehold Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Estate is situated. Information concerning the security interest created by this instrument may be obtained from the Beneficiary, as secured party, at the address of the Beneficiary stated in Section 6.04 of this Leasehold Deed of Trust. The mailing address of the Trustor, as debtor, is as stated in Section 6.04 of this Leasehold Deed of Trust.

Section 4.02. Warranties; Representations and Covenants of the Trustor. The Trustor hereby warrants, represents and covenants, with respect to the Personalty, as follows:

(a) except for the security interest granted hereby, the Trustor is, and as to any of the Personalty to be acquired after the date hereof will be, the sole owner of the Personalty, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for the Permitted Encumbrances (including, without limitation, purchase money liens as permitted by the Loan Agreement). The Trustor will notify the Beneficiary of, and will defend the Personalty against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

(b) the Trustor will not lease, sell, convey or in any manner transfer the Personalty (except the Personalty transferred in the ordinary course of business and replaced by property of a similar nature and having at least the same value as the Personalty replaced) without the prior written consent of the Beneficiary;

(c) the Personalty is not used or bought for personal, family or household purposes;

(d) the Personalty will be kept on or at the Series 2020 Facilities and the Trustor will not remove the Personalty from the Series 2020 Facilities without the prior written consent of the Beneficiary, except such portions or items of personal property that are consumed or worn out in

ordinary usage, all of which shall be promptly replaced by the Trustor with new items of equal or greater quality; and

(e) all covenants and obligations of the Trustor contained herein relating to the Mortgaged Estate shall be deemed to apply to the Personalty whether or not expressly referred to herein.

ARTICLE V EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01. Events of Default. Any one or more of the following events shall be deemed an event of default hereunder (each, an “Event of Default”):

(a) failure by the Trustor to pay the amounts required to be paid under Section 5.01 of the Loan Agreement (and similar provisions of any Loan Agreement executed in connection with the issuance of Additional Bonds) or under the Promissory Note when due, subject to any applicable notice or cure periods provided under any Financing Document; or

(b) failure by the Trustor to perform or observe any covenant, condition or agreement contained in this Leasehold Deed of Trust (other than the monetary obligations described in paragraph (a) above) and such failure shall continue for 45 days after written notice from the Beneficiary of such failure and requesting that it be remedied shall have been given to the Trustor; provided, with respect to any such failure covered by this subsection (b), no Event of Default shall be deemed to have occurred so long within such 45-day period the Trustor shall have informed the Beneficiary of the plan to cure and, if such plan is acceptable to the Beneficiary, a course of action adequate to remedy such failure shall have been commenced; or

(c) the occurrence of a default or an event of default by the Trustor under any Financing Document (other than this Leasehold Deed of Trust), subject to any applicable notice or cure periods provided therein.

Section 5.02. Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default (which default is not cured within any applicable cure period) the Beneficiary may, but shall not be required to, at the Beneficiary’s sole option exercised in the Beneficiary’s sole discretion, pursue any one or more of the following remedies:

(a) Declare all or any portion of the Secured Obligations to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind except as otherwise provided herein.

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV

hereof, sue for or otherwise collect the Revenues, the Claims and Awards, the Intangibles or the Equipment, including, without limitation, those past due and unpaid, and apply the same, less costs and expenses of operation and collection including, without limitation, reasonable attorneys' fees, upon any Secured Obligations, all in such order as the Beneficiary may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Revenues, such Claims and Awards, such Intangibles or such Equipment and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of the Revenues, issues or profits, the Claims and Awards, the Intangibles or the Equipment, the Beneficiary shall be entitled to exercise every right provided for in any of the Financing Documents or by law upon occurrence of any Event of Default, including, without limitation, the right to exercise the power of sale herein conferred.

(c) Commence an action to foreclose this Leasehold Deed of Trust (either judicially or otherwise), appoint a receiver, specifically enforce any of the covenants hereof, or sell the Mortgaged Estate or any portion thereof pursuant to the power of sale herein conferred.

(d) Exercise any or all of the remedies available to a secured party under the UCC, including, without limitation:

(i) Either personally or by means of a court-appointed receiver, commissioner or other officer, take possession of all or any of the Personalty and exclude therefrom the Trustor and all others claiming under the Trustor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of the Trustor in respect of the Personalty or any part thereof. In the event the Beneficiary demands or attempts to take possession of the Personalty in the exercise of any rights under any of the Financing Documents, the Trustor promises and agrees to promptly turn over and deliver complete possession thereof to the Beneficiary;

(ii) Without notice to or demand upon the Trustor, make such payments and do such acts as the Beneficiary may deem necessary to protect its security interest in the Personalty, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien that is prior to or superior to the security interest granted hereunder and, in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require the Trustor to assemble the Personalty or any portion thereof, at a place designated by the Beneficiary and reasonably convenient to both parties, and promptly to deliver such Personalty to the Beneficiary, or an agent or representative designated by it. The Beneficiary, and its agents and representatives, shall have the right to enter upon any or all of the Mortgaged Estate to exercise the Beneficiary's rights hereunder;

(iv) Sell, lease or otherwise dispose of the Personalty at public sale, with or without having the Personalty at the place of sale, and upon such terms and in such manner as the Beneficiary may determine. The Beneficiary may be a purchaser at any such sale; and

(v) Unless the Personalty is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, the Beneficiary shall use commercially reasonable efforts to give the Trustor at least 10 days' prior written notice of the time and place of any public sale of the Personalty or other intended disposition thereof. Such notice may be mailed to the Trustor at the address set forth at the beginning of this Leasehold Deed of Trust and shall be deemed to be given on the date of mailing thereof.

Any sale made pursuant to the provisions of this subsection (d) shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of all or a portion of the remainder of the Mortgaged Estate under power of sale as provided herein upon giving the same notice with respect to the sale of the Personalty hereunder as is required for such sale of the remainder of the Mortgaged Estate under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under the UCC.

(e) Exercise any other rights or remedies that may now or hereafter be available to the Beneficiary under this Leasehold Deed of Trust or the Financing Documents or pursuant to applicable law or in equity.

(f) If held by the Beneficiary, surrender the insurance policies maintained pursuant to Section 1.05 hereof, collect the unearned insurance premiums and apply such sums as a credit on the Secured Obligations in such priority and proportion as the Beneficiary in its sole discretion shall deem proper, and in connection therewith, the Trustor hereby appoints the Beneficiary as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for the Beneficiary to collect such insurance premiums.

Section 5.03. Exercise of Power of Sale. If the Beneficiary elects to sell the Trustor's interest in the Mortgaged Estate by exercise of the power of sale herein contained, the Beneficiary shall notify the Trustee in the manner then required by law.

Upon receipt of such notice from the Beneficiary and at the direction of the Beneficiary, the Trustee shall cause to be given, recorded, published and delivered such notices of default and/or notices of sale as may then be required by law and/or by this Leasehold Deed of Trust. The Trustee shall, only at the direction of the Beneficiary and without demand on the Trustor, after such time as may then be required by law after such notice of default and/or notice of sale having been given as required by law, sell the Mortgaged Estate at the time and place of sale fixed by it in such notice of sale, either as a whole, or in separate lots or parcels or items as the Beneficiary shall deem expedient, and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States of America payable at the time of sale, or as otherwise may then be required by law. The Trustee shall deliver to such purchaser or purchasers thereof its good and sufficient deed or deeds conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including, without limitation, the Trustor, the Beneficiary, may purchase at such sale. The Beneficiary may "credit bid" all or any portion of the Secured Obligations at such sale.

As may be permitted by law, after deducting all costs, fees and expenses of the Trustee and of this Leasehold Deed of Trust, including, without limitation, costs of evidence of title in connection with sale and any reasonable attorneys' fees and expenses incurred by the Trustee, the Trustee shall

apply the proceeds of sale (a) first, to payment of all actual out-of-pocket costs, fees and expenses, including, without limitation, reasonable attorneys' fees and expenses incurred by the Beneficiary in exercising the power of sale or foreclosing this Leasehold Deed of Trust, (b) second, in accordance with the provisions of Section 8.05 of the Indenture to the extent of the indebtedness outstanding under the Promissory Note and the Loan Agreement, and (c) third, the balance, if any, to those persons legally entitled thereto.

The Trustee may in the manner provided by law postpone sale of all or any portion of the Mortgaged Estate.

Section 5.04. Appointment of Receiver. If an Event of Default (which is not cured within any applicable cure period) shall have occurred, the Beneficiary, as a matter of right and without notice to the Trustor or anyone claiming under the Trustor, and without regard to the value of the Mortgaged Estate or the interest of the Trustor therein, shall have the right, but not the obligation, to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Estate and the Trustor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases (including, without limitation, the power to (a) take possession of the Mortgaged Estate, (b) operate, manage, repair, improve, market, lease or sell the Mortgaged Estate, (c) collect Revenues related to the Mortgaged Estate, (d) terminate or modify any existing agreements or contracts related to the Mortgaged Estate, or (e) enter into new agreements or contracts related to the Mortgaged Estate), and all the powers and duties of the Beneficiary in case of entry as provided in Section 5.02(b) hereof and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Estate unless such receivership is sooner terminated. The Trustor waives any requirement of the posting of a bond in connection with the appointment of a receiver. The Beneficiary shall, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Leasehold Deed of Trust or otherwise available under applicable law, have all of the rights provided under the laws of the State.

Section 5.05. Remedies Not Exclusive. The Beneficiary shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Leasehold Deed of Trust or under any Financing Documents or other agreement or any laws now or hereafter in force, notwithstanding some or all of the Secured Obligations that may now or hereafter be otherwise secured, whether by mortgage, Leasehold Deed of Trust, pledge, lien, assignment or otherwise. Neither the acceptance of this Leasehold Deed of Trust nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect the Beneficiary's right to realize upon or enforce any other security now or hereafter held by the Beneficiary, it being agreed that the Beneficiary shall be entitled to enforce this Leasehold Deed of Trust and any other security now or hereafter held by the Beneficiary in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to the Beneficiary is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by this Leasehold Deed of Trust or any of the Financing Documents to the Beneficiary, or to which the Beneficiary may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by the Beneficiary. The Beneficiary may pursue inconsistent remedies and pursue remedies in the alternative.

The acceptance by the Beneficiary of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by the Beneficiary of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of the Trustor to pay the entire sum then due, and failure of the Trustor to pay such entire sum then due shall be and continue to be an Event of Default notwithstanding such acceptance of such amount on account, as aforesaid. The Beneficiary shall be, at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by the Beneficiary thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon them or either of them, and the right to proceed with a sale under any notice of default, or an election to sell, or the right to exercise any other rights or remedies hereunder, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such proceeding, election or exercise. Consent by the Beneficiary to any action or inaction of the Trustor that is subject to consent or approval of the Beneficiary hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions or inactions.

Section 5.06. Possession of Mortgaged Estate. In the event of a trustee's sale or foreclosure sale hereunder and after the time of such sale, and the Trustor occupies the portion of the Mortgaged Estate so sold, or any part thereof, the Trustor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Estate so occupied, such rental to be due and payable daily to the purchaser. An action of unlawful detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Estate and related premises. This Leasehold Deed of Trust and a trustee's deed shall constitute a lease and agreement under which the tenant's possession arose and continued. The Trustor agrees to pay any costs and expenses (including, without limitation, attorney's fees and costs and court costs) incurred by the Beneficiary in connection with any action to remove the Trustor from possession of the Mortgaged Estate. Nothing contained in this Leasehold Deed of Trust shall be construed to constitute the Beneficiary as a "mortgagee in possession" in the absence of its taking actual possession of the Mortgaged Estate pursuant to the powers granted herein.

Section 5.07. Relief from Stay. In the event that the Trustor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, subject to court approval, the Beneficiary shall thereupon be entitled and the Trustor irrevocably consents to relief from any stay imposed by Section 362 of the Bankruptcy Code on or against the exercise of the rights and remedies otherwise available to the Beneficiary as provided in the Financing Documents and the Trustor hereby irrevocably waives its rights to object to such relief. In the event the Trustor shall commence a case under the Bankruptcy Code or any successor provision thereof or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, the Trustor hereby agrees that no injunctive relief against the Beneficiary shall be sought under Section 105 or other provisions of the Bankruptcy Code by the Trustor or other person or entity claiming through the Trustor, nor shall any extension be sought of the stay provided by Section 362 of the Bankruptcy Code.

Section 5.08. Cash Collateral. To the fullest extent allowed by applicable law, the Trustor hereby acknowledges and agrees that in the event that the Trustor commences a case under the

Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (a) that all of the Revenues are, and shall for purposes be deemed to be, “proceeds, product, offspring, rents, or profits” of the Real Property covered by the lien of this Leasehold Deed of Trust, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (b) that in no event shall the Trustor assert, claim or contend that any portion of the Revenues are, or should be deemed to be, “accounts” or “accounts receivable” within the meaning of the Bankruptcy Code and/or applicable state law; (c) that the Revenues are and shall be deemed to be in any such bankruptcy proceeding “cash collateral” of the Beneficiary as that term is defined in Section 363 of the Bankruptcy Code; and (d) that the Beneficiary has valid, effective, perfected, enforceable and “choate” rights in and to the Revenues without any further action required on the part of the Beneficiary to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to the Trustor under Section 546(b) of the Bankruptcy Code.

Section 5.09. Landlord Exercise of First Right of Purchase. The Trustee, the Trustor and the Beneficiary acknowledge the first right to purchase outstanding Bonds granted to the landlord pursuant to Section 11.04 of the Ground Lease between Pacific Proving, LLC and Borrower, dated May 20, 2020, as amended by that certain Amendment No. 1 to Ground Lease, dated July 27, 2020. The Parties acknowledge that the Beneficiary’s rights hereunder may be impacted by the successful purchase of all of the Bonds then outstanding by the landlord under such ground lease.

ARTICLE VI MISCELLANEOUS

Section 6.01. Governing Law. This Leasehold Deed of Trust shall be governed by and construed in accordance with the laws and judicial decisions of the State without regard to its conflict of laws principles, except as such laws may be preempted by any federal rules, regulations and laws. The Trustor expressly acknowledges and agrees that any judicial action to interpret or enforce the terms of this Leasehold Deed of Trust shall be brought and maintained in the Superior Court of the State of Arizona in and for the County where the Land is located, the United States District Court in and for the District of Arizona or any United States Bankruptcy Court in any case involving or having jurisdiction over the Trustor or the Mortgaged Estate.

Section 6.02. Waiver of Rights.

(a) To the extent permitted by law, the Trustor waives the benefit of all laws now existing or that hereafter may be enacted (i) providing for any appraisal before sale of any portion of the Mortgaged Estate, or (ii) in any way extending the time for the enforcement of the collection of the Secured Obligations or creating or extending a period of redemption from any sale made in collecting the Secured Obligations. To the fullest extent the Trustor may do so under the laws of the State, the Trustor agrees that the Trustor will not at any time insist upon, plea, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisal, valuation, stay, extension, redemption or homestead exemption, and the Trustor, for the Trustor, the Trustor’s representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Estate, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisal, stay of execution, homestead exemption, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which the Trustor, the

Trustor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. The Trustor expressly waives and relinquishes any and all rights, remedies and defenses that the Trustor may have or be able to assert by reason of the laws of the State pertaining to the rights, remedies and defenses of sureties.

(b) For purposes of A.R.S. §§ 33-801 through 821 (the "Deed of Trust Act"), the Trustor herein shall be the "Trustor" (as defined in the Deed of Trust Act). The Beneficiary and the Trustee shall have all rights, benefits and remedies conferred or contemplated by the Deed of Trust Act. Notwithstanding the foregoing, the Beneficiary may, at its option in its sole discretion, elect to foreclose this Leasehold Deed of Trust judicially as authorized by A.R.S. § 33-807. In addition to, and not in limitation of, any other remedy provided in or available under this Leasehold Deed of Trust, the Beneficiary shall have all rights set forth in A.R.S. § 33-702(B) (as amended, supplemented or supplanted) regarding enforcement of the assignment of the Revenues contained herein.

(c) It is the Trustor's intention that the obligations of the Trustor to pay and perform each and all of the Secured Obligations secured by this Leasehold Deed of Trust be governed according to the express, bargained-for-terms hereof and of the Financing Documents. Therefore, to the fullest extent allowable under law, the Trustor hereby expressly waives all provisions of State law (including, without limitation, those specifically referenced below) that might otherwise be construed, contrary to the terms of this Leasehold Deed of Trust or the Financing Documents, to limit the liability of the Trustor with respect to the Secured Obligations, and hereby expressly agrees that no such provision of law shall be applicable to such obligations. To that end and to the fullest extent permitted under the laws of the State, the Trustor expressly:

(i) agrees that the amount of any unpaid or unperformed Secured Obligations remaining following any sale of collateral (herein referred to as the "Deficiency") shall be determined solely by the purchase price (whether cash, credit bid, or otherwise, and net of all costs and expenses of and relating to the sale) actually received for such collateral, and, as a material inducement to making the loan evidenced (or to be evidenced) by the Promissory Note, agrees that, notwithstanding A.R.S. §§ 12-1566, 33-725, 33-727 and 33-814, the successful bid amount made at any judicial or non-judicial foreclosure sale will be conclusively deemed to constitute the "fair market value" of the collateral sold and that the bid amount will be binding against the Trustor in any proceeding to determine or contest the fair market value of the collateral;

(ii) waives all provisions of A.R.S. § 33-814 that purport to limit the time within which an action upon a Deficiency may be commenced, or to eliminate any Deficiency if such an action is not commenced within such time limits, and agrees that such provisions shall not apply to any Deficiency following a trustee's sale under this Leasehold Deed of Trust;

(iii) agrees that if, notwithstanding the foregoing express intention and agreement of the Trustor to the contrary, the provisions of A.R.S. § 33-814 are held by a court to be applicable, then:

(A) for purposes of A.R.S. § 33-814(8), the 90-day period within which an action for a deficiency judgment may be brought shall not begin until the date

of the last trustee's sale or other nonjudicial or judicial foreclosure sale of any real or personal property collateral under any Leasehold Deed of Trust that secures the Promissory Note, whether such collateral is located within or outside of the State;

(B) the phrase "full satisfaction of the obligation" in A.R.S. § 33-814(D) shall be construed to refer solely to the obligation of the Trustor to repay the site-specific monetary indebtedness evidenced by the Promissory Note and not to any separate and independent obligations (1) of the Trustor that are created by this Leasehold Deed of Trust (including, without limitation, any covenants, agreements or indemnities that are expressly stated to survive any foreclosure hereof) or that are created under or evidenced or secured by any Financing Document executed in connection herewith, regardless of whether such separate and independent obligations are secured hereby by virtue of any cross-collateralization or cross-default provisions or otherwise, or (2) of any other person that is directly, indirectly or contingently liable with respect to the Secured Obligations (all such separate and independent obligations being referred to herein as the "Separate Obligations"); and

(C) notwithstanding any application of A.R.S. § 33-814(D) to limit or bar any action against the Trustor with respect to the monetary indebtedness evidenced by the Promissory Note following a trustee's sale or sales of the entire Mortgaged Estate such section shall not be applicable to, or in any way limit or impede any action with respect to, such Separate Obligations or any collateral that might now or hereafter be given by the Trustor as security therefor;

(iv) to the fullest extent permitted under the laws of the State, waives all equitable rights of redemption other than those in A.R.S. § 33-726;

(v) waives all rights of reinstatement following acceleration of the obligations secured by this Leasehold Deed of Trust, including, without limitation, any which might otherwise be available under A.R.S. § 33-813, it being agreed that the Trustor has bargained for the notice and cure rights given to the Trustor pursuant to Section 5.01 hereof and under the Financing Documents; that such rights provide the Trustor with sufficient opportunity to prevent acceleration following a breach or default which could become an Event of Default; and that the Trustor has agreed in return to waive any further right of reinstatement following acceleration should no cure be timely made;

(vi) waives all rights of redemption the Trustor might otherwise have under State law with respect to the Mortgaged Estate or any other collateral, whether by statute, by subrogation or otherwise, including, without limitation, any rights under A.R.S. §§ 12-1281 through 12-1283;

(vii) waives and agrees not to assert any and all rights, benefits and defenses that might otherwise be available under the provisions of A.R.S. §§ 12-1641 through 12-1646, 44-141, 44-142 or 47-3605, or Arizona Rules of Civil Procedure Rule 17(t); and

(viii) agrees to be and remain liable for the Secured Obligations, and agrees (including, without limitation, as contemplated by A.R.S. §§ 12-1566(E) and 33-814(C) with

respect to a guaranty) that this Leasehold Deed of Trust may be enforced (and sale had hereunder or judgment given hereon) at any time and independent of any other action or judgment, all regardless of whether, or when, a trustee's or foreclosure sale of any collateral given by Trustor or any other person is held or any other nonjudicial or judicial action to realize upon collateral, or against Trustor or any other person obligated with respect to the Secured Obligations, is commenced, maintained, concluded, continued or discontinued.

The statutes referred to above in this section shall include any further statutes amending, supplementing or supplanting same. The waivers and agreements contained in this section and elsewhere in this Leasehold Deed of Trust are given by the Trustor knowingly and voluntarily and upon advice of counsel.

Section 6.03. Limitation of Interest. All agreements between the Trustor and the Beneficiary, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid as interest, or agreed to be paid, to the Beneficiary for the use, forbearance, or detention of the money to be loaned pursuant to the Promissory Note or otherwise, or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance the Beneficiary or holder of the Promissory Note shall ever receive as interest under the Promissory Note or this Leasehold Deed of Trust or otherwise anything of value that would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Promissory Note or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Promissory Note and such other Secured Obligations, such excess shall be refunded to the Trustor, or other evidence of Secured Obligations, if other than the Trustor. All sums paid or agreed to be paid to the Beneficiary for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between the Trustor, or the maker of the Promissory Note, or other evidence of Secured Obligations, if other than the Trustor, and the Beneficiary.

Section 6.04. Notices. Unless otherwise required by law, whenever the Beneficiary or the Trustor shall desire to give or serve any notice, demand, request or other communication with respect to this Leasehold Deed of Trust, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been given if sent via electronic transmission or by hand delivery, overnight courier or certified mail, postage prepaid, addressed to the following mailing addresses:

If to the Trustor:

Legacy Cares, Inc.
1900 West Chandler Boulevard, #15-315
Chandler, Arizona 85224
Attention: Douglas G. Moss, President
Email: dgmoss@legacycares.com

If to the Bond Trustee/Beneficiary: UMB Bank, N.A.
2777 East Camelback Road, Suite 350
Phoenix, Arizona 85016
Attention: Sandy Battas
Email: sandra.battas@umb.com

If to the Trustee: Commonwealth Land Title
Insurance Company NCS
2390 East Camelback Road, Suite 230
Phoenix, Arizona 85016
Attention: Becky Nisbet
Email: bnisbet@cltic.com

With a copy to: Gust Rosenfeld P.L.C.
One East Washington Street, Suite 1600
Phoenix, Arizona 85004
Attention: Timothy A. Stratton
Email: tstratton@gustlaw.com

Any party may at any time change its address for such notices by delivering to the other parties hereto, as aforesaid, a notice of such change.

The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction.

Section 6.05. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Leasehold Deed of Trust.

Section 6.06. Invalidity of Certain Provisions; Conflicting Provisions. If the lien of this Leasehold Deed of Trust is invalid or unenforceable as to any part of the Secured Obligations, or if the lien is invalid or unenforceable as to any part of the Mortgaged Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on such obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Secured Obligations that is not secured or fully secured by the lien of this Leasehold Deed of Trust.

Section 6.07. Subrogation. To the extent that proceeds of the Promissory Note or advances under this Leasehold Deed of Trust are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Estate, such proceeds or advances have been or will be advanced by the Beneficiary at the Trustor's request, and the Beneficiary shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released of record.

Section 6.08. Change in Ownership. If the ownership of the Mortgaged Estate or any part thereof or interest therein becomes vested in a person other than the Trustor owning the same on the date hereof, the Beneficiary may, without notice to the Trustor, deal with such successor or successors in interest with reference to this Leasehold Deed of Trust and the Secured Obligations in the same manner as with the Trustor without in any way vitiating or discharging the Trustor's liability hereunder or upon the Secured Obligations. No sale of the Mortgaged Estate, and no forbearance on the part of the Beneficiary, and no extension of the time for the payment of the Secured Obligations, given by the Beneficiary, shall operate to release, discharge, modify, change or affect the original liability, if any, of the Trustor or the liability of any guarantors or sureties of the Trustor, either in whole or in part; provided that the Trustor may be released from its original liability under this Leasehold Deed of Trust upon transfer of the entire Mortgaged Estate with the written consent of the Beneficiary and as permitted under the Financing Documents.

Section 6.09. Assignment of the Beneficiary's Interest. It is expressly agreed that any and all terms of this Leasehold Deed of Trust, the Financing Documents and all other agreements, documents, instrument or certificates made or executed by the Trustor or others in favor of the Beneficiary, and all rights, powers, privileges, options and remedies conferred upon the Beneficiary herein and therein, shall inure to and be for the benefit of, and may be exercised by, the Beneficiary and its successors and assigns, and the words "the Beneficiary" shall also mean and include the successor or successors and the assign or assigns of the Beneficiary and its successors and assigns. The Trustor hereby specifically grants unto the Beneficiary the right and privilege, at the Beneficiary's option, to transfer and assign to any third person all or any part of the Beneficiary's rights to receive funds or payments hereunder; provided, however, if the Beneficiary makes any such transfer or assignment, the Beneficiary shall give the Trustor written notice thereof.

To the extent the Beneficiary hereunder is UMB, N.A., as bond trustee under the Indenture, or any successor thereto, all provisions of the Indenture relating to the rights, powers, privileges and protection of the bond trustee thereunder shall apply with equal force and effect to all actions taken by the bond trustee as Beneficiary in connection with this Leasehold Deed of Trust. No duties or obligations shall be imposed upon the bond trustee as Beneficiary beyond those contained in the Indenture. It is understood and acknowledged that the bond trustee, as Beneficiary, is not required to exercise any rights or discretion granted to it hereunder and all rights to consent, direct and approve matters granted herein to the Beneficiary are subject to the provisions of the Indenture and the rights afforded to the bond trustee thereunder.

Section 6.10. Time Is of the Essence. Time is of the essence under this Leasehold Deed of Trust and the Financing Documents.

Section 6.11. Obligations of the Trustor. The obligations of the Trustor to make payments hereunder and under the Financing Documents and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Leasehold Deed of Trust is terminated or payment in full of all Bonds is made or is provided for in accordance with the Indenture, the Trustor (a) will not suspend or discontinue any payments under the Financing Documents or neglect to perform any of its duties required thereunder or hereunder, (b) will perform and observe all of its obligations set forth in the Financing Documents and this Leasehold Deed of Trust, and (c) except as provided herein, will not terminate the Financing Documents or this Leasehold Deed of Trust for any cause.

Section 6.12. Immunity of Individuals. No recourse shall be had for the payment of the principal of or premium, if any, or interest on the Bonds or for any claim based thereon or under this Leasehold Deed of Trust or the Financing Documents or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of the Trustor, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Bonds.

Section 6.13. Amendments, Changes and Modifications. This Leasehold Deed of Trust may only be amended, changed, modified, altered or terminated as provided in the Indenture.

ARTICLE VII TRUSTEE

Section 7.01. Resignation of the Trustee. The Trustee may resign and be discharged of the trusts created hereby by giving notice of its resignation to the Beneficiary and the Trustor (or any subsequent owner of the Trustor's interest in the Mortgaged Estate) specifying the date (not less than 90 days after such notice) when such resignation shall take effect. Such resignation shall take effect on the earlier of the date so specified or the appointment and acceptance of a successor trustee pursuant to Section 7.02.

Section 7.02. Successor Trustee. The Trustee may be removed at any time by notice from the Beneficiary. If the Trustee shall have given notice of its intention to resign, shall resign, be removed or otherwise be incapable of acting, or if the Trustee shall be taken under the control of any public officer or a receiver appointed by a court, or be adjudged a bankrupt or insolvent, then a successor may be appointed by the Beneficiary; provided that the Trustor may appoint a successor trustee to act until such successor shall be so appointed. The Trustor shall notify the Beneficiary of any such appointment by the Trustor, but any successor trustee so appointed by the Trustor shall immediately and without further act be superseded by a successor trustee appointed by the Beneficiary as above provided. As used in this Section 7.02, the Trustor shall mean and include any subsequent owner of the Trustor's interest in the Mortgaged Estate.

Section 7.03. Separate and Co-Trustees. If it deems such to be necessary or prudent, the Trustee shall have the power to appoint one or more persons to act as separate trustees or co-trustees, jointly with the Trustee, of any of the property subject to the lien hereof, and any such person shall be such separate trustee or co-trustee, with such powers and duties as shall be specified in such instrument. Such separate trustee or co-trustee, upon acceptance of such trust, shall be vested with the estates or property specified in such instrument, either jointly with the Trustee, or separately as may be provided therein, such to all the trusts, conditions and provisions of this Leasehold Deed of Trust; and every such instrument shall be filed with the Trustee.

Section 7.04. Liability of the Trustee. No person or entity serving as the Trustee hereunder shall be personally liable by reason of any act or omission of any other trustee hereunder.

Section 7.05. Payment of the Trustee's Compensation. The Trustor shall pay or cause to be paid the compensation to which the Trustee is entitled hereunder, if any, and all proper disbursements and expenses incurred by the Trustee hereunder, (including attorneys' fees and expenses), if any. The

covenants contained in this Section 7.05 shall survive the resignation and removal of the Trustee and any release, foreclosure or other satisfaction of this Leasehold Deed of Trust.

[Signature Page to Follow]

IN WITNESS WHEREOF, the Trustor has caused this Leasehold Deed of Trust to be duly executed on the day and year set forth in the acknowledgment attached hereto and effective on the date first written above.

LEGACY CARES, INC., an Arizona not-for-profit corporation and 501(c)(3) organization

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
) ss.
COUNTY OF MARICOPA)

On _____, 2020, before me personally appeared _____, the _____ of LEGACY CARES, INC, an Arizona non-profit corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he claims to be, and acknowledged that he signed the above document, on behalf of Legacy Cares, Inc.

Notary Public

(Affix notary seal here)

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MESA, IN THE COUNTY OF MARICOPA, STATE OF ARIZONA, AND IS DESCRIBED AS FOLLOWS:

A portion of land being situated within Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at 3" Maricopa County DOT brass cap in hand hole accepted as the Northwest corner of said Section 34, from which a 3" Maricopa County DOT Brass Cap flush accepted as the West Quarter corner thereof bears South 01°09'59" East, 2640.28 feet;

Thence South 01°09'59" East, 546.96 feet along the West line of the Northwest Quarter of said Section 34;

Thence leaving said West line, North 88°50'01" East, 65.00 feet to the Point of Beginning;

Thence North 88°39'03" East, 466.01 feet to the beginning of a tangent curve concave Southwesterly, having a radius of 1090.00 feet;

Thence Southeasterly along said curve, through a central angle of 40°37'40", an arc length of 772.91 feet to a tangent line;

Thence South 50°43'16" East, 283.00 feet to the beginning of a tangent curve Northerly, having a radius of 1220.00 feet;

Thence Easterly along said curve, through a central angle of 68°30'25", an arc length of 1458.72 feet to a tangent line;

Thence North 60°46'19" East, 201.64 feet to the Southerly Right-of-Way line of State Route 24 as described within the Order of Immediate Possession filed as Recording No. 2019-0309832, Maricopa County Records;

Thence South 28°54'47" East, 7.83 feet along said Southerly Right-of-Way line;

Thence North 62°24'04" East, 333.41 feet along said Southerly Right-of-Way line;

Thence North 67°38'39" East, 120.37 feet along said Southerly Right-of-Way line;

Thence North 62°24'04" East, 168.55 feet along said Southerly Right-of-Way line to the Southwesterly line of a proposed electrical easement;

Thence leaving said Southerly right of way line, South 42°18'10" East, 793.39 feet along said Southwesterly line;

Thence South 60°22'57" East, 824.06 feet along said Southwesterly line;

Thence South 64°14'29" East, 489.96 feet along said Southwesterly line to said Southerly Right-of-Way line;

Thence leaving said Southwesterly line, South 06°41'37" East, 32.63 feet along said Southerly Right-of-Way line to the West line of the East 33.00 feet of said Section 34;
Thence leaving said Southerly Right-of-Way line, South 00°41'42" East, 727.75 feet along said West line to an angle point therein;

Thence South 00°33'21" East, 1191.82 feet along said West line;

Thence leaving said West line North 89°34'13" West, 4225.03 feet to the Easterly line of the Restricted Use Easement described within Docket 12949, Page 199, Maricopa County Records;

Thence North 44°34'12" West, 1351.14 feet along said Easterly line to the East line of the West 65.00 feet of said Section 34;

Thence North 01°10'02" West, 235.80 feet along said East line to an angle point therein;

Thence North 01°09'59" West, 2093.82 feet along said East line to the Point of Beginning;

EXCEPT the following described property:

A portion the Northeast Quarter of Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a found 2 inch Aluminum cap accepted as the East Quarter corner of said Section 34 from which a found 3 inch Maricopa County brass cap flush accepted as the Northeast corner thereof bears North 00°41'42" West, 2631.77 feet;

Thence North 00°41'42" West, 1120.33 feet along the east line of the Northeast Quarter of said Section 34;

Thence leaving said east line, South 89°18'18" West, 717.63 feet to the Point of Beginning;

Thence South 49°26'22" West, 642.06 feet;

Thence South 64°20'13" West, 162.01 feet to a non-tangent curve, concave Southwesterly, having a radius of 1040.00 feet, the center of which bears South 64°53'16" West;

Thence Northwesterly along said curve, through a central angle of 34°11'51", an arc length of 620.73 feet to the beginning of a tangent curve, concave Northeasterly, having a radius of 960.00 feet;

Thence Northwesterly along said curve, through a central angle of 28°47'26", an arc length of 482.39 feet to a tangent line;

Thence North 30°31'09" West, 326.47 feet to the Southerly Right-of-Way line of State Route 24 as described within the Order of Immediate Possession filed as Document No. 2019-0309832, Maricopa County Records;

Thence the following three (3) courses along said Southerly Right-of-Way line:

Thence North 62°24'04" East, 316.74 feet;

Thence North 67°38'39" East, 120.37 feet;

Thence North 62°24'04" East, 168.55 feet;

Thence leaving said Southerly Right-of-Way line, South 42°18'10" East, 793.39 feet;

Thence South 60°22'57" East, 543.08 feet to the Point of Beginning; and

ALSO EXCEPT the following described property:

A portion of land as described in the Special Warranty Deed recorded in Document No. 2004-0748707, Maricopa County Records, being situated within the Northwest Quarter of Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

Commencing at a found 3 inch brass cap in hand hole accepted as the Northwest corner of said Section 34 from which a found 3 inch brass cap in hand hole accepted as the West Quarter corner thereof bears South 01°09'59" East, 2640.78 feet;

Thence South 01°09'59" East, 546.96 feet along the west line of the Northwest Quarter of said Section 34;

Thence leaving said west line, North 88°50'01" East, 65.00 feet to the East Right-of-Way line of Ellsworth Road as recorded in Document No. 99-0769974, Maricopa County Records, being the Point of Beginning;

Thence leaving said East Right-of-Way line, North 88°39'03" East, 466.01 feet to the beginning of a tangent curve, concave Southwesterly, having a radius of 1090.00 feet;

Thence Southeasterly along said curve, through a central angle of 40°37'40", an arc length of 772.91 feet to a tangent line;

Thence South 50°43'16" East, 283.00 feet to the beginning of a tangent curve, concave northeasterly, having a radius of 1220.00 feet;

Thence Southeasterly along said curve, through a central angle of 11°08'20", an arc length of 237.18 feet to a non-tangent line;

Thence South 28°08'24" West, 329.23 feet to a non-tangent curve, concave Southwesterly, having a radius of 220.00 feet, the center of which bears South 31°34'22" West;

Thence Northwesterly along said curve, through a central angle of 31°12'55", an arc length of 119.86 feet to a non-tangent line;

Thence North 01°10'00" West, 123.51 feet;

Thence South 88°50'00" West, 106.94 feet;

Thence North 01°10'00" West, 78.15 feet to a non-tangent curve, concave Southwesterly, having a radius of 859.06 feet, the center of which bears South 56°23'34" West;

Thence northwesterly along said curve, through a central angle of 57°33'34", an arc length of 863.01 feet to a tangent line;

Thence South 88°50'00" West, 480.00 feet to said East Right-of-Way line;

Thence North 01°09'59" West, 230.32 feet along said East Right-of-Way line to the Point of Beginning.

EXHIBIT B

TITLE EXCEPTIONS

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX F

FORM OF QUALIFIED MANAGEMENT AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

QUALIFIED MANAGEMENT AGREEMENT

By and Between

LEGACY CARES, INC.

and

LEGACY SPORTS USA, LLC

LEGACY SPORTS AND FAMILY ENTERTAINMENT PARK

August 1, 2020

TABLE OF CONTENTS

Recitals	
Definitions	
Article I	The Project
Article II	Operating Term
Article III	Appointment and Engagement of Manager and Development Fee
Article IV	Project Employees
Article V	Agency; Provision of Funds
Article VI	Working Capital and Bank Accounts
Article VII	Books, Records and Statements; Budgets
Article VIII	Management Fees and Payments to Manager and Owner
Article IX	Reserve Accounts
Article X	Insurance
Article XI	Property Taxes
Article XII	Repairs and Maintenance
Article XIII	Owner Covenants and Representations
Article XIV	Damage or Destruction; Condemnation
Article XV	Events of Default
Article XVI	Termination of Agreement
Article XVII	Assignment
Article XVIII	Notices
Article XIX	Subordination; Estoppels; Recognition
Article XX	Indemnification
Article XXI	Miscellaneous
Schedule A	Pre-Opening Activities and Services
Schedule B	Property/Facilities Management and Maintenance

QUALIFIED MANAGEMENT AGREEMENT

THIS QUALIFIED MANAGEMENT AGREEMENT is made as of the 1st day of August, 2020, between **LEGACY CARES, INC.**, an Arizona not for profit corporation (“Owner”), and **LEGACY SPORTS USA, LLC**, an Arizona limited liability company, (“Manager”).

RECITALS

WHEREAS, Owner has entered into a Loan Agreement (defined herein) with the Arizona Industrial Development Authority (the “Issuer”) pursuant to which Issuer has agreed to issue tax-exempt and taxable revenue bonds for the purpose of financing the costs of acquiring, constructing, renovating, improving, operating and equipping a state-of-the-art, premier family multi-sports park facility and entertainment complex located in Mesa, Arizona, including an outdoor and indoor team training facility, sports entertainment venue, special events venue, including all buildings and athletic fields and appurtenant improvements (the “Project”); and

WHEREAS, Owner has entered into a Ground Lease for a term of forty (40) years with two (2) five (5) year renewal options exercisable upon written notice from Owner with Pacific Proving, LLC (“Landlord”) for approximately three hundred and twenty (320) acres in Mesa, Arizona on which the Project is located; and

WHEREAS, the Project consists of numerous outdoor and indoor sports and entertainment venues as described herein; and

WHEREAS, Owner is a 501(c)(3) organization and desires to enter into this Agreement with Manager to provide the direction, operation, supervision, and management of the Project; and

WHEREAS, it is the intent of the parties that this Agreement and each subsequent agreement entered into by the Manager shall constitute a “qualified management agreement” under the Tax Requirements (as defined herein) and otherwise comply with the Tax Requirements, to the extent applicable, as more particularly set forth below.

NOW, THEREFORE, for and in consideration of the foregoing introduction and recitals, which are incorporated herein by reference, the covenants and premises herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Owner and Manager agree as follows:

DEFINITIONS

“Accounting Fee” – shall mean the accounting fee paid by Owner to Manager for its accounting services pursuant to Section 8.2.

“Agreement” – shall mean this Qualified Management Agreement.

“Basic Fee” – shall mean the base management fee paid by Owner to pursuant to Section 8.1.

“Bonds” – shall mean collectively the Series 2020 Bonds and any Additional Bonds as described in the Major Agreements being utilized to finance the development, construction and operation of the Project.

“Budgets” – shall mean the Operating Budget, the Capital Budget, and such other reports or projections as Owner may reasonably request and to which Manager agrees in writing. As used in this Agreement, any reference to “compliance with the Budgets” or “subject to the Budgets” or similar phrases shall include all variances to the Budgets permitted under Section 7.5.

“Business Day” – shall mean Monday through Friday, except for federal or state holidays.

“Bylaws” - shall mean the corporate Bylaws of Legacy Cares, Inc. as adopted and in effect.

“Capital Budget” – shall mean a capital budget setting forth in reasonable line-item detail proposed capital projects and expenditures for the Project including but not limited to FF&E expenditures which, if any, will be expensed in the then-current Fiscal Year in accordance with GAAP.

“Commencement Date” – shall mean the date of this Agreement as set forth in the introductory paragraph hereto.

“CPI” – shall mean the Consumer Price Index - with respect to a calendar year, the increase over the prior year in the Phoenix-Mesa-Scottsdale AZ (MSA) as provided by Owner to the Trustee.

“Deposit Account” – shall mean that certain account established with Wells Fargo Bank, NA, in the name of the Manager, account number 7725128354, for use in connection with and for the benefit of the Project, where all funds received by Manager or Operator in the operation of the Project are deposited.

“Deposit Account Control Agreement” – shall mean the agreement dated August 1, 2020 between the Manager, Wells Fargo Bank, NA, and UMB, NA, relating to deposits into and use of the funds in the Deposit Account.

“Emergency Expenses” – shall mean expenses, regardless of amount, which in Manager’s good faith judgment are immediately necessary to protect the physical integrity or lawful operation of the Project or the health or safety of its occupants.

“Employment Claim” – shall mean any claim based upon a violation or alleged violation of the Employment Laws.

“Employment Laws” – shall mean any federal, state, local and foreign statutes, laws, ordinances, regulations, rules, permits, judgments, orders and decrees affecting labor union activities, civil rights or employment in the United States, including, without limitation, the Civil Rights Act of 1870, 42 U.S.C. §1981, the Civil Rights Acts of 1871, 42 U.S.C. §1983 the Fair Labor Standards Act, 29 U.S.C. §201, et seq., the Civil Rights Act of 1964, 42 U.S.C. §2000e, et seq., as amended, the Age Discrimination in Employment Act of 1967, 29 U.S.C. §621, et seq., the Rehabilitation Act, 29 U.S.C. §701, et seq., the Americans With Disabilities Act of 1990, 29 U.S.C. §706, 42

U.S.C. §12101, et seq., the Employee Retirement Income Security Act of 1974, 29 U.S.C. § 301, et seq., the Equal Pay Act, 29 U.S.C. §201, et seq., the National Labor Relations Act, 29 U.S.C. §151, et seq., and any regulations promulgated pursuant to such statutes (as amended from time to time, and together with any similar laws now or hereafter enacted).

“Employment Policies” – shall mean the policies, procedures and programs for the Project relating to the employment of Project Employees, including wage, benefits and severance policies. The Employment Policies shall be reasonably designed to effect compliance with the Employment Laws and shall be consistent with industry standards from time to time for reputable management companies.

“FCPA” – shall mean the United States Foreign Corrupt Practices Act, 15 U.S.C. §§ 778dd-2.

“FF&E” – shall mean the furniture, furnishings, fixtures, equipment and vehicles utilized at the Project.

“Fiscal Year” – shall mean each twelve (12) consecutive calendar month period or partial twelve (12) consecutive calendar month period within the Term commencing on January 1st (or, with respect to the first year of the Term, the Commencement Date) and ending on December 31st (or, with respect to the last year of the Term, the expiration or earlier termination of the Term) unless Owner and Manager otherwise agree.

“Fixed Charges” – shall mean the cost of the following items relating to the Project or its facilities which are properly attributable to the period in question:

- (i) Rent to Landlord;
- (ii) Property Taxes;
- (iii) Insurance premiums (or the allocable portion thereof in the case of blanket policies) for all insurance maintained under Section 10.1; and
- (iv) The Basic Fee.

“GAAP” – shall mean generally accepted accounting principles in the United States.

“Gross Operating Profit” – shall mean the amount, if any, by which Total Revenues exceed Operating Expenses.

“Ground Lease” – shall mean the Lease entered into between Owner and Landlord (40 year plus two (2) five (5) year renewal options (exercisable upon written notice from Owner)) on which the Project is located, as more fully described in the Recitals to this Agreement.

“Hazardous Materials” – shall mean any substance or material identified by any law, rule or regulation as being hazardous to the health and safety of guests or employees and requiring the monitoring, clean up or removal of such substance.

“Incentive Fee” – shall mean the incentive management fee paid by Owner to Manager pursuant to Section 8.3.

“Indemnified Party” – shall mean any party to this Agreement required to be indemnified by an Obligor under this Agreement.

“Initial Period of Operation” – shall mean an eight (8) month period of time beginning on the Opening Date.

“Installations” – shall mean the mechanical systems and built-in installations of the buildings including, but not limited to, heating, ventilation, air conditioning, electrical and plumbing systems, elevators and escalators, and built-in laundry, refrigeration and kitchen equipment.

“Involuntary Proceeding” – shall mean any of the following instituted against a party by any other person or entity: (i) assignment for the benefit of creditors, (ii) proceeding seeking relief under any federal or state bankruptcy or insolvency laws, or (iii) proceeding seeking the appointment of a receiver, trustee, custodian or similar official for such party’s business or assets.

“Issuer” – shall mean the Arizona Industrial Development Authority, the entity providing financing to Owner for the development and operation of the Project.

“Landlord” – shall mean Pacific Proving, LLC, the owner of the land located in Mesa, Arizona upon which the Project is located.

“Major Agreements” – shall mean the Indenture of Trust dated August 1, 2020 entered into between Issuer and Trustee (the “Indenture”), the Loan Agreement dated August 1, 2020 entered into between Owner and Issuer (the “Loan Agreement”) and the Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing entered into between Owner and the Trustee on the same date and any mortgage or deed of trust applicable to the Project.

“Manager” - shall mean Legacy Sports USA, LLC, an Arizona limited liability company.

“Minimum Working Capital” – shall mean an amount equal to the sum of (i) eight (8) months of payroll and employment-related expenses, including payroll taxes, for the Project Employees, and (ii) eight (8) months of sales and use taxes (if applicable), all as set forth in the Budgets, as such amount may be modified from time to time by the Monthly Cash Flow Forecast.

“Monthly Cash Flow Forecast” – shall mean a monthly cash flow forecast for the Project with projections for the next 90-day period.

“Monthly Reports” – shall mean, collectively, with respect to each month during the Operating Term (i) a balance sheet as of the last day of such month; (ii) a source and use of funds statement for such month; (iii) an income and expense statement for such month, including departmental details; (iv) Monthly Cash Flow Forecast; and (v) such other monthly reports as Owner may reasonably request and to which Manager agrees in writing. The Monthly Reports for the last month of a Fiscal Year shall include year-end unaudited financial statements.

“Necessary Expenses” – shall mean expenses, regardless of amount, that are necessary for the continued operation of the Project in accordance with the requirements of any Major Agreement and the operational standards set forth in this Agreement and which are not within the reasonable control of Manager (including, but not limited to, those for insurance, taxes, utility charges and debt service).

“Obligor” – shall mean the party required to provide indemnification under this Agreement.

“Opening Date” - shall mean the date on which the Project opens for business to the general public, presently scheduled for January 2022.

“Operating Budget” – shall mean an operating budget setting forth in reasonable line-item detail the projected income and the Operating Expenses of all aspects of the Project.

“Operating Equipment” – shall mean the equipment necessary to maintain and operate the Project.

“Operating Expenses” – shall mean all costs and expenses of maintaining, conducting and supervising the operation of the Project and all of its facilities which are properly attributable to the Project for the period in question.

A. Operating Expenses shall include, without limitation:

- (i) The cost of all Operating Equipment and Operating Supplies;
- (ii) Salaries and wages of Project Employees, including costs of payroll taxes, employee benefits and severance payments;
- (iii) The cost of all other goods and services obtained in connection with the operation of the Project including, without limitation, utilities, building and field maintenance;
- (iv) The cost of all non-capital repairs to and maintenance of the Project;
- (v) Insurance premiums (or the allocable portion thereof in the case of blanket policies) for all insurance maintained under Section 10.1 and losses incurred on any self-insured risks (including deductibles);
- (vi) All taxes, assessments, permit fees, inspection fees, and water and sewer charges and other charges (other than income or any franchise taxes) payable by or assessed against Owner with respect to the operation of the Project, excluding Property Taxes;
- (vii) Legal fees (including, but not limited to, fees for defense of third-party claims described in Article XX) and fees of any independent certified public accountant for services directly related to the operation of the Project and its facilities;

- (viii) All expenses for advertising the Project and all expenses of sales promotion and public relations activities;
- (ix) All out-of-pocket expenses and disbursements reasonably incurred by Manager, in the course of, and directly related to, the management and operation of the Project under this Agreement, which fees and disbursements shall reimburse Manager for direct and actual expenses paid to unrelated third parties;
- (x) The fees for accounting services provided by third parties other than those included in the Manager's Accounting Fee, and any fees or tax levied on those charges by the local jurisdiction;
- (xi) Periodic payments made in the ordinary course of business under any applicable agreement;
- (xii) Fees and reimbursement expenses paid to the Operator and other unrelated contracted parties associated with the day-to-day operation of the Project;
- (xiii) Any other item specified as an Operating Expense in this Agreement.

B. Operating Expenses shall not include:

- (i) Amortization and depreciation;
- (ii) The making of or the repayment of any loans or any interest thereon;
- (iii) The costs of any alterations, additions or improvements which for Federal income tax purposes or under GAAP must be capitalized and amortized over the life of such alteration addition or improvement;
- (iv) Payments on account of any equipment lease that is to be capitalized under GAAP;
- (v) Payments under any Ground Lease, space lease or easement agreement;
- (vi) Payments into or out of any Reserve Account; or
- (vii) Any item defined as a Fixed Charge.

“Operating Supplies” – shall mean the stock and inventories of products necessary for the operation of the Project.

“Operating Term” – shall mean the thirty (30) year Term of the Agreement, as described in Article II.

“Operator” – shall mean OVG Facilities, a _____, the entity retained by Manager to conduct the day-to-day operations at the Project.

“Owner” - shall mean Legacy Cares, Inc., an Arizona not for profit corporation.

“Owner Expenses” – shall mean fixed expenses (e.g., debt service, Ground Lease payments, capital costs, amounts due pursuant to Major Agreements, etc.) that Owner requests Manager to ensure are paid on behalf of Owner from the Deposit Account.

“Owner’s Expense Notice” – shall mean Owner’s written request and direction (including copies of any material agreements) for Manager to pay Owner Expenses.

“Performance Quality Standard” – shall mean the standards according to which the Project is to be operated, maintained, managed, furnished, and equipped that is at a level of service, quality, and performance consistent with premier sports and entertainment complexes of comparable size, age, and design that are located within comparable markets in the United States and subject to the provisions of this Agreement and applicable law.

“Pre-Opening Activities” – shall mean the certain pre-opening activities that Manager shall commence to perform on the Commencement Date, as more fully described in Section 3.1(B).

“Pre-Opening Expense Budget” – shall mean a budget of costs and expenses to be incurred in connection with the Pre-Opening Activities, as more fully described in Section 3.1(A).

“Pre-Opening Fees” – shall mean the fees Owner shall pay to Manager in consideration for the Pre-Opening Activities provided to the Owner by Manager, pursuant to Section 3.1(D).

“Prime Rate” – shall mean the “prime rate” as published in the “Money Rates” section of *The Wall Street Journal*; however, if such rate is, at any time during the term of this Agreement, no longer so published, the term “Prime Rate” shall mean the average of the prime interest rates which are announced, from time to time, by the three (3) largest banks (by assets) headquartered in the United States which publish a “prime rate.”

“Project” – shall mean as defined in the Recitals to this Agreement.

“Project Bonds” – shall mean the Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax Exempt Series 2020A Bonds and Taxable Series 2020B Bonds being utilized to provide funding for the Project as described in the Major Agreements.

“Project Employees” - shall mean those individuals working at the Project under the control and direction of Manager, but excluding employees of Operator and independent contractors.

“Property Taxes” – shall mean real estate taxes, assessments, personal property taxes and any other ad valorem taxes imposed on or levied in connection with the Property, the Installations and the FF&E.

“Subleases” – shall mean the leases, licenses and concession agreements for stores, bank kiosks, restaurants, office space and lobby space at the Project.

“Tax Contest” – shall mean contesting the validity or amount of any Property Tax.

“Tax Requirements” – shall mean applicable requirements of Section 141 of the Internal Revenue Code, as amended, and U.S. Internal Revenue Service Revenue Procedure 2017-13, 2017-6 I.R.B. 787, as modified from time to time.

“Termination Fee” – shall mean a termination fee paid by Owner to Manager.

“Termination Reserve” – shall mean a reserve/escrow established, if this Agreement is terminated for any reason, from Total Revenues (or if not available, funded by Owner immediately prior to termination of this Agreement).

“Total Revenues” – shall mean:

A. All income, revenue and proceeds resulting from the operation of the Project and all of its facilities (net of refunds). Subject to subsection (B) below, Total Revenues shall include, without limitation, all amounts derived from:

- (i) The rentals from use of Project facilities and team entry fees from tournaments;
- (ii) The sale of food and beverage whether sold in a bar, lounge or restaurant, or any other location within the Project;
- (iii) Charges for admittance to the Project and fees for the use of any parking facilities, recreational facilities or any entertainment events at the Project;
- (iv) Rentals paid under Subleases;
- (v) Sponsorship fees;
- (vi) The gross revenue amount on which the proceeds of business interruption or similar insurance are determined, with respect to any period for which such proceeds are received;
- (vii) Ticket sales generated from special events;
- (viii) Hotel tax rebates;
- (ix) Amounts received from any governmental authority as tax rebates or otherwise except for proceeds from condemnation;

- (iix) Fifty percent (50%) of all amounts received pursuant to the Master Agreement between Manager and Traveling Teams, Inc. which shall be deposited monthly by Manager into the Deposit Account.

B. Total Revenues shall not include:

- (i) Sales or use taxes or similar governmental impositions collected by Owner, Manager or Operator;
- (ii) Proceeds of insurance except business interruption insurance;
- (iii) Proceeds of the sale or condemnation of the Project, any interest therein or any other asset of Owner not sold in the ordinary course of business, or the proceeds of any loans or financings; and
- (iv) Fifty percent (50%) of all amounts received pursuant to the Master Agreement between Manager and Traveling Teams, Inc. which shall be utilized by Manager as security for a working capital facility.

“Trustee” - shall mean UMB Bank, NA.

All capitalized terms used in this Agreement and not defined herein shall have the meanings ascribed to them in the Major Agreements.

ARTICLE I

THE PROJECT

1.1. The Project, known as the Legacy Sports Park, will be constructed on approximately 320 acres in Mesa, Arizona on South Ellsworth Road between Williams Field Road and Pecos Road. The project site is situated within the former General Motors Proving Grounds located adjacent to the Phoenix-Mesa Gateway Airport. Construction on the next phase of the new State Route 24 roadway to be located on the north side of the property is currently scheduled to begin in 2020. The new portion of the freeway will have off ramps at Ellsworth Road and Williams Field Road, each of which borders the sports park site.

The Project consists of outdoor and indoor team athletic facilities and entertainment sports venues. The outdoor facilities will include a multi-field soccer complex consisting of twenty-five soccer fields, a soccer stadium-type expanded field with a seating capacity of 10,000, an auxiliary turf field with a seating capacity of 5,000, 8 softball/youth baseball fields with an expanded stadium field, 20 sand volleyball/sand soccer courts with a stadium court, a 40-court pickleball complex with a stadium court, a complete Track & Field Center and Obstacle Course Racing Center with zip lines, and an 8-lane batting cage training center using latest technologies and virtual pitching simulations. With its multiple playing fields for each venue, the sports park will serve as a regional hub for team training and competition at various levels of expertise and proficiency.

The main fieldhouse includes large indoor facilities for multiple basketball and volleyball courts, FUTSAL and other team sport gymnasiums, cheer/dance/gymnastics competition centers, a dedicated fixed-seat indoor arena with seating capacity of 6,000, an eSports videogaming competition center, and restaurants, retail shops and other amenities necessary for a complete fieldhouse multi-sport destination center.

ARTICLE II

OPERATING TERM

2.1. This Agreement is effective on the Commencement Date and shall have a Term of thirty (30) years to commence on the Opening Date and to expire on the thirtieth (30th) anniversary of the Opening Date, unless sooner terminated in accordance with the provisions of this Agreement.

ARTICLE III

APPOINTMENT AND ENGAGEMENT OF MANAGER AND DEVELOPMENT FEE

- 3.1. A. Within thirty (30) days after the Commencement Date, Manager shall deliver to Owner the Pre-Opening Expense Budget of costs and expenses to be incurred in connection with the Pre-Opening Activities to be performed by Manager. Owner shall have ten (10) days from its receipt of the Pre-Opening Expense Budget to review and comment on the Pre-Opening Expense Budget. Within five (5) days from the expiration of Owner's ten (10) day review and comment period, Owner and Manager shall act in good faith to mutually agree upon a draw/payment schedule to pay for any of the costs and expenses incurred by Manager in connection with the Pre-Opening Activities. Any failure by Owner to fund the amounts under the Pre-Opening Expense Budget in accordance with the agreed-upon schedule shall be considered a default under Section 15.1(A) of this Agreement.
- B. Subject to the Pre-Opening Expense Budget and Owner providing the necessary funds pursuant to Section 3.1(A), Manager shall commence to perform the Pre-Opening Activities upon notice from Owner of the availability of the funds necessary to pay the costs and expenses incurred in connection with the Pre-Opening Activities and prepare to open for business by the anticipated Opening Date in January 2022. The Pre-Opening Activities shall include without limitation those services set forth in Schedule A attached hereto.
- C. Everything done by Manager in the performance of the Pre-Opening Activities and all expenses incurred by Manager shall be for, and on account of, Owner. Neither Manager nor any of its affiliates shall be obligated to advance any of its or their own funds, and Owner shall reimburse Manager for all of the costs and expenses incurred by Manager in connection with the Manager's performance of the Pre-Opening Activities, including but not limited to, salary, employee benefits, insurance (including workers' compensation), travel, marketing and other out-of-

pocket expenses incurred by Manager in connection with the Pre-Opening Activities, as set forth in the Pre-Opening Expense Budget.

- D. In consideration for the Pre-Opening Activities provided to the Owner by Manager, Owner shall pay to Manager Pre-Opening Fees in the amount of Two Thousand Five Hundred Dollars (\$2,500.00) per month for the period beginning on the date of this Agreement and ending July 31, 2021 or six (6) months prior to the Opening Date whichever is earlier and then Seven Thousand Five Hundred Dollars (\$7,500.00) per month ending on the Opening Date. Pre-Opening Fees due and owing for partial months shall be prorated accordingly.

3.2. Owner hereby engages Manager as the exclusive manager of the Project during the Operating Term and Manager hereby accepts such engagement. To the extent applicable, Manager's actions under this Agreement shall at all times be consistent with the Tax Requirements. Manager shall operate the Project for public purposes and in accordance with the mission and purpose as enunciated by Owner in its Bylaws and elsewhere.

3.3. Manager shall ensure that Operator operates the Project and all of its facilities and activities in the same manner as is customary and usual in the operation of similar sports parks and entertainment venues in the area.

3.4. Manager will be available to consult with and advise Owner, at Owner's reasonable request, concerning all policies and procedures affecting all phases of the conduct of business at the Project. Manager shall in all events consult with Owner before implementing any material changes in policies and procedures relating to the Project. Owner shall consult directly with the Chief Executive Officer or such other corporate employee of Manager as the parties may agree, and shall not contact any Project Employee, regarding the operations of the Project.

3.5. Subject to the terms of this Agreement, the ultimate decision-making powers of the Owner, and the applicable Budgets, Manager shall have control and discretion in all aspects of the operation, direction, management and supervision of the Project. During the Operating Term, Manager, as agent and for the account of Owner, shall in accordance with the Budgets and the other applicable provisions of this Agreement, and only to the extent Owner has provided sufficient funds therefor, either through Project operations or directly from Owner, provide without limitation those services as set forth on Schedule B attached hereto.

3.6. Notwithstanding any other provision of this Agreement to the contrary, Manager's obligations with respect to any Major Agreement shall be limited to the extent (A) complete and accurate copies thereof, or summaries of the relevant provisions thereof, have been delivered to Manager sufficiently in advance to allow Manager to perform such obligations and (B) the provisions thereof and/or compliance with such provisions by Manager (i) are applicable to the day-to-day operation, maintenance and non-capital repair and replacement of the Project or any portion thereof, (ii) do not require contribution of capital, (iii) do not materially increase Manager's obligations hereunder or materially decrease Manager's other rights hereunder, (iv) do not limit or purport to limit any corporate activity or transaction with respect to Manager or its affiliates or any other activity, transfer, transaction, property or other matter involving Manager or its affiliates

other than at the site of the Project, and (v) are otherwise within the scope of Manager's duties under this Agreement. Owner acknowledges and agrees, without limiting the foregoing, that any failure of Manager or the Project to comply with the provisions of any Major Agreement arising out of (A) the condition of the Project and/or the failure of the Project to comply with the provisions of such Major Agreement, prior to Manager's assuming the day-to-day management thereof, (B) construction activities at the Project, (C) inherent limitations in the design and/or construction of, location of and/or parking at the Project, (D) instructions from Owner to operate the Project in a manner inconsistent with the Major Agreements and/or (E) Owner's failure to approve any matter requested by Manager in Manager's reasonable good faith business judgment as necessary or appropriate to achieve compliance with any Major Agreement, shall not be deemed a breach by Manager of its obligations under this Agreement.

3.7. Manager agrees that it is not entitled to and will not take any tax position that is inconsistent with its role as the manager of the Project in providing those services set forth in Schedules A and B for the benefit of Owner. Manager shall not claim any depreciation or amortization deduction, investment tax credit or deduction for any rent payment with respect to the Project.

3.8. Manager shall be paid an initial Project development fee in an amount equal to five percent (5%) of the total capital expenditures on the Project ("Development Fee"). The Development Fee shall be paid in increments as follows:

(i) Fifty percent (50%) shall be paid at the end of the first year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit; and

(ii) The remaining fifty percent (50%) shall be paid at the end of the second year in which the Project meets the debt service coverage ratio of 1.45 as calculated by a year-end audit.

ARTICLE IV

PROJECT EMPLOYEES

4.1. All Project Employees shall be employees of Manager. All compensation (including without limitation all wages, fringe benefits and severance payments) of the Project Employees shall be an Operating Expense determined through the Owner's annual approval of the Operating Budget. Owner acknowledges and agrees that Manager shall have the right to institute severance payment policies and bonus programs for the Project Employees so long as such policies are reasonable and customary in the industry. All severance payments shall be in accordance with the severance policy guidelines approved by Owner in connection with the annual Budget approval process, or otherwise approved by Owner. If this Agreement is terminated in the middle of any Fiscal Year, Owner shall pay a pro-rata portion of any Project Employee's bonus that accrued during the Operating Term.

4.2. Manager may enroll the Project Employees in retirement, health and welfare employee benefit plans. Employer contributions to such plans (including any withdrawal liability incurred upon termination of this Agreement) and reasonable administrative fees which Manager may expend in connection therewith shall be the responsibility of Owner and shall be an Operating

Expense. Owner hereby acknowledges and agrees that (A) any employee benefit plan withdrawal liability and (B) compliance with the provisions of the WARN Act upon any disposition of the Project, upon any termination of this Agreement or upon the occurrence of any other event giving rise to the application of the WARN Act are the responsibility and obligation of Owner, and Owner shall (i) cause the succeeding employer to hire a sufficient number of employees at the Project to avoid the occurrence of a “closing” under the WARN Act or (ii) provide Manager with sufficient notice of termination to allow Manager to comply with the WARN Act and avoid any liability thereunder, and Owner hereby agrees to indemnify, defend and hold Manager harmless in connection with any employee benefit plan withdrawal liability or any breach or claimed breach of the WARN Act in connection with any such disposition, termination or other occurrence.

ARTICLE V

AGENCY; PROVISION OF FUNDS

5.1. In the performance of its duties as Manager of the Project, Manager shall act solely as agent of, and for the account of, Owner. Nothing in this Agreement shall constitute or be construed to be or create a partnership or joint venture between Owner and Manager. Except as otherwise provided in this Agreement, (A) all debts and liabilities to third persons incurred by Manager in the course of its management of the Project in accordance with the provisions of this Agreement shall be the debts and liabilities of Owner only and (B) Manager shall not be liable for any such obligations by reason of its management, supervision, direction and operation of the Project as agent for Owner. Manager may so inform third parties with whom it deals on behalf of Owner and may take any other reasonable steps to carry out the intent of this paragraph.

5.2. Manager shall in no event be required (A) to advance any of its funds (whether by waiver or deferral of its management fees or otherwise) for the operation of the Project or (B) to incur any liability unless Owner shall have furnished Manager with funds necessary for the discharge thereof prior to incurring such liability. Manager shall not be deemed to be in default of its obligations under this Agreement to the extent it is unable to perform any obligation due to the lack of available funds from the operation of the Project or as otherwise provided by Owner.

ARTICLE VI

WORKING CAPITAL AND BANK ACCOUNTS

6.1. Commencing immediately prior to the Opening Date, Owner will provide Manager with Minimum Working Capital for the Initial Period of Operation. Owner shall at all times provide, either from Total Revenues or from other funds of Owner, sufficient funds as determined in the good faith business judgment of Manager to constitute normal working capital for the uninterrupted and efficient operation of those portions of the Project that are open for business (but which, in no event, shall be an amount less than the Minimum Working Capital), including without limitation funds sufficient to operate, maintain and equip the Project in accordance with all Major Agreements and to maintain the Project in a first-class physical condition in accordance with the Performance Quality Standard. In addition to the Minimum Working Capital described above, at least thirty (30) days prior to the Opening Date, Owner will provide Manager with additional initial

working capital throughout the Initial Period of Operation in order to provide sufficient operating funds during the start-up period. To the extent Manager deems in its sole discretion that the additional initial working capital set forth above is not necessary to cover future negative cash flows, Manager shall return such excess initial working capital to Owner.

Upon Manager's notice to Owner that additional funds are required to pay payroll expenses and other necessary Operating Expenses, Owner shall within three (3) days provide the funds necessary to pay such Operating Expenses. Any failure to provide such funding shall constitute a breach under Section 15.1(A) of this Agreement. Manager may, but shall not be required to, fund such expenses, and in such event, Manager may, in addition to all other rights, repay itself as soon as any funds are available.

6.2. All funds received by Manager and Operator in the operation of the Project, including working capital furnished by Owner, shall be deposited in the Deposit Account.

- A. While Project Bonds are outstanding, all payments relating to Operating Expenses, Fixed Charges and Owner Expenses shall be paid from the Deposit Account by the Trustee in accordance with the Deposit Account Control Agreement and the Indenture.
- B. When Project Bonds are no longer outstanding, and to the extent funds are currently available in the Deposit Account, Manager shall pay all Operating Expenses and Fixed Charges on behalf of Owner from the Deposit Account. Upon Owner's written request and direction, Manager shall pay on behalf of Owner from the Deposit Account (but only to the extent that such funds are available in the Deposit Account following the payment of all Operating Expenses and Fixed Charges), such other Owner Expenses as may be requested by Owner; including but not limited to those amounts to be paid by Owner in accordance with the terms of the Major Agreements; provided, however, Manager will not be required to pay such Owner Expenses until Manager receives Owner's Expense Notice. Owner agrees to provide Owner's Expense Notice at least thirty (30) days prior to the date on which the first payment by Manager is due, and such Owner's Expense Notice shall only be revocable upon thirty (30) days prior written notice from Owner. Manager's payment of any Owner Expense shall be subject to a supplemental accounting fee as may be mutually agreed to by Owner and Manager.

6.3. While Project Bonds are outstanding, the Deposit Account shall be in the name of the Manager and governed solely by the Deposit Account Control Agreement. After Project Bonds are no longer outstanding and the Deposit Account Control Agreement has been terminated, the Deposit Account shall be in the name of Manager as agent for Owner and shall be under the control of Manager. Checks or other documents of withdrawal shall be signed only by representatives of Manager, provided that such representatives shall be bonded or otherwise insured in a manner reasonably satisfactory to Owner. The premiums for bonding or other insurance shall be an Operating Expense.

ARTICLE VII

BOOKS, RECORDS AND STATEMENTS; BUDGETS

7.1. Manager shall keep full and accurate books of account and other records reflecting the results of the operation of the Project in accordance with GAAP, and any other such provisions as may be required in accordance and in compliance with the Major Agreements. Except for the books and records which may be kept in Manager's home office or other suitable location pursuant to the adoption of a central billing system or other centralized service, the books of account and all other records relating to or reflecting the operation of the Project shall be kept at the Project and, excluding employment records (other than employment contracts), shall be available to Owner and its representatives at all reasonable times for examination, audit, inspection and transcription. All of such books and records shall be the property of Owner. Upon any termination of this Agreement, physical possession of all of such books and records shall remain at the Project site with Manager retaining a complete copy of such books and records in accordance with Manager's record retention policy. Owner and Manager shall mutually determine the inventory of books and records for retention; provided, however, copies of all sales tax returns and supporting documents relating to all tax reporting periods for the Project covered by the Operating Term shall be retained.

7.2. Manager shall deliver to Owner in electronic format within fifteen (15) days after the end of each month, the Monthly Reports. The Monthly Reports shall be prepared in accordance with GAAP unless otherwise set forth in this Agreement. The Monthly Reports shall be in a format reasonably acceptable to Owner and shall break out revenue and expenses for all components of the Project managed by Manager.

7.3. Manager shall provide reasonable assistance to an accounting firm selected by Owner in order to permit such accounting firm to deliver to Owner annual audited financial statements of Owner for the immediately preceding Fiscal Year.

7.4. On or before each November 1st during the Operating Term, Manager shall submit the Budgets for the next Fiscal Year to Owner. The Budgets shall be prepared in accordance with Manager's standard financial reporting and budgeting practices. Owner shall notify Manager in writing of its approval or disapproval of the Budgets not later than thirty (30) days after the delivery of the Budgets to Owner and, if Owner disapproves any such Budget, Owner shall state in such notice the reasons therefor with reasonable particularity in which case Owner and Manager shall meet and confer until acceptable Budgets are ultimately approved by Owner. Notwithstanding anything to the contrary contained in this Agreement, Manager is not warranting or guaranteeing in any respect that the actual operating results of the Project during the period covered by the Budgets will not materially vary from the Budgets. The Budgets are an estimate only and unforeseen circumstances, including but not limited to, cost of labor, material, services and supplies, casualty, law, economic or market conditions may make adherence to the Budgets impracticable.

7.5. Upon approval of the Budgets by Owner, Manager shall use diligent and commercially reasonable efforts to ensure it manages, and the Operator operates, the Project substantially in accordance with the Budgets. Manager shall not, without Owner's prior approval:

- A. Incur any expense for any line-item in the Operating Budget which causes the aggregate expenditures for such line-item to exceed the budgeted amount by the greater of (i) 10% or (ii) \$5,000 for the applicable fiscal period set forth in the Operating Budget, provided that Manager may at Owner's cost and expense, without Owner's approval pay any, (x) Necessary Expenses, (y) Emergency Expenses, and/or (z) Opportunity Expenses; or
- B. Incur any expense for any line-item in the Capital Budget which causes the aggregate expenditures for such line-item to exceed the budgeted amount by the greater of (i) 10% or (ii) \$5,000, provided that Manager may, without Owner's approval, pay any Emergency Expenses which are capital in nature.

7.6. In spite of good faith negotiations between Owner and Manager, if the Budgets (or any component of the Budgets) with respect to any Fiscal Year are disapproved by Owner as provided in Section 7.4 then, until the resolution of such dispute Manager shall cause the Project to be operated substantially in accordance with most recent approved Budgets, except for, or as modified by, (A) those components of such Budgets for the applicable Fiscal Year approved by Owner, (B) an adjustment to the disputed Budgets so as to increase (but not decrease) disputed expense items by the same percentage as any percentage increase in the CPI, from the CPI in effect on the first day of the first month of the Fiscal Year applicable to such last approved Budget to the CPI in effect on the first day of the first month of the Fiscal Year applicable to the disputed Budgets (C) Necessary Expenses which shall be paid as required, and (D) Emergency Expenses which shall be paid as required.

ARTICLE VIII

MANAGEMENT FEES AND PAYMENTS TO MANAGER AND OWNER

8.1. Owner shall pay to Manager, on a monthly basis, a Basic Fee equal to seven percent (7%) of Total Revenues for services rendered under this Agreement during the Operating Term, including any partial month at the beginning or at the end of the Operating Term.

8.2. In addition to the Basic Fee, Owner shall pay to Manager, on a monthly basis, an Accounting Fee equal to Five Thousand Dollars (\$5,000) per month, or a pro-rata percentage for any partial month, during the Operating Term and for three (3) months after the termination of this Agreement for its accounting services, plus any additional fee associated with Manager's payment of Owner Expenses. The Accounting Fee shall be increased annually on the first day of each succeeding Fiscal Year by two (2) percent.

8.3. In addition to the Basic Fee and the Accounting Fee, Owner shall pay to Manager an Incentive Fee for each Fiscal Year (or any partial Fiscal Year at the beginning or at the end of the

Operating Term) equal to five percent (5%) of Gross Operating Profit earned in the applicable Fiscal Year based upon performance in accordance with the Performance Quality Standard. While Project Bonds are outstanding, the payment of the Incentive Fee shall be subordinate and inferior to payment of Owner's debt service as set forth in the Indenture and the Loan Agreement; provided, however, notwithstanding anything to the contrary contained in Section 8.4, so long as the Project Bonds are outstanding, if funds are insufficient to pay the Incentive Fee of this Agreement, such amount shall accrue bearing interest at six percent (6%) and remain due and payable until sufficient cash flow is available for such payment, and the obligation to pay any such accrued amounts shall remain an obligation of Owner. After the Project Bonds are no longer outstanding, any Incentive Fee shall be paid in accordance with Section 8.4.

8.4. In each month during the Operating Term, the Owner shall pay Manager as follows:

- A. While the Project Bonds are outstanding, out of funds available to the Trustee in the Expense Fund within the Deposit Account, according to the priority set forth in Section 3.18 of the Indenture, the following payments for the preceding month: (i) the Basic Fee, (ii) the Accounting Fee, and (iii) any Operating Expense reimbursements due to Manager (only if the Operating Expense is a direct and actual expense of the Manager paid to an unrelated third party). The Manager shall only request reimbursement of an Operating Expense if it was actually paid by Manager to an unrelated third party. For this purpose, an "unrelated third party" means any party which does not have more than 50% common ownership with the Manager. Subject to Section 8.3 above, at the end of each fiscal year, Manager shall be paid out of the Surplus Fund of the Deposit Account any annual Incentive Fee due Manager. Such payment shall be due and made upon delivery of the income and expense statement for the month that includes the fiscal year-end.
- B. After Project Bonds are no longer outstanding, out of funds available within the Deposit Account the following payments for the preceding month: (i) the Basic Fee, (ii) the Accounting Fee, and (iii) any expense reimbursements due to Manager, as determined from the monthly income and expense statement. At the end of each Fiscal Year, Manager shall be paid out of the Deposit Account any annual Incentive Fee due Manager. Subject to Section 8.3 above, such payment shall be due and made upon delivery of the income and expense statement for the month that includes the fiscal year-end and shall be deducted by Manager out of the Deposit Account.

8.5. While Project Bonds are outstanding, payments to Owner for carrying out its mission shall be governed by the Indenture. After Project Bonds are no longer outstanding, on or before the twentieth (20th) day following the last day of each calendar quarter (or such other fiscal period as Owner and Manager may determine) of each Fiscal Year during the Operating Term, after (A) payment of Operating Expenses, Fixed Charges and, to the extent the same are to be paid by Manager under this Agreement, Owner Expenses, which include all amounts to be paid in accordance with the Major Agreements, (B) payment of installments on account of the Incentive Fee, (C) deposits to any Reserve Account in accordance with the Budgets, (D) any required payment to Manager pursuant to Section 8.6 below and (E) retention of working capital sufficient

in the reasonable opinion of Manager to ensure the uninterrupted and efficient operation of the Project, all remaining funds in the Deposit Account shall be paid to Owner for advancing, fulfilling, promoting, exercising and carrying out Owner's mission and purpose described in the Bylaws.

8.6. At the end of each Fiscal Year and following receipt by Owner of the annual audit set forth in Section 7.3, an adjustment will be made, if necessary, based on the audit so that Manager shall have received the accurate Basic Fee and Incentive Fee for such Fiscal Year. Within thirty (30) days of receipt by Owner and Manager of such audit, Manager shall either (A) place in the Deposit Account or remit to Owner, as appropriate, any excess amounts Manager may have received for such fees during such calendar year or (B) be paid out of the Deposit Account or by Owner, as appropriate, any deficiency in the amounts due Manager for the Basic Fee and the Incentive Fee. If such annual audit does not reveal that adjustment should be made to the calculation of the fees payable to Manager, the calculation of the fees shall be deemed final unless Owner objects to such calculation within one (1) calendar year after the end of the applicable Fiscal Year.

8.7. Owner shall be liable for and shall pay Manager for any applicable sales, use, excise consumption or similar taxes that are payable to any taxing jurisdiction with respect to any fees, reimbursements or other amounts due to Manager under this Agreement to ensure that the net amount of such fees, reimbursements or other amounts received by Manager shall be equal to the full amount that Manager would have otherwise received if no such taxes applied to such amounts. This Section 8.7 does not apply to federal or state income taxes payable by Manager as a result of its gross or net income relating to any fees collected under this Agreement.

ARTICLE IX

RESERVE ACCOUNTS

9.1. During each Fiscal Year there shall be allocated and paid on a monthly basis into the Repair and Replacement Fund (from Total Revenues or other funds provided by Owner) an amount in accordance with a schedule agreed upon by Owner and Manager; provided, however, while Project Bonds are outstanding, such amounts and schedule shall be in accordance with the Major Agreements.

9.2. During each Fiscal Year while Project Bonds are outstanding there shall be paid (from Total Revenues or other funds provided by Owner) into various reserve accounts designated in the Major Agreements, in accordance with the payment schedule, those amounts as required pursuant to and in accordance with the Major Agreements. When Project Bonds are no longer outstanding, designation of reserve accounts and the timing and amounts of deposits thereto shall be as agreed upon in the Budgets.

ARTICLE X

INSURANCE

10.1. The following insurance with respect to the Project, to the extent such insurance is commercially available, shall be obtained by Manager at the direction and subject to the review of Owner, and maintained throughout the Operating Term at Owner's sole cost and expense provided, however, Owner may elect, at the beginning of the Operating Term or no more than once per year during the Operating Term, so long as such election is at least sixty (60) days prior to any then-current policy renewal, to provide such insurance upon written notice to Manager and delivery of certificates of insurance acceptable to Manager:

- A. insurance covering the buildings and improvements against such risks as are customarily covered by such insurance (including, without limitation, boiler and machinery insurance, but excluding damage resulting from earthquake, war, terrorism and nuclear energy), in aggregate amounts which shall be not less than the full replacement cost of the buildings and improvements;
- B. commercial general liability insurance with a combined single limit of not less than \$1,000,000 for each occurrence and \$2,000,000 per location aggregate including the following coverages: (i) bodily injury including sickness and disease, (ii) death, (iii) property damage, (iv) assault and battery, (v) mental anguish as a result of bodily injury, (vi) sexual assault, (vii) personal and advertising injury including false arrest, false imprisonment, unlawful detention, malicious prosecution, libel, slander or violation of the right of privacy, (viii) wrongful entry or eviction, (ix) liquor liability and host liquor liability if the sale or service of alcohol is provided by a third party, (x) contractual liability, (xi) independent contractors, (xii) premises and operation, (xiii) products and completed operations, and (xiv) pollution coverage for liability arising out of heat, smoke or fumes from a hostile fire vapor or soot produced by or originating from equipment that it utilized by HVAC equipment;
- C. umbrella excess liability insurance with a \$10,000,000 per occurrence and per location limit applying on an excess and follow form basis over the commercial general liability and auto liability insurance coverages;
- D. business interruption insurance covering loss of income for a minimum period of twelve (12) months resulting from interruption of business resulting from physical damage caused by the occurrence of any of the risks affecting the Project;
- E. rental replacement bonds or insurance in an amount equal to the Ground Lease rental amount for a period of thirty-six (36) months unless such rental reserves have been allocated by Owner from amounts available to Owner in the Surplus Fund;
- F. business automobile liability insurance with limits of \$1,000,000 insuring against damage due to bodily injury, death of any person or property damage arising out of

the ownership, maintenance or use of any motor vehicles, whether owned, non-owned, hired or leased, in connection with Project operations and garage-keeper's liability if the Manager provides parking services for guest vehicles;

- G. lender's title insurance policy in an amount not less than the outstanding principal amount of the Series 2020 Bonds;
- H. builder's risk insurance to cover losses incurred during construction of the Series 2020 Project; and
- I. Such other or additional insurance as may be (i) required under the provisions of any applicable Major Agreements or Ground Lease (provided Manager has been given detailed written notice of such requirements) or (ii) requested by Owner in writing and customarily carried by prudent operators of similar service level sports and entertainment parks.

10.2. Manager shall obtain the worker's compensation insurance in an amount not less than the amount required by applicable Arizona law with respect to the Project Employees and shall maintain such insurance during the Operating Term of this Agreement at Owner's sole cost and expense.

10.3. All insurance policies pursuant to Section 10.1 herein shall name Owner as the insured party and shall name as additional insureds, including the necessary endorsements therefor, Manager and such other parties as may be required by the terms of the Major Agreements and Ground Lease as appropriate. Manager understands that coverage afforded as an additional insured is solely for liability arising out of Manager's activities performed by Manager by or on behalf of Owner and that it may be necessary for Manager to purchase separate policies to cover Manager activities not performed by or on behalf of Owner.

10.4. All insurance policies shall be in such form and with such companies having an A.M. Best's Rating of A- or better and provided Owner has given Manager detailed written notice of such requirements, shall comply with the requirements of any Major Agreement or Ground Lease.

10.5. All insurance policies shall specify that they cannot be canceled or materially modified on less than thirty (30) days prior written notice to both Owner and Manager and any additional insureds (or such longer period as may be required under a Major Agreement and Ground Lease, provided that Manager has been advised in writing of such period) and shall provide that claims shall be paid notwithstanding any act or negligence of Owner, or Manager unilaterally or on behalf of Owner, including without limitation their respective agents or employees.

10.6. All insurance policies shall provide, to the extent customarily obtainable from the insurance company providing such insurance, that the insurance company will have no right of subrogation against Owner, Manager any party to a Major Agreement or any of their respective agents, employees, partners, members, officers, directors or beneficial owners.

10.7. Owner and Manager hereby release one another from any and all liability, to the extent of the waivers of subrogation obtained under Section 10.6, associated with any damage, loss or liability with respect to which property insurance coverage is provided pursuant to this Article or otherwise.

10.8. The proceeds of any insurance claim (other than proceeds payable to third parties under the terms of the applicable policy) shall be paid into the Deposit Account to the extent of Owner's interest therein unless otherwise required by the terms of a Major Agreement.

10.9. Manager shall have the right to pay for, or reimburse itself for, insurance premiums required under this Article X out of the Deposit Account, subject to the limitations of the Major Agreements. Notwithstanding anything to the contrary set forth in this Agreement, Manager shall have no obligation to obtain or maintain any insurance set forth in this Article if funds from Total Revenues or funds otherwise provided by Owner are not made available to Manager to purchase the same.

ARTICLE XI

PROPERTY TAXES

11.1. While Project Bonds are outstanding, Manager shall, on behalf of Owner, prepare such requisition certificates (pursuant to Section 3.17 of the Indenture) as necessary to ensure that all Property Taxes are paid on behalf of the Owner as and when due. After Project Bonds are no longer outstanding, and provided that funds from Total Revenues or funds otherwise provided by Owner are available, and provided that Manager has received written notice thereof sufficiently in advance to make such payments, Manager shall pay all Property Taxes on behalf of Owner not less than ten (10) days prior to the applicable due dates. Upon Owner's request, Manager shall promptly furnish Owner with proof of payment of Property Taxes.

11.2. Owner may initiate a Tax Contest, and Manager agrees to cooperate with Owner in a Tax Contest and execute any documents or pleadings required for such purpose, provided that the facts set forth in such documents or pleadings are accurate and that such cooperation or execution does not impose any liability on Manager. All costs and expenses incurred by Owner and Manager in connection with a Tax Contest shall be Fixed Charges.

ARTICLE XII

REPAIRS AND MAINTENANCE

12.1. If Owner directly performs or contracts for repair, maintenance, refurbishing, construction or renovations at the Project, Owner must coordinate, and require its contractors and subcontractors to coordinate, with Manager including, but not limited to, causing any Owner employees, contractors or subcontractors to comply with safety and security rules of the Project and communicate on a regular basis the activities being performed at the Project to ensure the health, safety and efficient operation of the Project and its guests and employees. Owner must comply with all laws, obtain all necessary permits and shall provide Manager copies of any permits prior to commencement of any such activities.

ARTICLE XIII

OWNER COVENANTS AND REPRESENTATIONS

13.1. Owner represents, warrants and covenants that it will hold prior to Opening Date a valid leasehold interest in the property described in the Ground Lease free of any and all liens, encumbrances or other charges except for easements or encumbrances that do not adversely affect the operation of the Project, mortgages or liens for taxes, assessment levies or other public charges not yet due or payable.

13.2. Owner covenants and represents that, at a minimum, it has conducted an Environmental Phase I survey meeting all of the “safe harbor” requirements under the federal Comprehensive Environmental Response, Compensation and Liability Act at the time Owner executed the Ground Lease and that there are no Hazardous Materials on any portion of the Project and that no Hazardous Materials have been released or discharged on the Project. Owner agrees that it has provided Manager with all information and reports regarding the environmental condition of the Project and any hazards that are contained in or around the Project, including, but not limited to, any Environmental Phase I reports that may have been performed. Owner shall update Manager immediately upon any change of this information or status. In the event of the discovery of any Hazardous Materials on any portion of the Project or its surrounding site, Owner shall promptly cause to be removed through Landlord such Hazardous Materials and shall remedy the problem in accordance with all laws, rules and regulations of any governmental authority. Owner shall indemnify, defend and hold Manager harmless from and against all losses, expenses and liabilities (including but not limited to any professional fees incurred by Manager to assess the situation or obtain advice on how to proceed, provided Owner has previously consented to such work as necessary in accordance with the terms of this Agreement) in the event of a violation of this section or Owner’s failure to act promptly in accordance with this Section.

13.3. Owner represents, warrants and covenants that neither it, nor any of its affiliates (or any of their respective principals, partners or funding sources), is nor will become (A) a person designated by the U.S. Department of Treasury’s Office of Foreign Asset Control as a “specially designated national or blocked person” or similar status, (B) a person described in Section 1 of U.S. Executive Order 13224 issued on September 23, 2001; (C) a person otherwise identified by a government or legal authority as a person with whom Owner or Manager is prohibited from transacting business; (D) directly or indirectly owned or controlled by the government of any country that is subject to an embargo by the United States government; or (E) a person acting on behalf of a government of any country that is subject to an embargo by the United States government. Owner agrees that it will notify Manager in writing immediately upon the occurrence of any event which would render the foregoing representations and warranties contained in this Section 13.3 incorrect.

13.4. Owner represents, warrants and covenants: (A) that it is familiar with the FCPA, and the purposes of the FCPA, and in particular, the FCPA’s prohibition of the payment or the gift of any item of value, either directly or indirectly, by a company organized under the laws of the United States of America, or any of its states, to an official of a foreign government for the purpose of influencing an act or decision in such person’s official capacity, or inducing such person to use influence with the foreign government to assist a company in obtaining or retaining business for,

with, or in that foreign country or directing business to any person or company or obtaining an improper advantage, and (B) that it has not taken, and during the Operating Term of this Agreement it will not take, any action that would constitute a violation of the FCPA or any similar law.

13.5. Owner represents, warrants and covenants that it is in full compliance with all Major Agreements, that Owner has not received any notice of breach of any of such Major Agreements and that Owner will maintain full compliance with all such Major Agreements during the Operating Term of this Agreement. Owner agrees to provide to Manager within three (3) days after receipt by Owner copies of any notice of default or breach received under any Major Agreement.

13.6. Owner represents and warrants that it will maintain its status as a 501(c)(3) nonprofit corporation and comply with the Tax Requirements during the Operating Term and for any period of time thereafter that the Project Bonds are outstanding in the event this Agreement is terminated prior to the end of the Operating Term.

13.7. Owner represents, warrants and covenants that neither it, nor any of its affiliates (or any of their respective principals, partners or funding sources) shall permit any amendment to this Agreement that would cause this Agreement to fail to meet the requirements of a “qualified management agreement” as more fully described in Section 21.8 of this Agreement.

ARTICLE XIV

DAMAGE OR DESTRUCTION; CONDEMNATION

14.1. If the Project is damaged by fire or other casualty, Manager shall promptly notify Owner. This Agreement shall remain in full force and effect subsequent to such casualty provided that either party may terminate this Agreement upon thirty days prior notice to the other party if (A) Owner shall elect to close the Project as a result of such casualty (except on a temporary basis for repairs or restoration) or (B) Owner shall determine in good faith not to proceed with the restoration of the Project.

14.2. If all or any portion of the Project becomes the subject of a condemnation proceeding or if Manager learns that any such proceeding may be commenced, Manager shall promptly notify Owner upon Manager’s receipt of written notice thereof. Either party may terminate this Agreement on thirty (30) days’ notice to the other party if (A) all or substantially all of the Project is taken through condemnation or (B) less than all or substantially all of the Project is taken, but, in the reasonable judgment of the party giving the termination notice, the Project cannot, after giving effect to any restoration as might be reasonably accomplished through available funds from the condemnation award, be profitably operated as a first-class sports park and family entertainment facility.

14.3. Any condemnation award or similar compensation shall be the property of Owner, provided that Manager shall have the right to bring a separate proceeding against the condemning authority for any damages and expenses specifically incurred by Manager as a result of such condemnation.

ARTICLE XV

EVENTS OF DEFAULT

15.1. The following shall constitute events of default:

- A. If Owner shall fail to provide funding in accordance with Section 3.1(A) or Section 6.1, and such default continues for a period of five (5) Business Days after written notice from the Manager;
- B. If either party shall be in default in the payment of any amount required to be paid under the terms of this Agreement, and such default continues for a period of ten (10) days after written notice from the other party;
- C. If either party shall be in material default of its obligations under this Agreement and the nature of the default is likely to result in a threat to the health and safety of the Project's employees or guests, then the non-defaulting party may terminate this Agreement upon written notice if such default is not immediately cured;
- D. If a specific default period is not set forth in this Section 15.1, all defaults under this Agreement shall be subject to the notice and cure provisions in this subsection 15.1(D). If either party shall be in material default in the performance of its obligations under this Agreement, and such default continues for a period of thirty (30) days after written notice from the other party; provided, that if such default cannot by its nature reasonably be cured within such thirty (30) day period, an event of default shall not occur if and so long as the defaulting party promptly commences and diligently pursues the curing of such default; provided, further, that no such cure period shall exceed ninety (90) days;
- E. If either party shall (i) make an assignment for the benefit of creditors, (ii) institute any proceeding seeking relief under any federal or state bankruptcy or insolvency laws, (iii) institute any proceeding seeking the appointment of a receiver, trustee, custodian or similar official for its business or assets or (iv) consent to the institution against it of any Involuntary Proceeding;
- F. If an Involuntary Proceeding shall be commenced against either party and shall remain undismissed for a period of sixty (60) days; or
- G. If, within thirty (30) days after receiving Manager's written request, Owner fails to approve any changes, repairs, alterations, improvements, renewals or replacements to the Project which Manager determines in its reasonable judgment are necessary to (i) protect the Project, Owner and/or Manager from unreasonable liability exposure, (ii) ensure material compliance with any applicable code requirements pertaining to life safety systems requirements or (iii) ensure material compliance with any applicable Employment Law, then, as Manager's sole remedy, Manager may (x) terminate this Agreement upon thirty (30) days' written notice to Owner

delivered at any time after the expiration of Owner's thirty (30) day approval period and (y) require Owner to pay to Manager the Termination Fee, which Termination Fee shall be due and payable upon the effective date of the termination of this Agreement.

15.2. Unless otherwise stated in Section 15.1 hereof, if any event of default shall occur, the non-defaulting party may terminate this Agreement on five (5) days prior written notice to the defaulting party.

15.3. The right of termination set forth in Section 15.2 shall not be in substitution for, but shall be in addition to, any and all rights and remedies for breach of contract available in law or at equity.

15.4. Neither party shall be deemed to be in default of its obligations under this Agreement if and to the extent that such party is unable to perform such obligation as a result of fire or other casualty, act of God, strike or other labor unrest, unavailability of materials, war, terrorist activity, riot, pandemic or other civil commotion or any other cause beyond the control of such party (which shall not include the inability of such party to meet its financial obligations).

15.5. Each of the parties hereto irrevocably waives any right such party may have against the other party hereto at law, in equity or otherwise to any consequential damages, punitive damages or exemplary damages.

ARTICLE XVI

TERMINATION OF AGREEMENT

16.1. Upon termination of this Agreement for any reason during the Operating Term of this Agreement, Manager and Owner agree to sign any documents reasonably necessary to effect such termination or change in management for the Project and Owner shall pay to Manager all Basic Fees, Accounting Fees, Incentive Fees, reimbursable expenses and other amounts due under this Agreement through the effective date of termination. In addition, if such termination is a result of (A) a default by Owner or (B) the sale of the Project (unless the purchaser retains Manager to operate the Project under terms substantially similar to those in this Agreement, as determined by Manager in its sole discretion), Owner shall pay to Manager a Termination Fee calculated as follows:

- A. If such termination occurs prior to the completion of the first full Fiscal Year of the Operating Term, the Termination Fee shall be equal to the average of the total monthly Basic Fees, Incentive Fees and Accounting Fees earned by Manager with respect to the total number of months elapsed after the Opening Date, multiplied by the number of months remaining in the initial Operating Term; and
- B. If such termination occurs at any time after completion of the first full Fiscal Year of the Operating Term, the Termination Fee shall be equal to the monthly average of the total of the Basic Fee, Incentive Fee and Accounting Fee earned by Manager, calculated over the trailing twelve (12) month period, multiplied by the number of

months remaining in the Operating Term; provided, however, if such termination relates solely to the sale of the Project, the monthly average calculated in this subsection shall be multiplied by the lesser of: (i) 24 months or (ii) the number of months remaining in the Operating Term.

16.2. Manager and Owner agree that upon termination, there may be certain adjustments to the final accounting for which information may not be available at the time of the final accounting and the parties agree to readjust such amounts and make the required cash adjustments when such information becomes available; provided, however, but subject to the provisions of Article XX hereof, all accounts shall be deemed final one (1) year after termination of the Agreement.

16.3. No later than ninety (90) days following the termination of this Agreement, but subject to Section 16.7 and the Major Agreements, Manager shall facilitate transfer to Owner all remaining amounts over which the Manager is authorized, pursuant to the Major Agreements, in the Deposit Account.

16.4. Manager shall store and make available to Owner all books and records with respect to the Project following termination of this Agreement in accordance with Section 7.1 of this Agreement.

16.5. To the extent permitted by applicable laws, Manager shall cooperate with Owner to assign any permits or licenses to Owner or the subsequent manager or owner; provided that (A) Owner shall give Manager sufficient time to effect such transfers; (B) Owner shall cooperate and require that the new manager and/or owner to cooperate, with Manager with respect to such transfers; and (C) Owner shall pay or reimburse any costs or expenses, including reasonable attorney fees, incurred by Manager in connection with these efforts.

16.6. All software and hardware, used at the Project which is owned, licensed or proprietary to Manager, Operator or their affiliated companies shall remain the exclusive property of Manager, Operator, or their affiliated companies, as applicable. Manager or Operator shall have the right to remove its software and hardware, and Owner access to any proprietary systems without compensation to Owner. Owner assumes all liability if Owner uses illegally licensed software.

16.7. If this Agreement is terminated for any reason, a Termination Reserve shall be established to (A) reimburse Manager for all costs and expenses incurred by Manager in terminating its employees at the Project (such as severance pay, unemployment compensation, employment relocation, earned and accrued vacation pay, bonus accruals, estimated tax payments and any other employee liability costs arising out of termination of employment of Manager's employees at the Project); (B) pay outstanding accounts payable for liabilities and obligations incurred during the Operating Term; and (C) make any required adjustments as described in Section 16.2 hereof. On or before the effective date of termination, Manager shall provide Owner an estimate of such costs and expenses, based on known liabilities.

ARTICLE XVII

ASSIGNMENT

17.1. Manager shall not assign or pledge this Agreement without the prior written consent of Owner; provided that, Manager may, without the consent of Owner, assign this Agreement to (A) any entity controlling, controlled by or under common control with Manager (control being deemed to mean the ownership of fifty percent (50%) or more of the stock or other beneficial interest in such entity and/or the power to direct the day-to-day operations of such entity); (B) any entity which is the successor by merger, consolidation or reorganization of Manager. Should Manager assign this Agreement under subsection (A) or (B) above, Owner agrees to attorn to the assignee. Nothing in this Agreement shall prohibit or be deemed to prohibit any pledge by Manager of the Basic Fee, Incentive Fee or any other amounts received by Manager under this Agreement to any lender as collateral security for debt of Manager and/or Manager's affiliates.

17.2. Owner shall not assign this Agreement as collateral, except for any Owner financing (in which case there is no need for Manager's consent) without the prior written consent of Manager; provided that, Owner may assign this Agreement without Manager's consent to any person or entity acquiring Owner's interest in the Project as of the effective date of such acquisition if (A) Owner provides Manager with thirty (30) days prior written notice of such assignment, and (B) such assignee agrees in writing to be bound by this Agreement and assumes in writing all of Owner's obligations under this Agreement from and after the effective date of such assignment.

17.3. Upon any permitted assignment of this Agreement and the assumption of this Agreement by the assignee, the assignor shall be relieved of any obligation or liability under this Agreement arising after the effective date of the assignment.

17.4. Provided that Owner is permitted to assign all of its right, title and interest hereunder to UMB Bank, NA, as trustee, ("UMB") or any designee thereof (the address for UMB is One East Camelback Road, Suite 350, Phoenix, Arizona 85016) in connection with the Bonds, Manager agrees to this assignment and will provide notices as may be required by Owner and UMB unless either of such parties notifies Manager in writing that it no longer requires such notices.

ARTICLE XVIII

NOTICES

18.1. Any notice, statement or demand required to be given under this Agreement shall be in writing, sent by certified mail, postage prepaid, return receipt requested, by electronic mail with a "read receipt" included, or by nationally-recognized overnight courier, receipt confirmed, addressed if to:

Owner: Legacy Cares, Inc.
1900 West Chandler Boulevard #15-315
Chandler, Arizona 85224
Attention: Douglas G. Moss
Dgmoss@legacycares.com

and

Manager: Legacy Sports USA, LLC
19550 North Grayhawk Drive #1078
Scottsdale, Arizona 85255
Attention: Chad Miller
Chadm@legacysportsusa.com

or to such other addresses as Manager and Owner shall designate in the manner provided in this Section 18.1. Any notice or other communication shall be deemed given (A) on the date three (3) business days after it shall have been mailed, if sent by certified mail, (B) on the day it was sent via electronic mail, provided the sender takes reasonable efforts to confirm with the recipient that the message was received, or (C) on the date received if it shall have been given to a nationally-recognized overnight courier service.

ARTICLE XIX

SUBORDINATION; ESTOPPELS; RECOGNITION

19.1. Manager acknowledges and agrees that its rights under this Agreement are subject and subordinate to the lien of any first mortgage or deed of trust loan, or any junior mortgage or deed of trust loan related to the Project as security for the Bonds whether now or hereafter existing; provided, however, that Manager shall not be obligated to waive or forbear from receiving, on a current basis and as and when due under this Agreement, any and all fees due to it under this Agreement prior to an event of default under any such mortgage or deed of trust. The provisions of this Section 19.1 shall be self-operative but Manager agrees to execute and deliver promptly any document or certificate containing such other terms as may be customary and reasonable confirming such subordination as Owner or the holder of any such lien may reasonably request.

19.2. If any person or entity making or holding a loan to be secured by a mortgage or deed of trust encumbering the Project shall request that Manager agree to modifications of this Agreement, Manager shall enter into an agreement setting forth such modifications provided that the same do not adversely affect the rights or obligations of Manager under this Agreement. Such modifications may include, but shall not be limited to, Manager's agreement to give simultaneous notice of, and the opportunity to cure within the applicable cure period set forth herein, any defaults on the part of Owner to such person or entity.

19.3. Owner and Manager agree that from time to time upon the request of the other party or a party to a Major Agreement, it shall execute and deliver within ten (10) days after the request a certificate confirming that this Agreement is in full force and effect, stating whether this

Agreement has been modified and supplying such other information as the requesting party may reasonably require.

ARTICLE XX

INDEMNIFICATION

20.1. To the fullest extent permitted by law, Manager hereby agrees to indemnify, defend and hold Owner (and Owner's agents, principals, shareholders, partners, members, officers, directors and employees) harmless from and against all liabilities, losses, claims, damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses) that may be incurred by or asserted against any such party and that arise from (A) the willful misconduct or gross negligence of the corporate-level employees of Manager, (B) the breach by Manager of any provision of this Agreement caused by the willful misconduct or gross negligence of the corporate-level employees of Manager, or (C) any action taken by Manager which is beyond the scope of Manager's authority under this Agreement. Owner shall promptly provide Manager with written notice of any claim or suit brought against it by a third party which might result in such indemnification. Owner shall cooperate with the Manager or its counsel in the preparation and conduct of any defense to any such claim or suit. Manager shall ensure that any agreements with the Operator or any other parties relating to the Project contain indemnification provisions obligating the Operator for the benefit of the Owner to the same extent as Manager's obligations herein.

20.2. Except as provided in Section 20.1, to the fullest extent permitted by law, Owner hereby agrees to indemnify, defend and hold Manager (and Manager's agents, principals, shareholders, partners, members, officers, directors and employees) harmless from and against all liabilities, losses, claims (including, but not limited to Employment Claims) damages, costs and expenses (including, but not limited to, reasonable attorneys' fees and expenses and any additional tax (excluding any tax that is based on net or gross income of Manager or its affiliates) and interest and penalties thereon) that may be incurred by or asserted against Manager and that arise from or in connection with (A) the performance of Manager's services under this Agreement, (B) any act or omission (whether or not willful, tortious, or negligent) of Owner, (C) any liabilities arising from a tax audit whether conducted during or after the Operating Term, or (D) or any other occurrence related to the Project and/or Manager's duties under this Agreement whether arising before, during or after the Operating Term. Manager shall promptly provide Owner with written notice of any claim or suit brought against it by a third party which might result in such indemnification. Manager shall cooperate with the Owner or its counsel in the preparation and conduct of any defense to any such claim or suit.

20.3. If any action, lawsuit or other proceeding shall be brought against any Indemnified Party hereunder arising out of or based upon any of the matters for which such party is indemnified under this Agreement, such Indemnified Party shall promptly notify the Obligor in writing (which may be in the form of email) thereof and (A) in the case of any such action, lawsuit or proceeding other than an Employment Claim, Obligor shall promptly assume the defense thereof (including, without limitation, the employment of counsel selected by Obligor) unless otherwise agreed to by the parties, and such defense shall be subject to the consent of the Indemnified Party, which consent

shall not be unreasonably withheld (provided, however, by way of illustration and not limitation, it shall be reasonable for the Indemnified Party to deny consent to any settlement that requires the Indemnified Party to admit guilt or liability) and (B) in the case of an Employment Claim, Manager shall conduct the defense subject to (x) the costs of defense being Operating Expenses as set forth in this Agreement and (y) Owner's indemnity obligations set forth in Section 20.2. The Indemnified Party shall cooperate with the Obligor in the defense of any such action, lawsuit or proceeding. The Obligor shall have the right to negotiate settlement or consent to the entry of judgment with respect to the matters indemnified hereunder; provided, however, that if any such settlement or consent judgment contemplates any action or restraint on the part of the Indemnified Party, then such settlement or consent judgment shall require the written consent of the Indemnified Party, which consent shall not be unreasonably withheld. In addition to the foregoing, the Indemnified Party shall have the right (at its own expense) to employ separate counsel in any such action and to participate in the defense thereof. An Indemnified Party may settle any action on its own behalf (i.e., with respect to its own liability and with no requirement of Obligor to admit guilt or liability) only with the prior written consent of Obligor, which consent shall not be unreasonably withheld (provided, however, by way of illustration and not limitation, it shall be reasonable for Obligor to deny consent to any settlement that requires Obligor to expend funds in an amount Obligor determines in good faith is inappropriate so long as the Indemnified Party remains adequately protected at all times). In the event that Obligor fails to use reasonable efforts to defend or compromise any action, lawsuit or other proceeding for which an Indemnified Party is indemnified hereunder or as the parties may agree, the Indemnified Party may, at Obligor's expense and without limiting Obligor's liability under the applicable indemnity, assume the defense of such action and the Obligor shall pay the charges and expenses of such attorneys and other persons on a current basis within thirty (30) days of submission of invoices or bills therefor. Notwithstanding the foregoing, Owner acknowledges and agrees that any party's mere allegation or claim of a grossly negligent act or act of willful misconduct by Manager or any officer, director, agent, or employee thereof does not trigger any obligation of Manager under Section 20.1 and that, pending the determination of any question as to whether either party is entitled to indemnification under Sections 20.1 or 20.2, Manager shall be entitled to charge as Operating Expenses (and pay from the Deposit Account) all expenses of defending or otherwise handling any claim or litigation under this Agreement.

20.4. The provisions of this Article shall survive the termination of this Agreement with respect to acts, omissions and occurrences arising during the Operating Term.

ARTICLE XXI

MISCELLANEOUS

21.1. Owner and Manager shall execute and deliver all other appropriate supplemental agreements and other instruments, and take any other action necessary to make this Agreement fully and legally effective, binding, and enforceable as between them and as against third parties; provided, however, that neither party shall be required to execute any other document or instrument or perform any other action that would materially increase its liability or decrease its rights under this Agreement.

21.2. This Agreement constitutes the entire agreement between the parties relating to the subject matter hereof, superseding all prior agreements or undertakings, oral or written. Owner acknowledges that in entering into this Agreement, Owner has not relied on any projection of earnings, statements as to the possibility of future success, or other similar matter which may have been prepared by Manager.

21.3. The headings of the titles to the articles of this Agreement are inserted for convenience only and are not intended to affect the meaning of any of the provisions hereof.

21.4. A waiver of any of the terms and conditions of this Agreement may be made only in writing and shall not be deemed a waiver of such terms and conditions on any future occasion.

21.5. This Agreement shall be binding upon and inure to the benefit of Owner and Manager and their respective successors and permitted assigns.

21.6. This Agreement shall be construed, both as to its validity and as to the performance of the parties, in accordance with the laws of the State of Arizona without reference to its conflict of laws provisions. All suits relating to this Agreement shall be brought and maintained in the Superior Court of the State of Arizona, in and for Maricopa County, or the United States District Court in and for the District of Arizona.

21.7. This Agreement may be executed in any number of counterparts each of which shall, when executed, be deemed to be an original and all of which shall be deemed to be one and the same instrument. Documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement and all matters related thereto, with such scanned and electronic signatures having the same legal effect as original signatures. This Agreement, and any other document necessary for the consummation of the transaction contemplated by this Agreement, may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act ("E-Sign Act"), Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act ("UETA") and any applicable state law. Any document accepted, executed or agreed to in conformity with such laws will be binding on each party as if it were physically executed.

21.8 This Agreement is intended to constitute a "qualified management agreement" in compliance with the Tax Requirements, and shall be interpreted in accordance with such requirements.

- A. Owner and Manager have entered into this Agreement and other respective agreements with the intent that they comply with the Tax Requirements.
- B. In consideration of Owner's covenants in Section 13.7 above, Manager represents, warrants and covenants that neither it, nor any of its affiliates (or any of their respective principals, partners or funding sources) shall enter into an agreement relating to operation of the Project with Operator or any other person or entity to the extent such agreement does or would fail to meet the requirements of a

“qualified management agreement” as described in this Section. Manager shall manage and operate the Project in compliance with the Tax Requirements. Absent gross negligence and willful misconduct in the management of the Project in violation of the Tax Requirements, Manager shall have no liability, regarding the effect, if any, of this Agreement on the tax exempt status of the financing structure of the Project. Owner and Manager agree to make reasonable modifications to this Agreement as may be necessary in the reasonable opinion of Owner’s tax counsel to ensure the tax-exempt status of such financing. In no event, however, is Manager required to accept less favorable terms and conditions than those in this Agreement, including, but not limited to, any modification that will detrimentally affect the fees or reimbursements to be paid or provided to Manager under this Agreement.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Manager and Owner have duly executed this Agreement the day and year first above written.

“Owner”

LEGACY CARES, INC.

By: _____

Name: _____

Title: _____

“Manager”

LEGACY SPORTS USA, LLC

By: _____

Name: _____

Title: _____

SCHEDULE A

Pre-Opening Activities and Services

- Prepare market analysis, feasibility study, and economic analysis
- Evaluate alternative project sites/locations
- Prepare site analysis, including:
 - Environmental review and evaluation
 - Geotechnical and soils evaluation
 - Water resource availability
 - Utilities access
 - Roadway access
- Evaluate land use conditions and entitlements
- Evaluate regulatory compliance requirements
- Develop Project Master Plan, including space planning
- Develop conceptual site plan and utility plans
- Prepare project budget
- Source debt and equity financing
- Develop proforma and 10-year cash flow projections
 - Provide Program Management and oversight of pre-development, pre-construction, and construction efforts, including:
 - Communication and coordination with government entities, utility agencies, and consultants
 - Develop progress reports and project documentation
- Procure the services of a Design-Build Contractor
- Coordinate with Prime Design-Build Contractor to finalize the Guaranteed Maximum Price (GMP) contract terms
- Coordinate with Prime Design-Build Contractor to procure the services of urban planners, environmental engineers, geotechnical engineers, civil engineers, structural engineers, architects, MEP engineers, fire/life safety specialists, subcontractors and vendors
- Provide Value Engineering analysis and Risk Registry
- Provide Risk Assessment analysis
- Provide Lifecycle analysis
- Develop construction schedule
- Develop quality control / quality assurance program
- Provide Legal Services, including:
 - Contract review and compliance
 - Negotiation and develop Ground Lease Agreement
 - Negotiation and develop Loan Agreement
 - Negotiation and develop Investor Agreements
 - Ensure lease obligations are fulfilled and documented
 - Ensure loan obligations are fulfilled and documented
 - Provide periodic assessment of risks
- Develop and implement security services program, including:
 - Security assessments and implementation
 - Event security program

- Cybersecurity program
 - Incident response plans
- Develop Company policy guidelines
- Develop and implement emergency response policies and procedures
- Procure various services for park operations, including:
 - In house staffing
 - Waste management
 - Cleaning
 - Landscape maintenance
 - Playing field landscape maintenance
 - Building maintenance
 - Security
 - Event management
 - Parking
- Procure insurance coverages, such as:
 - Automobile Liability Coverage
 - Builders Risk Coverage
 - Business Interruption Coverage
 - Commercial General Liability Coverage
 - Commercial Property Insurance
 - Cyber Liability Coverage
 - Director's and Officer's Coverage
 - Employment Practices Liability Coverage
 - Equipment Breakdown Coverage
 - Event Cancellation Coverage
 - Excess Liability Coverage
 - Workers Compensation

SCHEDULE B

Property/Facilities Management and Maintenance

- Pre-opening planning and Grand Opening coordination and implementation
- Sales and marketing
 - Convention and meeting sales and services
 - Premium seating sales and service
 - Sponsorship Sales
- Evaluation, negotiation, and oversight of vendors and contracts
- Box Office management
- Event, ticketing, and booking management
- Event coordination and management
- VIP and hospitality programs management
- Service contract evaluation and management
- Food and beverage management
- Parking management
- Merchandise development and management
- Develop and implement emergency policies and procedures
- Front of House management and staffing
- Back of House management and staffing
- Security assessments and implementation
- Finance, accounting, and budget management and reporting
- Property/facilities management and staffing, including:
 - Common area landscape maintenance
 - Playing field landscape maintenance
 - Building maintenance
- Security services management, including:
 - Security assessments and implementation
 - Event security program
 - Cybersecurity program
 - Incident response plans
- Waste services management
- Cleaning services management
- Insurance and risk management services, including:
 - Updating the risk assessment and identifying potential risks that affect the organization
 - Reviewing internal business proposals and major contracts
 - Reviewing all insurance requirements
 - Procuring insurance coverages
 - Maintaining records of insurance policies and claims
- Update and manage policy guidelines
- Develop and monitor market assessments, competitive analysis, and competitor strategies
- Provide Capital Improvements planning and implementation
- Develop and manage long-term maintenance, repair, and replacement program
 - Model lifecycle analysis

- Develop cost guidelines which can be used from year to year in the budget development process
- Determine annual maintenance requirements
- Develop an assessment of when future major repairs will be needed
- Determine specific asset categories which will be funded
- Determine guidelines for the useful life of each asset
- Determine current replacement or repair costs for each asset category
- Balance income with annual cost requirements
- Review, rearrange, and upgrade costs on an annual basis
- Finance, accounting, and budget management and reporting
 - Track lender mandated reporting and covenants such as debt service ratio coverage
 - Summarize the use of funds by category
 - Operate Project in commercially reasonable manner or as to comply with requirements of the Major Agreements
 - Maintain property and asset records
 - Maintain cash flow management
 - Monitor net operating income, expense and other variances through monthly and quarterly reporting
 - Provide updates on asset performance and financial reporting for senior management, investors, and owners, as well as manage the reporting process (business plans and monthly /quarterly reports)
 - Payment of taxes and other fees
 - Determine options available for funding sources and methods for capital improvements
 - Liaise with auditors in conducting policy and compliance audits
- Legal review and compliance
 - Maintenance of Legacy Cares, Inc. 501c3 formation to ensure continued compliance
 - Ensure lease obligations are fulfilled and documented
 - Ensure loan obligations are fulfilled and documented
 - Provide periodic assessment of risks
 - Monitor compliance

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

FORM OF PRE-OPENING AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

PRE-OPENING AGREEMENT

THIS PRE-OPENING AGREEMENT (the "Agreement") is dated as of _____, 2020 ("Effective Date") by and between OVG Facilities, LLC ("OVG") and Legacy Sports USA, LLC ("Legacy").

In consideration of the mutual covenants that are contained in this Agreement, the parties hereto hereby agree as follows:

1. **SERVICES.** OVG hereby agrees to provide the pre-opening services (collectively, the "Services") and prepare certain documents (collectively, the "Deliverables") as set forth more fully on Exhibit A attached hereto and hereby incorporated by reference. The parties acknowledge that the Services and Deliverables are being provided in relation to the proposed Legacy Park multi-use amateur sports complex project ("Project") development of which is being funded through Legacy Cares, Inc. ("LCI") from the issuance of both nontaxable and taxable revenue bonds by the Arizona Industrial Development Authority (the "Bonds").

2. **TERM.** The term of this Agreement shall commence on the Effective Date, and shall expire upon the Opening Date (as defined in Exhibit A) unless earlier terminated in accordance with the terms and conditions of this Agreement. Notwithstanding the foregoing, if this Agreement expires on its own terms (on the Opening Date), Section III of Exhibit A shall survive such expiration until OVG and Legacy enter into a long-form agreement for operations of the Project (a "Operating Agreement")

3. **CONSIDERATION.** As full and complete consideration for all of the Services and Deliverables to be provided by OVG hereunder, Legacy shall pay to OVG the fees (the "Fees") as set forth on Exhibit A attached hereto.

4. **LEGAL REQUIREMENTS; REPRESENTATION AND WARRANTIES.** Each party represents and warrants to the other party that (i) it has the requisite power and authority to execute, deliver and perform this Agreement and (ii) this Agreement constitutes the legal, valid and binding obligation of such party, enforceable against such party in accordance with its terms, and the execution, delivery and performance of this Agreement by such party does not and will not conflict with, violate or cause a breach of any agreement, contract or instrument to which such party is a party or any judgment, order or decree to which such party is subject.

5. **INDEMNIFICATION.**

5.1 Legacy agrees to indemnify, defend and save and hold harmless OVG and each of its affiliates or related entities, and its owners, shareholders, members, partners, officers, directors, employees, representatives, tenants, agents, contractors and volunteers (sometimes collectively referred to herein as the "OVG Indemnitees" and individually as a "OVG Indemnitee"), from and against any and all damages, claims, losses, demands, costs, expenses (including attorneys, fees and costs), obligations, liens, liabilities, actions and causes of action, threatened or actual, which any one of the OVG Indemnitees may suffer or incur arising directly or indirectly out of or in connection with (i) the negligence or willful misconduct of Legacy, except to the extent caused by the negligence or willful misconduct of OVG and (ii) Legacy's breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

5.2 OVG agrees to indemnify, defend and save and hold harmless Legacy and each of its affiliates or related entities, and its elected officials, officers, directors, employees, representatives, tenants, agents, contractors and volunteers (sometimes collectively referred to herein as the "Legacy Indemnitees" and individually as a "Legacy Indemnitee"), from and against any and all damages, claims, losses, demands,

costs, expenses (including attorneys, fees and costs), obligations, liens, liabilities, actions and causes of action, threatened or actual, which any one of the Legacy Indemnitees may suffer or incur arising directly or indirectly out of or in connection with (i) the negligence or willful misconduct of OVG, except to the extent caused by the negligence or willful misconduct of Legacy and (ii) OVG's breach of any of its representations, warranties, covenants or agreements set forth in this Agreement.

The foregoing indemnification provisions shall survive any termination or the expiration of the Term of this Agreement.

6. **DISCLAIMER; LIMITATION OF LIABILITY.** To the fullest extent permitted by law, OVG hereby disclaims all warranties, express or implied, with respect to the performance and adequacy of the Services and the delivery of any Deliverables hereunder, including, but not limited to any implied warranties of merchantability, fitness for a particular purpose, non-infringement and best practices. OVG shall not be liable to Legacy for any indirect, special, incidental, consequential, exemplary or punitive damages, including, but not limited to, any lost profits, business interruption costs or otherwise, even if OVG or its authorized representatives have been advised of the possibility of such damages, or should have or could have reasonably foreseen the occurrence of such damages.

7. **OWNERSHIP OF OVG INTELLECTUAL PROPERTY.** Legacy acknowledges that the Services and any resulting Deliverables may include designs, concepts, techniques, specifications, information, materials, documentation, software programs, products collections, samples, knowledge, research, systems, methods, templates, procedures, processes, prototypes, protocols, pictures and other artistic works, know-how, applications, registrations, inventions (whether or not patentable), works of authorship, or other intellectual property developed, owned and/or used in whole or in part by OVG pursuant to a valid license, including all worldwide rights in any of the above under patent, copyright, trademark, trade secret or other tangible or intellectual property law, whether prior or subsequent to the date of this Agreement (collectively, "OVG Intellectual Property"). OVG Intellectual Property and all rights therein, including any patent, copyright, trademark, trade secret or other intellectual property right associated with OVG Intellectual Property shall be owned exclusively by OVG or its licensors, as the case may be. To the extent necessary to use the Services or any resulting Deliverables as contemplated by this Agreement, OVG hereby grants to Legacy a nonexclusive, perpetual, worldwide, royalty-free license to use the OVG Intellectual Property contained in the Services and any resulting Deliverables. Nothing herein shall be construed to prevent or in any way limit OVG from using general, non-proprietary knowledge, skill and expertise acquired in connection with this Agreement in any current or subsequent endeavors. Legacy shall have no interest in such endeavors. All rights not expressly granted hereunder shall be reserved to OVG.

8. **TERMINATION.** Each party shall have the right to terminate this Agreement upon written notice to the other party if the other party commits a non-remediable breach of this Agreement or if the other party fails to cure any remediable breach of this Agreement within 30 days of being notified in writing of such breach. Further, this Agreement is terminable at will and may be terminated by either party on ninety (90) days' prior written notice, for any reason or no reason.

9. **INDEPENDENT CONTRACTOR STATUS.** The relationship created by this Agreement is that of independent contractors, and nothing contained in this Agreement shall be deemed or construed as creating any partnership, joint venture, employment relationship, agency or other relationship between the parties or to make either party liable for the debts or obligations of the other party. As such, neither party shall incur any expenses nor create any liens or encumbrances in the other party's name or against the other party's interests without the other party's express written approval.

10. **NOTICES.** Except as otherwise expressly provided in this Agreement, any and all notices or other communication required or permitted under or pursuant to this Agreement shall be in writing and shall be delivered either by personal delivery or by certified or registered mail, return receipt requested, postage prepaid by United States mail, addressed as follows:

OVG: OVG Facilities, LLC
2501 Seaport Drive
Chester, PA 19013
Attention: Peter Luukko / Doug Higgons

With a copy to:

Oak View Group, LLC
1100 Glendon Ave., Suite 2100
Los Angeles, CA 90064
Attn: Legal Department

Legacy: Legacy Sports USA LLC.
19550 N. Grayhawk Drive, Unit 1078
Scottsdale, AZ 85255
Attn: Chad Miller

With a copy to:

Legacy Cares, Inc.
1900 W. Chandler Blvd., Suite 15-315
Chandler, AZ 85224

With a copy to:

UMB Bank, NA
2777 East Camelback Road, Suite 359
Phoenix, AZ 85106
Attn: Sandy Battas

All notices shall be deemed delivered either upon actual receipt thereof if personally delivered or, if mailed, on the third day following deposit in the United States mails as provided above. Either party may change the address at which it receives notices by notifying the other party of such change in the manner provided herein.

11. **CHOICE OF LAW.** The validity, interpretation, construction and enforcement of this Agreement shall be governed and controlled by the laws of the State of New York, without regard to that State's rules with respect to choice of law.

12. **PROHIBITION TO ASSIGNMENT.** Provided that Legacy is permitted all of its right, title and interest hereunder to, and have assumed all of its obligations hereunder by Legacy Cares, Inc. ("LCI"), LCI, in turn, is permitted to assign all of the right, title and interest hereunder assigned to LCI by Legacy to UMB Bank, NA, as trustee ("UMB") or any designee thereof in connection with the Bonds. OVG agrees that any assignment by Legacy or LCI to UMB or its designee shall not require OVG's consent hereunder.

13. **ENTIRE AGREEMENT / MISC.** This Agreement and the Exhibits attached hereto expresses and contains the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersedes and replaces any and all prior agreements and understandings, either oral or written, with respect to the subject matter hereof. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and to their respective permitted successors and assigns. This Agreement may be executed in counterparts, each of which shall be an original, but all of which together shall constitute one and the same agreement. Should either party to this Agreement commence any legal action or proceeding to enforce or interpret any term or provision of this Agreement, the prevailing party in such action or proceeding shall be entitled to collect and recover from the losing party the prevailing party's reasonable attorneys' fees and costs incurred in connection therewith, in addition to any other remedy or damages to which the prevailing party may be entitled or awarded.

IN WITNESS WHEREOF, the parties have executed this Agreement and have made it effective as of the day and year first above written.

LEGACY SPORTS USA, LLC:

OVG FACILITIES, LLC:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

EXHIBIT A

I. Description of Services and Deliverables:

For the Project, OVG will provide the following Services and Deliverables to assist Legacy in creating a commercially viable and efficient facility:

- General Consulting
 - If requested, assist in the programming and procurement of FF&E
 - Work with design and construction teams to provide operational review of Project layout with specific emphasis on arena, sports center and E-sports arena
 - Review all operating plans for the Project
 - Discuss and offer suggestions for venue subcontractors - security, maintenance, ushers, event changeover, etc.
- Financial Review
 - Review existing pro forma and make recommendations based on market and industry knowledge including:
 - Projected events, number of performances, average attendance and other relevant information
 - Naming rights, sponsorship and premium seating projections
 - Staffing organizational chart, job descriptions, salaries/benefits, and staffing phase-in plan
 - Full operating year revenue and expense projections
- Staffing
 - Create recommended staffing plan for review by Legacy
 - Include recommended full-time and part-time projections
 - Recommend services to be provided by third-party contractors
 - Within the six (6) months prior to Project opening, hire, train and develop administration, sponsorship, sales, marketing, finance, operations, maintenance and field turf staff
- Review and Comment on Operational Start-Up Plan
 - Develop booking and scheduling policy for Legacy review and approval
 - Establish and get approval from Legacy on rental rates and service fees
 - If engaged to operate the Project, target first year non-Legacy events
- Booking Policy/ Events (Pre-opening)
 - Develop booking and scheduling policy for approval by Legacy
 - Establish and obtain approval from Legacy on rental rates and service fees
 - Target and solicit events
 - Establish concert promoter incentive booking plan
- Sponsorship/Naming Rights (Pre-opening)
 - Review existing sponsor/naming rights plan and make recommendations with respect to naming rights value, founding partners value, sponsorship value and available inventory
 - Review plans with architect on signage opportunities available at the Project

- Grand Opening
 - Assist Legacy on grand opening planning and execution

II. Fees/Payment Terms:

Except as otherwise set forth below, commencing upon the closing of Legacy's construction loan financing for the Project which is anticipated to be on or before July 1, 2020 (the "**Funding Date**"), Legacy shall pay OVG the following Fees:

- **Two Thousand Five Hundred Dollars (\$2,500)** per month until six (6) months prior to the projected opening of the Project to the public (as publicly announced or by notice from Legacy to OVG) or July 31, 2021 (the "**Fee Shift Deadline**"), whichever is earlier (the "**Fee Shift Date**"); and
- **Seven Thousand Five Hundred Dollars (\$7,500)** per month commencing on the Fee Shift Date through the opening of the Project to the public (the "**Opening Date**").

Such amounts shall be subject to any changes to the scope, Services or assumptions described herein, which may require additional time, project fees and expenses as mutually agreed by the parties. The Fees shall be payable by Legacy to OVG in advance no later than the first day of each calendar month.

OVG shall have the right to terminate this Agreement upon ten (10) days' prior written notice at any time if (i) the Funding Date does not occur by September 1, 2020 (the "**Funding Deadline**"), or (ii) the Opening Date does not occur by July 1, 2022 ("**Opening Deadline**"). Notwithstanding the foregoing, OVG acknowledges that the COVID-19 (coronavirus) pandemic may cause the Funding Date or Opening Date to be later than anticipated, and upon request from Legacy, OVG shall reasonably consider extending the Funding Deadline, Fee Shift Deadline or Opening Deadline, as applicable. Fees do not include flight, hotel, local transportation or other out-of-pocket expenses related to performing the Services ("Expenses"), which shall be reimbursed by the Legacy within 30 days of invoice from OVG. Legacy shall have the right to approve all Expenses in advance (which approval shall be in writing).

III. Post-Opening Services:

Legacy and OVG agree that this Agreement shall govern and apply to the Services rendered by OVG prior to the opening of the Project to the general public. Upon execution of this Agreement, the parties shall commence negotiations regarding those services to be performed by OVG subsequent to the opening of the Project ("Post-Opening Services"). The Post-Opening Services shall be described and memorialized in a long form Operating Agreement to be mutually agreed and entered into by the parties hereto or their applicable affiliates.

APPENDIX H

FORM OF POST-OPENING OPERATING AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

OPERATING AGREEMENT

between

Legacy Sports USA, LLC

and

OVG Facilities, LLC

Dated: _____, 2020

[THIS PAGE INTENTIONALLY LEFT BLANK]

OPERATING AGREEMENT

This Operating Agreement is made as of _____, 2020 (“**Effective Date**”), by and between Legacy Sports USA, LLC (“**Client**”), and OVG Facilities, LLC or its designated affiliate (“**Operator**”).

RECITALS

WHEREAS, Client holds the right to build, operate, manage, and maintain a 320-plus-acre multi-sport family entertainment complex (“**Facility**”), that will be located in Mesa, AZ. The Facility will be owned by Legacy Cares, Inc., an Arizona nonprofit 501c3 corporation (“**LCI**”);

WHEREAS, the Client and Operator have an existing Agreement which covers the Pre-opening services for the Facility;

WHEREAS, the Client desires to engage Operator to manage and operate the Facility on behalf and for the benefit of the Client, as more specifically described herein, and Operator desires to accept such engagement, pursuant to the terms and conditions contained herein;

NOW THEREFORE, for and in consideration of the foregoing, the mutual covenants and promises hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1 DEFINITIONS

Section 1.1 Definitions. For purposes of this Agreement, the following terms have the meanings referred to in this Section:

Affiliate means a person or company that directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with, a specified person or company.

Agreement means this Operating Agreement, together with all exhibits attached hereto (each of which are incorporated herein as an integral part of this Agreement).

Bonds means the nontaxable and taxable revenue bonds issued by the Arizona Industrial Development Authority for the benefit of LCI to finance the construction and operation of the Facility.

Booking Contracts means user/rental agreements, booking commitments, licenses and all other contracts or agreements generating revenue for the use of the Facility and entered into in the ordinary course of operating the Facility. All Booking Contracts, except for Existing Contracts, will be negotiated by and entered into by Operator as agent on behalf of Client; and, Operator will be responsible for the administration of the Booking Contracts; provided however, Booking Contracts that are also Material Contracts will be deemed to be Material Contracts.

Capital Expenditures means all expenditures for building additions, alterations, repairs, or improvements, and for purchases of additional or replacement machinery or equipment, where the cost of such expenditure is greater than \$2,500 (provided any series of capital additions, alternations, repairs, replacements or purchases that would ordinarily be considered a single project or would ordinarily be effected by entering into a single contract shall be considered a single costs item for purpose of determining whether it is a Capital Expenditure) or the depreciable life of the applicable item is, according to generally accepted accounting principles, in excess of five (5) years.

Client shall have the meaning ascribed to such term in the Recitals to this Agreement.

Commercial Rights means pouring rights, advertising, sponsorships, the branding of food and beverage products for resale, Internet, website, and data base rights, premium seating (including, without limitation, suites, club seats, courtside seats, and event suites), at or with respect to, the Facility, and owned or controlled by the Client.

Deposit Account means that certain account established with Wells Fargo Bank NA, in the name of Client, account number _____ for use in connection with and for the benefit of the Facility and Legacy Cares, Inc. where all funds received by Operator in connection with the operation of the Facility are deposited.

Effective Date shall have the meaning ascribed to such term in the opening paragraph of this Agreement.

Emergency Repair means the repair of a condition which, if not performed immediately, creates an imminent danger to persons or property and/or an unsafe condition at the Facility threatening persons or property.

Event or Events means events to be held at the Facility, including Client's Events.

Event Expense(s) means all cost and expenses incurred and paid to third parties, including non-exempt employees, by either of the Parties in connection with any Event conducted at the Facility during the Term, including, but not limited to, all costs and expenses relating to front-of-house staff, back-of-house staff, costs of sales (labor), payments to promoters or artists or producers, event marketing and public relations, credit card fees, ticketing fees, costs of goods sold (product), utilities, facility fees, any sales tax or admissions tax. Without limiting the scope or generality of the foregoing, the Parties agree that Event Expenses shall include all costs and expenses incurred by Client in connection with any Event conducted at the Facility or any Booking Contract entered into by Client during the Term hereof. Notwithstanding the foregoing, Event Expenses shall not include any amount paid by a Party to itself (e.g., no overhead allocations or salary of exempt management employees) or to any of its Affiliates.

Event of Force Majeure: The term "Event of Force Majeure" means an act of God, fire, earthquake, hurricane, flood, riot, civil commotion, terrorist act, terrorist threat, storm, washout, wind, lightning, landslide, explosion, epidemic, accident to machinery or equipment, any law, ordinance, rule, regulation, or order of any public or military authority stemming from the existence of economic or energy controls, hostilities or war, a labor dispute which results in a strike or work stoppage affecting the Facility or services described in this Agreement, or any other cause or

occurrence outside the reasonable control of the Party claiming an inability to perform and which by the exercise of due diligence could not be reasonably prevented or overcome.

Event Net Revenues means Event Revenues less Event Expenses.

Event P&L shall have the meaning ascribed to such term in Section 3.4(a) of this Agreement.

Event Revenues means all revenues derived from and received by either Party in connection with Events, including, but not limited to, all ticket revenues, rent, overhead allocations and mark-ups on Event Expenses paid by third parties to cover Event Expenses, facility fees, ticket rebates, ticket commissions, suite or club seat rentals specific to one Event (e.g., standing room tickets in suites), net event sponsorship revenues, food and beverage sales, and merchandise revenues. For the avoidance of doubt, both Parties will include in Event Revenues all revenues they receive from Events regardless of the source, except annual/long-term premium seat sales.

Existing Contracts means agreements relating to the day-to-day operation of the Facility existing as of the Effective Date, as set forth on Exhibit C to this Agreement.

Facility shall have the meaning ascribed to such term in the Recitals to this Agreement, and shall be deemed to include the entire indoor and outdoor Legacy Sports Park, including but not limited to the playing fields, amphitheater, e-sports arena, festival area, stadium, fieldhouse, multi-purpose arena, suites, locker rooms, meeting rooms, food & beverage areas, box office, common areas, lobby areas, executive and other offices, storage and utility facilities, and the entrances, ground, sidewalks and parking areas immediately surrounding the Facility and adjacent thereto.

Fixed Operations Fee means the fee the Client shall pay to if earned under this Agreement, as more fully described in Section 3.2 of this Agreement.

Food and Beverage Revenue shall mean all gross revenues arising from food and beverage concessions and catering sales at the Facility. This shall NOT include Food and Beverage revenue from the bar/restaurant to be included in the Indoor Arena.

General Manager means the employee of Operator acting as the full-time on-site general manager of the Facility.

Laws means federal, state, local, and municipal laws, statutes, rules, regulations, and ordinances.

Management-Level Employees means General Manager, Assistant General Manager, Business Manager (or employees with different titles performing similar functions), and any department head employed by Operator to perform services at the Facility (including employees performing the functions of the Director of Operations, Director of Corporate Sales, Director of Marketing, Director of Events, Director of Security, Finance Director, and Event Manager).

Material Contracts means those agreements entered into by Operator with a third party relating to the operation of the Facility including but not limited to maintenance and repairs, landscaping, janitorial services, security, trash removal, utilities, uniforms, and pest control.

Opening Date shall mean the date of the opening of the Facility to the public.

Operating Account means an account in the name of the Operator in a local qualified public depository, to be designated by the Operator, where all amounts paid by or on behalf of Client to Operator for payment of Operating Expenses and Event Expenses shall be deposited.

Operating Budget means a line-item budget for the Facility that includes a projection of Event Revenues and Operating Expenses, presented on a monthly and annual basis.

Operating Expenses means all expenses paid or incurred by Operator in connection with the operation of the Facility, including Event Expenses. Notwithstanding the foregoing, "Operating Expenses" shall not include the following, for which Client shall remain solely responsible: (i) property taxes or similar charges levied on the Facility; (ii) the cost of any Capital Expenditures, unless Client and Operator otherwise agree in writing (it being the intent of the Parties that individual capital expenditures below the \$2,500 threshold be treated as an Operating Expense); (iii) any reserve for the replacement of fixtures, furniture or equipment or any future Capital Expenditures; (iv) principal, interest or any other amounts payable by Client in connection with any financing secured by or in connection with the Facility; (v) depreciation and amortization expenses; (vi) Emergency Repairs, as set forth in Section 11.2; (vii) pre-existing obligations, including legal liabilities that, among other things, are for pending or future liabilities that arose from claims occurring prior to the Effective Date; (viii) Client's expenses (including legal expenses) with respect to this Agreement; and (ix) any other expenses of the Client that are not directly related to Operator's operation of the Facility.

Notwithstanding anything else to the contrary contained herein, to the extent that any Affiliate of Operator provides certain corporate overhead-type services on behalf of Operator and other Affiliates of Operator, including without limitation services such as financial, legal, payroll or human resources, then Operator shall be permitted to include within the definition of "Operating Expenses" an expense equal to the reasonable cost of such expenses, without any mark-up, incurred by Operator (or its Affiliates) in its reasonable discretion.

Operating Year means the period of time from January 1st through the December 31st of the same calendar year.

Operator shall have the meaning ascribed to such term in the Recitals to this Agreement.

Party/Parties shall mean Operator, Client, or both, as applicable.

Performer means, without limitation, any vocalist, musician, musical artist, musical act, group, band, ensemble, theater group, or other type of musical performer, or sports event or family show act.

Premium Seating means any tickets or seating at the Facility, sold through the Facility (as opposed to third-party promoters of Events) and generally includes special access/entrances,

hospitality, club/lounge access, food/beverage, or other benefits ordinarily unavailable to purchasers of tickets to Events, including, without limitation, suites, premier seats, club seats, party suites, event suites, loge boxes and the like.

Promoter means the third party that is responsible for all aspects of staging an Event, including, if applicable, the Performer.

Service Contracts means agreements for services to be provided in connection with the operation of the Facility, including without limitation, web development and maintenance, computer support services, fixtures, furniture and equipment purchasing services, engineering services, electricity, steam, gas, fuel, general maintenance, HVAC maintenance, telephone, staffing personnel including guards, ushers and ticket-takers, extermination, elevators, stage equipment, fire control panel and other safety equipment, and other services either necessary or useful in operating the Facility.

Services shall have the meaning ascribed to such term in Section 2.1(a) of the Agreement.

Sponsorships mean any arrangements wherein a third party receives branding, signage, activation rights, rights to serve food or beverages, use of Facility Marks, or other rights in which such Party receives affiliation with an Event or Events at the Facility in exchange for monetary consideration. For clarity, Sponsorships shall not include Booking Contracts.

Taxes means any and all governmental assessments, franchise fees, excises, license and permit fees, levies, charges and taxes, of every kind and nature whatsoever, which at any time during the Term may be assessed, levied, or imposed on, or become due and payable out of or in respect of: (i) activities conducted on behalf of the Client at the Facility, including without limitation, the sale of concessions, the sale of tickets, and the performance of Events (such as any applicable sales and/or admissions taxes, use taxes, excise taxes, occupancy taxes, employment taxes, and withholding taxes), or (ii) any payments received from any holders of a leasehold interest or license in or to the Facility, from any guests, or from any others using or occupying all or any part of the Facility.

Term shall have the meaning ascribed to such term in Section 4.1 of this Agreement.

ARTICLE 2 SCOPE OF SERVICES

Section 2.1 Engagement.

(a) Subject to Client's rights hereunder and the restrictions and limitations in the Existing Contracts, Client hereby engages Operator during the Term to act as Client's agent as the sole and exclusive third-party manager and operator of the Facility, subject to and as more fully described in this Agreement, and, in connection therewith, to perform the services described in Exhibit A during the Term (the "Services"). Such Services shall be performed, subject to the limitations of the Operating Budget and in accordance with industry standards. For avoidance of doubt, Operator acknowledges and agrees that Client, in its sole discretion, can at any time change the scope of Services to be provided under this Agreement by Operator and/or the policies under which such Services are provided, subject only to any commercially- reasonable adjustments to

the Operating Budget, including either an increase or decrease, necessary to implement such changes; provided, however, no such changes shall materially increase Operator's duties or, in Operator's reasonable judgment, materially interfere, impede or impair the ability of Operator to manage, operate or promote the Facility, hereunder without Operator's written approval.

(b) Operator hereby accepts such engagement, and shall perform the Services described herein, subject to the limitations expressly set forth in this Agreement.

(c) Operator shall comply with all Laws applicable to its management of the Facility.

Section 2.2 Limitations on Operator's Duties.

(a) Operator's obligations under this Agreement are contingent upon and subject to the Client making available, in a timely fashion, the funds budgeted for and/or reasonably required by Operator to carry out such obligations during the Term. Operator shall not be considered to be in breach or default of this Agreement, and shall have no liability to the Client or any other party, in the event Operator does not perform any of its obligations hereunder due to failure by the Client to timely provide such funds; provided that if there is any shortfall in funds, Operator shall promptly notify Client of such shortfall.

(b) While Operator's rights and obligations under this Agreement include the right to negotiate or draft Material Contracts, Operator may only enter into Material Contracts with Client's prior written approval as set forth herein. Operator may not amend or otherwise modify the terms of any Material Contract without Client's prior written approval.

Section 2.3 Equity Investment. Operator has committed to make an investment in the Facility utilizing its own funds for the development of the Facility ("Capital Contribution"). Operator and Client shall engage in negotiations regarding the ultimate amount and timing of the Capital Contribution.

ARTICLE 3 COMPENSATION

Section 3.1 Pre-Opening Fee. In consideration of Operator's performance of the Pre-Opening Services hereunder, Client shall pay Operator the Pre-Opening Fee. Except as otherwise set forth below, commencing upon the closing of LCI's construction loan financing for the Facility which is anticipated to be on or before _____, 2020 (the "Funding Date"), Client shall pay OVG the following Fees:

- Two Thousand Five Hundred Dollars (\$2,500) per month until six (6) months prior to the projected opening of the Facility to the public (as publicly announced or by notice from Client to OVG) or July 31, 2021 (the "Fee Shift Deadline"), whichever is earlier (the "Fee Shift Date"); and
- Seven Thousand Five Hundred Dollars (\$7,500) per month commencing on the Fee Shift Date through the Opening Date.

Section 3.2 Fixed Operations Fee. In consideration of Operator's performance of its Services hereunder, Client shall pay Operator a Fixed Operations Fee. Beginning on the Opening Date and continuing through the first (1st) Operating Year, the Fixed Operations Fee shall be [Twenty Thousand Dollars (\$20,000)] per month. Beginning in the second (2nd) Operating Year, the Fixed Operations Fee shall be increased over the Fixed Operations Fee from the previous Operating Year in accordance with the percentage increase in the CPI over the previous twelve (12) month period Year (i.e., the difference, expressed as a percentage, between the value of the CPI published most recently prior to the commencement of the preceding Operating Year and the value of the CPI published most recently prior to the commencement of the Operating Year for which the CPI adjustment will apply). The Fixed Operations Fee shall be payable to Operator in advance, beginning on the Effective Date, and payable on the first (1st) business day of each month thereafter (prorated as necessary for any partial months). The Fixed Operations Fee shall be paid by or on behalf of Client from funds available to it from the Deposit Account.

Section 3.3 Food & Beverage Incentive Fee. In addition to the Fixed Operations Fee, Operator shall be entitled to receive [1.5%] of all Food & Beverage Revenue. The Food & Beverage Incentive Fee shall be paid by or on behalf of Client from the Deposit Account.

Section 3.4 Incentive Fee. In addition to the Fixed Operations Fee, Operator shall be entitled to receive an Incentive Fee each full or partial Operating Year of the Term. The Incentive Fee shall be equal to [15%] of all Event Revenues for all non-sporting events. The Incentive Fee shall be paid by or on behalf of Client from funds available to it from the Deposit Account no less than thirty (30) days following submission of a certified audit report for the Facility (as described in Section 10.3).

(a) No later than the end of the calendar month after the calendar month in which an Event occurs (i.e., no later than February 28 for an Event that takes place in January), Operator will deliver to Client a copy of the Event settlement with the Promoter and a true and accurate financial statement for such Event, using past accounting practices employed by Client (the "Event P&L") which sets out in detail the Event Revenues, Event Expenses, and the Event Net Revenues derived from such Event. Client acknowledges that minor adjustments due to late invoices and the like may be made after this period, which will be reflected by the end of the Operating Year.

Section 3.5 Other Compensation. In addition to amounts set forth above, Operator shall be entitled to receive a [twenty five percent (25%)] commission on all Sponsorships sold by Operator (which amounts shall be payable on each installment of Sponsorship fees payable by an applicable sponsor). The Sponsorship commissions shall be paid by or on behalf of Client from the Deposit Account.

ARTICLE 4 TERM; TERMINATION

Section 4.1 Term. The term of this Agreement (the "Term") shall be begin on the Effective Date and shall expire on the day before the tenth (10th) anniversary of the Opening Date, unless earlier terminated in accordance with this Agreement.

Section 4.2 Termination.

(a) This Agreement may be terminated (i) by Client upon thirty (30) days' written notice to Operator in the event of a permanent closure of the Facility, the fact of which is certified by the Client in writing to Operator, (ii) by either Party upon thirty (30) days' written notice, if the other Party fails to perform or comply with any of the material terms, covenants, agreements or conditions hereof, and such failure is not cured during such thirty (30) day notification period, provided, however, if such failure cannot reasonably be cured within such thirty (30) day period, then a longer period of time shall be afforded to cure such breach, up to a total of ninety (90) days, provided that the Party in default is diligently seeking a cure and the non-defaulting Party is not irreparably harmed by the extension of the cure period, (iii) by Operator under Sections 7.2 or 11.2; (iv) by either Party immediately by written notice upon the other Party being judged bankrupt or insolvent, or if any receiver or trustee of all or any part of the business property of the other Party shall be appointed and shall not be discharged within one hundred twenty (120) days after appointment, or if either Party shall make an assignment of its property for the benefit of creditors or shall file a voluntary petition in bankruptcy or insolvency, or shall apply for bankruptcy under the bankruptcy or insolvency Laws now in force or hereinafter enacted, Federal, State or otherwise, or if such petition shall be filed against either Party and shall not be dismissed within one hundred twenty (120) days after such filing.

Section 4.3 Effect of Termination.

(a) If this Agreement is terminated for any reason prior to the end of the Term, Client shall pay Operator any unpaid Fixed Operations Fee, Food and Beverage Incentive Fee and Incentive Fee, earned prior and prorated to the date of termination, paid within 30 days of the effective date of termination. In no event will either Party be entitled to any consequential damages, including lost profits, special damages, punitive damages or exemplary damages for any breach of this Agreement by the other Party, but nothing in this paragraph shall be construed as a waiver by Operator of its claim for payment of fees described in the preceding sentence as a result of Client's breach.

(b) In the event this Agreement is terminated by the Client pursuant to Section 4.2(a)(i) (permanent closure of Facility), in addition to the payment of the fees due under Section 4.3(a) above, the Client shall reimburse Operator for any actual ordinary and necessary expenses, if any, incurred by Operator in withdrawing from the provision of Services hereunder following such termination. Such ordinary and necessary expenses shall include any reasonable costs actually incurred by Operator in withdrawing from the provision of Services hereunder, such as any actually incurred in connection with the termination and/or assignment of contracts or leases entered into by Operator pursuant to this Agreement and any severance pay, not to exceed three (3) months at their salary rate at the time of the closing of the Facility, paid to no more than six (6) of Operator's Management-Level Employees; provided, however, that Client's obligation to pay Operator's severance expenses shall be limited to severance earned while such employees were employed at the Facility (e.g. for an employee employed by Operator for three (3) years, only one of which was at the Facility, Client shall only be required to pay one-third of the severance due to such employee). The Client's payment of such expenses will occur only after Operator has provided reasonable evidence of the incurrence of such expenses. Except for the reimbursement of the above

stated expenses, payment of fees under Section 4.3(a), Operator shall have no other right or remedy, at law or in equity, against the Client for a termination pursuant to Section 4.2(a)(i).

(c) Upon termination or expiration of this Agreement for any reason, (i) Operator shall promptly discontinue the performance of all Services hereunder and surrender and vacate the Facility, (ii) Operator shall return to Client all property, equipment and furnishings in good repair, normal wear and tear excepted, (iii) the Client shall promptly pay Operator all fees due Operator up to the date of termination or expiration, (iv) Operator shall deliver or otherwise make available to the Client all data, electronic files, documents (including, without limitation, contracts and forms), procedures, reports, estimates, summaries, intellectual property, and other such information and materials with respect to the Facility as may have been accumulated by Operator in performing its obligations hereunder, whether completed or in process, and consistent with Section 5.1, if necessary, shall execute all documents necessary to effectuate ownership rights in the same to Client, and (v) without any further action on the part of Operator or Client, the Client shall, or shall cause the successor Facility Operator to, assume all obligations arising after the date of such termination or expiration, under any, Booking Contracts and any other Facility agreements entered into by Operator in furtherance of its duties hereunder. Any obligations of the Parties that are specifically stated to survive expiration or termination of this Agreement shall survive expiration or termination hereof.

ARTICLE 5

OWNERSHIP; USE OF THE FACILITY

Section 5.1 Ownership of Facility, Data, Equipment, Materials, and Intellectual Property.

(a) The Client will at all times retain Ownership of, in the form of its leasehold interest in, the Facility, including but not limited to real estate, technical equipment, furniture, displays, fixtures and similar property, including improvements made during the Term at the Facility. Any data, equipment or materials furnished by the Client to Operator or acquired by Operator as an item of expense incurred in connection with the operation and management of the Facility shall remain the property of the Client, and shall be returned to the Client when no longer needed by Operator to perform under this Agreement. Notwithstanding the above, Client shall not have the right to use any third party software licensed by Operator for general use by Operator at the Facility and other facilities managed by Operator, the licensing fee for which is proportionately allocated and charged to the Facility as an item of expense incurred in connection with operation of the Facility, unless otherwise permitted in the applicable license. Following the termination of this Agreement, Operator shall transfer all data collected or stored pursuant to such software license to Client in both a printed and electronic format and medium, provided that Client shall have the right to request the specific electronic format of such data. For the avoidance of doubt, any software licensed for use exclusively in the Facility shall be the property of Client and shall designate Client as a licensee.

(b) Operator and its employees and agents will not disclose or use any proprietary information of Client, its Affiliates, customers, suppliers, licensors or licensees except in connection with its or their performance under this Agreement unless such information is publicly available or such disclosure is compelled by order of a court of competent jurisdiction or

as required by applicable Laws. The Client will at all times retain ownership of Client and Facility logos, trademarks, service marks, copyrights, trade secrets and other intellectual property. Furthermore, Operator agrees that all creative work prepared or originated by it for Client or its Affiliates or during or within the scope of this Agreement may be subject to protection under the federal Copyright Law or federal or state trademark laws and shall constitute “works made for hire,” all rights to which are owned exclusively by Client. “Works made for hire” include, without limitation, works to improve or derivate works created from Client’s intellectual property, data, material or property. To the extent that exclusive title or ownership do not originally vest with Client or if the works are not considered “works made for hire”, Operator hereby irrevocably assigns to Client all intellectual property rights in such works whether by right of copyright, trademark, trade secret or otherwise and whether or not subject to protection by copyright or trademark laws and appoints Client as its attorney-in-fact in connection with any applicable or registration to protect or preserve Client’s rights. Operator agrees to execute or cause its employees/agents to execute all documents that may be reasonably required or requested by Client to evidence or protect its rights. Neither Operator nor its employees shall take or use for its own purpose, any customer or exhibitor list, similar materials or any related material developed by Client for the Facility unless prior written consent is granted by Client. Nothing contained in this Agreement shall be deemed to impact upon, diminish, or prejudice in any manner, any right Operator may have to the use, ownership or enjoyment of any intellectual property lawfully used or belonging to Operator prior to the date of this Agreement.

(c) Without the prior written consent of Client, Operator shall not grant any security interest in or create any encumbrance on any property held by Client or any of its Affiliates.

(d) Upon the prior written request of Client, Operator will assist Client with registering domain names for the Facility in the name of the Client.

Section 5.2 Right of Use by Operator. The Client hereby gives Operator the right and license to use the Facility, and Operator accepts such right of use, for the purpose of performing the Services herein specified, including the operation and maintenance of all physical and mechanical facilities necessary for, and related to, the operation, maintenance and management of the Facility. The Client shall provide Operator with a sufficient amount of suitable office space in the Facility and with such office equipment as is reasonably necessary to enable Operator to perform its obligations under this Agreement. In addition, Client acknowledges that Operator may make available parking for Operator’s full-time employees and for the Facility’s event staff in accordance with policies set by Operator for its full-time employees and event staff, which policies shall be approved by Client, such approval not to be unreasonably withheld.

Section 5.3 Observance of Agreements. The Client agrees to pay, keep, observe and perform all payments, terms, covenants, conditions and obligations under any leases, bonds, debentures, loans and other financing and security agreements to which the Client is bound in connection with the Facility, specifically including the this Agreement. Operator agrees to observe and comply with all terms, covenants, conditions and obligations affecting the operation of the Facility, including this Agreement.

Section 5.4 Quality Services. Operator hereby covenants and agrees to use its best efforts and diligence to promote the events and business of the Facility. Operator agrees that every aspect of the Services shall be performed in a professional and workmanlike manner by qualified individuals, and Operator shall maintain the requisite personnel, competence, skill and resources necessary to provide the Services in such a manner comparable to the other facilities where Operator shall perform similar services both now and in the future.

ARTICLE 6

PERSONNEL; TRANSITION PLAN; SHARED SERVICES

Section 6.1 Generally. All Facility staff and other personnel performing the duties of Operator under this Agreement shall be engaged or hired by Operator, and shall be employees, agents or independent contractors of Operator (or an Affiliate thereof), and not of the Client. Operator shall designate as the number of positions, functions, and qualifications, subject to Client's approval, which shall not be unreasonably withheld, conditioned or delayed. The compensation structure of such employees will be designated by Operator, subject to the Operating Budget. Operator shall control the terms and conditions, including without limitation, termination of such employment. Operator agrees to use reasonable and prudent judgment in the selection and supervision of such personnel, including performing customary due diligence with respect to background checks of such personnel.

Section 6.2 General Manager. Personnel engaged by Operator will include an individual with managerial experience in similar facilities to serve as a full-time on-site General Manager of the Facility. Hiring of the General Manager by Operator shall require the prior approval of the Client, which approval shall not be unreasonably withheld or delayed; provided, however, in the event of a vacancy in the General Manager position, Operator may, upon notice to the Client, temporarily fill such position with an interim General Manager for up to sixty (60) days without the necessity of obtaining the Client's approval; provided, further that in the event Client shall object to the interim General Manager, Operator shall replace such interim General Manager with another interim General Manager. The General Manager will have general supervisory responsibility for Operator and will be responsible for day-to-day operations of the Facility, supervision of employees, and management and coordination of all activities associated with Events taking place at the Facility. The General Manager will be available at all reasonable times to consult with appropriate officials of Client. The General Manager (or, if mutually agreed, another management representative) shall attend all meetings of Client regarding the Facility as the Client reasonably requires. All reasonable, pre-approved costs incurred by Operator in connection therewith shall be paid by Client as an Operating Expense. A senior executive of Operator shall conduct an annual (or more frequent) performance evaluation of the General Manager.

Section 6.3 Non-Solicitation/Non-Hiring. During the Term and for a period of one (1) year after the end of the Term, neither Party ("Soliciting Party") nor any of its Affiliates shall solicit for employment, or hire, any of the other Party's ("Employing Party") Management-Level Employees (as to Client, "Management-Level Employees" shall mean Director level and above). The Soliciting Party acknowledges that the Employing Party will spend a considerable amount of time identifying, hiring and training individuals to work in such positions, and that the Employing Party will suffer substantial damages, the exact amount of which would be difficult to quantify, if the Soliciting Party were to breach the terms of this Section by hiring, or soliciting for employment,

any of such individuals. Accordingly, in the event of a breach or anticipated breach of this Section by the Soliciting Party, the Employing Party shall be entitled (in addition to any other rights and remedies which the Employing Party may have at law or in equity, including money damages) to seek equitable relief, including an injunction to enjoin and restrain the Soliciting Party from continuing such breach, without the necessity of posting a bond. The terms of this Section do not apply to (a) employees who approach the Soliciting Party on an unsolicited basis or in response to a general solicitation; and (b) employees who are terminated by the Employing Party, other than as a result of termination or expiration of this Agreement.

Section 6.4 Shared Services. The Parties acknowledge and agree that a number of shared services will be provided by Client and Operator in the course of operation of the Facility. Such shared services include Client's employees performing services for the Facility (and vice versa), shared office space, supplies and copiers, all utilities being paid for by Client, among other shared services.

ARTICLE 7 OPERATING BUDGET

Section 7.1 Establishment of Operating Budget

For the first Operating Year, Client and Operator shall use commercially reasonable efforts to develop an Operating Budget as soon as reasonably possible following the Effective Date. On or before October 1, prior to each Operating Year thereafter, Operator will prepare and submit to the Client its proposed Operating Budget for such upcoming Operating Year. Each annual Operating Budget shall include Operator's good faith projection of Event Revenues and Operating Expenses, presented on a monthly and annual basis, for the upcoming Operating Year. The Client agrees to provide Operator with all information in its possession necessary to enable Operator to prepare each Operating Budget.

Section 7.2 Approval of Operating Budget. Each annual Operating Budget shall be subject to the review and approval of the Client, which approval shall be in Client's reasonable discretion. In order for the Client to fully evaluate and analyze such budgets or any other request by Operator relating to income and expenses, Operator agrees to provide to the Client such reasonable financial information relating to the Facility as may be requested by the Client from time to time. If events occur during any Operating Year that could not reasonably be contemplated at the time the corresponding Operating Budget was prepared, Operator may submit an amendment to such budget for review and approval by the Client (which approval shall be in the Client's sole discretion). If the Operating Budget as proposed by Operator is not approved or is adjusted by the Client in a manner which, in Operator's reasonable judgment, could materially interfere, impede or impair the ability of Operator to manage, operate or promote the Facility, Operator shall have the right with one hundred and eighty (180) days prior written notice to the Client to terminate the Agreement.

Section 7.3 Adherence to Operating Budget. Operator shall use all reasonable efforts to manage and operate the Facility in accordance with the Operating Budget, as applicable. Without the prior consent of the Client, Operator shall not exceed, commit or contract to expend any sums in excess of the aggregate amounts allowed in the Operating Budget or otherwise approved by

Client, except for (a) additional expenditures necessary to perform an Emergency Repair, in which event Operator shall notify Client prior to making such repair and Operator shall comply with the Emergency Repair provisions of the this Agreement, and (b) expenses for services or utilities provided to the Facility by unaffiliated third parties, the cost of which is not within the reasonable control of Operator, such as the costs of utilities and insurance. Operator agrees to notify the Client within **[10 days]** of any significant change or variance in the bottom line number in the Operating Budget, and any material increase in total Operating Expenses from that provided for in the Operating Budget.

ARTICLE 8 PROCEDURE FOR HANDLING INCOME

Section 8.1 Deposit Account. All revenue received by Operator derived from Operator's operation of the Facility shall be deposited by Operator into the Deposit Account as soon as practicable upon receipt (but not less often than once each business day). All payments relating to Operating Expenses and Event Expenses shall be paid by or on behalf of Client from the Deposit Account by UMB Bank NA, as Trustee, ("UMB") for the Facility, in accordance with the Qualified Management Agreement entered into between Client and LCI, and those related agreements entered into between LCI and Trustee.

ARTICLE 9 FUNDING

Section 9.1 Funding. On the first day of each month during the term of this Agreement, Client shall deposit into the Operating Account an amount equal to the amount of the Operating Expenses for the upcoming month in accordance with the Operating Budget. Upon Operator's notice to Client that additional funds are required to pay payroll expenses and other Operating Expenses, Client shall timely provide the funds necessary to pay such Operating Expenses. Operator shall pay all Operating Expenses from the funds in the Operating Account.

Section 9.2 Event Expenses. All Event Revenue received shall be deposited into the Deposit Account as set forth in Section 8.1. As soon as practicable Operator shall submit to Client an itemization of Event Expenses associated with the particular Event(s). If the Event Expenses are not included in the Budgeted Expenses for such month, Client shall either (a) make such adjustments to the Operating Budget to ensure the Event Expenses are paid to Operator as part of the Budgeted Expenses on the first day of the next succeeding month, or (b) promptly submit a requisition requesting payment of the itemized Event Expenses by Trustee from the Operating Reserve Fund described in the Indenture of Trust between LCI and the Trustee.

Section 9.3 Operator Liability. Operator shall have no liability to Client or any third party in the event that Operator is unable to perform its obligations hereunder or any third-party contract entered into pursuant to the terms hereof due to the fact that sufficient funds are not made available to Operator to pay the Operating Expenses, Event Expenses or other such proper expenses in a timely manner.

Section 9.4 Advancement of Funds. Under no circumstances shall Operator be required to pay for, or advance any of its own funds to pay for, any Operating Expenses. In the event that,

notwithstanding the foregoing, Operator agrees to advance its own funds to pay such Operating Expenses, Client shall promptly reimburse Operator for the full amount of such advanced funds, plus interest at a rate to be mutually agreed. Client acknowledges and agrees that if Client fails to fund the Operating Account in amounts sufficient for Operator to manage and operate the Facility as set forth herein, Operator shall have the right to suspend any Services provided hereunder, following written notice to Client of its failure to fund such Operating Expenses and Client's failure to cure such default within five (5) days thereafter, until Client funds the Operating Account in amounts sufficient for Operator to provide such Services, and Operator (a) shall not be in breach hereunder for failing to provide such Services, and (b) shall have no liability or responsibility for any losses, damages or claims arising out of such suspension of Services.

ARTICLE 10

FISCAL RESPONSIBILITY; REPORTING

Section 10.1 Records. Operator agrees to keep and maintain, at its office in the Facility, separate and independent records, in accordance with generally accepted accounting principles ("GAAP"), devoted exclusively to its operations in connection with its management of the Facility. Such records (including books, ledgers, journals, and accounts) shall be maintained in accordance with GAAP and contain all entries reflecting the business operations of Operator under this Agreement and will remain the property of the Client. The Client or its authorized agent shall have the right to audit and inspect such records from time to time during the Term, upon reasonable notice to Operator and during Operator's ordinary business hours. Accounting procedures and policies will be maintained and followed as necessary to provide the accuracy (on a GAAP basis) of reports and records, and to ensure proper safeguarding and management of Client assets.

Section 10.2 Monthly Financial Reports. Operator agrees to provide to the Client, within **[twenty (20) days]** after the end of each month during the Term, financial reports for the Facility including a balance sheet, aging report on accounts receivable, and statement of revenues and expenditures (budget to actual) for such month and year to date in accordance with generally accepted accounting principles. In addition, Operator (a) agrees to provide to the Client (i) a summary of bookings for each such month, and separate general ledger detail reports for each Event held at the Facility during such month, (ii) an estimated profit and loss statement (flash report) for each Event within **[seven (7) days]** after the Event, and (iii) such other summary reports reasonably requested by Client; and (b) shall cause the applicable public depository utilized by Operator to submit to the Client, on a monthly basis, copies of all bank statements concerning the Event Account and the Operating Account (or other accounts as directed by Client).

Section 10.3 Audit. Operator agrees to provide to the Client, within one hundred twenty **[(120) days]** following the end of each Operating Year, a certified audit report on the accounts and records as kept by Operator for the Facility. Costs associated with obtaining such certified audit report shall be an Operating Expense. Such audit shall be performed by an external auditor approved by the Client, and shall be conducted in accordance with generally accepted auditing standards.

Section 10.4 Taxes. Operator agrees to reasonably cooperate with Client and to promptly provide such information as Client shall reasonably request as may be necessary to assist Client in preparing annual tax filings.

ARTICLE 11 CAPITAL IMPROVEMENTS

Section 11.1 Recommended Capital Expenditures. Operator shall annually, at the time of submission of the annual Operating Budget to the Client, provide to the Client a schedule of recommended capital improvements to be made at the Facility, for the purpose of allowing the Client to consider such projects and to prepare and update a long-range Capital Expenditure budget. The decision whether to proceed with any proposed Capital Expenditure rests solely with Client.

Section 11.2 Control Over Capital Expenditures. The Client shall have total and complete control and financial responsibility with respect to all Capital Expenditures at the Facility and shall have no obligation to make any Capital Expenditures proposed by Operator. Operator shall have no liability for any claims, costs or damages arising out of a decision by the Client to make or not to make any Capital Expenditure; provided, however in the event Client's decision could materially interfere, impede or impair the ability of Operator to manage, operate or promote the Facility, Operator shall have the right with **[one hundred and eighty (180) days]** prior written notice to the Client to terminate the Agreement. Notwithstanding the foregoing, Operator will have the obligation to make Capital Expenditures at the Facility for Emergency Repairs; provided that Operator has reached Client's contract administrator (as described below in Section 13) for approval of Emergency Repairs and such Emergency Repair is authorized by such contract administrator. The Client shall promptly reimburse Operator for the cost of any Capital Expenditure approved in advance by Client or, as to Emergency Repairs, so long as Operator has complied with the procedure set forth in the preceding sentence.

ARTICLE 12 FACILITY CONTRACTS; TRANSACTIONS WITH AFFILIATES

Section 12.1 Existing Contracts. Operator shall administer and assure compliance with all Existing Contracts, which Existing Contracts are set forth in Exhibit C.

Section 12.2 Execution and Administration of Contracts. All contracts will be negotiated and priced by Operator using its existing forms (as applicable) and following existing policies, procedures and pricing and shall be entered into by Operator as agent for Client; provided, however, that Client shall have the right of prior approval of all Material Contracts prior to their execution by Operator, which approval shall not be unreasonably withheld, conditioned or delayed. Operator shall obtain Client's prior approval of its existing forms and shall obtain Client's prior written approval in the event it materially deviates from the agreed upon form. All contracts entered into by either Operator or Client under this Agreement shall contain standard indemnification (naming each of Operator, Client as indemnified parties) and insurance obligations on the part of the contracting vendor, licensee or service provider, as is customary for the type of services or obligations being provided or performed by such parties.

Section 12.3 Transactions with Affiliates. Operator shall not enter into any agreement with an Affiliate in connection with its rights and obligations hereunder without the prior written approval of Client.

ARTICLE 13 ADMINISTRATOR

Section 13.1 Contract Administrator. Each Party shall appoint a contract administrator who shall monitor such Party's compliance with the terms of this Agreement. Each Party shall notify the other of the name of its contract administrator within thirty (30) days of execution hereof. Any and all references in this Agreement requiring Operator or Client participation or approval shall mean the participation or approval of such Party's contract administrator.

ARTICLE 14 INDEMNIFICATION

Section 14.1 Indemnification by Operator. Operator agrees to defend, indemnify and hold harmless the Client, its parent, subsidiary and Affiliate companies, and each of their respective officials, directors, officers, Affiliates, employees, agents, successors and assigns (collectively, the "Client Indemnitees") against any claims, causes of action, costs, expenses (including reasonable attorneys' fees) liabilities, or damages (collectively, "**Losses**") to the extent arising out of or in connection with any (a) negligent act or omission, or intentional misconduct, on the part of Operator or any of its employees, contractors or agents, or any person under its direction or control in the performance of its obligations under this Agreement, or (b) breach or default by Operator of any of its representations, covenants or agreements made herein, except to the extent such Losses were caused by the negligence or willful misconduct of Client, its officials, directors, officers, Affiliates, employees, agents, successors and assigns.

Section 14.2 Indemnification by the Client. Client agrees to defend, indemnify and hold harmless Operator, its parent, subsidiary and Affiliate companies, and each of their respective directors, officers, employees, agents, successors and assigns, against any Losses to the extent arising out of or in connection with (a) any negligent act or omission, or intentional misconduct, on the part of Client or any of its employees, contractors or agents, or any person under its direction or control in the performance of its obligations under this Agreement, (b) a breach or default by Client of any of its representations, covenants or agreements made herein, except to the extent such Losses were caused by the negligence or willful misconduct of Operator, its officials, directors, officers, Affiliates, employees, agents, successors and assigns, or (c) Losses triggered by issues related to the ownership, structure or design of the Facility (including without limitations any structural defects, or ADA, design or construction related issues).

Section 14.3 Conditions to Indemnification. With respect to each separate matter brought by any third party against which a Party hereto ("Indemnatee") is indemnified by the other Party ("Indemnitor") under this Article 14, the Indemnitor shall be responsible, at its sole cost and expense, for controlling, litigating, defending and/or otherwise attempting to resolve any proceeding, claim, or cause of action underlying such matter, except that (a) the Indemnatee may, at its option, participate in such defense or resolution at its expense and through counsel of its choice; (b) the Indemnatee may, at its option, assume control of such defense or resolution if the Indemnitor does not promptly and diligently pursue such defense or resolution, provided that the Indemnitor shall continue to be obligated to indemnify the Indemnatee hereunder in connection therewith; and (c) neither Indemnitor nor Indemnatee shall agree to any settlement without the other's prior written consent (which shall not be unreasonably withheld or delayed).

In any event, Indemnitor and Indemnitee shall in good faith cooperate with each other and their respective counsel with respect to all such actions or proceedings, at the Indemnitor's expense. With respect to each and every matter with respect to which any indemnification may be sought hereunder, upon receiving notice pertaining to such matter, Indemnitee shall promptly (and in no event more than twenty (20) days after gaining actual knowledge of such claim) give reasonably detailed written notice to the Indemnitor of the nature of such matter and the amount demanded or claimed in connection therewith; provided that the failure by the Indemnitee to give notice as provided herein shall not relieve Indemnitor of its obligations under this Article 14, except to the extent Indemnitor is actually prejudiced by such failure to give notice.

Section 14.4 Survival. The obligations of the Parties contained in this Article 14 shall survive the termination or expiration of this Agreement.

ARTICLE 15 INSURANCE

Section 15.1 Types and Amount of Coverage. Operator agrees to obtain insurance coverage in the manner and amounts as set forth in Exhibit B, attached hereto, and shall provide to the Client promptly following the Effective Date certificates of insurance evidencing such coverage. Operator shall maintain such referenced insurance coverage at all times during the Term, and will not make any material modification or change from these specifications without the prior written approval of the Client. Each insurance policy shall include a requirement that the insurer provide Operator and the Client at least thirty (30) days written notice of cancellation or material change in the terms and provisions of the applicable policy. The cost of all such insurance shall be an Operating Expense, and may, in Operator's discretion, constitute a portion of any premiums if such insurance premiums are paid by Affiliate of Operator as part of a corporate policy, as reasonably allocated by Operator.

Section 15.2 Rating: Additional Insureds. All insurance policies shall be issued by insurance companies rated no less than A VIII in the most recent "Bests" insurance guide. All such policies shall be in such form and contain such provisions as are generally considered standard for the type of insurance involved. The commercial general liability policy, automobile liability insurance policy and umbrella or excess liability policy to be obtained by Operator hereunder shall name the Client Indemnitees as additional insureds. Except as otherwise provided herein, all insurance procured by Operator shall contain a provision indicating that such insurance shall be primary over any insurance carried by the additional insureds, and shall not require contribution by the Client, provided that, for clarity, any deductibles paid shall be considered Operating Expenses. Each of Operator and Client shall require that all third-party users of the Facility contracted by such Party to use the Facility, including without limitation third-party licensees, vendors and concessionaires, provide certificates of insurance evidencing insurance that is commercially reasonable for the types of activities in which such user is engaged and, at a minimum, include workers' compensation/employers' liability, and commercial general liability and automobile liability in commercially reasonable amounts, and name the Operator, the Client Indemnitees, as additional insureds.

Section 15.3 Other Requirements. All liability insurance policies must provide Cross Liability coverage (separation of insureds or severability of interest provisions). No policy shall

contain a self-insured retention. All policies shall be endorsed to provide a waiver of subrogation in favor of the additional insureds. The Commercial General Liability policy shall include no exclusions or limitations for (1) third-party-over actions (2) claims related to the use of firearms, weaponry or other security equipment (mace, tasers, etc.) or (3) terrorism. Operator's coverage must contain a grant meeting the minimum requirements of the current ISO form providing that contractual liability coverage afforded by the Operator's Commercial General Liability coverage must extend to Personal Injury under coverage Part B which is applicable to false arrest and wrongful imprisonment (by way of example, the current version of ISO form CG 22 74 10 01 is incorporated by reference). Operator shall provide Client with copies of its insurance policies and/or endorsements upon request. The insurance requirements set forth will in no way modify, reduce, or limit the indemnification herein made by Operator. Receipt of a certificate of insurance, endorsement or policy of insurance which is more restrictive than the contracted for insurance shall not be construed as a waiver or modification of the insurance requirements above or an implied agreement to modify same, nor is any verbal agreement to modify same permissible or binding.

ARTICLE 16

REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 16.1 Operator Representations and Warranties. Operator hereby represents, warrants and covenants to Client as follows:

- (a) that it has the full legal right, power and authority to enter into this Agreement and to grant the rights and perform the obligations of Operator herein, and that no third party consent or approval is required to grant such rights or perform such obligations hereunder;
- (b) that this Agreement has been duly executed and delivered by Operator and constitutes a valid and binding obligation of Operator, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar Laws affecting creditors' rights generally or by general equitable principles; and
- (c) that Operator will comply with all Laws applicable to its management of the Facility, provided that Operator shall not have any liability for failing to comply with any Laws if compliance would require an expenditure at the Facility which Client fails or refuses to fund after written notice from Operator.

Section 16.2 Client Representations, Warranties, and Covenants. Client represents, warrants and covenants to Operator as follows:

- (a) that it has the full legal right, power and authority to enter into this Agreement and to grant the rights and perform the obligations of Client herein, and that no other third party consent or approval is required to grant such rights or perform such obligations hereunder;
- (b) that this Agreement has been duly executed and delivered by Client and constitutes a valid and binding obligation of Client, enforceable in accordance with its terms,

except as such enforceability may be limited by bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally or by general equitable principles; and

(c) that Client will comply with all Laws applicable to its ownership of the Facility.

ARTICLE 17 MISCELLANEOUS

Section 17.1 Confidentiality. Any property of Client that is received by Operator and all records and papers of any kind relating to Client shall be the exclusive property of Client and shall be held or used by Operator solely for the benefit of Client and returned to it promptly upon termination of this Agreement or earlier request of Client. Without the prior written consent of an authorized officer of Client, Operator shall not duplicate or disclose any confidential or proprietary information or trade secret pertaining to the business, products or services of Client to any person not employed by or a consultant for Client and shall disclose such to persons employed by or a consultant for Client only to the extent necessary for Operator to perform hereunder. During the Term of this Agreement, Client and its officers, directors, shareholders, employees, agents, contractors and representatives may gain access or be exposed to certain confidential and proprietary information relating to the business of Operator and its Affiliates. Client agrees, for itself and its officers, directors, shareholders, employees, agents and representatives, that all such confidential and proprietary information shall remain and be kept in the strictest confidence and shall not be disclosed to or used by any person or entity without the prior written consent of Operator, which consent may be withheld by Operator in its sole and absolute discretion. The obligation to maintain confidentiality provided herein shall survive any termination or expiration of the Term of this Agreement.

The Parties further agree that the fact of this Agreement, and the terms and conditions of this Agreement are confidential and may not be disclosed except as ordered by a court of competent jurisdiction, or as necessary to each Party's lawyers, tax advisers and agents who agree to keep the fact and terms and conditions of this Agreement confidential. Notwithstanding the terms of this section, the terms of this Agreement may be disclosed in any form of offering documents used in connection with financing related to the Facility.

Section 17.2 No Discrimination. Operator agrees that it will not discriminate against any employee or applicant for employment for work under this Agreement because of race, religion, color, sex, disability, national origin, ancestry, physical handicap, or age, and will take affirmative steps to ensure that applicants are employed, and employees are treated during employment, without regard to race, religion, color, sex, disability, national origin, ancestry, physical handicap, or age.

Section 17.3 Use of Facility Names and Logos. Subject to Client's prior written approval, Operator shall have the right to use for fulfilling its obligations under this Agreement (and, if approved in advance by Client in writing, permit others to use in furtherance of Operator's obligations hereunder), for no charge, the name and all logos of the Facility. Operator agrees that it shall take all prudent and appropriate measures to protect the intellectual property rights of the Client relating to such logos. All intellectual property rights in any Facility logos developed by the

Operator or the Client shall be and at all times remain the sole and exclusive property of the Client. Operator agrees to execute any documentation requested by the Client from time to time to establish, protect or convey any such intellectual property rights.

Section 17.4 Force Majeure: Casualty Loss.

(a) Neither Party shall be liable or responsible to the other Party for any delay, loss, damage, failure or inability to perform under this Agreement due to an Event of Force Majeure, provided that the Party claiming failure or inability to perform provides written notice to the other Party within thirty (30) days of the date on which such Party gains actual knowledge of such Event of Force Majeure. Notwithstanding the foregoing, in no event shall a Party's failure to make payments due hereunder be excusable due to an Event of Force Majeure.

(b) In the event of damage or destruction to a material portion of the Facility by reason of fire, storm or other casualty loss that renders the Facility (or a material portion thereof) untenable, the Client shall use reasonable efforts to remedy such situation. If notwithstanding such efforts, such damage or destruction is expected to render the Facility (or a material portion thereof) untenable for a period estimated by an architect selected by the Client at Operator's request, and at Client's sole discretion, of at least one hundred eighty (180) days from the date of such fire, storm or other casualty loss, either Party may terminate this Agreement upon written notice to the other, provided that (i) the Client shall pay to Operator its fees due under Section 4.3(a), costs of withdrawing from services hereunder, as described in Section 4.3(b) above, and (ii) in the event the Facility once again becomes tenable at any time during the Term, this Agreement shall, at the option of Operator, once again become effective and Operator shall manage and operate the Facility under the terms hereof for the remainder of the original Term.

Section 17.5 Assignment. Neither Party may assign this Agreement without the prior written consent of the other, which consent shall not be unreasonably withheld or delayed, except that either Party may, without the prior written consent of the other Party but upon at least 30 days' written notice to the other Party, assign this Agreement in connection with a sale of all or substantially all its assets or equity interests, or assign this agreement to an affiliate, parent or subsidiary. Provided that Client is permitted to assign all of its right, title and interest hereunder to, and have assumed all of its obligations hereunder by LCI, LCI in turn is permitted to assign all of its right, title and interest hereunder assigned to LCI by Client to UMB, as Trustee, or any designee thereof in connection with the Bonds. OVG agrees that any assignment by Client or LCI to UMB or its designee shall not require OVG's consent hereunder to such assignment.

Section 17.6 Notices. All notices required or permitted to be given pursuant to this Agreement shall be in writing and delivered personally or sent by registered or certified mail, return receipt requested, or by generally recognized, prepaid, overnight air courier services, to the address and individual set forth below. All such notices to either Party shall be deemed to have been provided when delivered, if delivered personally, three (3) days after mailed, if sent by registered or certified mail, or the next business day, if sent by generally recognized, prepaid, overnight air courier services.

If to Client:

Legacy Sports USA, LLC
19550 N. Grayhawk Drive, Unit 1078
Scottsdale, AZ 85255
Attn: Chad Miller

With a copy to:

Legacy Cares, Inc.
1900 W. Chandler Blvd., Suite 15-315
Chandler, AZ 85224

UMB Bank, NA
2777 East Camelback Road, Suite 359
Phoenix, AZ 85106
Attn: Sandy Battas

If to Operator:

OVG Facilities, LLC
2501 Seaport Drive, 3rd Floor
Chester, PA 19013
Attn: Peter Luukko

With a copy to:

Oak View Group, LLC
1100 Glendon Ave., Suite 2100
Los Angeles, CA 90024
Attn: Legal Department

The designation of the individuals to be so notified and the addresses of such Parties set forth above may be changed from time to time by written notice to the other Party in the manner set forth above.

Section 17.7 Severability. If a court of competent jurisdiction or an arbitrator determines that any term of this Agreement is invalid or unenforceable to any extent under applicable law, the remainder of this Agreement (and the application of this Agreement to other circumstances) shall not be affected thereby, and each remaining term shall be valid and enforceable to the fullest extent permitted by law.

Section 17.8 Prior Agreements. This Agreement (including the exhibits attached hereto) incorporates and includes all prior negotiations, correspondence, conversations, agreements, and understandings concerning the subject matter hereof. Accordingly, the Parties agree that no deviation from the terms hereof shall be predicated upon any prior representations, agreements or understandings, whether oral or written.

Section 17.9 Governing Law. The Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Arizona without regard to its conflict of laws principles.

Section 17.10 Amendments. Neither this Agreement nor any of its terms may be changed or modified, waived, or terminated (unless as otherwise provided hereunder) except by an instrument in writing signed by an authorized representative of the Party against whom the enforcement of the change, waiver, or termination is sought.

Section 17.11 Waiver: Remedies. No failure or delay by a Party hereto to insist on the strict performance of any term of this Agreement, or to exercise any right or remedy consequent to a breach thereof, shall constitute a waiver of any breach or any subsequent breach of such

term. No waiver of any breach hereunder shall affect or alter the remaining terms of this Agreement, but each and every term of this Agreement shall continue in full force and effect with respect to any other then existing or subsequent breach thereof. The remedies provided in this Agreement are cumulative and not exclusive of the remedies provided by law or in equity.

Section 17.12 Relationship of Parties. Operator and Client acknowledge and agree that they are not joint venturers, partners, or joint owners with respect to the Facility, and nothing contained in this Agreement shall be construed as creating a partnership, joint venture or similar relationship between Client and Operator. In operating the Facility, entering into contracts, accepting reservations for use of the Facility, and conducting financial transactions for the Facility, Operator acts on behalf of and as agent for Client (but subject to the limitations on Operator's authority as set out in this Agreement).

Section 17.13 Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, and all of which together shall constitute one and the same document. Counterparts may be executed either in original, faxed or electronic (including .pdf) form.

Section 17.14 Counsel. Each Party has been represented by counsel or has had the opportunity to be represented by counsel in connection with the negotiation and preparation of this Agreement. Each Party hereby waives the application of any rule of law that would otherwise be applicable in connection with the interpretation of this Agreement, including, without limitation, any rule of law to the effect that any provision of this Agreement shall be interpreted or construed against the Party who drafted it.

[Signature Page Follows]

IN WITNESS WHEREOF, each Party hereto has caused this Agreement to be executed on behalf of such Party by an authorized representative as of the date first set forth above.

OVG FACILITIES, LLC

By: _____
Name: _____
Title: _____

LEGACY SPORTS USA LLC

By: _____
Name: _____
Title: _____

DRAFT

EXHIBIT A SERVICES

The Services under the Agreement shall consist of the following obligations, all of which are subject to the terms hereof:

- a) Manage all aspects of the Facility including but not limited to managing guest services, event conversion, purchasing, payroll, fire prevention, security, crowd control, evacuation and emergency response plan, routine repairs, preventative maintenance, janitorial services, landscape and exterior maintenance, energy conservation, security, ticketing, box office, admission procedures, parking (if applicable), and general user services.
- b) Manage all aspects of Food & Beverage operations while providing the highest level of quality and service. This shall include but not be limited to staffing, pricing, menu selection, product ordering, maintaining the kitchen, concessions space and food trucks, sanitization, obtaining licenses and permits including liquor license, catering services, and all other general food & beverage services. This shall not include the on-site restaurant and bar.
- c) Establish and adjust service prices, rates and rate schedules for Event user license, and occupancy, and Event booking commitments, except as otherwise provided in the Agreement.
- d) Negotiate, enter into (as agent for the Client), administer and assure compliance with all contracts related to the operation of the Facility, including Service Contracts, Booking Contracts and Material Contracts, except as otherwise provided in the Agreement.
- e) Require that all vendors and licensees of the Facility execute vendor/license agreements containing standard indemnification and insurance obligations on the part of each such vendor/licensee, and provide the Client with a copy of all such agreements within ten (10) days of their date of execution.
- f) Provide standard form Event user/rental agreements for Booking Contracts at or with respect to the Facility. Operator shall submit such form agreements to the Client for review, comment, and approval. Once finalized, Operator shall use such form for Booking Contracts, provided that Client acknowledges that Operator may reasonably deviate (but not materially deviate nor omit required provisions) such form in connection with negotiating the engagement of an Event in the ordinary course of business without Client's further approval. To the extent that Operator does not use the approved form for Booking Contracts (i.e., uses the promoter's form), such use shall be approved by Client, not to be unreasonably withheld, conditioned or delayed.
- g) Operate and maintain the Facility, including the equipment utilized in connection with its operation and any improvements made during the term of this Agreement, in the condition received, normal wear and tear excepted.
- h) Hire or otherwise engage, pay, supervise, and direct all personnel in connection with the operation of the Facility, and conduct retention and training programs to the highest industry standards.

- i) Maintain detailed, accurate and complete financial and other records of all its activities in accordance with generally accepted accounting principles, which records shall be made available to the Client as set forth herein.
- j) Submit to the Client in a timely manner and other financial and other reports detailing Operator's activities in connection with the Facility.
- k) Prepare a proposed annual Operating Budget and annual recommended Capital Expenditures budget for approval by the Client.
- l) Pay all Operating Expenses from the Operating Account or with funds otherwise made available by Client.
- 1) Assist the Client (or any other third party, as applicable) to secure, all licenses and permits necessary for the operation and use of the Facility for the specific events to be held therein, and for the general occupancy of the Facility.
- m) Collect, deposit and hold in the Deposit Account any Event ticket sale revenues which it receives in the contemplation of or arising from an Event pending the completion of the Event.
- n) Collect in a timely manner and deposit in the Deposit Account all Event Revenues as set forth above.
- o) Upon request by Client, prepare, maintain, and implement, subject to the Client's approval, a marketing plan for Events at the Facility.
- p) On an annual basis, cause a written inventory to be taken of all furniture, fixtures, office equipment, supplies, tools, and vehicles at the Facility, and deliver a written report of the foregoing to Client. Document all major damage to, or loss in, such inventory during the Term as soon such damage or loss is discovered by Operator, and Operator shall promptly notify Client of any such damage or loss.
- q) In accordance with the Operating Budget, and as reasonably required for operations, purchase, on behalf of the Client and with Client funds, and maintain during the Term, all materials, tools, machinery, equipment, and supplies necessary for the operation of the Facility.
- r) Maintain insurance as required.
- s) Subject to the terms and conditions set forth herein, make and be responsible for all routine and minor repairs, maintenance, preventative maintenance, and equipment servicing. Operator shall be responsible for ensuring that all repairs, replacements, and maintenance shall be of a quality and class at least equal to that of the item being repaired or replaced.
- t) Cooperate and execute event ticket sale set-up, pre-sale, on-sale, day of event and post-event settlement. To that end, Client agrees that Operator shall control ticketing at the Facility, which may include, if applicable, entering into an agreement with a third-party ticketing company to provide ticketing services at the Facility.

u) Develop database and pre-sale initiatives in cooperation with tenants and key stakeholders.

v) Implement marketing and promotional plans supporting ticket sales and venue industry awareness/positioning.

The Services shall specifically exclude:

- (i) Sales, servicing and coordination of all Legacy Sports in-house supported sports leagues, tournaments, and amateur sporting events. Exploitation, sales and receipt of revenue from these events shall be retained by Client.
- (ii) Sales, servicing and coordination of all third party amateur sports leagues, tournaments, and amateur sporting events. Exploitation, sales and receipt of revenue from these events shall be retained by Client.
- (iii) Coordination of game day officials and medical staff associated with athletes playing in the Facility.
- (iv) Oversight and coordination of on-site medical facility. Exploitation, sales and receipt of revenue from this facility shall be retained by Client.
- (v) Oversight, coordination, and management of the on-site Restaurant/Bar. Exploitation, sales and receipt of revenue from this facility shall be retained by Client.

EXHIBIT B INSURANCE

1. Workers' Compensation Insurance in compliance with state statutory laws, covering employees, volunteers, temporary workers and leased workers, including Employers' Liability with minimum limits of:

[\$1,000,000] Each Accident;
[\$1,000,000] Disease - Each Employee;
[\$1,000,000] Disease - Policy Limit.

2. An Insurance Services Office (or equivalent) occurrence based Commercial General Liability Insurance Policy, providing coverage for bodily injury and property damage and personal and advertising injury including damage to the Facility, contractual liability and products/completed operations liability coverage with minimum limits of:

[\$1,000,000] Each Occurrence;
[\$2,000,000] General Aggregate;
[\$2,000,000] Products/Completed Operations Aggregate.

Products completed/operations insurance shall be maintained for a minimum period of three (3) years after termination of this Agreement and Operator shall continue to provide evidence of such coverage to Client on an annual basis during the aforementioned period.

3. Automobile Liability Insurance, covering owned, non-owned, leased or hired automobiles, with a minimum combined single limit of:

[\$1,000,000] Each Accident.

4. Intentionally omitted.

5. Umbrella Liability Insurance, in excess of 1, 2, 3 & 4 above, with minimum limits of:

[\$10,000,000] Each Occurrence;
[\$10,000,000] General Aggregate.

6. Employment Practices Liability Insurance, including but not limited to third party coverage, with minimum limits of:

[\$5,000,000] Each Claim;
[\$5,000,000] General Aggregate.

7. Crime Insurance naming Client as Loss Payee, including but not limited to Employee Dishonesty, Loss Inside the Premises (Robbery/Burglary) and Loss Outside the Premises (Messenger/Armored Motor Vehicle) coverage with minimum limits of:

[\$1,000,000] Each Occurrence.

8. All Risk Property Insurance upon all equipment, material, inventory and business personal property owned, borrowed or leased by Operator for the full replacement cost value thereof. Such policy shall include a waiver of subrogation provision and Operator agrees to waive its carrier's right of subrogation against the Client Indemnitees, as defined above.

DRAFT

EXHIBIT C
EXISTING CONTRACTS

DRAFT

EXHIBIT E
BENCHMARK CALCULATION PRO FORMA

DRAFT

APPENDIX I

FORM OF INVESTOR LETTER

INVESTOR LETTER

_____, 2020

Arizona Industrial Development Authority, as Issuer
Arizona Finance Authority
Phoenix, Arizona

Re: Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Series 2020A Bonds (Legacy Cares, Inc. Project),
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Taxable Series 2020B Bonds (Legacy Cares, Inc. Project)
and
Arizona Industrial Development Authority
Economic Development Revenue Bonds,
Tax-Exempt Turbo Redemption Series 2020C Bonds (Legacy Cares, Inc. Project)

Ladies and Gentlemen:

The undersigned as purchaser (the “**Purchaser**”) of (i) \$_____ of the above-referenced Tax-Exempt Series 2020A Bonds (the “**Tax-Exempt Series 2020A Bonds**”), (ii) \$_____ of the above-referenced Taxable Series 2020B Bonds (the “**Taxable Series 2020B Bonds**”) and (iii) \$_____ of the above-referenced Tax-Exempt Turbo Redemption Series 2020C Bonds (the “**Tax-Exempt Series 2020C Bonds**”) together with the Tax-Exempt Series 2020A Bonds and the Taxable Series 2020B Bonds, the “**Bonds**”) does hereby certify, represent, and warrant for the benefit of the Arizona Industrial Development Authority (the “**Issuer**”) as follows:

(a) *Qualification.* The Purchaser is (check all that apply):

- _____ (1) a “qualified institutional buyer,” as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the “**Securities Act**”);
- _____ (2) an “accredited investor,” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act (“**Accredited Investor**”); or
- _____ (3) an entity all of the equity owners of which are Accredited Investors.

(b) *No Registration.* The Purchaser acknowledges that the Bonds have not been and will not be registered under the Securities Act or the securities or “Blue Sky” laws of any state in reliance upon exemptions from such registration requirements, and that the Indenture of Trust, dated as of

August 1, 2020 (the “**Indenture**”), between the Issuer and the Trustee, UMB Bank, N.A. (the “**Trustee**”), has not been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon an exemption set forth therein. The Purchaser agrees to comply with all applicable federal and state securities laws then in effect with respect to any sale or other disposition of the Bonds by the Purchaser and further acknowledges that any current exemption from registration of the Bonds does not affect or diminish such requirements.

- (c) *Sophistication.* The Purchaser has sufficient knowledge and experience in financial and business matters, including the purchase and ownership of the Bonds, and is capable of evaluating the merits and risks of its investment in the Bonds. The Purchaser has sought such accounting, legal, and tax advice as it considered necessary to make an informed investment decision. The Purchaser understands that there is no established market for the Bonds and that none will develop.
- (d) *Investment Purpose.* The Purchaser is purchasing the Bonds for its own account for investment purposes in accordance with the Indenture. The Purchaser does not currently intend to distribute, transfer, or resale the Bonds; *provided, however*, the Purchaser reserves the right to sell or otherwise dispose of the Bonds in the future in accordance with the requirements set forth in the Indenture.
- (e) *Risk Acknowledgment.* The Purchaser has received and reviewed a copy of each of the Preliminary Limited Offering Memorandum (the “**Preliminary Limited Offering Memorandum**”) dated June 30, 2020, as supplemented on July 27, 2020, and the Limited Offering Memorandum (the “**Limited Offering Memorandum**”) dated August 11, 2020, each relating to the Bonds, including the respective Appendices thereto, and recognizes that (i) an investment in the Bonds involves significant risks, including but not limited to, the risks described in each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the respective captions “RISK FACTORS” and (ii) the Bonds are not rated by an agency. The Purchaser has reviewed and has made its decision to invest after its review of the Indenture, the Loan Agreement dated as of August 1, 2020, between the Issuer and the Borrower (the “**Loan Agreement**”) and each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum, and based upon certain other information it has obtained and that it deems relevant to its investment in the Bonds. The Purchaser has made its own independent review of credit and related matters applicable to the Borrower, the Issuer, the purchase and holding of the Bonds, and otherwise related to its investment in the Bonds. The Purchaser has had the opportunity to ask questions of and receive answers from the Borrower concerning the purchase of the Bonds and all matters relating thereto or any additional information it deemed necessary in its decision to purchase the Bonds and all requested information has been furnished to the Purchaser.
- (f) *Legal Authorization.* The Purchaser has authority to purchase the Bonds and to execute this letter and any other instrument and document required to be executed by the Purchaser in connection with the purchase of the Bonds. The undersigned is authorized to make the certifications, representations, and warranties contained herein by execution of this letter on behalf of the Purchaser.
- (g) *Common Control.* The Purchaser is not now and has never been controlled by, or under common control with, the Borrower or the Issuer. Neither the Borrower nor the Issuer has ever been and neither is now controlled by the Purchaser. The Purchaser has entered into no arrangements with the Borrower, the Issuer, or any of their affiliates in connection with the Bonds.
- (h) *SPECIAL LIMITED OBLIGATIONS.* The Purchaser understands that the Bonds are special limited, and not general, obligations of the Issuer payable solely from the revenues received by the Trustee. The Purchaser understands that the Bonds are not secured by any obligations or the pledge

of any monies received or to be received from taxation or from the State or any political subdivision or taxing district thereof (including, without implied limitation, the Issuer and the Arizona Finance Authority), and that the Bonds will never represent or constitute a general obligation, debt, or bonded indebtedness of the Arizona Finance Authority, the State, or any political subdivision thereof, and that no right will exist to have taxes levied by the Arizona Finance Authority, the State, or any political subdivision thereof, for the payment of the principal of, premium, if any, and interest on the Bonds, and that payment of the principal of, premium, if any, and interest on the Bonds depends upon the general credit of the Borrower and upon the net cash flow from the Series 2020 Project. The Purchaser understands that the Issuer has no taxing power. The Purchaser understands that the Bonds are payable solely from the revenues derived by the Trustee from loan repayments made by the Borrower under the Loan Agreement and the Promissory Notes, from amounts on deposit in the Funds established under the Indenture, and from amounts realized by the Trustee under the Leasehold Deed of Trust.

- (i) *Transfer Restrictions.* The Purchaser understands and acknowledges that neither the Bonds have been registered or qualified under the Securities Act or the securities laws of any state, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon certain exemptions set forth therein. Further, the Purchaser understands and acknowledges that the Bonds will not be listed on any securities exchange. The Purchaser has been informed and agrees that the Bonds may not be transferred to any person that is not a “qualified institutional buyer” within the meaning of Rule 144A of the Securities Act or an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act without registration under the Securities Act or an available exemption from registration.
- (j) *Reliance.* The Purchaser acknowledges that the sale of the Bonds by the Issuer to the Purchaser is made in reliance upon the certifications, representation, and warranties made by the Purchaser to the Issuer.
- (k) *INDEPENDENT EVALUATION; WAIVER OF ISSUER’S DUE DILIGENCE; RELEASE.* The Purchaser has independently evaluated the factors associated with its investment decision. The Purchaser has been given full and complete access to and has been furnished with all information requested by the Purchaser regarding the Borrower, and has conducted such other investigations relating to the Issuer, the Borrower, the Series 2020 Project, and the Bonds, as in the opinion of the Purchaser was necessary in connection with its purchase of the Bonds. The Purchaser acknowledges that the Issuer, the Arizona Finance Authority, the State and any of their past, present, and future directors, officers, members, employees, counsel, advisors, consultants, contractors and agents of any of the foregoing (each individually an “**Issuer Party**” and all collectively the “**Issuer Parties**”) have not undertaken to furnish information to the Purchaser, except for the information in each of the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum under the respective captions “THE ISSUER” and “LITIGATION – The Issuer,” or to ascertain the accuracy or completeness of any information that may have been furnished to the Purchaser by or on behalf of the Issuer or the Borrower relating to the operations, financial condition or future prospects of the Borrower or the Series 2020 Project and that none of the Issuer Parties have made any representations concerning the accuracy or completeness of any information supplied to the Purchaser or relating to the Borrower and the Series 2020 Project. The Purchaser further acknowledges that the Borrower has not undertaken to furnish information to the Purchaser regarding the Issuer, or to ascertain the accuracy or completeness of any information that may have been furnished to the Purchaser by or on behalf of the Issuer and that the Borrower has not made any representations concerning the accuracy or completeness of any information supplied to the Purchaser relating to the Issuer. The Purchaser hereby waives any requirements of due diligence in investigation or inquiry on the part of any of the Issuer Parties and all claims, actions,

or causes of action which the Purchaser may have directly or indirectly from or relating to any action which the Issuer or the Arizona Finance Authority took, or could have taken, in connection with the issuance and sale of the Bonds to the Purchaser.

- (l) *Defined Terms.* Capitalized terms used herein and not otherwise defined have the meanings given to such terms in the Indenture.

[remainder of page intentionally blank; signature page follows]

Very truly yours,

[NAME OF PURCHASER]

By _____

Name: _____

Title: _____

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX J

FORM OF DISCLOSURE DISSEMINATION AGENT AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of August 20, 2020, is executed and delivered by Legacy Cares, Inc. (the “Obligated Person”), an Arizona nonprofit corporation and 501(c)(3) organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, and Digital Assurance Certification, L.L.C. (“DAC”), as exclusive Disclosure Dissemination Agent (hereinafter defined) for the benefit of the Holders (hereinafter defined) of the Bonds (hereinafter defined) and in order to assist the Obligated Person in processing certain continuing disclosure with respect to the Bonds in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the Obligated Person through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the Issuer (hereinafter defined), the Obligated Person, or anyone on behalf of the Issuer or Obligated Person, regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary. DAC is not a “Municipal Advisor” as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and related rules.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f) hereof, by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report containing Annual Financial Information described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the annual financial statements of the Obligated Person for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i)(B) of the Rule and specified in Section 3(a) of this Disclosure Agreement.

“Bonds” means the bonds as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Monthly Report, Quarterly Report, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination

Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Monthly Report, Quarterly Report, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be (or voluntarily) submitted to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the Obligated Person and include the full name of the Bonds and the 9-digit CUSIP numbers for all Bonds to which the document applies.

“Disclosure Representative” means Douglas Moss, President, or his or her designee, or such other person as the Obligated Person shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the Obligated Person pursuant to Section 9 hereof.

“Failure to File Event” means the Obligated Person’s failure to file an Annual Report on or before the Annual Filing Date, failure to file a Monthly Report on or before the Monthly Filing Date, or failure to file a Quarterly Report on or before the Quarterly Filing Date.

“Financial obligation” as used in this Disclosure Agreement is defined in the Rule as (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as a security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (i) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) or (ii) treated as the owner of any Bonds for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Monthly Reports, the Quarterly Reports, the Audited Financial Statements, the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“Issuer” means the Arizona Industrial Development Authority, a nonprofit corporation designated as a political subdivision of the State of Arizona in accordance with the provisions of the Constitution and laws of the State of Arizona and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, as issuer of the Bonds.

“Monthly Filing Date” means the date, set in Section 2M(a), by which the Monthly Report is to be filed with the MSRB.

“Monthly Report” means a Monthly Report described in and consistent with Section 3M of this Disclosure Agreement.

“MSRB” means the Municipal Securities Rulemaking Board, or any successor thereto, established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events enumerated in paragraph (b)(5)(i)(C) of the Rule and listed in Section 4(a) of this Disclosure Agreement.

“Official Statement” means that Limited Offering Memorandum prepared by the Obligated Person in connection with the Bonds, as listed in Exhibit A.

“Quarterly Filing Date” means the date, set in Section 2Q(a), by which the Quarterly Report is to be filed with the MSRB.

“Quarterly Report” means a Quarterly Report described in and consistent with Section 3Q of this Disclosure Agreement.

“Trustee” means the institution identified as such in the document under which the Bonds were issued.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(10) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

SECTION 2. Provision of Annual Reports.

(a) The Obligated Person shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy each for the Issuer and the Trustee, if any, not later than the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than one hundred twenty (120) days following the end of each fiscal year of the Obligated Person, commencing with the fiscal year ending December 31, 2020. Such date following the end of each fiscal year of the Obligated Person is the “Annual Filing Date.” The Annual Report may be submitted as a single document or

as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer, that the Obligated Person will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 10:00 a.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(d) If Audited Financial Statements of the Obligated Person are prepared but not available prior to the Annual Filing Date, the Obligated Person shall, when the Audited Financial Statements are available, provide at such time an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy each for the Issuer and the Trustee, if any, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) hereof with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) hereof with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) hereof with the MSRB, identifying the Notice Event pursuant to Section 4(a) or 4(b)(ii) hereof (being any of the categories set forth below) when filing pursuant to Section 4(c) of this Disclosure Agreement:

1. "Principal and interest payment delinquencies;"
 2. "Non-Payment related defaults, if material;"
 3. "Unscheduled draws on debt service reserves reflecting financial difficulties;"
 4. "Unscheduled draws on credit enhancements reflecting financial difficulties;"
 5. "Substitution of credit or liquidity providers, or their failure to perform;"
 6. "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
 7. "Modifications to rights of securities holders, if material;"
 8. "Bond calls, if material, and tender offers;"
 9. "Defeasances;"
 10. "Release, substitution, or sale of property securing repayment of the securities, if material;"
 11. "Rating changes;"
 12. "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
 13. "Merger, consolidation, or acquisition of the obligated person, if material;"
 14. "Appointment of a successor or additional trustee, or the change of name of a trustee, if material;"
 15. "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
 16. "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties;"
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when

filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;

(vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) hereof with the MSRB, identifying the Voluntary Event Disclosure as instructed by the Obligated Person pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:

1. “amendment to continuing disclosure undertaking;”
2. “change in obligated person;”
3. “notice to investors pursuant to bond documents;”
4. “certain communications from the Internal Revenue Service;” other than those communications included in the Rule;
5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) hereof with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the Obligated Person pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “Timing of annual disclosure (120 days);”
3. “change in fiscal year/timing of annual disclosure;”
4. “change in accounting standard;”
5. “interim/additional financial information/operating data;”
6. “budget;”

7. “investment/debt/financial policy;”
8. “information provided to rating agency, credit/liquidity provider or other third party;”
9. “consultant reports;” and
10. “other financial/operating data.”

- (viii) upon receipt (or irrevocable direction pursuant to Section 2Q(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit D to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide quarterly report as required” when filing pursuant to Section 2Q(b)(ii) or Section 2Q(c) of this Disclosure Agreement;
- (ix) upon receipt (or irrevocable direction pursuant to Section 2M(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit E to this Disclosure Agreement with the MSRB, identifying the filing as “Failure to provide monthly report as required” when filing pursuant to Section 2M(b)(ii) or Section 2M(c) of this Disclosure Agreement;
- (x) provide the Obligated Person and Issuer evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The Obligated Person may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Issuer, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Anything in this Disclosure Agreement to the contrary notwithstanding, any Information received by the Disclosure Dissemination Agent before 10:00 a.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 2M. Provision of Monthly Reports.

(a) The Obligated Person shall provide, monthly, an electronic copy of the Monthly Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Monthly Filing Date. Promptly upon receipt of an electronic copy of the Monthly Report and the Certification, the Disclosure Dissemination Agent shall provide a Monthly Report to the MSRB not later than fifteen (15) days after the end of each calendar month,

commencing with the month ending September 30, 2020. Such date following the end of each calendar month is the “Monthly Filing Date”. The Monthly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3M of this Disclosure Agreement.

(b) If on the fifth (5th) day prior to the Monthly Filing Date, the Disclosure Dissemination Agent has not received a copy of the Monthly Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Monthly Report pursuant to Section 2M(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Monthly Report and the Certification no later than two (2) business days prior to the Monthly Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer, that the Obligated Person will not be able to file the Monthly Report within the time required under this Disclosure Agreement, state the date by which the Monthly Report for such month will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit E, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received a Monthly Report and Certification by 10:00 a.m. Eastern time on the Monthly Filing Date (or, if such Monthly Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Monthly Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit E without reference to the anticipated filing date for the Monthly Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 2Q. Provision of Quarterly Reports.

(a) The Obligated Person shall provide, quarterly, an electronic copy of the Quarterly Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than the Quarterly Filing Date. Promptly upon receipt of an electronic copy of the Quarterly Report and the Certification, the Disclosure Dissemination Agent shall provide a Quarterly Report to the MSRB not later than sixty (60) days after the end of each fiscal quarter of the Obligated Person, commencing with the fiscal quarter ending June 30, 2020. Such date following the end of each fiscal quarter of the Obligated Person is the “Quarterly Filing Date”. The Quarterly Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3Q of this Disclosure Agreement.

(b) If on the fifth (5th) day prior to the Quarterly Filing Date, the Disclosure Dissemination Agent has not received a copy of the Quarterly Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail), with a copy to the Issuer, to remind the Obligated Person of its undertaking to provide the Quarterly Report pursuant to Section 2Q(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Quarterly Report and the Certification no later than two (2) business days

prior to the Quarterly Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing, with a copy to the Issuer, that the Obligated Person will not be able to file the Quarterly Report within the time required under this Disclosure Agreement, state the date by which the Quarterly Report for such quarter will be provided and instruct the Disclosure Dissemination Agent to immediately send a Failure to File Event notice to the MSRB in substantially the form attached as Exhibit D, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

(c) If the Disclosure Dissemination Agent has not received a Quarterly Report and Certification by 10:00 a.m. Eastern time on the Quarterly Filing Date (or, if such Quarterly Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Quarterly Report, a Failure to File Event shall have occurred and the Obligated Person irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit D without reference to the anticipated filing date for the Quarterly Report, which may be accompanied by a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 3. Content of Annual Reports.

(a) The Annual Financial Information contained in each Annual Report shall include Audited Financial Statements, together with the annual compliance certificate of the Disclosure Representative required by Section 8.05 of the Loan Agreement. If audited financial statements are not available, then, unaudited financial statements, prepared in accordance with GAAP will be included in the Annual Report. In such event, Audited Financial Statements (if any) will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Annual Financial Information contains modified operating data or financial information different from the Annual Financial Information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 3M. Content of Monthly Reports.

(a) Each Monthly Report shall contain such information as the Obligated Person shall have agreed to cause to be provided, including, for so long as the “Series 2020 Project” (as defined in the Official Statement) is being constructed and until the date on which the Series 2020 Project opens to the general public, a narrative report of the progress on the construction of the Series 2020 Project for the prior calendar month, prepared in consultation with a third-party construction monitor, including without limitation, information regarding any problems or delays encountered in constructing the Series 2020 Project and a general description of any change orders made to the plans and specifications for the Series 2020 Project.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

SECTION 3Q. Content of Quarterly Reports.

(a) Each Quarterly Report shall contain such information as the Obligated Person shall have agreed to provide, including the following information: (i) operating data related to the Series 2020 Project, including without limitation, (A) a list of the major contracts related to the use of the Series 2020 Project (and to the extent possible, a copy of each such contract) in effect during the prior fiscal quarter, (B) a list of the letters of intent related to the use of the Series 2020 Project (and to the extent possible, a copy of each such letter of intent) in effect during the prior fiscal quarter, (C) a list of the number and types of events held at the Series 2020 Project during the prior fiscal quarter, and (D) any other data necessary to understand the operations of the Series 2020 Project during the prior fiscal quarter; (ii) a comparison of the Obligated Person’s income statement for the prior fiscal quarter, to the Obligated Person’s annual budget; and (iii) from and continuing after the date on which the Series 2020 Project opens to the general public, unaudited financial statements of the Obligated Person for the prior fiscal quarter, prepared in accordance with GAAP.

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the Obligated Person is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The Obligated Person will clearly identify each such document so incorporated by reference.

If the Quarterly financial information contains modified operating data or financial information different from the Quarterly financial information agreed to in the continuing disclosure undertaking related to the Bonds, the Obligated Person is required to explain, in narrative form, the reasons for the modification and the impact of the change in the type of operating data or financial information being provided.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Bonds constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;

6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a financial obligation of an Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of an Obligated Person, any of which affect security holders, if material; and

16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of an Obligated Person, any of which reflect financial difficulties.

The Obligated Person shall, in a timely manner not later than nine (9) business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the Issuer, Obligated Person or the Disclosure Representative of an event that may constitute a Notice Event. In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two (2) business days of receipt of such notice (but in any event not later than the tenth (10th) business day after the occurrence of the Notice Event, if the Obligated Person determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that either (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4, together with a Certification. Such Certification shall identify the Notice Event that has occurred (which shall be any of the categories set forth in Section 2(e)(iv) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth (10th) business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-1.

SECTION 5. CUSIP Numbers. The Obligated Person will provide the Disclosure Dissemination Agent with the CUSIP numbers for (a) new bonds at such time as they are issued or become subject to the Rule and (b) any Bonds to which new CUSIP numbers are assigned in substitution for the CUSIP numbers previously assigned to such Bonds.

SECTION 6. Additional Disclosure Obligations. The Obligated Person acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Obligated Person, and that the duties and responsibilities of the Disclosure Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The Obligated Person acknowledges and understands that the duties of the Disclosure Dissemination

Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure (which shall be any of the categories set forth in Section 2(e)(vi) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(b) The Obligated Person may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure (which shall be any of the categories set forth in Section 2(e)(vii) of this Disclosure Agreement), include the text of the disclosure that the Obligated Person desires to make, contain the written authorization of the Obligated Person for the Disclosure Dissemination Agent to disseminate such information, and identify the date the Obligated Person desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the Obligated Person as prescribed in this Section 7(b) hereof to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof. This notice may be filed with a cover sheet completed by the Disclosure Dissemination Agent in the form set forth in Exhibit C-2.

(c) The parties hereto acknowledge that the Obligated Person is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the Obligated Person from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Monthly Report, Quarterly Report, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required by this Disclosure Agreement. If the Obligated Person chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Monthly Report, Quarterly Report, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the Obligated Person shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Monthly Report, Quarterly Report, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the Obligated Person and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to the Bonds upon the legal defeasance, prior redemption or payment in full of all of the Bonds, when the Obligated Person is no longer an obligated person with respect to the Bonds, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure is no longer required.

SECTION 9. Disclosure Dissemination Agent. The Obligated Person has appointed DAC as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The Obligated Person may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, if any, replace or appoint a successor to the Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the Obligated Person or DAC, the Obligated Person agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Bonds. Notwithstanding any replacement or appointment of a successor, the Obligated Person shall remain liable to the Disclosure Dissemination Agent until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty (30) days' prior written notice to the Issuer and the Obligated Person.

SECTION 10. Remedies in Event of Default. In the event of a failure of the Obligated Person or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Disclosure Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Bonds or under any other document relating to the Bonds, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the Obligated Person has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information, or any other information, disclosures or notices provided to it by the Obligated Person and shall not be deemed to be acting in any fiduciary capacity for the Issuer, the Obligated Person, the Holders of the Bonds or any other party. The Disclosure Dissemination Agent shall have no responsibility for the Obligated Person's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine or liability for failing to determine whether the Obligated Person has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the Obligated Person at all times.

THE OBLIGATED PERSON AGREES TO INDEMNIFY AND SAVE THE DISCLOSURE DISSEMINATION AGENT AND ITS RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS, HARMLESS AGAINST ANY LOSS, EXPENSE AND LIABILITIES WHICH THEY MAY INCUR ARISING OUT OF OR IN THE EXERCISE OR PERFORMANCE OF THEIR POWERS AND DUTIES HEREUNDER, INCLUDING THE COSTS AND EXPENSES (INCLUDING ATTORNEYS FEES) OF DEFENDING AGAINST ANY CLAIM OF LIABILITY, BUT EXCLUDING LIABILITIES DUE TO THE DISCLOSURE DISSEMINATION AGENT'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

The obligations of the Obligated Person under this Section shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Bonds.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the Obligated Person.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Disclosure Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. No Issuer Responsibility. The Obligated Person and the Disclosure Dissemination Agent acknowledge that the Issuer is not, with respect to the Bonds, an "obligated person" (as defined by the Rule) and has undertaken no responsibility, and shall not be required to undertake any responsibility, with respect to any reports, notices or disclosures required by or provided pursuant to this Disclosure Agreement, and shall have no liability to any person, including any Holder of the Bonds, with respect to any such reports, notices or disclosures.

SECTION 13. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the Obligated Person and the Disclosure Dissemination Agent may amend this Disclosure Agreement and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the Obligated Person and the Disclosure Dissemination Agent to the effect that such amendment or waiver does not materially impair the interests of Holders of the Bonds and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule; provided neither the Obligated Person nor the Disclosure Dissemination Agent shall be obligated to agree to any amendment modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than twenty (20) days written notice of the intent to do so together with a copy of the proposed amendment to the Issuer and the Obligated Person. No such amendment shall become effective if the Obligated Person shall, within

ten (10) days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 14. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the Obligated Person, the Issuer, the Trustee (if any), the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 15. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 16. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the Obligated Person have caused this Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C.,
as Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

LEGACY CARES, INC.,
as Obligated Person

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF BONDS

Name of Issuer	Arizona Industrial Development Authority
Obligated Person(s)	Legacy Cares, Inc.
Name of Bond Issue:	Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project)
Date of Issuance:	August 20, 2020
Date of Official Statement	August 11, 2020

CUSIP Number:	<u>040523 AA0</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AB8</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AC6</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AD4</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AE2</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AF9</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AG7</u>	CUSIP Number:	_____
CUSIP Number:	<u>040523 AH5</u>	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____
CUSIP Number:	_____	CUSIP Number:	_____

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure
Agreement: _____

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided an Annual Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Person

cc: Legacy Cares, Inc.

EXHIBIT C-1
EVENT NOTICE COVER SHEET

This cover sheet and accompanying "event notice" may be sent to the MSRB pursuant to Securities and Exchange Commission Rule 15c2-12(b)(5)(i)(C) and (D).

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this material event notice relates:

Number of pages of attached: _____

_____ Description of Notice Event (Check One):

1. _____ "Principal and interest payment delinquencies;"
2. _____ "Non-Payment related defaults, if material;"
3. _____ "Unscheduled draws on debt service reserves reflecting financial difficulties;"
4. _____ "Unscheduled draws on credit enhancements reflecting financial difficulties;"
5. _____ "Substitution of credit or liquidity providers, or their failure to perform;"
6. _____ "Adverse tax opinions, IRS notices or events affecting the tax status of the security;"
7. _____ "Modifications to rights of securities holders, if material;"
8. _____ "Bond calls, if material;" Tender offers;
9. _____ "Defeasances;"
10. _____ "Release, substitution, or sale of property securing repayment of the securities, if material;"
11. _____ "Rating changes;"
12. _____ "Bankruptcy, insolvency, receivership or similar event of the obligated person;"
13. _____ "Merger, consolidation, or acquisition of the obligated person, if material;" and
14. _____ "Appointment of a successor or additional trustee, or the change of name of a trustee, if material."
15. _____ "Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material;" and
16. _____ "Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties."

_____ Failure to provide annual financial information as required

_____ Failure to provide quarterly report as required

_____ Failure to provide monthly report as required

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-2
VOLUNTARY EVENT DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary event disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Event Disclosure (Check One):

1. _____ "amendment to continuing disclosure undertaking;"
2. _____ "change in obligated person;"
3. _____ "notice to investors pursuant to bond documents;"
4. _____ "certain communications from the Internal Revenue Service;"
5. _____ "secondary market purchases;"
6. _____ "bid for auction rate or other securities;"
7. _____ "capital or other financing plan;"
8. _____ "litigation/enforcement action;"
9. _____ "change of tender agent, remarketing agent, or other on-going party;"
10. _____ "derivative or other similar transaction;" and
11. _____ "other event-based disclosures."

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT C-3
VOLUNTARY FINANCIAL DISCLOSURE COVER SHEET

This cover sheet and accompanying "voluntary financial disclosure" may be sent to the MSRB, pursuant to the Disclosure Dissemination Agent Agreement dated as of _____ between the Obligated Person and DAC.

Issuer's and Obligated Person's Names:

Issuer's Six-Digit CUSIP Number:

Issuer's Nine-Digit CUSIP Number(s) of the bonds to which this notice relates:

Number of pages attached: _____

_____ Description of Voluntary Financial Disclosure (Check One):

1. _____ "quarterly/monthly financial information;"
2. _____ "change in fiscal year/timing of annual disclosure;"
3. _____ "change in accounting standard;"
4. _____ "interim/additional financial information/operating data;"
5. _____ "budget;"
6. _____ "investment/debt/financial policy;"
7. _____ "information provided to rating agency, credit/liquidity provider or other third party;"
8. _____ "consultant reports;" and
9. _____ "other financial/operating data."

I hereby represent that I am authorized by the Obligated Person or its agent to distribute this information publicly:

Signature:

Name: _____ Title: _____

Digital Assurance Certification, L.L.C.
315 E. Robinson Street
Suite 300
Orlando, FL 32801
407-515-1100

Date: _____

EXHIBIT D

NOTICE TO MSRB OF FAILURE TO FILE QUARTERLY REPORT

Issuer _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure
Agreement: _____

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided a Quarterly Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Quarterly Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Person

cc: Legacy Cares, Inc.

EXHIBIT E

NOTICE TO MSRB OF FAILURE TO FILE MONTHLY REPORT

Issuer _____

Obligated Person: _____

Name(s) of Bond Issue(s): _____

Date(s) of Issuance: _____

Date(s) of Disclosure
Agreement: _____

CUSIP Numbers: _____

NOTICE IS HEREBY GIVEN that the Obligated Person has not provided a Monthly Report with respect to the above-named Bonds as required by the Disclosure Agreement between the Obligated Person and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The Obligated Person has notified the Disclosure Dissemination Agent that it anticipates that the Monthly Report will be filed by _____].

Dated: _____

Digital Assurance Certification, L.L.C., as
Disclosure Dissemination Agent, on behalf of the
Obligated Person

cc: Legacy Cares, Inc.

APPENDIX K

FORM OF OPINION OF BOND COUNSEL

[THIS PAGE INTENTIONALLY LEFT BLANK]

FORM OF BOND COUNSEL OPINION

August 20, 2020

Arizona Industrial Development Authority
Phoenix, Arizona

Re: \$212,960,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project), \$6,810,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) and \$31,000,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project)

Ladies and Gentlemen:

We have acted as bond counsel to the Arizona Industrial Development Authority (the “Issuer”), an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”), incorporated with the approval of the Arizona Finance Authority (“AFA”), pursuant to the provisions of the Constitution and laws of the State, including the Industrial Development Financing Act, Title 35, Chapter 5, Section 35-701 *et seq.*, Arizona Revised Statutes, as amended (the “Act”), in connection with the issuance by the Issuer of its \$212,960,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) (the “Tax-Exempt Series 2020A Bonds”), \$6,810,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) (the “Tax-Exempt Turbo Redemption Series 2020C Bonds” and together with the Tax-Exempt Series 2020A Bonds, the “Tax-Exempt Bonds”) and \$31,000,000 Arizona Industrial Development Authority Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) (the “Taxable Series 2020B Bonds” and together with the Tax-Exempt Bonds, the “Bonds”).

The Bonds are being issued by the Issuer pursuant to the provisions of (i) the Act, (ii) an Indenture of Trust, dated as of August 1, 2020 (the “Indenture”), between the Issuer and UMB Bank, N.A., as trustee thereunder (the “Trustee”), and (iii) a resolution duly adopted by the Issuer on March 25, 2020. The Bonds are being issued for the purpose of assisting Legacy Cares, Inc. (the “Borrower”), a nonprofit corporation organized and existing under the laws of the State of Arizona and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”), on behalf of the Borrower, to finance or refinance a portion of the costs of (i) the acquisition, construction, improvement, equipping and/or operations of a multi-sports park facility and family entertainment complex located near the southeast corner of the future

intersection of SR-24 and Ellsworth Road, on a 300-acre site in Mesa, Arizona (the “Facilities”), (ii) funding certain required reserves under the Indenture, (iii) paying capitalized interest, operating costs and working capital costs, and (iv) paying costs of issuance of the Bonds (collectively, the “Project”).

Pursuant to a Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), the proceeds from the sale of the Bonds will be used by the Issuer to make one or more loans to the Borrower.

Pursuant to the Indenture, the Borrower has executed and delivered to the Trustee on behalf of the Issuer its Promissory Notes in a principal amount equal to the aggregate principal amount of the Bonds to secure the Borrower’s repayment obligations under the Loan Agreement and, thereby, secure payment of the Bonds. The obligations of the Borrower under the Indenture are further secured by a Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Leases executed by the Borrower for the benefit of the Trustee, relating to the Facilities.

The Bonds are issued only as fully registered bonds without coupons in authorized denominations as set forth in the Indenture.

As Bond Counsel, we have examined and relied on originals or copies, certified or otherwise, identified to our satisfaction, of such instruments, certificates and documents (including all documents constituting the record of proceedings with respect to the issuance of the Bonds) and such matters of law as we have deemed necessary or appropriate for the purposes of the opinions rendered below. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to the original documents of all documents submitted to us as copies. As to any facts material to our opinion, we have relied upon the aforesaid instruments, certificates and documents. With respect to all matters pertaining to the Borrower and the due authorization, execution and delivery by the Borrower to perform and carry out its obligations thereunder, we have relied upon the opinion of McCann, Garland, Ridall & Burke, Pittsburgh, Pennsylvania, as counsel to the Borrower.

Based on the foregoing, we are of the opinion that:

1. The Bonds are valid and binding special limited obligations of the Issuer, the principal of and premium, if any, and interest on which are payable solely from the moneys of the Issuer pledged therefor pursuant to the Indenture. The Bonds are enforceable in accordance with their terms and are entitled to the benefit of the Act.

2. The Bonds do not constitute general obligations of the Issuer or a debt or pledge of the faith and credit or taxing power of the AFA, the State or any political subdivision thereof or of the United States of America or of any agency or instrumentality thereof. The Issuer has no taxing

power. The Issuer is not obligated to pay the Bonds or the interest or any premium thereon except out of the revenues pledged and assigned therefor pursuant to the Indenture.

3. The Loan Agreement, the Tax Certificate (defined below) and the Indenture, assuming due authorization, execution and delivery by the other parties thereto, constitute valid and binding agreements of the Issuer and are enforceable against the Issuer in accordance with their terms. The Indenture creates a lien to secure the payment of the principal of, premium, if any, and interest on the Bonds and on the Trust Estate, subject to the provisions of the Indenture.

4. Under existing laws, regulations, rulings and judicial decisions, the interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes. We are further of the opinion that the interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. In rendering the opinions in this paragraph, we have assumed the accuracy of certain representations of, and continuing compliance by, the parties thereto with respect to certain covenants in the Loan Agreement, the Tax Regulatory Agreement, dated the date hereof (the "Tax Certificate"), delivered by the Borrower on behalf of the Issuer, and the Indenture concerning the continuing excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

5. The interest on the Bonds is exempt from State personal income taxation.

6. The interest on the Taxable Series 2020B Bonds is includable in gross income for federal income tax purposes.

The opinions set forth in paragraph 4 above assume continuing compliance by the Issuer, the Borrower and the Trustee with all requirements of the Code that must be satisfied subsequent to the issuance of the Tax-Exempt Bonds in order that interest thereon be, or continue to be, excludable from gross income for federal income tax purposes. The Issuer, the Trustee and the Borrower have covenanted in the Indenture, the Loan Agreement and the Tax Certificate, as applicable, to comply with such requirements. Failure to comply with certain of such requirements may cause the interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes retroactive to the date of issuance of the Tax-Exempt Bonds.

Although we have rendered an opinion that interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes, the accrual or receipt of interest on the Tax-Exempt Bonds may otherwise affect the federal income tax liability of the recipient. The extent of any other tax consequences will depend upon the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences. Purchasers of the Tax-Exempt Bonds, particularly purchasers that are corporations (including S corporations and foreign corporations operating branches in the United States), property and casualty insurance companies, banks, thrifts or other financial institutions, certain recipients of Social Security or

Railroad Retirement benefits, taxpayers otherwise entitled to claim the earned income credit, taxpayers entitled to claim the refundable credit in Section 36B of the Code for coverage under a qualified health plan or taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, are advised to consult their tax advisors as to the tax consequences of purchasing or holding the Tax-Exempt Bonds.

The foregoing opinions are qualified to the extent that the enforceability of the Bonds, the Indenture and the other instruments enumerated above may be subject to any applicable bankruptcy, reorganization, insolvency, moratorium, liquidation, readjustment of debt and other laws affecting the enforcement of creditors' rights generally from time to time in effect, and laws affecting the remedies for the enforcement of rights and security provided in the Bonds, the Indenture and the other instruments enumerated above, including the remedy of specific performance, and subject to applicable principles of equity (if equitable remedies are sought) and public policy, and to the qualification that enforcement may be limited by federal or state laws or rules as the same may have been interpreted by judicial decisions or administrative rulings, and by the exercise of judicial discretion.

This letter is issued to and for the sole benefit of the above addressees and is issued for the sole purpose of the transaction specifically referred to herein. No person other than the above addressees may rely upon this letter without our express prior written consent. This letter may not be utilized by you for any other purpose whatsoever and may not be quoted by you without our express prior written consent. We assume no obligation to review or supplement this letter subsequent to its date, whether by reason of a change in current laws, by legislative or regulatory action, by judicial decision or for any other reason.

Respectfully submitted,

Gust Rosenfeld P.L.C.

APPENDIX L

FEASIBILITY STUDY

[THIS PAGE INTENTIONALLY LEFT BLANK]



600 Cleveland Street, Suite 910
Clearwater, FL 33755

Tel: (727) 474-3845
Fax: (727) 462-2800
www.sportadvisory.com

RE: Legacy Sports USA

Dear Randy:

In 2017, The Sports Facilities Advisory "SFA" completed market research and a pro forma for Legacy Sports USA. SFA provides projections and assesses feasibility by analyzing critical success and risk factors. Our proprietary methodology is utilized on hundreds of millions of dollars in proposed sports complex developments each year. The SFA research and analysis process allows us to evaluate the financial viability of a wide range of sports, recreation, entertainment, and event programs.

Since the pro forma completion, Legacy Sports USA has secured additional letters of commitment for usage, expanded the programming to include a "great lawn" for entertainment, concerts, and events, and secured a world renowned facility operator. On December 12th of 2018, the Legacy Sports USA ownership and leadership team traveled to SFA's corporate headquarters to provide an overview of their updated operating and development information. As a result of the meetings and expanded facility program, SFA believes it is reasonable to significantly increase facility visits of the 1.3 million per year originally forecast by SFA. Furthermore, SFA believes the pricing increase to \$7.00 for gate fees, from the original \$3, and \$10 for parking fees is reasonable and in line with current national pricing benchmarks in the sports tourism and events industries. In some cases, these fees may need to be split with outside event organizations and promoters.

To support a successful launch of Legacy Sports USA, The Sports Facilities Management ("SFM") will provide development support and pre-opening operational advisory services. These services will include equipment purchasing and procurement to achieve best pricing for the complex, as well as, resources and training for operational preparedness. SFM has provided this type of support to more sports tourism destinations than any other firm in the industry. The SFM collection of assets generated more than 50 million guest visits and over \$150M in direct spending last year alone. We will use this experience to support Legacy Sports USA.

We are grateful to for the opportunity to serve a portfolio of great projects and are hopeful to add the Legacy Sports USA to the collection. For more information on SFA|SFM, please visit www.sportadvisory.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Sullivan".

Eric Sullivan
Partner
Sports Facilities Advisory, LLC



Legacy Sports/Family Entertainment Park (Phoenix, AZ)

Five-Year Operating Pro Forma

Date: September 2017
Developed for: Legacy Sports, LLC

Note: SFA has developed this third-party feasibility study for Legacy Sports, LLC and has no responsibility to update this financial forecast for events and circumstances that occur after the date of these deliverables. The findings presented herein reflect analysis of primary and secondary sources of information. SFA utilized sources deemed to be reliable but cannot guarantee their accuracy. Moreover, estimates and analysis presented in this financial forecast are based on trends and assumptions, which usually result in differences between the projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

Note: SFA has based many of the projections for this financial forecast on participation and financial data provided by Legacy Sports Park program partners. The financial performance associated with these programs relies on the ability of each respective program partner to perform on its commitments as represented in letters of intent and/or other documentation delivered to SFA by Legacy Sports, LLC. Any variance between the intentions of the program partners as represented in the tendered documents and their actual performance will result in substantive, and potentially significant changes to the projections in their specific business units as well as throughout other portions of this financial forecast.



Total Revenue & Expenses

Revenue	Year 1	Year 2	Year 3	Year 4	Year 5
Complex Entry Fees	\$3,741,751	\$4,035,673	\$4,291,616	\$4,487,944	\$4,679,729
Fitness/Wellness Memberships	\$1,217,030	\$1,832,728	\$2,014,677	\$2,115,411	\$2,284,099
Fitness & Training	\$1,542,224	\$1,619,336	\$1,785,317	\$1,838,877	\$1,988,745
Youth Development	\$119,461	\$137,380	\$151,118	\$158,674	\$166,608
SC del Sol Indoor Soccer	\$259,200	\$272,160	\$314,345	\$330,062	\$363,893
Indoor Lacrosse	\$93,636	\$112,363	\$135,959	\$142,757	\$157,390
Indoor Football	\$67,903	\$74,693	\$90,379	\$94,898	\$103,210
Indoor Turf Events	\$56,548	\$73,252	\$111,679	\$111,679	\$117,263
Indoor Field Rental	\$159,087	\$167,041	\$192,933	\$202,579	\$223,344
Basketball	\$273,504	\$300,855	\$347,487	\$364,861	\$403,524
Volleyball	\$289,385	\$318,323	\$385,171	\$404,430	\$446,521
In-House Basketball Tournaments	\$845,600	\$1,052,000	\$1,316,880	\$1,316,880	\$1,360,644
Basketball Rental Tournaments	\$65,280	\$65,280	\$74,016	\$74,016	\$75,917
Volleyball Rental Tournaments	\$146,880	\$183,600	\$254,640	\$292,116	\$366,785
Court Rentals	\$177,708	\$186,594	\$205,720	\$216,006	\$238,146
SC del Sol Outdoor Soccer	\$3,811,750	\$4,075,238	\$4,562,249	\$4,852,417	\$5,407,340
Outdoor Lacrosse	\$104,900	\$135,846	\$186,040	\$214,784	\$249,090
Outdoor Football	\$68,650	\$81,625	\$102,268	\$112,648	\$124,372
In-House Multi-Purpose Field Tournament	\$1,438,000	\$1,543,250	\$1,913,500	\$2,055,500	\$2,131,950
Multi-Purpose Field Rental Tournaments	\$1,931,670	\$1,931,670	\$2,010,762	\$2,010,762	\$2,054,263
Outdoor Baseball/Softball	\$625,950	\$711,307	\$834,600	\$859,638	\$929,698
Baseball Rental Tournaments	\$440,650	\$466,900	\$521,938	\$548,923	\$572,345
In-House Softball Tournaments	\$199,360	\$199,360	\$213,920	\$213,920	\$221,928
Softball Rental Tournaments	\$294,700	\$306,320	\$346,010	\$346,010	\$356,328
Ticketed Events	\$60,000	\$60,000	\$99,000	\$132,000	\$138,600
Outdoor Field Rental	\$122,967	\$129,115	\$142,349	\$146,620	\$158,569
Outdoor Track	\$112,000	\$128,800	\$155,848	\$163,640	\$180,414
Outdoor Sand Volleyball	\$72,750	\$87,140	\$110,021	\$121,716	\$134,997
Outdoor Pickleball	\$75,763	\$92,697	\$113,899	\$127,861	\$143,291
Facility Rental Events	\$20,000	\$27,500	\$42,500	\$45,000	\$45,000
Outdoor Adventure Center	\$263,700	\$342,810	\$431,941	\$475,135	\$523,836
Indoor Adventure/Entertainment Center	\$907,627	\$928,066	\$1,150,965	\$1,196,327	\$1,281,912
Youth Programming	\$577,050	\$634,755	\$733,142	\$769,799	\$848,704
Birthday Parties	\$258,000	\$309,600	\$357,588	\$375,467	\$413,953
Special Events	\$975,000	\$1,033,875	\$1,080,099	\$1,107,561	\$1,136,309
Group Events & Rentals	\$156,700	\$195,875	\$258,555	\$284,411	\$328,494
Concessions	\$2,178,990	\$2,344,902	\$2,616,550	\$2,694,964	\$2,771,659
Restaurant	\$9,675,000	\$10,362,087	\$11,141,581	\$11,573,064	\$11,945,890
Retail	\$1,179,224	\$1,291,299	\$1,437,433	\$1,493,943	\$1,523,875
Tenant Revenue	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
Secondary Revenue	\$1,892,284	\$1,898,388	\$1,907,124	\$1,908,832	\$1,909,504
Total Revenue	\$37,937,882	\$41,189,700	\$45,581,819	\$47,422,130	\$49,948,138



Total Revenue & Expenses Continued

Expenses	Year 1	Year 2	Year 3	Year 4	Year 5
Complex Entry Fees	\$498,900	\$538,090	\$572,215	\$598,392	\$623,964
Fitness/Wellness Memberships	\$377,831	\$522,819	\$575,528	\$611,988	\$664,658
Fitness & Training	\$448,503	\$470,928	\$519,198	\$534,774	\$578,358
Youth Development	\$32,976	\$37,262	\$40,592	\$42,505	\$44,510
SC del Sol Indoor Soccer	\$66,816	\$70,157	\$75,951	\$79,748	\$85,122
Indoor Lacrosse	\$18,615	\$22,338	\$26,205	\$27,515	\$29,882
Indoor Football	\$17,584	\$19,343	\$22,930	\$24,077	\$25,928
Indoor Turf Events	\$22,695	\$30,069	\$45,179	\$45,179	\$47,249
Indoor Field Rental	\$7,954	\$8,352	\$9,647	\$10,129	\$11,167
Basketball	\$96,437	\$106,080	\$117,496	\$123,371	\$133,664
Volleyball	\$103,337	\$113,671	\$136,129	\$142,935	\$157,031
In-House Basketball Tournaments	\$437,992	\$550,168	\$698,631	\$698,631	\$725,141
Basketball Rental Tournaments	\$1,920	\$1,920	\$2,160	\$2,160	\$2,160
Volleyball Rental Tournaments	\$23,328	\$29,160	\$39,384	\$45,292	\$55,878
Court Rentals	\$8,885	\$9,330	\$10,286	\$10,800	\$11,907
SC del Sol Outdoor Soccer	\$2,234,503	\$2,401,816	\$2,701,044	\$2,883,813	\$3,223,915
Outdoor Lacrosse	\$18,772	\$24,310	\$31,860	\$36,783	\$41,745
Outdoor Football	\$14,839	\$17,643	\$21,216	\$23,370	\$25,288
In-House Multi-Purpose Field Tournament	\$536,645	\$556,618	\$650,740	\$691,320	\$710,576
Multi-Purpose Field Rental Tournaments	\$79,092	\$79,092	\$87,001	\$87,001	\$91,351
Outdoor Baseball/Softball	\$171,776	\$83,654	\$96,059	\$98,941	\$105,894
Baseball Rental Tournaments	\$58,870	\$62,440	\$68,889	\$72,532	\$74,874
In-House Softball Tournaments	\$104,102	\$104,102	\$106,141	\$106,141	\$107,262
Softball Rental Tournaments	\$37,417	\$38,915	\$43,330	\$43,330	\$44,136
Ticketed Events	\$15,600	\$15,600	\$24,840	\$33,120	\$34,176
Outdoor Field Rental	\$6,148	\$6,456	\$7,117	\$7,331	\$7,928
Outdoor Track	\$51,000	\$58,650	\$70,967	\$74,515	\$82,153
Outdoor Sand Volleyball	\$20,888	\$25,019	\$30,368	\$33,596	\$36,548
Outdoor Pickleball	\$9,692	\$11,870	\$14,604	\$16,400	\$18,392
Facility Rental Events	\$3,800	\$5,225	\$8,075	\$8,550	\$8,550
Outdoor Adventure Center	\$144,398	\$170,037	\$213,773	\$235,001	\$258,931
Indoor Adventure/Entertainment Center	\$322,877	\$343,709	\$423,689	\$440,230	\$471,234
Youth Programming	\$310,463	\$341,509	\$394,443	\$414,165	\$456,617
Birthday Parties	\$67,020	\$80,424	\$90,622	\$95,153	\$103,656
Special Events	\$330,750	\$330,750	\$330,750	\$330,750	\$330,750
Group Events & Rentals	\$47,010	\$58,763	\$77,567	\$85,323	\$98,548
Concessions	\$1,140,338	\$1,227,165	\$1,369,328	\$1,410,364	\$1,450,501
Restaurant	\$5,657,668	\$6,045,254	\$6,484,968	\$6,728,368	\$6,938,681
Retail	\$648,573	\$710,214	\$790,588	\$821,668	\$838,131
Tenant Revenue	\$0	\$0	\$0	\$0	\$0
Secondary Revenue	\$456,250	\$456,250	\$456,250	\$456,250	\$456,250
Total Cost of Goods Sold	\$14,652,264	\$15,785,172	\$17,485,760	\$18,231,514	\$19,212,705
Gross Margin	\$23,285,618	\$25,404,528	\$28,096,059	\$29,190,616	\$30,735,433
<i>% of Revenue</i>	61%	62%	62%	62%	62%
Facility Expenses	\$2,318,385	\$2,393,973	\$2,475,337	\$2,548,738	\$2,622,799
Operating Expense	\$2,410,025	\$2,649,392	\$3,304,333	\$3,409,127	\$3,532,665
Management Payroll	\$3,262,102	\$3,499,134	\$3,764,574	\$3,922,597	\$4,133,837
Payroll Taxes/Benefits/Bonus	\$1,767,521	\$1,901,520	\$2,110,816	\$2,214,116	\$2,369,583
Total Operating Expenses	\$9,758,033	\$10,444,019	\$11,655,060	\$12,094,578	\$12,658,884
EBITDA	\$13,527,585	\$14,960,509	\$16,440,999	\$17,096,038	\$18,076,549
<i>% of Revenue</i>	36%	36%	36%	36%	36%
<i>Debt Service</i>	\$9,654,978	\$9,654,978	\$9,654,978	\$9,654,978	\$11,173,434
<i>Debt-Covenant Ratio</i>	1.40	1.55	1.70	1.77	1.62
Net Operating Income	\$3,872,607	\$5,305,531	\$6,786,021	\$7,441,060	\$6,903,115



Facility Expenses

Indoor Building

Expense	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Alarm System Maintenance		\$15,000	\$15,450	\$15,914	\$16,391	\$16,883
Hard Structure Facility Maint & Cleaning		\$437,565	\$456,528	\$479,559	\$492,866	\$505,019
Facility/Medical Supplies		\$10,000	\$10,500	\$11,025	\$11,576	\$12,155
Hard Structure Maint. & Repairs		\$125,197	\$128,952	\$132,821	\$136,806	\$140,910
Hard Structure Utility Expense	\$1.09/SF	\$620,292	\$638,901	\$658,068	\$677,810	\$698,144
Total Indoor Facility Expense		\$1,208,053	\$1,250,331	\$1,297,386	\$1,335,448	\$1,373,111

Outdoor Facility

Expense	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Turf Multi-Purpose Field Maintenance	\$4,750/Field	\$19,000	\$19,570	\$20,157	\$20,762	\$21,385
Natural Grass Multi-Purpose Field Maintenance	\$12,000/Field	\$216,000	\$222,480	\$229,154	\$236,029	\$243,110
Natural Grass Multi-Purpose Field Irrigation	Based on Annual Precipitation	\$225,769	\$232,542	\$239,518	\$246,704	\$254,105
Youth Diamond (Turf Infield) Field Maintenance	\$3,000/Field	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506
Natural Grass Diamond Field Maintenance	Average \$19,000/Field	\$209,000	\$215,270	\$221,728	\$228,380	\$235,231
Multi-Purpose Field Field Painting/Striping Supplies	\$150/New Stripe, \$60/Re-Stripe	\$50,000	\$51,500	\$53,045	\$54,636	\$56,275
Grounds Maintenance	\$500/Acre	\$133,563	\$137,570	\$141,697	\$145,948	\$150,326
Field Lighting	\$7,000/Field	\$245,000	\$252,350	\$259,921	\$267,718	\$275,750
Total Outdoor Facility Expense		\$1,110,332	\$1,143,642	\$1,177,951	\$1,213,290	\$1,249,689
Total Facility Expense		\$2,318,385	\$2,393,973	\$2,475,337	\$2,548,738	\$2,622,799



Operating Expenses

Expense	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Accounting Fees		\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Bank Service Charges	Misc. Banking Fees	\$379,379	\$411,897	\$455,818	\$474,221	\$499,481
Dues/Subscriptions		\$5,000	\$5,150	\$5,305	\$5,464	\$5,628
Employee Uniforms		\$15,000	\$10,000	\$10,300	\$10,609	\$10,927
General Advertising & Marketing	Performed by FETCH Media and Marketing	\$675,000	\$823,794	\$911,636	\$948,443	\$998,963
Tournament Business Development		\$0	\$0	\$0	\$0	\$0
Insurance - Property & Liability		\$569,068	\$586,140	\$603,724	\$621,836	\$640,491
Interest Expense		\$0	\$0	\$0	\$0	\$0
Legal Fees		\$100,000	\$103,000	\$106,090	\$109,273	\$112,551
Licenses, Permits	Food Licenses, etc.	\$10,000	\$10,300	\$10,609	\$10,927	\$11,255
National Management Service	TBD	\$0	\$0	\$0	\$0	\$0
Management Travel	TBD	\$0	\$0	\$0	\$0	\$0
Office Supplies		\$57,780	\$59,513	\$61,299	\$63,138	\$65,032
Real Estate Tax	Assumes Abatement, Per LSP	\$0	\$0	\$0	\$0	\$0
Rent - County	Assumes Land Rental Agreement, Per LSP	\$75,000	\$75,000	\$525,000	\$525,000	\$525,000
Restaurant & Concessions Revenue Share	10% of Rest. & Conc. NOI (After \$798,000 NOI)	\$425,798	\$463,657	\$510,584	\$533,130	\$553,037
Software - Facility Management and Operation	Online Scheduling Software, Etc.	\$48,000	\$49,440	\$50,923	\$52,451	\$54,024
Travel and Education		\$25,000	\$25,750	\$26,523	\$27,318	\$28,138
Total Operating Expenses		\$2,410,025	\$2,649,392	\$3,304,333	\$3,409,127	\$3,532,665



Management Payroll Summary

Management Position	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Chief Executive Officer		\$300,000	\$312,000	\$324,480	\$337,459	\$350,958
Chief Operating Officer		\$200,000	\$208,000	\$216,320	\$224,973	\$233,972
General Manager		\$125,000	\$130,000	\$135,200	\$140,608	\$146,232
Director of Operations 1		\$125,000	\$130,000	\$135,200	\$140,608	\$146,232
Director of Operations 2		\$100,000	\$104,000	\$108,160	\$112,486	\$116,986
Executive Sports Director		\$75,000	\$78,000	\$81,120	\$84,365	\$87,739
Senior Sports Director 1		\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Senior Sports Director 2		\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Director of Food and Beverage		\$150,000	\$156,000	\$162,240	\$168,730	\$175,479
Business Development Director		\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Director-Level Staff		\$787,102	\$925,134	\$1,087,614	\$1,138,558	\$1,238,437
Sales and Marketing Team	Multiple Positions	\$200,000	\$208,000	\$216,320	\$224,973	\$233,972
Facilities and Grounds Maintenance Team	Multiple Positions	\$900,000	\$936,000	\$973,440	\$1,012,378	\$1,052,873
Membership/Sales/ Admin Support		\$150,000	\$156,000	\$162,240	\$168,730	\$175,479
Total Management Payroll		\$3,262,102	\$3,499,134	\$3,764,574	\$3,922,597	\$4,133,837



Payroll Summary

Total Payroll Summary		Year 1	Year 2	Year 3	Year 4	Year 5
Mgmt	Chief Executive Officer	\$300,000	\$312,000	\$324,480	\$337,459	\$350,958
Mgmt	Chief Operating Officer	\$200,000	\$208,000	\$216,320	\$224,973	\$233,972
Mgmt	Chief Management Officer	\$0	\$0	\$0	\$0	\$0
Mgmt	General Manager	\$125,000	\$130,000	\$135,200	\$140,608	\$146,232
Mgmt	Director of Operations 1	\$125,000	\$130,000	\$135,200	\$140,608	\$146,232
Mgmt	Director of Operations 2	\$100,000	\$104,000	\$108,160	\$112,486	\$116,986
Mgmt	Executive Sports Director	\$75,000	\$78,000	\$81,120	\$84,365	\$87,739
Mgmt	Senior Sports Director 1	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Mgmt	Senior Sports Director 2	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Mgmt	Chief Legal Officer	\$0	\$0	\$0	\$0	\$0
Mgmt	Director of Food and Beverage	\$150,000	\$156,000	\$162,240	\$168,730	\$175,479
Mgmt	Chief Diversification Officer	\$0	\$0	\$0	\$0	\$0
Mgmt	Business Development Director	\$50,000	\$52,000	\$54,080	\$56,243	\$58,493
Mgmt	Director-Level Staff	\$787,102	\$925,134	\$1,087,614	\$1,138,558	\$1,238,437
Mgmt	Sales and Marketing Team	\$200,000	\$208,000	\$216,320	\$224,973	\$233,972
Mgmt	Facilities and Grounds Maintenance Team	\$900,000	\$936,000	\$973,440	\$1,012,378	\$1,052,873
Mgmt	Membership/Sales/Admin Support	\$150,000	\$156,000	\$162,240	\$168,730	\$175,479
Subtotal Management Payroll		\$3,262,102	\$3,499,134	\$3,764,574	\$3,922,597	\$4,133,837
Director	Membership Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Performance Fitness & Training Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Youth Development Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Indoor Soccer Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Indoor Lacrosse Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Indoor Football Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Indoor Turf Event Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Basketball Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Volleyball Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	In-House Basketball Tournament Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	In-House Volleyball Tournament Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Soccer Management Allotment	\$1,635,241	\$1,748,277	\$1,957,205	\$2,081,687	\$2,319,749
Director	Outdoor Lacrosse Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Football Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	In-House Multi-Purpose Tournament Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Baseball/Softball Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	In-House Baseball/Softball Tournament Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	In-House Youth BB/SB Tournament Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Track Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Sand Volleyball Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Pickleball Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Outdoor Adventure Center Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Indoor Adventure/Ent. Center Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Youth Programming Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Birthday Party Management Allotment	\$0	\$0	\$0	\$0	\$0
Director	Corporate & Group Event Management Allotment	\$0	\$0	\$0	\$0	\$0
Subtotal Program Management		\$1,635,241	\$1,748,277	\$1,957,205	\$2,081,687	\$2,319,749



Payroll Summary Continued

Staff	Gate Staff	\$187,088	\$201,784	\$214,581	\$224,397	\$233,986
Staff	Fitness/Wellness Membership Staff	\$91,277	\$137,455	\$151,101	\$158,656	\$171,307
Staff	Indoor Soccer Staff	\$12,960	\$13,608	\$15,717	\$16,503	\$18,195
Staff	Indoor Lacrosse Staff	\$4,682	\$5,618	\$6,798	\$7,138	\$7,870
Staff	Indoor Football Staff	\$3,395	\$3,735	\$4,519	\$4,745	\$5,160
Staff	Indoor Turf Event Staff	\$2,827	\$3,663	\$5,584	\$5,584	\$5,863
Staff	Indoor Field Rental Staff	\$7,954	\$8,352	\$9,647	\$10,129	\$11,167
Staff	Basketball Staff	\$13,675	\$15,043	\$17,374	\$18,243	\$20,176
Staff	Volleyball Staff	\$14,469	\$15,916	\$19,259	\$20,221	\$22,326
Staff	In-House Basketball Tournament Staff	\$59,100	\$75,780	\$97,608	\$97,608	\$101,879
Staff	Basketball Rental Tournament Staff	\$960	\$960	\$1,080	\$1,080	\$1,080
Staff	In-House Volleyball Tournament Staff	\$0	\$0	\$0	\$0	\$0
Staff	Volleyball Rental Tournament Staff	\$4,320	\$5,400	\$6,960	\$8,040	\$9,600
Staff	Indoor Court Rental Event Staff	\$0	\$0	\$0	\$0	\$0
Staff	Court Rental Staff	\$8,885	\$9,330	\$10,286	\$10,800	\$11,907
Staff	Outdoor Soccer Staff	\$188,231	\$197,643	\$217,901	\$228,796	\$252,248
Staff	Outdoor Lacrosse Staff	\$5,245	\$6,792	\$9,302	\$10,739	\$12,454
Staff	Outdoor Football Staff	\$3,433	\$4,081	\$5,113	\$5,632	\$6,219
Staff	In-House Multi-Purpose Tournament Staff	\$90,350	\$96,963	\$120,425	\$131,125	\$134,948
Staff	Multi-Purpose Rental Tournament Staff	\$114,305	\$114,305	\$122,214	\$122,214	\$126,564
Staff	Outdoor Baseball/Softball Staff	\$31,298	\$35,565	\$41,730	\$42,982	\$46,485
Staff	In-House Baseball/Softball Tournament Staff	\$0	\$0	\$0	\$0	\$0
Staff	Baseball/Softball Rental Tournament Staff	\$51,468	\$54,565	\$60,541	\$63,712	\$66,054
Staff	In-House Youth BB/SB Tournament Staff	\$15,904	\$15,904	\$17,360	\$17,360	\$18,161
Staff	Youth BB/SB Rental Tournament Staff	\$29,470	\$30,632	\$34,601	\$34,601	\$35,633
Staff	Outdoor Field Rental Staff	\$6,148	\$6,456	\$7,117	\$7,331	\$7,928
Staff	Outdoor Ticketed Event Staff	\$12,000	\$12,000	\$19,350	\$25,800	\$26,790
Staff	Outdoor Track Staff	\$11,200	\$12,880	\$15,585	\$16,364	\$18,041
Staff	Outdoor Sand Volleyball Staff	\$3,638	\$4,357	\$5,501	\$6,086	\$6,750
Staff	Outdoor Pickleball Staff	\$3,788	\$4,635	\$5,695	\$6,393	\$7,165
Staff	Facility Rental Event Staff	\$2,800	\$3,850	\$5,950	\$6,300	\$6,300
Staff	Outdoor Adventure Center Staff	\$79,110	\$85,703	\$107,985	\$118,784	\$130,959
Staff	Indoor Adventure/Ent. Center Staff	\$189,156	\$199,882	\$246,359	\$256,044	\$273,726
Staff	Birthday Party Staff	\$18,000	\$21,600	\$22,680	\$23,814	\$25,005
Staff	Retail Staff	\$117,922	\$129,130	\$143,743	\$149,394	\$152,387
Staff	Food & Beverage Staff	\$435,798	\$468,980	\$523,310	\$538,993	\$554,332
Subtotal Sport Admin Staff		\$1,820,856	\$2,002,564	\$2,292,976	\$2,395,609	\$2,528,666
Instructors	Fitness/Wellness Membership Instructors	\$277,907	\$372,679	\$410,529	\$438,739	\$477,623
Instructors	Performance Fitness & Training Instructors	\$417,659	\$438,541	\$483,492	\$497,997	\$538,583
Instructors	Youth Development Instructors	\$17,919	\$20,607	\$22,668	\$23,801	\$24,991
Instructors	Indoor Soccer Instructors	\$0	\$0	\$0	\$0	\$0
Instructors	Indoor Lacrosse Instructors	\$4,884	\$5,861	\$7,092	\$7,446	\$8,209
Instructors	Indoor Football Instructors	\$8,232	\$9,055	\$10,957	\$11,505	\$12,512
Instructors	Basketball Instructors	\$20,096	\$22,106	\$25,532	\$26,809	\$29,649
Instructors	Volleyball Instructors	\$56,931	\$62,624	\$75,775	\$79,564	\$87,845
Instructors	Outdoor Soccer Instructors	\$8,225	\$8,695	\$9,623	\$10,117	\$11,141
Instructors	Outdoor Lacrosse Instructors	\$1,500	\$1,943	\$2,660	\$3,071	\$3,562
Instructors	Outdoor Football Instructors	\$2,100	\$2,497	\$3,128	\$3,446	\$3,805
Instructors	Outdoor Baseball/Softball Instructors	\$0	\$0	\$0	\$0	\$0
Instructors	Outdoor Track Instructors	\$6,000	\$6,900	\$8,349	\$8,766	\$9,665
Instructors	Outdoor Sand Volleyball Instructors	\$6,188	\$7,411	\$9,357	\$10,352	\$11,482
Instructors	Outdoor Pickleball Instructors	\$600	\$746	\$936	\$1,056	\$1,197
Instructors	Youth Programming Instructors	\$230,820	\$253,902	\$293,257	\$307,920	\$339,481
Instructors	Corporate & Group Event Instructors	\$39,175	\$48,969	\$64,639	\$71,103	\$82,124
Subtotal Instructors (COGS)		\$1,098,235	\$1,262,536	\$1,427,994	\$1,501,692	\$1,641,870
Referees	Indoor Soccer Referees	\$46,080	\$48,384	\$50,803	\$53,343	\$56,011
Referees	Indoor Lacrosse Referees	\$6,240	\$7,488	\$8,237	\$8,649	\$9,081
Referees	Indoor Football Referees	\$3,920	\$4,312	\$4,743	\$4,980	\$5,159
Referees	Indoor Turf Event Referees	\$10,500	\$14,100	\$21,285	\$21,285	\$22,349
Referees	Basketball Officials	\$43,520	\$47,872	\$50,266	\$52,779	\$55,592
Referees	Volleyball Officials	\$11,680	\$12,848	\$14,133	\$14,839	\$15,604
Referees	In-House Basketball Tournament Officials	\$76,800	\$76,800	\$80,640	\$80,640	\$84,672
Referees	In-House Volleyball Tournament Officials	\$0	\$0	\$0	\$0	\$0
Referees	Outdoor Soccer Referees	\$12,549	\$13,176	\$14,527	\$15,253	\$16,817
Referees	Outdoor Lacrosse Referees	\$8,880	\$11,500	\$14,317	\$16,529	\$18,256
Referees	Outdoor Football Referees	\$6,560	\$7,800	\$8,884	\$9,786	\$10,290
Referees	In-House Multi-Purpose Tournament Referees	\$140,000	\$147,500	\$175,000	\$195,000	\$195,000
Referees	Outdoor Baseball/Softball Umpires	\$115,440	\$19,636	\$20,945	\$21,574	\$22,221
Referees	In-House Baseball/Softball Tournament Umpires	\$0	\$0	\$0	\$0	\$0
Referees	In-House Youth BB/SB Tournament Umpires	\$71,680	\$71,680	\$71,680	\$71,680	\$71,680
Referees	Outdoor Track Officials	\$4,200	\$4,830	\$5,844	\$6,137	\$6,766
Referees	Outdoor Sand Volleyball Officials	\$8,880	\$10,636	\$12,209	\$13,506	\$14,267
Referees	Outdoor Pickleball Officials	\$0	\$0	\$0	\$0	\$0
Trainers	In-House Tournament Trainers	\$33,405	\$43,785	\$55,245	\$55,845	\$55,845
Subtotal Referee/Trainers (COGS)		\$600,334	\$542,347	\$608,758	\$641,825	\$659,608
Payroll Subtotal		\$8,416,767	\$9,054,858	\$10,051,507	\$10,543,409	\$11,283,730
Payroll Services		\$252,503	\$271,646	\$301,545	\$316,302	\$338,512
Payroll Taxes/Benefits		\$1,515,018	\$1,629,875	\$1,809,271	\$1,897,814	\$2,031,071
Payroll Taxes/Benefits/Bonus Totals		\$1,767,521	\$1,901,520	\$2,110,816	\$2,214,116	\$2,369,583
Total Payroll		\$10,184,288	\$10,956,379	\$12,162,323	\$12,757,525	\$13,653,313



Appendix



Complex Entry Fee Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5							
Entry Fee: Local Leagues, Events, Team Rental \$/Visit		\$3	\$3	\$3	\$3	\$3	1,247,250	1,345,224	1,430,539	1,495,981	1,559,910	1	\$3,741,751	\$4,035,673	\$4,291,616	\$4,487,944	\$4,679,729
	Non-capacity growth rate		1.00	1.00	1.00	1.00											
	Capacity growth rate		1.10	1.10	1.10	1.10											
Area Revenue													\$3,741,751	\$4,035,673	\$4,291,616	\$4,487,944	\$4,679,729
Expense	Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5	
Gate Staff	5% of Gross Revenue											\$187,088	\$201,784	\$214,581	\$224,397	\$233,986	
Processing	\$0.25 Per Entry											\$311,813	\$336,306	\$357,635	\$373,995	\$389,977	
Area Expense													\$498,900	\$538,090	\$572,215	\$598,392	\$623,964
Net Revenue													\$3,242,851	\$3,497,583	\$3,719,400	\$3,889,551	\$4,055,765



Membership Revenue & Expenses

Revenue	Mgmt. Assump.	Price Per Session					Total Per Year					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Memberships	*1																
Basic Membership																	
Youth (18 and under)	\$/Month	\$25	\$25	\$26	\$26	\$28	93	102	107	112	116	12	\$19,820	\$30,599	\$33,735	\$35,422	\$38,309
Adult (19+)	\$/Month	\$55	\$55	\$58	\$58	\$61	835	918	964	1,012	1,042	12	\$392,429	\$605,855	\$667,955	\$701,353	\$758,513
Family	\$/Month	\$110	\$110	\$116	\$116	\$121	397	437	459	482	496	12	\$373,742	\$577,004	\$636,147	\$667,955	\$722,393
Premium Membership																	
Yoga Membership	\$/Month	\$150	\$150	\$158	\$158	\$165	125	138	145	152	156	12	\$160,539	\$247,850	\$273,254	\$286,917	\$310,301
CrossFit Membership	\$/Month	\$200	\$200	\$210	\$210	\$221	125	138	145	152	156	12	\$214,052	\$330,466	\$364,339	\$382,556	\$413,734
Enrollment Fee (Youth)	One time fee	\$25	\$25	\$25	\$25	\$25	46	32	31	32	31	1	\$1,159	\$811	\$765	\$803	\$787
Enrollment Fee (Adult)	One time fee	\$55	\$55	\$55	\$55	\$55	542	380	358	376	368	1	\$29,834	\$20,884	\$19,690	\$20,675	\$20,261
Enrollment Fee (Family)	One time fee	\$110	\$110	\$110	\$110	\$110	199	139	131	138	135	1	\$21,856	\$15,299	\$14,425	\$15,146	\$14,843
Youth Guest Pass	\$/Day	\$5	\$5	\$5	\$5	\$6	180	198	208	218	225	1	\$900	\$990	\$1,091	\$1,146	\$1,239
Adult Guest Pass	\$/Day	\$5	\$5	\$5	\$5	\$6	180	198	208	218	225	1	\$900	\$990	\$1,091	\$1,146	\$1,239
Family Guest Pass	\$/Day	\$10	\$10	\$11	\$11	\$11	180	198	208	218	225	1	\$1,800	\$1,980	\$2,183	\$2,292	\$2,479
Non-capacity growth rate			1.00	1.05	1.00	1.05		1.10	1.05	1.05	1.03						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$1,217,030	\$1,832,728	\$2,014,677	\$2,115,411	\$2,284,099
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Membership/Fitness Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Fitness Floor Staff	7.5% Gross Revenue												\$91,277	\$137,455	\$151,101	\$158,656	\$171,307
Free Group Ex. Class Instructors	\$25 Instructor Fee per Class, 60 per Week in Year 1												\$75,000	\$82,500	\$90,750	\$99,825	\$109,808
Yoga Class Instructors	50% Yoga Membership Revenue												\$80,269	\$123,925	\$136,627	\$143,458	\$155,150
CrossFit Instructors	33% CrossFit Membership Revenue												\$70,637	\$109,054	\$120,232	\$126,243	\$136,532
Child Watch Instructors	\$10/hour, Open 52 hours per Week with 2 staff average in Year 1												\$52,000	\$57,200	\$62,920	\$69,212	\$76,133
Child Watch Supplies	1% Gross Membership Revenue												\$7,860	\$12,135	\$13,378	\$14,047	\$15,192
Membership Cards	\$1 per New Member												\$787	\$551	\$520	\$546	\$535
Area Expense													\$377,831	\$522,819	\$575,528	\$611,988	\$664,658
Net Revenue													\$839,198	\$1,309,909	\$1,439,149	\$1,503,423	\$1,619,441

Pricing Notes

*1 Anytime Fitness	Foothills Recreation Center	Mountainside Fitness
\$39/month - Individual	\$35-42/month - Individual	\$80/month - Individual
\$99/month - Couple	\$60-72/month - Couple	\$100/month - Family
	\$70-84/month - Family	
Blast! Fitness	\$25-30/month - Senior	
\$10/month - Individual (no classes)	\$20-24/month - Teen	
\$20/month - Individual (classes)		



Fitness & Training Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Sale					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Personal Training - 1/2 Hour	\$/Session *1	\$35	\$35	\$37	\$37	\$39	446	468	492	506	522	12	\$187,264	\$196,627	\$216,782	\$223,285.15	\$241,483
Personal Training - Full Hour	\$/Session *1	\$50	\$50	\$53	\$53	\$55	223	234	246	253	261	12	\$133,760	\$140,448	\$154,844	\$159,489.39	\$172,488
Aspiring Athlete Training	\$/Session	\$100	\$100	\$105	\$105	\$110	70	74	77	79	82	50	\$350,000	\$367,500	\$405,169	\$417,323.81	\$451,336
Elite Athlete Training	\$/Session	\$1,000	\$1,000	\$1,050	\$1,050	\$1,103	8	8	9	9	9	50	\$400,000	\$420,000	\$463,050	\$476,941.50	\$515,812
Professional Athlete Training	\$/Session	\$2,400	\$2,400	\$2,520	\$2,520	\$2,646	20	21	22	23	23	3	\$144,000	\$151,200	\$166,698	\$171,698.94	\$185,692
Draft Prep.	\$/Session	\$1,000	\$1,000	\$1,050	\$1,050	\$1,103	32	34	35	36	37	10	\$320,000	\$336,000	\$370,440	\$381,553.20	\$412,650
Sports Performance Clinic	\$/Session	\$120	\$120	\$126	\$126	\$132	15	16	17	17	18	4	\$7,200	\$7,560	\$8,335	\$8,584.95	\$9,285
	Non-capacity growth rate		1.00	1.05	1.00	1.05		1.05	1.05	1.03	1.03						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$1,542,224	\$1,619,336	\$1,785,317	\$1,838,877	\$1,988,745
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Fitness & Training Management	Responsibility of Management Team		\$0	\$0	\$0	\$0							\$0	\$0	\$0	\$0	\$0
Fitness & Training Instructors	35% Personal & Sports Performance Training, 25% Performance Clinic		\$417,659	\$438,541	\$483,492	\$497,997							\$417,659	\$438,541	\$483,492	\$497,997	\$538,583
Equipment and Supplies	2% Gross Revenue		\$30,844	\$32,387	\$35,706	\$36,778							\$30,844	\$32,387	\$35,706	\$36,778	\$39,775
Area Expense													\$448,503	\$470,928	\$519,198	\$534,774	\$578,358
Net Revenue													\$1,093,721	\$1,148,407	\$1,266,119	\$1,304,103	\$1,410,387

*1 Ability 360
\$35/30 min.
\$50/hour



Youth Development Revenue & Expenses

Revenue	Mgmt. Assump.	Price/Class					Individual Class Attendees					Year 1	Year 2	Year 3	Year 4	Year 5
Fall Youth Development Subtotal	Based on Full Week Equivalents	\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	1031	1185	1304	1369	1438	\$16,494	\$18,968	\$20,865	\$21,908	\$23,003
Winter Youth Development Subtotal		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	1524	1752	1928	2024	2125	\$24,382	\$28,039	\$30,843	\$32,385	\$34,005
Spring Youth Development Subtotal		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	1300	1495	1644	1726	1813	\$20,796	\$23,916	\$26,308	\$27,623	\$29,004
Summer Youth Development Subtotal		\$16.00	\$16.00	\$16.00	\$16.00	\$16.00	627	722	794	833	875	\$10,040	\$11,546	\$12,700	\$13,335	\$14,002
Camps																
Schools Out Camps	Based on Full Day	\$40	\$40	\$40	\$40	\$40	573	659	725	761	799	\$22,920	\$26,358	\$28,993	\$30,443	\$31,965
Summer Camps	Equivalents	\$40	\$40	\$40	\$40	\$40	621	714	785	824	866	\$24,830	\$28,554	\$31,409	\$32,980	\$34,629
	Non-capacity growth rate		1.00	1.00	1.00	1.00	Class Growth	1.15	1.10	1.05	1.05					
	Capacity growth rate		1.10	1.10	1.10	1.10	Camp Growth	1.27	1.21	1.11	1.18					
Area Revenue												\$119,461	\$137,380	\$151,118	\$158,674	\$166,608
Expense	Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5
Youth Development Director	Responsibility of Management Team											\$0	\$0	\$0	\$0	\$0
Youth Development MKG Budget	\$2,500/year											\$2,500	\$2,575	\$2,652	\$2,732	\$2,814
Youth Development Equipment	\$1k/field each year											\$3,000	\$3,090	\$3,183	\$3,278	\$3,377
Instructor Fees	15% Gross Revenue											\$17,919	\$20,607	\$22,668	\$23,801	\$24,991
Telemarketing	3% Gross Revenue											\$3,584	\$4,121	\$4,534	\$4,760	\$4,998
Promotional Expenses	5% Gross Revenue											\$5,973	\$6,869	\$7,556	\$7,934	\$8,330
Area Expense												\$32,976	\$37,262	\$40,592	\$42,505	\$44,510
Net Revenue												\$86,485	\$100,118	\$110,526	\$116,169	\$122,098



SC del Sol Indoor Soccer Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Indoor Soccer Leagues																	
Weekends	\$/Team	\$675	\$675	\$743	\$743	\$780	32	34	35	37	39	4	\$86,400	\$90,720	\$104,782	\$110,021	\$121,298
Weeknights	\$/Team	\$675	\$675	\$743	\$743	\$780	32	34	35	37	39	4	\$86,400	\$90,720	\$104,782	\$110,021	\$121,298
Summer	\$/Team	\$675	\$675	\$743	\$743	\$780	64	67	71	74	78	2	\$86,400	\$90,720	\$104,782	\$110,021	\$121,298
Non-capacity growth rate		1.00	1.10	1.10	1.00	1.05	1.05	1.05	1.05	1.05	1.05						
Capacity growth rate		1.10	1.10	1.10	1.10	1.10	1.00	1.00	1.00	1.00	1.00						
Area Revenue													\$259,200	\$272,160	\$314,345	\$330,062	\$363,893
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Soccer Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Soccer Staff	5% of Gross Revenue												\$12,960	\$13,608	\$15,717	\$16,503	\$18,195
Referee Fees	Avg. \$30/game												\$46,080	\$48,384	\$50,803	\$53,343	\$56,011
Equipment and Supplies	1% of Gross Revenue												\$2,592	\$2,722	\$3,143	\$3,301	\$3,639
Awards	T-Shirts and Trophies (2% of Revenue)												\$5,184	\$5,443	\$6,287	\$6,601	\$7,278
Area Expense													\$66,816	\$70,157	\$75,951	\$79,748	\$85,122
Net Revenue													\$192,384	\$202,003	\$238,394	\$250,314	\$278,771

*1 Arizona Sports Complex \$227/week (9am-4pm)	Barney Family Sports Complex \$100-\$255/week (1-3 hours/day)	American Sports Centers \$125/week (2-3 hours)	
*2 Arizona Sports Complex \$795/team (8 games) \$99-\$149/player (8 weeks, Dev)	Phoenix Sports Centre \$550-\$595/team (8 games, Youth) \$60-\$75/player (8 games, Adult)	Barney Family Sports Complex \$100/player (8 games, Youth Dev) \$60/player (8 games, Adult)	American Sports Centers \$109/player (6 weeks, Youth) \$660/team (8 games, Adult)



Indoor Lacrosse Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Clinics	\$/Session	\$160	\$160	\$176	\$176	\$185	8	10	10	11	12	5	\$6,336	\$7,603	\$9,200	\$9,660	\$10,650
Instructional Camps	\$/Week (full days)	\$275	\$275	\$303	\$303	\$318	12	14	16	17	17	4	\$13,200	\$15,840	\$19,166	\$20,125	\$22,188
Drop-in/Other Income	\$/Session	\$10	\$10	\$11	\$11	\$12	68	81	89	94	98	12	\$8,100	\$9,720	\$11,761	\$12,349	\$13,615
Indoor Tournaments	\$/Team	\$250	\$250	\$275	\$275	\$289	8	10	11	11	12	3	\$6,000	\$7,200	\$8,712	\$9,148	\$10,085
Box Leagues																	
Sept. - Oct. League	\$/Team *1	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	8	10	11	11	12	1	\$12,000	\$14,400	\$17,424	\$18,295	\$20,170
Nov. - Dec. League	\$/Team	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Jan. - Feb. League	\$/Team	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Mar. - Apr. League	\$/Team	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
May - June League	\$/Team	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	12	14	16	17	17	1	\$18,000	\$21,600	\$26,136	\$27,443	\$30,256
July - Aug. League	\$/Team	\$1,500	\$1,500	\$1,650	\$1,650	\$1,733	20	24	26	28	29	1	\$30,000	\$36,000	\$43,560	\$45,738	\$50,426
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.20	1.10	1.05	1.05						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$93,636	\$112,363	\$135,959	\$142,757	\$157,390
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Lacrosse Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Lacrosse Staff	5% of Gross Revenue												\$4,682	\$5,618	\$6,798	\$7,138	\$7,870
Referee Fees	Avg. \$30/game												\$6,240	\$7,488	\$8,237	\$8,649	\$9,081
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$4,884	\$5,861	\$7,092	\$7,446	\$8,209
Equipment and Supplies	1% of Gross Revenue												\$936	\$1,124	\$1,360	\$1,428	\$1,574
Awards	T-Shirts and Trophies (2% of Gross Revenue)												\$1,873	\$2,247	\$2,719	\$2,855	\$3,148
Area Expense													\$18,615	\$22,338	\$26,205	\$27,515	\$29,882
Net Revenue													\$75,021	\$90,025	\$109,754	\$115,242	\$127,508

Pricing Notes

- *1 The Ice Den
\$1,500/team (8 games, Youth)
- Arizona Desert Lax (Ice Den)
\$600/team (8 games, or \$100/player)



Indoor Football Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Clinics	\$/Session	\$150	\$150	\$165	\$165	\$173	18	20	22	23	24	4	\$11,088	\$12,197	\$14,758	\$15,496	\$16,853
Instructional Camps	\$/Week (full days)	\$260	\$260	\$286	\$286	\$300	28	31	34	36	37	3	\$21,840	\$24,024	\$29,069	\$30,522	\$33,196
Indoor Tournaments	\$/Team	\$200	\$200	\$220	\$220	\$231	8	9	10	10	11	2	\$3,200	\$3,520	\$4,259	\$4,472	\$4,864
Leagues																	
Sept. - Oct. League	\$/Team	\$775	\$775	\$853	\$853	\$895	8	9	10	10	11	1	\$6,200	\$6,820	\$8,252	\$8,665	\$9,424
Nov.- Dec. League	\$/Team	\$775	\$775	\$853	\$853	\$895	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Jan. - Feb. League	\$/Team	\$775	\$775	\$853	\$853	\$895	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Mar. - Apr. League	\$/Team	\$775	\$775	\$853	\$853	\$895	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
May - June League	\$/Team	\$775	\$775	\$853	\$853	\$895	12	13	15	15	16	1	\$9,300	\$10,230	\$12,378	\$12,997	\$14,136
July - Aug. League	\$/Team	\$775	\$775	\$853	\$853	\$895	21	23	25	27	28	1	\$16,275	\$17,903	\$21,662	\$22,745	\$24,737
Non-capacity growth rate		1.00	1.10	1.00	1.05		1.10	1.10	1.05	1.04							
Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00							
Area Revenue													\$67,903	\$74,693	\$90,379	\$94,898	\$103,210
Expense	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Football Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Football Staff	5% Gross Revenue												\$3,395	\$3,735	\$4,519	\$4,745	\$5,160
Referee Fees	Avg. \$20/ game												\$3,920	\$4,312	\$4,743	\$4,980	\$5,159
Instructor Fees	\$10-\$25/ Instructor (25% Instruct. Rev)												\$8,232	\$9,055	\$10,957	\$11,505	\$12,512
Equipment and Supplies	1% Gross Revenue												\$679	\$747	\$904	\$949	\$1,032
Awards	T-Shirts and Trophies (2% Gross Revenue)												\$1,358	\$1,494	\$1,808	\$1,898	\$2,064
Area Expense													\$17,584	\$19,343	\$22,930	\$24,077	\$25,928
Net Revenue													\$50,319	\$55,351	\$67,449	\$70,821	\$77,282



Indoor Turf Event Revenue & Expenses

Revenue	Mgmt. Assmp.	Amount per Activity					Number of Activities per Year					Participants	Year 1	Year 2	Year 3	Year 4	Year 5				
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5										
Small Field Events																					
Entry Fees	Teams	\$375	\$375	\$413	\$413	\$433	2	3	4	4	4	32	\$24,000	\$36,000	\$52,800	\$52,800	\$55,440				
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	3	4	4	4	480	\$4,800	\$7,200	\$10,560	\$10,560	\$11,088				
Tournament/Event Shirts	6 per Team	\$12	\$12	\$13	\$13	\$14	2	3	4	4	4	192	\$4,608	\$6,912	\$10,138	\$10,138	\$10,644				
Large Field Events																					
Entry Fees	Teams	\$550	\$550	\$605	\$605	\$635	2	2	3	3	3	10	\$11,000	\$11,000	\$18,150	\$18,150	\$19,058				
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	2	3	3	3	270	\$2,700	\$2,700	\$4,455	\$4,455	\$4,678				
Tournament/Event Shirts	6 per Team	\$12	\$12	\$13	\$13	\$14	2	2	3	3	3	60	\$1,440	\$1,440	\$2,376	\$2,376	\$2,495				
Rental Tournaments	\$/Day	\$2,000	\$2,000	\$2,200	\$2,200	\$2,310	2	2	3	3	3	2	\$8,000	\$8,000	\$13,200	\$13,200	\$13,860				
Non-capacity growth rate		1.00					1.20					1.05					1.05				
Capacity growth rate		1.10					1.00					1.00					1.00				
Area Revenue													\$56,548	\$73,252	\$111,679	\$111,679	\$117,263				
Expense	Mgmt. Assmp.														Year 1	Year 2	Year 3	Year 4	Year 5		
Turf Tournament Management	Responsibility of Management Team														\$0	\$0	\$0	\$0	\$0		
Turf Event Staff	5% Gross Revenue														\$2,827	\$3,663	\$5,584	\$5,584	\$5,863		
Officiating Fees	30% Entry Fees														\$10,500	\$14,100	\$21,285	\$21,285	\$22,349		
Tournament Application Fees	10% Gross Revenue														\$5,655	\$7,325	\$11,168	\$11,168	\$11,726		
Equip./Supplies	1% Gross Revenue														\$565	\$733	\$1,117	\$1,117	\$1,173		
Awards	T-Shirts and Trophies (2% Gross Revenue)														\$1,131	\$1,465	\$2,234	\$2,234	\$2,345		
Shirt Cost	\$4 per shirt														\$2,016	\$2,784	\$3,792	\$3,792	\$3,792		
Area Expense													\$22,695	\$30,069	\$45,179	\$45,179	\$47,249				
Net Revenue													\$33,853	\$43,183	\$66,499	\$66,499	\$70,014				



Indoor Field Rental Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Small Field Rentals																	
Sept. - Oct. Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	100	105	110	116	121	1	\$8,991	\$9,441	\$10,904	\$11,449	\$12,623
Nov.- Dec. Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	100	105	110	115	121	1	\$8,964	\$9,412	\$10,871	\$11,415	\$12,585
Jan. - Feb. Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	103	108	114	119	125	1	\$9,288	\$9,752	\$11,264	\$11,827	\$13,040
Mar. - Apr. Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	103	108	113	119	125	1	\$9,234	\$9,696	\$11,199	\$11,758	\$12,964
May - June Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	216	227	238	250	263	1	\$19,440	\$20,412	\$23,576	\$24,755	\$27,292
July - Aug. Rentals	\$/Hour	\$90	\$90	\$99	\$99	\$104	216	227	238	250	263	1	\$19,440	\$20,412	\$23,576	\$24,755	\$27,292
Full Field Rentals																	
Sept. - Oct. Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	33	35	37	39	40	1	\$9,990	\$10,490	\$12,115	\$12,721	\$14,025
Nov.- Dec. Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	33	35	37	38	40	1	\$9,960	\$10,458	\$12,079	\$12,683	\$13,983
Jan. - Feb. Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	34	36	38	40	42	1	\$10,320	\$10,836	\$12,516	\$13,141	\$14,488
Mar. - Apr. Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	34	36	38	40	42	1	\$10,260	\$10,773	\$12,443	\$13,065	\$14,404
May - June Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	72	76	79	83	88	1	\$21,600	\$22,680	\$26,195	\$27,505	\$30,324
July - Aug. Rentals	\$/Hour	\$300	\$300	\$330	\$330	\$347	72	76	79	83	88	1	\$21,600	\$22,680	\$26,195	\$27,505	\$30,324
	Non-capacity growth rate		1.00	1.10	1.00	1.05		1.05	1.05	1.05	1.05						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$159,087	\$167,041	\$192,933	\$202,579	\$223,344
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Supervision/Maint. Staff	5% Rev												\$7,954	\$8,352	\$9,647	\$10,129	\$11,167
Area Expense													\$7,954	\$8,352	\$9,647	\$10,129	\$11,167
Net Revenue													\$151,133	\$158,689	\$183,286	\$192,450	\$212,177

Pricing Notes

- *1 American Sports Centers
- \$90/hour



Basketball Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Clinics	\$/Session *1	\$150	\$150	\$165	\$165	\$173	27	30	31	33	34	5	\$20,196	\$22,216	\$25,659	\$26,942	\$29,797
Instructional Camps	\$/Week (full days) *2	\$200	\$200	\$220	\$220	\$231	41	45	47	49	52	5	\$40,800	\$44,880	\$51,836	\$54,428	\$60,196
Individual Instruction	\$/Hour	\$50	\$50	\$55	\$55	\$58	32	36	37	39	41	12	\$19,388	\$21,327	\$24,633	\$25,864	\$28,605
Drop-in/Other Income	\$/Session	\$5	\$5	\$6	\$6	\$6	272	299	314	330	347	12	\$16,320	\$17,952	\$20,735	\$21,771	\$24,078
Leagues	*3																
Sept. - Oct. League	\$/Team	\$650	\$650	\$715	\$715	\$751	27	30	31	33	34	1	\$17,550	\$19,305	\$22,297	\$23,412	\$25,893
Nov.- Dec. League	\$/Team	\$650	\$650	\$715	\$715	\$751	41	45	47	50	52	1	\$26,650	\$29,315	\$33,859	\$35,552	\$39,319
Jan. - Feb. League	\$/Team	\$650	\$650	\$715	\$715	\$751	54	59	62	65	69	1	\$35,100	\$38,610	\$44,595	\$46,824	\$51,786
Mar. - Apr. League	\$/Team	\$650	\$650	\$715	\$715	\$751	68	75	79	82	87	1	\$44,200	\$48,620	\$56,156	\$58,964	\$65,212
May - June League	\$/Team	\$650	\$650	\$715	\$715	\$751	41	45	47	50	52	1	\$26,650	\$29,315	\$33,859	\$35,552	\$39,319
July - Aug. League	\$/Team	\$650	\$650	\$715	\$715	\$751	41	45	47	50	52	1	\$26,650	\$29,315	\$33,859	\$35,552	\$39,319
Non-capacity growth rate		1.00	1.10	1.00	1.05		1.10	1.05	1.05	1.05							
Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00							
Area Revenue													\$273,504	\$300,855	\$347,487	\$364,861	\$403,524
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Basketball Director	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Basketball Staff	5% Gross Revenue												\$13,675	\$15,043	\$17,374	\$18,243	\$20,176
Referee Fees	Avg. \$40/game												\$43,520	\$47,872	\$50,266	\$52,779	\$55,592
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$20,096	\$22,106	\$25,532	\$26,809	\$29,649
Equipment and Supplies	5% Gross Revenue												\$13,675	\$15,043	\$17,374	\$18,243	\$20,176
Awards	T-Shirts and Trophies (2% Gross Revenue)												\$5,470	\$6,017	\$6,950	\$7,297	\$8,070
Area Expense													\$96,437	\$106,080	\$117,496	\$123,371	\$133,664
Net Revenue													\$177,068	\$194,774	\$229,991	\$241,491	\$269,860

Pricing Notes

*1 **Jump Athletic** City of Phoenix
\$65/player per session \$30/player (6 weeks)

*2 **Jump Athletic**
\$139/player (3 days, 9am-3pm)

*3 **American Sports Centers** **Jump Athletic** **Arizona Youth Sports Leagues** **City of Phoenix** **Desert Showcase** **The J (Jewish Community Center)**
\$580/team (8 games) \$179/player (10 weeks) \$75/player (8 games) \$55-\$100/ player (8 games) \$400-\$475/team (8 games) \$40-\$85/ player (8 games, members/ non-
\$250-\$400/ team (8 games) or \$65/player (Free Agent)



Volleyball Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Instructional Clinics	\$/Session *1	\$140	\$140	\$154	\$154	\$162	44	48	53	55	58	4	\$24,394	\$26,833	\$32,468	\$34,091	\$37,639
Instructional Camps - Week Long	\$/Week (full days)	\$225	\$225	\$248	\$248	\$260	66	73	80	84	88	4	\$59,400	\$65,340	\$79,061	\$83,014	\$91,654
Instructional Camps - Single Day	\$/Hour	\$15	\$15	\$17	\$17	\$17	50	55	61	64	67	125	\$93,750	\$103,125	\$124,781	\$131,020	\$144,656
Individual Instruction	\$/Hour	\$60	\$60	\$66	\$66	\$69	70	77	84	89	93	12	\$50,181	\$55,199	\$66,791	\$70,131	\$77,429
Drop-in/ Other Income	\$/Session	\$5	\$5	\$6	\$6	\$6	176	194	213	224	235	12	\$10,560	\$11,616	\$14,055	\$14,758	\$16,294
League																	
Sept. - Oct. League	\$/Team *2	\$350	\$350	\$385	\$385	\$404	29	32	35	37	39	1	\$10,150	\$11,165	\$13,510	\$14,185	\$15,661
Nov.- Dec. League	\$/Team	\$350	\$350	\$385	\$385	\$404	29	32	35	37	39	1	\$10,150	\$11,165	\$13,510	\$14,185	\$15,661
Jan. - Feb. League	\$/Team	\$350	\$350	\$385	\$385	\$404	44	48	53	56	59	1	\$15,400	\$16,940	\$20,497	\$21,522	\$23,762
Mar. - Apr. League	\$/Team	\$350	\$350	\$385	\$385	\$404	44	48	53	56	59	1	\$15,400	\$16,940	\$20,497	\$21,522	\$23,762
May - June League	\$/Team	\$350	\$350	\$385	\$385	\$404	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
July - Aug. League	\$/Team	\$350	\$350	\$385	\$385	\$404	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.10	1.10	1.05	1.05						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$289,385	\$318,323	\$385,171	\$404,430	\$446,521
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Volleyball Director	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Volleyball Staff	5% Gross Revenue												\$14,469	\$15,916	\$19,259	\$20,221	\$22,326
Referee Fees	Avg. \$20/game												\$11,680	\$12,848	\$14,133	\$14,839	\$15,604
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$56,931	\$62,624	\$75,775	\$79,564	\$87,845
Equipment and Supplies	5% Gross Revenue												\$14,469	\$15,916	\$19,259	\$20,221	\$22,326
Awards	T-Shirts and Trophies (2% Gross Revenue)												\$5,788	\$6,366	\$7,703	\$8,089	\$8,930
Area Expense													\$103,337	\$113,671	\$136,129	\$142,935	\$157,031
Net Revenue													\$186,047	\$204,652	\$249,042	\$261,494	\$289,490

Pricing Notes

*1 Barney Family Sports Complex
\$120/player (6 weeks)

*2 Barney Family Sports Complex
\$250/team (8 games)

Sports Club at City Square
\$30-\$45/player (7 games)

City of Phoenix
\$130-\$160/team (12 games)

City of Chandler
\$233-\$315/team (8 games, resident-non)



In-House Basketball Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Events per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Holiday Tournaments - 4 Courts, 2.5 Days																	
Entry Fees	10 players per team	\$300	\$300	\$315	\$315	\$331	1	1	2	2	2	32	\$9,600	\$9,600	\$20,160	\$20,160	\$21,168
Gate Fees - Tournament Pass	1.5 per player	\$15	\$15	\$15	\$15	\$15	1	1	2	2	2	480	\$7,200	\$7,200	\$14,400	\$14,400	\$14,400
Tip Off Classic - 10 Courts, 2 Days																	
Entry Fees	10 players per team	\$250	\$250	\$263	\$263	\$276	1	1	1	1	1	80	\$20,000	\$20,000	\$21,000	\$21,000	\$22,050
Gate Fees - Tournament Pass	1.5 per player	\$10	\$10	\$10	\$10	\$10	1	1	1	1	1	1200	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
High School & Youth Club Tournaments - 6 Courts, 2.5 Days																	
Entry Fees	10 players per team	\$400	\$400	\$420	\$420	\$441	4	6	8	8	8	48	\$76,800	\$115,200	\$161,280	\$161,280	\$169,344
Gate Fees - Tournament Pass	1.5 per player	\$15	\$15	\$15	\$15	\$15	4	6	8	8	8	720	\$43,200	\$64,800	\$86,400	\$86,400	\$86,400
Boy's Tournament of Champions - 12 Courts, 2 Days																	
Entry Fees	10 players per team	\$500	\$500	\$525	\$525	\$551	1	1	1	1	1	96	\$48,000	\$48,000	\$50,400	\$50,400	\$52,920
Coaches Packets	50 sales per event	\$100	\$100	\$105	\$105	\$110	1	1	1	1	1	50	\$5,000	\$5,000	\$5,250	\$5,250	\$5,513
Gate Fees - Tournament Pass	1.5 per player	\$25	\$25	\$25	\$25	\$25	1	1	1	1	1	1440	\$36,000	\$36,000	\$36,000	\$36,000	\$36,000
NCAA Live Event - 20 Courts, 2 Days																	
Entry Fees	10 players per team	\$500	\$500	\$525	\$525	\$551	2	2	2	2	2	160	\$160,000	\$160,000	\$168,000	\$168,000	\$176,400
Coaches Packets	75 sales per event	\$100	\$100	\$105	\$105	\$110	2	2	2	2	2	75	\$15,000	\$15,000	\$15,750	\$15,750	\$16,538
Gate Fees - Tournament Pass	1.5 per player	\$25	\$25	\$25	\$25	\$25	2	2	2	2	2	2400	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Youth Series - 12 Courts, 1 Day																	
Entry Fees	10 players per team	\$165	\$165	\$173	\$173	\$182	8	12	16	16	16	48	\$63,360	\$95,040	\$133,056	\$133,056	\$139,709
Gate Fees	1.5 per player	\$5	\$5	\$5	\$5	\$5	8	12	16	16	16	720	\$28,800	\$43,200	\$57,600	\$57,600	\$57,600
Fall Series - 6 Courts, 1 Day																	
Entry Fees	10 players per team	\$175	\$175	\$184	\$184	\$193	8	12	16	16	16	24	\$33,600	\$50,400	\$70,560	\$70,560	\$74,088
Gate Fees	1.5 per player	\$5	\$5	\$5	\$5	\$5	8	12	16	16	16	360	\$14,400	\$21,600	\$28,800	\$28,800	\$28,800
Summer Series - 18 Courts, 1 Day																	
Entry Fees	10 players per team	\$190	\$190	\$200	\$200	\$209	8	12	16	16	16	72	\$109,440	\$164,160	\$229,824	\$229,824	\$241,315
Gate Fees	1.5 per player	\$5	\$5	\$5	\$5	\$5	8	12	16	16	16	1080	\$43,200	\$64,800	\$86,400	\$86,400	\$86,400
Non-capacity growth rate		1.001.051.001.05															
Capacity growth rate		1.101.101.101.10															
Area Revenue													\$845,600	\$1,052,000	\$1,316,880	\$1,316,880	\$1,360,644
Expense	Mgmt. Assump.																
		Year 1	Year 2	Year 3	Year 4	Year 5											
Tournament Director	Responsibility of Management Team											\$0	\$0	\$0	\$0	\$0	\$0
Tournament Staff	10% Entry Fees											\$52,080	\$66,240	\$85,428	\$85,428	\$89,699	\$89,699
Gate Staff	\$0.25 Per Ticket											\$7,020	\$9,540	\$12,180	\$12,180	\$12,180	\$12,180
Gate Ticket Cost	\$0.25 Per Ticket											\$7,020	\$9,540	\$12,180	\$12,180	\$12,180	\$12,180
Official Fees - NCAA Live Event	48% of Team Registrations											\$76,800	\$76,800	\$80,640	\$80,640	\$84,672	\$84,672
Official Fees - Tournament of Champions	48% of Team Registrations											\$23,040	\$23,040	\$24,192	\$24,192	\$25,402	\$25,402
Official Fees - 1-Day Tournaments	38% of Team Registrations											\$78,432	\$117,648	\$164,707	\$164,707	\$172,943	\$172,943
Official Fees - Club Tournaments	35% of Team Registrations											\$26,880	\$40,320	\$56,448	\$56,448	\$59,270	\$59,270
Official Fees - Holiday Tournaments	80% of Team Registrations											\$7,680	\$7,680	\$16,128	\$16,128	\$16,934	\$16,934
Official Fees - Tip Off Classic	72% of Team Registrations											\$14,400	\$14,400	\$15,120	\$15,120	\$15,876	\$15,876
Facility Rental Fees	\$400/Court/Day - Needed For NCAA Live Period Events & Summer Series Events											\$32,000	\$41,600	\$51,200	\$51,200	\$51,200	\$51,200
Trainer Fees	\$15 Per Team Entry											\$28,080	\$38,160	\$48,720	\$48,720	\$48,720	\$48,720
Equip./Supplies/Hospitality	5% Gross Revenue											\$42,280	\$52,600	\$65,844	\$65,844	\$68,032	\$68,032
Awards	5% Gross Revenue											\$42,280	\$52,600	\$65,844	\$65,844	\$68,032	\$68,032
Area Expense													\$437,992	\$550,168	\$698,631	\$698,631	\$725,141
Net Revenue													\$407,608	\$501,832	\$618,249	\$618,249	\$635,503



Rental Basketball Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Events per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Mullen Sports NCAA Live Period Event -1 Day																	
Team Information	10 players per team						2	2	3	3	3	32					
Gate Fees - Tournament Pass For Facility	1.5 per player	\$5	\$5	\$5	\$5	\$5	2	2	3	3	3	480	\$4,800	\$4,800	\$7,200	\$7,200	\$7,200
Rental Fees	Hourly Rental Rate	\$60	\$60	\$66	\$66	\$69	2	2	3	3	3	48	\$5,760	\$5,760	\$9,504	\$9,504	\$9,979
West Coast Elite NCAA Live Period Event - 2 Days																	
Team Information	10 players per team						2	2	2	2	2	96					
Gate Fees - Tournament Pass For Facility	1.5 per player	\$10	\$10	\$10	\$10	\$10	2	2	2	2	2	1440	\$28,800	\$28,800	\$28,800	\$28,800	\$28,800
Rental Fees	Hourly Rental Rate	\$60	\$60	\$66	\$66	\$69	2	2	2	2	2	216	\$25,920	\$25,920	\$28,512	\$28,512	\$29,938
	Non-capacity growth rate		1.00	1.10		1.05											
	Capacity growth rate		1.10	1.10	1.10	1.10											
Area Revenue													\$65,280	\$65,280	\$74,016	\$74,016	\$75,917
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Tournament Attendant Expenses	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Gate Staff	\$0.25 Per Ticket												\$960	\$960	\$1,080	\$1,080	\$1,080
Gate Ticket Cost	\$0.25 Per Ticket												\$960	\$960	\$1,080	\$1,080	\$1,080
Trainer Fees	Pass Through												\$0	\$0	\$0	\$0	\$0
Area Expense													\$1,920	\$1,920	\$2,160	\$2,160	\$2,160
Net Revenue													\$63,360	\$63,360	\$71,856	\$71,856	\$73,757



Rental Volleyball Tournaments Revenue & Expenses

Revenue		Mgmt. Assump.	Amount per Activity					Number of Events per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
			Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
National/Regional Tournament - 2 Days																		
Entry Fees	10 players per team						0	0	1	1	2	96						
Gate Fees For Facility	100% of fans (2 fans/player)	\$10	\$10	\$10	\$10	\$10	0	0	1	1	2	1920	\$0	\$0	\$19,200	\$19,200	\$38,400	
Rental Fees	Daily Rental Rate	\$420	\$420	\$441	\$441	\$463	0	0	1	1	2	24	\$0	\$0	\$10,584	\$10,584	\$22,226	
AZ Regional Tournament - 1 Day																		
Entry Fees	10 players per team						12	15	18	21	24	96						
Gate Fees For Facility	1.5 per player	\$5	\$5	\$5	\$5	\$5	12	15	18	21	24	1440	\$86,400	\$108,000	\$129,600	\$151,200	\$172,800	
Rental Fees	Daily Rental Rate	\$420	\$420	\$441	\$441	\$463	12	15	18	21	24	12	\$60,480	\$75,600	\$95,256	\$111,132	\$133,358	
Non-capacity growth rate			1.00	1.05	1.00	1.05												
Capacity growth rate			1.10	1.10	1.10	1.10												
Area Revenue													\$146,880	\$183,600	\$254,640	\$292,116	\$366,785	
Expense		Mgmt. Assump.																
Tournament Attendant Expense	Responsibility of Management Team													\$0	\$0	\$0	\$0	\$0
ARUSAV Staff	10% of Total Revenue													\$14,688	\$18,360	\$25,464	\$29,212	\$36,678
Gate Staff	\$0.25 Per Sale													\$4,320	\$5,400	\$6,960	\$8,040	\$9,600
Gate Ticket Cost	\$0.25 Per Ticket													\$4,320	\$5,400	\$6,960	\$8,040	\$9,600
Tournament Trainers	Pass Through													\$0	\$0	\$0	\$0	\$0
Area Expense													\$23,328	\$29,160	\$39,384	\$45,292	\$55,878	
Net Revenue													\$123,552	\$154,440	\$215,256	\$246,824	\$310,906	



Court Rental Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Small Court Rentals																	
Sept. - Oct.	\$/Hour	\$35	\$35	\$37	\$37	\$39	402	422	443	465	488	1	\$14,055	\$14,758	\$16,270	\$17,084	\$18,835
Nov.- Dec.	\$/Hour	\$35	\$35	\$37	\$37	\$39	409	430	451	474	497	1	\$14,321	\$15,038	\$16,579	\$17,408	\$19,192
Jan. - Feb.	\$/Hour	\$35	\$35	\$37	\$37	\$39	1121	1,177	1,236	1,298	1,363	1	\$39,243	\$41,205	\$45,428	\$47,700	\$52,589
Mar. - Apr.	\$/Hour	\$35	\$35	\$37	\$37	\$39	1129	1,185	1,245	1,307	1,372	1	\$39,509	\$41,485	\$45,737	\$48,024	\$52,946
May - June	\$/Hour	\$35	\$35	\$37	\$37	\$39	703	738	775	814	855	1	\$24,614	\$25,845	\$28,494	\$29,919	\$32,985
July - Aug	\$/Hour	\$45	\$45	\$47	\$47	\$50	22	23	25	26	27	1	\$1,004	\$1,054	\$1,162	\$1,220	\$1,345
Large Court Rentals																	
Sept. - Oct.	\$/Hour	\$60	\$60	\$63	\$63	\$66	29	30	31	33	35	1	\$1,711	\$1,796	\$1,980	\$2,079	\$2,293
Nov.- Dec.	\$/Hour	\$60	\$60	\$63	\$63	\$66	43	45	48	50	53	1	\$2,598	\$2,728	\$3,007	\$3,158	\$3,481
Jan. - Feb.	\$/Hour	\$45	\$45	\$47	\$47	\$50	126	132	139	146	153	1	\$5,662	\$5,945	\$6,555	\$6,882	\$7,588
Mar. - Apr.	\$/Hour	\$45	\$45	\$47	\$47	\$50	278	292	307	322	338	1	\$12,519	\$13,145	\$14,493	\$15,217	\$16,777
May - June	\$/Hour	\$45	\$45	\$47	\$47	\$50	250	262	275	289	304	1	\$11,236	\$11,798	\$13,007	\$13,658	\$15,058
July - Aug.	\$/Hour	\$45	\$45	\$47	\$47	\$50	250	262	275	289	304	1	\$11,236	\$11,798	\$13,007	\$13,658	\$15,058
	Non-capacity growth rate		1.00	1.05	1.00	1.05		1.05	1.05	1.05	1.05						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$177,708	\$186,594	\$205,720	\$216,006	\$238,146
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Supervision/Maintenance Staff	5% Rev												\$8,885	\$9,330	\$10,286	\$10,800	\$11,907
Area Expense													\$8,885	\$9,330	\$10,286	\$10,800	\$11,907
Net Revenue													\$168,823	\$177,264	\$195,434	\$205,205	\$226,239

*1 American Sports Centers Ability 360
\$50-\$60/hour (VB-BB) \$50/hour (\$100 first hr)
\$30/hour (\$60 first hr, Non-Profit)



SC del Sol Outdoor Soccer Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
Mini Camps	\$/Player	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
SC del Sol Tournaments																	
President's Day	Registration Fee Per Team	\$1,350	\$1,350	\$1,418	\$1,418	\$1,488	350	370	390	410	430	1	\$472,500	\$499,500	\$552,825	\$581,175	\$640,001
President's Day	Royalties, Gate, Hotel Rebates	\$1,000	\$1,000	\$1,050	\$1,050	\$1,103	350	370	390	410	430	1	\$350,000	\$370,000	\$409,500	\$430,500	\$474,075
Southwest Challenge	Registration Fee Per Team	\$850	\$850	\$893	\$893	\$937	80	100	120	140	160	1	\$68,000	\$85,000	\$107,100	\$124,950	\$149,940
Southwest Challenge	Royalties, Gate, Hotel Rebates	\$400	\$400	\$420	\$420	\$441	80	100	120	140	160	1	\$32,000	\$40,000	\$50,400	\$58,800	\$70,560
Desert Classic	Registration Fee Per Team	\$950	\$950	\$998	\$998	\$1,047	230	270	310	350	390	1	\$218,500	\$256,500	\$309,225	\$349,125	\$408,476
Desert Classic	Royalties, Gate, Hotel Rebates	\$700	\$700	\$735	\$735	\$772	230	270	310	350	390	1	\$161,000	\$189,000	\$227,850	\$257,250	\$300,983
LSP Soccer Leagues																	
Small-Sided Men's	\$/Team	\$800	\$800	\$840	\$840	\$882	16	17	18	19	19	2	\$25,600	\$26,880	\$29,635	\$31,117	\$34,306
Small-Sided Co-Ed	\$/Team	\$650	\$650	\$683	\$683	\$717	20	21	22	23	24	2	\$26,000	\$27,300	\$30,098	\$31,603	\$34,842
11v11 Men's	\$/Team	\$1,200	\$1,200	\$1,260	\$1,260	\$1,323	20	21	22	23	24	2	\$48,000	\$50,400	\$55,566	\$58,344	\$64,325
11v11 Co-Ed	\$/Team	\$900	\$900	\$945	\$945	\$992	8	8	9	9	10	2	\$14,400	\$15,120	\$16,670	\$17,503	\$19,297
AYSA Soccer Leagues																	
Open League	\$/Team	\$500	\$500	\$525	\$525	\$551	275	289	303	318	334	2	\$275,000	\$288,750	\$318,347	\$334,264	\$368,526
State League	\$/Team	\$725	\$725	\$761	\$761	\$799	115	121	127	133	140	2	\$166,750	\$175,088	\$193,034	\$202,686	\$223,461
Recreational Registration																	
U5-U6	\$/Player	\$200	\$200	\$210	\$210	\$221	60	63	66	69	73	2	\$24,000	\$25,200	\$27,783	\$29,172	\$32,162
U7-U10	\$/Player	\$200	\$200	\$210	\$210	\$221	300	315	331	347	365	4	\$240,000	\$252,000	\$277,830	\$291,722	\$321,623
U11-U15	\$/Player	\$250	\$250	\$263	\$263	\$276	600	630	662	695	729	4	\$600,000	\$630,000	\$694,575	\$729,304	\$804,057
Club Teams																	
U6	\$/Player	\$50	\$50	\$53	\$53	\$55	100	105	110	116	122	1	\$5,000	\$5,250	\$5,788	\$6,078	\$6,700
Extreme Team 1	\$/Player	\$1,250	\$1,250	\$1,313	\$1,313	\$1,378	500	525	551	579	608	1	\$625,000	\$656,250	\$723,516	\$759,691	\$837,560
Extreme Team 2	\$/Player	\$950	\$950	\$998	\$998	\$1,047	400	420	441	463	486	1	\$380,000	\$399,000	\$439,898	\$461,892	\$509,236
Non-capacity growth rate		1.00	1.05	1.00	1.05	1.05	1.05	1.05	1.05	1.05	1.05						
Capacity growth rate		1.10	1.10	1.10	1.10	1.10	1.00	1.00	1.00	1.00	1.00						
Area Revenue													\$3,811,750	\$4,075,238	\$4,562,249	\$4,852,417	\$5,407,340
Expense		Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5
Staff, Coaches, Trainers, & Referees	42.9% of Total Revenue												\$1,635,241	\$1,748,277	\$1,957,205	\$2,081,687	\$2,319,749
Camp, Club, League & Recreation Program (CCLR) Expenses																	
League & Team Fees	7.5% CCLR Gross Revenue												\$188,231	\$197,643	\$217,901	\$228,796	\$252,248
Equipment and Supplies	0.5% CCLR Gross Revenue												\$12,549	\$13,176	\$14,527	\$15,253	\$16,817
Tryout/Evaluation	1.0% CCLR Gross Revenue												\$25,098	\$26,352	\$29,053	\$30,506	\$33,633
Uniforms/Apparel	0.6% CCLR Gross Revenue												\$15,059	\$15,811	\$17,432	\$18,304	\$20,180
President's Day Tournament (PDT) Expenses																	
Advertising	1.1% PDT Gross Revenue												\$9,048	\$9,565	\$10,586	\$11,128	\$12,255
Equipment	1.0% PDT Gross Revenue												\$8,225	\$8,695	\$9,623	\$10,117	\$11,141
Awards	3.0% PDT Gross Revenue												\$24,675	\$26,085	\$28,870	\$30,350	\$33,422
Referees	11.9% PDT Gross Revenue												\$97,878	\$103,471	\$114,517	\$120,389	\$132,575
Other Tournament Expenses	7.9% PDT Gross Revenue												\$64,978	\$68,691	\$76,024	\$79,922	\$88,012
Southwest Challenge (SWC) Expenses																	
Equipment	2.7% SWC Gross Revenue												\$2,700	\$3,375	\$4,253	\$4,961	\$5,954
Awards	7.5% SWC Gross Revenue												\$7,500	\$9,375	\$11,813	\$13,781	\$16,538
Referees	11.9% SWC Gross Revenue												\$11,900	\$14,875	\$18,743	\$21,866	\$26,240
Other Tournament Expenses	28.2% SWC Gross Revenue												\$28,200	\$35,250	\$44,415	\$51,818	\$62,181
Desert Classic (DC) Expenses																	
Advertising	0.4% DC Gross Revenue												\$1,518	\$1,782	\$2,148	\$2,426	\$2,838
Equipment	1.9% DC Gross Revenue												\$7,211	\$8,465	\$10,204	\$11,521	\$13,480
Awards	4.2% DC Gross Revenue												\$15,939	\$18,711	\$22,557	\$25,468	\$29,797
Referees	11.9% DC Gross Revenue												\$45,161	\$53,015	\$63,912	\$72,159	\$84,426
Other Tournament Expenses	8.8% DC Gross Revenue												\$33,396	\$39,204	\$47,263	\$53,361	\$62,432
Area Expense													\$2,234,503	\$2,401,816	\$2,701,044	\$2,883,813	\$3,223,915
Net Revenue													\$1,577,247	\$1,673,421	\$1,861,205	\$1,968,603	\$2,183,425

*1 Soccer Shots
\$119/player (8 sessions)

*2 Sun Devil Soccer Camps
\$268-\$350/week (full days)
\$225/player (2 days, college ID)
\$2,500/team (club team camp)
\$3,300/team (HS team camp)

*3 Arizona Coed Soccer SUASL Soccer For Adults The J
\$50/player (8 games, 8v8) \$75-\$130/player (8 games) \$60/player (8 games) \$80-\$95/player (8 games)



Outdoor Lacrosse Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Instructional Camps	\$/Week (full days) *1	\$400	\$400	\$440	\$440	\$462	15	19	24	28	31	1	\$6,000	\$7,770	\$10,641	\$12,285	\$14,247
Outdoor Tournaments	\$/Team	\$200	\$200	\$220	\$220	\$231	8	10	13	15	16	2	\$3,200	\$4,144	\$5,675	\$6,552	\$7,599
Leagues																	
Sept. - Oct. League	\$/Team *2	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	13	17	21	24	27	1	\$18,850	\$24,411	\$33,431	\$38,596	\$44,760
Nov. - Dec. League	\$/Team	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	20	26	32	37	41	1	\$29,000	\$37,555	\$51,432	\$59,378	\$68,862
Jan. - Feb. League	\$/Team	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	20	26	32	37	41	1	\$29,000	\$37,555	\$51,432	\$59,378	\$68,862
Mar. - Apr. League	\$/Team	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	13	17	21	24	27	1	\$18,850	\$24,411	\$33,431	\$38,596	\$44,760
May - June League	\$/Team	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
July - Aug. League	\$/Team	\$1,450	\$1,450	\$1,595	\$1,595	\$1,675	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.30	1.25	1.15	1.10						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$104,900	\$135,846	\$186,040	\$214,784	\$249,090
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Lacrosse Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Lacrosse Staff	5% Gross Revenue												\$5,245	\$6,792	\$9,302	\$10,739	\$12,454
Referee Fees	Avg. \$30/game												\$8,880	\$11,500	\$14,317	\$16,529	\$18,256
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$1,500	\$1,943	\$2,660	\$3,071	\$3,562
Equipment and Supplies	1% Gross Revenue												\$1,049	\$1,358	\$1,860	\$2,148	\$2,491
Awards	T-Shirts and Trophies (2% Gross Revenue)												\$2,098	\$2,717	\$3,721	\$4,296	\$4,982
Area Expense													\$18,772	\$24,310	\$31,860	\$36,783	\$41,745
Net Revenue													\$86,128	\$111,536	\$154,180	\$178,001	\$207,345

Pricing Notes

*1 Phoenix Lacrosse

\$225/player (5 weeks)

*2 Phoenix Lacrosse

\$195/player (6 weeks, Youth Travel)

Glendale Lax

\$1,000/team (8 games)

\$125/player (8 games)



Outdoor Football Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5		
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5								
Instructional Camps	\$/Week (full days)	\$300	\$300	\$330	\$330	\$347	28	33	38	42	44	1	\$8,400	\$9,988	\$12,513	\$13,784	\$15,218		
Outdoor Tournaments	\$/Team	\$250	\$250	\$275	\$275	\$289	8	10	11	12	13	3	\$6,000	\$7,134	\$8,938	\$9,845	\$10,870		
Leagues																			
Sept. - Oct. League	\$/Team	*1	\$775	\$775	\$853	\$853	\$895	15	18	20	22	24	1	\$11,625	\$13,822	\$17,318	\$19,075	\$21,061	
Nov. - Dec. League	\$/Team		\$775	\$775	\$853	\$853	\$895	14	17	19	21	22	1	\$10,850	\$12,901	\$16,163	\$17,804	\$19,657	
Jan. - Feb. League	\$/Team		\$775	\$775	\$853	\$853	\$895	14	17	19	21	22	1	\$10,850	\$12,901	\$16,163	\$17,804	\$19,657	
Mar. - Apr. League	\$/Team		\$775	\$775	\$853	\$853	\$895	15	18	20	22	24	1	\$11,625	\$13,822	\$17,318	\$19,075	\$21,061	
May - June League	\$/Team		\$775	\$775	\$853	\$853	\$895	6	7	8	9	9	1	\$4,650	\$5,529	\$6,927	\$7,630	\$8,424	
July - Aug. League	\$/Team		\$775	\$775	\$853	\$853	\$895	6	7	8	9	9	1	\$4,650	\$5,529	\$6,927	\$7,630	\$8,424	
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.19	1.14	1.10	1.05								
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00								
Area Revenue													\$68,650	\$81,625	\$102,268	\$112,648	\$124,372		
Expense	Mgmt. Assump.														Year 1	Year 2	Year 3	Year 4	Year 5
Football Management	Responsibility of Management Team														\$0	\$0	\$0	\$0	\$0
Football Staff	5% Gross Revenue														\$3,433	\$4,081	\$5,113	\$5,632	\$6,219
Referee Fees	Avg. \$20/game														\$6,560	\$7,800	\$8,884	\$9,786	\$10,290
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)														\$2,100	\$2,497	\$3,128	\$3,446	\$3,805
Equipment and Supplies	2% Gross Revenue														\$1,373	\$1,632	\$2,045	\$2,253	\$2,487
Awards	T-Shirts and Trophies (2% Gross Revenue)														\$1,373	\$1,632	\$2,045	\$2,253	\$2,487
Area Expense													\$14,839	\$17,643	\$21,216	\$23,370	\$25,288		
Net Revenue													\$53,812	\$63,982	\$81,051	\$89,278	\$99,084		

Pricing Notes

*1 Coed Sports Arizona	Goin' Deep Football	City of Chandler	The J
\$68/player (8 games)	\$605/team (8 games)	\$439-\$593/team (8 games, resident-non)	\$500/team (7 games)



In-House Multi-Purpose Field Tournament Revenue & Expenses

Revenue		Mgmt. Assump.		Amount per Activity					Number of Events					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
				Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Large Tournament																			
Entry Fees	160 Teams			\$500	\$500	\$550	\$550	\$578	2	1	1	2	2	160	\$160,000	\$80,000	\$88,000	\$176,000	\$184,800
Gate Fees - Weekend Pass	1.5 per player			\$15	\$15	\$15	\$15	\$15	2	1	1	2	2	3600	\$108,000	\$54,000	\$54,000	\$108,000	\$108,000
Extra Large Tournament																			
Entry Fees	220 Teams			\$750	\$750	\$825	\$825	\$866	0	1	2	2	2	220	\$0	\$165,000	\$363,000	\$363,000	\$381,150
Gate Fees - Weekend Pass	1.5 per player			\$15	\$15	\$15	\$15	\$15	0	1	2	2	2	4950	\$0	\$74,250	\$148,500	\$148,500	\$148,500
Scottsdale Soccer Club Tournament																			
Entry Fees	400 Teams			\$1,350	\$1,350	\$1,485	\$1,485	\$1,559	1	1	1	1	1	400	\$540,000	\$540,000	\$594,000	\$594,000	\$623,700
Gate Fees - Weekend Pass	1.5 per player			\$15	\$15	\$15	\$15	\$15	1	1	1	1	1	9000	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
AYSA: President's Cup & State Cup																			
Entry Fees	200 Team Average			\$900	\$900	\$990	\$990	\$1,040	2	2	2	2	2	200	\$360,000	\$360,000	\$396,000	\$396,000	\$415,800
Gate Fees - Weekend Pass	1.5 per player			\$15	\$15	\$15	\$15	\$15	2	2	2	2	2	4500	\$135,000	\$135,000	\$135,000	\$135,000	\$135,000
Non-capacity growth rate				1.00					1.10					1.05					
Capacity growth rate				1.10					1.10					1.10					
Area Revenue															\$1,438,000	\$1,543,250	\$1,913,500	\$2,055,500	\$2,131,950
Expense		Mgmt. Assump.													Year 1	Year 2	Year 3	Year 4	Year 5
Tournament Director	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0		
Tournament Staff	5% Gross Revenue												\$71,900	\$77,163	\$95,675	\$102,775	\$106,598		
Gate Staff	\$0.25 Per Sale												\$18,450	\$19,800	\$24,750	\$28,350	\$28,350		
Gate Ticket Cost	\$0.25 Per Ticket												\$18,450	\$19,800	\$24,750	\$28,350	\$28,350		
Official Fees	Average \$125/Team												\$140,000	\$147,500	\$175,000	\$195,000	\$195,000		
Trainer Fees	\$15/Hour												\$5,325	\$5,625	\$6,525	\$7,125	\$7,125		
Equip./Supplies	2% Gross Revenue												\$28,760	\$30,865	\$38,270	\$41,110	\$42,639		
Revenue Share to SSC & AYSA	25% of SSC & AYSA Revenue												\$225,000	\$225,000	\$247,500	\$247,500	\$259,875		
Awards	2% Gross Revenue												\$28,760	\$30,865	\$38,270	\$41,110	\$42,639		
Area Expense															\$536,645	\$556,618	\$650,740	\$691,320	\$710,576
Net Revenue															\$901,355	\$986,633	\$1,262,760	\$1,364,180	\$1,421,375



Multi-Purpose Field Rental Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Events					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Large Tournament																	
Team Information	160 Teams, 15 Player Ave.											2400					
Rental Fees	16 Fields, 3 Days	\$780	\$780	\$858	\$858	\$901	6	6	6	6	6	48	\$224,640	\$224,640	\$247,104	\$247,104	\$259,459
Gate Fees - For Facility	1.5 per player	\$15	\$15	\$15	\$15	\$15	6	6	6	6	6	3600	\$324,000	\$324,000	\$324,000	\$324,000	\$324,000
Extra Large Tournament																	
Team Information	220 Teams, 15 Player Ave.											3300					
Rental Fees	22 Fields, 3 Days	\$780	\$780	\$858	\$858	\$901	11	11	11	11	11	66	\$566,280	\$566,280	\$622,908	\$622,908	\$654,053
Gate Fees - For Facility	1.5 per player	\$15	\$15	\$15	\$15	\$15	11	11	11	11	11	4950	\$816,750	\$816,750	\$816,750	\$816,750	\$816,750
	Non-capacity growth rate		1.00	1.10	1.00	1.05											
	Capacity growth rate		1.10	1.10	1.10	1.10											
Area Revenue													\$1,931,670	\$1,931,670	\$2,010,762	\$2,010,762	\$2,054,263
Expense		Mgmt. Assump.															
													Year 1	Year 2	Year 3	Year 4	Year 5
Facility Attendant Staff	10% Rental Fees												\$79,092	\$79,092	\$87,001	\$87,001	\$91,351
Gate Staff	\$0.25 Per Sale												\$35,213	\$35,213	\$35,213	\$35,213	\$35,213
Gate Ticket Cost	\$0.25 Per Ticket												\$35,213	\$35,213	\$35,213	\$35,213	\$35,213
Trainer Fees	Pass Through												\$0	\$0	\$0	\$0	\$0
Area Expense													\$79,092	\$79,092	\$87,001	\$87,001	\$91,351
Net Revenue													\$1,852,578	\$1,852,578	\$1,923,761	\$1,923,761	\$1,962,911



Outdoor Baseball/Softball Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5							
Miracle Field Leagues																		
Sept. - Oct. League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	11	13	13	14	14	1	\$9,900	\$11,250	\$13,200	\$13,596	\$14,704	
Nov.- Dec. League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	11	13	13	14	14	1	\$9,900	\$11,250	\$13,200	\$13,596	\$14,704	
Jan. - Feb. League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	11	13	13	14	14	1	\$9,900	\$11,250	\$13,200	\$13,596	\$14,704	
Mar. - Apr. League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	11	13	13	14	14	1	\$9,900	\$11,250	\$13,200	\$13,596	\$14,704	
May - June League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0	
July - Aug. League	\$/Team	\$900	\$900	\$990	\$990	\$1,040	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0	
Youth Baseball/Girls Softball Leagues																		
Sept. - Oct. League	\$/Team	\$550	\$550	\$605	\$605	\$635	42	48	51	52	54	1	\$23,100	\$26,250	\$30,800	\$31,724	\$34,310	
Nov.- Dec. League	\$/Team	\$550	\$550	\$605	\$605	\$635	42	48	51	52	54	1	\$23,100	\$26,250	\$30,800	\$31,724	\$34,310	
Jan. - Feb. League	\$/Team	\$550	\$550	\$605	\$605	\$635	42	48	51	52	54	1	\$23,100	\$26,250	\$30,800	\$31,724	\$34,310	
Mar. - Apr. League	\$/Team	\$550	\$550	\$605	\$605	\$635	42	48	51	52	54	1	\$23,100	\$26,250	\$30,800	\$31,724	\$34,310	
May - June League	\$/Team	\$550	\$550	\$605	\$605	\$635	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0	
July - Aug. League	\$/Team	\$550	\$550	\$605	\$605	\$635	0	-	-	-	-	1	\$0	\$0	\$0	\$0	\$0	
Softball Leagues																		
Sept. - Oct. League	\$/Team	\$625	\$625	\$688	\$688	\$722	108	123	131	135	139	1	\$67,500	\$76,705	\$90,000	\$92,700	\$100,255	
Nov.- Dec. League	\$/Team	\$625	\$625	\$688	\$688	\$722	108	123	131	135	139	1	\$67,500	\$76,705	\$90,000	\$92,700	\$100,255	
Jan. - Feb. League	\$/Team	\$625	\$625	\$688	\$688	\$722	108	123	131	135	139	1	\$67,500	\$76,705	\$90,000	\$92,700	\$100,255	
Mar. - Apr. League	\$/Team	\$625	\$625	\$688	\$688	\$722	108	123	131	135	139	1	\$67,500	\$76,705	\$90,000	\$92,700	\$100,255	
May - June League	\$/Team	\$625	\$625	\$688	\$688	\$722	87	99	105	109	112	1	\$54,375	\$61,790	\$72,500	\$74,675	\$80,761	
July - Aug. League	\$/Team	\$625	\$625	\$688	\$688	\$722	87	99	105	109	112	1	\$54,375	\$61,790	\$72,500	\$74,675	\$80,761	
Baseball Leagues																		
Sept. - Oct. League	\$/Team	\$800	\$800	\$880	\$880	\$924	26	30	32	32	33	1	\$20,800	\$23,636	\$27,733	\$28,565	\$30,893	
Nov.- Dec. League	\$/Team	\$800	\$800	\$880	\$880	\$924	26	30	32	32	33	1	\$20,800	\$23,636	\$27,733	\$28,565	\$30,893	
Jan. - Feb. League	\$/Team	\$800	\$800	\$880	\$880	\$924	26	30	32	32	33	1	\$20,800	\$23,636	\$27,733	\$28,565	\$30,893	
Mar. - Apr. League	\$/Team	\$800	\$800	\$880	\$880	\$924	26	30	32	32	33	1	\$20,800	\$23,636	\$27,733	\$28,565	\$30,893	
May - June League	\$/Team	\$800	\$800	\$880	\$880	\$924	20	23	24	25	26	1	\$16,000	\$18,182	\$21,333	\$21,973	\$23,764	
July - Aug. League	\$/Team	\$800	\$800	\$880	\$880	\$924	20	23	24	25	26	1	\$16,000	\$18,182	\$21,333	\$21,973	\$23,764	
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.14	1.07	1.03	1.03							
Capacity growth rate			1.10	1.10	1.10	1.10												
Area Revenue													\$625,950	\$711,307	\$834,600	\$859,638	\$929,698	
Expense		Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Baseball/Softball Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0	
Baseball/Softball Staff	5% Gross Revenue												\$31,298	\$35,565	\$41,730	\$42,982	\$46,485	
Umpire Fees	Avg. \$30/game												\$115,440	\$19,636	\$20,945	\$21,574	\$22,221	
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$0	\$0	\$0	\$0	\$0	
Equipment and Supplies	2% Gross Revenue												\$12,519	\$14,226	\$16,692	\$17,193	\$18,594	
Awards	T-Shirts and Trophies (2% Gross Revenue)												\$12,519	\$14,226	\$16,692	\$17,193	\$18,594	
Area Expense													\$171,776	\$83,654	\$96,059	\$98,941	\$105,894	
Net Revenue													\$454,175	\$627,653	\$738,541	\$760,697	\$823,805	

*1 Coed Sports Arizona
\$600/team (8 games)

City of Phoenix
\$450/team (8 games)

City of Chandler
\$450-\$608/team (8 games, resident-non)



Baseball/Fast-Pitch Softball Field Rental Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Participants per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Weekend Tournament - 6 Fields, 2 Days																	
Team Information												630					
Baseball Field	42 teams/15 players per team											42					
Rental Fees	\$50/ game	\$613	\$613	\$674	\$674	\$707	8	10	12	14	14	6	\$29,400	\$36,750	\$48,510	\$56,595	\$59,425
Gate Fees - Tournament Pass For Facility	1.5 per player	\$10	\$10	\$10	\$10	\$10	8	10	12	14	14	945	\$75,600	\$94,500	\$113,400	\$132,300	\$132,300
Weekend Tournament - 14 Fields 2.5 Days																	
Team Information												1470					
Baseball Field	98 teams/15 players per team											98					
Rental Fees	\$50/ game	\$613	\$613	\$674	\$674	\$707	8	8	7	7	6	14	\$68,600	\$68,600	\$66,028	\$66,028	\$59,425
Gate Fees - Tournament Pass For Facility	1.5 per player	\$10	\$10	\$10	\$10	\$10	8	8	7	7	6	2205	\$176,400	\$176,400	\$154,350	\$154,350	\$132,300
4-Day Tournament - 14 Fields, 4 Days																	
Team Information												1470					
Baseball Field	98 teams/15 players per team											98					
Rental Fees	\$50/ game	\$875	\$875	\$963	\$963	\$1,011	2	2	3	3	4	14	\$24,500	\$24,500	\$40,425	\$40,425	\$56,595
Gate Fees - Tournament Pass For Facility	1.5 per player	\$15	\$15	\$15	\$15	\$15	2	2	3	3	4	2205	\$66,150	\$66,150	\$99,225	\$99,225	\$132,300
Non-capacity growth rate			1.00	1.10	1.00	1.05	18	20	22	24	24						
Capacity growth rate			1.10	1.10	1.10	1.10											
Area Revenue													\$440,650	\$466,900	\$521,938	\$548,923	\$572,345
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Tournament Hosting Expenses	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Tournament Support Staff	10% Gross Revenue												\$44,065	\$46,690	\$52,194	\$54,892	\$57,234
Gate Staff	\$0.25 Per Ticket												\$7,403	\$7,875	\$8,348	\$8,820	\$8,820
Gate Ticket Cost	\$0.25 Per Ticket												\$7,403	\$7,875	\$8,348	\$8,820	\$8,820
Trainer Fees	Pass Through												\$0	\$0	\$0	\$0	\$0
Area Expense													\$58,870	\$62,440	\$68,889	\$72,532	\$74,874
Net Revenue													\$381,780	\$404,460	\$453,049	\$476,390	\$497,470



In-House Softball Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Participants per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5	
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5							
Mens/Co-Ed Tournament - 8 Fields, 2 Days												672						
Team Information												56						
Team Registrations	56 teams/12 players per team	\$325	\$325	\$358	\$358	\$375	8	8	8	8	8		\$145,600	\$145,600	\$160,160	\$160,160	\$168,168	
Gate Fees - Tournament Pass	1 per player	\$10	\$10	\$10	\$10	\$10	8	8	8	8	8	672	\$53,760	\$53,760	\$53,760	\$53,760	\$53,760	
	Non-capacity growth rate		1.00	1.10	1.00	1.05	8	8	8	8	8							
	Capacity growth rate		1.10	1.10	1.10	1.10												
Area Revenue													\$199,360	\$199,360	\$213,920	\$213,920	\$221,928	
Expense	Mgmt. Assump.																	
Tournament Director	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0	
Tournament Staff	10% Entry Fees												\$14,560	\$14,560	\$16,016	\$16,016	\$16,817	
Gate Staff	\$0.25 Per Ticket												\$1,344	\$1,344	\$1,344	\$1,344	\$1,344	
Gate Ticket Cost	\$0.25 Per Ticket												\$1,344	\$1,344	\$1,344	\$1,344	\$1,344	
Official Fees	Avg. \$80/game												\$71,680	\$71,680	\$71,680	\$71,680	\$71,680	
Trainer Fees	\$15/Hour												\$7,200	\$7,200	\$7,200	\$7,200	\$7,200	
Equip./Supplies	2% Gross Revenue												\$3,987	\$3,987	\$4,278	\$4,278	\$4,439	
Awards	2% Gross Revenue												\$3,987	\$3,987	\$4,278	\$4,278	\$4,439	
Area Expense													\$104,102	\$104,102	\$106,141	\$106,141	\$107,262	
Net Revenue													\$95,258	\$95,258	\$107,779	\$107,779	\$114,666	



Softball Field Rental Tournament Revenue & Expenses

Revenue	Mgmt. Assump.	Amount per Activity					Number of Participants per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Men's/Co-Ed Tournament - 8 Fields, 2 Days																	
Team Information												672					
Team Registration	56 teams/12 players per team											56					
Rental Fees	\$50/ game	\$613	\$613	\$674	\$674	\$707	23	24	25	25	24	8	\$112,700	\$117,600	\$134,750	\$134,750	\$135,828
Gate Fees - Tournament Pass	1 per player	\$10	\$10	\$10	\$10	\$10	23	24	25	25	24	672	\$154,560	\$161,280	\$168,000	\$168,000	\$161,280
4-Day Tournament - 8 Fields, 4 Days																	
Team Information												672					
Team Registration	56 teams/12 players per team											56					
Rental Fees	\$50/ game	\$875	\$875	\$963	\$963	\$1,011	2	2	3	3	4	8	\$14,000	\$14,000	\$23,100	\$23,100	\$32,340
Gate Fees - Tournament Pass	1 per player	\$10	\$10	\$10	\$10	\$10	2	2	3	3	4	672	\$13,440	\$13,440	\$20,160	\$20,160	\$26,880
	Non-capacity growth rate		1.00	1.10	1.00	1.05	25	26	28	28	28						
	Capacity growth rate		1.10	1.10	1.10	1.10											
Area Revenue													\$294,700	\$306,320	\$346,010	\$346,010	\$356,328
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Tournament Hosting Expenses	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Tournament Support Staff	10% Gross Revenue												\$29,470	\$30,632	\$34,601	\$34,601	\$35,633
Gate Staff	\$0.25 Per Ticket												\$3,974	\$4,142	\$4,365	\$4,365	\$4,251
Gate Ticket Cost	\$0.25 Per Ticket												\$3,974	\$4,142	\$4,365	\$4,365	\$4,251
Trainer Fees	Pass Through												\$0	\$0	\$0	\$0	\$0
Area Expense													\$37,417	\$38,915	\$43,330	\$43,330	\$44,136
Net Revenue													\$257,283	\$267,405	\$302,680	\$302,680	\$312,192



Indoor/Outdoor Ticketed Event Revenue & Expenses

Revenue	Mgmt Assmp.	Amount Per Activity					Events Per Year					Attendees	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Indoor Small Ticketed Event																	
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	2	3	4	4	500	\$5,000	\$5,000	\$8,250	\$11,000	\$11,550
Indoor Large Ticketed Event																	
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	2	3	4	4	1000	\$10,000	\$10,000	\$16,500	\$22,000	\$23,100
Outdoor Small Ticketed Event																	
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	2	3	4	4	1500	\$15,000	\$15,000	\$24,750	\$33,000	\$34,650
Outdoor Large Ticketed Event																	
Gate Fees	Spectators (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	2	2	3	4	4	3000	\$30,000	\$30,000	\$49,500	\$66,000	\$69,300
	Non-capacity growth rate		1.00	1.10	1.00	1.05		1.00	1.00	1.00	1.00						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$60,000	\$60,000	\$99,000	\$132,000	\$138,600
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Ticketed Event Attendant Staff	15% Gross Revenue												\$9,000	\$9,000	\$14,850	\$19,800	\$20,790
Gate Staff	\$0.25 Per Sale												\$3,000	\$3,000	\$4,500	\$6,000	\$6,000
Gate Ticket Cost	\$0.25 Per Ticket												\$3,000	\$3,000	\$4,500	\$6,000	\$6,000
Equip./Supplies	1% Gross Revenue												\$600	\$600	\$990	\$1,320	\$1,386
Area Expense													\$15,600	\$15,600	\$24,840	\$33,120	\$34,176
Net Revenue													\$44,400	\$44,400	\$74,160	\$98,880	\$104,424



Outdoor Field Rental Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5		
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5								
Baseball/Softball Field Rentals																			
Sept. - Oct.	\$/Hour	\$25	\$25	\$26	\$26	\$28	312	327	344	354	365	1	\$7,795	\$8,185	\$9,023	\$9,294	\$10,052		
Nov. - Dec.	\$/Hour	\$25	\$25	\$26	\$26	\$28	312	327	344	354	365	1	\$7,795	\$8,185	\$9,023	\$9,294	\$10,052		
Jan. - Feb.	\$/Hour	\$25	\$25	\$26	\$26	\$28	312	327	344	354	365	1	\$7,795	\$8,185	\$9,023	\$9,294	\$10,052		
Mar. - Apr.	\$/Hour	\$25	\$25	\$26	\$26	\$28	312	327	344	354	365	1	\$7,795	\$8,185	\$9,023	\$9,294	\$10,052		
May - June	\$/Hour	\$25	\$25	\$26	\$26	\$28	416	437	458	472	486	1	\$10,393	\$10,913	\$12,031	\$12,392	\$13,402		
July - Aug	\$/Hour	\$25	\$25	\$26	\$26	\$28	416	437	458	472	486	1	\$10,393	\$10,913	\$12,031	\$12,392	\$13,402		
Multi-Purpose Field Rentals																			
Sept. - Oct.	\$/Hour	\$25	\$25	\$26	\$26	\$28	335	352	370	381	392	1	\$8,385	\$8,804	\$9,707	\$9,998	\$10,813		
Nov. - Dec.	\$/Hour	\$25	\$25	\$26	\$26	\$28	447	470	493	508	523	1	\$11,180	\$11,739	\$12,942	\$13,331	\$14,417		
Jan. - Feb.	\$/Hour	\$25	\$25	\$26	\$26	\$28	559	587	616	635	654	1	\$13,975	\$14,674	\$16,178	\$16,663	\$18,021		
Mar. - Apr.	\$/Hour	\$25	\$25	\$26	\$26	\$28	447	470	493	508	523	1	\$11,180	\$11,739	\$12,942	\$13,331	\$14,417		
May - June	\$/Hour	\$25	\$25	\$26	\$26	\$28	224	235	247	254	262	1	\$5,590	\$5,870	\$6,471	\$6,665	\$7,208		
July - Aug	\$/Hour	\$25	\$25	\$26	\$26	\$28	224	235	247	254	262	1	\$5,590	\$5,870	\$6,471	\$6,665	\$7,208		
Field Light Usage Charge	\$/Hour	\$10	\$10	\$11	\$11	\$11	1,510	1,586	1,665	1,715	1,766	1	\$15,101	\$15,856	\$17,481	\$18,006	\$19,473		
Non-capacity growth rate			1.00	1.05	1.00	1.05		1.05	1.05	1.03	1.03								
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00								
Area Revenue													\$122,967	\$129,115	\$142,349	\$146,620	\$158,569		
Expense	Mgmt. Assump.														Year 1	Year 2	Year 3	Year 4	Year 5
Facility Attendant Staff	5% Gross Revenue														\$6,148	\$6,456	\$7,117	\$7,331	\$7,928
Area Expense													\$6,148	\$6,456	\$7,117	\$7,331	\$7,928		
Net Revenue													\$116,818	\$122,659	\$135,232	\$139,289	\$150,641		



Outdoor Track Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Track Meets																	
Entry Fees	\$/ Athlete	\$10	\$10	\$11	\$11	\$12	400	460	506	531	558	4	\$16,000	\$18,400	\$22,264	\$23,377	\$25,773
Gate Fees	\$/Spectator (1.5/Participant)	\$5	\$5	\$6	\$6	\$6	600	690	759	797	837	4	\$12,000	\$13,800	\$16,698	\$17,533	\$19,330
Local Programs																	
Youth Track Club	\$/ Athlete	\$150	\$150	\$165	\$165	\$173	60	69	76	80	84	1	\$9,000	\$10,350	\$12,524	\$13,150	\$14,498
Instructional Camps/Clinics	\$/Session	\$100	\$100	\$110	\$110	\$116	25	29	32	33	35	6	\$15,000	\$17,250	\$20,873	\$21,916	\$24,163
Rentals																	
Track Meet Rentals	\$/Day	\$2,000	\$2,000	\$2,200	\$2,200	\$2,310	30	35	38	40	42	1	\$60,000	\$69,000	\$83,490	\$87,665	\$96,650
Non-capacity growth rate		1.00	1.10	1.00	1.05		1.15	1.10	1.05	1.05							
Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00							
Area Revenue													\$112,000	\$128,800	\$155,848	\$163,640	\$180,414
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Track Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Supervision/Maintenance Staff	10% of Gross Revenue												\$11,200	\$12,880	\$15,585	\$16,364	\$18,041
Meet Officials	15% of Meet Gross												\$4,200	\$4,830	\$5,844	\$6,137	\$6,766
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$6,000	\$6,900	\$8,349	\$8,766	\$9,665
Rental - COGS	40% Rental Gross												\$24,000	\$27,600	\$33,396	\$35,066	\$38,660
Supplies/Misc Expenses	5% Gross Revenue												\$5,600	\$6,440	\$7,792	\$8,182	\$9,021
Area Expense													\$51,000	\$58,650	\$70,967	\$74,515	\$82,153
Net Revenue													\$61,000	\$70,150	\$84,882	\$89,126	\$98,261



Outdoor Sand Volleyball Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session (8 weeks)					Number per Session (8 weeks)					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Instructional Clinics	\$/Session	\$75	\$75	\$83	\$83	\$87	30	36	41	46	48	3	\$6,750	\$8,085	\$10,208	\$11,293	\$12,526
Instructional Camps	\$/Week (full days)	\$100	\$100	\$110	\$110	\$116	60	72	82	91	96	3	\$18,000	\$21,560	\$27,222	\$30,115	\$33,401
Drop-in/ Other Income	\$/Session	\$5	\$5	\$6	\$6	\$6	20	24	27	30	32	12	\$1,200	\$1,437	\$1,815	\$2,008	\$2,227
Court Rental	\$/Hour	\$150	\$150	\$165	\$165	\$173	100	120	137	152	161	1	\$15,000	\$17,967	\$22,685	\$25,096	\$27,835
Tournaments																	
2s	\$/Team	\$70	\$70	\$77	\$77	\$81	25	30	34	38	40	4	\$7,000	\$8,385	\$10,586	\$11,712	\$12,989
4s	\$/Team	\$120	\$120	\$132	\$132	\$139	15	18	21	23	24	4	\$7,200	\$8,624	\$10,889	\$12,046	\$13,361
6s	\$/Team	\$200	\$200	\$220	\$220	\$231	10	12	14	15	16	4	\$8,000	\$9,582	\$12,099	\$13,385	\$14,845
Leagues																	
Sept. - Oct. League	\$/Team	\$200	\$200	\$220	\$220	\$231	8	10	11	12	13	1	\$1,600	\$1,916	\$2,420	\$2,677	\$2,969
Nov.- Dec. League	\$/Team	\$200	\$200	\$220	\$220	\$231	6	7	8	9	10	1	\$1,200	\$1,437	\$1,815	\$2,008	\$2,227
Jan. - Feb. League	\$/Team	\$200	\$200	\$220	\$220	\$231	6	7	8	9	10	1	\$1,200	\$1,437	\$1,815	\$2,008	\$2,227
Mar. - Apr. League	\$/Team	\$200	\$200	\$220	\$220	\$231	8	10	11	12	13	1	\$1,600	\$1,916	\$2,420	\$2,677	\$2,969
May - June League	\$/Team	\$200	\$200	\$220	\$220	\$231	10	12	14	15	16	1	\$2,000	\$2,396	\$3,025	\$3,346	\$3,711
July - Aug. League	\$/Team	\$200	\$200	\$220	\$220	\$231	10	12	14	15	16	1	\$2,000	\$2,396	\$3,025	\$3,346	\$3,711
	Non-capacity growth rate		1.00	1.10	1.00	1.05		1.20	1.15	1.11	1.06						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$72,750	\$87,140	\$110,021	\$121,716	\$134,997
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Sand Volleyball Managemen	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Sand Volleyball Staff	5% of Gross Revenue												\$3,638	\$4,357	\$5,501	\$6,086	\$6,750
Officials Fees	Avg. \$15/game												\$8,880	\$10,636	\$12,209	\$13,506	\$14,267
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$6,188	\$7,411	\$9,357	\$10,352	\$11,482
Equipment and Supplies	1% of Gross Revenue												\$728	\$871	\$1,100	\$1,217	\$1,350
Awards	T-Shirts and Trophies (2% of Revenue)												\$1,455	\$1,743	\$2,200	\$2,434	\$2,700
Area Expense													\$20,888	\$25,019	\$30,368	\$33,596	\$36,548
Net Revenue													\$51,863	\$62,121	\$79,653	\$88,121	\$98,449



Pickleball Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Grand Canyon State Games	5-Day Facility Rental	\$8,000	\$8,000	\$8,400	\$8,400	\$8,820	1	1	1	1	1	1	\$8,000	\$8,400	\$9,261	\$9,724	\$10,721
Grand Canyon State Games Gate Fees	Tournament Pass	\$15	\$15	\$15	\$15	\$15	938	1,166	1,393	1,572	1,696	1	\$14,063	\$17,494	\$20,888	\$23,582	\$25,445
Regional/National Tournaments	\$/Team	\$40	\$40	\$42	\$42	\$44	150	187	223	252	271	2	\$12,000	\$14,928	\$18,715	\$21,129	\$23,939
Inter-Club Tournaments	\$/Team	\$15	\$15	\$16	\$16	\$17	80	100	119	134	145	4	\$4,800	\$5,971	\$7,486	\$8,452	\$9,575
Intra-Club Tournaments	\$/Team	\$15	\$15	\$16	\$16	\$17	40	50	59	67	72	10	\$6,000	\$7,464	\$9,358	\$10,565	\$11,969
Instruction	\$/Hour	\$10	\$10	\$11	\$11	\$11	40	50	59	67	72	6	\$2,400	\$2,986	\$3,743	\$4,226	\$4,788
Drop-in/Other Income	\$/Session	\$5	\$5	\$5	\$5	\$6	475	591	706	797	859	12	\$28,500	\$35,454	\$44,449	\$50,183	\$56,854
Non-capacity growth rate			1.00	1.05	1.00	1.05		1.24	1.19	1.13	1.08						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$75,763	\$92,697	\$113,899	\$127,861	\$143,291
Expense	Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5	
Pickleball Director	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Pickleball Staff	5% of Revenue												\$3,788	\$4,635	\$5,695	\$6,393	\$7,165
Referee Fees	Avg. \$40/game												\$0	\$0	\$0	\$0	\$0
Instructor Fees	\$10-\$25/Instructor (25% Instruct. Rev)												\$600	\$746	\$936	\$1,056	\$1,197
Equipment and Supplies	5% of Revenue												\$3,788	\$4,635	\$5,695	\$6,393	\$7,165
Awards	T-Shirts and Trophies (2% of Revenue)												\$1,515	\$1,854	\$2,278	\$2,557	\$2,866
Area Expense													\$9,692	\$11,870	\$14,604	\$16,400	\$18,392
Net Revenue													\$66,071	\$80,827	\$99,296	\$111,461	\$124,899



Outdoor Facility Rental Events Revenue & Expenses

Revenue	Mgmt Assmp.	Amount per Activity					Number of Events per Year					Ave. Participants	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5
Small Events - 500 Guests																	
Participation Fee		\$5	\$5	\$5	\$5	\$5	2	3	3	4	4	500	\$5,000	\$7,500	\$7,500	\$10,000	\$10,000
Medium Events - 1,000 Guests																	
Participation Fee		\$5	\$5	\$5	\$5	\$5	1	2	3	3	3	1000	\$5,000	\$10,000	\$15,000	\$15,000	\$15,000
Large Events - 2,000 Guests																	
Participation Fee		\$5	\$5	\$5	\$5	\$5	1	1	2	2	2	2000	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000
	Non-capacity growth rate		1.00	1.10	1.00	1.05											
	Capacity growth rate		1.10	1.10	1.10	1.10											
Area Revenue													\$20,000	\$27,500	\$42,500	\$45,000	\$45,000
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Event Hosting Expenses	10% Gross Revenue												\$2,000	\$2,750	\$4,250	\$4,500	\$4,500
Gate Staff	\$0.25 Per Sale												\$1,000	\$1,375	\$2,125	\$2,250	\$2,250
Gate Ticket Cost	\$0.25 Per Ticket												\$800	\$1,100	\$1,700	\$1,800	\$1,800
Area Expense													\$3,800	\$5,225	\$8,075	\$8,550	\$8,550
Net Revenue													\$16,200	\$22,275	\$34,425	\$36,450	\$36,450



Outdoor Adventure Center Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Sale					Sales					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Drop-In	Max tour size 60	\$40	\$40	\$42	\$42	\$44	400	520	624	686	721	9	\$144,000	\$187,200	\$235,872	\$259,459	\$286,054
Recreational Groups	Max tour size 60	\$650	\$650	\$683	\$683	\$717	10	13	16	17	18	9	\$58,500	\$76,050	\$95,823	\$105,405	\$116,209
Corporate/Group Teambuilding	Max tour size 60	\$650	\$650	\$683	\$683	\$717	10	13	16	17	18	9	\$58,500	\$76,050	\$95,823	\$105,405	\$116,209
Retail	10% of Teambuilding Revenue	\$15	\$15	\$16	\$16	\$17	20	26	31	34	36	9	\$2,700	\$3,510	\$4,423	\$4,865	\$5,364
Non-capacity growth rate			1.00	1.05	1.00	1.05		1.30	1.20	1.10	1.05						
Capacity growth rate			1.20	1.15	1.00	1.00		1.00	1.00	1.00	1.00						
Area Revenue													\$263,700	\$342,810	\$431,941	\$475,135	\$523,836
Expense	Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5	
Adventure Center Management	Responsibility of Management Team											\$0	\$0	\$0	\$0	\$0	
Adventure Center Staff	25% Gross Revenue (30% Year 1)											\$79,110	\$85,703	\$107,985	\$118,784	\$130,959	
Sales & Marketing	Included in Operating Expenses											\$0	\$0	\$0	\$0	\$0	
Operation & Maintenance Expense	19% Gross Revenue											\$50,103	\$65,134	\$82,069	\$90,276	\$99,529	
Cost of Sales	5% Gross Revenue											\$13,185	\$17,141	\$21,597	\$23,757	\$26,192	
Inspection/Permits												\$2,000	\$2,060	\$2,122	\$2,185	\$2,251	
Area Expense													\$144,398	\$170,037	\$213,773	\$235,001	\$258,931
Net Revenue													\$119,302	\$172,773	\$218,168	\$240,133	\$264,905



Indoor Adventure/Entertainment Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Sale					Sales					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Arcade																	
Arcade-Redemption	\$/Per Cap	\$10	\$10	\$11	\$11	\$12	21,106	24,396	27,836	28,976	29,526	1	\$211,058	\$243,960	\$306,201	\$318,735	\$341,029
Play Climb																	
Weekday Rates																	
Students	ages 4 - 18	\$10	\$10	\$11	\$11	\$12	9,403	10,868	12,401	12,909	13,154	1	\$94,026	\$108,684	\$136,413	\$141,996	\$151,929
Adult	ages 18+	\$12	\$12	\$13	\$13	\$14	1,045	1,208	1,378	1,434	1,462	1	\$12,537	\$14,491	\$18,188	\$18,933	\$20,257
Weekend Rates																	
Students	ages 4 - 18	\$12	\$12	\$13	\$13	\$14	28,635	22,066	25,178	26,209	26,707	1	\$343,624	\$264,794	\$332,351	\$345,955	\$370,153
Adult	ages 18+	\$15	\$15	\$17	\$17	\$17	1,061	2,452	2,798	2,912	2,967	1	\$15,908	\$36,777	\$46,160	\$48,049	\$51,410
Single Attractions		\$5	\$5	\$6	\$6	\$6	1,741	2,013	2,297	2,391	2,436	12	\$104,474	\$120,760	\$151,570	\$157,774	\$168,810
Birthday Parties																	
Indoor Adventure/Ent. Parties	\$/Party (avg 15 kids)	\$350	\$350	\$385	\$385	\$404	30	33	35	36	37	12	\$126,000	\$138,600	\$160,083	\$164,885	\$178,324
Non-capacity growth rate			1.00	1.10	1.00	1.05		1.10	1.05	1.03	1.03						
Capacity growth rate			1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$907,627	\$928,066	\$1,150,965	\$1,196,327	\$1,281,912
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Indoor Adventure/Ent. Managemer Responsibility of Management Team													\$0	\$0	\$0	\$0	\$0
Indoor Adventure/Ent. Staff	25% Gross Revenue												\$136,144	\$139,210	\$172,645	\$179,449	\$192,287
Game Tech	20% Arcade Revenue												\$42,212	\$48,792	\$61,240	\$63,747	\$68,206
Arcade Prizes and Supplies	20% Arcade Revenue												\$42,212	\$48,792	\$61,240	\$63,747	\$68,206
Birthday and Group Party Staff	2 hrs./party plus set up and clean, 1 employee/party, \$10/hr./employee												\$10,800	\$11,880	\$12,474	\$12,848	\$13,234
Birthday and Group Party Food	15% Party Revenue												\$18,900	\$20,790	\$24,012	\$24,733	\$26,749
Maintenance & Supplies	8% Gross Revenue												\$72,610	\$74,245	\$92,077	\$95,706	\$102,553
Area Expense													\$322,877	\$343,709	\$423,689	\$440,230	\$471,234
Net Revenue													\$584,750	\$584,357	\$727,276	\$756,097	\$810,678



Youth Programming Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Holiday Camp	\$/week	\$150	\$150	\$165	\$165	\$173	150	165	173	182	191	3	\$67,500	\$74,250	\$85,759	\$90,047	\$99,276
Summer Day Camp	\$/week	\$150	\$150	\$165	\$165	\$173	280	308	323	340	357	10	\$420,000	\$462,000	\$533,610	\$560,291	\$617,720
Single Day Camps	\$/day	\$30	\$30	\$33	\$33	\$35	100	110	116	121	127	12	\$36,000	\$39,600	\$45,738	\$48,025	\$52,947
Camp Day-Care	\$/day	\$10	\$10	\$11	\$11	\$12	383	421	442	464	487	10	\$38,250	\$42,075	\$48,597	\$51,026	\$56,257
Lock-Ins	\$/visit	\$30	\$30	\$33	\$33	\$35	20	22	23	24	25	12	\$7,200	\$7,920	\$9,148	\$9,605	\$10,589
Field Trips	\$/visit	\$10	\$10	\$11	\$11	\$12	90	99	104	109	115	9	\$8,100	\$8,910	\$10,291	\$10,806	\$11,913
	Non-capacity growth rate		1.00	1.10	1.00	1.05		1.10	1.05	1.05	1.05						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$577,050	\$634,755	\$733,142	\$769,799	\$848,704
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Youth Programming Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Youth Programming Staff	40% Gross Revenue												\$230,820	\$253,902	\$293,257	\$307,920	\$339,481
Equipment & Consumables	10% Gross Revenue												\$57,705	\$63,476	\$73,314	\$76,980	\$84,870
T-Shirts	4.5% Weeklong Camps & After School Revenue												\$21,938	\$24,131	\$27,872	\$29,265	\$32,265
Area Expense													\$310,463	\$341,509	\$394,443	\$414,165	\$456,617
Net Revenue													\$266,588	\$293,246	\$338,699	\$355,634	\$392,087



Birthday Parties Rental Revenue & Expenses

Revenue	Mgmt. Assump.	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
		Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Sports Parties	\$/Party (avg 15 kids)	\$400	\$400	\$440	\$440	\$462	20	24	25	26	28	12	\$96,000	\$115,200	\$133,056	\$139,709	\$154,029
Adventure Parties	\$/Party (avg 15 kids)	\$450	\$450	\$495	\$495	\$520	30	36	38	40	42	12	\$162,000	\$194,400	\$224,532	\$235,759	\$259,924
	Non-capacity growth rate		1.00	1.10	1.00	1.05		1.20	1.05	1.05	1.05						
	Capacity growth rate		1.10	1.10	1.10	1.10		1.00	1.00	1.00	1.00						
Area Revenue													\$258,000	\$309,600	\$357,588	\$375,467	\$413,953
Expense	Mgmt. Assump.												Year 1	Year 2	Year 3	Year 4	Year 5
Birthday Party Management	Responsibility of Management Team												\$0	\$0	\$0	\$0	\$0
Birthday Party Staff	2 hrs/party plus set up and clean, 1 employee/party, \$10/hr/employee												\$18,000	\$21,600	\$22,680	\$23,814	\$25,005
Birthday Party Supplies	4% COGS												\$10,320	\$12,384	\$14,304	\$15,019	\$16,558
Birthday Party Food	15% COGS												\$38,700	\$46,440	\$53,638	\$56,320	\$62,093
Area Expense													\$67,020	\$80,424	\$90,622	\$95,153	\$103,656
Net Revenue													\$190,980	\$229,176	\$266,966	\$280,315	\$310,297



Special Events Revenue & Expenses

Revenue	Price per Session					Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 1	Year 2	Year 3	Year 4	Year 5						
Arena-Based Events																
Concerts (Net Rev. From Rent, Parking, and Tickets)	\$60,000	\$69,000	\$75,900	\$79,695	\$83,680	2	2	2	2	2	1	\$120,000	\$138,000	\$151,800	\$159,390	\$167,360
Trade Events (Net Rev. From Rent, Parking, and Tickets)	\$40,000	\$46,000	\$50,600	\$53,130	\$55,787	2	2	2	2	2	1	\$80,000	\$92,000	\$101,200	\$106,260	\$111,573
Family Events (Net Rev. From Rent, Parking, and Tickets)	\$20,000	\$23,000	\$25,300	\$26,565	\$27,893	1	1	1	1	1	1	\$20,000	\$23,000	\$25,300	\$26,565	\$27,893
Special Series Events (Net Rev. From Rent, Parking, and Tickets)	\$25,000	\$28,750	\$31,625	\$33,206	\$34,867	1	1	1	1	1	1	\$25,000	\$28,750	\$31,625	\$33,206	\$34,867
Arizona Events Group																
Annual Arizona Balloon Classic (ABC)																
Gate Income	\$62,500	\$64,375	\$66,306	\$68,295	\$70,344	1	1	1	1	1	1	\$62,500	\$64,375	\$66,306	\$68,295	\$70,344
Parking Income	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648	1	1	1	1	1	1	\$45,000	\$46,350	\$47,741	\$49,173	\$50,648
Pub n Grub Block Party (PNG)																
Gate Income	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259	1	1	1	1	1	1	\$18,000	\$18,540	\$19,096	\$19,669	\$20,259
Parking Income	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506	1	1	1	1	1	1	\$12,000	\$12,360	\$12,731	\$13,113	\$13,506
Outside Events																
Concerts (Net Rev. From Rent, Parking, and Tickets)	\$40,000	\$46,000	\$50,600	\$53,130	\$55,787	2	2	2	2	2	1	\$80,000	\$92,000	\$101,200	\$106,260	\$111,573
Festivals (Net Rev. From Rent, Parking, and Tickets)	\$40,000	\$46,000	\$50,600	\$53,130	\$55,787	1	1	1	1	1	1	\$40,000	\$46,000	\$50,600	\$53,130	\$55,787
RacePlace Events	\$26,250	\$26,250	\$26,250	\$26,250	\$26,250	18	18	18	18	18	1	\$472,500	\$472,500	\$472,500	\$472,500	\$472,500
Non-capacity growth rate		1.15	1.10	1.05	1.05											
Capacity growth rate		1.10	1.20	1.10	1.10											
Area Revenue												\$975,000	\$1,033,875	\$1,080,099	\$1,107,561	\$1,136,309
Expense												Year 1	Year 2	Year 3	Year 4	Year 5
Net Shown Above Except RacePlace Events (All Staff, Marketing, Hosting, Etc. Expenses Responsibility of Event Organizer)												\$0	\$0	\$0	\$0	\$0
RacePlace Event Expenses (Revenue Share, Volunteer Coordination, Staff, Supplies, Etc.)												\$330,750	\$330,750	\$330,750	\$330,750	\$330,750
Area Expense												\$330,750	\$330,750	\$330,750	\$330,750	\$330,750
Net Revenue												\$644,250	\$703,125	\$749,349	\$776,811	\$805,559



Group Events & Rentals Revenue & Expenses

Revenue	Price per Session					Ave # Attending	Number per Session					Sellable Sessions	Year 1	Year 2	Year 3	Year 4	Year 5
	Year 1	Year 2	Year 3	Year 4	Year 5		Year 1	Year 2	Year 3	Year 4	Year 5						
Corporate Events and Parties	\$35	\$35	\$42	\$42	\$44	50	10	13	14	15	17	1	\$17,500	\$21,875	\$28,875	\$31,763	\$36,686
Team Building Programs	\$40	\$40	\$48	\$48	\$50	15	20	25	28	30	33	1	\$12,000	\$15,000	\$19,800	\$21,780	\$25,156
Large Group Team Building	\$40	\$40	\$48	\$48	\$50	30	12	15	17	18	20	1	\$14,400	\$18,000	\$23,760	\$26,136	\$30,187
Large Events and Parties	\$30	\$30	\$36	\$36	\$38	70	18	23	25	27	30	1	\$37,800	\$47,250	\$62,370	\$68,607	\$79,241
Private Team Training Facility Rentals	\$250	\$250	\$300	\$300	\$315	1	200	250	275	303	333	1	\$50,000	\$62,500	\$82,500	\$90,750	\$104,816
Facility Rentals	\$5,000	\$5,000	\$6,000	\$6,000	\$6,300	1	5	6	7	8	8	1	\$25,000	\$31,250	\$41,250	\$45,375	\$52,408
Non-capacity growth rate		1.00	1.20	1.00	1.05	1.25					1.10	1.10					
Capacity growth rate		1.10	1.20	1.10	1.10												
Area Revenue													\$156,700	\$195,875	\$258,555	\$284,411	\$328,494
Expense		Mgmt. Assump.											Year 1	Year 2	Year 3	Year 4	Year 5
Corporate Events Director		Responsibility of Management Team											\$0	\$0	\$0	\$0	\$0
Group Event Instructors		25% Gross Revenue											\$39,175	\$48,969	\$64,639	\$71,103	\$82,124
Equipment and Consumable Supplies		5% Gross Revenue											\$7,835	\$9,794	\$12,928	\$14,221	\$16,425
Area Expense													\$47,010	\$58,763	\$77,567	\$85,323	\$98,548
Net Revenue													\$109,690	\$137,113	\$180,989	\$199,087	\$229,946



Restaurant Revenue & Expenses

Revenue		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
LSP Visitor Restaurant Sales							
Food & Beverage Sales			\$5,001,975	\$5,357,199	\$5,760,197	\$5,983,274	\$6,176,025
Alcohol Sales			\$2,805,750	\$3,005,005	\$3,231,059	\$3,356,189	\$3,464,308
LSP Visitor Restaurant Sales							
Food & Beverage Sales			\$1,190,025	\$1,274,537	\$1,370,414	\$1,423,487	\$1,469,345
Alcohol Sales			\$677,250	\$725,346	\$779,911	\$810,114	\$836,212
Area Revenue			\$9,675,000	\$10,362,087	\$11,141,581	\$11,573,064	\$11,945,890
Expense		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Food & Beverage Costs	31% of F&B Sales		\$1,919,520	\$2,055,838	\$2,210,490	\$2,296,096	\$2,370,065
Alcohol Cost	22% of Alcohol Sales		\$766,260	\$820,677	\$882,413	\$916,587	\$946,115
Total Hourly Wages	22% of Total Revenue		\$2,128,500	\$2,279,659	\$2,451,148	\$2,546,074	\$2,628,096
Managerial Wages			\$200,000	\$200,001	\$200,002	\$200,003	\$200,004
Restaurant Expenses	6.65% of Total Revenue		\$643,388	\$689,079	\$740,915	\$769,609	\$794,402
Operating Expenses	Included In Total Operating Expenses		\$0	\$0	\$0	\$0	\$0
Area Expense			\$5,657,668	\$6,045,254	\$6,484,968	\$6,728,368	\$6,938,681
Net Revenue			\$4,017,333	\$4,316,833	\$4,656,613	\$4,844,696	\$5,007,210



Retail Revenue and Expenses

Revenue	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Tournament Retail						
In-House Basketball Tournaments		\$168,480	\$228,960	\$292,320	\$292,320	\$292,320
Rental Basketball Tournaments		\$5,120	\$5,120	\$5,760	\$5,760	\$5,760
In-House Volleyball Tournaments		\$0	\$0	\$8,640	\$8,640	\$17,280
Rental Volleyball Tournaments		\$23,040	\$28,800	\$34,560	\$40,320	\$46,080
In-House Soccer Tournaments		\$126,900	\$135,000	\$164,700	\$186,300	\$186,300
Rental Soccer Tournaments		\$101,400	\$101,400	\$101,400	\$101,400	\$101,400
In-House Softball Tournaments		\$48,384	\$48,384	\$48,384	\$48,384	\$48,384
Rental Softball Tournaments		\$33,600	\$34,944	\$37,632	\$37,632	\$37,632
Rental Baseball Tournaments		\$177,660	\$189,000	\$200,340	\$211,680	\$211,680
Sand Volleyball Tournaments		\$1,760	\$2,108	\$2,420	\$2,677	\$2,828
Pickleball Tournaments		\$2,880	\$3,583	\$4,278	\$4,830	\$5,211
Local Program Revenue						
Uniforms, Apparel, and Gear		\$490,000	\$514,000	\$537,000	\$554,000	\$569,000
Area Revenue		\$1,179,224	\$1,291,299	\$1,437,433	\$1,493,943	\$1,523,875
Expense	Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Retail Product and Supplier Cost	45% Gross Revenue	\$530,651	\$581,084	\$646,845	\$672,274	\$685,744
Retail Wages	10% Gross Revenue	\$117,922	\$129,130	\$143,743	\$149,394	\$152,387
Area Expense		\$648,573	\$710,214	\$790,588	\$821,668	\$838,131
Net Revenue		\$530,651	\$581,084	\$646,845	\$672,274	\$685,744



Tenant Revenue

Leased Space Revenue	Area (SF)	\$ per SF	Year 1	Year 2	Year 3	Year 4	Year 5
Physical Therapy Leased Space	30,000	\$48.00	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
Revenue			\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000
Expense			-	-	-	-	-
Net Income			\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000	\$1,440,000



Secondary Revenue Areas

Revenue		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Sponsorship							
Complex Naming Rights	Naming Rights for Entire Park		\$750,000	\$750,000	\$750,000	\$750,000	\$750,000
Founding Partners Facility Naming Rights	Naming Rights for Field Complexes, Buildings, Etc.		\$275,000	\$275,000	\$275,000	\$275,000	\$275,000
Official Sponsors	Pouring Rights, Signage, Ad Placement, Event Sponsorship, Etc.		\$800,000	\$800,000	\$800,000	\$800,000	\$800,000
Streaming Video/Application Purchases	\$7/Tournament Team		\$67,284	\$73,388	\$82,124	\$83,832	\$84,504
Area Revenue			\$1,892,284	\$1,898,388	\$1,907,124	\$1,908,832	\$1,909,504
Expense		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Sponsorship Hard Cost	10% of Gross Sponsorship Revenue		\$182,500	\$182,500	\$182,500	\$182,500	\$182,500
Sponsorship Commissions	15% of Gross Sponsorship Revenue		\$273,750	\$273,750	\$273,750	\$273,750	\$273,750
Streaming Video/Application Hosting Costs	Pass Through to Host/Developer		\$0	\$0	\$0	\$0	\$0
Streaming Video/Application Commissions	Responsibility of Management Team		\$0	\$0	\$0	\$0	\$0
Area Expense			\$456,250	\$456,250	\$456,250	\$456,250	\$456,250
Net Revenue			\$1,436,034	\$1,442,138	\$1,450,874	\$1,452,582	\$1,453,254

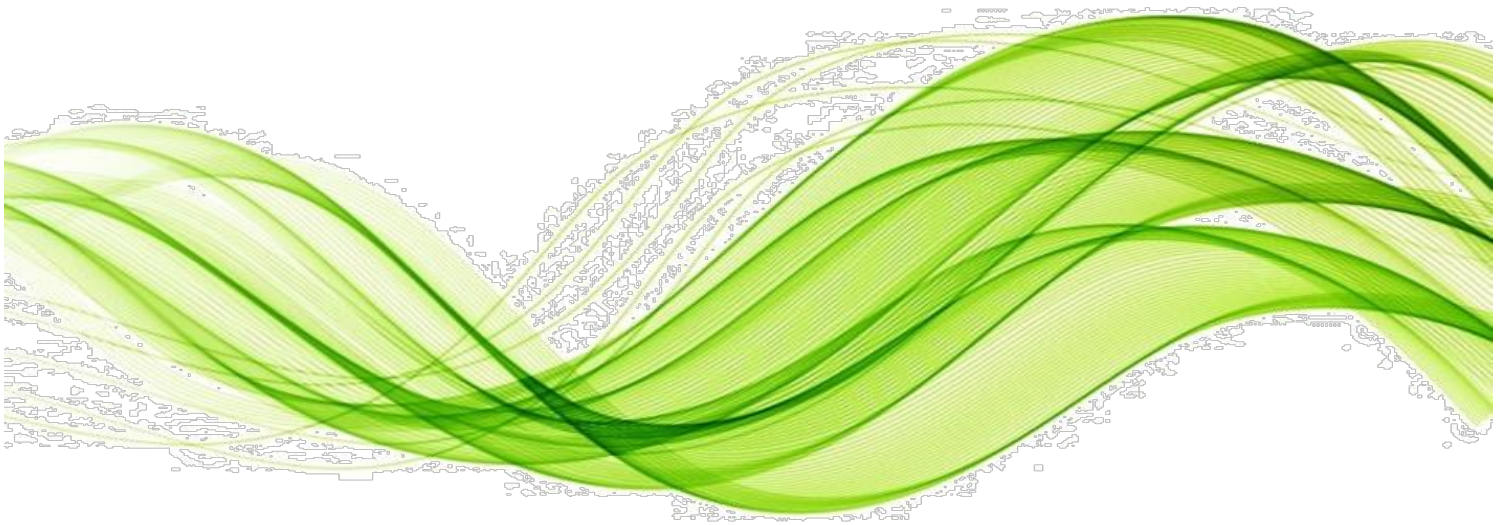


Concessions Revenue & Expenses

Revenue		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Concessions - Local			\$0	\$0	\$0	\$0	\$0
Concessions - Tournaments/Events			\$1,452,660	\$1,563,268	\$1,744,366	\$1,796,643	\$1,847,773
Alcohol Sales			\$726,330	\$781,634	\$872,183	\$898,321	\$923,886
Area Revenue			\$2,178,990	\$2,344,902	\$2,616,550	\$2,694,964	\$2,771,659
Expense		Mgmt. Assump.	Year 1	Year 2	Year 3	Year 4	Year 5
Food Expenses	30% Concession Sales		\$435,798	\$468,980	\$523,310	\$538,993	\$554,332
Alcohol Expenses	22% Alcohol Sales		\$159,793	\$171,959	\$191,880	\$197,631	\$203,255
Wages Expenses	20% Sales		\$435,798	\$468,980	\$523,310	\$538,993	\$554,332
Token Discounts	5% of Revenue		\$108,950	\$117,245	\$130,827	\$134,748	\$138,583
Area Expense			\$1,140,338	\$1,227,165	\$1,369,328	\$1,410,364	\$1,450,501
Net Revenue			\$1,038,652	\$1,117,736	\$1,247,222	\$1,284,599	\$1,321,157

Economic and Fiscal Impact Summary of the Proposed Legacy Sports Park Upon the City of Mesa, Arizona

December 13, 2019



LEGACY SPORTS

**Legacy Sports USA
19550 N. Grayhawk Drive, Unit 1078
Scottsdale, AZ 85255
Phone: (480) 296-3378
Email: chadm@legacysportsusa.com**



**Sports Elite Project Management
504 Machado Way
Vista, CA 92083
Phone (760) 533-3500
Email: jpuzzullo@SportsElitePM.com**



December 13, 2019

Mr. Chad Miller, President
Legacy Sports USA
19550 N. Grayhawk Drive, Unit 1078
Scottsdale, AZ 85255

Re: Legacy Sports Park
Mesa, Arizona

Subj: Economic and Fiscal Impact Summary of the Proposed Legacy Sports Park
Upon the City of Mesa, Arizona

Dear Mr. Miller:

This summary report provides our professional analysis of the economic and fiscal impacts of the proposed Legacy Sports Park (Sports Park) and its direct effect upon the City of Mesa, Arizona (the City), based on our 30 years of experience in analyzing commercial project developments.

With the project being considered for a location within the City, the fiscal advantages that this project creates will benefit the City in many areas including employment, taxation, local business, and others. These benefits are initially generated during the design and construction phases and will continue to expand during revenue operations of the Sports Park for decades to come.

1. METHODOLOGY

Measurement of projected economic impacts and fiscal impacts are calculated differently and, for that reason, are separated in this report. Economic impact is defined as the benefit to the local economy caused by the infusion of new capital into the community from a new business venture. Fiscal impact is defined as the direct benefit to the local municipal government caused by the development of a new business venture within that municipality.

Development, construction, and operation of the Sports Park within the City will provide beneficial financial impacts to the City's local economy and to the City's government. Each of the areas of economic and fiscal impact being presented and defined within this report is categorized as follows:

- City of Mesa Economic Impact - Project Related
- City of Mesa Economic Impact - Construction Related
- City of Mesa Economic Impact - Operations Related
- City of Mesa Economic Impact - Visitor/Tourism Related
- City of Mesa Fiscal Impact – Construction Related
- City of Mesa Fiscal Impact – Operations Related
- City of Mesa Fiscal Impact - Visitor (Tourism) Spending Related

The estimated impacts outlined above are further defined below including analysis of the two-year construction period and years 1 through 5 of revenue operations.

2. ECONOMIC IMPACTS TO THE CITY OF MESA'S LOCAL ECONOMY

a. Economic Impacts – Project Related

- The Sports Park development budget is approximately \$250.0 million, which includes all hard and soft costs. The majority of these costs will be expended within the Greater Phoenix Metropolitan Area, and partially within the City of Mesa, within the first two years, during the design and construction period.
- Approximately 3.0% of the total development budget is allocated for administrative costs, accounting and legal fees, banking and finance fees and expenditures that will be consumed locally during the first year of design and construction.

b. Economic Impacts – Construction Related

- Design and construction of the Sports Park is estimated to cost approximately \$242.5 million. This sum will be expended primarily within the Greater Phoenix Metropolitan Area with a large portion expected to benefit local contractors, subcontractors, material suppliers, equipment rental companies, and other construction support services.
- Construction of the Sports Park requires a large labor force estimated to include approximately 400-500 tradespersons with continuous annual employment over a two-year period and total local labor wages of approximately \$120.0 million, most or all of which would flow into the local economy. Infusion of construction labor wages into the local economy will generate increased business through construction worker spending for groceries, restaurants, bars, property purchasing and/or rentals, utilities, clothing, vehicles, fuel, and many other life support and life-sustaining goods and services. It is estimated that the total labor wages paid locally will increase local business and its labor wages, that then increases additional local economic growth. A 3.5x multiplier expansion factor has been applied to the labor wages total of \$120.0 million to represent the economic growth that would result from labor wages spending attributed to the project.
- The design of the project includes expenditures to local design firms, such as architects and engineering firms specializing in civil, traffic, geotechnical, structural, architectural, mechanical, electrical, plumbing and fire and life safety engineering.
- Construction quality control requirements will utilize local surveyors, material testing labs, inspection services, traffic control specialists, quality assurance/quality control specialists and safety programs specialty services companies.
- Other City revenues generated during construction include utility fees for the purchase of water consumed by construction activities, city inspection fees, and other related fee-based services that the City typically provides to contractors during construction.
- Infusion of the construction materials, equipment, and support services expenditures paid locally will increase local business and labor wages, that then increases local economic growth. A 3.5x multiplier expansion factor has been applied to the estimated construction materials, equipment and support services total of \$122.5 million, to represent the economic growth that would result from non-labor wage-related spending attributed to the project.

- Included in the above construction support professional services is the design of the project that includes expenditures to local design firms including architects and engineering firms specializing in civil, traffic, geotechnical, structural, architectural, mechanical, electrical, plumbing and fire protection engineering.
- Also included in the support services are the construction quality control requirements that shall utilize local surveyors, material testing labs, inspection services, traffic control specialists, and other QA/QC and safety programs specialty services companies.

c. Economic Impacts – Operations Related

- Private utility agencies and companies including electrical power, solar power generation and, data/telecommunication service providers, would all benefit from the private utility needs of this large sports park. The estimated cost for the purchase of these utility services during the construction phase of the project and the following years of operation have been included.
- The local business community will benefit from the Sports Park, primarily in two ways; 1) through supply services for food and beverage, restaurant supplies, office supplies, IT technologies and peripherals, concessions and pro shop products, health, wellness and fitness products and equipment, and others; and 2) contracted services for building and cleaning maintenance, security and first aid, landscape maintenance, playing fields maintenance, property and parking lot cleaning and maintenance, mechanical/HVAC/electrical/plumbing system maintenance, waste management/trash collection/recycling, and other services. The estimated cost of this local ongoing business generated by the sports park operations has been included.
- Operations of the Sports Park will require a large labor force estimated to include approximately 400-500 direct jobs in many different skill levels and capacities within the various business components of the sports park. The operation's direct and indirect labor force is expected to generate approximately \$12.0-15.0 million in annual wages. Assuming that approximately 50% of wages earned become wages spent locally, the economic impact of \$6.0 million of a \$12.0 million annual labor expenditure shall have a positive effect on the local economy of approx. \$21.0 million through local business generated by labor wages infusion into the local economy throughout the year, a 3.5x multiplier expansion factor has been applied to the estimated gross annual wage base.
- In addition to direct labor, the Sports Park is estimated to generate approx. 800-1,000 additional jobs within the nearby community to strengthen local businesses who shall provide services and products to the sports park and its visitors on a continual basis. The increased payroll of this second-tier level of business shall also continue to increase and strengthen the local economy. This second level of spending has not been included but is recognized as an added benefit to the local economy.

d. Economic Impacts – Visitor/Tourist Related

- The Sports Park operations is estimated to attract over 3.15 million patrons annually, based upon current existing business sports/event/entertainment entity commitments for relocating their operations to the Sports Park. Legacy Sports USA has already procured commitments close to 100% occupancy at this time prior to the commencement of construction on the Park. These numbers are substantiated and validated by letters of intent and executed agreements with its partners.

- As noted above, the Sports Park annual attendance will exceed 3.15 million patrons. Using a conservative estimate of 80% of the patrons traveling to the Sports Park from beyond the Greater Phoenix Metropolitan Area, or 2,520,000 visitors annually, and a per visitor spending rate of \$166.11 as shown in the following chart, estimated spending by visitors to the Sports Park in the City of Mesa is likely to exceed \$418,000,000 annually. Applying an ultra-conservative reduced capture rate of only 50%, the Sports Park visitor annual spending shall exceed \$209,000,000 within the City of Mesa.

Per Person Spending By Category		
	Amount	% of Total
Lodging/Accommodations	\$37.78	22.7%
Dining/Groceries	\$64.49	38.8%
Transportation	\$10.96	6.6%
Entertainment/Attractions	\$5.16	3.1%
Retail	\$30.31	18.3%
Miscellaneous	\$17.41	10.5%
Total	\$166.11	100.0%

- The Sports Park will attract patrons from national, regional and local population bases, and will not be limited to athletics. The vast range of sports park venues and business components contained within the overall business model provides a family entertainment destination that will draw patrons of all age groups and spending levels. This broad spectrum of contributors to the local economy provides a blend of age group spending that avoids targeting any specific trend spending by a single age group.
- The Sports Park development plan includes a provision for incorporating a hotel onto the site, to provide convenient lodging close to the sports/entertainment park venues. The hotel will be sized to include a 200-300 room capacity with varying sizes of guest rooms and suites. These hotel operations will also contribute to the City's revenue generated by the Sports Park including hotel taxes and other applicable sales taxes. Being in close onsite proximity to the large events scheduled at the Sports Park, the hotel operations will experience high occupancy rates and will not be restricted to seasonal disadvantages because of the many different types of athletic and entertainment events scheduled at the Sports Park throughout the year.

3. FISCAL IMPACTS DIRECTLY TO THE CITY OF MESA

a. Fiscal Impacts – Construction Related

- Construction of the Sports Park will contribute greatly to the local sales tax collected on the materials and other local taxable business and services being provided to the project. It is estimated that approximately \$80.0 million in taxable materials, goods and services will be provided to the project. Considering the current 8.3% sales tax rate in the City, and the 2% City sales tax rate that is included in the 8.3% rate, it is estimated that the fiscal impact to the City from construction-related sales tax will be approx. \$1.6 million.
- Additional sales tax is collected from the sale of local goods and services procured by the local workforce that is funded by the project through employment wages. Assuming a \$35 million to \$40 million annual construction payroll, and 25-50% of those wages to be spent locally on taxable goods and services, the City's 2% sales tax rate will collect approximately \$400,000

annually in additional local sales tax created by the construction of the project over a two-year period.

- Throughout design and construction of the project, the City will collect revenue from various types of project-related fees including use taxes, development impact fees, building permits, inspection fees, utility connections, sales tax on materials, the City's portion of the general contractor's Arizona Transaction Privilege Tax, and others. These fees are estimated to be approximately 2% of the total construction budget, \$3.27 million during the term of construction.

b. Fiscal Impacts – Operations Related

- Operations of the Sports Park will create taxable sales of goods and services through the sale of concessions, rental fees, taxes on utilities provided, and others. It is estimated that these City sales tax generators at the 2% City's tax rate will contribute approximately \$0.5 million to \$1 million based upon food, beverage, products, and taxable services sales of approx. \$25 million to \$35 million annually.
- Additional sales tax is collected from the sale of local goods and services procured by the local workforce that is funded by the Sports Park through employment wages. Assuming a \$10 million to \$12 million annual operations payroll, and 25%-50% of those wages to be spent locally on taxable goods and services, the City's 2% sales tax rate will collect approximately \$100,000 to \$120,000 annually in additional local sales tax on non-construction-related goods and services created by the construction workforce over a two-year period.
- City-provided public utility service fees will be paid directly to the City for potable water for domestic, irrigation and fire protection use, and sanitary sewer collection and treatment. Water required during construction will be purchased and water and sewer service throughout the life of the facility's operations will be required. Fees include connection fees, distribution, treatment, and other city utility fees as required for uninterrupted public/municipal utility service.

c. Fiscal Impacts – Visitor (Tourism) Spending Related

- The Sports Park will draw large attendance of participants and spectators for regional, national and international tournaments, camps, clinics and other specialize athletic training and competition events. Most of the sports programs at the Sports Park include these types of events in their planned operations throughout the year. Soccer, basketball, volleyball, softball/baseball and gymnastics/cheer/dance, for example, all include local programming plus competition at the tournament level. During the first full year of operations, a total of 392,400 bed nights is estimated to be needed based upon the planned attendance of non-local residents at over 18 home-based venues at the Sports Park.
- Of the estimated 3.15 million annual patrons to the sports park, it is estimated that 2.52 million will be non-local visitors or local participants who choose to stay with their teams during multiple day/night tournaments and other special events. Throughout a calendar year, this large population of visitors is estimated to spend an average of \$166.11 per day at these events. With this large sum being spent locally, the City benefits from the taxes collected on tourism revenue streams including hotel/motel bed taxes, sales tax on goods and services, gas tax, and others.

- As noted above, the taxable revenue generated by spending of the visitors to the Sports Complex includes bed taxes, restaurant and bar taxes, utility taxes, and sales tax revenues from purchased goods and services within the City. Based upon an estimate of \$418.5 million potential spending by visitors to the Sports Park within the City, the City's sales tax rate of 2% (of the total combined 8.3% tax rate) would generate approximately \$8,360,000 in annual sales tax from visitor spending. Assuming that 95% of the visiting population will stay at local hotels, the total collected annual sales tax would be approximately \$7.95 million.

4. SUMMARY

In summary, the information provided herein offers professional analysis of what would be expected with the infusion of capital through a business as large as the Legacy Sports Park into the City of Mesa's economy. Our analysis shows that there are significant economic and fiscal benefits to the local economy and municipality from the development, construction, and operations of the Legacy Sports Park. Ongoing revenue operations is supported by the estimated annual attendance at the Sports Park, primarily because of the variety of venues offered and because the attendance at the Sports Park does not rely on seasonal events.

Please feel free to contact me if you have any questions or further informational needs.

Respectfully submitted,

SPORTS ELITE PROJECT MANAGEMENT



Jeff Puzzullo
Principal / Owner

APPENDIX A

ECONOMIC AND FISCAL IMPACT CALCULATIONS

Legacy Sports Park Mesa, Arizona

Economic and Fiscal Impact Upon the City of Mesa

Economic Impact - Project-Related

Type	Project Total	Multiplier	Total	Percent Local	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Administrative, Legal & Banking & Financing	\$ 204,000,000	1.0	\$ 204,000,000	3%	\$ 6,120,000	\$ -	\$ -

Economic Impact - Construction-Related

Direct Costs:	Project Total	Multiplier	Total	Percent Local	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Wages Paid to Construction Workers	\$ 80,000,000	1.0	\$ 80,000,000	95%	\$ 38,000,000	\$ 38,000,000	\$ -
Material, Equipment, Design & Other Services	\$ 83,500,000	1.0	\$ 83,500,000	85%	\$ 35,487,500	\$ 35,487,500	\$ -

Indirect/Induced Impacts on Local Economy:

	Project Total	Multiplier	Total	Percent Local	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Local Multi-Tier Business Generated by Project Wage Spending	\$ 80,000,000	3.5	\$ 280,000,000	100%	\$ 140,000,000	\$ 140,000,000	\$ -
Local Multi-Tier Business Generated by Project Materials, Equipment, etc.	\$ 83,500,000	3.5	\$ 292,250,000	100%	\$ 146,125,000	\$ 146,125,000	\$ -

Economic Impact - Operations-Related

Local Utility Private Businesses Benefitting by Sports Park Ongoing Operations:	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Non-City of Mesa Utilities - Power (APS)	\$ 60,000	\$ 100,000	\$ 1,800,000
Non-City of Mesa Utilities - Data/Telcom/Alarms (CDK, AT&T & Others)	\$ 24,000	\$ 36,000	\$ 600,000
Non-City of Mesa Utilities - Solar Power System Leasing & Power Purchase	\$ -	\$ -	\$ 300,000

Local Service & Supply Businesses Benefitting by Sports Park Ongoing Operations:

	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Supply Services - Food & Beverage Supply	\$ 60,000	\$ 100,000	\$ 2,400,000
Supply Services - Restaurant Supplies	\$ 24,000	\$ 36,000	\$ 600,000
Supply Services - Office Supplies	\$ -	\$ -	\$ 300,000
Supply Services - IT/Technologies/Peripherals Supplies	\$ -	\$ -	\$ 50,000
Supply Services - Concessions/Pro Shop Products	\$ -	\$ -	\$ 360,000
Supply Services - Concessions/Health, Wellness & Fitness Products & Equipment	\$ -	\$ -	\$ 120,000
Supply Services - Others	\$ -	\$ -	\$ 2,000,000
Support Services - Building Cleaning & Maintenance	\$ -	\$ -	\$ 240,000
Support Services - Security & First Aid	\$ -	\$ -	\$ 360,000
Support Services - Landscape Maintenance	\$ -	\$ -	\$ 250,000
Support Services - Playing Fields Maintenance	\$ -	\$ -	\$ 750,000
Support Services - Property & Parking Lot Cleaning & Maintenance	\$ -	\$ -	\$ 200,000
Support Services - Mechanical (HVAC), Plumbing & Electrical Maintenance	\$ -	\$ -	\$ 90,000
Support Services - Waste Management / Trash Collection / Recycling	\$ -	\$ -	\$ 200,000
Support Services - Others	\$ -	\$ -	\$ 2,000,000

Employee Spending Impact on the Local Economy:

	Project Total	Multiplier	Total	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Employee Payroll (Estimated)	\$ 12,000,000	1.0	\$ 12,000,000				
Percentage of Wages Returned to Local Economy for Purchases/Sales	\$ 12,000,000	50%	\$ 6,000,000				
Local Multi-Tier Business Generated by Employee Wage Spending	\$ 6,000,000	3.5	\$ 21,000,000	\$ -	\$ -	\$ -	\$ 21,000,000

Economic Impact - Visitor/Tourism-Related

Visitor/Tourism Impacts:	Project Total	Multiplier	Visitors/Tourists	Spend Daily Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Total Park Patrons (Annually)	3,150,000	0.8	2,520,000				
Total Potential Non-Local Patrons - Per Visitor/Tourist Local Spending			\$ 2,520,000	\$ 166.11	\$ -	\$ -	\$ 418,597,200

TOTAL POTENTIAL ECONOMIC IMPACT

\$ 365,900,500	\$ 359,884,500	\$ 452,217,200
----------------	----------------	----------------

City of Mesa Fiscal Impact - Construction-Related

Direct Costs - Sales Tax on Materials, Equipment & Services:	Project Total	Multiplier	Total	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Taxable Materials & Services (City of Mesa 2%)	\$ 80,000,000	1.0	\$ 80,000,000	2%	\$ 800,000	\$ 800,000	\$ -

Indirect/Induced Costs - Sales Tax on Materials, Equipment & Services:	Project Total	Multiplier	Total	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Wages Paid to Construction Workers (Total Project)	\$ 80,000,000	1.0	\$ 80,000,000				
Percentage of Wages Returned to Local Economy for Purchases/Sales	\$ 80,000,000	50%	\$ 40,000,000				
Taxable Materials & Services (City of Mesa 2% Sales Tax Rate)			\$ 40,000,000	2%	\$ 400,000	\$ 400,000	\$ -

Other City Fees:	Project Total	Multiplier	Total	Estimated Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Use Taxes							
Development Impact Fees							
Permit Fees							
Utility Connection Fees							
City Portion of Arizona Transaction Privilege Tax (AZTPT)							
Inspection Fees							
Subtotal of All of the Above (Yet to be Determined, Based on Total Project)	\$ 163,500,000	2%	\$ 3,270,000	1.00%	\$ 1,635,000	\$ 1,635,000	\$ -

City of Mesa Fiscal Impact - Operations-Related

Sales Tax on Goods & Services Sold at the Sports Park:	Project Total	Multiplier	Total	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Sales of Products at Concessions, Pro Shop, Health & Wellness, and Kiosks							
Rental Fees							
Taxes on Utilities Provided							
Others							
Subtotal of All of the Above (Yet to be Determined, Based on % of Total Sales)	\$ 25,000,000	1.0	\$ 25,000,000	2.0%	\$ -	\$ -	\$ 500,000

Sales Tax on Goods & Services Purchased Locally by Employee Wages Earned:	Project Total	Multiplier	Total	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Employee Payroll (Estimated)	\$ 12,000,000	1.0	\$ 12,000,000				
Percentage of Wages Returned to Local Economy for Purchases/Sales	\$ 12,000,000	50%	\$ 6,000,000				
Taxable Materials & Services (City of Mesa 2%)			\$ 6,000,000	2%	\$ -	\$ -	\$ 120,000

City-Provided Public/Municipal Utility Services:	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Construction Water (Quantity & Rates Yet to be Determined)	\$ 200,000	\$ 125,000	
Potable/Domestic/Irrigation Water (Quantity & Rates Yet to be Determined)	\$ -	\$ -	\$ 1,200,000
Sanitary Sewer (Quantity & Rates Yet to be Determined)	\$ -	\$ -	\$ 400,000

City of Mesa Fiscal Impact - Visitor (Tourism) Spending-Related

Taxable Revenue Generated by Off-Site Spending by Visitors:	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Bed Tax (Local Onsite and Offsite Hotels)			
Room Nights			
Room Rate			
Total			
AZ Bed Tax			

Athletic Venue at the Sports Park:

BASKETBALL	8,000	\$	136.00	\$	1,088,000	6.75%
VOLLEYBALL	18,400	\$	136.00	\$	2,502,400	6.75%
SOFTBALL	17,000	\$	136.00	\$	2,312,000	6.75%
BASEBALL	13,000	\$	136.00	\$	1,768,000	6.75%
SOCCER	47,500	\$	136.00	\$	6,460,000	6.75%
PICKLEBALL	31,750	\$	136.00	\$	4,318,000	6.75%
FUTSAL	13,500	\$	136.00	\$	1,836,000	6.75%
OCR	6,500	\$	136.00	\$	884,000	6.75%
GYMNASTICS	26,500	\$	136.00	\$	3,604,000	6.75%
CHEER & DANCE	25,000	\$	136.00	\$	3,400,000	6.75%
eSPORTS	12,000	\$	136.00	\$	1,632,000	6.75%
LACROSSE	1,750	\$	136.00	\$	238,000	6.75%
CONCERTS	61,000	\$	136.00	\$	8,296,000	6.75%
SPECIAL EVENTS	20,000	\$	136.00	\$	2,720,000	6.75%
EXPO/CONVENTIONS	37,500	\$	136.00	\$	5,100,000	6.75%
AIA/CAA	22,500	\$	136.00	\$	3,060,000	6.75%
Taekwondo/KARATE	24,500	\$	136.00	\$	3,332,000	6.75%
MMA	6,000	\$	136.00	\$	816,000	6.75%

Subtotal (For Information Purposes Only) 392,400 \$ 53,366,400 \$ 3,602,232

(Note: A portion of the calculated AZ bed tax is paid to the City of Mesa - See Below)

Taxable Revenue Generated by Off-Site Spending by Visitors:	Visitor Spending	Percent Taxable	Tax Base	City Rate	Const. - Year 1	Const. - Year 2	Operations - Yr-1
Bed Tax (Room Nights and Room Rates Calculated Above)							
Restaurant & Bar Taxes							
Utility Taxes							
Sales Tax Revenues From Purchased Goods & Services							
Subtotal of All of the Above (TBD, Based on % of Total Visitor Spending)	\$ 418,597,200	95%	\$ 397,667,340	2%	\$ -	\$ -	\$ 7,953,347

TOTAL POTENTIAL FISCAL IMPACT \$ 3,035,000 \$ 2,960,000 \$ 10,173,347

SEVEN-YEAR SUMMARY (CONST YEARS 1-2 & OPS YEARS 1-5)

Economic Impact:	Const. - Year 1	Const. - Year 2	Operations - Yr-1	Operations - Yr-2	Operations - Yr-3	Operations - Yr-4	Operations - Yr-5
City of Mesa Economic Impact - Project-Related	\$ 6,120,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City of Mesa Economic Impact - Construction-Related	\$ 359,612,500	\$ 359,612,500	\$ -	\$ -	\$ -	\$ -	\$ -
City of Mesa Economic Impact - Operations-Related	\$ 168,000	\$ 272,000	\$ 33,620,000	\$ 38,663,000	\$ 44,462,450	\$ 51,131,818	\$ 58,801,590
City of Mesa Economic Impact - Visitor/Tourism-Related	\$ -	\$ -	\$ 418,597,200	\$ 481,386,780	\$ 553,594,797	\$ 636,634,017	\$ 732,129,119
Subtotals	\$ 365,900,500	\$ 359,884,500	\$ 452,217,200	\$ 520,049,780	\$ 598,057,247	\$ 687,765,834	\$ 790,930,709

Fiscal Impact:	Const. - Year 1	Const. - Year 2	Operations - Yr-1	Operations - Yr-2	Operations - Yr-3	Operations - Yr-4	Operations - Yr-5
City of Mesa Fiscal Impact - Construction-Related	\$ 2,835,000	\$ 2,835,000	\$ -	\$ -	\$ -	\$ -	\$ -
City of Mesa Fiscal Impact - Operations-Related	\$ 200,000	\$ 125,000	\$ 2,220,000	\$ 2,553,000	\$ 2,935,950	\$ 3,376,343	\$ 3,882,794
City of Mesa Fiscal Impact - Visitor (Tourism) Spending-Related	\$ -	\$ -	\$ 7,953,347	\$ 9,146,349	\$ 10,518,301	\$ 12,096,046	\$ 13,910,453
Subtotals	\$ 3,035,000	\$ 2,960,000	\$ 10,173,347	\$ 11,699,349	\$ 13,454,251	\$ 15,472,389	\$ 17,793,247

GRAND TOTAL ALL POTENTIAL IMPACTS \$ 368,935,500 \$ 362,844,500 \$ 462,390,547 \$ 531,749,129 \$ 611,511,498 \$ 703,238,223 \$ 808,723,956

**APPENDIX A -
ADDITIONAL
REVENUE
PROJECTIONS
(NOT INCLUDED IN
SFA PRO FORMA)**

Legacy Sports Complex - Potential AIA Events at Legacy Sports Park Venues

AIA Program Data										Revenue Generation																			
Sport	Timeframe	Level	Round	Attendance History				Notes	Gate			Field / Court Rental			Food & Beverage			Pro Shop / Retail Sales			Grand Total								
				2017 (Est.)	2016	2015	2014		Attendance	Gate Fee	Gate Total	Usage	Rental Rate	Rental Total	Attendance	Avg. Sale	F&B Total	Attendance	Avg. Sale	Retail Total									
Football	November	6A	Final	16,000	13,969	7,836	10,760	Three games, 4A, 5A, 6A in 2016 at one venue	16,000	\$	3	\$	48,000	3	\$	300	\$	900	16,000	\$	8	\$	128,000	16,000	\$	2	\$	32,000	
	November	5A	Final			4,533	8,940	Two games, 4A and 5A numbers, 2014 and 15, 2015 number affected as games played in Tucson with all Phx schools																					
	November	4A	Final																										
	November	3A	Final	4,500	4,211	3,621	3,537	Two games, 2A and 3A numbers, 2014, 15 and 16	4,500	\$	3	\$	13,500	2	\$	300	\$	600	4,500	\$	8	\$	36,000	4,500	\$	2	\$	9,000	
	November	2A	Final																										
	November	1A	Final	1,000	910	645	1,138	One game 2016	1,000	\$	3	\$	3,000	1	\$	300	\$	300	1,000	\$	8	\$	8,000	1,000	\$	2	\$	2,000	
Subtotal				21,500	19,090	16,635	24,375		21,500		\$	64,500	6		\$	1,800	21,500		\$	172,000	21,500		\$	43,000	\$	281,300			
Volleyball (Girls)	November	6A	Final	1,800	1,664	2,395	2,095	Two games, 5A and 6A numbers	1,800	\$	3	\$	5,400	2	\$	420	\$	840	1,800	\$	8	\$	14,400	1,800	\$	2	\$	3,600	
	November	5A	Final																										
	November	6A	Semi-final	1,200	1,020	1,516	1,080	Four games, 5A and 6A numbers, all same day, 2014 and 15, Two 6A games 2016	1,200	\$	3	\$	3,600	4	\$	420	\$	1,680	1,200	\$	8	\$	9,600	1,200	\$	2	\$	2,400	
	November	5A	Semi-final	500	465			Two games 2016	500	\$	3	\$	1,500	2	\$	420	\$	840	500	\$	8	\$	4,000	500	\$	2	\$	1,000	
	November	4A	Final	260	230	N/A	N/A	One game 2016	260	\$	3	\$	780	1	\$	420	\$	420	260	\$	8	\$	2,080	260	\$	2	\$	520	
	November	4A	Semi-final	320	287	N/A	N/A	Two games 2016	320	\$	3	\$	960	2	\$	420	\$	840	320	\$	8	\$	2,560	320	\$	2	\$	640	
	November	3A	Semi-final and Finals	1,600	1,367	1,301	1,473	Combined Semi-finals and Finals numbers	1,600	\$	3	\$	4,800	3	\$	420	\$	1,260	1,600	\$	8	\$	12,800	1,600	\$	2	\$	3,200	
	November	2A	Semi-final and Finals	1,500	1,200			Take note 1A-3A events in 2014 and 15 took place in Prescott, 2016 in Phoenix leading to much higher numbers	1,500	\$	3	\$	4,500	3	\$	420	\$	1,260	1,500	\$	8	\$	12,000	1,500	\$	2	\$	3,000	
	November	1A	Semi-final and Finals	1,000	900				1,000	\$	3	\$	3,000	3	\$	420	\$	1,260	1,000	\$	8	\$	8,000	1,000	\$	2	\$	2,000	
Subtotal				8,180	7,133	5,212	4,648		8,180			24,540	20			8,400	8,180			65,440	8,180			16,360	\$	114,740			
Badminton	October	Div I & II	Team Semi's & Finals	175	138	287	205	Two days for use, would be using multiple courts	175	\$	3	\$	525	2	\$	400	\$	800	175	\$	8	\$	1,400	175	\$	2	\$	350	
	October	Div I & II	Singles/Doubles	325	273	261	323	Two days for use, would be using multiple courts	325	\$	3	\$	975	2	\$	400	\$	800	325	\$	8	\$	2,600	325	\$	2	\$	650	
Subtotal				500	411	548	528		500			1,500	4			1,600	500			4,000	500			1,000	\$	8,100			
Cross Country	November	Div. I to IV	Final	6,000	5,193	4,922	4,266	One full day, 5k course	6,000	\$	3	\$	18,000	1	\$	1,000	\$	1,000	6,000	\$	8	\$	48,000	6,000	\$	2	\$	12,000	
Subtotal				6,000	5,193	4,922	4,266		6,000		\$	18,000	1			1,000	6,000			48,000	6,000			12,000	\$	79,000			
Soccer (Fall)	November	2A	Final	850	773	650		Two games, boys and girls	850	\$	3	\$	2,550	4	\$	25	\$	100	850	\$	8	\$	6,800	850	\$	2	\$	1,700	
	November	2A	Semi-final	650	573	671		Four games, boys and girls	650	\$	3	\$	1,950	8	\$	25	\$	200	650	\$	8	\$	5,200	650	\$	2	\$	1,300	
	November	2A	Quarterfinal	425	397	N/A	N/A	Four games, boys only 2016. Held at higher seed sites in prior years marked N/A	425	\$	3	\$	1,275	4	\$	25	\$	100	425	\$	8	\$	3,400	425	\$	2	\$	850	
Subtotal				1,925	1,743	1,321	0		1,925		\$	5,775	16			400	1,925			15,400	1,925			3,850	\$	25,425			
Spirittline	November	All Div.	Qualifier 1	2,000	1,839	3,110	1,757		2,000	\$	5	\$	10,000	90	\$	50	\$	4,500	2,000	\$	8	\$	16,000	2,000	\$	2	\$	4,000	
	December	All Div.	Qualifier 2	1,500	1,366	2,199	2,611		1,500	\$	5	\$	7,500	65	\$	50	\$	3,250	1,500	\$	8	\$	12,000	1,500	\$	2	\$	3,000	
	December	All Div.	Qualifier 3	1,800	1,606	N/A	N/A		1,800	\$	5	\$	9,000	80	\$	50	\$	4,000	1,800	\$	8	\$	14,400	1,800	\$	2	\$	3,600	
	January	All Div.	Championship	6,000	5,546	3,848		No numbers for Jan. 2017 yet, 2015 took place in Prescott, 2016 in Phx	6,000	\$	5	\$	30,000	16	\$	50	\$	800	6,000	\$	8	\$	48,000	6,000	\$	2	\$	12,000	
Subtotal				11,300	10,357	9,157	4,368		11,300		\$	56,500	251			12,550	11,300			90,400	11,300			22,600	\$	182,050			
Soccer (Winter)	February	6A	Final	3,000	2,583	3,571	3,426	2016 data is 5A & 6A only, 4 games. 2015 and 2014 data is 6 games, 4A, 5A, 6A	3,000	\$	3	\$	9,000	4	\$	25	\$	100	3,000	\$	8	\$	24,000	3,000	\$	2	\$	6,000	
	February	5A	Final																										
	February	4A	Final	1,400	1,159	N/A	N/A	2016 data is 3A and 4A combined	1,400	\$	3	\$	4,200	4	\$	25	\$	100	1,400	\$	8	\$	11,200	1,400	\$	2	\$	2,800	
	February	3A	Final																										
Subtotal				4,400	3,742	3,571	3,426		4,400		\$	13,200	8			200	4,400			35,200	4,400			8,800	\$	57,400			
Basketball	February	6A		7,321	5,786	6,854		6A-5A combined numbers, boys and girls	7,321	\$	3	\$	21,963	250	\$	60	\$	15,000	7,321	\$	8	\$	58,568	7,321	\$	2	\$	14,642	
		5A																											
		4A		7,837	N/A	N/A	N/A	2017 4A-3A combined	7,837	\$	3	\$	23,511	275	\$	60	\$	16,500	7,837	\$	8	\$	62,696	7,837	\$	2	\$	15,674	
		3A			4,309	8,508																							
		2A		4,525	3,837	1,918	1,873	Combined boys and girls, 1A-2A	4,525	\$	3	\$	13,575	150	\$	60	\$	9,000	4,525	\$	8	\$	36,200	4,525	\$	2	\$	9,050	
		1A					N/A																						
Subtotal				19,683	13,932	17,280	1,873		19,683		\$	59,049	675			40,500	19,683			157,464	19,683			39,366	\$	296,379			
Wrestling	February	All		5,524	5,447	5,259	5,290	Combined attendance for three days of the tournament in Prescott Valley	5,524	\$	3	\$	16,572	250	\$	60	\$	15,000	5,524	\$	8	\$	44,192	5,524	\$	2	\$	11,048	
Subtotal				5,524	5,447	5,259	5,290		5,524		\$	16,572	250			15,000	5,524			44,192	5,524			11,048	\$	86,812			
Baseball	May	6A	Final	2,700	2,487	2,573	2,724	Combined with 5A numbers	2,700	\$	3	\$	8,100	80	\$	50	\$	4,000	2,700	\$	8	\$	21,600	2,700	\$	2	\$	5,400	
		5A	Final																										
		4A	Final		N/A	N/A	N/A																						
		3A	Final	1,000	907	573	463		1,000	\$	3	\$	3,000	30	\$	50	\$	1,500	1,000	\$	8	\$	8,000	1,000	\$	2	\$	2,000	

[illegible]

Grand Total Revenue - Based Upon 2017 Attendance and SFA-Approved Rates

	\$ 1,325.081	\$ 1,325.081
--	--------------	--------------

Legacy Sports Complex - Potential CAA Events at Legacy Sports Park Venues

CAA Program Data										Revenue Generation												
Sport	Timeframe	Level	Weeks	Avg. Hours	Avg. Participants	Avg. Schools	Avg. Spectators	Total Hours	Total Attendance	Gate (Included in Rentals)			Field / Court Rental			Food & Beverage (Concessions)			Pro Shop / Retail Sales			Grand Total
										Attendance	Gate Fee	Gate Total	Usage	Rental Rate	Rental Total	Attendance	Avg. Sale	F&B Total	Attendance	Avg. Sale	Retail Total	
Baseball	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								1,280	11,200	11,200			1,280		\$ 64,000	11,200		\$ 22,400	11,200		\$ 22,400	\$ 108,800
Basketball	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								1,920	16,800	16,800			1,920		\$ 96,000	16,800		\$ 33,600	16,800		\$ 33,600	\$ 163,200
Cheer & Dance	Sept - May	All	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								640	5,600	5,600			640		\$ 32,000	5,600		\$ 11,200	5,600		\$ 11,200	\$ 54,400
Cross Country	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								1,280	11,200	11,200			1,280		\$ 64,000	11,200		\$ 22,400	11,200		\$ 22,400	\$ 108,800
Football	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High Tackle	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High Flag	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								2,560	22,400	22,400			2,560		\$ 128,000	22,400		\$ 44,800	22,400		\$ 44,800	\$ 217,600
Robotics	Sept - May	All	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								640	5,600	5,600			640		\$ 32,000	5,600		\$ 11,200	5,600		\$ 11,200	\$ 54,400
Softball	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								1,280	11,200	11,200			1,280		\$ 64,000	11,200		\$ 22,400	11,200		\$ 22,400	\$ 108,800
Soccer	Sept - May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Coed Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept - May	Coed Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								2,560	22,400	22,400			2,560		\$ 128,000	22,400		\$ 44,800	22,400		\$ 44,800	\$ 217,600
Ultimate Frisbee	Sept May	All	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								640	5,600	5,600			640		\$ 32,000	5,600		\$ 11,200	5,600		\$ 11,200	\$ 54,400
Volleyball	Sept May	Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept May	Junior Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept May	Junior High	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Sept May	Boys Varsity	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
	Subtotal								2,560	22,400	22,400			2,560		\$ 128,000	22,400		\$ 44,800	22,400		\$ 44,800
Wrestling	Sept May	All	32	2	10	10	7.5	640	5,600	5,600	\$ -	\$ -	640	\$ 50	\$ 32,000	5,600	\$ 2	\$ 11,200	5,600	\$ 2	\$ 11,200	
Subtotal								640	5,600	5,600			640		\$ 32,000	5,600		\$ 11,200	5,600		\$ 11,200	\$ 54,400
									16,000	140,000	140,000		\$ -		\$ 800,000		\$ 280,000		\$ 280,000	\$ 1,360,000		
											Grand Total Revenue - Based Upon 2017 Attendance and SFA-Approved Rates										\$ 1,360,000	\$ 1,360,000

**APPENDIX B -
UPDATED
BUSINESS PRO
FORMA**



LEGACY SPORTS PARK

Phoenix, Arizona

Updated Business Pro Forma
and Supporting Documentation
Date Prepared / Revised:
January 14th 2020

Prepared by:

Legacy Sports USA, LLC
Phoenix, AZ

Legacy Sports Park – Updated Business Pro Forma

August 24, 2019

Overview

The original feasibility study and pro forma for the Legacy Sports Park were prepared for Legacy Sports USA, LLC (“Legacy”) by Sports Facilities Advisory (SFA) of Clearwater, Florida. Subsequent to the creation of the original pro forma, the Legacy Sports Park business model has expanded to include additional revenue generating venues and other business opportunities that had not yet been secured when the SFA feasibility study and pro forma were completed.

Legacy has obtained additional business commitments that have increased the revenue generating capabilities of the Legacy Sports Park. This Updated Business Pro Forma provides additional data and supporting documentation enhancing the original pro forma by including the newly forged business commitments as set forth in this revised revenue and expense pro forma.

Pro Forma Structure

This updated pro forma includes a detailed four-part spreadsheet beginning with the underlying data relied upon by SFA in preparing the original pro forma followed by the updates describing new and additional revenue and expenses concluding with a summary of the total revenue and expenses for each subsection.

The updated pro forma is structured as follows:

Part 1 – Original Pro Forma Revenue & Expenses (COGS)

Part 2 – Additional Revenue & Expenses (COGS) – Not Included in SFA Pro Forma (Developed in 2017)

Part 3 – Additional Revenue & Expenses (COGS) – New Business Not Included in Part 1 & 2

Part 4 – Summary (Totals Generated by Parts 1, 2 & 3)

Methodology

1. Part 1 – Original SFA Pro Forma: REVENUE

Part 1 adopts the original revenue projections contained in the SFA pro forma in the identical format as calculated by SFA. No adjustments have been made to the SFA assumptions and calculated results. All venues defined in the SFA pro forma by line item have been inserted in the same order of appearance shown in the SFA pro forma.

In order to calculate a quarterly breakdown of revenue, a percentage column has been added per quarter to allow insertion of a percentage value. Each venue line item may contain varying seasonal percentages for operations. These varying percentages have been included for every venue by quarter and are shown in blue font for recognition. The title block also identifies the quarter highlighting specific months of inclusion, and a delineation as to percent or amount. The quarterly

amount for each venue is a calculation of the total annual revenue multiplied by the quarterly percentage of operations to define the quarterly revenue.

All revenue columns have been totaled to create a Part 1 Grand Total delineating annual revenue from the quarterly revenues. A cross-check sum calculation has also been included to confirm proper formula calculations in the spreadsheet.

The revenue for the support venues has been calculated on a quarterly basis using an average of all the sporting activities quarterly percentages. Seasonal adjustments were made to (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales.

2. Part 1 – Original SFA Pro Forma: EXPENSE

The original expense projections scheduled in the SFA pro forma have been adjusted as the result of efforts by Legacy in conjunction with its third-party consultants to value-engineer every cost considered by SFA. SFA applied many national average cost assumptions that are not consistent with Arizona rates for labor, operation costs, and other expenses. Legacy has developed more efficient ways of managing and operating the Sports Park that were not considered by SFA at the time the original pro forma was created.

In calculating a quarterly expense breakdown, the annual expense for each venue was multiplied by the same quarterly percentage utilized in the revenue calculation to develop a quarterly expense value that is consistent with the revenue percentages.

Utilizing the Legacy value-engineered cost assumptions regarding labor and operating expenses, an average reduction of 23% was applied to each expense line item of the SFA pro forma by venue. The resulting 77% value was incorporated in the preparation of this updated pro forma.

The expenses for the support venues consisting of (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales were calculated using the same expense rate for each of these four venues as contained in Part 1. These rates are (1) main gate entry admission expense at 10.3% of revenue, (2) concessions expense at 40.3% of revenue, (3) restaurant/bar expense at 45.0% of revenue, and (4) pro shop sales expense at 42.3% of revenue and were calculated by dividing the expense total into the revenue total for each of these four venues in Part 1.

All expense columns have been totaled to create a Part 1 Grand Total delineating annual expenses from the quarterly expenses. A cross-check sum calculation has also been included to confirm proper formula calculations in the spreadsheet.

3. Part 2 – Post-SFA Pro Forma Additional Business: REVENUE

Additional revenue was identified after the original SFA pro forma was created through the introduction of three new revenue generators. Two major commitments were received from the Arizona Interscholastic Association (AIA) and the Canyon Athletic Association, each providing a firm commitment to relocate their respective athletic programs to the new Legacy Sports Park. Each association then provided Legacy with a detailed itemization of their sports programs and associated revenues broken down into particular sports. The AIA and CAA revenue has been defined by individual

sports per line items. Quarterly percentages have been applied based upon the seasonal operational schedules that AIA and CAA included in their revenue generating information.

A third component was included in the Part 2 Additional Revenue section for branding, sponsorships and naming rights. Gemini Sports Group, an established national sports marketing firm, has provided a commitment to Legacy to serve as its marketing manager for branding, sponsorships, naming rights and other marketing functions. Gemini Sports researched the Legacy Sports Park business model as well as local, regional and national market interest to determine an anticipated revenue forecast for naming rights, beverage & pouring rights, and various levels of corporate sponsorship.

The revenue projections were calculated by Gemini Sports and provided to Legacy in the Gemini commitment letter which is included in the attachments hereto. Gemini projected a low value and a high value for each category. A mean average for each category was then calculated and included in this updated business pro forma.

The increased attendance from the additional AIA and CAA athletic programming requires a corresponding revenue increase adjustment for the support venues calculated per quarter using an average of all sporting activities quarterly percentages. Seasonal adjustments were made to (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales. The quarterly percentages which were originally applied in Part 1 for these four venues were applied in Part 2 for consistency. The AIA and CAA attendance was not included in the original SFA pro forma and is now being recognized in Part 2 of this updated business pro forma.

4. Part 2 – Post-SFA Pro Forma Additional Business: EXPENSE

The expenses associated with the AIA and CAA new business were calculated using the same percentages for a specific sport/venue listed in Part 1 under the assumption that operating costs for each sport would be similar regardless of the programming sponsor.

The AIA and CAA expense costs were multiplied by the same quarterly revenue projection percentages applied in Part 1 to maintain consistency between revenue and expense.

The third component of branding, sponsorships and naming rights would most likely have zero expense costs due to the nature of these agreements. However, assuming there would be some administrative and managerial involvement associated with this form of business, a 3% expense cost factor was applied to each category line item for miscellaneous expenses.

The expense factors for the four support revenue generators namely (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales were made using the same expense percentages defined in Part 1.

All expense columns have been totaled to create a Part 2 Grand Total delineating annual expenses from the quarterly expenses. A cross-check sum calculation has also been included to confirm proper formula calculations in the spreadsheet.

5. Part 3 – New Additional Business 2017/2018/2019: REVENUE

New business revenue generators that have been cultivated and obtained during 2017, 2018, and 2019 which are not included in the Part 1 (SFA pro forma) nor the Part 2 (AIA, CAA and naming rights) sections of this updated business pro forma are included in Part 3. These new business venues identified in Part 3 are supported by data provided by the various sponsors and business partners for each venue or business type listed. In some instances, these additional business and revenue centers create a new opportunity for a specific venue which were neither identified in the SFA pro forma nor listed in Part 1 of this updated business pro forma. Examples of the new revenue opportunities include new tournament commitments for a number of sports, business opportunities being realized as the Sports Park gains popularity, business community support, and new revenue generators interested in using the facilities at Legacy Sports Park which are not readily available in the Phoenix area.

As defined in Part 1 and Part 2 above, quarterly percentages have been applied based upon the seasonal operational schedules that each venue has included in their revenue information or that has been estimated based upon experience in the specific sector of the sports industry.

The increased attendance for the additional new business athletic programming again requires an increased adjustment to the revenue for the support venues that have been calculated per quarter using an average of all sporting activities quarterly percentages. Seasonal adjustments were made to (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales. The new business attendance was not included in the original SFA pro forma (Part 1) or the Part 2 sections of this updated business pro forma but is now captured in Part 3 of this pro forma.

The added business revenue generators include dance, cheer, gymnastics, sand soccer and eSports.

6. Part 3 – New Additional Business 2017/2018/2019: EXPENSE

The expenses associated with the additional new business were calculated similarly to the same types of venue sports listed in Part 1 under the assumption that each sport operating costs would be somewhat similar regardless of the programming sponsor when conducted at Legacy Sports Park. Similar to the Part 1 and Part 2 Expenses, the additional new business expense costs were multiplied by the same quarterly revenue projection percentages to maintain consistency between revenue and expense.

Additionally, the expense factors for the four parkwide support revenue generators of (1) main gate entry admission, (2) concessions, (3) restaurant/bar, and (4) pro shop sales were made using the same expense percentages defined in Part 1.

All expense columns have been totaled to create a Part 3 Grand Total delineating annual expenses from the quarterly expenses. A cross-check sum calculation has also been included to confirm proper formula calculations in the spreadsheet.

7. **Part 4: SUMMARY**

The summary in Part 4 combines the revenue and expenses calculated in Parts 1, 2 and 3. The annual and quarterly revenue and expenses are listed in columns on both sides of the ledger.

8. **Attachments:**

1. Updated Business Pro Forma spreadsheet.
2. Supporting letters of interest and commitment from organizations and businesses who have committed to relocating their business and/or athletic programming to the Legacy Sports Park. This group of documents are associated with the revenue and expenses defined in Part 1 (original SFA pro forma) of this updated pro forma.
3. Supporting letters of interest and commitment from organizations and businesses who have committed to relocating their business and/or athletic programming to the Legacy Sports Park. This group of documents are associated with the revenue and expenses defined in Part 2 (post-SFA pro forma period) of this updated pro forma.
4. Supporting letters of interest and commitment from new organizations and businesses who have committed in 2017/2018/2019 to relocating their business and/or athletic programming to the Legacy Sports Park. This group of documents are associated with the revenue and expenses defined in Part 3 of this updated pro forma.

Legacy Sports Park
Annual & Quarterly Revenue & Expenses by Venue
Date Prepared/Revised: January 14, 2020

REVENUE & EXPENSES		REVENUE										EXPENSES (COGS)					
Project Component / Venue		REVENUE Year 1 - Pro Forma (Annual)	REVENUE Q1 Jan/Feb/ Mar Percent	REVENUE Q1 Jan/Feb/Mar Amount	REVENUE Q2 Apr/May/ Jun Percent	REVENUE Q2 Apr/May/Jun Amount	REVENUE Q3 Jul/Aug/Sep Percent	REVENUE Q3 Jul/Aug/Sep Amount	REVENUE Q4 Oct/Nov/ Dec Percent	REVENUE Q4 Oct/Nov/Dec Amount	Confirming Revenue Total (Cross Check)	EXPENSES Year 1 - Pro Forma (Annual)	EXPENSES Q1 Jan/Feb/Mar (Same % As Rev)	EXPENSES Q2 Apr/May/Jun (Same % As Rev)	EXPENSES Q3 Jul/Aug/Sep (Same % As Rev)	EXPENSES Q4 Oct/Nov/Dec (Same % As Rev)	Confirming Expense Total (Cross Check)
PART 1 - ORIGINAL PRO FORMA REVENUE & EXPENSES (COGS)																	
Complex Entry Fees																	
• General Admission (All Park Entry Points)			27.2%	\$ 1,017,756	26.9%	\$ 1,006,531	21.6%	\$ 808,218	24.3%	\$ 909,245		\$	135,701	\$ 134,204	\$ 107,762	\$ 121,233	
Complex Entry Fees - Total		\$ 3,741,751		\$ 1,017,756		\$ 1,006,531		\$ 808,218		\$ 909,245	\$ 3,741,751	\$ 498,900	\$ 135,701	\$ 134,204	\$ 107,762	\$ 121,233	\$ 498,900
Fitness/Wellness Memberships																	
• General Fitness Gym Memberships, Yoga, Functional Fitness/CrossFit			40.0%	\$ 673,796	30.0%	\$ 505,347	10.0%	\$ 168,449	20.0%	\$ 336,898		\$	192,694	\$ 144,520	\$ 48,173	\$ 96,347	
Fitness/Wellness Memberships - Total		\$ 1,684,490		\$ 673,796		\$ 505,347		\$ 168,449		\$ 336,898	\$ 1,684,490	\$ 481,734	\$ 192,694	\$ 144,520	\$ 48,173	\$ 96,347	\$ 481,734
Fitness & Training																	
• Draft Prep, Pro/Elite/Aspiring Athlete, Exec Health, Club Sports			35.0%	\$ 539,812	30.0%	\$ 462,696	15.0%	\$ 231,348	20.0%	\$ 308,464		\$	156,988	\$ 134,561	\$ 67,281	\$ 89,708	
Fitness & Training - Total		\$ 1,542,320		\$ 539,812		\$ 462,696		\$ 231,348		\$ 308,464	\$ 1,542,320	\$ 448,538	\$ 156,988	\$ 134,561	\$ 67,281	\$ 89,708	\$ 448,538
Youth Development																	
After School, Summer School, School's Out & Holiday Camps Programs			9.3%	\$ 11,111	39.1%	\$ 46,714	39.1%	\$ 46,714	12.5%	\$ 14,934		\$	3,067	\$ 12,894	\$ 12,894	\$ 4,122	
Youth Development - Total		\$ 119,472		\$ 11,111		\$ 46,714		\$ 46,714		\$ 14,934	\$ 119,472	\$ 32,976	\$ 3,067	\$ 12,894	\$ 12,894	\$ 4,122	\$ 32,976
SC del Sol Indoor Soccer																	
• Leagues, Camps, Clinics, Tournaments & Rentals			15.0%	\$ 38,880	30.0%	\$ 77,760	15.0%	\$ 38,880	40.0%	\$ 103,680		\$	6,566	\$ 13,133	\$ 6,566	\$ 17,510	
SC del Sol Indoor Soccer - Total		\$ 259,200		\$ 38,880		\$ 77,760		\$ 38,880		\$ 103,680	\$ 259,200	\$ 43,776	\$ 6,566	\$ 13,133	\$ 6,566	\$ 17,510	\$ 43,776
Indoor Lacrosse																	
• Leagues, Camps, Clinics, Tournaments & Rentals			75.0%	\$ 70,320	0.0%	\$ -	0.0%	\$ -	25.0%	\$ 23,440		\$	12,181	\$ -	\$ -	\$ 4,060	
Indoor Lacrosse - Total		\$ 93,760		\$ 70,320		\$ -		\$ -		\$ 23,440	\$ 93,760	\$ 16,241	\$ 12,181	\$ -	\$ -	\$ 4,060	\$ 16,241
Indoor Football																	
• Rentals			20.0%	\$ 13,523	40.0%	\$ 27,046	20.0%	\$ 13,523	20.0%	\$ 13,523		\$	3,398	\$ 6,796	\$ 3,398	\$ 3,398	
Indoor Football - Total		\$ 67,615		\$ 13,523		\$ 27,046		\$ 13,523		\$ 13,523	\$ 67,615	\$ 16,989	\$ 3,398	\$ 6,796	\$ 3,398	\$ 3,398	\$ 16,989
Indoor Turf Events																	
• Rentals & Special Sports Uses			25.0%	\$ 14,137	25.0%	\$ 14,137	25.0%	\$ 14,137	25.0%	\$ 14,137		\$	5,674	\$ 5,674	\$ 5,674	\$ 5,674	
Indoor Turf Events - Total		\$ 56,548		\$ 14,137		\$ 14,137		\$ 14,137		\$ 14,137	\$ 56,548	\$ 22,695	\$ 5,674	\$ 5,674	\$ 5,674	\$ 5,674	\$ 22,695
Indoor Field Rental																	
• Rentals & Special Sports Uses			25.0%	\$ 39,705	25.0%	\$ 39,705	25.0%	\$ 39,705	25.0%	\$ 39,705		\$	1,985	\$ 1,985	\$ 1,985	\$ 1,985	
Indoor Field Rental - Total		\$ 158,820		\$ 39,705		\$ 39,705		\$ 39,705		\$ 39,705	\$ 158,820	\$ 7,941	\$ 1,985	\$ 1,985	\$ 1,985	\$ 1,985	\$ 7,941

Basketball																																				
• Leagues, Camps, Clinics, Tournaments & Rentals													23.5%	\$	64,289	27.5%	\$	75,232	29.0%	\$	79,335	20.0%	\$	54,714												
Basketball - Total													\$	273,570	\$	64,289	\$	75,232	\$	79,335	\$	54,714	\$	273,570	\$	63,821	\$	14,998	\$	17,551	\$	18,508	\$	12,764	\$	63,821
Volleyball																																				
• Leagues, Camps, Clinics, Tournaments & Rentals													42.2%	\$	122,317	6.0%	\$	17,391	39.0%	\$	113,042	12.8%	\$	37,101												
Volleyball - Total													\$	289,850	\$	122,317	\$	17,391	\$	113,042	\$	37,101	\$	289,850	\$	94,750	\$	39,985	\$	5,685	\$	36,953	\$	12,128	\$	94,750
In-House Basketball Tournaments																																				
• Various In-House Tournaments													0.0%	\$	-	41.0%	\$	339,624	48.0%	\$	397,608	11.0%	\$	91,119												
In-House Basketball Tournaments - Total													\$	828,350	\$	-	\$	339,624	\$	397,608	\$	91,119	\$	828,350	\$	230,773	\$	-	\$	94,617	\$	110,771	\$	25,385	\$	230,773
Basketball Rental Tournaments																																				
• Various Rental Tournaments													0.0%	\$	-	41.0%	\$	26,765	48.0%	\$	31,334	11.0%	\$	7,181												
Basketball Rental Tournaments - Total													\$	65,280	\$	-	\$	26,765	\$	31,334	\$	7,181	\$	65,280	\$	2,048	\$	-	\$	840	\$	983	\$	225	\$	2,048
Volleyball Rental Tournaments																																				
• Various Rental Tournaments													0.0%	\$	-	49.0%	\$	71,971	51.0%	\$	74,909	0.0%	\$	-												
Volleyball Rental Tournaments - Total													\$	146,880	\$	-	\$	71,971	\$	74,909	\$	-	\$	146,880	\$	23,328	\$	-	\$	11,431	\$	11,897	\$	-	\$	23,328
Court Rentals																																				
• Various Court Rentals													50.0%	\$	88,865	50.0%	\$	88,865	0.0%	\$	-	0.0%	\$	-												
Court Rentals - Totals													\$	177,730	\$	88,865	\$	88,865	\$	-	\$	-	\$	177,730	\$	8,887	\$	4,444	\$	4,444	\$	-	\$	-	\$	8,887
SC del Sol Outdoor Soccer																																				
• Leagues, Camps, Clinics, Tournaments & Rentals													15.0%	\$	571,763	30.0%	\$	1,143,525	15.0%	\$	571,763	40.0%	\$	1,524,700												
SC del Sol Outdoor Soccer - Total													\$	3,811,750	\$	571,763	\$	1,143,525	\$	571,763	\$	1,524,700	\$	3,811,750	\$	655,838	\$	98,376	\$	196,751	\$	98,376	\$	262,335	\$	655,838
Outdoor Lacrosse																																				
• Rentals & Special Sports Uses													25.0%	\$	26,225	30.0%	\$	31,470	15.0%	\$	15,735	30.0%	\$	31,470												
Outdoor Lacrosse - Total													\$	104,900	\$	26,225	\$	31,470	\$	15,735	\$	31,470	\$	104,900	\$	15,712	\$	3,928	\$	4,714	\$	2,357	\$	4,714	\$	15,712
Outdoor Football																																				
• Rentals & Special Sports Uses													15.0%	\$	10,298	35.0%	\$	24,028	15.0%	\$	10,298	35.0%	\$	24,028												
Outdoor Football - Total													\$	68,650	\$	10,298	\$	24,028	\$	10,298	\$	24,028	\$	68,650	\$	15,599	\$	2,340	\$	5,460	\$	2,340	\$	5,460	\$	15,599
In-House Multi-Purpose Field Tournament																																				
• Various Multi-Purpose Field Tournaments													35.0%	\$	503,300	15.0%	\$	215,700	15.0%	\$	215,700	35.0%	\$	503,300												
In-House Multi-Purpose Field Tournament - Total													\$	1,438,000	\$	503,300	\$	215,700	\$	215,700	\$	503,300	\$	1,438,000	\$	512,420	\$	179,347	\$	76,863	\$	76,863	\$	179,347	\$	512,420
Multi-Purpose Field Rental Tournaments																																				
• Various Multi-Purpose Field Rental Tournaments													35.0%	\$	676,085	15.0%	\$	289,751	15.0%	\$	289,751	35.0%	\$	676,085												
Multi-Purpose Field Rental Tournaments - Total													\$	1,931,670	\$	676,085	\$	289,751	\$	289,751	\$	676,085	\$	1,931,670	\$	117,117	\$	40,991	\$	17,568	\$	17,568	\$	40,991	\$	117,117
Outdoor Baseball/Softball																																				
• Leagues, Camps, Clinics, Tournaments & Rentals													25.0%	\$	156,488	26.0%	\$	162,747	23.0%	\$	143,969	26.0%	\$	162,747												

Outdoor Baseball/Softball - Total	\$	625,950	\$	156,488	\$	162,747	\$	143,969	\$	162,747	\$	625,950	\$	114,056	\$	28,514	\$	29,655	\$	26,233	\$	29,655	\$	114,056
Baseball Rental Tournaments																								
• Various Rental Tournaments		27.0%	\$	118,997	26.0%	\$	114,590	21.0%	\$	92,553	26.0%	\$	114,590	\$	15,897	\$	15,308	\$	12,364	\$	15,308			
Baseball Rental Tournaments - Total	\$	440,730	\$	118,997	\$	114,590	\$	92,553	\$	114,590	\$	440,730	\$	58,878	\$	15,897	\$	15,308	\$	12,364	\$	15,308	\$	58,878
In-House Softball Tournaments																								
• Various In-House Tournaments		25.0%	\$	49,840	25.0%	\$	49,840	25.0%	\$	49,840	25.0%	\$	49,840	\$	9,681	\$	9,681	\$	9,681	\$	9,681			
In-House Softball Tournaments - Total	\$	199,360	\$	49,840	\$	49,840	\$	49,840	\$	49,840	\$	199,360	\$	38,722	\$	9,681	\$	9,681	\$	9,681	\$	9,681	\$	38,722
Softball Rental Tournaments																								
• Various Softball Rental Tournaments		26.0%	\$	91,309	27.0%	\$	94,821	20.0%	\$	70,238	27.0%	\$	94,821	\$	11,315	\$	11,750	\$	8,704	\$	11,750			
Softball Rental Tournaments - Total	\$	351,188	\$	91,309	\$	94,821	\$	70,238	\$	94,821	\$	351,188	\$	43,519	\$	11,315	\$	11,750	\$	8,704	\$	11,750	\$	43,519
Ticketed Events																								
• Various Ticketed Events / Special Events		25.0%	\$	15,000	25.0%	\$	15,000	25.0%	\$	15,000	25.0%	\$	15,000	\$	3,900	\$	3,900	\$	3,900	\$	3,900			
Ticketed Events - Total	\$	60,000	\$	15,000	\$	15,000	\$	15,000	\$	15,000	\$	60,000	\$	15,600	\$	3,900	\$	3,900	\$	3,900	\$	3,900	\$	15,600
Outdoor Field Rental																								
• Various Outdoor Field Rentals		40.0%	\$	49,200	30.0%	\$	36,900	0.0%	\$	-	30.0%	\$	36,900	\$	2,460	\$	1,845	\$	-	\$	1,845			
Outdoor Field Rental - Total	\$	123,000	\$	49,200	\$	36,900	\$	-	\$	36,900	\$	123,000	\$	6,150	\$	2,460	\$	1,845	\$	-	\$	1,845	\$	6,150
Running Events - 3K, 5K, etc.																								
• Running Events of All Types		25.0%	\$	28,000	30.0%	\$	33,600	10.0%	\$	11,200	35.0%	\$	39,200	\$	11,738	\$	14,085	\$	4,695	\$	16,433			
Running Events - 3K, 5K, etc. - Total	\$	112,000	\$	28,000	\$	33,600	\$	11,200	\$	39,200	\$	112,000	\$	46,950	\$	11,738	\$	14,085	\$	4,695	\$	16,433	\$	46,950
Outdoor Sand Volleyball																								
• Leagues, Camps, Clinics, Tournaments & Rentals		23.0%	\$	16,733	27.0%	\$	19,643	27.0%	\$	19,643	23.0%	\$	16,733	\$	4,790	\$	5,624	\$	5,624	\$	4,790			
Outdoor Sand Volleyball - Total	\$	72,750	\$	16,733	\$	19,643	\$	19,643	\$	16,733	\$	72,750	\$	20,828	\$	4,790	\$	5,624	\$	5,624	\$	4,790	\$	20,828
Outdoor Pickleball																								
• Leagues, Camps, Clinics, Tournaments & Rentals		40.0%	\$	30,308	20.0%	\$	15,154	10.0%	\$	7,577	30.0%	\$	22,731	\$	9,751	\$	4,875	\$	2,438	\$	7,313			
Outdoor Pickleball - Total	\$	75,770	\$	30,308	\$	15,154	\$	7,577	\$	22,731	\$	75,770	\$	24,377	\$	9,751	\$	4,875	\$	2,438	\$	7,313	\$	24,377
Facility Rental Events																								
• Various Facility Rental Events (All Types)		25.0%	\$	5,000	25.0%	\$	5,000	25.0%	\$	5,000	25.0%	\$	5,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000			
Facility Rental Events - Total	\$	20,000	\$	5,000	\$	5,000	\$	5,000	\$	5,000	\$	20,000	\$	4,000	\$	1,000	\$	1,000	\$	1,000	\$	1,000	\$	4,000
Outdoor Adventure Center																								
• Outdoor Adventure / Extreme Challenge / Zip Lines		50.0%	\$	131,850	10.0%	\$	26,370	10.0%	\$	26,370	30.0%	\$	79,110	\$	72,199	\$	14,440	\$	14,440	\$	43,319			
Outdoor Adventure Center - Total	\$	263,700	\$	131,850	\$	26,370	\$	26,370	\$	79,110	\$	263,700	\$	144,398	\$	72,199	\$	14,440	\$	14,440	\$	43,319	\$	144,398
Indoor Adventure/Entertainment Center																								
• Indoor Adventure Center / Arcade		25.0%	\$	226,906	25.0%	\$	226,906	25.0%	\$	226,906	25.0%	\$	226,906	\$	80,720	\$	80,720	\$	80,720	\$	80,720			
Indoor Adventure/Entertainment Center - Total	\$	907,625	\$	226,906	\$	226,906	\$	226,906	\$	226,906	\$	907,625	\$	322,878	\$	80,720	\$	80,720	\$	80,720	\$	80,720	\$	322,878
Youth Programming																								

Youth Programming	20.0%	\$	115,420	30.0%	\$	173,130	30.0%	\$	173,130	20.0%	\$	115,420		\$	62,098	\$	93,146	\$	93,146	\$	62,098						
Youth Programming - Total		\$	577,100		\$	115,420		\$	173,130		\$	115,420	\$	577,100	\$	310,488	\$	62,098	\$	93,146	\$	62,098	\$	310,488			
Birthday Parties																											
• Birthday Parties and Other Special Party Events	25.0%	\$	64,500	25.0%	\$	64,500	25.0%	\$	64,500	25.0%	\$	64,500		\$	16,755	\$	16,755	\$	16,755	\$	16,755						
Birthday Parties - Total		\$	258,000		\$	64,500		\$	64,500		\$	64,500	\$	258,000	\$	67,020	\$	16,755	\$	16,755	\$	16,755	\$	67,020			
Special Events																											
• Concerts, Car Shows, Balloon Festivals, and Other Special Events	40.0%	\$	390,000	15.0%	\$	146,250	15.0%	\$	146,250	30.0%	\$	292,500		\$	132,300	\$	49,613	\$	49,613	\$	99,225						
Special Events - Total		\$	975,000		\$	390,000		\$	146,250		\$	292,500	\$	975,000	\$	330,750	\$	132,300	\$	49,613	\$	99,225	\$	330,750			
Group Events & Rentals																											
• Group Event & Corporate Rentals	25.0%	\$	39,175	25.0%	\$	39,175	25.0%	\$	39,175	25.0%	\$	39,175		\$	11,753	\$	11,753	\$	11,753	\$	11,753						
Group Events & Rentals - Total		\$	156,700		\$	39,175		\$	39,175		\$	39,175	\$	156,700	\$	47,010	\$	11,753	\$	11,753	\$	11,753	\$	47,010			
Concessions																											
• Parkwide Concessions (Concession Buildings, Kiosks & Other POS)	27.2%	\$	592,685	26.9%	\$	586,148	21.6%	\$	470,662	24.3%	\$	529,495		\$	310,172	\$	306,751	\$	246,313	\$	277,102						
Concessions - Total		\$	2,178,990		\$	592,685		\$	586,148		\$	529,495	\$	2,178,990	\$	1,140,338	\$	310,172	\$	306,751	\$	277,102	\$	1,140,338			
Restaurant/Bar																											
• Restaurant/Bar - All Table & Banquet Services	27.2%	\$	2,631,600	26.9%	\$	2,602,575	21.6%	\$	2,089,800	24.3%	\$	2,351,025		\$	1,542,381	\$	1,525,369	\$	1,224,832	\$	1,377,936						
Restaurant/Bar - Total		\$	9,675,000		\$	2,631,600		\$	2,602,575		\$	2,351,025	\$	9,675,000	\$	5,670,518	\$	1,542,381	\$	1,525,369	\$	1,377,936	\$	5,670,518			
Sales																											
• Sales - Pro Shop, Kiosks, Other Outlets & Special Events Sales	27.2%	\$	320,749	26.9%	\$	317,211	21.6%	\$	254,712	24.3%	\$	286,551		\$	176,412	\$	174,466	\$	140,092	\$	157,603						
Sales - Total		\$	1,179,224		\$	320,749		\$	317,211		\$	286,551	\$	1,179,224	\$	648,573	\$	176,412	\$	174,466	\$	157,603	\$	648,573			
Tenant Revenue																											
• Tenant Lease Rentals (Various Space Sizes & Locations)	25.0%	\$	360,000	25.0%	\$	360,000	25.0%	\$	360,000	25.0%	\$	360,000		\$	-	\$	-	\$	-	\$	-						
Tenant Revenue - Total		\$	1,440,000		\$	360,000		\$	360,000		\$	360,000	\$	1,440,000	\$	-	\$	-	\$	-	\$	-	\$	-			
Secondary Revenue																											
• Naming Rights, Pouring Rights, Streaming Video Sales, & Others	30.0%	\$	567,685	20.0%	\$	378,457	20.0%	\$	378,457	30.0%	\$	567,685		\$	136,874	\$	91,250	\$	91,250	\$	136,874						
Secondary Revenue - Total		\$	1,892,283		\$	567,685		\$	378,457		\$	567,685	\$	1,892,283	\$	456,248	\$	136,874	\$	91,250	\$	136,874	\$	456,248			
Total Original Revenue & Expenses (COGS) per SFA Pro Forma		\$	38,444,976		\$	10,483,625		\$	9,972,272		\$	7,805,428	\$	10,183,651	\$	12,821,384	\$	3,543,369	\$	3,351,673	\$	2,673,898	\$	3,252,445	\$	12,821,384	
Grand Total - PART 1 - Original Pro Forma Revenue & Expenses (COGS)		\$	38,444,976	27.2%	\$	10,483,625	26.9%	\$	9,972,272	21.6%	\$	7,805,428	24.3%	\$	10,183,651	\$	12,821,384	\$	3,543,369	\$	3,351,673	\$	2,673,898	\$	3,252,445	\$	12,821,384

PART 2 - ADDITIONAL REVENUE & EXPENSES (COGS) - NOT INCLUDED IN SFA PRO FORMA

2A - Arizona Interscholastic Association (AIA) Programming (Managed by volunteers)

AIA Programming - Football (Outdoor)	\$	281,300	0.0%	\$	-	0.0%	\$	-	10.0%	\$	28,130	90.0%	\$	253,170	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Volleyball (Indoor) (Girl's)	\$	114,740	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	100.0%	\$	114,740	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Badminton (Outdoor)	\$	8,100	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	100.0%	\$	8,100	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Cross Country (Outdoor)	\$	79,000	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	100.0%	\$	79,000	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Soccer (Outdoor) (Fall)	\$	25,425	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	100.0%	\$	25,425	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Spiritline (Indoor)	\$	182,050	50.0%	\$	91,025	0.0%	\$	-	0.0%	\$	-	50.0%	\$	91,025	\$	-	\$	-	\$	-	\$	-	\$	-
AIA Programming - Soccer (Outdoor) (Winter)	\$	57,400	100.0%	\$	57,400	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-

AIA Programming - Basketball (Indoor)	\$	296,379	100.0%	\$	296,379	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Wrestling (Indoor)	\$	86,812	100.0%	\$	86,812	0.0%	\$	-	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Baseball	\$	59,150	0.0%	\$	-	100.0%	\$	59,150	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Softball	\$	63,825	0.0%	\$	-	100.0%	\$	63,825	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Volleyball (Indoor) (Boy's)	\$	65,400	0.0%	\$	-	100.0%	\$	65,400	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Beach Volleyball (Outdoor)	\$	5,500	0.0%	\$	-	100.0%	\$	5,500	0.0%	\$	-	0.0%	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
AIA Programming - Total	\$	1,325,081		\$	531,616		\$	193,875		\$	28,130		\$	571,460	\$	1,325,081	\$	-	\$	-	\$	-	\$	-	\$	-
2B - Canyon Athletic Association (CAA) Programming (Managed by volunteers)																										
CAA Programming - Baseball	\$	108,800	33.0%	\$	35,904	23.0%	\$	25,024	11.0%	\$	11,968	33.0%	\$	35,904	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Basketball (Indoor)	\$	163,200	33.0%	\$	53,856	23.0%	\$	37,536	11.0%	\$	17,952	33.0%	\$	53,856	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Cheer & Dance (Indoor)	\$	54,400	33.0%	\$	17,952	23.0%	\$	12,512	11.0%	\$	5,984	33.0%	\$	17,952	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Cross Country (Outdoor)	\$	108,800	33.0%	\$	35,904	23.0%	\$	25,024	11.0%	\$	11,968	33.0%	\$	35,904	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Football (Outdoor)	\$	217,600	33.0%	\$	71,808	23.0%	\$	50,048	11.0%	\$	23,936	33.0%	\$	71,808	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Robotics (Indoor)	\$	54,400	33.0%	\$	17,952	23.0%	\$	12,512	11.0%	\$	5,984	33.0%	\$	17,952	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Softball	\$	108,800	33.0%	\$	35,904	23.0%	\$	25,024	11.0%	\$	11,968	33.0%	\$	35,904	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Soccer (Outdoor)	\$	217,600	33.0%	\$	71,808	23.0%	\$	50,048	11.0%	\$	23,936	33.0%	\$	71,808	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Ultimate Frisbee (Outdoor)	\$	54,400	33.0%	\$	17,952	23.0%	\$	12,512	11.0%	\$	5,984	33.0%	\$	17,952	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Volleyball (Indoor)	\$	217,600	33.0%	\$	71,808	23.0%	\$	50,048	11.0%	\$	23,936	33.0%	\$	71,808	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Wrestling (Indoor)	\$	54,400	33.0%	\$	17,952	23.0%	\$	12,512	11.0%	\$	5,984	33.0%	\$	17,952	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
CAA Programming - Total	\$	1,360,000		\$	448,800		\$	312,800		\$	149,600		\$	448,800	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
2C - Branding, Sponsorships & Naming Rights																										
Naming Rights	\$	1,150,000	25.0%	\$	287,500	25.0%	\$	287,500	25.0%	\$	287,500	25.0%	\$	287,500	\$	34,500	\$	8,625	\$	8,625	\$	8,625	\$	8,625	\$	8,625
Founding Partner (Beverage/Pouring)	\$	450,000	25.0%	\$	112,500	25.0%	\$	112,500	25.0%	\$	112,500	25.0%	\$	112,500	\$	13,500	\$	3,375	\$	3,375	\$	3,375	\$	3,375	\$	3,375
Founding Partner	\$	2,500,000	25.0%	\$	625,000	25.0%	\$	625,000	25.0%	\$	625,000	25.0%	\$	625,000	\$	75,000	\$	18,750	\$	18,750	\$	18,750	\$	18,750	\$	18,750
Official Sponsors	\$	1,000,000	25.0%	\$	250,000	25.0%	\$	250,000	25.0%	\$	250,000	25.0%	\$	250,000	\$	30,000	\$	7,500	\$	7,500	\$	7,500	\$	7,500	\$	7,500
Branding, Sponsorships & Naming Rights - Total	\$	5,100,000		\$	1,275,000		\$	1,275,000		\$	1,275,000		\$	1,275,000	\$	153,000	\$	38,250	\$	38,250	\$	38,250	\$	38,250	\$	153,000
2D - Additional Business Capture From AIA & CAA Attendance Not Included in Original																										
General Admission (9.0% of Total Revenue)	\$	241,657	27.0%	\$	65,247	26.0%	\$	62,831	21.0%	\$	50,748	26.0%	\$	62,831	\$	24,891	\$	6,720	\$	6,472	\$	5,227	\$	6,472	\$	6,472
Parkwide Concessions (5.6% of Total Revenue)	\$	150,365	27.0%	\$	40,598	26.0%	\$	39,095	21.0%	\$	31,577	26.0%	\$	39,095	\$	60,597	\$	16,361	\$	15,755	\$	12,725	\$	15,755	\$	15,755
Restaurant/Bar (25.1% of Total Revenue)	\$	673,955	27.0%	\$	181,968	26.0%	\$	175,228	21.0%	\$	141,531	26.0%	\$	175,228	\$	303,280	\$	81,886	\$	78,853	\$	63,689	\$	78,853	\$	78,853
Retail Sales - Pro Shop, Kiosks & Other POS (3% of Total Revenue)	\$	80,552	27.0%	\$	21,749	26.0%	\$	20,944	21.0%	\$	16,916	26.0%	\$	20,944	\$	34,074	\$	9,200	\$	8,859	\$	7,155	\$	8,859	\$	8,859
Additional Business Capture From AIA & CAA Attendance - Total	\$	1,146,530		\$	309,563		\$	298,098		\$	240,771		\$	298,098	\$	422,841	\$	114,167	\$	109,939	\$	88,797	\$	109,939	\$	422,841
GRAND TOTAL - PART 2 - AIA, CAA, NAMING RIGHTS & ADDL BUS. CA	\$	8,931,611		\$	2,564,979		\$	2,079,773		\$	1,693,501		\$	2,593,358	\$	575,841	\$	152,417	\$	148,189	\$	127,047	\$	148,189	\$	575,841

PART 3 - ADDITIONAL REVENUE & EXPENSES (COGS) - NEW BUSINESS NOT INCLUDED ABOVE

PART 3A - New Business Venues - SPORTS

3A-1: Additional Youth Development	\$	402,500	9.3%	\$	37,433	39.1%	\$	157,378	39.1%	\$	157,378	12.5%	\$	50,313	\$	111,090	\$	10,331	\$	43,436	\$	43,436	\$	13,886	\$	13,886
3A-2: Additional Lacrosse	\$	10,000	75.0%	\$	7,500	0.0%	\$	-	0.0%	\$	-	25.0%	\$	2,500	\$	1,730	\$	1,298	\$	-	\$	-	\$	-	\$	433
3A-3: Additional Football	\$	35,400	27.1%	\$	9,593	30.0%	\$	10,620	15.8%	\$	5,593	27.1%	\$	9,593	\$	8,885	\$	2,408	\$	2,666	\$	1,404	\$	2,408	\$	2,408
3A-4: Additional Turf Events	\$	26,400	25.0%	\$	6,600	25.0%	\$	6,600	25.0%	\$	6,600	25.0%	\$	6,600	\$	10,586	\$	2,647	\$	2,647	\$	2,647	\$	2,647	\$	2,647
3A-5: Additional Basketball	\$	1,742,500	4.3%	\$	74,928	48.8%	\$	850,340	38.9%	\$	677,833	8.0%	\$	139,400	\$	406,003	\$	17,458	\$	198,129	\$	157,935	\$	32,480	\$	32,480
3A-6: Additional Volleyball	\$	415,000	50.6%	\$	209,990	24.1%	\$	100,015	25.3%	\$	104,995	0.0%	\$	-	\$	135,705	\$	68,667	\$	32,705	\$	34,333	\$	-	\$	-
3A-7: Additional Multi Purpose Tournament	\$	1,692,280	35.4%	\$	599,067	14.6%	\$	247,073	14.6%	\$	247,073	35.4%	\$	599,067	\$	602,452	\$	213,268	\$	87,958	\$	87,958	\$	213,268	\$	213,268
3A-8: Additional Dance	\$	920,000	32.6%	\$	299,920	17.4%	\$	160,080	17.4%	\$	160,080	32.6%	\$	299,920	\$	230,000	\$	74,980	\$	40,020	\$	40,020	\$	74,980	\$	74,980
3A-9: Additional Gymnastics	\$	314,787	37.6%	\$	118,360	23.8%	\$	74,919	0.0%	\$	-	38.6%	\$	121,508	\$	78,697	\$	29,590	\$	18,730	\$	-	\$	30,377	\$	30,377
3A-10: Additional Cheer	\$	1,099,250	17.3%	\$	190,170	20.9%	\$	229,743	52.9%	\$	581,503	8.9%	\$	97,833	\$	274,813	\$	47,543	\$	57,436	\$	145,376	\$	24,458	\$	24,458

PART 3B - New Business Venues - TRAVEL

3B: Morrissey Travel															\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
• Transportation (Car Rentals) - Legacy Share of Profit at 4.5% of Total	\$	139,569	27.0%	\$	37,684	26.0%	\$	36,288	21.0%	\$	29,309	26.0%	\$	36,288	\$	13,957	\$	3,768	\$	3,629	\$	2,931	\$	3,629	\$	3,629
• Transportation (Buses) - Legacy Share of Profit at 4.5% of Total	\$	1,395,689	27.0%	\$	376,836	26.0%	\$	362,879	21.0%	\$	293,095	26.0%	\$	362,879	\$	139,569	\$	37,684	\$	36,288	\$	29,309	\$	36,288	\$	36,288
• Transportation (On Demand Serv.) - Legacy Share of Profit at 4.5% of Total	\$	27,914	27.0%	\$	7,537	26.0%	\$	7,258	21.0%	\$	5,862	26.0%	\$	7,258	\$	2,791	\$	754	\$	726	\$	586	\$	726	\$	726
• Transportation Related Business - Legacy Share of Profit at 4.5% of Total	\$	139,569	27.0%	\$	37,684	26.0%	\$	36,288	21.0%	\$	29,309	26.0%	\$	36,288	\$	13,957	\$	3,768	\$	3,629	\$	2,931	\$	3,629	\$	3,629

PART 3C - New Business - ESPORTS

3C: Esports	\$	7,320,000	25.0%	\$	1,830,000	25.0%	\$	1,830,000	25.0%	\$	1,830,000	25.0%	\$	1,830,000		\$	1,275,000	\$	318,750	\$	318,750	\$	318,750	\$	318,750				
New Business Venues - Total	\$	15,680,858		\$	3,843,301		\$	4,109,481		\$	4,128,630		\$	3,599,447	\$	15,680,858		\$	3,305,234	\$	832,913	\$	846,747	\$	867,616	\$	757,958	\$	3,305,234
3D - Additional Business Capture From New Business Attendance Not Included in Original																													
General Admission (9.0% of Total Revenue)	\$	1,411,277	27.0%	\$	381,045	26.0%	\$	366,932	21.0%	\$	296,368	26.0%	\$	366,932		\$	145,362	\$	39,248	\$	37,794	\$	30,526	\$	37,794				
Parkwide Concessions (5.6% of Total Revenue)	\$	878,128	27.0%	\$	237,095	26.0%	\$	228,313	21.0%	\$	184,407	26.0%	\$	228,313		\$	353,886	\$	95,549	\$	92,010	\$	74,316	\$	92,010				
Restaurant/Bar (25.1% of Total Revenue)	\$	3,935,895	27.0%	\$	1,062,692	26.0%	\$	1,023,333	21.0%	\$	826,538	26.0%	\$	1,023,333		\$	1,771,153	\$	478,211	\$	460,500	\$	371,942	\$	460,500				
Retail Sales - Pro Shop, Kiosks & Other POS (3% of Total Revenue)	\$	4,187	27.0%	\$	1,131	26.0%	\$	1,089	21.0%	\$	879	26.0%	\$	1,089		\$	1,771	\$	478	\$	460	\$	372	\$	460				
Additional Business Capture From New Business Attendance - Total	\$	6,229,488		\$	1,681,962		\$	1,619,667		\$	1,308,192		\$	1,619,667	\$	6,229,488		\$	2,272,171	\$	613,486	\$	590,765	\$	477,156	\$	590,765	\$	2,272,171
GRAND TOTAL - PART 3 - SPORTS, TRAVEL & OTHERS	\$	21,910,346		\$	5,525,262		\$	5,729,147		\$	5,436,822		\$	5,219,114	\$	21,910,346		\$	5,577,406	\$	1,446,399	\$	1,437,512	\$	1,344,772	\$	1,348,722	\$	5,577,406

PART 4 - ADDITIONAL REVENUE/EXPENSES FROM GATE/PARK ENTRANCE FEES AND PARKING FEES REVISIONS

4A - Gate/Park Entrance Fees (Revised)

Delete From PART 1 (A1): 1,247,250 Patrons @ \$3 Per Person	\$	(3,741,750)	27.2%	\$	(1,017,391)	26.9%	\$	(1,005,892)	21.6%	\$	(809,039)	24.3%	\$	(909,428)	\$	(3,741,750)	\$	(384,153)	\$	(104,490)	\$	(103,337)	\$	(82,977)	\$	(93,349)	\$	(384,153)
Assumption: 3,097,450 Total Patrons Annually (365 Total Days)																												
Assumption: Weekend Charges Only (No Charge Weekdays)																												
Assumption: Kids Under 5 Are Free Admittance																												
Assumption: Tourn. Athletes are Included in Tournament Entrance Fee																												
Assumption: Assume 68% of Total Patrons are Paying Customers																												
Revised Gate/Park Entrance Fees: 2,106,266 Patrons @ \$7 Per Person	\$	14,743,862	27.2%	\$	4,008,892	26.9%	\$	3,963,582	21.6%	\$	3,187,911	24.3%	\$	3,583,478	\$	14,743,862	\$	526,567	\$	143,226	\$	141,646	\$	113,738	\$	127,956	\$	526,567
Cost Assumption: Staff = 5% of Gate																												
Cost Assumption: Processing Fee = \$0.25 Per Entry																												
4A - Gate/Park Entrance Fees - Total	\$	11,002,112		\$	2,991,501		\$	2,957,690		\$	2,378,871		\$	2,674,050	\$	11,002,112	\$	692,519	\$	188,312	\$	186,194	\$	149,705	\$	168,309	\$	692,519

4B - Parking Fees (New)

Assumption: 80% of Total Patrons are Weekend, Tournament & Event																												
Assumption: 80% of 3,097,450 Total Patrons = 2,477,960 Patrons																												
Assumption: 2.53 People Per Vehicle (Based on Other Local Parks)																												
Assumption: 2,477,960 Patrons * 2.53 People Per Vehicle = 979,431 Cars																												
Parking Fees: 979,431 Vehicles @ \$10 Per Vehicle															Cost Assumption: Attendant Fees = 5% of Parking Fees													
	\$	9,794,310	27.2%	\$	2,663,097	26.9%	\$	2,632,997	21.6%	\$	2,117,721	24.3%	\$	2,380,495	\$	9,794,310	\$	489,716	\$	133,155	\$	131,650	\$	105,886	\$	119,025	\$	489,716
4B - Parking Fees - Total	\$	9,794,310		\$	2,663,097		\$	2,632,997		\$	2,117,721		\$	2,380,495	\$	9,794,310	\$	489,716	\$	133,155	\$	131,650	\$	105,886	\$	119,025	\$	489,716
GRAND TOTAL - PART 4 - GATE & PARKING	\$	20,796,422		\$	5,654,598		\$	5,590,687		\$	4,496,592		\$	5,054,545	\$	20,796,422	\$	1,182,235	\$	321,466	\$	317,844	\$	255,591	\$	287,334	\$	1,182,235

PART 5 - FACILITY & OPERATING EXPENSES

5A - Facility & Operating Expenses

Facility Expenses (Included in Part 1 above)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Operating Expenses (Included in Part 1 above)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Management Payroll (Included in Part 1 above)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-
Payroll Services/Taxes/Benefits/Bonus	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,376,142									\$	1,376,142
5A - Facility & Operating Expenses - Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	1,376,142	\$	-	\$	-	\$	-	\$	-	\$	1,376,142

5B - Adjustments to Facility & Operating Expenses

Delete From SFA Operating Expenses - RENT-COUNTY	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	(75,000)								\$	(75,000)	
Add Legacy Land Lease (RENT-PRIVATE) Annual Payments	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,267,000								\$	3,267,000	
Add Contingency for Water Utility Costs to City of Mesa (TBD)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	200,000								\$	200,000	
Add Contingency for Sewer Utility Costs to City of Mesa (TBD)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	50,000								\$	50,000	
Add Contingency for Power Utility Costs to APS (TBD)	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	250,000								\$	250,000	
Add Contingency for Technology & IT Services, Upgrades & Maintenance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	100,000								\$	100,000	
Add Contingency for FF&E Upgrades & Maintenance	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	500,000								\$	500,000	
Add Contingency for Other Miscellaneous Expenses	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	100,000								\$	100,000	
Outsourced Facility Operator - Fee Allowance 3.5% of Revenue	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	3,152,917								\$	3,152,917	
5B - Adjustments to Facility & Operating Expenses - Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	7,544,917	\$	-	\$	-	\$	-	\$	-	\$	7,544,917

GRAND TOTAL - FACILITY & OPERATING EXPENSES ADJUSTMENTS	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	\$	8,921,059	\$	-	\$	-	\$	-	\$	-	\$	8,921,059
---	----	---	----	---	----	---	----	---	----	---	----	---	----	-----------	----	---	----	---	----	---	----	---	----	-----------

PART 6 - SUMMARY

PART 1 - ORIGINAL SFA PRO FORMA	\$	38,444,976	\$	10,483,625	\$	9,972,272	\$	7,805,428	\$	10,183,651	38,444,976	\$	12,821,384	\$	3,543,369	\$	3,351,673	\$	2,673,898	\$	3,252,445	\$	12,821,384	
PART 2 - ADDITIONAL BUSINESS - AIA, CAA & NAMING RIGHTS	\$	8,931,611	\$	2,564,979	\$	2,079,773	\$	1,693,501	\$	2,593,358	8,931,611	\$	575,841	\$	152,417	\$	148,189	\$	127,047	\$	148,189	\$	575,841	
PART 3 - NEW BUSINESS - SPORTS, TRAVEL & OTHERS	\$	21,910,346	\$	5,525,262	\$	5,729,147	\$	5,436,822	\$	5,219,114	21,910,346	\$	5,577,406	\$	1,446,399	\$	1,437,512	\$	1,344,772	\$	1,348,722	\$	5,577,406	
PART 4 - NEW BUSINESS - REVISED GATE & NEW PARKING FEES	\$	20,796,422	\$	5,654,598	\$	5,590,687	\$	4,496,592	\$	5,054,545	20,796,422	\$	1,182,235	\$	321,466	\$	317,844	\$	255,591	\$	287,334	\$	1,182,235	
PART 5 - ADJUSTMENTS TO FACILITY & OPERATING EXPENSES	\$	-	\$	-	\$	-	\$	-	\$	-	-	\$	8,921,059	\$	-	\$	-	\$	-	\$	-	\$	8,921,059	
GRAND TOTAL - ALL REVENUE & EXPENSES/(COGS)	\$	90,083,354	\$	24,228,464	\$	23,371,879	\$	19,432,344	\$	23,050,667	\$	90,083,354	\$	29,077,924	\$	5,463,651	\$	5,255,217	\$	4,401,308	\$	5,036,689	\$	29,077,924

Footnote: All new/additional business noted above in Parts 2, 3 and 4 was developed after the SFA pro forma was developed and is supported by LOI's and other forms of commitment from organizations who are committed to expansion or relocation to Legacy Sports Park plus additional revenue streams that Legacy Sports is developing and operating internally.

APPENDIX M

PEER REVIEW & IMPACT ANALYSIS

[THIS PAGE INTENTIONALLY LEFT BLANK]



LEGACY SPORTS PARK PEER REVIEW & IMPACT ANALYSIS

SUBMITTED TO
Legacy Cares Inc.

SUBMITTED BY
Johnson Consulting

DATE
July 30th, 2020



TABLE OF CONTENTS

SECTION 1: TRANSMITTAL LETTER	-
SECTION 2: INTRODUCTION	1
SECTION 3: MARKET ANALYSIS	4
SECTION 4: INDUSTRY TRENDS	19
SECTION 5: PROGRAM REVIEW AND VALIDATION	33
SECTION 6: PRO FORMA REVIEW	40
SECTION 7: ECONOMIC IMPACTS	46
APPENDIX 1: OPERATOR COMMITMENT LETTER	-
APPENDIX 2: CASE STUDIES	-
APPENDIX 3: MAJOR PLAYERS	-
APPENDIX 4: OPERATOR COMMITMENT LETTER	-

SECTION 1: LETTER



July 30th, 2020

Mr. Doug Moss
Legacy Cares Inc.
19550 North Grayhawk Drive, Unit 1078
Scottsdale, Arizona 85255

Re: Peer Review Analysis for the Proposed Legacy Sports Park

Dear Mr. Moss,

C.H. Johnson Consulting is pleased to submit this high-level peer review analysis to Legacy Cares Inc. ("Client") detailing our review and assessment of the preceding Sports Facility Advisory (SFA) 2017 Feasibility Study as well as updated revised letter from December 2018 for the proposed Legacy Sport Park ("LSP"). Based on our understanding of the objectives of this engagement, we have utilized our experience as well as proven methodologies for assessing the reasonableness of the assumptions and projections found in the operating model presented by Legacy Sports Management team.

Johnson Consulting has no responsibility to update this report for events and circumstances occurring after the date of this report. As the scale of the global COVID-19 pandemic impact is still uncertain, our report outlines our assumptions based on experience from previous economic disruptions, but the actual impact will not be known for the foreseeable future. The findings presented herein reflect analyses of primary and secondary sources of information. Johnson Consulting used sources deemed to be reliable, but cannot guarantee their accuracy. Moreover, some of the estimates and analyses presented in this study are based on trends and assumptions, which can result in differences between projected results and actual results. Because events and circumstances frequently do not occur as expected, those differences may be material.

Sincerely,

C.H. Johnson Consulting, Inc.

C.H. JOHNSON CONSULTING, INC.

Section 2: INTRODUCTION

INTRODUCTION

Legacy Cares, Inc (“Client”) engaged Johnson Consulting to conduct an economic and fiscal impact and peer review analysis for the proposed Legacy Sports Park, a 300-acre multi-sports and family entertainment complex, located between Ellsworth Road, Legacy Drive, and State Route 24 in Mesa, Arizona. Figure 1 - 1 provides an overview of the master plan for the Legacy Sports Park (LSP), as provided by Legacy Sports USA.

Figure 1 - 1



As shown, the proposed LSP consists of an outdoor sports complex along with a 650,000-square-foot indoor sports facility. The outdoor sports complex consists of the following programmatic elements:

- 48 multipurpose fields for soccer, football, lacrosse, rugby, and other outdoor sports
- 9 baseball / softball diamonds
- 12 sand volleyball courts
- 40 tennis / pickleball courts
- 1 multipurpose stadium



- 1 multipurpose track and field
- Obstacle course racing

The indoor sports facility includes the following:

- 6 courts for indoor soccer and futsal
- 64 volleyball courts
- 16 basketball courts
- 100,000-square-foot esports center and arena
- 50,000-square-foot cheer and gymnastics center

In addition to the outdoor sports complex and the indoor sports facility, the proposed LSP includes a commercial village, restaurant and bar, food court with food outlets, medical and sports medicine clinic, general health and wellness center, concession and restroom buildings, a special event area, and a potential hotel / dormitory site.

STUDY OBJECTIVES

The key objectives of our study are to provide:

1. A profile of key market characteristics as they relate to the potential to support a new sports park.
2. A set of comparative case studies of other regional and national sports complexes that are similar in size, program, and development cost.
3. An independent review of the program and concepts proposed by Legacy Sports USA, including opining on the viability of the proposed project from a peer review of the previous feasibility study as well as the current status of the development and market.
4. A comprehensive economic impact analysis of the proposed project that employs evidence-based assumptions in line with industry standards to ensure the most accurate projections possible.

In addition to this introduction and methodology review, the report contains the following sections:

- **Section 3** – Includes an economic and demographic overview of Mesa, Arizona and the regional market. The information in this section is essential for understanding the ability of the marketplace to support a new sports complex.
- **Section 4** – Provides an overview of the participation trends in the national sports industry. This section provides participation rates focused on team sports as well as participation by age and gender, to understand the overall trends in team sports participation.



- **Section 5** – Presents a sports complex benchmarking analysis. Identifies all regional/ national competitors for both indoor and outdoor sports and to determine the overall need for additional demand.
- **Section 6** – Presents our Proforma review and audit. Based on the preceding update of market research, letter of commitments from both end uses as well as facility management and our experience in planning/ advising on similar type of developments across the US.
- **Section 7** – Presents local and regional economic and fiscal impact projections for the recommended development presented in section seven. Also shows the economic and fiscal impact that construction will have both locally and regionally

METHODOLOGY

In order to complete the analysis required for this project, Johnson Consulting performed the following tasks:

1. Analyzed local market characteristics, based upon published sources of data and information.
2. Reviewed, analyzed and assessed the proposed business plan and previous feasibility completed in 2018 of the proposed sports and recreation facilities on the subject site.
3. Analyzed and revised the market performance of the proposed project over a 10-year period, in terms of demand and utilization.
4. Estimated the economic and fiscal impact of the proposed project.

ABOUT THE CONSULTING TEAM

Johnson Consulting, Inc. was founded in 1996 in Chicago, Illinois, is a nationally recognized sports consulting firm with specific expertise in the analysis, planning, and financing of multi-purpose complexes, stadiums, arenas, and adjacent mixed-use, hospitality/entertainment elements that may evolve around them. We have a reputation for quality, integrity and success among municipalities, facility owners and operators, developers and within the public finance community. Our firm works extensively in the area of recreation and sports complex business planning, tournament and event programming and development, and maximizing economic return from such venues. We also specialize in public-private partnership projects, organizational studies and can comprehensively evaluate operational strategies. Johnson Consulting has extensively worked on youth/amateur sports complex, with similar engagements in Fox Cities, WI, Burlington, IA, Cedar Fair, OH, Dallas, TX, Denver, CO, New York, NY, St. Johns County, FL and Plant City, FL.

SECTION 3: MARKET ANALYSIS

MARKET ANALYSIS

In order to analyze the market opportunity for the proposed Legacy Sports Park (LSP), Johnson Consulting conducted a detailed analysis of the demographic and economic conditions in the Phoenix Metropolitan Area, the state of Arizona, and the broader region. The map below shows 1-, 3- and 5-hour drive-time radii around the subject site, representing the various catchment areas for local and regional leagues, camps, and tournaments. As shown, the 5-hour catchment area reaches throughout most of the state of Arizona as well as parts of southeastern California, southern Nevada, eastern New Mexico, and northwestern Mexico. Locations outside of this catchment area would typically access the proposed LSP via air travel.

Figure 3 - 1



While characteristics such as population, employment, and income are not strict predictors of performance of sports and recreation facilities, they provide insight into the capacity of a market to provide support for such amenities and activities. In addition, the size and role of a marketplace, its civic leadership, proximity to other metropolitan areas, transportation concentrations, and the location of competing and/or complementary attractions, directly influence the scale and quality of development that can be supported within that particular market.



MARKET OVERVIEW

The proposed LSP is within the Phoenix Metropolitan Area, which consists of both Maricopa and Pinal County. The Phoenix Metro Area is Arizona's largest population center and home to Phoenix, the state capital. The proposed LSP is strategically located in Mesa near the Phoenix-Mesa Gateway Airport, approximately a 45-minute to 1-hour drive to the southwest of Downtown Phoenix.

POPULATION

The 2019 total population of the Phoenix Metro Area is 4,885,176 persons. Between 2000 and what is projected by 2024, the population increased at an average annual rate of 2.1 percent, which is higher than the state average (1.7 percent) and national average (0.9 percent).

In the broader region, there are over 3.6 million people within a 1-hour drive of the proposed LSP, over 6.5 million within 3 hours, and nearly 8.0 million within 5 hours. Figure 3 - 2 shows historic and forecast population trends between 2000 and 2024 for the Phoenix Metro Area, Arizona, and the U.S. as a whole, as well as the 1, 3, and 5-hour drive time radii.

Figure 3 - 2

Population (2000-2024)					
	2000	2010	2019	2024	CAGR*
United States	281,421,906	308,745,538	332,417,793	345,487,602	0.9%
Arizona	5,130,632	6,392,017	7,234,773	7,743,965	1.7%
Phoenix Metro Area	3,251,876	4,192,887	4,885,176	5,298,576	2.1%
1-Hour Drive Time	2,620,729	3,126,605	3,621,962	3,915,579	1.7%
3-Hour Drive Time	4,544,108	5,705,987	6,513,982	7,003,050	1.8%
5-Hour Drive Time	5,693,325	7,064,182	7,978,145	8,523,723	1.7%

*Compound Annual Growth Rate (2000-2024)

Sources: Esri, Johnson Consulting

AGE

The Phoenix Metro Area's 2019 median age is 36.1 years, which is younger than that of the state of Arizona (37.3), and U.S. as a whole (38.5). Between 2010 and 2024, the Phoenix Metro Area's median age increased at an average annual rate of 0.2 percent, which is on par with that of the state of Arizona and the U.S. as a whole (0.2 percent per annum). Figure 3 - 3 presents the median age for these geographies for 2010, 2019, and 2024.

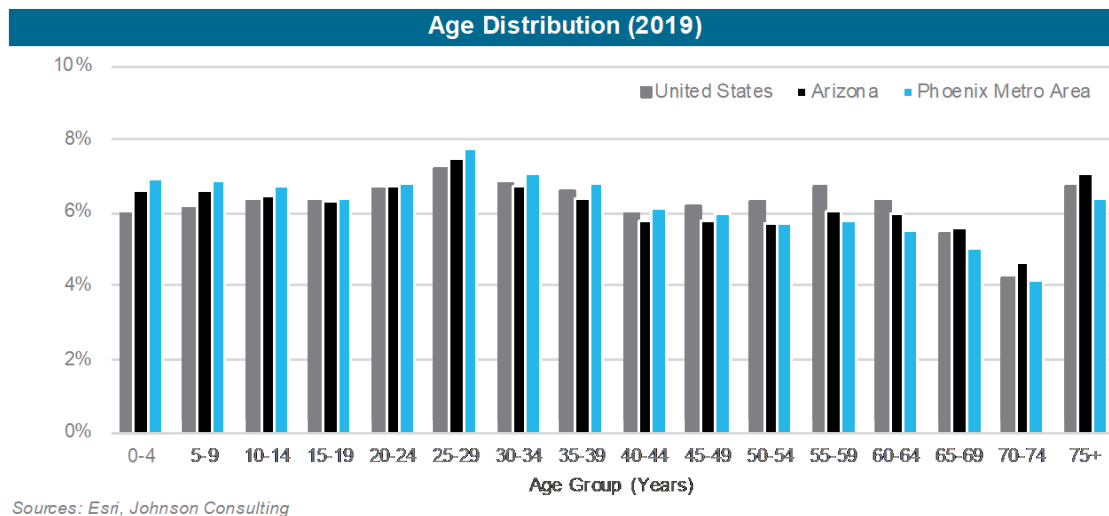
Figure 3 - 3

Median Age (2019-2024)				
	2010	2019	2024	CAGR
United States	37.1	38.5	39.2	0.2%
Arizona	35.9	37.3	37.7	0.2%
Phoenix Metro Area	34.7	36.1	36.3	0.2%
1-Hour Drive Time	33.9	35.3	35.6	0.2%
3-Hour Drive Time	35.7	37.1	37.4	0.2%
5-Hour Drive Time	36.1	37.5	37.8	0.2%

Sources: Esri, Johnson Consulting

Figure 3 - 4 illustrates the age distribution of Phoenix Metro Area residents relative to the state of Arizona and U.S. as a whole, showing a slightly higher concentration of individuals under the age of 39 and a slightly lower proportion of individuals over the age of 40 in the Phoenix Metro Area. Overall, the age distribution is relatively uniform, indicating stable age cohorts for all types of sports and recreation activities.

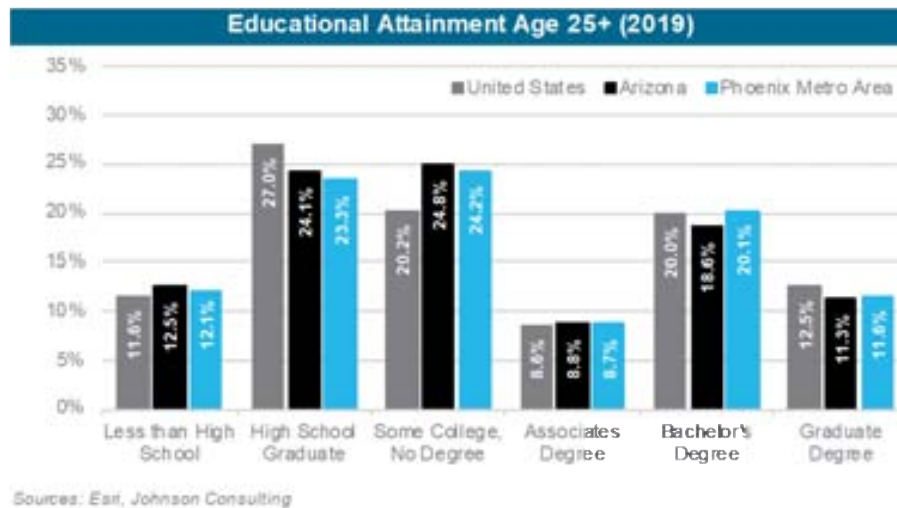
Figure 3 - 4



EDUCATIONAL ATTAINMENT

Phoenix Metro Area residents have educational attainment level on par with state and national averages, with 31.7 percent holding a bachelor's degree or higher, compared to 29.9 percent of residents of the state of Arizona and 32.5 percent of Americans overall in 2019. Figure 3 - 5 shows the educational attainment figures for the Phoenix Metro Area and the defined comparative geographies.

Figure 3 - 5



INCOME

The Phoenix Metro Area's 2019 median household income is \$62,609, which is higher than that of the state of Arizona (\$57,771) and U.S. as a whole (\$60,548). Between 2019 and 2024, the Phoenix Metro Area's median household income is expected to grow by an average annual rate of 2.9 percent, which is also higher than rates projected for the state of Arizona (2.6 percent) and the U.S. as a whole (2.7 percent). Figure 3 - 6 presents the current and forecast median household incomes for the Phoenix Metro Area and its comparative geographies.

Figure 3 - 6

Median Household Income (2019-2024)			
	2019	2024	CAGR
United States	\$60,548	\$69,180	2.7%
Arizona	\$57,771	\$65,648	2.6%
Phoenix Metro Area	\$62,609	\$72,137	2.9%
1-Hour Drive Time	\$61,123	\$70,144	2.8%
3-Hour Drive Time	\$59,277	\$67,675	2.7%
5-Hour Drive Time	\$57,193	\$65,124	2.6%

Sources: Esri, Johnson Consulting



EMPLOYMENT

In 2019, businesses in the Phoenix Metro Area employed a total of 1,872,355 people. In terms of the total number of employees, the top 5 industries in the Phoenix Metro Area are retail, education, healthcare and social assistance, accommodation and food services, and manufacturing. The Phoenix Metro Area has high concentrations of industries such as arts, education, and recreation; education; and real estate, rental, and leasing relative to nationwide employment distributions, as shown in Figure 3 - 7.

Figure 3 - 7

Employment Industry Location Quotient (2019)			
Sector	Phoenix Metro Area Employment	United States Employment	Location Quotient
Retail	245,727	19,586,073	1.0
Education	224,891	12,836,307	1.4
Healthcare & Social Assistance	213,660	22,216,731	0.8
Accommodation & Food Service	201,739	13,869,519	1.2
Manufacturing	112,321	12,206,279	0.7
Professional, Scientific, & Technical	110,303	10,225,935	0.9
Public Administration	108,006	9,206,951	0.9
Construction	102,007	6,791,202	1.2
Other Services	98,211	8,649,541	0.9
Finance & Insurance	72,362	6,009,992	1.0
Arts, Entertainment, & Recreation	72,018	3,869,040	1.5
Real Estate, Rental, & Leasing	69,900	4,097,137	1.4
Wholesale	69,427	6,219,071	0.9
Administrative & Support	62,631	3,959,393	1.3
Information	53,032	4,000,530	1.1
Transportation & Warehousing	38,829	3,773,746	0.8
Unclassified	4,783	683,536	0.6
Agriculture, Forestry, Fishing, & Hunting	4,705	685,236	0.6
Utilities	4,112	645,809	0.5
Mining	2,201	382,073	0.5
Management of Companies & Enterprises	1,490	357,574	0.3
Total	1,872,355	150,271,675	

Location quotients compare industry employment in the Phoenix Metro Area to that of the U.S. as a whole, with values of 1.0 indicating an average concentration of that industry in the Phoenix Metro Area, values greater than 1.0 indicating higher concentrations, and values lower than 1.0 indicating lower concentrations.

Sources: Esri, Johnson Consulting

EMPLOYERS

The top 15 employers in the Phoenix Metro Area are shown in Figure 3 - 8. Included in this list are a number of healthcare entities such as Banner Health, Dignity Health, Mayo Clinic, and Phoenix Children's Hospital, as well as a number of Finance & Insurance entities including American Express, JP Morgan Chase, Bank of America, Wells Fargo, and USAA. These entities, as well as the many other organizations that comprise Phoenix's solid economic base, represent sponsorship and partnership opportunities for the proposed LSP.

Figure 3 - 8

Major Employers		
Employer	Industry	Employment
Banner Health	Healthcare	10,041
American Express	Finance & Insurance	6,754
Honeywell	Manufacturing	6,262
Amazon	Retail	6,083
JP Morgan Chase	Finance & Insurance	6,060
Dignity Health	Healthcare	5,114
U Haul	Business Services	4,760
Bank of America	Finance & Insurance	4,750
Mayo Clinic	Healthcare	4,718
United Health Group	Insurance	4,528
Phoenix Children's Hospital	Healthcare	4,323
Wells Fargo	Finance & Insurance	4,285
Grand Canyon University	Education	4,114
USAA Phoenix Office	Finance & Insurance	3,892
United States Postal Service	Transportation & Distribution	3,541

Source: Maricopa Association of Governments, City of Phoenix, Johnson Consulting

UNEMPLOYMENT

The Phoenix Metro Area's unemployment rate is consistently below statewide levels. It tracked at or below nationwide unemployment rates between 2010 and 2017 before slightly exceeding the nationwide rate in 2018. Overall, this is indicative of a healthy and stable regional economy. Figure 3 - 9 presents unemployment rates for the Phoenix Metro Area, Arizona, and the U.S. for 2010-2018.

Figure 3 - 9

Unemployment Rate* (2010-2018)			
Year	United States	Arizona	Phoenix Metro Area
2010	9.6%	10.4%	9.6%
2011	8.9%	9.5%	8.6%
2012	8.1%	8.3%	7.4%
2013	7.4%	7.7%	6.7%
2014	6.2%	6.8%	5.9%
2015	5.3%	6.1%	5.2%
2016	4.9%	5.4%	4.7%
2017	4.4%	4.9%	4.3%
2018	3.9%	4.7%	4.2%

*Average Annual Rate (seasonally unadjusted)

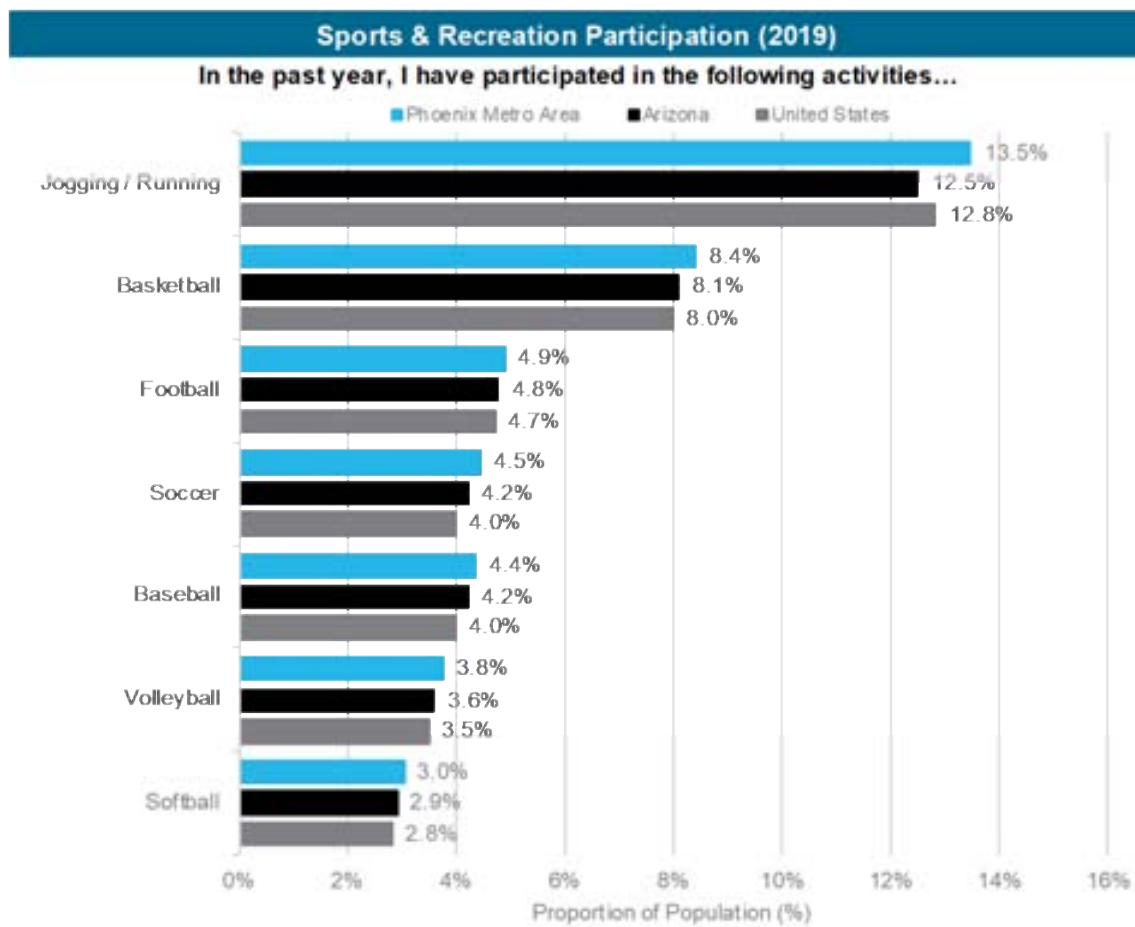
Sources: US Bureau of Labor Statistics, Johnson Consulting

SPORTS AND RECREATION MARKET

PARTICIPATION

Residents of the Phoenix Metro Area participate in sports and recreational activities at higher rates than their counterparts in the state of Arizona and U.S. as a whole across a variety of types of activities. Figure 3 - 10 shows the percentage of people who have participated in selected sports and activities within the past year in the various geographies, reflecting proposed sports and activities at the LSP.

Figure 3 - 10

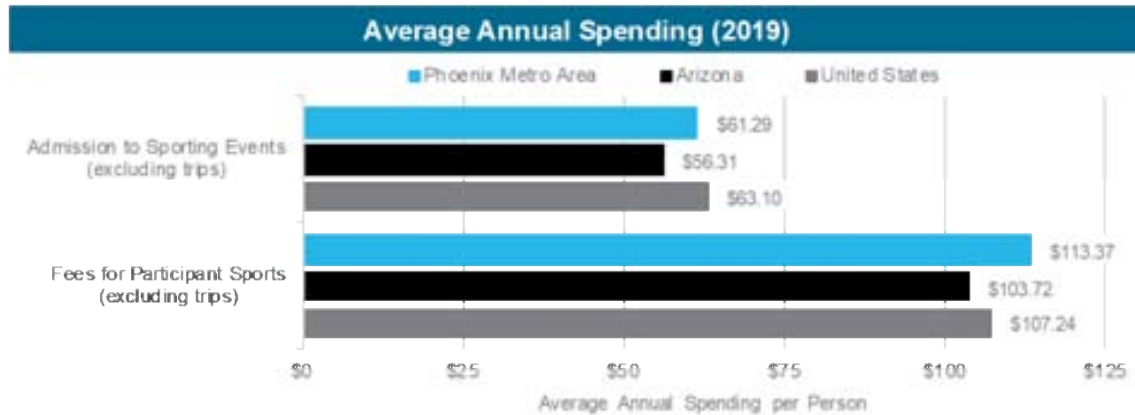


Sources: Esri, Johnson Consulting

SPENDING

Figure 3 - 11 shows average annual spending on both admissions to sporting events and fees for participant sports in the Phoenix Metro Area, relative to the state of Arizona and the U.S. as a whole. As shown, average annual spending for residents of the Phoenix Metro Area in 2019 was \$61.29 for admission to sporting events and \$113.37 for fees for participant sports, both of which exclude trip-related spending. In both cases, these spending averages exceed statewide averages, which were \$56.31 for admission to sporting events and \$103.72 for fees for participant sports. Phoenix Metro Area residents spent slightly less than the national average (\$63.10) on admission to sporting events, but slightly more than the national average (\$107.24) for fees for participant sports.

Figure 3 - 11



Source: Esri, Johnson Consulting

HOTELS

The Phoenix Metro Area, as with any major metropolitan area, is home to a number of hotels – 31 of which are within 10 miles of the proposed LSP site, as presented in Figure 3 - 12. These hotels comprise 2,651 rooms in total, and represent a mix of chain scales ranging from economy to upscale. 331 of these rooms are economy class, which may or may not be suitable accommodations for non-local visitors to the proposed LSP. The closest hotels are approximately 3 – 4 miles away, with the next most significant concentration of hotel properties being in the more developed areas of Gilbert and Mesa. It is anticipated that additional hotels will be developed given the recent growth and development momentum in the area, especially considering the significant demand that would be generated by the proposed LSP.

Figure 3 - 12

Hotel Inventory				
Hotel	Chain Scale	Distance (miles)	Opened	Number of Rooms
Hampton by Hilton Queen Creek	Upper Midscale	2.6	U/C	107
Four Points by Sheraton Phoenix Mesa Gateway Airport	Upscale	3.2	2015	134
Courtyard Phoenix Mesa Gateway Airport	Upscale	3.6	2015	99
Best Western Legacy Inn & Suites	Midscale	4.3	2009	110
Tru by Hilton Gilbert Phoenix	Midscale	6.6	2019	98
DoubleTree by Hilton Hotel Phoenix Gilbert	Upscale	6.6	2010	121
Residence Inn Phoenix Mesa East	Upscale	6.8	2019	127
Hyatt Place Phoenix Gilbert	Upscale	6.8	2009	127
Hampton Inn Phoenix Gilbert	Upper Midscale	6.8	2009	96
Home2 Suites by Hilton Gilbert	Upper Midscale	6.9	2018	107
Country Inn & Suites Mesa	Upper Midscale	7.2	1998	126
La Quinta Inns & Suites Mesa Superstition Springs	Upper Midscale	7.3	1997	107
The Highlands @ Spectrum Suites	Independent	7.3	2006	20
Best Western Superstition Springs Inn	Midscale	7.5	1994	59
Staybridge Suites Phoenix East Gilbert	Upscale	7.7	2018	98
Sleep Inn Mesa Superstition Springs Center	Midscale	7.7	1996	84
Holiday Inn Express & Suites Phoenix East Gilbert	Upper Midscale	7.7	2018	100
Hampton Inn Phoenix East Mesa	Upper Midscale	8.0	2016	101
Residence Inn Phoenix Gilbert	Upscale	8.1	2013	100
Arizona Golf Resort & Conference Center	Independent	8.3	1966	186
Motel 6 Apache Junction	Economy	8.4	1996	56
Broadview Motel	Independent	8.7	-	32
Grand Hotel	Independent	9.0	1985	59
Circle RB Lodge & RV Park	Independent	9.1	1950	16
The Miles Motel	Independent	9.4	-	39
Apache Junction Motel	Independent	9.4	1981	15
Best Western Apache Junction Inn	Midscale	9.5	1997	40
Windermere Hotel & Conference Center	Independent	9.6	1952	114
Days Inn Mesa East	Economy	9.6	1986	61
Colonade Motel Suites	Independent	9.7	1990	70
Westernaire Motel	Independent	9.8	-	42
Total				2,651

Includes hotels within 10 miles of the proposed Legacy Sports Park site

Source: Johnson Consulting

ACCESS

The proposed site of the LSP is served by Interstates 8, 10, and 17, as well as several state highways and spur routes. Non-local attendees of events at the LSP would likely access the complex via air travel – the proposed LSP site is just a few minutes' drive from Phoenix-Mesa Gateway Airport and approximately a 45-minute drive from the much larger hub, Phoenix Sky Harbor International Airport.



MARKET PENETRATION ANALYSIS

Johnson Consulting performed a market penetration analysis on the primary, secondary and tertiary markets, which are within a 1-hour, 3-hour, and 5-hour drive time from Legacy. These distances were chosen because they represent an accurate depiction of local demand, regional demand, and larger regional and national demand that Legacy could reasonably expect to draw. The findings from this analysis break down Legacy's local and regional markets by population of residents ages 5-44 for the largest possible sports that can be hosted there. However, there are additional opportunities for older adults to participate in leagues moving forward which are not accounted for.

In order to complete this market penetration analysis, Johnson Consulting gathered data from Sports & Fitness Industry Association's 2019 Top Line Trends Report. The participation rates that were used are reflective of the United States national average. Identifying the size and target market for Legacy is critical to ensuring the long-term success of the facility and will give a more accurate depiction on how much demand the facility can reasonably expect to draw.

TARGET MARKET SIZE

Identifying the size and target market for a new tournament quality complex in Mesa is crucial. Our analysis determined that, out of the 3,621,962 people within a 1-hour drive time, 2,133,404 (58.9%) of them fall within the ages 5-44. This number is higher than both the 3-hour drive time (53.3%), and within a 5-hour drive time (53%).

The total possible target market of people within 5-44 is 2,133,404 within a 1-hour drive time, 3,472,089 within a 3-hour drive time, and 4,227,208 within a 5-hour drive time. The largest reasonable driving distance that can be expected is 5-hours. If the distance is greater than that, participants are assumed to fly. Obviously, a sports complex will not be able to draw 100% participation as everyone does not participate in sports. However, it is important to note that these are the target markets from which Johnson Consulting's projections are based. In total, if Legacy was able to capture every single person age 5-44 within a 5-hour drive time of the complex, it would account for 4,227,208 visits. Figure 3-13 provides a full age breakdown of the markets.



Figure 3-13

Target Market Size								
1-Hour Drive	Population Estimates & Projections	Age 5-9	Age 10-14	Age 15-19	Age 20-24	Ages 25-34	Ages 35-44	Total Market Size
	2019 Ages 5 - 44 % of the Population	7.3%	7.2%	6.9%	7.6%	16.2%	13.8%	3,621,962
	2019 Total Market Potential - Individuals	265,746	259,261	249,535	274,353	585,497	499,012	2,133,404
	2024 Ages 5 - 44 % of the Population	7.3%	7.1%	6.8%	7.2%	16.3%	14.2%	3,915,579
	2024 Total Market Potential - Individuals	284,336	276,364	264,867	281,481	636,369	556,169	2,299,586
3-Hour Drive	Population Estimates & Projections	Age 5-9	Age 10-14	Age 15-19	Age 20-24	Ages 25-34	Ages 35-44	Total Market Size
	2019 Ages 5 - 44 % of the Population	6.6%	6.5%	6.4%	6.9%	14.4%	12.4%	6,513,982
	2019 Total Market Potential - Individuals	430,997	425,549	417,724	446,613	940,415	810,791	3,472,089
	2024 Ages 5 - 44 % of the Population	6.6%	6.5%	6.3%	6.4%	14.5%	12.9%	7,003,050
	2024 Total Market Potential - Individuals	459,343	453,274	441,172	451,272	1,016,209	906,253	3,727,523
5-Hour Drive	Population Estimates & Projections	Age 5-9	Age 10-14	Age 15-19	Age 20-24	Ages 25-34	Ages 35-44	Total Market Size
	2019 Ages 5 - 44 % of the Population	6.6%	6.5%	6.4%	6.8%	14.4%	12.2%	7,978,145
	2019 Total Market Potential - Individuals	529,054	521,816	510,640	545,770	1,145,380	974,548	4,227,208
	2024 Ages 5 - 44 % of the Population	6.6%	6.5%	6.3%	6.4%	14.4%	12.8%	8,523,723
	2024 Total Market Potential - Individuals	559,701	554,232	535,916	544,087	1,224,056	1,088,528	4,506,520

Source: Esri BAO, Johnson Consulting

TARGET MARKET DEMAND

When building a sports tourism destination, both local and regional attendance will be crucial for the success of a facility. This section breaks down the population age 5-44, identified in Figure 3-13, and applies the national participation rate for each sport. Given Legacy's proposed program, Johnson Consulting identified the national participation rates for soccer, basketball/volleyball, baseball/softball, sand volleyball, and lacrosse. However, it should be noted that Legacy has a more expanded program which will account for increased demand.

The market demand is found by taking the total potential market and multiplying it by the percentage of the population that participates in the sports identified above. When doing this, the total amount of people that participate in any of the sports mentioned above is 708,443 within a 1-hour drive time, 1,142,565 within a 3-hour drive time, and 1,361,463 within a 5-hour drive time. The figure below shows the total potential market age 5-44 as well as the national participation rates of the sports previously mentioned in an effort to better gauge the probability of demand at Legacy.



Figure 3-14

Target Market Demand							
1-Hour Drive							
	Total Potential Market	% Participating in Soccer	% Participating in Basketball/Volleyball	% Participating in Baseball/Softball	% Participating in Sand Volleyball	% Participating in Lacrosse	Total Market
	2,133,404	4.5%	12.1%	7.3%	6.3%	3.0%	708,443
3-Hour Drive	Total Potential Market	% Participating in Soccer	% Participating in Basketball/Volleyball	% Participating in Baseball/Softball	% Participating in Sand Volleyball	% Participating in Lacrosse	Total Market
	3,472,089	4.3%	12.0%	7.3%	6.3%	3.0%	1,142,565
	3,727,523	4.3%	12.0%	7.3%	6.3%	3.0%	1,226,621
5-Hour Drive	Total Potential Market	% Participating in Soccer	% Participating in Basketball/Volleyball	% Participating in Baseball/Softball	% Participating in Sand Volleyball	% Participating in Lacrosse	Total Market
	4,227,208	4.2%	11.6%	7.1%	6.3%	3.0%	1,361,463
	4,506,520	4.2%	11.6%	7.1%	6.3%	3.0%	1,451,421

Source: SFIA, Esri BAO, Johnson Consulting

FINAL DEMAND ANALYSIS

Johnson Consulting used the target market demand analysis to project the total penetration that a complex could conservatively capture from within a 1-hour, 3-hour, and 5-hour drive time. A 33 percent penetration rate for a 1-hour drive time, 15 percent penetration rate for 3-hour drive, and 7.5 percent for 5-hour drive time was assumed. These numbers were taken to be the average market percentages that a new facility in Mesa could draw. When using these rates, the total market penetration for a 1,3, and 5-hour drive time are **233,786**, **65,118**, and **16,417** respectively. With netting out each submarket, this results in total potential participants of **315,322**. The figure below presents Johnson Consulting's calculations.

Figure 3-15

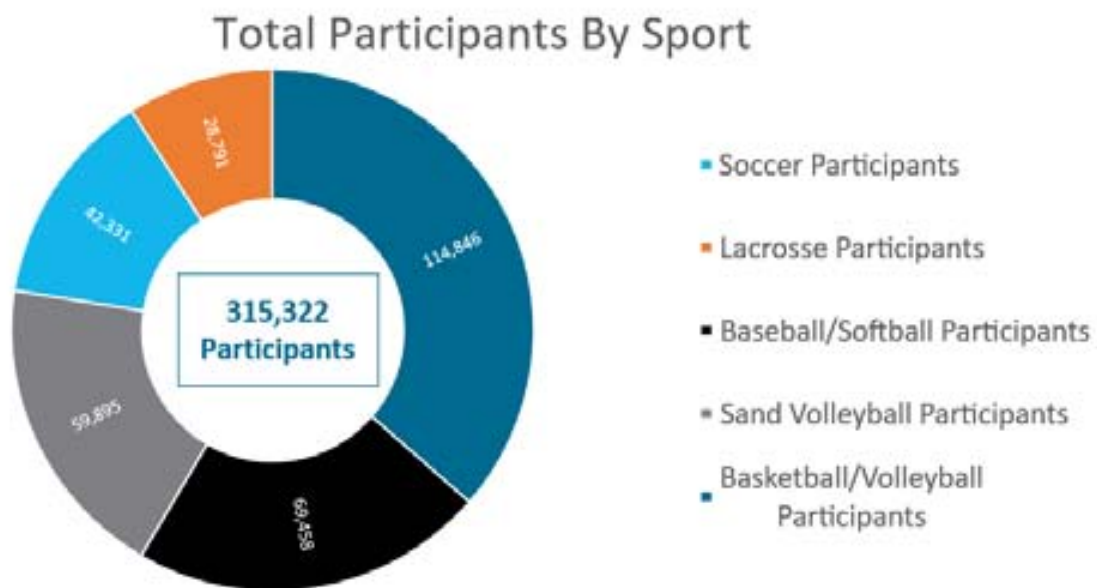
Final Demand Analysis - CHJC Final Projected Penetration					
1-Hour Drive	Target Primary Market Area Demand: Ages 6 - 44				
	Year	Total Market	Total NET Population	Estimated Market Penetration	Total Penetration
	2019	708,443	708,443	33%	233,786
	2024	763,627	763,627	33%	251,997
3-Hour Drive	Target Primary Market Area Demand: Ages 6 - 44				
	Year	Total Market	Total NET Population	Estimated Market Penetration	Total Penetration
	2019	1,142,565	434,123	15%	65,118
	2024	1,226,621	462,995	15%	69,449
5-Hour Drive	Target Primary Market Area Demand: Ages 6 - 44				
	Year	Total Market	Total NET Population	Estimated Market Penetration	Total Penetration
	2019	1,361,463	218,898	8%	16,417
	2024	1,451,421	224,800	8%	16,860
Total Penetration (2019 NET)					315,322

Source: SFIA, Esri BAO, Johnson Consulting

PARTICIPATION BY SPORT

The following section breaks down the total market participants by sport based on national average penetration rates. The largest percentage of potential participants are projected to come from both basketball and volleyball, as these two sports have a combined participation rate of 12.1% within a 1-hour drive, 12% within a 3-hour drive, and 11.6% within a 5-hour drive. Basketball/Volleyball, baseball/softball, and sand volleyball participants make up over 70% of the total projected participants based on the market demand. It should be noted the rise in sand volleyball over the last decade within the sports tourism industry. It is a sport that is now considered Division I in regards to collegiate athletics. Because of this, athletes are able to get sand volleyball scholarships to major Division I schools, which has altered participation rates and is something that should be monitored moving forward. Figure 3-16 has a complete breakdown of participation by sport.

Figure 3-16





IMPLICATIONS

The Phoenix Metro Area and the state of Arizona overall are growing at rapid pace, even relative to the greater Sun Belt region which has enjoyed steady growth in recent decades. There is a large existing population base within the immediate region surrounding the LSP site, as well as within the broader region which the large sports complex will draw from. The community has appropriate education and income levels and participates in sports and physical activities at above-average rates. The local economy is stable, unemployment is low, and the area has a strong corporate presence. All of these factors are indicative of a market that is well-situated to support a state-of-the-art, multi-use sports and recreation complex through local demand and the ability to create a robust regional, national, and international draw.

In total, the market penetration analysis has identified a total of 315,322 total participants, assuming a 33%, 15%, and 7.5% participations rates. These are the total people that can potentially participate in soccer, basketball, volleyball, baseball, softball, sand volleyball, and lacrosse. It should be noted that these participants account for one visit each. However, as with most complexes, many participants will travel to Legacy more than one time per year. This is evidenced in Johnson Consulting's demand breakdown later in the study.

SECTION 4: INDUSTRY TRENDS

SPORTS & EVENT INDUSTRY TRENDS

In the United States today, there are over 20 sports that are classified as team sports. In this section, Johnson Consulting undertook a detailed analysis of these sports, with an emphasis on team sports that have the potential to generate high economic impacts. The following section will detail the findings of this analysis. The future of youth sports, while bright, also faces some concerns in relation to participation trends. Overall participation is approximately 7 million, which is a significant increase in participation from only five years ago, when participation was approximately 13.5% lower. This section will breakdown both the positives and negatives of the current sports market in the United States and explore solutions on how to better accommodate it.

Over the last two decades, sports facilities have become destination tourism generators. Two decades ago, the common tactic was to develop single-purpose facilities with the intent to serve as a local community resource. Today's facilities are often developed to attract a multi-purpose niche of visitors to an area. As a result, they are considered based on their ability to induce economic activity through an increasingly diversified demand. As this has occurred, society has become more mobile and time constraints for families have become much more significant. This has translated to the rise of short duration, purpose-driven trips that coincide with tournaments and competitions.

For communities, the entertainment and sports market has led to changes in development strategies and the emergence of facilities and attractions that offer either niche focused venues or multi-purpose venues, and fee-for-service amenities that appeal to a broad base. In addition to the factors mentioned above, many facilities now are expected to demonstrate some degree of investment return. An increase in sport specialization and the need for sophisticated training have influenced the design and makeup of the facilities. Facilities are now designed with the specific mission of the building in mind and create an atmosphere with amenities that drive the specialized business of the facility, such as "Championship Stadiums" that target national and regional tournament play.

PARTICIPATION RATES

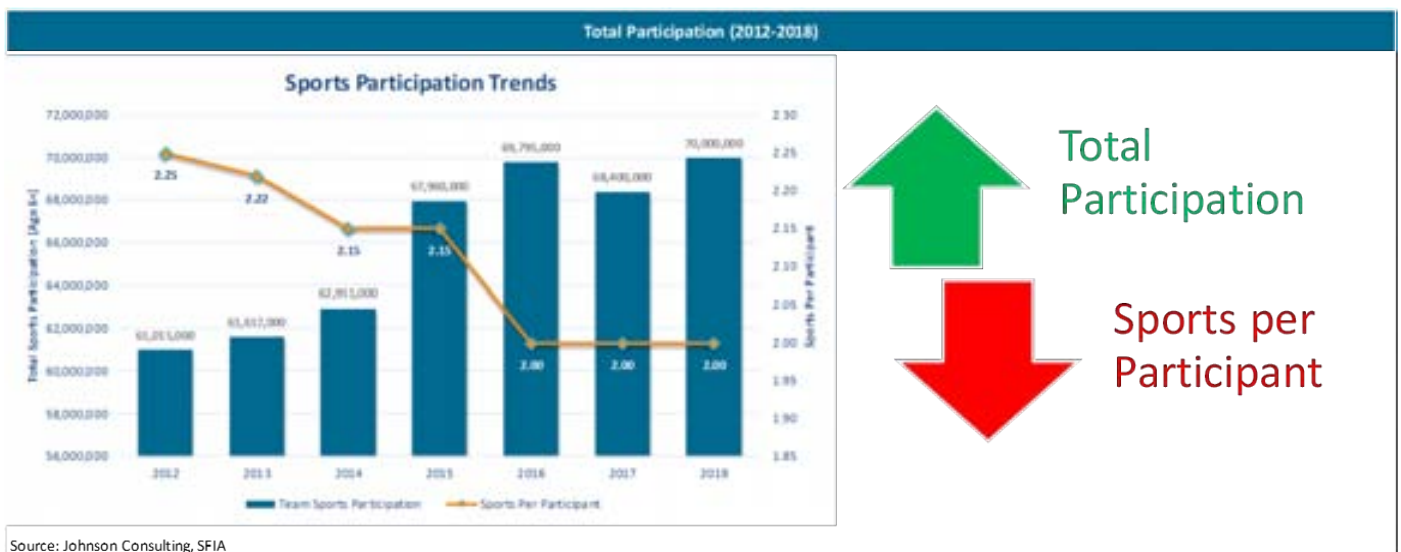
While there are many factors that contribute to fluctuation among youth sports participants, most of them center around single sports specialization among youths as well as rising costs to play sports. Sports specialization in the youth sports industry is something that is becoming increasingly popular today. Whereas children before would grow up playing multiple different sports, today they often stick to playing one sport throughout the entire year. This can skew the total participation numbers as children used to count as a participant for every sport that they participated in. This type of information is critical for understanding potential local demand.

Over the last five years, the number of sports per participant has decreased by about 0.3 sports. While that does not seem like a significant decrease, it represents a total of approximately 9 million in lost participants due to specialization. The year-round specialization in sports has had a significant influence in the increase in the number of tournaments and showcase events nationally, which in turn has caused the cost to play competitive travel sports to increase as well. The goal of a potential scholarship is more commonly being realized as sports tournaments or national showcases have begun to cause a de-emphasis of high school sports nationally.

Total Participation is defined as all total sports played by all participants, regardless of how many times they played a sport (SFIA). As stated in the figure below, over the last six years, total participants among team sports in the United States has increased significantly. In 2018, there were 80 million participants in team sports in the United States, which is a 14.7% increase from 2012. The largest year over year increase came in 2015, where total participants grew by approximately 5 million people, which is an 8% increase. It is important to note that in 2018, participation reach a new high, not only recovering from the slump seen in 2017, but rising above the previous high of 69.75 million in 2016.

The figure below shows the relationship between overall participation among children age six plus as well as the trend in sports per participant.

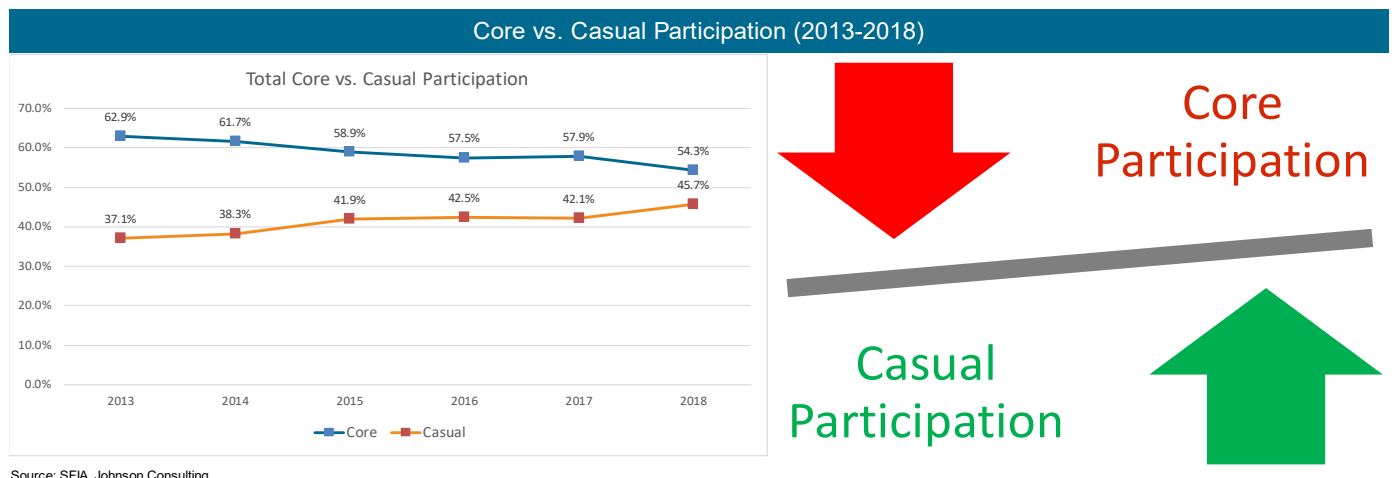
Figure 4-1



CORE VS CASUAL PARTICIPATION

As children get older, their participation levels in certain kinds of sports fluctuate. Because of this, participation is broken down into CORE and CASUAL participants. A core participant is defined as more avid and participates 13 or more times throughout the course of a year. This is important to know because core participants are the ones who generate the most demand from a youth sports travel standpoint through tournaments, leagues, showcases, training, and exhibition games, among other events. Because of this, these are the types of participants that youth sports target when pursuing tournaments. This section breaks down core vs. casual participation industrywide as well as by sports, in this case being all team sports. The figure below provides an overall industrywide participation outlook over the last six years and shows how the relationship between core and casual participation has changed.

Figure 4-2



Currently, 54.3% of participants in sports today are core while 45.7% are casual. While core participation still heavily outweighs casual participation, the two are becoming closer by the year. As one would expect, higher amounts of core participants are those that are children or teenagers, as they play more than the average adult. There are many reasons for this, with the most prevalent being that as participants age, they have other priorities that will take the place of sports. Also, the opportunity for organized sports through school or recreational programs decreases after turning 18, which forces participants to stop playing.

PARTICIPATION BY SPORT

Below is a list of the most common team sports in the United States as well as a breakdown of core vs. casual for each one. The list also presents total growth of each sport both year over year and a five-year percentage change.



In total, 10 out of the 16 most common team sports in the United States saw an increase in total participation over the last five years. Rugby grew the most by far from 2013 to 2018, growing approximately 5.9% in total during this time. It is important to note that in rugby, their largest growth came from core participants, which is positive as these are the participants that will spend the money to travel to regional and national tournaments and can really have an impact on sports tourism. Baseball (3.7%) and Lacrosse (3.1%) were the two other sports that saw the largest growth over the last five years. Baseball participation increased by 1.5% year over year, which is a positive sign especially since the total participation rate among all team sports dropped by 1.4 million participants. When breaking it down by core vs. casual for baseball, casual participation has increased the most by far, increasing 2.5% year over year and 9.5% since 2013.

Ultimate Frisbee lost the most amount of participation, both year over year and over a five-year average. Over the last five years, Ultimate Frisbee's participation has dropped over 11% in total. In the last year alone, they saw their participation decrease by over 13%. Touch and Tackle football also lost a combined 8.3% participation over the last five years, going along with the trend of an overall decrease in football participants nationally. Surprisingly, outdoor soccer has lost an average of 2.1% of their participants over the last five years. However, with the participant base of soccer being so high, this is not yet a problem as the sport still has over 11 million total participants.

Figure 4-3

Sports by Participation (millions)									
Sport	Definition	2013	2014	2015	2016	2017	2018	YTY % Change	5 Year % Change
Baseball									
Total Participation	1+ time	13,284	13,152	13,711	14,760	15,643	15,877	1.5%	3.7%
Casual	1-12 times	4,201	4,295	4,803	5,673	6,405	6,563	2.5%	9.5%
CORE	13+ times	9,083	8,857	8,908	9,087	9,238	9,314	0.8%	0.5%
Basketball									
Total Participation	1+ time	23,669	23,067	23,410	22,343	23,402	24,225	3.5%	0.5%
Casual	1-12 times	6,998	7,321	7,774	7,486	8,546	9,335	9.2%	6.1%
CORE	13+ times	16,671	15,746	15,636	14,857	14,856	14,890	0.2%	-2.2%
Football (Flag)									
Total Participation	1+ time	5,610	5,507	5,829	6,173	6,551	6,572	0.3%	3.3%
Casual	1-12 times	2,813	2,838	3,105	3,249	3,572	3,573	0.0%	5.0%
CORE	13+ times	2,797	2,669	2,724	2,924	2,979	2,999	0.7%	1.5%
Football (Touch)									
Total Participation	1+ time	7,140	6,586	6,487	5,687	5,629	5,517	-2.0%	-4.9%
Casual	1-12 times	3,952	3,727	3,809	3,304	3,332	3,313	-0.6%	-3.3%
CORE	13+ times	3,188	2,859	2,678	2,383	2,297	2,204	-4.0%	-7.1%
Football (Tackle)									
Total Participation	1+ time	6,165	5,978	6,222	5,482	5,223	5,156	-1.3%	-3.4%
Casual	1-12 times	2,601	2,588	2,842	2,242	2,145	2,258	5.3%	-2.2%
CORE	13+ times	3,564	3,390	3,380	3,240	3,078	2,898	-5.8%	-4.0%
Ice Hockey									
Total Participation	1+ time	2,393	2,421	2,545	2,697	2,544	2,447	-3.8%	0.6%
Casual	1-12 times	1,093	1,129	1,219	1,353	1,227	1,105	-9.9%	0.6%
CORE	13+ times	1,300	1,292	1,326	1,344	1,317	1,342	1.9%	0.6%
Lacrosse									
Total Participation	1+ time	1,813	2,010	2,093	2,091	2,172	2,097	-3.4%	3.1%
Casual	1-12 times	914	978	1,146	1,153	1,142	1,036	-9.2%	2.9%
CORE	13+ times	899	1,032	947	938	1,030	1,061	3.1%	3.7%
Martial Arts									
Total Participation	1+ time	5,314	5,364	5,507	5,744	5,837	5,821	-0.3%	1.8%
Casual	1-12 times	1,533	1,599	1,793	1,964	2,021	1,991	-1.5%	5.5%
CORE	13+ times	3,781	3,765	3,714	3,780	3,816	3,830	0.4%	0.3%
Mixed Martial Arts									
Total Participation	1+ time	977	1,236	1,290	1,133	1,048	977	-6.7%	0.9%
Casual	1-12 times	783	979	1,017	824	768	691	-10.0%	-1.4%
CORE	13+ times	194	257	273	309	280	286	2.3%	8.9%

Source: Johnson Consulting, SFIA

Figure 4-4

Sports by Participation (millions)									
Sport	Definition	2013	2014	2015	2016	2017	2018	YTY % Change	5 Year % Change
Rugby									
Total Participation	1+ time	1,183	1,276	1,349	1,550	1,621	1,560	-3.8%	5.9%
Casual	1-7 times	756	836	918	1,090	1,097	998	-9.1%	6.2%
CORE	8+ times	427	440	431	460	524	562	7.3%	5.8%
Soccer (Outdoor)									
Total Participation	1+ time	12,726	12,593	12,647	11,932	11,924	11,405	-4.3%	-2.1%
Casual	1-25 times	6,532	6,622	6,698	6,342	6,665	6,430	-3.5%	-0.2%
CORE	26+ times	6,194	5,971	5,949	5,590	5,259	4,975	-5.4%	-4.3%
Softball (Fast Pitch)									
Total Participation	1+ time	2,498	2,424	2,460	2,467	2,309	2,303	-0.3%	-1.6%
Casual	1-25 times	1,117	1,158	1,187	1,198	1,077	1,084	0.7%	-0.5%
CORE	26+ times	1,381	1,266	1,273	1,269	1,232	1,219	-1.1%	-2.4%
Softball (Slow Pitch)									
Total Participation	1+ time	6,868	7,077	7,114	7,691	7,283	7,386	1.4%	1.6%
Casual	1-12 times	2,685	2,825	3,004	3,377	3,060	3,281	7.2%	4.4%
CORE	13+ times	4,183	4,252	4,110	4,314	4,223	4,105	-2.8%	-0.3%
Track & Field									
Total Participation	1+ time	4,071	4,105	4,222	4,116	4,161	4,143	-0.4%	0.4%
Casual	1-25 times	1,808	1,797	1,973	1,961	2,040	2,071	1.5%	2.8%
CORE	26+ times	2,263	2,308	2,249	2,155	2,121	2,072	-2.3%	-1.7%
Ultimate Frisbee									
Total Participation	1+ time	5,078	4,530	4,409	3,673	3,126	2,710	-13.3%	-11.7%
Casual	1-12 times	3,715	3,448	3,371	2,746	2,270	1,852	-18.4%	-12.7%
CORE	13+ times	1,363	1,082	1,038	927	856	858	0.3%	-8.6%
Volleyball (Court)									
Total Participation	1+ time	6,433	6,304	6,424	6,216	6,317	6,317	0.0%	-0.3%
Casual	1-12 times	2,715	2,759	2,849	2,852	2,939	2,867	-2.4%	1.1%
CORE	13+ times	3,718	3,545	3,575	3,364	3,378	3,450	2.1%	-1.4%
Volleyball (Sand)									
Total Participation	1+ time	4,770	4,651	4,786	5,489	4,947	4,770	-3.6%	0.3%
Casual	1-12 times	3,261	3,174	3,348	3,989	3,544	3,261	-8.0%	0.6%
CORE	13+ times	1,509	1,477	1,438	1,500	1,403	1,509	7.5%	0.1%
Wrestling									
Total Participation	1+ time	1,829	1,891	1,979	1,921	1,896	1,908	0.7%	0.9%
Casual	1-25 times	948	941	1,094	1,139	1,179	1,160	-1.6%	4.3%
CORE	26+ times	881	950	885	782	717	748	4.3%	-2.9%

Source: Johnson Consulting, SFIA

PARTICIPATION BY INCOME

With the rising costs of playing youth sports across the United States, household income has become directly correlated with youth sports participation. For every traditional sport listed, the highest percentage of participants comes from family homes that produce more than \$100,000 annually. Participation among wealthy families is higher because they can afford to pay for league fees, personal training sessions, and private coaches. They can also play sports in which participants need to buy expensive equipment such as hockey and lacrosse. The high cost to play sports is directly correlated with sports specialization among youths as travel programs cost thousands of dollars per year due to the high travel cost and high quality of the facilities in which they play. The table below lists team sports and how income levels equate to the level of participation.

Figure 4-5

Core Participation by Income - Traditional Sports (2018)											
<\$25,000		\$25,000-\$50,000	\$50,000-\$75,000	\$75,000-\$100,000	\$100,000+		<\$25,000	\$25,000-\$50,000	\$50,000-\$75,000	\$75,000-\$100,000	\$100,000+
Baseball	7.6%	18.5%	20.5%	20.5%	32.8%	Soccer (Outdoor)	12.1%	16.0%	18.4%	19.1%	34.4%
Basketball	12.2%	18.3%	22.0%	17.6%	29.9%	Softball (Fast Pitch)	7.6%	12.5%	16.2%	26.8%	36.9%
Football (Flag)	12.0%	25.5%	20.8%	17.1%	24.7%	Softball (Slow Pitch)	10.3%	18.7%	18.8%	22.4%	29.7%
Football (Tackle)	12.9%	18.9%	23.9%	16.1%	28.2%	Track & Field	13.1%	18.0%	18.3%	15.6%	35.0%
Football (Touch)	18.6%	22.9%	19.9%	19.7%	18.8%	Ultimate Frisbee	16.3%	22.3%	19.8%	20.5%	21.2%
Ice Hockey	3.8%	9.1%	21.4%	25.2%	40.5%	Sand Volleyball	13.4%	20.2%	18.5%	16.6%	31.2%
Lacrosse	7.6%	6.5%	20.9%	18.1%	46.9%	Volleyball (Court)	9.4%	13.9%	20.8%	18.9%	37.1%
Rugby	11.6%	32.6%	25.1%	9.7%	21.0%	Wrestling	12.7%	28.5%	12.8%	22.3%	23.8%
Soccer (Indoor)	9.3%	18.5%	21.1%	15.1%	36.0%						

Source: SFIA, Johnson Consulting

The high cost associated with playing these sports has excluded a large percentage of the population, which is unfortunate. Most of the team sports on the list have over half of their participation coming from households which make more than \$75,000 per year. The discrepancies among high-income and low-income families will continue to grow as long as sport specialization increases. It is important for a community to realize how income affects a family's ability to play sports, as to not price a new complex out of the range of local families who will drive demand during the week. If priced properly, a complex should be accessible to most, if not all, of a specific place's population.

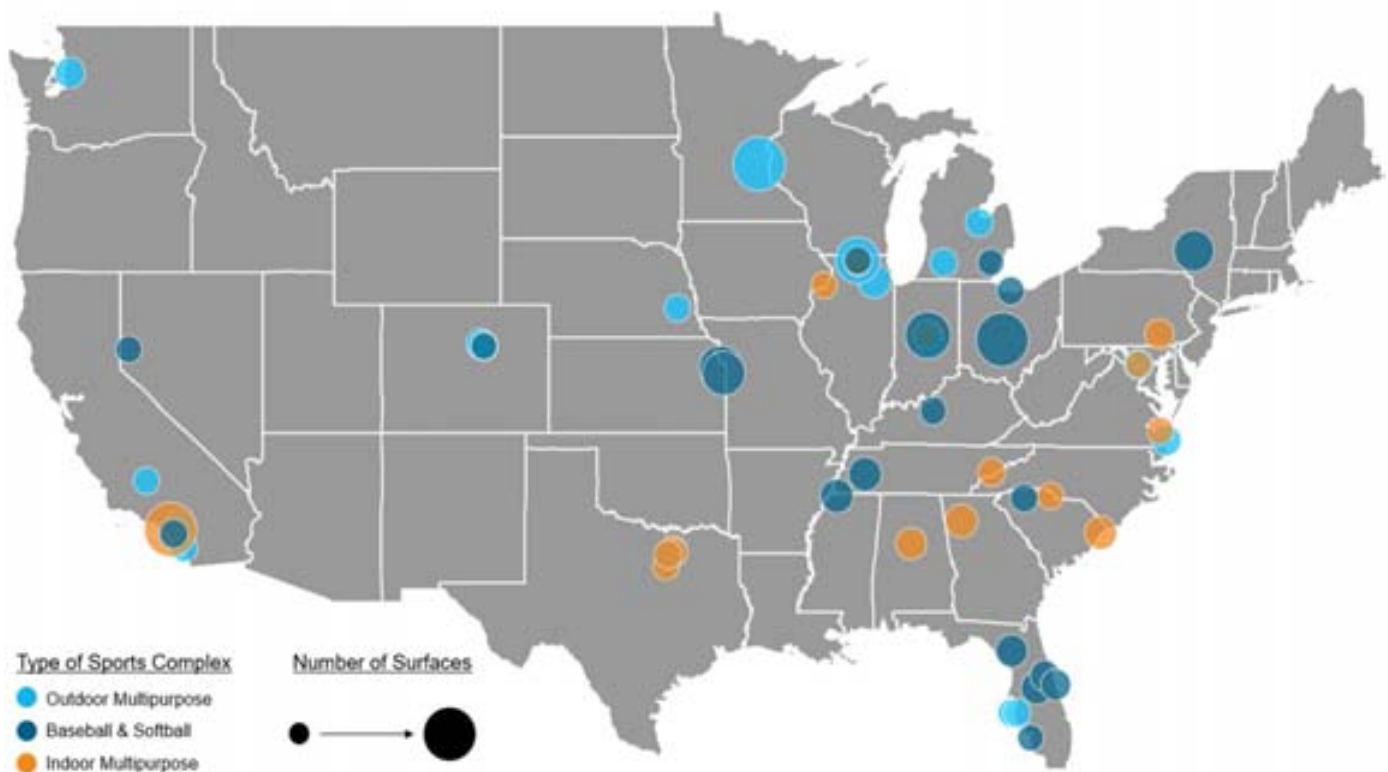
MEGA SPORTS DEVELOPMENTS

The goal of sports tourism facilities is to attract events and visitors from outside of the region and/or state in order to generate additional room nights and introduce new dollars to the community. Many sports tourism facilities operate at a deficit – mostly due to the result of capital costs to build a top-notch facility, the costs associated with operating large facilities, and the costs associated with attracting or hosting large events. The challenge often relies on the facilities ability to attract and maintain weekday demand throughout the year. LSP has done a great job of securing letters of commitment from multiple end-users who will help mitigate against this challenge, mainly its partnerships with Benedictine University, Pickleball USA and i9Sports, which will all primarily represent weekday demand to LSP. Sports tourism facilities can offer space to local groups as a supplement, but priority scheduling will be given to regional and national events. The key to success is balancing the appropriate program and number of surfaces that will meet the need of the local population during the weekdays as well the larger regional population for weekend tournaments.

Sports Tourism facilities are often referred to as a “mega sports complexes,” since they consist of a high number of surfaces to accommodate large numbers of teams and participants. These facilities attract large tournaments and special events, usually hosting such events on weekends. During the week, some of these facilities will host events, leagues, and practices for local park district, recreational little leagues, or travel teams to generate additional revenues. But priority scheduling will be given to the travel tournaments that will generate economic and fiscal impacts for the local communities.

To better understand the existing inventory of established sports tourism facilities, we have compiled several databases broken down by sport surface – outdoor multipurpose field, basketball/volleyball courts, and baseball/softball fields. This will provide context to the competition that a sports tourism facility in Mesa could face if one is developed. Later, our case studies will detail the state-of-the-art amenities that are becoming standard at such facilities.

Figure 4-6



EVENT CENTER TRENDS

Events centers, or arenas, are used as multi-purpose facilities to host a wide range of events, from small to mid-size conventions, and trade shows, to sporting events, concerts, and banquets. These facilities are designed to be flexible in nature, hosting a sporting event one day and something such as a trade show, the next day. Events centers also incorporate breakout and meeting rooms, and often have a full commercial kitchen to cater banquet events.

Figure 4-7

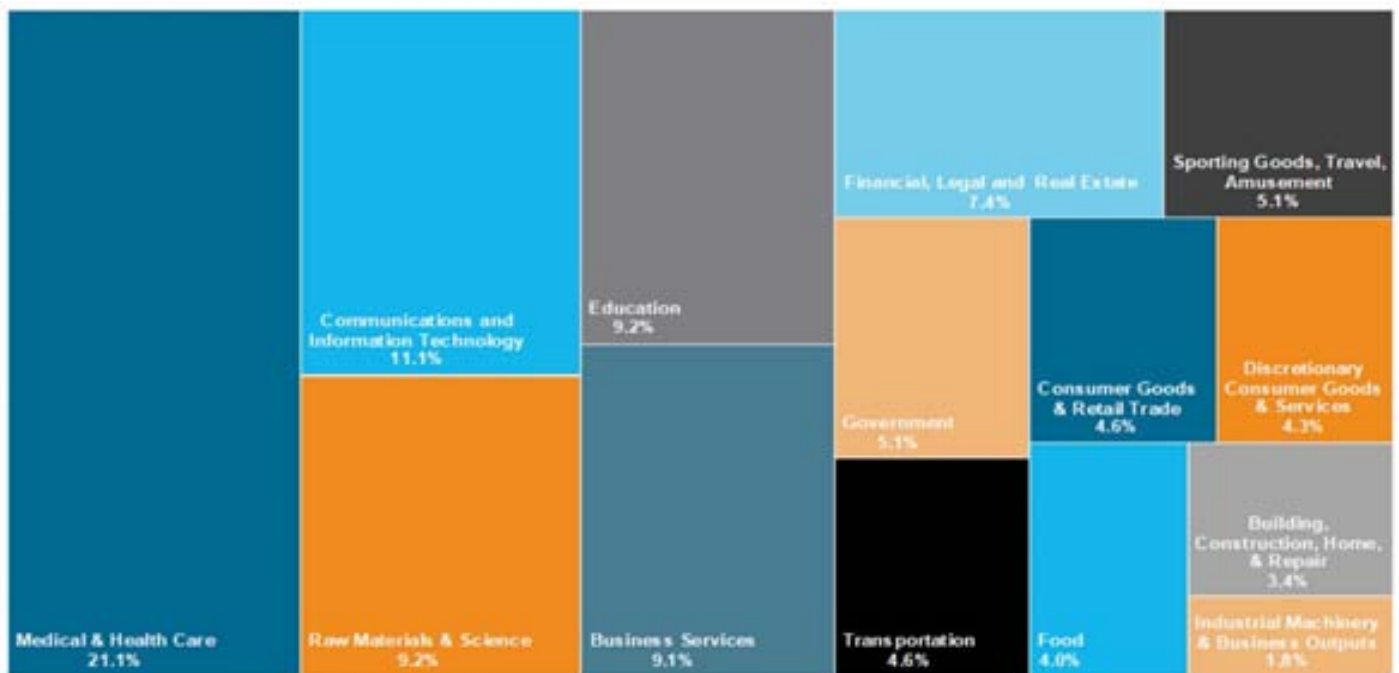


EXHIBITIONS BY INDUSTRY

The following analysis is based upon data obtained from the 2018 Center for Exhibition Industry Research's (CEIR) Index Report for the exhibition industry. Exhibitions are defined as events with at least 3,000 net square feet of exhibit space and 10 or more exhibitors. This report has been prepared by compiling data from over 600 events that occurred in North America in 2017, representing 14 industry sectors. This data included the net square feet of exhibit space sold, professional attendance, number of exhibitors, and total event gross revenue. These indicators can be represented cumulatively by the "index" value. Below is a general overview of the survey's findings.

The most recent census, conducted in 2015, catalogued approximately 9,400 events, accounting for 285 million net square feet of exhibit space sold, 32.4 million attendees, 1.3 million exhibitors, and \$9.3 billion in revenue. Figure 4-8 breaks down these events by industry sector.

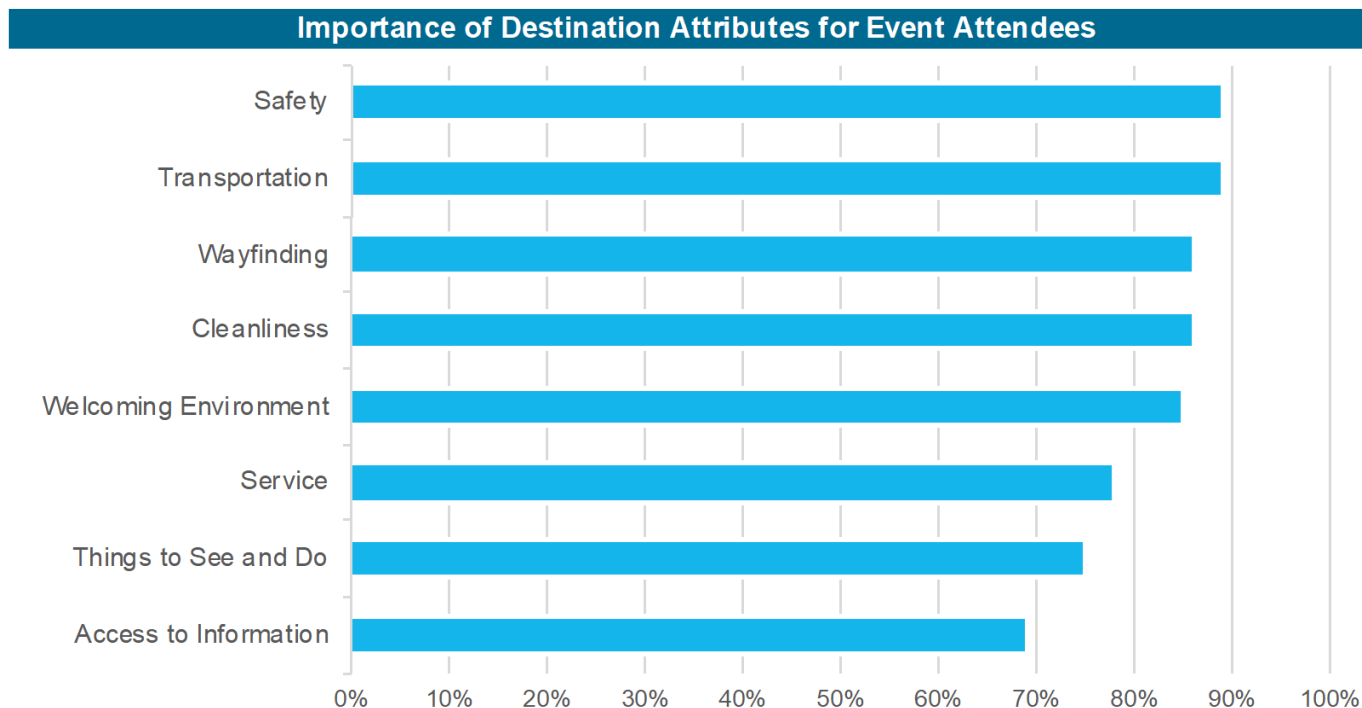
Figure 4-8



Source: Johnson Consulting, CEIR

Figure 4-9 presents the most important destination attributes according to attendees of conventions and exhibitions. As shown, the top three are the destination's safety, transportation, and wayfinding.

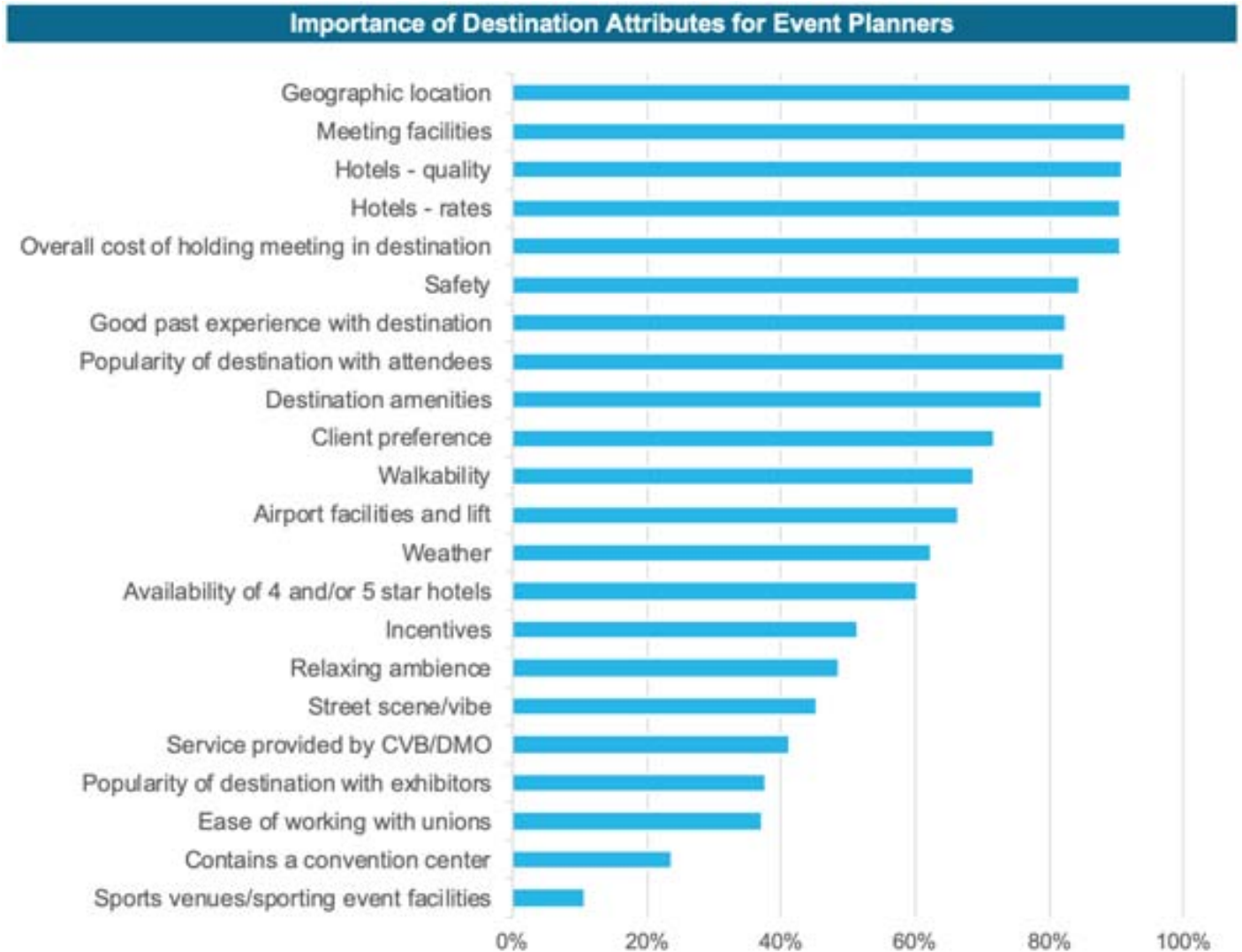
Figure 4-9



Sources: *The EXPERIENCE Institute, Johnson Consulting*

Figure 4-10 presents the most important destination attributes according to planners of conventions and exhibitions. As shown, the top five are geographic location, meeting facilities, quality and price of hotel accommodations, and the overall cost of holding their event in that destination.

Figure 4-10



Sources: Destination Analysts, Johnson Consulting

OBSERVATIONS

Ultimately, participation trends point towards an increase in sport specialization and an increase in the amount typically invested by parents in their children's sports ventures (especially when a child specializes in one sport). This has resulted in sports tourism facilities (also known as mega sports complexes) becoming higher in quality, and charging higher prices for services, which has been one of the factors influencing higher costs of participation. While the popularity of many sports has seen fluctuations from 2013 to 2018, the ones that remain most relevant in terms of total number of participants, such as soccer, baseball, volleyball and basketball, are the ones most often targeted by these larger sports tourism facilities. Baseball and softball have always seen a massive source of demand among the youth at all levels of competition, and facilities with multipurpose surfaces or hardcourt surfaces will see a similarly high demand from a combination of soccer/lacrosse/football players and basketball/volleyball players, respectively. According to the current national inventory of prominent mega sports facilities, the competition in the local/regional area is thin, with the exception of facilities in California.

Further, some of these facilities also include a "championship arena", where more prominent games are played. Depending on the size of these facilities, they can be used for a wide range of events including concerts, trade shows, or banquets, for example. A facility developed in Mesa that intends to target this business will have to consider local competition at other meeting and event facilities, as well as what event attendees and planners look for in a host. This often comprises of location, accessibility, quality of facilities, and if applicable, hotel room cost and quality. While attendees of larger events will likely be more willing to spend more on higher quality hotels, youth sports visitors often look for midscale, limited service hotels. A new mega sports development in Mesa will need to consider the range of demands from all its attendees, both youth sports related and otherwise.

SECTION 5: PROGRAM REVIEW AND VALIDATION

PROGRAM REVIEW AND VALIDATION

Although Johnson Consulting was not retained to assess the market or financial feasibility of the proposed LSP in detail, we conducted a high-level assessment to validate the proposed concept of the Legacy Sports Park (LSP) overall. As noted in the introduction to this report, Legacy Sports USA has envisioned a program of facilities for the LSP, the key components of which are shown in Figure 5 - 1. The proposed sports park reflects input and feedback garnered by Legacy Sports USA through in person meetings, phone interviews, and online communications with a variety of community entities and stakeholders in the sports and recreation industry.

Figure 5 - 1



STAKEHOLDER & ORGANIZATIONAL SUPPORT

The proposed sports park reflects input and feedback garnered by Legacy Sports USA through in person meetings, phone interviews, and online communications with a variety of organizations and stakeholders in the sports and recreation industry. Many of these entities provided letters of support for the LSP project in general, as well as letters of intent to utilize the complex for a variety of tournaments, leagues, camps/trainings, practices, and a variety of other events. These letters were thoroughly reviewed by

Johnson Consulting. A complete list of the 55 organizations and stakeholders from which these letters were received is presented on the next page.

Figure 5 - 2

Stakeholder & Organizational Support	
Benedictine University Mesa	Volleyball Festival
i9 Sports	RPM Sand Volleyball
Special Olympics Arizona	Junior Volleyball Association
Arizona Sports and Entertainment Commission	Rush Volleyball Club
Playstation Fiesta Bowl	East Valley Juniors Volleyball
Hi-Five Camps	Just 4 Hoopin
BEST Edge Sports Training	Power House Hoops
Triple Threat Performance Training	Arizona Elite
Arizona Sports & Tourism Authority	Breakthrough Basketball
Top Choice Baseball	Position Sports
Tournament Sports	School of Drones
Arizona Interscholastic Association	Razer
Canyon Athletic Association	Spring it on Cheer / Dance
Manchester United	USA Gymnastics
US Futsal	Arizona Dynamics
Phoenix Rising Youth Soccer	USA Pickleball Association
Arizona Youth Soccer Association	Arizonal Girls Lacrosse
Real Salt Lake - Arizona	Last Man Stands Cricket
Players Futsal Academy	JARA Rugby
Sindicado dos Atletas de Futebol - Rio De Janeiro	Race Place
Christ Church of the Valley Youth Sports	MADC Entertainment
SC del Sol	W Production Group
Scottsdale Soccer	Eastbay-Foot Locker
NCE Soccer	Active Health Chiropractic & Physical Therapy
Barnsley Women's Football Club	On Air Sports Marketing
South Yorkshire Schools Football	Adventure Solutions
Long Island Junior Soccer Leagues, Inc.	Dan O'Brien Sports
Arizona Regional USA Volleyball	

Sources: Legacy Sports USA, Johnson Consulting

These letters were used by Legacy Sports USA to construct a generalized demand model that serves as the basis for Johnson Consulting's economic and fiscal impact analysis in the following section of this report.

REGIONAL COMPETITION OVERVIEW

Johnson Consulting undertook a review of conditions in the local Mesa and greater Phoenix markets to determine the total number of local tournament quality complexes. Then, a detailed analysis of the surrounding markets within 5-hour drive time of the proposed complex was audited. These complexes would be competitive from a regional and national tournament standpoint and could potentially pull demand away from Legacy moving forward. The table below breaks down the entire audit of facilities. Because of



the size of the proposed program at Legacy, Johnson Consulting only audited those complexes that would only be considered “mega-sports complexes”

Figure 5-3

Legacy Sports Park Mega Sports Complex Audit (5-Hour Drive)						
Facility	Location	Outdoor Multipurpose	Baseball/ Softball	Basketball/ Volleyball	Other	Total Surfaces
Orange County Great Park	Irvine, CA	25	11	4	30**	70
Kino Sports Complex	Tucson, AZ	22	10	-	20***	52
American Sports Center	Anaheim, CA	-	-	25/34	-	25
Silver Lakes Sports Complex	Corona, CA	24	-	-	-	24
Reach 11 Sports Complex	Phoenix, AZ	18	4	-	-	22
Next Level Sports Complex	Garden Grove, CA	-	-	11/14	4*	11

*4 Indoor Multipurpose Turf Fields

**25 Outdoor Tennis Courts & 5 Sand Volleyball Courts

***20 Pickleball Courts

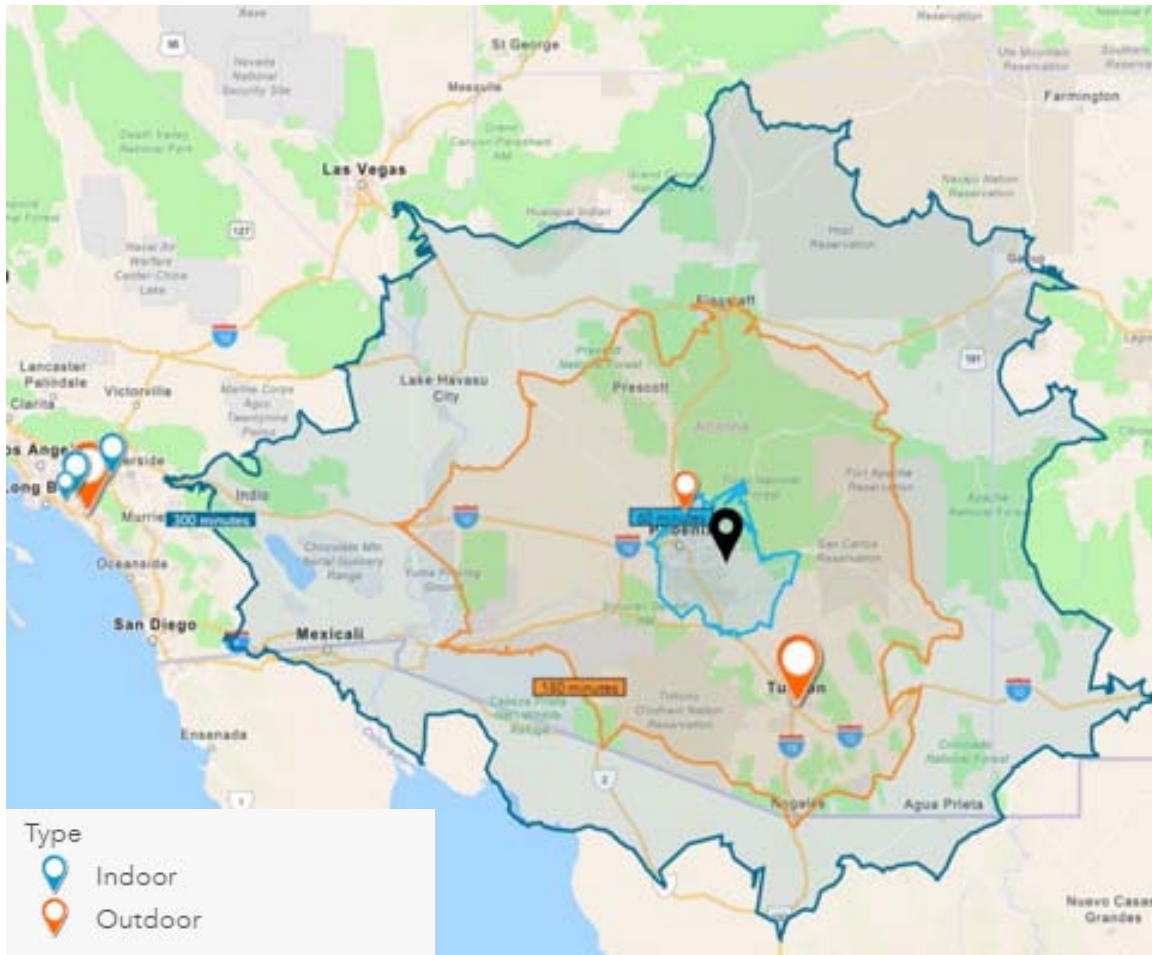
Source: Relevant Facilities, Johnson Consulting

*Mega Sports Complex defined as 18+ multipurpose (10+ basketball/volleyball, 12+ baseball/softball)

Overall, Johnson Consulting identified six different outdoor and indoor sports complexes that could potentially compete with Legacy for large events and tournaments. The largest of which is the Orange County Great Park, which has approximately 70 different surfaces and is a large regional player for both outdoor multipurpose fields as well as baseball/softball fields. The closest complex to Legacy is the Reach 11 Sports Complex, which has 18 full size soccer fields and is a well-established for hosting large regional and national soccer tournaments. This will be the largest competitor for Legacy as Reach 11 has the potential to pull both local and regional demand away from Legacy.




The following page shows a map of the regional and national facilities identified by Johnson Consulting. Most of the facilities are located in the Los Angeles MSA, which is a positive for Legacy in that they are all located greater than 5-hours away.

Figure 5-4



CASE STUDIES

Figure 5 - 5 presents a comparative profile of 7 other sports complexes from around the nation that have been successfully developed in recent years, including LakePoint Sports in Emerson, Georgia (LPS); Grand Park Sports Campus in Westfield, Indiana (GPSC); Orange County Great Park in Irvine, California (OCGP); Panama City Beach Sports Complex in Panama City Beach, Florida (PCBSC); ESPN Wide World of Sports in Orlando, FL (ESPN); Cedar Point Sports Center & Sports Force Parks in Sandusky, Ohio (CPSC); and Perfect Game Sports Complex in Hutto, Texas (PGSC). Although unique in terms of location and market area, ownership and management structure, facility programs and attributes, and demand and financial models, these case studies can be used to inform best and common practices in the industry when planning for the proposed LSP. A full breakdown of all case studies can be found in **Appendix II**.

Case Studies									
	Legacy Sports Park	LakePoint Sports	Grand Park Sports Campus	Orange County Great Park	Panama City Beach Sports Complex	ESPN Wide World of Sports	Cedar Point Sports Center & Sports Force Parks	Perfect Game Sports Complex	
OVERVIEW									
	Location	Mesa, AZ	Emerson, GA	Westfield, IN	Irvine, CA	Panama City Beach, FL	Orlando, FL	Sandusky, OH	Hutto, TX
	Ownership	Legacy Sports USA	LakePoint Sports	City of Westfield	City of Irvine	Bay County Sports Facilities Management	Disney	Cedar Fair Sports Facilities Management	Perfect Game Sports Facilities Management
	Management	Legacy Sports USA	LakePoint Sports	City of Westfield	City of Irvine	Sports Facilities Management	ESPN Wide World of Sports Management	Sports Facilities Management	Sports Facilities Management
	Market Statistics								
Population Within 1 Hour	3,621,962	3,193,808	2,142,203	7,779,201	241,573	3,393,192	1,157,998	2,689,550	
Population Within 3 Hours	6,513,982	13,344,201	14,711,421	22,373,332	2,344,364	14,616,084	17,330,469	18,777,112	
Population Within 5 Hours	7,978,145	27,966,857	46,545,990	28,300,169	9,597,744	21,675,474	37,677,054	26,942,277	
FACILITIES									
Year Opened	TBD	2014	2014	2007	2019	1997	2017	2022*	
Footprint (Acres)	300	500	400	450	150	220	57	170	
Indoor Facilities									
Basketball Courts	16	12	8	-	8	12	10	20	
Volleyball Courts	64	24	8	-	16	24	20	40	
Multipurpose Fields	6	-	3	-	-	-	-	-	
Square Footage	650,000	170,000	485,000	-	109,000	150,000	145,000	200,000	
Outdoor Facilities									
Multipurpose Fields	48	3	31	25	8	14	8	-	
Baseball / Softball Diamonds	9	8	26	12	5	12	12	24	
Sand Volleyball Courts	12	10	-	5	-	-	-	-	
Tennis / Pickleball Courts	40	-	-	25	-	10	-	-	
Basketball Courts	-	-	-	4	-	-	-	-	
Other Facilities	10,000-seat Stadium	Terminus Wake Park	Athlete Training Center	Carousel	-	ESPN Grill	Mini Golf	2,000+ Multifamily Units	
	Multipurpose Track & Field		5K Trail Course	Farmer's Market	-	ESPN Clubhouse Shop	Ropes Course	250,000 SF Retail	
	Obstacle Course Racing		Concession Buildings	1.5 mile Trail	-	On Site "Wait Disney World Resort"	Playground	134,000 SF Office	
	Commercial Village		21 U5-U12 WYSA Fields	Arts Complex	-	"New Balance Track and Field Complex"	The Locker Room (Retail)	2-4 Hotels	
	Concession Buildings			Playground	-	-	-	13,000 Sports Tech Research	
Hotel / Dormitory Site				Balloon Ride	-	-	-	-	
DEMAND									
Total Visitation	TBD		1,863,395	1,319,791	140,748	1,500,000	110,000	517,000	
Source: Relevant Facilities, Esri, Johnson Consulting			(2016/Actual)	(FY 2019/Actual)	(SFM Protected @ Specialization)	(2015/Actual)	(Projected for Outdoor Only)	(1st Year of Operations)	



These case studies represent a variety of public and private ownership and management structures and are located in various markets around the U.S. Mirroring the geographic catchment areas in Section 2 of this report, these case studies compare the population base within 1, 3, and 5-hour drive times around each of the sports complexes. As shown, the proposed LSP ranks 2nd highest in terms of population within 1 hour, but 2nd to lowest and lowest in terms of population within 3 and 5 hours, respectively. Although this is not ideal, it is certainly not prohibitive. This is especially true considering that the Phoenix market tends to be a fly-to rather than a drive-to market in general, and that the LSP's demand model calls for a large segment of demand coming from national and international programming.

In terms of facilities, the proposed program for the LSP is the most expansive by virtually all measures. Indoors, the LSP proposes 16 basketball courts, 64 volleyball courts, 22 multipurpose fields, and 650,000 square feet of space overall. Case study complexes that have indoor facilities include LPS, GPSC, CPSC, and ESPN. It should also be noted that PCBSC is currently seeking funding for its planned indoor facility and PGSC is projected to build a sizable indoor facility as well. Of the case study indoor facilities, the largest in terms of number of surfaces is LPS and ESPN with 12 basketball courts and 24 volleyball courts. However, with PGSC expected to have 20 basketball and 40 volleyball courts by 2022, this would be the largest comparable facility. In terms of total square footage, GPSC has 465,000 square feet of indoor facilities, although a portion of that is used for office, meeting, and multipurpose event space. Outdoors, the LSP proposes 24 multipurpose fields, 10 baseball/softball diamonds, 20 sand volleyball courts, and 40 pickleball courts. The LSP's outdoor vision is rivaled most closely by GPSC and OCGP. GPSC features 31 multipurpose fields plus 21 additional U5-U12 fields for the Westfield Youth Soccer Association (WYSA) and 26 baseball/softball diamonds, and OCGP encompasses 25 multipurpose fields, 12 baseball/softball diamonds, 5 sand volleyball courts, 25 tennis courts, and 4 outdoor basketball courts. Many of the case study facilities offer additional supporting facilities as well, typically consisting of recreational, entertainment, and commercial components. Noteworthy examples of these supporting facilities include Terminus Wake Park at LPS, OCGP's carousel, farmer's market, arts complex, and balloon ride, and CPSC's mini golf and ropes course. Such supporting facilities provide for a truly unique visitor experience.

The case study facilities present a baseline of comparison for what can be expected in terms of demand, visitation, revenue comparison, and economic impact at the proposed LSP. While the tabulation, reporting, and availability of these metrics vary widely, they can provide a starting point for evaluating the projections and assumptions in the model constructed for the proposed LSP. The proposed LSP does have a climate advantage over many of the case study facilities which will allow it to host events and programming virtually year-round as opposed to complexes located in colder or wetter climates. This creates potential for the LSP to host national and international tournaments during times of the year that are off-season for many other markets. This could provide a means for the LSP to overperform in terms of the aforementioned performance metrics. The following sections provide a more detailed profile of each of the case study sports complexes.



IMPLICATIONS

In the absence of a detailed feasibility study, it is our opinion, based upon the letters of support and intent to use the proposed LSP, case studies of other successfully developed projects from around the nation, our experience working in the local market, and our national industry expertise, that there is significant demand for a project like the proposed LSP. Johnson Consulting believes that the concept of the project is reasonable and market supportable. The LSP as presently proposed will serve both local parks and recreational usage and as a sports tourism complex that is among the top sports tourism destinations in the country.

SECTION 6: PRO FORMA REVIEW



PRO FORMA REVIEW

To properly estimate potential demand and financials for the proposed Legacy Sports Park, Johnson Consulting performed a peer review of a previous feasibility study completed by Sports Facility Advisors (SFA). In order to complete this task, we reviewed, researched, compared, and validated the existing demand and financial assumptions. These numbers were used as a base for Johnson Consulting's preliminary projections that are presented in this section. It is important to note that Johnson Consulting's projections are meant to serve as a high-level summary of projected revenues and expenses and not final estimates.

As of June 2020, Legacy Sports Park had approximately 55 signed, binding letters of intent (LOI's). These demand projections for leasable hours were reviewed by Johnson Consulting and used to compare and validate the corresponding revenue stream attributed to externally leased space at Legacy. This information, in conjunction with the previous studies completed to date, was used to inform our assumptions for in-house and external programming revenue streams. Based upon the current program, and considering the local as well as regional demand, an updated financial proforma, comparison, and variance was prepared to illustrate the first 10-years of operations, with a specific focus on the first year.

KEY ASSUMPTIONS

It is important to note that prior to reviewing the following projections, a set of initial assumptions had to be made in order to properly form a business plan for Legacy Sports Park. For the purpose of this analysis, Johnson Consulting has assumed that all existing data presented by Legacy Sports Park, SFA, Oak View Group, and through letters of intent are accurate to the best of Johnson Consulting's knowledge. The following assumptions were made:

- All letters of intent to date, presented below, are assumed to be accurate and in effect
- All numbers prepared by SFA, given their experience in advisory services, can be used as a base for Johnson Consulting's projections
- All outside event numbers prepared by Oak View Group, given their experience in venue management, can be used as a base for Johnson Consulting's projections (as shown in **Appendix I**)



LETTERS OF INTENT

Figure 6-1

Stakeholder & Organizational Support

Benedictine University Mesa	Volleyball Festival
i9 Sports	RPM Sand Volleyball
Special Olympics Arizona	Junior Volleyball Association
Arizona Sports and Entertainment Commission	Rush Volleyball Club
Playstation Fiesta Bowl	East Valley Juniors Volleyball
Hi-Five Camps	Just 4 Hoopin
BEST Edge Sports Training	Power House Hoops
Triple Threat Performance Training	Arizona Elite
Arizona Sports & Tourism Authority	Breakthrough Basketball
Top Choice Baseball	Position Sports
Tournament Sports	School of Drones
Arizona Interscholastic Association	Razer
Canyon Athletic Association	Spring it on Cheer / Dance
Manchester United	USA Gymnastics
US Futsal	Arizona Dynamics
Phoenix Rising Youth Soccer	USA Pickleball Association
Arizona Youth Soccer Association	Arizonal Girls Lacrosse
Real Salt Lake - Arizona	Last Man Stands Cricket
Players Futsal Academy	JARA Rugby
Sindicado dos Atletas de Futebol - Rio De Janeiro	Race Place
Christ Church of the Valley Youth Sports	MADC Entertainment
SC del Sol	W Production Group
Scottsdale Soccer	Eastbay-Foot Locker
NCE Soccer	Active Health Chiropractic & Physical Therapy
Barnsley Women's Football Club	On Air Sports Marketing
South Yorkshire Schools Football	Adventure Solutions
Long Island Junior Soccer Leagues, Inc.	Dan O'Brien Sports
Arizona Regional USA Volleyball	

Sources: Legacy Sports USA, Johnson Consulting

FINANCIAL PROFORMA VARIANCE

The following tables and figures compare the assumptions made by Legacy Sports Park, SFA, and Oak View Group with the assumptions made by Johnson Consulting. As Johnson Consulting reviewed, researched, compared, and validated the assumptions, it was concluded that there were some differences between them. The table below provides the model comparisons and variance between the different parties involved as well as Johnson Consulting's preliminary financial assumptions. It should be noted that these are meant to represent a high-level basis of what could reasonably be expected from Legacy Sports Park.



OPERATING PROFORMA PROJECTIONS

In the first year of operations at Legacy, Johnson Consulting is projecting total revenues to reach approximately \$84.5 million. This is \$11.6 million less than Legacy's original projection of \$96 million. The table below shows the discrepancies in revenue, most of which is a result of Johnson Consulting assuming slightly less demand in the first year as it will take time for Legacy to reach maximum utilization. However, even with a reduced demand assumption, \$84.5 million in revenue in Legacy's first year of operations is something that can be seen as a reasonable assumption.

Looking at expenses, Johnson Consulting assumed an expense margin of 32% of total revenues while Legacy assumed approximately 40%. This accounts for an expense variance of approximately \$3.5 million in the first year of operations. The largest variance between the two models was the adjustments to facility operating expenses (water, sewer, electricity, FF&E) as well as facility related business expenses (restaurant/bar, food court, merchandise) which totaled a net variance of approximately \$2.6 million in the first year.

In total, Johnson Consulting's assumptions resulted in a Year 1 EBITDA of \$50.4, which is \$15 million less than what was originally projected. However, even with Johnson Consulting's new and more conservative assumptions, the profit margin is 60% while the debt service coverage ratio is 2.15, both of which can reasonably be expected.

When looking at the 10-Year operating proforma, by the 5th year of operations, which is assumed stabilization, Legacy is projected to achieve total revenues of over \$95 million, resulting in an EBITDA of \$56 million. Also, by the 5th year of operations, the DSCR is projected to be 2.41, which is a positive in that it is increasing over the long-run, something that is crucial for the long-term financial stability of a complex. Looking ahead, by the 10th year of operations, the complex is projected to generate \$102 million in revenue, resulting in an EBITDA of \$62 million and a DSCR of 2.66.

The tables below demonstrate the model variance's between Legacy and Johnson Consulting as well as the long-term 10-year operating proforma.



Figure 6-2

Legacy Sports Park Pro Forma				Johnson Consulting Model			Legacy Management Model			Variance	
INSTITUTION/ORGANIZATION				Total Revenue	EXPENSES Percent of Revenue	EXPENSES Year 1 - Pro Forma (Annual)	Total Revenue	EXPENSES Percent of Revenue	EXPENSES Year 1 - Pro Forma (Annual)	Total Revenue	EXPENSES Year 1 - Pro Forma (Annual)
Tab # Section 1 - Multiple Sports											
3	19 Sports (Weekends)			\$ 369,000	11%	\$ 42,066	\$ 738,000	11%	\$ 84,375	\$ (369,000)	\$ (42,309)
	SUBTOTAL - MULTIPLE SPORTS			\$ 5,795,500		\$ 42,066	\$ 6,564,900		\$ 84,375	\$ (769,400)	\$ (42,309)
Tab # Section 2 - Baseball/Softball											
	SUBTOTAL - SOFTBALL/BASEBALL			\$ 1,833,700		\$ 110,000	\$ 1,833,700		\$ 110,000	\$ -	\$ -
Tab # Section 3 - Soccer - Football (Outdoor)											
20	Phoenix Rising Youth Soccer			\$ 715,800	0%	\$ -	\$ 894,750	0%	\$ -	\$ (178,950)	\$ -
	Arizona Youth Soccer Assoc						\$ -				
21	• AYSA Youth and Development Soccer Leagues			\$ 456,000	0%	\$ -	\$ 576,000	0%	\$ -	\$ (120,000)	\$ -
22	• AYSA Sanctioned Club Tournaments			\$ 2,999,700	0%	\$ -	\$ 4,583,700	0%	\$ -	\$ (1,584,000)	\$ -
	SUBTOTAL - SOCCER/FOOTBALL (OUTDOOR & INDOOR)			\$ 7,462,200		\$ 61,875	\$ 9,345,150		\$ 61,875	\$ (1,882,950)	\$ -
Tab # Section 4 - FUTSAL (Indoor)											
34	US Futsal			\$ 273,600	0%	\$ -	\$ 60,000	0%	\$ -	\$ 213,600	\$ -
	SUBTOTAL - FUTSAL (INDOOR)			\$ 1,304,640		\$ -	\$ 1,091,040		\$ -	\$ 213,600	\$ -
Tab # Section 5 - Volleyball (Indoor & Outdoor)											
39	Arizona Regional USA Volleyball (Girls)			\$ 1,080,000	0%	\$ -	\$ 1,560,000	0%	\$ -	\$ (480,000)	\$ -
44	Junior Volleyball Association			\$ 1,488,600	10%	\$ 154,814	\$ 1,737,900	10%	\$ 180,000	\$ (249,300)	\$ (25,186)
	SUBTOTAL - VOLLEYBALL (INDOOR & OUTDOOR)			\$ 4,955,740		\$ 154,814	\$ 5,685,040		\$ 180,000	\$ (729,300)	\$ (25,186)
Tab # Section 6 - Basketball											
	SUBTOTAL - BASKETBALL			\$ 1,342,720		\$ -	\$ 1,342,720		\$ -	\$ -	\$ -
Tab # Section 7 - E Sports											
55	Legacy ESports Program			\$ 5,674,280	0%	\$ -	\$ 7,599,845	0%	\$ -	\$ (1,925,565)	\$ -
	SUBTOTAL - ESPORTS			\$ 5,854,280		\$ -	\$ 7,779,845	0%	\$ -	\$ (1,925,565)	\$ -
Tab # Section 8 - Cheer/Dance/Gymnastics											
	SUBTOTAL - CHEER/DANCE/GYMNASTICS			\$ 284,940		\$ -	\$ 284,940	0%	\$ -	\$ -	\$ -
Tab # Section 9 - Pickleball / Lacrosse / Cricket / Rugby / Others											
67	Race Place			\$ 30,000	3%	\$ 990	\$ 360,000	3%	\$ 12,000	\$ (330,000)	\$ (11,010)
	SUBTOTAL - OTHER			\$ 1,819,456		\$ 990	\$ 2,149,456	0%	\$ 12,000	\$ (330,000)	\$ (11,010)
Tab # Section 10 - Camps / Youth Programming											
	SUBTOTAL - CAMPS / YOUTH PROGRAMMING			\$ 1,803,200		\$ 98,000	\$ 1,803,200		\$ 98,000	\$ -	\$ -
Tab # Section 11 - Performance Training, Fitness, Medical, Health & Wellness											
	SUBTOTAL - CORPORATE / SPECIAL EVENTS			\$ 3,845,000		\$ 1,141,650	\$ 3,845,000		\$ 1,141,650	\$ -	\$ -
Tab # Section 12 - Special Events											
	SUBTOTAL - CORPORATE / SPECIAL EVENTS			\$ 3,490,445		\$ -	\$ 3,490,445		\$ -	\$ -	\$ -
Tab # Section 13 - Other - Branding, Sponsorships & Naming Rights											
75	Naming Rights			\$ 1,150,000	10%	\$ 115,000	\$ 1,150,000	0%	\$ -	\$ -	\$ 115,000
75	Founding Partner (Beverage/Pouring)			\$ 460,000	10%	\$ 46,000	\$ 460,000	0%	\$ -	\$ -	\$ 46,000
75	Founding Partner			\$ 2,500,000	10%	\$ 250,000	\$ 2,500,000	0%	\$ -	\$ -	\$ 250,000
75	Official Sponsors / Title Sponsors			\$ 1,000,000	10%	\$ 100,000	\$ 1,000,000	0%	\$ -	\$ -	\$ 100,000
	SUBTOTAL - BRANDING, SPONSORSHIPS & NAMING RIGHTS			\$ 5,110,000		\$ 511,000	\$ 5,110,000		\$ -	\$ -	\$ 511,000
Tab # Section 14 - Other - Facility-Related Business Revenue											
76	Parkwide Concessions			\$ 8,643,760	35%	\$ 3,025,316	\$ 3,682,603	30%	\$ 1,104,781	\$ 4,961,157	\$ 1,920,535
77	Restaurant / Bar			\$ 9,193,818	45%	\$ 4,137,218	\$ 10,771,614	45%	\$ 4,847,226	\$ (1,577,796)	\$ (710,008)
78	Food Court / Restaurant Outlets			\$ 3,359,280	45%	\$ 1,511,676	\$ 3,935,782	45%	\$ 1,771,102	\$ (576,502)	\$ (259,426)
79	Retail / Merchandise Sales - Pro Shop, Kiosks & Other POS			\$ 4,714,778	30%	\$ 1,414,433	\$ 3,682,603	30%	\$ 1,104,781	\$ 1,032,175	\$ 309,653
	SUBTOTAL - FACILITY-RELATED BUSINESS REVENUE			\$ 25,911,636		\$ 10,088,643	\$ 22,072,602		\$ 8,827,890	\$ 3,839,034	\$ 1,260,753
Tab # Section 15 - Other - Park Admission/Entrance Fees											
N/A	Gate/Park Entrance Fees: 2,025,432 Patrons @ \$7 Per Person			\$ 5,443,111	7%	\$ 381,018	\$ 14,178,024	2%	\$ 283,560	\$ (8,734,913)	\$ 97,457
	SUBTOTAL - PARK ADMISSION/ENTRANCE FEES			\$ 5,443,111		\$ 381,018	\$ 14,178,024		\$ 283,560	\$ (8,734,913)	\$ 97,457
Tab # Section 16 - Other - Park Vehicle Parking Fees											
N/A	Parking Fees: 946,123 Vehicles @ \$10 Per Vehicle			\$ 8,172,284	12%	\$ 980,674	\$ 9,461,230	12%	\$ 1,135,348	\$ (1,288,946)	\$ (154,674)
	SUBTOTAL - PARK VEHICLE PARKING FEES			\$ 8,172,284		\$ 980,674	\$ 9,461,230		\$ 1,135,348	\$ (1,288,946)	\$ (154,674)
Tab # Section 17 - Other - Facility & Operating Expenses											
N/A	Facility Expenses					\$ 3,950,000			\$ 3,500,000	\$ -	\$ 450,000
N/A	Management Payroll					\$ 5,995,000			\$ 5,870,000	\$ -	\$ 125,000
N/A	Payroll Services/Taxes/Benefits/Bonus					\$ 1,798,500			\$ 1,761,000	\$ -	\$ 37,500
	SUBTOTAL - FACILITY & OPERATING EXPENSES			\$ -		\$ 14,355,000			\$ 13,742,500	\$ -	\$ 612,500
Tab # Section 18 - Other - Adjustments to Facility Operating Expenses											
N/A	Add Contingency for Water Utility Costs to City of Mesa (TBD)					\$ 600,000			\$ 250,000	\$ -	\$ 350,000
N/A	Add Contingency for Sewer Utility Costs to City of Mesa (TBD)					\$ 300,000			\$ 200,000	\$ -	\$ 100,000
N/A	Add Contingency for Power Utility Costs to APS (TBD)					\$ 600,000			\$ 200,000	\$ -	\$ 400,000
N/A	Add Contingency for FF&E Upgrades & Maintenance (Cap Reserve)					\$ 750,000			\$ 275,000	\$ -	\$ 475,000
	SUBTOTAL - OPERATING EXPENSES			\$ -		\$ 6,152,200			\$ 4,827,200	\$ -	\$ 1,325,000
GRAND TOTAL - ALL REVENUE & EXPENSES				\$ 84,428,850		\$ 34,077,930	\$ 96,037,291		\$ 30,504,398	\$ (11,608,441)	\$ 3,573,532
EBITDA				\$ 50,350,920			\$ 65,532,893			\$ (15,181,973)	
% of Revenue				60%			68%			-9%	
Debt Service				\$ 23,400,000			\$ 23,400,000			\$ -	
Debt-Covenant Ratio				2.15			2.80			-0.65	
NET OPERATING INCOME				\$ 26,950,920			\$ 42,132,893			\$ (15,181,973)	



Figure 6-3

Legacy Sports Park Pro Forma												
INSTITUTION/ORGANIZATION	Total Revenue	Annual Escalation (%)	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
REVENUES												
		2.00%	3.00%	3.00%								
1 Section 1 - Multiple Sports	\$ 5,795,500		\$ 5,795,500	\$ 5,969,365	\$ 6,148,446	\$ 6,271,415	\$ 6,396,843	\$ 6,524,780	\$ 6,655,276	\$ 6,788,381	\$ 6,924,149	\$ 7,062,632
2 Section 2 - Baseball/Softball	\$ 1,833,700		\$ 1,833,700	\$ 1,888,711	\$ 1,945,372	\$ 1,984,280	\$ 2,023,965	\$ 2,064,445	\$ 2,105,734	\$ 2,147,848	\$ 2,190,805	\$ 2,234,621
3 Section 3 - Soccer - Football (Outdoor)	\$ 7,462,200		\$ 7,462,200	\$ 7,686,066	\$ 7,916,648	\$ 8,074,981	\$ 8,236,481	\$ 8,401,210	\$ 8,569,234	\$ 8,740,619	\$ 8,915,431	\$ 9,093,740
4 Section 4 - FUTSAL (Indoor)	\$ 1,304,640		\$ 1,304,640	\$ 1,343,779	\$ 1,384,093	\$ 1,411,774	\$ 1,440,010	\$ 1,468,810	\$ 1,498,186	\$ 1,528,150	\$ 1,558,713	\$ 1,589,887
5 Section 5 - Volleyball (Indoor & Outdoor)	\$ 4,955,740		\$ 4,955,740	\$ 5,104,412	\$ 5,257,545	\$ 5,362,695	\$ 5,469,949	\$ 5,579,348	\$ 5,690,935	\$ 5,804,754	\$ 5,920,849	\$ 6,039,266
6 Section 6 - Basketball	\$ 1,342,720		\$ 1,342,720	\$ 1,383,002	\$ 1,424,492	\$ 1,452,981	\$ 1,482,041	\$ 1,511,682	\$ 1,541,916	\$ 1,572,754	\$ 1,604,209	\$ 1,636,293
7 Section 7 - E Sports	\$ 5,854,280		\$ 5,854,280	\$ 6,029,908	\$ 6,210,806	\$ 6,335,022	\$ 6,461,722	\$ 6,590,957	\$ 6,722,776	\$ 6,857,231	\$ 6,994,376	\$ 7,134,263
8 Section 8 - Cheer/Dance/Gymnastics	\$ 284,940		\$ 284,940	\$ 293,488	\$ 302,293	\$ 308,339	\$ 314,505	\$ 320,796	\$ 327,211	\$ 333,756	\$ 340,431	\$ 347,239
9 Section 9 - Pickleball / Lacrosse / Cricket / Rugby / Others	\$ 1,819,456		\$ 1,819,456	\$ 1,874,039	\$ 1,930,260	\$ 1,968,866	\$ 2,008,243	\$ 2,048,408	\$ 2,089,376	\$ 2,131,163	\$ 2,173,787	\$ 2,217,262
10 Section 10 - Camps / Youth Programming	\$ 1,803,200		\$ 1,803,200	\$ 1,857,296	\$ 1,913,015	\$ 1,951,275	\$ 1,990,301	\$ 2,030,107	\$ 2,070,709	\$ 2,112,123	\$ 2,154,365	\$ 2,197,453
11 Section 11 - Performance Training, Fitness, Medical, Health & W	\$ 3,845,000		\$ 3,845,000	\$ 3,960,350	\$ 4,079,161	\$ 4,160,744	\$ 4,243,959	\$ 4,328,838	\$ 4,415,415	\$ 4,503,723	\$ 4,593,797	\$ 4,685,673
12 Section 12 - Special Events	\$ 3,490,445		\$ 3,490,445	\$ 3,595,158	\$ 3,703,013	\$ 3,777,073	\$ 3,852,615	\$ 3,929,667	\$ 4,008,260	\$ 4,088,426	\$ 4,170,194	\$ 4,253,598
13 Section 13 - Branding, Sponsorships & Naming Rights	\$ 5,110,000		\$ 5,110,000	\$ 5,263,300	\$ 5,421,199	\$ 5,529,623	\$ 5,640,215	\$ 5,753,020	\$ 5,868,080	\$ 5,985,442	\$ 6,105,151	\$ 6,227,254
14 Section 14 - Concessions, Restaurant / Bar, Food Court, & Retai	\$ 25,911,636		\$ 25,911,636	\$ 26,688,985	\$ 27,489,654	\$ 28,039,447	\$ 28,600,236	\$ 29,172,241	\$ 29,755,686	\$ 30,350,799	\$ 30,957,815	\$ 31,576,972
15 Section 15 - Park Admission/Entrance Fees	\$ 5,443,111		\$ 5,443,111	\$ 5,606,404	\$ 5,774,596	\$ 5,890,088	\$ 6,007,890	\$ 6,128,048	\$ 6,250,609	\$ 6,375,621	\$ 6,503,133	\$ 6,633,196
16 Section 16 - Park Vehicle Parking Fees	\$ 8,172,284		\$ 8,172,284	\$ 8,417,452	\$ 8,669,976	\$ 8,843,375	\$ 9,020,243	\$ 9,200,648	\$ 9,384,660	\$ 9,572,354	\$ 9,763,801	\$ 9,959,077
TOTAL REVENUES	\$84,428,850		\$84,428,850	\$86,961,716	\$89,570,567	\$91,361,979	\$93,189,218	\$95,053,003	\$96,954,063	\$98,893,144	\$100,871,007	\$102,888,427
EXPENSES												
		2.00%										
17 Facility Expenses	\$ 3,950,000		\$ 3,950,000	\$ 4,029,000	\$ 4,109,580	\$ 4,191,772	\$ 4,275,607	\$ 4,361,119	\$ 4,448,342	\$ 4,537,308	\$ 4,628,055	\$ 4,720,616
18 Operating Expenses	\$ 2,611,500		\$ 2,611,500	\$ 2,663,730	\$ 2,717,005	\$ 2,771,345	\$ 2,826,772	\$ 2,883,307	\$ 2,940,973	\$ 2,999,793	\$ 3,059,788	\$ 3,120,984
19 Venue Expenses	\$ 13,570,730		\$ 13,570,730	\$ 13,842,145	\$ 14,118,988	\$ 14,401,368	\$ 14,689,395	\$ 14,983,183	\$ 15,282,847	\$ 15,588,504	\$ 15,900,274	\$ 16,218,279
20 Payroll	\$ 7,793,500		\$ 7,793,500	\$ 7,949,370	\$ 8,108,357	\$ 8,270,525	\$ 8,435,935	\$ 8,604,654	\$ 8,776,747	\$ 8,952,282	\$ 9,131,327	\$ 9,313,954
21 Lease Payments, Property Taxes & Contingencies	\$ 6,152,200		\$ 6,152,200	\$ 6,275,244	\$ 6,400,749	\$ 6,528,764	\$ 6,659,339	\$ 6,792,526	\$ 6,928,376	\$ 7,066,944	\$ 7,208,283	\$ 7,352,449
TOTAL EXPENSES	\$34,077,930		\$34,077,930	\$34,759,489	\$35,454,679	\$36,163,772	\$36,887,048	\$37,624,789	\$38,377,285	\$39,144,830	\$39,927,727	\$40,726,281
GROSS MARGIN			\$ 50,350,920	\$ 52,202,227	\$ 54,115,889	\$ 55,198,206	\$ 56,302,171	\$ 57,428,214	\$ 58,576,778	\$ 59,748,314	\$ 60,943,280	\$ 62,162,146
% of Revenue			60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
EBITDA			\$ 50,350,920	\$ 52,202,227	\$ 54,115,889	\$ 55,198,206	\$ 56,302,171	\$ 57,428,214	\$ 58,576,778	\$ 59,748,314	\$ 60,943,280	\$ 62,162,146
% of Revenue			60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
Debt Service		Approximate	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000	\$ 23,400,000
Debt Service Coverage Ratio			2.15	2.23	2.31	2.36	2.41	2.45	2.50	2.55	2.60	2.66
NET OPERATING INCOME			\$ 26,950,920	\$ 28,802,227	\$ 30,715,889	\$ 31,798,206	\$ 32,902,171	\$ 34,028,214	\$ 35,176,778	\$ 36,348,314	\$ 37,543,280	\$ 38,762,146
Source: Johnson Consulting, Legacy Sports Park												



IMPLICATIONS

The Mesa and greater Phoenix market is in need of additional facilities for all sports on a local, regional, and national level. A facility that can supply the entire market is ideal and has the potential transform not just the local Mesa market, but the entire Phoenix area and west coast as a whole as it relates to travel sports. The overwhelming demand in the Mesa and greater marketplace is evidenced by the approximately 55 letters of intent that have already been signed. This makes a strong business case that Legacy will offer something desired by the local and larger regional communities. Based on the projected operations of the facility, it makes strong financial sense as well, as Johnson Consulting has the facility generating a first year EBITDA of \$50.4 million. Legacy has the potential to serve an untapped market as the complex is a destination in itself and there are no real comparable complexes anywhere in the region.

SECTION 7: ECONOMIC IMPACT ANALYSIS



ECONOMIC AND FISCAL IMPACT ANALYSIS

This report section analyzes the total economic and fiscal benefit that is being generated by the proposed Legacy Sports Park (LSP) development in Mesa, Arizona. There are all kinds of economic, social, economic development, and image benefits that happen as the result of the presence and operation of sports facilities, especially one with the size and quality of the LSP. This analysis quantifies the effect of the spending of visitors to the LSP, as well as the business operations of the facility, based on the projected usage and visitation to the facility.

While these are mathematical calculations, which are based on experience seen in numerous other settings, perhaps the most important thing to visualize is what will happen to Mesa. It will have a major influence on the economy of Mesa and will enhance the regional role of Mesa within the greater Phoenix market. The projections are based on LSP internal, external, and arena events and attendance that include local and regional tournaments, leagues, camps/clinics/lessons, practices, family shows, esports, entertainment events and performances, and a variety of other types of special events and programming.

DEFINITIONS

ECONOMIC IMPACT

Economic impact is defined as incremental new spending in an economy that is the direct result of certain activities, facilities, or events. The levels of impacts are defined as follows:

- **DIRECT SPENDING** – is an expression of the spending that occurs as a direct result of the project being developed. For example, a visitor or participant's expenditures on hotel rooms, shopping and meals are direct spending.
- **EMPLOYMENT** – measures the number of jobs supported in relation to the spending at the project. Employment impact is stated in the number of full-time equivalent jobs.

BASELINE ACTIVITY VOLUME & KEY ASSUMPTIONS

Figure 7 - 1 summarizes the projected event and visitation volume for the proposed LSP, which will serve as the basis of the economic and fiscal impact analysis. These numbers are based on internal projections by Legacy Sports USA. As shown, in the first year of operations, the LSP is expected to generate close to 1.4 million participant visits and close to 1.7 million spectator visits, amounting over 3.1 million total visits and approximately 79,660 room nights.

Figure 7 - 1

Legacy Sports Park, Mesa, Arizona Baseline Visitation Volume							
	Number of Events	Participant Attendance	Spectator Attendance	Total Attendance	% Room Nights (participants)	% Room Nights (spectators)	Estimated Room Nights
	A	B	C	D = B+C	F	G	H
Total Sports Events							
Tournament	287	703,090	1,204,398	1,907,488	10.0%	10.0%	76,300
League	82	167,940	116,220	284,160	0.0%	0.0%	0
Camps/Clinics	89	29,350	12,625	41,975	5.0%	5.0%	840
Games/Practices	1,885	418,080	236,730	654,810	0.0%	0.0%	0
Special Events	60	15,735	99,005	114,740	2.5%	2.5%	1,148
Other	413	79,600	57,715	137,315	2.5%	2.5%	1,372
Total	2,816	1,413,795	1,726,693	3,140,488			79,660

Source: Legacy Sports Park, Johnson Consulting

AVERAGE DAILY SPENDING

Each participant and spectator will spend money on fees, tickets, meals and incidentals, as well as lodging for those coming from out of town. The figure below presents the average daily spend for visitors of the LSP, broken down into several spending categories.

Figure 7 - 2

Legacy Sports Park, Mesa, Arizona Average Daily Spending	
	Average Amount
Lodging	\$110.00 / room night
Meals and Incidental Expenses	\$20.00 / person-day
Tickets (for Spectators only)	incl. / person-day*
Fees (for Participants only)	incl. / person-day*
*Already included/ accounted for in the LSP proforma	
Source: US General Services Administration, Johnson Consulting	

IMPACT ANALYSIS

DIRECT SPENDING

Figure 7-3 shows the total direct spending, both at the LSP and outside of the LSP, annually. For example, in the first year of operations, the LSP's total direct spend is estimated at \$190 million, \$119 million of which will come from spending directly at the LSP while \$72 million will come from lodging and incidental expenses by participants and spectators. In total, over the first five years of operations, the LSP is projected to generate approximately \$1 billion in direct spend. It is important to note that if the LSP were to build an attached hotel, they would likely capture a significantly larger percentage of the lodging direct spend.



Figure 7 – 3

Legacy Sports Park, Mesa, Arizona Estimated Direct Spending										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
% Ramp-Up	100%	104%	107%	109%	110%	110%	110%	110%	110%	110%
Person-Days (= Visits)										
Participants	1,413,795	1,470,347	1,512,761	1,541,037	1,555,175	1,555,175	1,555,175	1,555,175	1,555,175	1,555,175
Spectators	1,726,693	1,795,760	1,847,561	1,882,095	1,899,362	1,899,362	1,899,362	1,899,362	1,899,362	1,899,362
Total	3,140,488	3,266,107	3,360,322	3,423,132	3,454,537	3,454,537	3,454,537	3,454,537	3,454,537	3,454,537
Room Nights	79,660	82,846	85,236	86,829	87,626	87,626	87,626	87,626	87,626	87,626
Direct Spending (\$Million)										
Direct Spending at LSP										
LSP Operations-Related (a)	\$34	\$35	\$35	\$36	\$37	\$38	\$38	\$39	\$40	\$41
Visitors and Users Spending at LSP (b)	\$84	\$87	\$90	\$91	\$93	\$95	\$97	\$99	\$101	\$103
Total Direct Spending at LSP	\$119	\$122	\$125	\$128	\$130	\$133	\$135	\$138	\$141	\$144
Direct Spending outside LSP	<i>Average Spending</i>									
On Lodging	\$110.00	\$9	\$9	\$10	\$10	\$11	\$11	\$12	\$12	\$13
On Meals and Incidental Expenses	\$20.00	63	67	71	75	78	80	82	85	88
Total Direct Spending outside LSP	\$72	\$77	\$81	\$85	\$89	\$91	\$94	\$97	\$100	\$103
Total Direct Spending (\$Million)	\$190	\$198	\$206	\$213	\$219	\$224	\$229	\$235	\$241	\$246

a) Corresponding to the LSP financial projections.

b) Based the LSP financial projections, adjusted to correspond to the ramp-up period.

c) Assumed to be over and above direct spending at the LSP.

Source: Legacy Sports Park, Johnson Consulting

FISCAL IMPACT

Fiscal impacts are tax revenues that result from the spending and income related to the activities at the LSP. This analysis estimates fiscal impacts for the governmental units that levy taxes in the jurisdiction. The fiscal impacts are the public sector's return on investment. Fiscal impacts provide a partial offset to the capital and operating expenditures required to support the development of the facility. The overall economic impacts, including the fiscal impacts, provide a rationale for public participation in a project.

Fiscal impact estimates in this analysis focus on those closely related to activities at the LSP, including sales tax (called Transaction Privilege Tax in the State of Arizona), hotel/ motel tax, and individual and corporate income tax. The rates are summarized in Figure 7 - 4.



Figure 7 - 4

Legacy Sports Park, Mesa, Arizona Applicable Tax Rates	
	Rate
Sales Tax (Transaction Privilege Tax)	
State Sales Tax	5.60%
County Sales Tax	0.70%
City Sales Tax	2.00%
Total	8.30%
Hotel/ Motel Tax	
State Tax	7.27%
City Transient Lodging Tax	5.00%
City Tax	2.00%
Total	14.27%
Rental Car Surcharge	
County Rental Car Surcharge, per car or of gross rental revenue	\$2.50 3.25%
Income Tax	
Individual Income Tax	3.39%*
Corporate Income Tax	4.90%

**Reflecting an effective rate.*
Source: City of Mesa, Arizona Dept. of Revenue

The resulting fiscal impact estimates are summarized in Figure 7 - 5. Over the first five years of operations, the LSP is projected to generate a total of \$157 million in tax revenues, including \$81.1 million from sales tax, \$7 million from hotel/ motel tax, and \$69.2 million from individual and corporate income tax.

Figure 7 – 5

Legacy Sports Park, Mesa, Arizona Estimated Fiscal Impact (\$Million)											
Fiscal Impact (\$Million)		Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Sales Tax (Transaction Privilege Tax)											
	<u>Tax Rate</u>										
State Sales Tax	5.60%	\$10.2	\$10.6	\$11.0	\$11.3	\$11.6	\$11.9	\$12.2	\$12.5	\$12.8	\$13.1
County Sales Tax	0.70%	1.3	1.3	1.4	1.4	1.5	1.5	1.5	1.6	1.6	1.6
City Sales Tax	2.00%	3.6	3.8	3.9	4.0	4.2	4.3	4.4	4.5	4.6	4.7
Total	8.30%	\$15.0	\$15.7	\$16.3	\$16.8	\$17.3	\$17.7	\$18.1	\$18.5	\$19.0	\$19.4
Hotel/ Motel Tax											
State Tax	7.27%	\$0.6	\$0.7	\$0.7	\$0.8	\$0.8	\$0.8	\$0.8	\$0.9	\$0.9	\$0.9
City Transient Lodging Tax	5.00%	0.4	0.5	0.5	0.5	0.5	0.6	0.6	0.6	0.6	0.6
City Tax	2.00%	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Total	14.27%	\$1.3	\$1.3	\$1.4	\$1.5	\$1.5	\$1.6	\$1.6	\$1.7	\$1.7	\$1.8
Income Tax											
Individual Income Tax	3.39%*	\$3.5	\$3.7	\$3.8	\$3.9	\$4.0	\$4.1	\$4.2	\$4.3	\$4.4	\$4.5
Corporate Income Tax	4.90%	9.3	9.7	10.1	10.4	10.7	11.0	11.2	11.5	11.8	12.1
Total		\$12.8	\$13.4	\$13.9	\$14.4	\$14.8	\$15.1	\$15.5	\$15.8	\$16.2	\$16.6
Total Fiscal Impact		\$29.1	\$30.4	\$31.6	\$32.6	\$33.6	\$34.4	\$35.2	\$36.0	\$36.9	\$37.8

**Reflecting an effective rate.*
Source: Legacy Sports Park, Johnson Consulting

CONSTRUCTION IMPACT

Total construction costs at the LSP are expected to be \$185 million (per internal estimates), which is used as the basis for one-time construction impact analysis presented in Figure 7 - 6. It is understood that the construction cost could change based on the final selected program at the LSP, which in turn would affect the total impacts that are presented. In total, the construction is expected to generate 2,946 construction jobs, approximately \$92.5 million in direct spending. Fiscal tax revenue was estimated to be \$15.3 million, including \$7.7 million from sales tax and \$7.7 million from income tax.

Figure 7 - 6

Legacy Sports Park, Mesa, Arizona Estimated One-Time Construction Impact		
	Multiplier or Tax Rate	Amount (\$Million)
Hard Construction Cost		\$185.0
Impact on Construction Jobs		
% of Costs Spent on Labor	50%	
Labor Costs		\$92.5
Average Construction Laborer Salary (\$ per job)		\$31,400
# of On-Site Construction Jobs (FTE job-years)		2,946
Economic Impact		
% of Costs Spent on Material	50%	
Direct Construction Spending (on Material)		\$92.5
Fiscal Impact		
Sales Tax (Transaction Privilege Tax)	<u>Tax Rate</u>	
State Sales Tax	5.60%	\$5.2
County Sales Tax	0.70%	0.6
City Sales Tax	2.00%	1.9
Total	8.30%	\$7.7
Income Tax		
Individual Income Tax	3.39%*	\$3.1
Corporate Income Tax	4.90%	4.5
Total		\$7.7
Total		\$15.3

*Reflecting an effective rate.

Source: Legacy Sports Park, Johnson Consulting



TOTAL IMPACTS

Impact of the Legacy Sports Park is expected to be significant. In its first year of operations, the LSP is expected to generate 79,660 room nights, \$190 million in direct spend, and \$29.1 million in fiscal impacts. Over the first five years, the total direct spend from the LSP is projected to be approximately \$1 billion – \$623 million which will come from direct spending at LSP while the rest (\$403 million) will come from spending outside LSP. Fiscal Impacts over the first five years generate approximately \$157 million – including \$81.1 million from sales tax, \$7 million from hotel/ motel tax, and \$69.2 million from individual and corporate income tax. While these numbers are large, the impact that the LSP will have not only on Mesa but on the region as a whole should not be understated.

Prior to its opening, the LSP project's one-time construction activity is expected to generate 2,946 construction jobs, jobs, approximately \$92.5 million in direct spending. Fiscal tax revenue was estimated to be \$15.3 million, including \$7.7 million from sales tax and \$7.7 million from income tax.

APPENDIX 1: OPERATOR COMMITMENT LETTER



June 2, 2020

Chad Miller
Legacy Sports USA
1900 West Chandler Boulevard, Suite 15-315
Chandler, AZ 85224

Dear Chad,

OVG Facilities, LLC is honored to be a part of the exciting Legacy Sports Family Entertainment Park ("Legacy Park"). As agreed upon, OVG Facilities will be responsible for all aspects of management and operations of Legacy Park outside of the "field of play". Specifically, we will have the following scope of services:

- a) Manage all aspects of the Facility including but not limited to managing guest services, event conversion, purchasing, payroll, fire prevention, security, crowd control, evacuation and emergency response plan, routine repairs, preventative maintenance, janitorial services, landscape and exterior maintenance, energy conservation, ticketing, box office, admission procedures, parking, and general user services.
- b) Manage all aspects of Food & Beverage operations while providing the highest level of quality and service. This shall include but not be limited to staffing, pricing, menu selection, product ordering, maintaining the kitchen, concessions space and food trucks, sanitization, obtaining licenses and permits including liquor license, catering services, and all other general food & beverage services.
- c) Establish and adjust service prices, rates and rate schedules for Event user license, and occupancy, and Event booking commitments, except as otherwise provided in the Agreement.
- d) Negotiate, enter into (as agent for the Client), administer and assure compliance with all contracts related to the operation of the Facility, including Service Contracts, Booking Contracts and Material Contracts, except as otherwise provided in the Agreement.
- e) Require that all vendors and licensees of the Facility execute vendor/license agreements containing standard indemnification and insurance obligations on the part of each such vendor/licensee, and provide the Client with a copy of all such agreements within ten (10) days of their date of execution.
- f) Provide standard form Event user/rental agreements for Booking Contracts at or with respect to the Facility. Manager shall submit such form agreements to the Client for review, comment, and approval. Once finalized, Manager shall use such form for Booking Contracts, provided that Client acknowledges that Manager may reasonably deviate (but not materially deviate nor omit required provisions) such form in connection with negotiating the engagement of an Event in the ordinary course of business without Client's further approval. To the extent that Manager does not use the approved form for Booking Contracts (i.e., uses the promoter's form), such use shall be approved by Client, not to be unreasonably withheld, conditioned or delayed.

g) Operate and maintain the Facility, including the equipment utilized in connection with its operation and any improvements made during the term of this Agreement, in the condition received, normal wear and tear expected.

h) Hire or otherwise engage, pay, supervise, and direct all personnel in connection with the operation of the Facility, and conduct retention and training programs to the highest industry standards.

i) Maintain detailed, accurate and complete financial and other records of all its activities in accordance with generally accepted accounting principles, which records shall be made available to the Client as set forth herein.

j) Submit to the Client in a timely manner and other financial and other reports detailing Manager's activities in connection with the Facility.

k) OVG has prepared and provided an annual Operating Budget and annual recommended Capital Expenditures budget approved by the Client.

l) Pay all Operating Expenses from the Operating Account or with funds otherwise made available by Client.

m) Assist the Client (or any other third party, as applicable) to secure, all licenses and permits necessary for the operation and use of the Facility for the specific events to be held therein, and for the general occupancy of the Facility.

n) Upon request by Client, prepare, maintain, and implement, subject to the Client's approval, a marketing plan for Events at the Facility.

o) On an annual basis, cause a written inventory to be taken of all furniture, fixtures, office equipment, supplies, tools, and vehicles at the Facility, and deliver a written report of the foregoing to Client. Document all major damage to, or loss in, such inventory during the Term as soon such damage or loss is discovered by Manager, and Manager shall promptly notify Client of any such damage or loss.

p) In accordance with the Operating Budget, and as reasonably required for operations, purchase, on behalf of the Client and with Client funds, and maintain during the Term, all materials, tools, machinery, equipment, and supplies necessary for the operation of the Facility.

q) Maintain insurance as required.

r) Subject to the terms and conditions set forth herein, make and be responsible for all routine and minor repairs, maintenance, preventative maintenance, and equipment servicing. Manager shall be responsible for ensuring that all repairs, replacements, and maintenance shall be of a quality and class at least equal to that of the item being repaired or replaced.

s) Cooperate and execute event ticket sale set-up, pre-sale, on-sale, day of event and post-event settlement. To that end, Client agrees that Manager shall control ticketing at the Facility, which may include, if applicable, entering into an agreement with a third-party ticketing company to provide ticketing services at the Facility.

t) Develop database and pre-sale initiatives in cooperation with tenants and key stakeholders.

u) Implement marketing and promotional plans supporting ticket sales and venue industry awareness/positioning.

Legacy Sports Park Concessions Volunteer Program Management

One of the programs that OVG Facilities will put in place at the Legacy Sports Park is the use of Volunteer nonprofit groups to assist in facility services, including concession stands operations. Typical nonprofit groups will include amateur sports teams, high school booster clubs, civic organizations, churches, and any other nonprofit organization that maintains a 501(C)3 status.

We will provide these organizations a small fee that will go back directly to their organizations fundraising arm. These fees have already been accounted for in the operating budget provided to the Client (Legacy Sports). Typically, we will require the following of a non-profit organization:

- Non-Profit 501c Tax-Exempt Status
- Commitment to provide a minimum number of volunteers to volunteer for a minimum number of events
- All volunteers must attend training
- A signed contract agreement is required prior to any training or volunteering.
- Each Non-Profit Organization must provide and maintain general liability insurance

Let us know if you need additional information on this program.

We look forward to working with you on this exciting project! Best regards,



Douglas Higgons
Senior Vice President
OVG Facilities

APPENDIX 2: CASE STUDIES

LAKEPOINT SPORTS

LakePoint Sports (LPS) is located in Emerson, Georgia, about 38 miles north of Downtown Atlanta via I-75 and about 47 miles north of Hartsfield-Jackson Atlanta International Airport, the busiest airport in the United States. Opened in 2014, it currently occupies about 500 acres of a 1,300-acre site that is nestled in the foothills of the North Georgia Mountains and adjacent to Lake Allatoona. This complex is owned and managed by LakePoint Sports and is funded by private investors including Atlanta Braves manager Fredi Gonzalez, former Atlanta Braves manager Bobby Cox, and Kansas City Royals manager Ned Yost. The complex benefits from its location within the Atlanta Metro Area – there are nearly 3.2 million people within 1 hour of the facility, over 13.3 million within 3 hours, and nearly 28.0 million within 5 hours.

As shown in Figure A1 – 1, LPS currently consists of the 170,000 square foot Champions Center, an outdoor sports complex, and Terminus Wake Park. The Champions Center includes 12 basketball courts which convert into 24 volleyball courts, 9 combinable meeting rooms, a food court, mezzanine, courtyard, and more. The outdoor sports complex currently consists of 3 synthetic turf multipurpose fields, 8 synthetic turf baseball/softball diamonds, and 10 beach volleyball courts. Terminus Wake Park is Georgia's first cable wakeboarding facility that includes two full-sized cable lakes, a learn-to-ride cable, and an inflatable obstacles course on the water. As shown in Figure A1 – 2, future phases of development include plans for up to 8 additional baseball/softball diamonds, up to 20 additional baseball/softball diamonds, a golf academy, a zipline and ropes course, and a mixed-use entertainment and retail village.

The complex hosts events and activities for 32 different sports including baseball, basketball, volleyball, soccer, gymnastics, cheer, and lacrosse, among others, and draws 1.1 million visitors annually. It is the official home of the Harlem Globetrotters training camp, and a partner of Prep Baseball Report and PlaySight Interactive.

Figure A1 - 1



Figure A1 - 2



GRAND PARK SPORTS CAMPUS

The Grand Park Sports Campus (GPSC) is located in Westfield, Indiana, about 23 miles north of Downtown Indianapolis and about 38 miles northeast of Indianapolis International Airport. First envisioned in 2007 and opened in 2014, the GPSC is located on a 400+ acre site. The \$85 million GPSC was developed by the City of Westfield, which still owns and manages the facility today. The GPSC anchors a 2,200-acre TIF district known as the Grand Junction Economic Development Area, which has attracted \$105 million in development since the GPSC's opening, including a Cambria Suites Hotel, Grand Park Shoppes, and a senior living facility. Strategically situated in the Indianapolis Metro Area and within the Great Lakes region, the complex draws from a population of over 2.1 million within 1 hour, over 14.7 million within 3 hours, and over 46.5 million within 5 hours.

As shown in Figure A1 – 3, the GPSC consists of a 377,000 square foot indoor sports facility, an outdoor sports complex, the 88,000 square foot Pacers Athletic Center, a 5k trail course, and 21 U5-U12 soccer fields for the Westfield Youth Soccer Association. The indoor facilities include 8 basketball courts, 8 volleyball courts, 3 multipurpose turf fields, locker rooms, office and meeting space, and a full-service restaurant and sports pub. The outdoor sports complex includes 31 multipurpose fields (7 of which are synthetic turf) and 26 baseball/softball diamonds.

The GPSC hosts events 45 weekends out of the year, draws approximately 2 million visitors annually, and generates nearly 100,000 hotel room nights per year. It is home to partners such as the Indiana Soccer Association, Indiana Fire Juniors, ProX Athlete Development, Indianapolis Colts Training Camp, and Methodist Sports Medicine. According to the City of Westfield's budget for fiscal year 2020, the GPSC itself is projected to generate over \$7.0 million in revenues and just over \$5.9 million in expenses, for a net operating income of nearly \$1.1 million.

Figure A1 – 3



ORANGE COUNTY GREAT PARK

The Orange County Great Park (OCGP) is located in Irvine, California, about 42 miles southwest of Downtown Los Angeles and about 49 miles southwest of Los Angeles International Airport. The OCGP currently occupies about 450 acres of the 1,300-acre site with 230 additional acres currently under construction. The concept for the park arose in 2001 when Orange County voters passed Measure W, authorizing the former Marine Corps Air Station to be used as a central park, nature preserve, and multi-use development area. The OCGP, owned and managed by the City of Irvine, serves populations of nearly 7.8 million within 1 hour, nearly 22.4 million within 3 hours, and just over 28.3 million within 5 hours.

The OCGP originally opened in 2007 and has undergone continuing phased developments since. Today, the park consists of an outdoor sports complex, a carousel, a farmer's market, a 1.5-mile trail, an arts complex, a playground, and an iconic balloon ride. A map of the current facilities is illustrated in Figure A1 – 5. The outdoor sports complex includes 25 multipurpose fields (including 1 multipurpose stadium), 12 baseball/softball diamonds (including 2 baseball/softball stadiums), 5 sand volleyball courts, 25 tennis/pickleball courts, and 4 basketball courts. Future plans include a 55,000 square foot Pretend City Children's Museum, a water polo and community pool facility, a field house for indoor basketball and volleyball, a 35-acre adventure water sports and rock-climbing courses, an amphitheater, a water park, botanical gardens, and several other proposed projects.

According to the City of Irvine, the OCGP directly generated over \$5.9 million in charges for services and drew over 1.3 million total visitors in fiscal year 2019.

Figure A1 – 4



PANAMA CITY BEACH SPORTS COMPLEX

Panama City Beach Sports Complex (PCBSC) is located in Panama City Beach, Florida, about 9 miles west of Downtown and about 20 miles south of Northwest Florida Beaches International Airport. The complex sits atop a 150-acre site along Highway 98 that lies less than 3 miles from the iconic Panama City Beach itself, which makes for an attractive tourism destination. The complex, newly opened in 2019, was developed through a public-private partnership with Visit Panama City Beach, Bay County Tourist Development Council, the City of Panama City Beach, Bay County, Sports Facilities Management, and St. Joe Company, and Bay District Schools. The PCBSC is owned by Bay County and is managed by Sports Facilities Management.

As shown in Figure A1 – 5 , the PCBSC currently consists of an outdoor sports complex that includes 13 fields that can be converted between multipurpose fields and baseball/softball diamonds, 9 of which are synthetic turf and 4 are natural grass. This includes 2 championship fields – 1 primarily for multipurpose and 1 primarily for baseball/softball – which have capacities of up to 1,500 spectators. The complex has LED lighting on all 13 fields, offers Wi-Fi access throughout the campus, has on-site concession stands, has 7 batting cages, and can accommodate parking for up to 1,000 vehicles. Phase II of the complex is currently assembling funding from a variety of public and private sources to develop a 109,000 square foot indoor sports facility at the PCBSC, which will include 8 basketball courts, 16 volleyball courts, team meeting rooms, locker rooms, and training / physical therapy rooms.

The PCBSC hosts a variety of leagues and tournaments in sports such as soccer, baseball, softball, lacrosse, football, and other sports ranging from age 3 to 45+. Once the indoor facility is completed and the complex has stabilized after a few years of operation, it is projected to host 74 events, stimulate over 111,000 hotel room nights, and generate more than \$2.6 million in revenue per year. The same study calculates a total economic impact of \$309 million over the project's first 10 years of operations.

Figure A1 – 5





ESPN WIDE WORLD OF SPORTS

ESPN's Wide World of Sports Complex is a 220 acre athletic complex located in the Walt Disney World Resort IN Orlando. Disney built the \$100 million facility on former wetlands located near Interstate 4. The facility has nine different athletic venues on its campus and can support baseball, softball, soccer, lacrosse, basketball, volleyball, roller hockey, cheerleading, gymnastics, tennis, and track and field among many others. The facility has hosted over 70 different types of sports since its creation in 1997. Despite its size, ESPN Wide World of Sports continues to expand, recently opening their 8,000 seat, 300,000 square foot 'Arena' facility at the beginning of 2018.

Facilities: As shown, the Complex offers a wide range of available activities for visitors. In total, the facility contains:

- **Baseball Quadraplex** – Comprised of one practice infield, **four professional baseball fields** with two equipped for night games. The Quadraplex also offers batting tunnels, pitching mounds, hitting tunnels, master pitching machines, and ten bullpens.
- **Champion Stadium** – A 9,500 seat baseball stadium that was built in 1997 as the home of the Atlanta Braves spring training and also the home for the Gulf Coast Braves.
- **Softball Diamondplex** – The softball Diamondplex has **six total fields** and is home to both fast and slow-pitch softball games, practices, and tournaments as well as youth baseball events.
- **Marathon Sports Fields** – Comprised of **fourteen multi-purpose fields and four baseball fields**
- **The Arena** – Flexible space that can be converted into anything from meeting rooms to up to four basketball courts. It can seat 8,000 people and is 300,000 square feet
- **HP Fieldhouse** – A 5,000 seat multi-purpose arena offering over 70,000 square feet of space. The HP Fieldhouse was built for flexibility and the latest new age playing surfaces, and custom training areas that cater to basketball, wrestling, martial arts, volleyball, inline hockey, etc. The facility also has a 3,000 square foot workout area and four classrooms for education.⁴
- **Visa Athletic Center** – 80,000 square foot building that can host flat floor competitions such as cheerleading. Can also host up to **six full sized basketball courts/twelve volleyball courts**
- **New Balance Track and Field Complex** – Premier outdoor track and field complex that has the capability to host every event as well as national meets and AAU club championships
- **Tennis Complex** – Comprised of 10 tennis courts with a championship style stadium. Depending on the court layout, it can seat 1,000 to 8,500 people.

The complex hosts over 350 events annually for all different types of sports. The Amateur Athletic Association (AAU) moved its headquarters to the complex and they currently host 26 AAU events there annually. Outside of traditional sporting events, the complex now hosts less traditional events such as the runDisney Race Weekends and the Walt Disney World Marathon Weekend which are races around the complex and account for tens of thousands of additional people that would otherwise not visit the complex.

Revenue comes from tournament registration, food and beverage sales, and sponsorships. In January 2019, the complex began charging a gate fee: \$19 for adults age 10+ and \$14 for children age 3 – 9. Depending on the tournament, rates for entry for baseball events are anywhere from \$300 - \$500 per team and \$550+ per player depending on event.

Figure A1 – 6



Figure A1 – 7



CEDAR POINT SPORTS CENTER & SPORTS FORCE PARKS

Opened in 2017, Cedar Point Sports Center & Sports Force Parks (CPSC) is located on a 57-acre site in Sandusky, Ohio, about halfway between Toledo and Cleveland and about 50 miles west of Cleveland Hopkins International Airport. The complex adds to the destination's portfolio of attractions, the most noteworthy of which is Cedar Point, one of the largest amusement parks in the world. The facility is owned by Cedar Fair, is managed by Sports Facilities Management, and was developed with funding from the City of Sandusky, Erie County, Sports Force, and Cedar Fair. The complex draws from a market area with a population of nearly 1.2 million within 1 hour, over 17.3 million within 3 hours, and nearly 37.7 million within 5 hours.

CPSC consists of a 145,000 square foot indoor sports facility, an outdoor sports complex, a mini golf course, a ropes course and bungee jumping area, a playground, batting cages, and a retail outlet known as "The Locker Room." The indoor sports facility, which opened more recently in 2019, includes 10 basketball courts that can be converted into 20 volleyball courts, as well as 65,000 square feet of space for mat sports, and a championship arena with seating for up to 700 spectators. The outdoor sports complex includes a total of 10 fields that are convertible into as many as 8 multipurpose fields and 12 baseball/softball diamonds.

The state-of-the-art complex hosts a myriad of youth sports tournaments and other events. In total, the CPSC is projected to generate an ongoing economic impact of \$60 million per year - \$40 million stemming from Sports Force Parks and \$20 million stemming from the Cedar Point Sports Center.

Figure A1 – 8



PERFECT GAME SPORTS COMPLEX

The Perfect Game Sports Complex, located in Hutto, Texas, broke ground in April of 2020 and is expected to open in 2022. The \$800 million development is the result of a partnership between the city of Hutto and Perfect Game Baseball, which is the worlds largest and most comprehensive amateur baseball scouting service. Perfect Game has seen approximately 12,000 players drafted since its inception in 1995. They are the sole source for amateur baseball club rankings and host some of the largest youth and amateur baseball tournaments in the United States. As of 2017, they have a total of 12,517 teams in their database.

The Perfect Game Sports Complex is an \$800 million mixed use entertainment development will feature 24 full size turf baseball fields, 10 of which will be for public use. The complex will also feature “Avenue of Champions” and “Champions Plaza” which will host a variety of different entertainment options including restaurants and retail. Included in the plaza will be the Perfect Game Hall of Fame, which will highlight all of the past players that have gone on to play professionally. Perfect Game has partnered with Dick’s Sporting Goods to become the official sporting goods supplier of the complex and organization. The project is projected to feature more than 2,000 multifamily units, 250,000 square feet of retail space, 124,000 square feet of office, two championships stadiums, 2-4 hotels with 200-600 rooms each, sports medicine research facility, sports technology research park, and green space. This project will also feature the Hutto Sports, Events, and Convention Hotel, which can fit up to 20 full sized basketball courts, or 40 volleyball courts and will host a wide variety of entertainment activities for families and participants. The indoor sports complex and events center is designed to seat 13,000. The complex will also feature office, office, commercial, residential, medical and physical therapy services, and sports and clothing apparel.

In the first year of operations, the complex is projected to generate 517,000 visitors, 137,755 room nights as well as host over 3,000 teams. By the fifth year of operations, the complex will generate almost 170,000 room nights and host over 4,000 teams annually for all sports.

Figure A1 – 9



Figure A1 – 10



Figure A1 – 11



APPENDIX 3: MAJOR PLAYERS

**EXECUTIVE
MANAGEMENT TEAM
&
EXECUTIVE
CONSULTANTS**

EXECUTIVE MANAGEMENT TEAM



Randy J. Miller Chairman / Founder

Randy Miller has lived in the Phoenix area for the past thirty-eight years. He has owned and operated many successful businesses including Legacy Sports Group, Ltd., Interface Communications, Inc., Team Premier Group, Inc., Perfect Score, Inc. and Legacy Pools Services, LLC. He has also been associated with the Arizona Outlaws of the USFL, the Phoenix Giants (the AAA association of the San Francisco Giants), and Sundance Sports Promotions. Mr. Miller played professional baseball with numerous minor league baseball organizations for seven years. He has participated and managed in several Open/Major Division World Softball Tournaments. Mr. Miller has been active in management of various Softball Leagues, Youth Basketball, Pop Warner Football, Little League and Babe Ruth baseball leagues throughout the Metro-Phoenix area.

As the Chief Executive Officer and a Managing Member of **Legacy Sports USA, LLC**, Randy serves as the team leader and driving force behind this multi-faceted sports facility development company. Because of his passion for sports and knowledge of individual and team athletics, Randy combines his business experience with his love for the game to create the perfect blend of business management and leadership that the company appreciates at all level beginning with the strategic planning and conceptual modeling of the business, facilities design, and operations and management.

Randy's experience in sports facility management was partially achieved throughout his career with his business associations with notable facilities including Big League Dreams in California, Arizona, Nevada and Texas; Legends Sports Complex in The Woodlands, Texas; Salvation Army South Mountain Kroc Center in Phoenix, Arizona; Twin Creeks Sports Complex in Sunnyvale, California; Victory Lane Sports Park in Glendale, Arizona; and The Sports Facilities Advisors in Clearwater, Florida.

Mr. Miller also serves as an advisor to, or is a member of, Athletic Business, US Indoor Sports Association, USSSA Sports Association, ASA Sports Association, National Adult Baseball Association, AAU Sports, Sporting Goods Manufacturing Association (SGMA), and the City of Phoenix and City of Tempe, Arizona Chambers of Commerce.

Throughout Randy's career in the Metro Phoenix, Arizona area, he has served in active managerial roles as a board member and coach of Pop Warner football; director, sponsor, manager, and player of softball teams and leagues from youth to open world softball tournaments; organizer, director and sponsor of USSSA and ASA leagues and tournaments; coach of youth sports at YMCA soccer and basketball; and board member and coach of little league baseball and Babe Ruth baseball.

With a broad variety of concentrated team sports facility operations and management experience, Randy has devoted his career to the promotion of athletics in all age groups and genres of the sports industry at home and abroad. Because of this well-rounded life-long history of active sports involvement at all levels of management and daily operations, Randy has proven his capability to properly manage and direct the operations and management of **Legacy Sports USA, LLC** as its Chief Executive Officer.



Dan O'Brien

Director of Sports Development

Millions of Americans proudly watched Dan O'Brien win the 1996 Olympic Gold Medal to become the first American winner in the sport since 1976. As an Olympic Gold Medalist in the decathlon, Dan O'Brien is officially considered the "World's Greatest Athlete," and his name is synonymous with athletic achievement and success both on and off the field.

Adopted at the age of two and raised in a home with seven other children of racially mixed backgrounds – Dan has overcome many adversities throughout his life. And with a great deal of self-determination and commitment, he has become one of the most successful and dominant athletes in the history of sports. He is an inspirational leader and motivational force for millions of people across the world.

At the 1996 Olympic Games in Atlanta, Dan O'Brien overcame almost insurmountable odds. Four years prior, on Super Bowl Sunday early in 1992, Reebok introduced its unprecedented Dan & Dave campaign, a series of entertaining TV and print ads featuring Dan and rival Dave Johnson, debating who would take the title as the "World's Greatest Athlete" in Barcelona.

This publicity also provided for one of the most publicized failures in sports history when Dan "no-heighted" in the pole vault and failed to qualify for the 1992 Olympic team headed for Barcelona. All of Dan's hard work had come to an end...or had it?

Dan O'Brien has spent his entire life overcoming obstacles. After encouragement from family, friends and coaches, he set new goals and began the journey that eventually established him as the most prolific decathlete in history. Only months after the failure to make the 1992 Olympic team, he set a new World Record at the Deca Star Invitational in Talence, France – defeating the 1992 Olympic Gold Medalist Robert Zmelik. He didn't stop there. He went on to win the 1993 and 1995 World Championships, the 1994 Goodwill Games, and three US Championships - all leading to the 1996 Olympic Gold Medal in Atlanta.

Today Dan continues to give back to the sport that has given so much to him. He is the on-field emcee for every major USA Track & Field event, and he's also heavily involved as both a host and celebrity athlete for USATF's *Win With Integrity* program, a community outreach and mentoring program designed to help kids make good life decisions, set positive goals and adhere to a drug-free lifestyle.

Dan also works very closely with the United States Olympic Committee as part of its Olympic Ambassador Program, mentoring current athletes in the areas of media training, preparation and peak performance. Dan can also be seen on teamusa.org, where he hosts a Web series called "Can Dan Do It?" In this series, Dan, with the help of a 2012 Olympic hopeful, attempts 28 different Olympic events to see if the World's Greatest Athlete, can, in fact, excel in any sport.

Dan has become a highly sought motivational speaker, bringing his inspirational story to the employees and leaders of some of the biggest companies in the world, and over the years he has worked as both a color commentator and guest analyst for networks such as ESPN, CBS and NBC. He will be part of NBC's 2012 Olympic coverage from London.

Today Dan resides with his wife Leilani in Scottsdale, Arizona, where he is entering his seventh year as an assistant coach at Arizona State University.



Chad Miller

Chief Executive Officer

Chad Miller serves as the Chief Executive Officer of **Legacy Sports USA, LLC**. His experience and participation in team sports throughout his lifelong career, from collegiate to professional, adds another dimension to the **Legacy Sports** executive team. With direct experience with large team sport organizations, Chad provides support to the company with recommendations based upon his knowledge of minor and major league team sports programs.

Immediately following a collegiate baseball career at the University of Nevada Las Vegas, Chad Miller played professional baseball for 5 years in several different professional organizations, including the Anaheim Angels along with being a two-time Major League Baseball draft selection by the Milwaukee Brewers.

After his career playing professional baseball Chad soon went to work as the Director of Major Accounts for **Legacy Sports**. Chad facilitated and designed marketing and sales presentations along with developing business plans for multi-million-dollar projects to professional organizations across the country. He was responsible for the sales and marketing efforts instrumental in privatizing sports facilities in efforts to enhance municipalities nationwide by using statistical analysis and predictive analytics.

Chad is also a Fiesta Bowl Committee Member in the Phoenix valley. As a member of this prestigious organization, it is the organization's responsibility to host and coordinate two of the most exciting College football bowl games every year; The Tostitos Fiesta Bowl and The Buffalo Wild Wings Bowl (formerly the Insight Bowl). Throughout every calendar year, the FBC hosts many charity events across the valley including The Fiesta Bowl Golf Tournament, Hole-in-One Challenge, Honeywell Aerospace Competition, National Band Championship, NCAA Youth Football Challenge, Fellowship of Christian Athletes Banquet, and The Tostitos Fiesta Bowl Parade.

Chad served as the Director of Business Development at Business & Decision, an international Consulting and Systems Integration (CSI) company headquartered out of Paris, France. CSI is a leader in Business Intelligence (BI), Enterprise Performance Management (EPM), Data Warehousing, Master Data Management (MDM), Customer Relationship Management (CRM), and Enterprise Resource Planning (ERP).

Chad recently oversaw National Operations and Brand Development for Bennett Lane and Turn 4 Wines of Napa Valley California. He is responsible for brand development and marketing efforts in over 23 different markets and in 26 major sporting arenas nationwide. He has personally overseen and orchestrated product features at the Indianapolis 500, Super Bowl, Fiesta Bowl, and NCAA National Championship Football game. Having intricate knowledge of food & beverage operations in large scale sporting / entertainment facilities will prove to be a valuable asset to the Legacy Team.



Lawrence White

Chief Financial Officer

Lawrence White is a proven creative senior financial leader with expertise in mergers and acquisitions, operations, negotiating and securing favorable debt instruments, improving cash flow, managing banking relations and investor relations in a high-growth environment. Larry is highly successful in building productive teams and developing top performing people and possesses a leadership style that creates positive change and delivers results.

As the Chief Financial Officer for **Legacy Sports USA**, Larry brings his vast experience in the finance industry to the Legacy Sports Park with the development of key financial programs and accounting systems while also overseeing the complex sports park financial needs and planning for extensive revenue and expense management.

Larry White began his financial career in 1987 when he graduated from the San Diego State University School of Accountancy. Throughout the years following graduation, Larry has been become a CPA in Arizona and Massachusetts. His long-standing professional career has included his involvement with some of the most prestigious financial groups including:

- Price Waterhouse
- Pannell Kerr Foster, P.C.
- Meredith Management Corporation
- The Boston Financial Group
- Arizona Diamondbacks
- Main Street and Main, Inc.
- Elizabeth Arden Salon-Holdings, Inc.
- Dragontech International

Larry White has many achievements in the world of finance that will provide Legacy Sports USA with the experience necessary to successfully manage the financial requirements of the Legacy Sports Park. Some of these key accomplishments are:

- CFO and VP-Business Development for high growth start-up healthcare cloud-based technology company, specializing in charge capture and census management. Working directly with the CEO on capital raising and market expansion efforts.
- Interim CFO for local Scottsdale, Arizona family office managing nearly \$2.2 billion in assets for the founder of GoDaddy, Inc. Holdings include a hedge fund, golf club manufacturing company, five motorcycle dealerships, commercial real estate ownership, collateralized real estate lending business, advertising agency and media production studio.
- Restructured Corporate Governance and Treasury Management Processes for Multi-National Travel and Leisure Company in anticipation of future liquidity event or M&A transaction.
- Interim VP-Finance for the world market leader in the electronic photo enforcement industry. Developed the Company's Financial Planning and Analysis (FP&A) function / budgeting process, redesigned the Company's overall cash management / forecasting processes and managed the company's most recent year-end audit in accordance with IFRS reporting standards. The Company's corporate parent is based in Melbourne, Australia and is publicly traded on the Australian Stock Exchange (ASX).



Matt Bjorklund

Chief Sports Officer

Matt Bjorklund will serve as the Chief Sports Officer of **Legacy Sports USA, LLC**. In addition to Matt's primary focus on the **Legacy** basketball program operations, Matt will oversee indoor and outdoor sporting events with **Legacy Sports USA, LLC** and assist in special events management. He will also assist in the day-to-day pro shop management production facility for soft goods.

Matt is a 13-year Valley resident coming from Minnesota with an extensive background in youth and collegiate level sports. Currently the Associate Head Men's Basketball Coach at South Mountain Community College in Phoenix, Arizona, Mr. Bjorklund comes to Legacy Sports USA, LLC with a vast knowledge in facilities management and operations.

With nearly 20 years of coaching experience, Mr. Bjorklund has worked hand-in-hand on a national level with Nike Grassroots and Under Armour as the former Director of Operations and Recruiting for PowerHouse Hoops in Arizona. PowerHouse Hoops has grown into one of the premiere club basketball programs in the Nation with over 50 teams spread across 5 states and 2 countries. With an extensive network of collegiate coaches, Mr. Bjorklund has assisted in accounting for nearly \$4 million in scholarships over the past 6-years and is one of the top recruiting consultants in Arizona and Minnesota.

Mr. Bjorklund was one of the original founders and owners of Breakdown Sports USA (formerly Minnesota Sports Preview), which has grown into a multi-million dollar nationally respected and award-winning media outlet covering Minnesota High School athletics. During his time with The Breakdown, Mr. Bjorklund successfully developed and managed national level basketball and volleyball tournaments and special events including the Tip-Off Classic, Granite City Classic, Minnesota/Wisconsin Border Battle, and the Timberwolves Shootout.

As Director of Marketing and Promotions for Speeds Performance Plus, Mr. Bjorklund has assisted in the promotional growth of the Speeds brand to a national level including syndicated tech articles in Hot Bike and Iron Horse Magazines and an industry leading line of performance engine parts and accessories for Harley Davidson, Victory, and Indian motorcycles.



Troy Dunniway

President of Esports

Troy Dunniway is an award-winning creative director, game designer, producer, technologist and manager with over 28 years of experience in gaming, movies, entertainment and technology. Troy has managed, or been a partner in, several different game development companies in the US, Canada, China, Brazil and India. Beyond gaming, Troy has worked in Location Based Theme Park Design, Education and Medical technologies, and other related technology areas outside of gaming.

Mr. Dunniway has had leading roles in companies such as: Samsung, Disney, Microsoft, Electronic Arts, Sony, UBISOFT and other development companies and publishers. He has managed projects all over the world, and lived in many different countries in Asia and Europe during his career. Before becoming a game developer, Troy was one of the original Hollywood pioneers in regards to this generations special effects for many popular movies. He has worked on many high profile / major motion pictures, such as: Star Wars, A.I., 300, SAW, James Bond, Tales of Despereaux, Where the Wild Things Are, Flash, Batman, Jumper, Bruce Lee, Babylon 5 and over a dozen other major Hollywood properties.

Troy is viewed one of the pioneers for the (now) popular concept of Transmedia Storytelling and Alternate Reality Gaming. Mr. Dunniway acted as the lead designer / developer of the popular Microsoft gaming console X-BOX, and over 120 high profile games on every mobile, PC, console and hardware platform and shipped almost every genre of game that exists. Troy's been actively working on a variety of mobile, social and cross-platform games the last few years, helping companies like Atari and several others develop multiple cross-platform game projects.

Mr. Dunniway has been and continues to be a keynote speaker at many of the largest Game Development Conference and Universities around the world. Troy has authored or contributed to numerous books and articles on game development, game design, and art production. You can reference some of his articles at <http://www.gamasutra.com>



Jeff de Laveaga

Chief Operating Officer

Jeff de Laveaga serves as Chief Operating Officer of **Legacy Sports USA, LLC** and is responsible for the day-to-day leadership and general management of the company. In this role, Jeff will help **Legacy Sports USA, LLC** become the prominent sports park for youth and adult athletes on the West Coast. Under his leadership, **Legacy Sports USA, LLC** will consistently achieve year-over-year revenue, profitability, client and associate growth.

Jeff is recognized as the leader in youth sports throughout Arizona, creating Arizona's largest and most successful youth basketball organizations, Arizona Gym Rats and Arizona Magic Pump-N-Run. Over the course of his tenure, Jeff has sent over 200 Arizona athletes onto college with athletic scholarships.

Jeff received his master's degree from the University of Phoenix and his bachelor's degree from California Lutheran University in Thousand Oaks California. He has been inducted into four Hall of Fames for his athletic performance success: the first inductee into California Lutheran University, California High School, Contra Costa County and Ventura County. Jeff played professional basketball in Australia for five years where he earned the league MVP award averaging 42 points a game. He still holds the scoring record of 84 points in a game, featuring 18 made three pointers.

Jeff lives in Scottsdale with his wife Alexis and is the proud father of his two sons, Kye and Tate whom followed their father's footsteps and are finishing up their college basketball careers this year.

Prior to joining **Legacy Sports USA, LLC**, Jeff served as a Director of Sport for Victorium, a multi-sport facility in North Scottsdale, ran the western region for AT&T Local Services division in San Francisco and successfully started and sold two startup companies.



Michael J. Baggett

General Counsel / Managing Member

Michael Baggett is the General Counsel and a Managing Member of **Legacy Sports USA, LLC**. He is an attorney engaged in the private practice of law in Pittsburgh, Pennsylvania as a partner in the law firm of **McCann, Garland, Ridall & Burke**, and concentrates mainly in the areas of business, corporate and commercial law.

As Chief Legal Officer, Mr. Baggett provides personalized legal counseling directly to the company as a co-owner of the business. Michael is responsible for the oversight of the structure of all formal business engagements, contracts, and commitments of **Legacy Sports USA, LLC**.

Mr. Baggett is responsible for the legal oversight of the administration of the company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that legal decisions of the Board of Directors are implemented. Michael ensures that **Legacy Sports USA, LLC** complies with relevant legislation and regulation, and keeps board members informed of their legal responsibilities. Mr. Baggett is the named legal representative on legal documents, and it is his responsibility to ensure that the company and its directors operate within the law.

Mr. Baggett received his Juris Doctor degree from Duquesne University in 1979 and a Bachelor of Arts Degree from Rider College in Lawrenceville, New Jersey in Administration and Political Science. He is admitted to practice law in the states of Pennsylvania and Arizona and is a member of the Bar of the Supreme Court of Pennsylvania, United States Third Circuit Court of Appeals, United States District Court for the Western District of Pennsylvania, a member of the Pennsylvania Bar Association, Business Law and Civil Litigation section, and the Allegheny County Bar Association Bankruptcy and Commercial Law sections. Mr. Baggett is a former judicial law clerk.

While at Rider College, Mr. Baggett was captain of the basketball team which competed on the NCAA Division 1 level. He is a member of the university's Sports Hall of Fame. His involvement with basketball has continued as a director and officer of *Pittsburgh Hoops, Inc.* and *MLC Partners, Inc.* Both organizations are engaged in organizing, sponsoring and promoting charity basketball tournaments in Western Pennsylvania.



Andrew Bayless

Director of Food & Beverage

Andrew Bayless serves as the Director of Food & Beverage for **Legacy Sports USA, LLC**. Bayless Management Group is owned and operated by Andrew Bayless, who brings an extensive career of Corporate, Franchise, and Independent Restaurant experience to the Legacy Sports Park Development project. Andrew Bayless has served a variety of positions such as Kitchen Manager, General Manager and Senior Opening General Manager with California Pizza Kitchen Inc. for 14 years. In his years with CPK, he opened 15 new stores around the country, hiring, training, and developing management teams. As the Director of Food, Beverage, Concessions and Restaurant Management for Legacy Sports Park, Andy shall oversee the complete food service program for the sports park.

Andy's expertise brought him to Arizona to become Operations Partner for the Franchise group in Phoenix AZ for Buffalo Wild Wings for seven years operating five Phoenix Valley locations. Most recently Andrew has become the Franchisee for Twin Peaks in the Arizona Market. Andrew brings operational excellence, sales building, profit maximizing and high level leadership in all areas specializing in Sports Bar operations.

Over the years, Andrew has been involved in a variety of operational experiences ranging from Regional Training Manager, General Manager, to Franchisee. These roles included participation in the California Pizza Kitchen, holding the position of Kitchen Manager, Regional Training Manager, General Manager, and Opening Teams General Manager. His focus areas include training & development, recruitment, financial expertise and systems implementation. Andy currently oversees the business operations for Twin Peaks.

Andrew has been involved in consulting positions for Oregano's and Fired Pie, both locally owned and developed brands here in the Phoenix area. Projects include training systems set up, hiring, control systems programming, and food & beverage cost analysis.

Throughout his career Andrew has received acknowledgements for sales achievement, training accomplishments and local community involvement. He is considered to be an expert in systems set up, audio/ visual design, and operations of sports driven concepts.

Bayless Management Group and Legacy Sports Park will be a winning combination of cutting edge sports technology and first class hospitality. As the program manager for both the Restaurant as well as concessions venues in the park, the relationship between Legacy Sports Park and Bayless Management Group will bring top notch service to the over 1.8M per year attendees.



Eric Neufang

Clinic Director of Physical Therapy & Wellness Center

Dr. Eric J. Neufang serves as The Clinic Director of Legacy P.T. and Wellness Center. He has over 20 years of experience owning and operating clinics that treat athletes of all ages. Dr. Neufang graduated with a Bachelor of Science degree from LeMoyne College in Syracuse, New York, and received his Doctorate of Chiropractic from New York Chiropractic College in 1996.

After graduation, Dr. Neufang was the first chiropractor to work with an MD-based urgent care center in all of central New York. At that time, he was also a clinical instructor for the outpatient center at New York Chiropractic College where he trained NYCC students during their residency program.

Since moving to Arizona in 2003 he continued his interdisciplinary approach to health care and was Director of Rehabilitation with the Spine Institute of Arizona. Dr. Neufang has been asked to give expert testimony for American Family Insurance, State Farm, The New York State Workers Compensation Board and The Attorney General for the State of Arizona. Dr. Neufang has also performed Independent Medical Evaluations and record reviews for many of the country's leading insurance carriers. In 2007 he was the keynote speaker for the AWCCA spring convention. Dr. Neufang has been a member of The American Chiropractic Association as well as the prestigious North American Spine Society.

EXECUTIVE CONSULTANTS



John Bisignano Consultant

John Bisignano serves as a consultant to **Legacy Sports USA, LLC**. As a Sports Executive leader with 30-plus years in the sports development/sales industry, John provides the proven experience that ensures successful operations management of the **Legacy Sports Park**. Some of John's key strengths include strategic planning and key account development. A proven negotiator and deal maker with diverse sports industry experience, John has led negotiations for numerous profitable business, sponsorship and organizational alliances.

As the President & CEO the Central Florida Sports Commission, John was responsible for enhancing national and international sports tourism and generating economic impact through world class sporting events in the Central Florida Region spanning the City of Orlando, Lake County, Osceola County and Seminole County.

Prior to that, John's extensive career includes a thirty-two-year experience with The Walt Disney World Resort, spanning a wide variety range of venues and experiences ranging from hospitality to event operations and new business development. Client history of sales success totaled 200-plus events and \$100M in value.

As the Manager of Business Development for The Walt Disney World Resort – Disney Sports Attractions, John established new market segments and relationships for sports business, expanding ESPN Wide World of Sports event base. Event properties include ESPN Rise Girls Showcase with six new Olympic Family events, US Lacrosse, USA Field Hockey, Muddy Buddy (Competitor Group) and Disney Created events, driving \$10M in value annually.

Other Disney Sports achievements include:

- Business development liaison to Hanes Brands/Champion, driving an additional \$2M in value annually to Disney through event activation opportunities.
- Led 15-person programming and sales team responsible for College, Olympic Family, Amateur Athletic Union, and New Business Development markets, producing \$20M in value annually.
- Forged new strategic alliances with NACDA, SGMA, Wasserman Media Group, Nelligan Sports Marketing and Fenway Sports Group, to enhance ESPN Wide World of Sports positioning in sports marketplace.
- Negotiated and executed a broad range of agreements, including event, services, sponsorship, media, resort, and licensing.

Over the years, John's greatest strengths have developed to be the relationships fostered with leaders ranging from tourism, facility and hospitality partners to the sport's governing bodies of the Olympic Movement, the NCAA, NACDA and other conferences. John happily acknowledges that it was a privilege to also serve as the Chairman of the Board of Directors from for the National Association of Sports Commissions in 2006-2007.

John Bisignano is an experienced keynote speaker, facilitator, and panel member at sports and sales conferences, industry trade shows, and educational institutions. He is committed to mentoring future leaders as they carve their path and build true relationships that will help make a difference in the industry that we are all passionate about.

John's extensive business management career highlights include:

2012 to 2016 - PRESIDENT & CEO, CFSC

Central Florida Sports Commission

- **Changed culture from an Event Management Organization to Business Development Organization**
- **Funding: Incremental Growth from \$600K Annually to \$1.4M Annually**
- **Leadership: Developed and grew a high performance team 9 members to 16 members**
- **Event Portfolio - Grew Event Calendar from 50 to 77 Annual Events**
- **Economic Impact: Grew Business from \$70M to \$130M Annually**
- **Board Development: Grew the CFSC Board to include key influencers from Sports, Business & Tourism**
- **Destination Profile: Created a vibrant calendar of events including Major Marquee & Amateur Events throughout the 4 county region CFSC represents.**
- **Guest Satisfaction: Exceeded expectations from Event Rights Holders, Venues, Tourism Leaders, affiliated athletes and fans.**



2002 to 2012 - MANAGER, BUSINESS DEVELOPMENT

Walt Disney World Resort- Disney Sports Attractions Lake Buena Vista, FL

- **Highlights noted above.**



1994 to 2002 - MANAGER, EVENT SALES AND PROGRAMMING

Walt Disney World Resort- Disney Sports Attractions Lake Buena Vista, FL

- **Spearheaded development of ESPN Wide World of Sports Complex programming and sales teams. Member of opening team launching \$50M complex into sports tourism industry.**
- **Responsible for establishing initial sports client base, including College, Olympic Family, and Amateur Athletic Union partners, representing 70 events and 50,000 athletes.**
- **Developed strategic programming plan increasing sales to 150 events, 180,000 athletes and \$45M value. Growth established through the expansion of Disney Created event portfolio and third party event development.**
- **Established and maintained third party event relationships and contracts including NCAA, ACC, MAAC, Conference USA, Oil Commissioners Association and Florida Citrus Sports.**
- **Led multi-sport programming and contract negotiations for property-wide sports events including Odyssey of the Mind- 18,000 attendees/\$10M value, National Senior Games- 17,000 attendees/\$8M value, US Transplant Games- 4,000 athletes/\$4M value.**



1986 to 1994 - SALES MANAGER, CONVENTION, RESORT AND ENTERTAINMENT SALES

Walt Disney World Resort - Disney Attraction Sales Lake Buena Vista, FL

- Created initial entertainment sales plan for Walt Disney World Swan hotel. Generated \$2M in sales to various corporate clients.
- Launched a variety of products and services, including individual incentive sales, premium products, and sports personality trips for Chicago, Miami, and Seattle regional markets.
- Effectively expanded a wide variety of sales markets through aggressive lead generation including catering, theme park ticket, seminars, and recreation sales.

AFFILIATIONS

- Chairman, 2006 - 2007, Board of Directors and Executive Committee, 2001-2008, Member, 2009- present, National Association of Sports Commissions, 1995 to 2012. Sports event industry's leading networking organization. Membership base represents over 500 organizations and 300 cities. Active Member of NASC Leadership Council; Active Member of the NASC Large Market Segment comprised of CEOs of Top 30 cities in the United States.
- Sporting Goods Manufacturers Association, 2006 to 2012. Selected to attend 2006 and 2007 SGMA Leader Summit. Attendees included CEOs and CMOs of major sporting goods brands

SPORTS INDUSTRY OUTREACH AND SPEAKER HIGHLIGHTS

- Invitee, The Olympic Assembly, 2004 to 2012
- Invitee, Olympic Sports Link, 2009 to 2012
- Speaker, Orlando Business Journal Business of Sports Series - 2013 & 2015
- Speaker, Central Florida Hotel & Lodging Association Forward Thinking Seminar - 2013 & 2014
- Speaker, What's Up Downtown Speaker Series - 2014 thru 2016
- Speaker, I-Drive Chamber - 2013 thru 2015
- Speaker, Volusia County Hotel & Lodging Association
- Invitee & Speaker, Association of Chief Executives of Sports (ACES), Invitee 2009 to present, speaker 2009 - 2012
- Speaker and Invitee, National Association of Sports Commissions. 1995 to Present
- Speaker and Invitee, TEAMS Conference, 2012 to Present
- Speaker, Alabama Sports Forum, 2008
- Speaker, Texas A & M University Fusion Conference, 2008
- Speaker, Wisconsin Sports Authority Conference, 2007
- Speaker, University of Kentucky Sports Marketing Academy, 1999 to 2004
- Speaker, Division II Commissioners Conference, 1997 to 2002
- Attendee, NACDA Convention, 2012 to present



Michael Millay

Consultant

Michael Millay serves as a consultant to **Legacy Sports USA, LLC**. Mike brings his extensive knowledge and experience as the 20-year Director of Sports Development of ESPN Wide World of Sports and Director of Sports Events at Walt Disney World Resort in Orlando, Florida to the **Legacy Sports Park**.

Mike's life-long career in sports management has included full-service management consulting and planning focusing on sports related services to governmental agencies, not-for-profit agencies and youth sports businesses, strategic planning and business development. Key areas of experience focus on sports development, sports tourism, strategic planning, event properties and faculty programming & operations. All of these key focal points align perfectly with the management strategy of the **Legacy Sports Park**.

Highlights of Michael's career in sports business management include:

- **Board Member**
National Council of Youth Sports
2008 – Present (8 years)
Help drive strategic direction and support to staff.
- **Member**
National Association of Sports Commissions
1990 – Present (26 years)
- **Director, Sports Development**
ESPN Wide World of Sports
January 2008 – May 2014 (6 years 5 months) | Walt Disney World Resort
- **Director, Sports Events**
The Walt Disney Company
1994 – January 2008 (14 years)
- **Executive Director**
Greater New Orleans Sports Foundation
1988 – 1994 (6 years)
- **Board of Directors**
Central Florida Sports Commission
January 2010 – Present (6 years 2 months)
Served on Executive Committee since 2011
Board Chairman 2012 & 2013
- **Board of Directors**
National Council of Youth Sports
January 2011 – Present (5 years 2 months)
- **Board of Directors**
Florida Rush Soccer Club
January 2010 – Present (6 years 2 months)
- **Member, Advisory Board of Directors**
DeVos Sport Business Management Graduate Program
April 2014 – Present (1 year 11 months)



Douglas Moss Consultant / Advisor

Douglas Moss serves as a consultant / advisor to **Legacy Sports USA, LLC**. Doug is a sports industry veteran and has held numerous executive positions in a career spanning more than 30 years in the sports and entertainment industry. He started at Madison Square Garden (MSG) in 1986, as Senior Vice President of Sales for MSG Network.

In 1992, he was named President of MSG Network and served in that capacity until December 1994, when he joined the Buffalo Sabres of the National Hockey League as President and Chief Executive Officer, charged with overseeing all aspects of team operations, including the building of Marine Midland Arena (now Key Bank Center).

Doug's roles in professional sports include serving as President of the NHL's Phoenix Coyotes, the International Hockey League (IHL) and Senior Vice President of Business Operations for the NHL's Anaheim Mighty Ducks.

In 2010, Doug founded MK Solutions Group, a sports and entertainment technology solutions company and has also served as Senior Vice President, Sales and Marketing, for Panasonic Enterprise Solutions Company, a division of Panasonic Corporation of North America where he led strategy, development and implementation for all sales and marketing initiatives in Panasonic's audio-visual businesses specializing in complex corporate projects and technology partnerships in the sports and entertainment vertical with an emphasis on digital signage solutions. Currently he serves as GM/ Sports & Entertainment for Leyard/Planar the world's #1 LED manufacturer where he negotiated a landmark partnership with Lighthouse Technologies, LTD while directing the operations of the division resulting in numerous project awards in both professional and collegiate sports. Doug resides in Scottsdale, Arizona

OPERATING COMPANY



DOUG HIGGONS
SENIOR VICE PRESIDENT
OVG FACILITIES
2501 SEAPORT DRIVE, STE 310
CHESTER, PA 19013

September 20, 2019

Mr. Randy J. Miller
Chief Executive Officer
Legacy Sports, LLC
1900 West Chandler Boulevard, Suite 15-315
Chandler, AZ 85224

Dear Mr. Miller,

OVG Facilities, LLC is honored to submit this letter of interest to express our formal desire to manage and operate the Legacy Sports Family Entertainment Park ("Legacy Park"). We are committed to providing an operational scope-of-services for Legacy Park upon the approval and financing of the Legacy Park project and the completion of a mutually agreed upon contract between our organizations for such services.

Our experience demonstrates our success in pre-opening, operating, booking, and developing multi-purpose sports and entertainment venues and highlights the value-added services we provide, that frankly, no other company can come close to matching.

OVG Facilities features a team of highly successful and well-respected industry leaders with a myriad of experience in addressing every challenge a venue or its owner may face. Our team of industry experts help to make venues more profitable, efficient, and safe. Our senior leadership team includes some of the industry's most influential and respected people. We have a proven history and track record of operating venues expertly while putting the needs of our clients first.

Our corporate support team is comprised of some of the industry's most-seasoned executives who, in their tenure, have helped build other venue management companies including SMG, Global Spectrum (now Spectra), and AEG. In fact, OVG Facilities' Chairman Peter Luukko and OVG Facilities' President Hank Abate, were all instrumental in the establishment of SMG and its early successes. Peter later founded Global Spectrum and worked closely with Hank and me as major contributors to the company's development as it expanded to over 125 managed facilities. While with Global Spectrum, Peter created and provided oversight of its food and beverage service provider, Ovations Food Services (now Spectra Food Services & Hospitality) and served as the lead executive for the Philadelphia Flyers of the National Hockey League ("NHL") and 76ers of the National Basketball Association ("NBA").

Prior to their time at OVG, many of our senior leaders oversaw the pre-opening, construction, and grand opening of arenas, stadiums, convention centers, and performing arts centers throughout North America, including University of Phoenix Stadium (now State Farm Stadium) in Glendale, AZ home to the Arizona Cardinals of the National Football League ("NFL"); Talen Energy Stadium in Philadelphia, PA home to the Philadelphia Union of Major League Soccer ("MLS"); and Colonial Life Arena on the campus of University of South Carolina in Columbia, SC. OVG Facilities' General Manager for the Savannah Civic Center and New Savannah Arena, Monty Jones, Jr., oversaw the pre-opening, construction, and grand opening of the Hoover Met Sports Complex, a 250 acre amateur sports complex in Hoover, AL. OVG Facilities' executive management team's diverse background helps make us the best choice to manage and operate the Legacy Sports Park.

OVG Facilities' parent company, Oak View Group, was founded by two of the most dynamic leaders in the history of the live entertainment industry – Irving Azoff and Tim Leiweke. Irving has guided the careers for artists such as the Eagles, Fleetwood Mac, Doobie Brothers, Steely Dan, Bon Jovi, and Christina Aguilera. In addition, Irving has served as the Chairman of both Live Nation and Ticketmaster and now leads Global Music Rights – a new powerful advocate for artist music publishing. As CEO of AEG, Tim Leiweke oversaw the construction of the Staples Center and the surrounding development of LA Live. He also led the development of the O2 in London and was the Chairman of the Los Angeles Kings of the NHL. Other major league franchises formerly under Tim's direction include Toronto Maple Leafs of the NHL, Toronto Raptors of the NBA, and Toronto FC and LA Galaxy of the MLS.

Furthermore, Oak View Group recently welcomed Silver Lake Partners to our ownership and leadership team. Silver Lake is a leading private equity firm that represents more than \$44 Billion in strategic investment in companies such as Tesla, Dell, and Red Ventures. Entertainment investments include Endeavor, UFC, Learfield/IMG, and Madison Square Garden. Silver Lake has charged OVG with investing in dynamic sports and entertainment destinations in the United States and overseas. Currently, OVG is playing the lead role in several high-profile multi-purpose developments which include:

- **New Arena at the University of Texas at Austin** – OVG is the lead developer in partnership with the University to create a new \$300 Million arena on the campus of the University of Texas. Partners include Live Nation, C3 Concerts, and actor Matthew McConaughey. OVG Facilities will operate the venue upon completion.
- **New Arena at Seattle Center (Seattle, WA)** – OVG is the lead developer for the approximately \$900 Million rehabilitation of the New Arena at Seattle Center (formerly KeyArena) which will host the 32nd franchise in the NHL in its inaugural 2021 season. Team owners include Jerry Bruckheimer and David Bonderman. Arena partners include OVG, Live Nation, and Delaware North. OVG Facilities will operate the venue upon completion.
- **New Belmont Sports and Entertainment Complex (Belmont, NY)** – New \$850 Million development to create a new sports, retail, entertainment, and residential district adjoining historic Belmont Park. The Arena will become the new home of the NHL New York Islanders. Partners include Sterling Development (New York Mets), Value Retail (Islanders ownership), New York Racing Association (NYRA), as well as OVG. OVG Facilities will operate the venue upon completion.
- **New Savannah Arena (Savannah, GA)** - OVG Facilities and Live Nation are partnering with the City of Savannah for the development of a new \$165 Million arena. OVG Facilities will operate the venue upon completion.
- **Virginia Beach Dome Site (Virginia Beach, VA)** – OVG and Live Nation are partnering with the City of Virginia Beach for the development of a new \$40 Million multi-purpose entertainment venue that will anchor a large oceanfront mixed-use center.
- **New Palm Springs Arena (Palm Springs, CA)** – OVG and Live Nation have partnered with the Agua Caliente Band of Cahuilla Indians to privately finance the New Palm Springs Arena on 16 acres of land in Palm Springs, CA. The multi-purpose arena will feature more than 300,000 sq. ft. and 10,000 seats including suites and premium hospitality clubs.
- **Milan Mixed-Use Arena (Milan, Italy)** – OVG and Live Nation have partnered to build and operate the Santa Giulia mixed-use, multibillion-dollar development in Milan, Italy. This 17,000-capacity venue will host international basketball and hockey events and will become part of the City's bid to host the 2026 Winter Olympics and Paralympic Games.

We look forward to the opportunity to work with you on this project and appreciate your interest in and commitment to OVG Facilities.

Best regards,



Douglas Higgons
Senior Vice President
OVG Facilities

ADVISORY BOARD

ADVISORY BOARD

Jackie Joyner-Kersey

The Greatest Female Athlete of the 20th Century, athletic credentials are unquestionably among the best ever in all of sport. A six-time Olympic medalist, including three Olympic gold medals.

Luis Gonzalez

Former Major League Baseball Player – Arizona Diamondbacks (MLB), Baseball Assistance Team Board of Directors – non-profit organization dedicated to helping former Major League, Minor League, and Negro League players through financial and medical hardships.

Eric Fonoimoana

Professional Volleyball Player – Gold Medalist – Beach Volleyball in the 2000 Sydney Olympic Games. Eric founded the Dig 4 Kids charitable foundation, which helps kids in inner city schools excel in school, volleyball and other athletics. Dig 4 Kids has helped over 5,000 children learn the importance of education and physical fitness.

St. Vincent Sports Performance

Was started with a small group of physicians and Certified Athletic performance coaches who defined the industry of sports performance by combining performance training, medicine, psychology and nutrition; creating a comprehensive service continuum. They now serve over 19,000 athletes and families annually, through the aforementioned services, bringing an extraordinary level of service to amateur, elite and professional athletes.

Steve Miller

Steve Miller is the Chief Executive Officer of Agassi Graf Holdings. He is responsible for the leadership and operation of three for-profit entities (Agassi Graf Holdings, Agassi Ventures LLC, and Stefanie Graf Ventures LLC) plus one non-profit foundation (Andre Agassi Foundation for Education). Miller oversees the staff and manages the financial portfolios of all four properties. He is responsible for the coordination of business ventures, strategies, and personnel evaluations, as well as managing and representing the Agassi Graf Lifestyle brand.

Tony La Russa, Jr.

Former Major League Baseball Player and Manager (3 World Series Titles, 12 Division Titles and 2,728 wins-3rd all-time wins as a MLB manager). Chief Baseball Officer – Arizona Diamondbacks.

Mike Candrea

University of Arizona Softball Coach (1985 – Present). One of the most respected coaches in the nation. Mike has won 8 National championships, over 1,387 victories and still growing, and is an Olympic Gold medalist, just to name a few of his outstanding accomplishments.

Brandi Chastain

Former Woman's Soccer player, 2 Olympic Gold medals, 1 Silver medal and 2 World Championships.

Dr. Thomas Carter

Orthopedic Surgeon – Head team physician Phoenix Suns (NBA) and Arizona State University (ASU).

Tom Cove

President/CEO – Sports & Fitness Industry Association (SFIA). For over 27 Years, has led the branding transition from SGMA to SFIA & complete Organization move to Washington, D.C. from Palm Beach, FL.

Dusty Baker

Major League Baseball Player and Manager (Won “National League Manager of the Year” 3 times). Managerial career includes the Washington Nationals, San Francisco Giants, Chicago Cubs, and Cincinnati Reds.

Butch Raymond

Former Northern Sun Intercollegiate Conference (NSIC) Commissioner, Raymond has spent over 50 years in athletics serving as coach, athletic director, and conference commissioner. He has also served on national NCAA committees, including Chair of the Conference Commissioners Association, Vice Chair of the NCAA DII Management Council, National Chair for the NCAA DII Basketball Committee and Regional Chair for football.

CJ Back

Back is the Specialty Team Sales Director for Nike. Formerly called Nike Team and Nike Grassroots, Back oversees Nike's national club volleyball program and tournament schedule along with Nike Sports Marketing.

Ryan Silver

CEO of West Coast Elite Basketball, Silver is the West's premiere event operator with basketball camps in 22 states and 11 annual tournaments with national connections to 300+ DI and DII basketball programs and national media outlets including Rivals, ESPN, 247 Sports, Yahoo Sports, Fox Sports, and Sports Illustrated. Silver's AAU basketball program, Earl Watson Elite, is regarded as one of the top teams in the nation on the Under Armour Association Circuit.

Chris Rivers

Rivers is the Director of Adidas 3 Stripe Grassroots Basketball and Senior Player Relationship Manager. Rivers oversees operations of the Adidas Gauntlet and also manages Adidas NBA player portfolios.

John Speraw

Head Coach of USA Men's Olympic Volleyball Team 8 time NCAA National Championships as a player and coach.

Brad Daugherty

ESPN Radio Analyst/Retired NBA player. 1st overall pick of the NBA Draft. Played 8 seasons with the Cleveland Cavaliers. He retired early, but left as the all-time scorer and rebounder for the Cavs. Brad is a college basketball and NASCAR analyst for ESPN and is also co-owner of the Daugherty/JTG Racing team in the NASCAR series.

Debra Tracey

Sports Marketing Director (Clorox Corp) Debra managed tens of millions of dollars in corporate sponsorships and marketing for various organizations including NFL, NBA, MLB and oversaw sponsorship of the #47 and #21 cars in NASCAR. With Decades of experience in sports marketing, Debra is at the pinnacle of her field.

Randy Stoklos

Randy is a retired professional beach volleyball player. He is the first player to earn \$1,000,000 playing competitive beach volleyball. He won one U.S. championship and Five World championships with Sinjin Smith. He is a four-time winner of the Manhattan Beach Open. Randy has 123 career wins (which ranks third of all-time), amassed millions of dollars in prize money and received numerous MVP and Best Setter awards. Stoklos played college volleyball at UCLA. He was inducted into the Volleyball Hall of Fame in 2008.

Randall McDaniel

In 1987 Randall McDaniel became the 11th player in Arizona State history to be named a consensus All-American. That season, he won the Morris Trophy, as the best lineman in the Pac-10. McDaniel left Arizona State in 1987 as a two-time All-American, two-time All-Pac-10 honoree, a Morris Trophy award winner, a Pac-10 champion and a Rose Bowl winner. He was inducted into the College Football Hall of Fame in 2008.

Bob Brenly

Bob is an American baseball sportscaster and a former professional baseball player, coach and manager. He played the majority of his Major League Baseball career as a catcher with the San Francisco Giants. After retiring as a player, he worked as a broadcaster with the Chicago Cubs, then as a coach with the Giants, then as a broadcaster for Fox. He was hired to manage the Arizona Diamondbacks for the 2001 season and won the franchise's only championship his first year. In 2004, he was released by the Diamondbacks and again became a broadcaster with the Cubs until 2012. He now serves as a color commentator for Diamondbacks broadcasts.

Joe Moeller

Joe became the General Manager for IMG at the University of Arizona in 2012. Having spent his entire career in marketing, media and corporate sponsorships, Moeller has enjoyed every step along the way including: receiving his first \$1 million gift at the age of 24; closing San Diego Bay -- only time it's ever been done -- for a worldwide television event; and serving as Co-Chair of the 2008 U.S Open Golf Championship at Torrey Pines. While proud to hold a Master's Degree, the West Point, IA, native is honored to have served as captain of the men's basketball team while earning his B.A. at the University of South Dakota.

Bob Carney

Bob is the Associate Athletic Director at Boise State University. Carney has also served as Assistant Athletic Director for Operations, Athletic Department Facilities/Operations Manager, Stueckle Sky Center Director of Operations, Financial Technician for the Athletics Business Office, Financial Technician for Event Management and, in his first role, Landscape Technician with Operations and Maintenance.

Jessica Livingston Barden

An All-American Lacrosse Player at Sweet Briar College in Virginia, her passion and love for the game, combined with good coaching and some natural skills, led her to start AZGL. We know her at AZGL and Desert Heat as the founder of this organization. We also know she is the head coach of the Chaparral Varsity Girls Lacrosse Club in Scottsdale and has lead them to four state titles. In her quest to grow lacrosse at a national level, she has served on the US Lacrosse Board of Directors and many other committees in the past. Today she serves on the US Lacrosse Youth Subcommittee, Coaches Education Committee, and Sport and Development Committee. She is also a Level 1 certified trainer in the US Lacrosse Coaching Education Program. In 2010, she received the Excellence in Growing the Game award from US Lacrosse.

Tim McFarland

CEO / Founder of Elevate Performance, a firm dedicated to helping leaders elevate performance. Worked with over 500 CEO's understanding where they planned to go, how they planned to execute and what the financial results were over a number of years. Served as CEO of the Pinnacle Group, Scottsdale, AZ, CEO of American National Bank of Arizona, a board member of banks in Colorado Springs, CO and Santa Fe, NM, Senior Vice President at Century Bank in Phoenix, and Vice President of First National Bank in Albuquerque.

Will Head

Co-founded a golf company called Links Direct with Fran Tarkenton and Fuzzy Zoeller as spokesmen and endorsers (sold to a public company). Created the first coupon calendar program for a major pizza chain, Domino's Pizza, and ran the program for 5 years (Domino's acquired).

Edward J. Dohring, M.D.

Founder and Medical Director of the Spine Institute of Arizona. Dr. Dohring obtained his Medical Degree from Yale and a Spine Fellowship from the University of Washington. In addition to patient care, Dr. Dohring focuses his time on teaching, lecturing, research and consulting with international spine care companies. He is a nationally recognized leader in non-invasive spine care.

Adam Schmenk

Adam Schmenk currently serves as the Director of Entertainment Properties. In his current role, Schmenk manages USATF's intellectual properties as well as works with the television networks (NBC Sports, NBCSN, Universal Sports and ESPN) handling business deals and scheduling of all television events both domestically and internationally.

Steve Odgers

Executive Director at Boras Sports Training Institute/Orange County California Boras Sports Training Institute, a multimillion-dollar campus in Aliso Viejo. Steve Odgers, is a former 13-year conditioning director for the Chicago White Sox. Odgers was also a top 10 ranked US decathlete from 1984-1988.

Gary Matthews Sr.

Known around the baseball world simply as "Sarge," Gary enters his fourth season as a Club Ambassador for the Phillies. Matthews' on-air experience includes radio and TV analysis and color commentary for Toronto (2000-01) and Philadelphia (2007-13). The former outfielder played 16 seasons in the majors, including three with the Phillies (1981-83). He was the Most Valuable Player of the 1983 National League Championship Series when the Phillies defeated the Los Angeles Dodgers to advance to the World Series. He also played for the San Francisco Giants (1972-76), Atlanta Braves (1977-80), Chicago Cubs (1984-87) and finished his playing career with the Seattle Mariners in 1987. For his career, Gary hit .281 with 234 home runs, 978 RBI and 183 stolen bases in 2,033 games.

Steve Cooke

First Team Assistant Coach, Colorado Rapids; Major League Soccer (MLS), UEFA "A" Coaching License, USSF "A" Coaching License & Pro License and 20 years Coaching Experience (Premier League; MLS; AZ Youth Clubs)

Brad Evans

Captain, Seattle Sounders; Major League Soccer (MLS), Member, USA Men's National Team (2014 & 2018 World Cup Qualifiers). Raised in Phoenix area, starred as a youth for competitive Soccer Clubs.

Scott Hogsett

Captain, USA Paralympic Rugby Team, Charlie Huebner, CEO and USA Paralympics, United States Olympic Committee (USOC). Both will advise, relative to sporting events and participation opportunities for disabled & Paralympic Athletes.

Alan Kidd

CEO, National Association of Sports Commissions (NASC). Executive Director, San Diego Sports Commission & Hall of Champions. For 35+ years, a leading Entrepreneur & Executive for Sports Organizations.

APPENDIX 4: LOI'S



LETTERS OF INTENT

Legacy Sports Park has approximately 55 committed letters of intent through programs such as tournament rights holders, camp operators, high-schools, universities as well as multiple different sports including baseball/softball, basketball, esports, cheer/gymnastics, soccer (indoor and outdoor), pickleball, lacrosse, rugby, and corporate. This is an impressive list of committed hours, especially because Legacy Sports Park has yet to break ground. This section will break down some of Legacy Sports Park's largest letters of intent and identify the types and amount of demand that they are projected to bring to the park. Given that there is not much local and regional supply competition, the demand potential is something that will be critical to identify as this project has the potential to attract demand locally and regionally from users that have yet to be identified.

While Legacy Sports Park has an extensive list of extensive hours and tenants, it is important to recognize that there are more potential tenants such as tournament rights holders, youth sports clubs, youth camps, and leagues that can become additional committed hours moving forward. However, because they have not been identified, Johnson Consulting can only assume current Letters of Intent as current demand. Currently, Legacy Sports Park has some of the largest tenants already under binding commitments to use the park, including Arizona Youth Soccer Organization, Real Salt Lake – Arizona, i9 Sports, Arizona Regional Volleyball Association, Junior Volleyball Association, SC del Sol, USA Gymnastics, and USA Softball among many others. The following list shows a complete breakdown of current Letters of Intent at Legacy Sports Park. Following that are case studies on a sample of the largest organizations that are currently projected to operate at Legacy Sports Park.

Figure A3 – 1

**Local Organizations - Potential LOI's
Legacy Sports Park**

Organization	
Multiple Sports	Soccer - Football Outdoor/Indoor
Benedictine University Mesa (GAMES)	Manchester United
Benedictine University Mesa (PRACTICES)	US Futsal
i9 Sports (Weekends)	Phoenix Rising Youth Soccer
i9 Sports (Practices/Weekdays)	Arizona Youth Soccer Assoc
i9 Sports (Camps)	AYSA Youth Soccer Leagues
Special Olympics Arizona	AYSA Club Tournaments
Arizona Sports and Entertainment Commission	AYSA Development League
PlayStation Fiesta Bowl National Band Championships	AYSA End of Year Competitions
PlayStation Fiesta Bowl Native American Games	AYSA Regional and National Championships
PlayStation Fiesta Bowl National Cheer Competition	Real Salt Lake - Arizona (TOURNAMENTS)
Hi-Five Camps	Real Salt Lake - Arizona (LEAGUES)
BEST Edge Sports Training	Real Salt Lake - Arizona (PRACTICES)
Triple Threat Performance Training	Players Futsal Academy (LEAGUES)
AZ Sports & Tourism Authority	Players Futsal Academy (TOURNAMENTS)
Baseball/Softball	Players Futsal Academy (CAMPS)
Top Choice Baseball	Players Futsal Academy (Weekly Training)
Tournament Sports	Syndicator dos Athletes de Futbol - Rio De Janeiro
Arizona Interscholastic Association	Christ Church of the Valley Youth Sports (LEAGUE)
Canyon Athletic Association	Christ Church of the Valley Youth Sports (PRACTICE)
Volleyball	SC del Sol
Arizona Regional USA Volleyball (GIRLS)	Scottsdale Soccer
Arizona Regional USA Volleyball (BOYS)	NCE Soccer
Arizona Regional USA Volleyball (SAND)	Barnsley Women's Football Club
Volleyball Festival	South Yorkshire Schools Football
RPM Sand Volleyball	Long Island Junior Soccer Leagues, Inc.
Junior Volleyball Association	Other
Rush Volleyball Club	USA Pickleball Assoc
East Valley Juniors Volleyball	Arizona Girls Lacrosse (Tournaments)
Basketball	Arizona Girls Lacrosse (Leagues)
Just 4 Hoopin (Tournaments)	Arizona Girls Lacrosse (Camps)
Power House Hoops (CLUB PRACTICE)	Last Man Stands Cricket
Power House Hoops (TOURNAMENTS)	JARA Rugby (Events, Camps and Training)
Arizona Elite (Tournaments)	Race Place
Arizona Elite (GIRLS CLUB PRACTICES)	Corporate
Breakthrough Basketball (Camps)	MADC Entertainment
Position Sports	W Production Group
E Sports	Eastbay-Foot Locker
School of Drones	Active Health Chiropractic & Physical Therapy
Razer	On Air Sports Marketing
Cheer/Gymnastics	Adventure Solutions
Spring it on Cheer / Dance	Dan O'Brien Sports
USA Gymnastics	USA Softball
Arizona Dynamics	
Total	79

Source: Johnson Consulting audit



Arizona Youth Soccer Organization (AYSA): The Arizona Youth Soccer Organization (AYSA) is composed of over 43,000 players between the ages of 4 and 19, 65% of which come from the Phoenix metro area. They have agreed with Legacy Sports Complex to host two soccer leagues, one competitive and one recreational, which attracts over 700 teams. They also currently host 35 club soccer tournaments from September through May that would be shifted to Legacy, helping to make the complex a regional destination. In addition to the 35 tournaments the club hosts each year, they have been selected to host the Far West Regionals (230 teams) and the National Championships (100 teams), which are both week long tournaments accounting for a significant local and regional economic impact.



Real Salt Lake – Arizona: Real Salt Lake – Arizona has entered an agreement with Legacy Sports Park to relocate its nine tournaments, 7,000 players, tournaments, practices, and camps to Legacy. Real Salt Lake Arizona attracts some of the top club soccer teams from around the United States to participate in their tournaments and project to need over 1000 hotel rooms for their estimated 25,000 spectators.



i9 Sports: i9 Sports is the largest youth sports franchise business in the United States, accounting for 2,000,000 registered participants. They serve communities all over the United States, including Phoenix where they have approximately 9,000 participants. They have agreed to host flag football, basketball, t-ball, soccer, and volleyball at Legacy.



Arizona Region USA Volleyball: Legacy Sports Park has entered into an agreement with USA Volleyball Arizona to relocate all of its programming to Legacy upon the completion of the facility. The organization is a 501(c)(3) non-profit and is one of the 40 regional volleyball associations of USA Volleyball.





Chad J. Miller
Legacy Sports USA, LLC
19550 N. Grayhawk Dr.
Unit 1078
Scottsdale, AZ 85255

Dear Chad,

Arizona Youth Soccer Association (AYSA) was excited to learn about the Legacy Sports Park Complex new site location. As you already know, We fully support and endorse your facility.

The membership of Arizona Youth Soccer has continued to grow steadily over the past several years, we now have 43,000 players between the ages of 4-19. Of those 43,000, approximately 65% reside in the Phoenix / SE Valley area.

- AYSA still oversees two soccer leagues, one for competitive players and one for developmental players. 700+ teams compete in these two leagues beginning in early September for a 10 week season.
- AYSA also sanctions 35 Club run tournaments from September through May. A complete listing of sanctioned tournaments can be found at the following link:
http://www.azyouthsoccer.org/tournaments/club_tournaments/
- In addition to running two leagues, AYSA also runs two end of the year competitions, Presidents Cup (end of March, 175 teams) and State Cup (end of April, 180 teams).
- For the last 8 years, AYSA has been host for the Region IV ODP Championships the second weekend of January. This year was our largest so far, 120 teams, of which 110 were from out of state.
- As a member of US Youth Soccer, AYSA has been selected to host the Far West Regional Championships in late June (230 teams) as well as the National Championships (100 teams) in late July. Both of these events are week long tournaments with 99% of the teams from outside of Arizona.
- While our recreational soccer slows down, our competitive players are holding tryouts during the month of May and training for the new season from June-August. Unfortunately, City fields typically close down from May-August, leaving many competitive teams without the resources needed to train and maintain their skills.

Please accept this Letter of Intent, as we look forward to the opportunity to partner with Legacy Sports Park, as we are committed to relocating as many of our sanctioned leagues and tournaments to the Park as possible.

A handwritten signature in black ink that reads "Rick Kelsey".

Rick Kelsey
President
Arizona Youth Soccer Association



Arizona Region of USA Volleyball
9100 South McKemy St., Tempe, AZ 85284
Phone: 480-626-6740 Fax: 480-626-6743
Email: office@azregionvolleyball.org



January 14th, 2020

Randy J. Miller
Legacy Sports, LLC
19550 N. Grayhawk Dr
Unit 1078
Scottsdale, AZ 85255

Re: Legacy Sports USA Sports & Entertainment Park

Dear Randy:

Per your request, the Arizona Region of USA Volleyball is providing a follow up letter in regards to the relocation of its programming to Legacy Sports Park upon its completion.

Please accept this letter of intent by the Arizona Region of USA Volleyball as a commitment to add our programming and operations to Legacy Sports Park. We look forward to working together and conducting operations in your new state-of-the-art facility.

Very truly yours,

A handwritten signature in black ink that reads "Eric Hodgson".

Eric Hodgson
Arizona Region of USA Volleyball
Director of Outreach

www.azregionvolleyball.org



LEGACY SPORTS
OAK VIEW GROUP
PROJECTED EVENT SUMMARY
 As of February 26, 2020
 Special Events Only
PROJECTED

	2022 Operating Year	2023 Operating Year
TOTAL EVENTS	221	277
Legacy Sports Arena (Non Sports)	53	66
Outdoor Amphitheater / Festival Space	46	68
Parking Lot Usage	122	143
TOTAL ATTENDANCE	551,250	673,600
GROSS FOOD & BEVERAGE	\$ 3,400,750	\$ 3,960,250
Legacy Sports Arena (Non Sports)	2,152,750	2,667,000
Outdoor Amphitheater / Festival Space	1,068,000	1,076,000
Parking Lot Usage	180,000	217,250
EVENT MIX		
Legacy Sports Arena (Non Sports)		
Concerts	7	8
Relentless Beats	6	8
Family Shows	4	6
Festivals	3	3
Indoor Spectacular	2	3
Conference/Convention	7	8
Flat Shows	6	8
Corporate Events	6	8
Misc / Community	12	14
Total	53	66
Outdoor Amphitheater / Festival Space		
Concerts	6	10
Festival	2	4
Relentless Beats	2	2
Local Festivals	20	30
Commercial	4	6
Misc / Community	12	16
Total	46	68
Parking Lot Usage		
Large Event - Commercial	12	16
Small Event - Commercial	20	26
Flea Market	36	36
Park and Drive	4	5
Misc / Community	50	60
Total	122	143



<http://www.i9sports.com>

January 13, 2020

Dear Jeff de Laveaga,

i9 Sports of Mesa and Chandler/Gilbert/Queen Creek is committing to a partnership with Legacy Sports USA to operate recreational youth sports leagues at the new facility in Mesa. Please accept this LOI as our official commitment to Legacy Park. We are targeting a Fall 2021 opening season. i9 Sports currently operates youth leagues in Flag Football, Basketball, T-ball, Soccer and Volleyball serving over 9,000 participants each year.

We believe a partnership with Legacy Sports USA will give all of our current participants an option to play at a state of the art facility and are excited about the growth opportunities that lie ahead.

Sincerely,

A handwritten signature in grey ink, appearing to read 'Steve Goodell'.

Steve Goodell

Co-Owner

i9 Sports Mesa

i9 Sports Chandler/Gilbert/Queen Creek



January 17, 2020

Legacy Sports USA
c/o: Jeff de Laveaga

Re: LOI

Dear Jeff,

Real Salt Lake -Arizona is excited about the opportunity to relocate its nine (9) Arizona youth soccer tournaments to Legacy Sports Park. In providing this Letter of Intent, we are committing to a partnership with Legacy Sports USA, in relocating our 7,000 players as well as our tournaments, practices, camps and leagues.

As mentioned, Real Salt Lake Arizona has over 7,000 players in our organization. We attract some of the best clubs and teams around the country to participate in our tournaments throughout the year. We anticipate needing over 1000 hotel rooms per events and over 25,000 spectators for each event. We have hundreds of college coaches that attend our events to scout our talented players.

We will start moving all our events to Legacy in 2021 as long as Legacy has the park open by the time our events start.

Sincerely,

A handwritten signature in black ink, appearing to be 'Brent Erwin', written over a light blue horizontal line.

Brent Erwin
Executive Director
REAL Salt Lake - Arizona



Chad Miller
Legacy Sports USA, LLC

Re: Letter of Intent

Dear Mr. Miller,

As a fellow Fiesta Bowl Committee Member, our mission is to provide and execute memorable fan experiences while being a champion for charitable causes. The Fiesta Bowl hosts a variety of local events each year, as well as two elite college football bowl games, the PlayStation Fiesta Bowl held at State Farm Stadium and the Cheez-It Bowl held at Chase Field. In 2019, the Fiesta Bowl Organization orchestrated and hosted 11 different events throughout the valley, while raising over \$2.5million for local charities.

However, one of the more difficult tasks our organization faces, is securing long term site locations for several of our larger events. Due to the size of these functions, we are limited on options, and are forced to use facilities that are either undesirable or unequipped to host sporting functions. We were excited to learn more about the Legacy Sports Park development, which will provide a much-needed solution to our problem. Please accept this Letter of Intent, as we are committed to relocating several of our largest events to the Legacy Park, beginning in 2022.

- 1.) The Fiesta Bowl National Band Championship
- 2.) Fiesta Bowl Lori Piestewa National Native American Games
- 3.) The Fiesta Bowl Cheer Competition

On behalf of the Fiesta Bowl Committee, and its 120 active Yellow Jacket Members, we look forward to working with Legacy Sports USA and would like to thank you again for this opportunity.

Best Regards,

David Dorward
Fiesta Bowl Committee Event Chair
Board Member / Phoenix Regional Sports Commission



13 January 2020

Dear Mr. Miller,

On behalf of Manchester United F.C., congratulations to you and your team on your forthcoming training and playing facility based in Mesa, Arizona.

I would like to reaffirm, that Man Utd F.C., is committed to working with Legacy Sports USA in creating a partnership that will provide a unique opportunity for Manchester United and other elite / professional English soccer teams to come across to the U.S.. It is our intent to utilize your world class complex, and state-of-the-art training / sporting facilities as a future training home in the U.S..

As I've stated in our prior discussions, I feel that all professional soccer teams would welcome the opportunity to utilize your new training facilities as a means to continually improve their playing personnel from both a physical and tactical perspective, while expanding their brand internationally.

Please keep me updated as to the progress being made with the design of the park, as we would welcome the opportunity to assist your team with ideas for your sporting facilities.

We look forward to working with Legacy, and forming a long successful partnership together.

Kind regards,

David. M. Kelly

David Kelly

Senior Sports Scientist

T +44 (0) 161 868 8000

E david.kelly@manutd.co.uk





January 3, 2020

Legacy Sports USA
c/o: Jeff de Laveaga

Re: LOI

To Whom It May Concern,

Phoenix Rising Youth Soccer Club is under contract for the next 5 years with Legacy Sports Park to run our four (4) youth soccer tournaments on:

1. November 23-25 (Thanksgiving Weekend)
2. January 18-21 (Martin Luther King Jr. Day)
3. February 22-24 (Max Shacknai Invitational)
4. March 2-25th (Spring Break Event)

We will be using all (40) soccer fields for these events and expect between 300 to 550 teams per event. We will need 2,000 to 3,000 hotel rooms for our out of state teams and we expect over 20,000 spectators to attend each tournament.

We are looking forward to making Legacy Sports Park our new home for our events and we appreciate your ability to be flexible with our needs.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Chapman", is written over a light gray rectangular background.

Andy Chapman
Director of Coaching
Phoenix Rising FC Youth Soccer



Legacy Sports, LLC
1900 W. Chandler Blvd Suite 15-315
Chandler, AZ 85224

Re: Legacy Sports Family Entertainment Park and SC del Sol

Dear Randy:

Per your request, SC del Sol has provided program information including athlete participation, operations and historical revenue for use by SFA in preparation of the feasibility study. We have previously discussed the relocation of SC del Sol programs to Legacy Sports Park upon its completion. Subject to the terms of a mutual agreement, please accept this letter as a commitment of intent by SC del Sol to transfer programs and operations under the Legacy Sports umbrella of companies. We have little doubt that with the current dearth of available fields and quality facilities in Maricopa and the solid structure and potential growth of SC del Sol that conducting operations at the new state-of-the-art Legacy Sports Family Entertainment Park will be a huge success.

Sincerely,

A handwritten signature in blue ink that reads 'Chris Diana'.

Chris Diana,
SC del Sol – President.



Dear Randy Miller and Legacy Sports Group,

SC del Sol Soccer Club, based in Phoenix, currently stands at a very strong 62 competitive teams with over 6000 members. We are not only one of the largest soccer clubs in Arizona, but we pride ourselves on being the best, with a highly qualified staff and a core vision around youth development. Regarding player / team development and performance goes, there is little doubt that we lead the way in the State of Arizona. The Club and the majority of our staff are very well established, not only on a state level, but are also recognized regionally and nationally, with many having an international presence.

We currently use five full fields every night with three “time slots” for each night to accommodate our teams. The scenario for us (and for many other clubs) is not ideal as the dearth of city field availability means we have four teams to a field training at one time. We could very comfortably use 12 fields per evening to train, and have a similar scenario on game days and weekends. Last year as a club we spent over \$160,000 on field usage alone, and even that did not suffice.

SC del Sol Soccer Club hosts three tournaments a year: The Southwest Challenge (November), The Desert Classic (February), and the President’s Day Tournament, (February). Our President’s Day Tournament (PDT) is by far the biggest tournament in Arizona, and one of the biggest and most prestigious tournaments in the U.S. Five years ago, the City of Phoenix did a study and showed PDT having an economic impact of \$16,000,000 to the City of Phoenix. We have grown this tournament substantially since then and in 2019 we brought in 416 teams, with over 350 teams from out of state. In addition to the large volume of teams, the PDT tournament brings in over 280 College Coaches from all over the country.

Our Desert Classic Tournament (DCT) has over 350 teams and although our out-of-state teams are not as high, this tournament combined with PDT is expected to bring in over \$30,000,000 for the City of Phoenix. We are currently growing our Southwest Showcase in November and with our experience, expertise and contacts, we are confident we can also get this third tournament up to the same level.

As a Premier Soccer Club, we are proud that we have grown these tournaments and we are capable of holding many similar events of this magnitude. The "Legacy Sports Complex," would ideally, become home to all the SC del Sol tournaments, and much more. We are more than confident that we could host many other events: sports seminars, clinics, futsal leagues, 5 v 5 leagues, regionals, nationals, soccer camps, and pre-season events. Many members of our staff (including myself), also have College and advanced degrees. We are teachers first, and this could also open doors for some educational, revenue-generating pursuits.

As you may know, many members of our staff have played at a very high professional level, and still have many strong relationships globally to attract professional clubs from Europe, as well as the U.S. A partnership with the Legacy Sports Group would give us an incredible home for our already established Elite ECNL and WPSL girl's programs, (which are unique to SC del Sol). This partnership would additionally ignite and strengthen our application to obtain USSF Academy Status, (on the boy's side). As a USSF Academy housed at the complex, conservative estimates document that an additional \$2 million in revenue would be generated.

We would also be committed to set up other leagues and help our current member Organizations including: National Premiere League, Western Developmental League, Far West Regional League, AYSA, ECNL and WPSL. We could also host Regional and National soccer events as these Clubs / Organizations are always looking for viable venues in the state of Arizona.

In conclusion, I am confident that my own personal experiences, reputation and success within youth soccer in Arizona over the last 23 years, coupled with SC del Sol's stellar reputation on a state, regional and national level would allow us to join forces with The Legacy Sports Complex to build and create a world-class soccer and sports facility, like none other in the state.

I look forward to further discussion and if you have additional questions, please don't hesitate to reach out to me.

SC del Sol Soccer Club

SC del Sol Office Address: 18777 N. 32nd St. Phoenix, AZ 85050, Suite 100

SC del Sol Office Phone# – 602.867.2302



January 21, 2020

Dear Legacy Cares,

As Director of Collegiate Team Sales, on behalf of Eastbay, a subdivision of Foot Locker, I wanted to thank you again for the opportunity your team has provided at the new Legacy Sports Park. Foot Locker is the parent company for Kids Foot Locker, Lady Foot Locker, Footaction, Six:02, Runner's Point, Sidestep, Eastbay, and Champs Sports.

We are committed to working with the Legacy Sports Park project in Arizona and would like to offer a team of specialists to assist you with your FF&E needs. It is our initiative to be the most comprehensive company when it comes to assisting your team with the fulfillment of sporting equipment. We are also the largest retailer of team uniforms and would like to speak to your venue directors to outfit your clubs and teams in the brand of your choice.

Finally, Foot Locker and some of their chain of Brands have a strong digital retail component. Between our digital retail and traditional shopping outlets, I believe there is a strong synergy between Legacy Sports USA and some of our companies. At the appropriate time, as construction commences, I would like to work on finalizing a long term agreement, revolving around your park and our various on-line retail platforms. I appreciate your time.

Sincerely,

Brad Raymond

Director of Collegiate Team Sales / Eastbay

211 S. 1st Ave. Wausau, WI 54401



Benedictine University Mesa

January 20, 2020

Dear Jeff de Laveaga,

We are very excited about the athletic complex that Legacy Sports USA is developing. Currently, our athletic department at Benedictine University Mesa sponsors 13 intercollegiate sports as well as four additional club sports teams. We have a total of 325 student-athletes who have competed in intercollegiate athletics this past year. We anticipate a total of 350 student-athletes for the Fall of 2020. Our athletic teams utilize both public and private athletic facilities for practices and games. We currently use 10 different athletic complexes/facilities for our sports teams. Benedictine University Mesa believes a facility like yours will centralize our athletic teams which would provide a higher quality student-athlete experience as well as an increased competitive advantage for our athletic teams. Below is a breakdown of our sport offerings at Benedictine University Mesa.

Intercollegiate Sports

- 1) Baseball
- 2) Men's Basketball
- 3) Men's Cross Country
- 4) Men's Golf
- 5) Men's Soccer
- 6) Men's Volleyball
- 7) Softball
- 8) Women's Basketball
- 9) Women's Cross Country
- 10) Womens Golf
- 11) Womens Soccer
- 12) Womens Volleyball
- 13) Womens Beach Volleyball

Club Sport

- 1) Spirit Squads, Cheer and Dance
- 2) Bowling
- 3) Badminton
- 4) E-sports

As Mesa's University, Benedictine has made it a point to seek out athletic facilities in-town so our athletic teams can both compete and represent the city of Mesa. The Legacy Sports USA Complex would provide our University with a facility to host home athletic contests. Additionally, it is our University's long-term vision to host conference, regional and national tournaments. The Legacy Sports USA project provides us this opportunity. These large-scale events have the potential to be major revenue generators for the City of Mesa. We currently will be in our second year hosting the AIA national men's golf championships here in Mesa.

Please consider this our official letter of intent, as you continue to progress forward in the development of this project. We at Benedictine feel this facility will positively enhance the City's identity, provide a home venue for Benedictine Mesa Redhawk home athletic contests and attract several national athletic events to Mesa. We thank you for your time.

Sincerely,
Steve Schafer
Director of Athletics
Benedictine University Mesa



January 18, 2020

Top Choice Baseball currently organizes 36 to 40 youth baseball tournaments in Arizona yearly including National Tournaments. The average tournament host 120-280 teams from across the nation. Top Choice Baseball is in 19th year of operation and the amount of travel teams in AZ continue to grow every year to over 1000 teams now in AZ. It is estimated that we generate over ten to twelve million dollars yearly in economic impact into the Valley. Top Choice Baseball sanctions youth baseball tournaments with USSSA Baseball which currently has over 55,000 registered baseball teams in ages 7U-18U.

With this letter of intent, It's our desire and commitment to host these tournaments at Legacy Sports Park. There simply is more demand then supply with the number of fields currently available for our youth market.

With the total number of available weekend fields going to 10 in the new layout we would be able to run around 20 to 30 tournaments per year that could accommodate 84 teams per event. Most of our tournaments are 2 day events but several are 3 days long and one in DEC lasts 4 days. A 2 day youth BB event would have an est. 1,176 participants and 5,376 spectators. For the year based on 20 events we would estimate 23,520 participants and 123,648 spectators.

Arizona has become the top destination in the Nation for Travel Baseball Teams to attend events due to first class facilities like Legacy Sports Park and our desired climate. I look forward to a continued growth and business relationship with the Legacy Sports Complex in the future.

Sincerely,

Rick Pereault

Top Choice Baseball, LLC-Owner

USSSA Baseball-AZ State Director

www.Topchoicebaseball.com

(520) 405-2880 Cell



Active Health

Chiropractic & Physical Therapy

11011 S. 48th St. Suite 108 * Phoenix, AZ 85044 * (P) 480.893.2400 * (F) 480.893.2412

December 9, 2019

Legacy Sports USA, LLC
Chandler, AZ

Our Mission:

Legacy Rehab and Wellness Center is a Multidisciplinary team that will be focused on promoting and preserving the health and well being of patients in the South East Valley area as well as any sports related injuries sustained at Legacy Park. Treatment will be focused on returning athletes to productivity and maximize their function as well as assisting them in avoid recurrent injury and reduce physician dependence.

The Company and Management:

Our team of healthcare professionals will be lead by Dr. Eric J. Neufang. Dr. Neufang has been in private practice for over 20 years and has been both the owner and administrator of several highly successful Medical Clinics.

Services:

The clinic will include but not be limited to: a Chiropractor, Physical Therapist, Naturopathic Medical Doctor, Aestheticians, a Registered Nurse and a massage therapist. We will also launch a State of the Art regenerative procedure called Lipogems within our wellness clinic. By having multiple professions within our center, Legacy will benefit from various means of potential revenue.

The Market:

Americans spend over 34 billion a year on alternative medicine and 30 billion on Physical Therapy. In the United States Medical Spas are a 13 billion dollar industry. Currently, there is only one Chiropractor who is a mile away from this location. The closest Physical Therapist is 2.1 miles and the closest spa is 4.5 miles.

Competitive Advantages:

This treatment center will be within Legacy Park's Field house. Presently, Legacy is estimated to have 3 million visitors a year that will participate and watch a multitude of sporting events. We have every intention of being intimately involved within these various programs, supplying information related to the prevention and wellness of injury/disease and being the sole provider for any injured athlete that visits Legacy.

Website: www.activehealthaz.com

Email: activehealthaz@gmail.com

Financial Projections:

At the end of the first year our Clinic will be generating \$2,046,200 in gross collections. This number is based on the Chiropractor treating 50 patients a week, the Physical Therapist 40 a week, the NMD treating 50 a week, the Med Spa treating 50 per week and performing 3 Lipogems per week. We anticipate that each profession will increase their patient visits by at least 20 visits a week in year two, therefore generating \$3,190,200 in gross collections. By year three, the Chiropractor will be treating 100 patients per week, the Physical Therapist 90, the NMD 90, the Med Spa 90 and at least 10 Lipogems performed per week. We are confident that these numbers will generate \$4,521,400 in gross revenue.

January 18, 2020

Mr. Randy J Miller
Legacy Sports USA, LLC
19550 N. Grayhawk Dr. #1078
Scottsdale, AZ 85255

Hi Randy,

As a follow up to my previous letter from last year, I first want to congratulate you on the advancement of the Legacy Park Development. As you know I have been in the adventure travel world for over 20-years now, I have done everything from being a zipline park manager to designing multi-million dollar adventure parks. I have worked with multiple new technologies including the world's first zipline rollercoaster the AvatarOne rM which I have helped patent and have patents pending for some of my work. I have been the key designing force on multiple large scale projects including entertainment parks with multiple ride systems. I have a firm understanding of how entertainment parks are designed, built, and operated and bring that experience to every project that I work on.

As we've discussed, what I have done is crafted a two-page letter, based on my own experience of creating projections for projects I have worked on in the past for a joint venture with an investment group as well as RFP proposals for state projects.

Please review and let me know if you have any questions.

I look forward to working with you and seeing what solutions we can create for your project.

Sincerely,



Steve Wagner

[855.855.0150](tel:855.855.0150)

(c) [321-863-2411](tel:321-863-2411)

(f) [410.391.5811](tel:410.391.5811)





General Projections for Aerial Adventure Parks

To help our clients have a better understanding of revenue and expense projections for an aerial adventure park or ride system, Adventure Solutions has created a set of general guidelines that one can follow to get a clearer look at this project potential. These are a set of guidelines based on our experience within the different marketplaces as well as personal experience of our key staff members that have been involved in the market for over 20-years.

Capture Rate and Revenue Projections

To estimate the revenue potential of a project, one must analyze the current market to determine the available potential pool of customers. Adventure travel and tourism is one of the fastest growing travel/tourism sectors worldwide, with over 25% of travelers enjoying some sort of eco-tourism and in 2017 69% of travelers said they wanted to try something new. Millennials were the #1 consumer segment for hotels in 2019, 78% of millennials would rather spend money on a desirable experience versus spending money on a desirable item. All of this points to a relatively large segment of the traveler and tourist market (so long as the main ages are between 12-55).

While an in-depth market research would need to be conducted to know the specifics of any one area, the typical market that already has adventure, outdoor, or other excitement based activities is an ideal setting for an aerial adventure ride. It would be safe to assume that between 70-80% of the market is under the age of 60.

The number that is important is the capture rate, how many of these potential customers can you convert into paying customers. The actual number will be dependent on a number of factors including the marketing plan, direct competition, indirect competition, and price as well as numerous other factors. If one assumes a modest capture rate of 4% year one and growing to 7-8% by year 5, then a conservative estimation can be calculated.

The price point of the adventure park will then be used to determine the revenue for the park. For an aerial adventure course with a one to two-hour experience an average price of \$35 per guest can be used. For a multi-activity adventure park, one with an adventure course, rollercoaster zipline, ziplines, and a few more smaller activities, then an average price of \$60 can be used.

Based on a 4% year one capture rate of a market of 500,000 potential customers, an aerial adventure park would have a yearly attendance of 20,000. At an average price point of \$60 per guest, the year one revenue would be \$1,200,000.00. This is a low-end estimation, as a typical adventure park with multiple activities in a average market will see between 25,000-45,000 guests per year.

General Expense Calculations

To estimate the expenses of an aerial adventure park, there is a set of operationally specific expenses dependent on the park design and general expense numbers that one can use. Operationally specific expenses include ride labor (more rides equals more labor, canopy tours are more labor intensive than aerial courses) support labor, phone, utility bills, etc.

General expense numbers typically work on a percentage of revenue, insurance it is good to use 3% of gross for your general liability, workers compensation, and other insurance needs. Maintenance and supplies as 5% of gross, credit card fees as 2% of card sales gross, professional fees at 2%. Using these general percentages will budget more than required but will account for unforeseen expenses that may occur in those areas.

The marketing budget is the one area where market and expertise will determine the needed budget as well as success. The old approach of spend a dollar to make ten may still work in certain markets while more competitive markets may require 20% more and less competitive markets require 20% less.

Real World Example

Below is an example of a Revenue and Expense projection conducted for an adventure park located in Alabama with a typical market size of 700,000 guests per year with annual visitation growth of 3%.

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capture Rate	4%	5%	7%	8%	12%	
Attendance	27,916	35,099	54,446	66,684	94,791	278,936
Average Ticket Price	\$65.00	\$65.00	\$65.00	\$65.00	\$65.00	
Revenue	\$1,814,532.4	\$2,281,431.57	\$3,538,967.82	\$4,334,481.53	\$6,161,446.97	\$18,130,860.37
Expense	\$1,140,450.7	\$1,206,452.00	\$1,429,561.14	\$1,726,755.21	\$1,949,856.39	\$7,453,075.43
Profit	\$674,081.78	\$1,074,979.58	\$2,109,406.68	\$2,607,726.32	\$4,211,590.59	\$10,677,784.94



Arizona Interscholastic Association, Inc.

7007 N. 18th Street
Phoenix, Arizona 85020-5552

Phone: 602-385-3822
Fax: 602-385-3779
www.aiaonline.org

January 10, 2019

The following represents the intention of the Arizona Interscholastic Association (AIA) and the Legacy Sports Complex development & event center in the Phoenix Metro Area.

I. Use of Legacy Sports Complex

- AIA will be a prime tenant/user of the multipurpose sports complex.
- The Legacy Sports Complex will be developed to accommodate specific AIA requirements, including flexible seating conditions, accommodations for LED scoreboards, videoboards and courtside advertising, lighting and sound support, restrooms, locker rooms, concession stands and those amenities normally found in such venues.
- AIA plans to provide/host multiple event days of programming at the complex from September 16 through May 30 each year, including, but not limited to, the following events annually:
 - Football State Tournament and/or Championships
 - Basketball State Tournament and/or Championships
 - Volleyball (Boys & Girls) State Tournament and/or Championships
 - Softball State Tournament and/or Championships
 - Baseball State Tournament and/or Championships
 - Beach Volleyball State Tournament and/or Championships
 - Spiritline State Qualifiers
 - Spiritline State Championship
 - Wrestling Sectional Tournaments
 - Wrestling State Tournament
 - Badminton State Tournament
 - Cross Country State Meet
- AIA and/or its member schools will pay a rental fee for the use of the venue for all programming, to be determined and agreed upon at a later date.
- AIA and/or its member schools will receive all revenue from base ticket sales (does not include facility or convenience fee to be agreed upon at a later date) for end-of-season tournaments, regular season "games of the week" and invitational tournaments should they arise.
- AIA will have the rights to sell and receive revenue from designated sponsorship inventory displayed during AIA programming.
- AIA will have the rights to a percentage of concession sales, to be determined at a later date, during AIA programming.



Arizona Interscholastic Association, Inc.

7007 N. 18th Street
Phoenix, Arizona 85020-5552

Phone: 602-385-3822
Fax: 602-385-3779
www.aiaonline.org

- AIA will have the right to sell and receive revenue from AIA/member school merchandise during AIA programming within designated areas of the venue property. This may be restricted to within the venue's official retail partner store and includes applicable sales fees.
- AIA and Legacy Sports Complex may enter into co-promotional partnerships to produce and host additional programming (i.e. holiday tournaments, etc).

II. Event Center Ownership Structure

- The ownership of the Event Center is planned to be a perpetual not-for-profit entity, directed by an appointed Board of Directors. AIA will be provided a seat on the Board of Directors for the not-for-profit ownership entity of the Legacy Sports Complex.

III. AIA Office Space

- AIA may choose to relocate all or a portion of its statewide headquarters to offices at Legacy Sports Complex
- AIA's Legacy Sports Complex office space may consist of:
 - A shared AIA board room
 - Access to additional small conference rooms
 - Access to 5,000 sf of storage

We are anxiously awaiting the opportunity to move forward with this partnership. The AIA stands committed to this project benefitting Arizona high schools.

Respectfully,

David Hines
Arizona Interscholastic Association
Executive Director



Hi Jeff,

Based on our previous discussions, along with the new site location being in closer proximity to our existing locations, it is my pleasure to write this letter of Intent to legacy Sports USA in regards to relocating our existing events to Legacy Park and assist in building their own gymnastics and cheer club. I will work with legacy leadership to develop programs, purchase equipment, hire personnel and market to the surrounding neighborhoods to ensure success.

The cheer and gymnastics community will be excited about the news of Legacy Sports USA starting construction, and we are looking forward to making sure the park is a huge success.

Sincerely,

Debby Farrelly

Founder/CEO
AZDynamics



PO BOX 20228
FOUNTAIN HILLS, AZ 85269
480-332-9848

January 15, 2020

Jeff de Laveaga
Chief Operating Officer
Legacy Sports USA

RE: LOI FOR ARIZONA ELITE GIRLS BASKETBALL CLUB, INC.

Dear Jeff:

Arizona Elite Basketball and it's affiliated teams are pleased to provide you with this LOI regarding rental space at the new Legacy Sports complex. Arizona Elite is desirous in relocating all of it's valley-wide court rental times to Legacy in addition to the numerous NCAA certified events it currently operates. Our group has been successfully operating NCAA certified events over the past 23 years and we are willing to commit to a 5-10 year contract for both practice time and tournament rentals, terms and conditions to be mutually acceptable to both parties.

Other than Legacy Sports, it's leagues and tournaments, we would request that Arizona Elite Basketball would be co-branded as Legacy's in house program serving the facility as "Arizona Elite Girls Basketball" *powered by Legacy Sports* in order to maintain an exclusive agreement to serve all attendees of Legacy Sports facilities interested in club basketball.

I appreciate your time and look forward to a mutually beneficial relationship.

ARIZONA ELITE GIRLS BASKETBALL CLUB, INC.

A handwritten signature in black ink, appearing to read 'Gary Pedersen'.

Gary Pedersen
President



June 11, 2019

Mr. Chad Miller
Legacy Sports, LLC
1900 W. Chandler Blvd., Suite 15-315
Chandler, AZ 85224

Re: AZGL at Legacy Sports Park
Phoenix, AZ

Dear Mr. Miller,

As the Founder / President of the AZGL organization, and ex board member for US Lacrosse, I can speak for all of our coaches, players, and fans in saying we are excited about our future partnership with the Legacy Sports Park. Women's lacrosse is one of the fastest growing female sports in the country, once construction of the park is complete, it is our intention to relocate several of our major tournaments, leagues, and camps to Legacy, providing the AZGL a home in which we can continue to grow and create a future for young females who love the game.

Thank you again for the opportunity, we look forward to a successful partnership for many years to come.

Sincerely,

Arizona Girls Lacrosse

Jessica Barden

Jessica Barden
Founder / President

Scottsdale ▪ Chandler ▪ Gilbert ▪ Tempe ▪ Phoenix
602.315.4481 jessica@azgl.com



December 19, 2019

Mr. Randy Miller
Chairman/Founder
Legacy Sports USA, LLC

Dear Mr. Miller,

Thank you for your interest in the Arizona Sports and Tourism Authority (AZSTA).

Formed as a result of voter approval of Proposition 302 in November 2000, AZSTA is responsible for owning and operating State Farm Stadium; funding tourism promotion in Maricopa County; funding the construction and renovation of Cactus League spring training facilities; and funding youth and amateur sports projects and programs.

Most of AZSTA's support for youth sports is provided through our biennial Youth and Amateur Sports Grant program, which aims to allocate funding for youth and amateur sports projects within Maricopa County that will service a wide variety of sporting and physical activity experiences. More information on AZSTA's Youth and Amateur Sports grants may be found here: <http://www.azsta.com/index.php/purpose/youth>.

Having reviewed Legacy Sports USA's Executive Summary, I believe that many aspects of the project would fall under the scope of our AZSTA's Youth and Amateur Sports grant program. The next grant cycle is set for FY2022, and we look forward to considering your application at that time.

Sincerely,

A handwritten signature in black ink that reads "Tom Sadler".

Tom Sadler
President & CEO

Richard M. Nuttall

From: Steve Maddock <stevemaddock@barnsleywomensfc.co.uk>
Sent: Thursday, January 30, 2020 12:16 PM
To: Richard M. Nuttall
Subject: Legacy Sports Commitment

Good evening, I am the Owner and CEO of Barnsley Women's Football Club. We play in the English FA Women's National League. I have been given information regarding the new Legacy Sports Park that is to be built in Arizona. On behalf of our club, we are committed to bringing our Women out to use your facilities for a preseason tour and tournament.
Please send me details as soon as they are available.

Many thanks

S. Maddock

Steve Maddock

Chief Executive Officer Barnsley Women's Football Club Limited
Secretary South Yorkshire C.S.F.A
Telephone - 07880598014



Richard M. Nuttall

From: stephen maddock <slmaddock@hotmail.co.uk>
Sent: Thursday, January 30, 2020 12:09 PM
To: Richard M. Nuttall
Subject: Letter Of Commitment to Legacy Sports

Good afternoon Richard, I am the Secretary of South Yorkshire Schools Football and have 450 Primary Schools and 170 Secondary Schools. For the last 3 years I have brought teams to Arizona to play in Soccer Tournaments. This letter shall confirm our commitment to bring our teams to play at such a great facility that Legacy is going to build.

There would also be an appetite to bring pupils to participate in other Sports.

Looking forward to see you

S. Maddock
Stephen Maddock

Chief Executive Officer Barnsley Women's Football Club Limited

Secretary South Yorkshire C.S.F.A

Telephone - 07880598014





B.E.S.T. Beginners Edge Sports
Training 7000 E Shea Blvd
Scottsdale, AZ 85254

Dear Legacy Sports USA

B.E.S.T. Beginners Edge Sports Training is committed to start up operations at Legacy Sports USA to create and maintain weekly Pre-K kids sports training clinics year-round and large Winter, Spring, Summer and Fall school holiday camps.

We are interested in developing programs immediate upon your opening catered to the weekly stay at home parents of Pre-K children. We consistently have over 100 to 150 school holiday campers attend our four seasonal camps.

Projected monthly revenues for weekday clinics are projected at: \$2,000 a month.
Projected holiday camp revenues are projected at \$30,000 a week for 14 holiday weeks.
Total revenue for B.E.S.T. to develop for Legacy Sports USA will be \$500,000 annually.

We appreciate the exciting opportunity ahead of Legacy Sports USA and can't wait to get started.

Sincerely,

Mitch Goldberg, CEO
B.E.S.T. Beginners Edge Sports Training

Breakthrough Basketball LLC.

5001 1st Ave. SE
STE 105 #254
Cedar Rapids, IA 52402
dustinp@breakthroughbasketball.com

January 22nd, 2020

Dear Jeff de Laveaga,

Breakthrough Basketball is committed to a partnership with Legacy USA to conduct our skill development basketball camps and clinics in the future. Breakthrough Basketball conducts over 300 skill development camps and clinics across the United States each year and are excited to continue our growth in the Mesa/Phoenix area.

We believe a partnership with Legacy USA will allow us to expand on our current growth in your community and will give the youth an opportunity to enhance their skill set on and off the court.

Sincerely,

Dustin Pierson
President of Camp Operations
Breakthrough Basketball LLC.



Canyon Athletic Association | P.O. Box 2281 | Litchfield Park, AZ 85340 | 623-234-3324 | info@azcaa.com

January 19, 2019

To Whom It May Concern:

The Canyon Athletic Association is a not-for-profit corporation created to provide competitive athletic competition for non-traditional educational institutions. The CAA consists of member schools at the Junior High and High School level that wish to participate in interscholastic activities. The member schools include, but are not limited to, charter schools, public schools, home school organizations and parochial schools. It is our goal to help facilitate communication, provide structure and guidelines, organize tournaments and manage the funds necessary for these activities. The CAA seeks to provide high standards of integrity while providing great flexibility to accommodate non-traditional schools.

Legacy Sports Complex in the Phoenix Metro Area would provide a great facility for our 200 plus members in Arizona. From individual school practices, regular season games, to host site for hundreds of state tournament games each year. Arizona has a unique educational landscape that provides an educational platform for all different types of students. The CAA services the interscholastic needs of some of these schools who don't have gyms, fields or tracks for athletes to train or compete at, which leads to the majority of our schools to rent outside facilities. A facility like this planned for the metro Phoenix area will support these schools with that need.

Our community needs a place like this one that is planned. It will become a place where our community will call home for some of the best events in the state. Being an association that provides for schools outside of the metro area, this will become a neutral site for teams to travel to and compete against other schools south of Phoenix. Saving travel time, allowing fans from outside the Phoenix area to access the site easier without having to come into the metro area where traffic congestion deters many from attending, this facility may lead to more support for our northern AZ schools when it comes to fan base during road games.

Proud to be able to speak about the need of this facility and please let me know if you have any further questions. Thank you

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Baum', is written over the printed name.

Randall Baum

CAA Executive Director





Date : December 12th, 2019

Randy J. Miller, Chairman / Founder
Legacy Sports
19555 N. Grayhawk Dr.
Unit 1078
Scottsdale, AZ 85255

Dear Mr. Miller

I would like to congratulate you on your projects success, as I know it has taken longer than originally anticipated. We were excited to hear that the Legacy Park vision, might soon becoming a reality. As stated in my previous LOI letter, I had the privilege of starting CCV Youth Sports, Inc. back in 2004, today, we have close to 11,750 participants in our soccer, basketball, and football programs. Our soccer program is still broken into two divisions; recreational and competitive. Unfortunately, due to lack of facilities, we've had to continue to cap participation on our campuses. We look forward to seeing the final designs and amenities at the park. It is still our intent to use your facilities to expand our current program or even consider spinning off our competitive teams to a separate organization that would use your facility. Each year we continue to hold a soccer tournament at the Reach 11 facilities where we host hundreds of teams. Based upon dates and availability, it is our intent to relocate the tournament to Legacy Park. Our church has close to 50,000 regular attendees over seven campuses across the valley. With our resources, we have continued to discuss starting a baseball program. We have elected to hold off on that due to our current field constraints, a facility such as yours provides a solution. Programs such as pickle ball and gymnastics have begun to be developed and expanded.

We look forward to speaking with you soon.

Sincerely,

A handwritten signature in blue ink that reads 'Larrie M. Fraley'.

Larrie M. Fraley
Lead Outreach Pastor
Founder, President
CCV Youth Sports, Inc
7007 W Happy Valley Rd
Peoria, AZ 85383
email: LarrieFraley@ccv.church
Mobile: 623-217-8301



CHRIST'S CHURCH
OF THE VALLEY

623.376.2444

623.376.0444

ccv.church



January 2, 2020

Legacy Sports USA, LLC
Chandler, AZ

Re: Legacy Health & Fitness Center at Legacy Sports Park

The Legacy Health & Fitness Center is a state of the art multi fitness facility with over 40,000 square feet. Whether you are a first-time exerciser or an advanced athlete, this facility is here to help you meet your fitness goals. Members will have access to state of the art equipment, personal assistance and instruction from highly qualified staff. Legacy Health & Fitness is designed to provide community members and visitors an opportunity to make a positive impact on their health by providing all levels of exercise and wellness programs in a professional setting.

The Legacy Health & Fitness Center programs and estimated number of annual participants:

25,000 sq. ft. Fitness Facility includes:

Indoor track	Cardio machines
Free weights	Selectorized machines
Plate loaded machines	Stretching floor space
Squat racks	Cycling room/rooms
Low Impact Training	Aerobic rooms

Membership

General Fitness gym membership includes access to all of the above.

Est. participants	1500	\$50 a month = \$900,000 annually
-------------------	------	-----------------------------------

Yoga membership unlimited with general access.

Est. participants	200	\$150 a month = \$360,000 annually
-------------------	-----	------------------------------------

Functional fitness/Cross fit unlimited + yoga and general fitness.

Est. participants	200	\$200 a month = \$480,000 annually
-------------------	-----	------------------------------------

Estimated Total membership fees

\$1,740,000 annually

Best Wishes,

A handwritten signature in blue ink, appearing to read "Dan O'Brien", followed by a horizontal line.
Dan O'Brien

Nikki Balich
Arizona Sports & Entertainment Commission
8603 East Royal Palm Road, Suite 100
Scottsdale, Arizona 85258

Mr. Chad Miller
Chief Executive Officer
Legacy Sports USA, L.L.C.
19550 N. Grayhawk Dr. Unit 1078
Scottsdale, Arizona 85255

Dear Chad:

Congratulations to both you and Randy on the exciting news of the Legacy Sports Park. The Arizona Sports & Entertainment Commission recognizes the substantial need for a facility such as yours, which will not only be used for sporting events that we bring in from outside of the state, but also for the Grand Canyon State Games that we operate.

Per our previous letter, The Grand Canyon State Games is a multi-sport Olympic Festival for Arizona's amateur athletes of all ages and abilities. Doug Ducey is the honorary chairperson of the Grand Canyon State Games, now in their 24th year. The Games are a project of the Arizona Sports Council and are affiliated with 30 other states throughout the country. Grand Canyon State Games are staged in Maricopa County and Flagstaff, designed to give all Arizonans the opportunity to take part in athletic competition with an Olympic-style atmosphere.

Ever since Jerry Colangelo created the vision for the Grand Canyon State Games back in 1993, along with Steve Patterson and C.A. Howlett, The Games were instantly popular and grew rapidly over the first decade and well beyond. The Grand Canyon State Games soon became one of the premier amateur sporting competitions in America.

Today the games draw over 30,000 athletes annually and are made possible with the support of over 2,500 dedicated volunteers. More than 250,000 medals have been awarded to amateur athletes in 60 sports. Several Arizona athletes have gone on to the national competition, bring home gold medal to show for their superior athletic abilities.

9525 East Doubletree Ranch Road, Suite 101
Scottsdale, Arizona
480-517-9700

The Sports Commission was pleased to hear that the Legacy Sports Entertainment Park has made the decision to include 40 Pickleball courts, along with a stadium court. Pickleball continues to be the fastest growing sport in the nation and Arizona is a strong demography for this sport. At the February 2019 Grand Canyon State Games, the Pickleball tournament was once again the 2nd largest Pickleball Tournament in the Nation & 4th largest in the world. We had 600 participants over the 5 days of the competition. We played on 16 courts in El Mirage Arizona from 8am-8pm daily. We had 90 players on the waiting list that did not gain entry due to lack of courts & permanent lights. We had approximately 1000-1200 spectators per day. The Grand Canyon State Games is contemplating offering a 2nd pickleball competition in the near future to add to its menu of sports. In addition to the Pickleball courts ASEC would benefit from the Legacy Sports Entertainment Park with the following additional GCSG sports:

SPORT	# OF PARTICIPANTS	# OF SPECTATORS
Cross Country	136	340
Karate	480	700
Track & Field	870	1500
Taekwondo	85	120
Basketball	4,650	8,000
Wrestling	829	1400
Fencing	305	525
Archery	432	510
Softball	1432	2000
Baseball	645	900

Please accept this letter of commitment by the Arizona Sports Commission to relocate the Grand Canyon State Games relevant sporting events to the Legacy Sports / Family Entertainment Park.

The Arizona Sports and Entertainment Commission looks forward to a long successful partnership with Legacy Sports USA.

Sincerely,



Nikki Balich
Executive Director

Hi-Five Sports Camps



Re: Letter of Intent

Dear Legacy Sports USA,

On behalf of Hi-Five Sports Camps, I look forward in partnering with Legacy Sports USA at their new state-of-the-art facility to develop kids holiday camps and after school programs year-round. Hi-Five has a 25 year track record of success national with these camps ranging from 150 to 300 campers daily.

Projected annual revenue is estimated at \$1,050,000 annually.

We look forward to becoming Legacy Sports USA Sports Camps for kids once the park is open.

Respectfully,

A handwritten signature in black ink that reads "Jeff Fox". The signature is written in a cursive, flowing style.

Jeff Fox, Arizona Director
Hi-Five Sports Camps

JARA
Plevna House
Plevna Terrace
Bingley, West Yorkshire.
BD1 64BX
United Kingdom
+44 7782264164



INTERNATIONAL ACADEMIC RUGBY ACADEMY

26 January 2020

Letter of Intent

Legacy Sports USA,

International Academic Rugby Academy (IARA) is an academic programme which recruits young American students to study and play rugby in the United Kingdom. It recruits students for the programme by running training camps throughout the United States of America on a regular basis throughout the year.

JARA is a unique programme in the United Kingdom and its business model is dependent on effective recruitment with integrity. The south west of the USA is an emerging rugby talent zone and the IARA research and marketing have identified this area as an area for potential recruitment. Having a venue with conference, training and accommodation facilities would greatly help the recruitment process. JARA would look to quickly establish a close working relationship with Legacy Sports USA, basing its training and recruitment camps at the facility once it is completed.

Please consider this a formal Letter of Intent, as JARA is committed to relocating its regional training and recruitment camps to Legacy Park, and forming a partnership with Legacy Sports USA in the development of their future programmes. I want to take this opportunity to wish Legacy Sports USA every success in this innovative and exciting development and IARA looks forward to working with you.

Yours Sincerely

A handwritten signature in black ink, which appears to read 'Iain Taylor'. The signature is fluid and cursive, with the first name 'Iain' and last name 'Taylor' clearly distinguishable.

Iain Taylor
IARA Director Rugby Operations

Junior Volleyball Association
1414 Underwood Ave., Suite 404
Milwaukee, WI 53213
414-640-1738



January 16, 2020

The Junior Volleyball Association is committed to working with Legacy Sports USA to host and maintain several world class volleyball events, while creating future events at Legacy Park.

This Letter of Intent illustrates our commitment to host a Boys Volleyball event beginning in December of **2021** through **2023**, with the expectation of bringing in over 600 of the top boys' teams from all over the country. We also look to host multiple Girls Volleyball events annually, beginning in January of **2022** through **2024**. Over the first two years of the event we expect to have around **1100** teams with plans to grow to **1600** teams by year four.

The potential Boys dates are:

December 7-8, **2021**

December 5-6, **2022**

December 4-5, **2023**

The potential Girls dates are:

January 11-12 & March 25-27 **2022**

January 9-10 & March 24-26 **2023**

January 8-9 & March 22-24 **2024**

Our volleyball events generate **18-20** rooms per night / per team for every girls event and 10 rooms per night / per team for the boys events. These numbers do not reflect the spectators rooms nights generated by our events.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steve Bailey', is written over a light gray rectangular background.

Steve Bailey
Director of Events



First, I want to congratulate you and Legacy Sports USA on the amazing new facility that will change the landscape of all sports in Arizona and throughout the Southwest. Secondly, Just4hoopin is very excited to be a part of the basketball aspect when the new facility is up and running.

Driven by my passion for basketball, Just4hoopin, a 501 (c)(3) nonprofit organization, was founded in 2004 with a small group of individuals who had a shared commitment to serve the best interests of underprivileged children in Arizona.

Over the years, I've maintained an instrumental role as part of Basketball Congress International (BCi's) success, dating back to the early 1990's. Just4hoopin is a community leader when it comes to basketball, its tournaments have a tremendous following as teams travel from as far away as Australia to compete. I've been involved with the growth of the Mesa Family YMCA youth basketball program, the **Desert Duel Memorial tournament**, **Summer Blast tournaments** and the newly formed **Invitational Basketball Series** in Mesa, Arizona.

I currently hold the position of Basketball Commissioner for the **Lori Piestewa Native American Games** as well as Director of the prestigious **Jr. HoopHall – West tournament**. Our organization also runs five (5) leagues throughout the year with more than 300 teams participating. It is with great excitement, I offer this Letter of Intent on behalf of Just4hoopin, as we are committed to relocate all of our Tournaments, Series, and Leagues to the newly developed Legacy Park, beginning in 2022.

Just4hoopin is dedicated to helping promote basketball as an outlet for young athletes, both boys and girls, to build self-confidence and self-esteem both on and off the court.

Once again thank you for trusting Just4hoopin to be a part of the 'Game Changer', that is Legacy Park in Arizona.

Sincerely,

Justin Peterson
Founder / Just4hoopin



LastManStands.com
THE NEW WAY TO PLAY CRICKET

DATE: 31st January 2020

RE: Letter of Intent

LegacySports USA,

Last Man Stands is excited about the opportunity to host a yearly Last Man Stands Tour event in Arizona at the Legacy Sports Park. By providing this letter, we are committing to bringing a yearly cricket event to the Sports Park.

Last Man Stands is a global 8 aside cricket league currently played by over 175,000 players worldwide across 14 countries. We currently run tour events in Phuket, Houston, Miami and Mumbai and due to the development of your facilities we will be able to bring a minimum of 18 teams to Arizona every year for a tour event.

Last Man Stands also stage a World Championship event that is played in various countries every 2 years. We have recently used Cape Town & Sydney as hosts. We see Arizona and the Legacy Sports Park as ideal hosts for our event, once the facility is completed. For this type of event we would bring a minimum of 40 teams as well as thousands of viewers from across the globe.

Last Man Stands and Legacy Sports Park will work together to provide a local weekly Last Man Stands league which will give opportunities for local residents to play cricket.

Kind regards,

Chris Newton
Head of LMS Tours
www.lastmanstands.com



January 6, 2020

Re: Legacy Pro Shop and Other Kiosk Points of Sale

To Whom It My Concern:

Legacy Sports Park will own and operate an approximate 3,000-4,000 square foot retail / pro shop within the Legacy Center plus several other kiosks and product sales at concession areas. These facilities will focus on the sale of apparel, footwear, sporting goods and miscellaneous supplies from leading manufacturers. These shops will also provide rental services for many types of sporting goods.

With the purchasing of a reseller's license, Legacy will partner with Eastbay and BSN Sports to provide a wide range of products. BSN Sports is the largest distributor of team sports apparel and equipment in the United States supporting Nike, Under Armour, and other national brands including, but not limited to, the following:

- *Wilson, Spaulding, The Rock, Trump
- *Easton, Marucci, Demarini, Mizuno
- *Bleacher Chair, Fanatics, FitBit

Published data indicates 73% of visitors expect to make a visit to a pro shop on site. Using a modest 7% capture rate, Legacy is projecting:

- *73% of 3 million = 2,190,000 visitors
- *7% capture rate = 153,300
- *153,300 sales @ \$25 = \$3,832,500

In whole, Legacy is projecting a baseline value of \$3,862,000 in revenue from the pro shop facilities at the Legacy Sports Park.

Legacy Sports USA, LLC



LONG ISLAND
JUNIOR SOCCER LEAGUE, INC.

701-9 Kochler Avenue, Ronkonkoma, New York 11779
631-648-9020 fax: 631-648-9025 www.lijsoccer.com



Dear Richard,

Thanks for the update on your project, it is exciting to know that there will be a facility with the ability to host some high level soccer events. Long Island Junior Soccer League has been in existence for 54 years and in that time period we have teams from our league attend tournaments of all levels all over North America and Europe.

Our league has approximately 55,000 players playing at multiple levels of competition and age groups and within that number of players we have about 1,400 teams that look for events throughout the year to provide a different experience for their players. Having Legacy Sports Park in a location that can provide year round opportunities to host events will be an excellent opportunity for our teams to have that experience at different times of the year.

I'm looking forward to the completion of the facility and developing the relationship between our league and Legacy Sports Park.

Regards

A handwritten signature in dark ink, appearing to read 'Ronan Wiseman', written over a light background.

Ronan Wiseman

Technical Director

Long Island Junior Soccer league



May 17th, 2019

To: Randy Miller CEO
Legacy Sports LLC
1900 W Chandler Blvd. Ste 315
Chandler, AZ 85224
(480) 620-8700

Re: New Venue Availability

Randy,

Models and Dreams Company & Entertainment is in the process of planning our 2021-2022 event schedule and we would be very interested in getting facility availability and fees associated with scheduling events at the new venue. The location and easy freeway access make it a great location for hosting several of our new events.

MADC Entertainment LLC is a mogul consortium of companies specializing in Placement of Resources to Projects, Casting Services, Sourcing, Staffing, Film Production & Event Management, Strategic Funding, Professional Photography, Website Development, Branding, Social Media Exposure, Business Plan Development, Distribution & Global Marketing.

Let us know when we can set up a meeting to discuss this venue and the associated topics. I can be reached directly at (602) 741-1279

Sincerely,

John Tsaninos, Managing Partner



MADC Entertainment LLC

1720 W Elliot Road Ste 104A
Gilbert, AZ 85233
Www.madcenterainment.com
T- 602-741-1279 F-480-272-8418



Jan 30th 2020

NCE Soccer
1368 Burr Street
Fairfield CT 06824

Dear Richard

Please keep us updated with the progress of this amazing facility. As we have discussed, NCE Soccer is committed to making Legacy Sports Park their primary facility in the state of Arizona. We will be running our flagship COE program from the facility and look to be able to run tournaments throughout the year.

NCE Soccer currently delivers elite coaching and tournaments in MA, CT, NY, NJ, MD, VA and FL.

www.ncesoccer.com

As we continue to expand westwards, we look for Legacy Sports Park to provide us our hub to expand across the entire region.

We are excited to begin working together as soon as the facility is completed.

Kind Regards

John Curtis
Technical Director
NCE Soccer
(800) 417-2787
www.ncesoccer.com



January 6, 2020

On Air Sports Marketing provides solutions in sports sponsorships, sports radio, digital media, branded merchandise, and event marketing. Our leadership team brings over 75 years of experience working with some of the top brands and top teams in the country including the MLB, NHL, NFL, NBA, NCAA, Phoenix Open, Fiesta Bowl, and many more. With over 25 years of experience in Arizona, OASM can deliver world-class marketing strategies that connect people with sporting brands and accessories. As a sports-marketing advisor, consultant, manager, and innovative "think-tank" positioning brands consumers. OASM thrives on surpassing market competitors, aggressively increasing market share and driving profit margins to new heights. Excel in conceiving unconventional tactics that transform consumer behaviors into high-impact campaigns that build cutting-edge brand imagery and consumer awareness. Creative, focused, intuitive, and persistent with extensive bank of influential media and industry contacts.

OASM is excited about the opportunity to partner with Legacy Sports USA in providing nontraditional local advertising and branding opportunities. We've begun engagement with our current client base (Listed Below and on Page 2) in regards to the Legacy Project, based on those preliminary conversations, many of them have already expressed a desire to commit to Legacy upon commencement of construction. Per those discussions, aligned with the size and scope of Legacy Sports & Family Entertainment Park, the revenue generation back from these local smaller opportunities will be at minimum in excess of \$1,200,000 annually.

- **Preliminary Conversations with national clients marketing in Phoenix:**
Albertsons/Safeway, Budweiser, Bud Light, Callaway, Coors Light, Corona, Carl's Jr, Ecco, Dos Equis, Honda, GMC, Kettle One, Kia, Lexus, McDonalds, Miller Lite, Nike, Subway Toyota, Ross, and Wendy's

- **Preliminary Conversations with Local Clients:** Buffalo Wild Wings, Brooklyn Bedding, Bar Louie, Casino Arizona, Cold Beers & Cheeseburgers, Gallaghers, Half Moon, Hooters, Lerner & Rowe, Native Grill & Wings, The Hub, Talking Stick Resort, Troon, Twin Peaks, Tilted Kilt, Ruth's Chris, Remax, Venezias, Arizona Diamondbacks, Arizona State University, Arizona Coyotes, Arizona Rattlers, Arizona Fall League, Barret Jackson, Wells Fargo, Fiesta Bowl, Grand Canyon University, Phoenix Suns, & Phoenix International Raceway.

Mike Muraco *Owner On-Air Sports Marketing*

- Over 30 years experience in the sports industry specializing in sports marketing, media and public relations.
- Founder of On Air Sports Marketing, full service sports marketing company. OASM provides unique marketing solutions through sponsorships in radio, tv, digital and interactive media.
- Held various positions both professional and collegiate ranks, Indianapolis Colts, NFL Properties, Arizona Fall League, Phoenix Firebirds, Oakland A's and University of Pennsylvania.
- On-air sports radio host since 1997 on KHEP 1280AM, KMVP 860AM, NBC Sports Radio AM 1060, 1580AM 993FM KQFN The Fanatic.
- Executive KASW-TV and KTVK-TV, Sales Manager Cable West, serving Qwest Cable and Cable America.
- Fiesta Bowl Committee Member for over 20 years. Former Executive Director National Football Foundation Valley of the Sun Chapter.
- Partner in 1580AM 993FM and 995FM The Fanatic Sports Radio Station – CBS Sports and SB Nation affiliate in Phoenix
- Bachelor and Master degree Ohio University in Sports Administration.



7471 E. Desert Vista Rd
 Scottsdale, AZ 85255
 602.881.1213
mike@onairsportsmarketing.com



February 8, 2020

Matt Bjorklund
Chief Event/Sports Officer
Legacy Sports USA

Matt,

Thank you again for reaching back out to me, and providing an update in regards to the Legacy Sports USA Park development.

This past year (2019), Position Sports produced almost 70 events for our clients such as, Nike, Jordan Brand, Red Bull, USA Basketball and the Basketball Hall of Fame to name a few. To date, we have produced events in 15 different countries and more than 37 states within the United States. With a state-of-the-art facility, such as Legacy, Position Sports looks forward to the opportunity and is committed to relocating future regional event opportunities to Legacy Park.

Thank you for the opportunity and we look forward to a potential partnership with Legacy Sports!

Sincerely,

Kevin T. Foley
President
Position Sports, Inc.



Dec. 16, 2019

Dear Randy,

Thank you for the recent update on your project. It is exciting to think what your complex will mean for the youth of Arizona, the Southwest, and nationally. We just completed our 8th year of operations and had 20 teams based out of Arizona and had an additional 500 kids be a part of our training academy. Originally we had discussed our youth teams making Legacy Sports Park their home, I'd like to provide you with this Letter of Intent, and clarify, that we are committing to move all of our teams and base of operations to Legacy Sports Park upon your opening.

We have changed our model a bit for the 2020 season, which will result in an addition of approximately 250-300 kids in our program by eliminating cuts and lowering the age we cater to. We have quickly outgrown The Phh facility in Tempe and your venue is perfect. By the 2022 season, we estimate we will have over 40 boys and girls teams a part of our program while also continuing our national brand. We have had to reduce the number of teams due to the lack of facilities in Arizona.

We are also committed as a program to assist Legacy Sports Park with national tournaments. It is our desire to bring the Spring period event to Legacy Sports Park in 2022 with an approximate 500 teams. The relocation of a national tournament in Arizona is only possible with a facility such as yours. I'm looking forward to ground breaking and our future partnership.

Sincerely,

Jeff Becker

Owner

PowerHouse Hoops

PowerHouse Hoops
10150 East Caron Street
Scottsdale, AZ 85258



January 30, 2019

Randy J. Miller
Legacy Sports, LLC
1900 W. Chandler Boulevard
Suite 15-315
Chandler, AZ 85224

Re: ***Legacy Sports Family Entertainment Park***

Dear Randy:

Per your request, RacePlace Event Systems, Inc. has developed program information including athlete participation, operations and revenue projections. Our initial budget projects the creation of 18 running events (average of 1.5 per month) at the Legacy Sports Park upon its completion. We are estimating a minimum of 500 participants with an additional 25% spectators attending with the participants for a total of 9,000 attendees for a calendar year. First year events usually produce smaller participation, so we have been very conservative in our budget. With the right advertising and marketing promoting the events, combined with the unique features that this course will provide, the participation number could easily triple or quadruple! The other contributing factor we bring to the table, is that these events will be staged at on-peak times for the Park, increasing the utilization.

Subject to the terms of a to-be determined mutual agreement, please accept this letter as a commitment of intent by RacePlace Event Systems, Inc. to establish these events and operations to Legacy Sports Park. We look forward to conducting these events in a new state-of-the-art facility.

RacePlace Events, Inc. was founded in 1979 and has been owned and operated for the last 9 years by Chris Giles. In our over 25 year history, we have produced and timed over 1,100 events for corporate events with 50 participants to the full production of Pat's Run with over 31,000 participants. We were also part of the timing team for the Men's and Women's 2016 Marathon Olympic Trials in Los Angeles. You can visit our website at www.raceplaceevents.com.

Regards,
RacePlace Events, Inc.

A handwritten signature in dark ink, appearing to be "CG", is written over a light gray, stylized outline of the signature.

Chris Giles
President



October 3, 2019

Dear Mr. Miller,

First and foremost, congratulations on the Legacy Sports & Entertainment Park Development. The team at Razer is excited about the opportunity to become a strategic partner with Legacy Sports USA and creating a truly unique gaming experience, unmatched anywhere else in the world.

Razer is one of the most recognized and iconic logos in the global gaming and esports communities. Our fan base spans every continent, with a company history of designing and building the world's largest gamer-focused ecosystem of hardware, software, and services.

Our partnership will be centered around Four core areas of focus:

1. RAZER will provide all gaming equipment inside of the Legacy Esports Arena.
2. RAZER will construct and operate an Esports Retail Store inside the Legacy Esports Arena.
3. RAZER would like to enter into naming rights negotiations for the Esports Arena.
4. RAZER would like to conduct digital advertisements throughout Legacy Park.

I look forward to working with you and Troy in an effort to create the most recognizable gaming facility in the world.

Best regards,
Justin Cooney
Global Director, **Strategic Partnerships (USA)**
RAZER | Gravislord



February 5, 2020

Re: Letter of Intent

Legacy Sports USA,

RPM Sand Volleyball is the leader in Arizona sand volleyball training, instruction and club teams. We have over 20 years' of experience in working with and inspiring youth athletic participants trying to play at the next level or make their high school team.

RPM will be relocating their sand volleyball programs and events to Legacy Park... With 20 sand volleyball courts at the Park, designed for weekly training, practices and to-ornaments, RPM also plans to assist Legacy in the development of its own Sand Volleyball programs.

Please consider this Letter of Intent RPM Sand Volleyball's commitment to relocate and partner with Legacy Sports USA in the development of their future programs.


By  and 

Ryan and Lauren Mariano
RPM Sand

RUSH

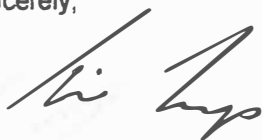
Dear Jeff de Laveaga,

RUSH Volleyball Club has operated out of Queen Creek Arizona since November of 2015. With minimal gym space in the Queen Creek area and the expansion of our club over the years we are committed to a partnership with Legacy USA to operate competitive club volleyball from the new Legacy Sports Park.

We are targeting a Fall 2021 timeline for our Boys Volleyball tryouts. With the addition of new high quality courts we will secure a partnership with another local club to bring our total number of teams to 40+. Currently we provide services to over 250+ youth per season, we expect this number to increase to well over 1100+ by 2022.

Please accept this letter of intent, as we believe a partnership with Legacy USA will provide increased opportunities for athletes of all ages to learn to play the sports they love at a state of the art facility and excel while doing so. We see this being an excellent opportunity for the volleyball community in the East Valley and beyond as a place to find elite Volleyball.

Sincerely,





SINDICADO DOS ATLETAS DE FUTEBOL DO ESTADO DO RIO DE JANEIRO

FUNDADO EM 1979

Rio de Janeiro, 03 de fevereiro de 2020.

Dear Richard.

On behalf of my entire institution I want to extend our sincere congratulations to you both on your forthcoming state of the art training and playing facilities to be built in Phoenix, Arizona USA. We are very excited and motivated to see this project succeed, as it will consequently build a solid working bridge for our professional teams to go on board with an American base institution. In addition, the opportunity and potential for both parties to benefit on this endeavor is enormous. This is obvious a tremendous lead to a solid working relationship. I look forward to establishing a good communication network with you guys and developing at the same time a professional development for our professional staff.

Please keep me updated on your current construction outlook. I look forward to working with your institution in the near future. For the time being, best of luck and we will be in touch.

Best regards,

Alfredo Sampaio
Presidente Saferj
21.999878892

School of Dronez

Educate. Entertain. Enthrall.
9541 E Davenport Dr.
Scottsdale AZ, 85260
John.schoolofdronez@gmail.com

LETTER OF INTENT

February 12, 2020

Dear Legacy Cares,

School of Dronez, LLC is North America's premier drone education, advocacy and event company. We educate youth on how to fly, build and race drones using a STEM-based curriculum.

We also produce engaging private and corporate drone-centric parties that incorporate live instruction and skills training, complete with DJ and lighting. We employ the industry's best pilots and instructors and will custom design a party that will blow you away.

Going forward, **School of Dronez** intends to be **Legacy Cares'** exclusive partner for all drone related activities for the Legacy Sports Park. We intend to leverage our expertise in the following core competencies for the mutual benefit of **School of Dronez** and **Legacy Cares**: These core competencies include, but are not limited to:

- Freestyle flying events
- Racing events
- School and educational training
- Drone themed parties
- Drone based photography and videography
- Corporate parties, events, and hospitality involving drones
- Skills training
- Virtual reality
- Drone demonstrations
- Advertising via drone
- Signage by drone
- Security by drone
- Drone film festivals

School of Dronez will act as Legacy's primary point of contact with all potential drone racing circuits and drone event related vendors. We will act within FAA guidelines and provide the necessary management and communications relationship with the Mesa Gateway Airport authorities.

We thank and appreciate you for your time and consideration. Should you have any further inquiries or clarification regarding this agreement, please don't hesitate to contact us at the following # 805-390-1601, or by email: john.schoolofdronez@gmail.com.

Respectfully,



John Caldwell
Managing Partner



Dan Kush
Managing Partner





SCOTTSDALE SOCCER



April 28, 2019

Randy Miller
Legacy Sports, LLC
1900 W Chandler Boulevard
Suite 15-315
Chandler AZ 85224

Dear Mr. Miller,

Per your request, Scottsdale Soccer currently has 3,500 players that participate in the Club's two programs, our Recreation Division and our Blackhawks Division. The two Divisions participate in numerous programs, leagues and tournaments through each calendar year generating in excess of \$2 Million.

We have discussed relocating some of our programs and tournaments to the Legacy Sports Park upon completion. Subject to the terms of the mutual Agreement, please accept this letter of intent by Scottsdale Soccer to relocate the following programs and tournaments to Legacy Sports Park.

4v4 Tournaments
Blackhawks Annual Fun Run
Blackhawk Max Schaknai Invitational Tournament
National Premier League

We look forward to conducting these events at the state of the art facility.

Sincerely,

Van Robinson

Van Robinson
President

A handwritten signature in black ink, appearing to read "Chris Brown".

Chris Brown
Executive Director



November 5, 2019

Dear Jeff de Laveaga,

Special Olympics of Arizona has committed to a five year partnership beginning in the spring of 2021 with Legacy Sports USA for our events. In the Spring, we conduct our Basketball and Cheerleading state championships with over 7,000 participants. In the summer, we hold our Volleyball, Track and Weight Lifting state championships with over 10,000 participants.

We have consistently seen over 20,000 to 30,000 total headcounts annually for these two state championships. We are extremely excited to have our events at the same location moving forward. Thank you for all you have done to assist us with securing your incredible sports park.

Sincerely,

A handwritten signature in black ink that reads "Jaime Heckerman".

Jaime Heckerman

CEO

Special Olympics Arizona



Dear Matt,

Per my previous letter, Spring it on Cheer is excited to provide this Commitment Letter and relocate our competitions to the state-of-the-art facilities that Legacy Sports USA will soon be offering.

As discussed, Spring it On Cheer and Dance is a local cheerleading and dance competition company based in Tempe, Arizona. We have been hosting cheer and dance events in the state of Arizona for the past 14 years with a focus on school and rec teams for the past five years. Our mission is to bring quality events that coaches, athletes, and spectators will enjoy.

We currently host two separate events, the Winter Jam every December and the Main Event every February. Each event hosts over 20 different Arizona schools/programs with 500-800 athletes per event. With the Legacy Sports facilities we believe we will be able to add to our competition schedule and host 2-3 additional All-Star events in addition to our school events.

All-Star Club cheerleading and dance teams travel all over the country competing between the months of October and April in anywhere from 4 to 10 local and national events per season. Arizona alone is home to over 20 different all-star programs with a multitude of competitive teams and levels. With the Legacy Sports facilities, I believe we will be able to attract the attention of many all-star club program owners from Arizona and surrounding states and expand the Spring it On Cheer and Dance brand.

Thank you again for your time and I look forward to speaking more with you about our future partnership.

Sincerely,

Andrea Scialo
Director of Operations
Spring it On Cheer and Dance
www.springitoncheeranddance.com





February 3rd, 2020

Players Futsal Academy
DOC: Eric Schmidt

Dear Richard,

The Players Futsal Academy is excited about the opportunity to relocate its Youth Futsal League, Tournaments and State Cup to Legacy Sports Complex. In providing this letter of intent, we are committing to a partnership with Legacy Sports USA, in relocating Academy, Leagues, Tournaments and State and Regional Championships as well as our Camps and Clinic models.

We also partner with USFutsal and US Youth Futsal in various endeavors spanning from ID Clinics and camps, to State and Regional tournaments. Additionally, we partner with Argentine Football Association (AFA) in bringing their Women National Futsal Team to America for a 2 week camp and tournament series in preparation for the Futsal World Cup. These events bring in 5,000 families throughout the year and have started to attract the attention of College Coaches in a recruitment capacity.

We will begin moving all of our events to Legacy in 2021 as long as Legacy has the park open by the time our events start.

Sincerely,

Eric Schmidt
Director of Coaching
Players Futsal Academy



Marjie Potterson • Rick Seifman

RE : Tournament Sports LOI for Legacy Sports Park

January 19, 2020

Dear Randy:

It was great speaking with you last week. Tournament Sports has been running weekend adult slow pitch softball tournaments at Victory Lane Sports Complex for over 15 years (ASA men's, coed, women's & seniors). We normally schedule around 36 events there each year. Unfortunately the amenities at Victory Lane Sports Complex have become antiquated and we would like to form a new longterm partnership with Legacy Sports Park. We are committed to relocating as many of our tournaments as possible to your new Sports Park.

Going from 6 to 8 total softball fields at Legacy Sports Park would let us grow the size of our events and be able to combine them to play at one location. Many of our weekends require an additional facility to fit everything in. The new park will also be at a good size for some potential major ASA softball events.

Over a calendar year at the new park with our regular 36 tournament schedule including the 3 day World Hispanic event we would estimate these totals

Est. Participants Per Year = 46,640

Est. Spectators Per Year = 59,960

The layout of the proposed park looks incredible and would be a big draw for all of the sports activities there. Tournament Sports looks forward to playing at the new Legacy Park!

Sincerely,

Rick Seifman

P.O. Box 5970

Peoria, AZ

85385

Phone (623) 716-2743

Fax (623) 716-7074



December 10, 2018

Legacy Sports USA, LLC

Randy,

The Performance Coaching business that I own has multiple revenue streams. One large piece of business is the NFL Draft prep program. Draft prep is done during the first quarter of the year and generally lasts about 10 weeks. This program will produce between \$400K-600K by itself. We have had classes as large as 50 athletes at a cost of \$1000/weekly. In a facility with the size and amenities that legacy will provide, we can expect 20-30 clients for this program. Another piece of business is the Professional athlete program. This business consists of current professional/Olympic athletes with the majority of them coming from MLB and the NFL historically. Arizona is a destination for each of these groups because half of MLB has Spring Training in AZ and the weather is great here during their off-season.

Additionally, many NFL guys come to AZ to do Draft prep training before their rookie years at the many facilities located here and they fall in love and come back to train each year during the off-season. We have consistently coached a dozen athletes from each league at \$2400/monthly per each athlete. This program averages 3 months in length also, with a monthly revenue of over \$50K and total rev of \$150K. The next revenue source is our Elite Athlete program. This consists of current college athletes and HS athletes that have been offered college scholarships or are being heavily recruited. This program is year around and provides a very consistent stable revenue source. During the school year, these groups train before and/or after school. A sub-category to this group is the Elite Home Schooled athlete.

These athletes generally play Golf and Tennis. They are very important to a facility like this because they can train during the middle of the day when the facility would otherwise be nearly empty. The Tennis market is virtually un-tapped and has a very large need for this type of work. Djokovic was in a recent article as the most fit athlete ever. So these kids are seeking help with this piece. Tiger Woods made training very popular for golfers many years ago and that idea has gained significant traction since then. We have certainly reaped the benefit of this and have a number of golfers on board. There are multiple groups daily with 6-10 athletes in each one and will provide a weekly revenue of \$10K-\$15K. During the summer this number increases significantly. We can safely expect it to double and with the additional space and amenities, I feel confident we should expect more. When considering natural breaks in the year for Holidays, sickness, rest, and sport season; The Elite program will generate \$500K annually. The next program is the Aspiring Elite Athlete, this consists of jr. athletes and those working towards success in their high school athletic careers. The numbers for these athletes are very similar to the Elite athletes. We can expect this to produce \$400K annually. The final revenue source is the Executive healthcare client.

This client is very type A, generally makes over \$225K annually and is interested in hiring experts. A safe revenue number for this group is \$250K annually.

Draft Prep-\$400K-\$600K/Annually
Professional Athletes-\$150K/Annually
Elite Athletes/Elite Home Schooled Athletes-\$500K/Annually
Aspiring Elite-\$400K/Annually
Executive Health Care-\$250K/Annually

Total Annual Rev - \$1,850,000

Sincerely,
Ethan Banning

Ethan Banning BS CSCS
Founder/Director of Performance
Triple Threat Performance
EB@TTPAZ.COM

(602) 501-8897



January 8th, 2020

Dear Jeff,

U.S. Futsal is excited to partner with Legacy Sports USA and is committed to relocating several of our larger events to your Park. Here are the following events we want to host at your facility once opened:

- Southwest Regional in March 2022 thru 2032. Team from the following states: CA, AZ, WA, OR, NV, TX, UT, ID (500-1000 teams futsal Teams)
- Nationals in July 2022-2032. All regional winners , runner ups and consolations teams to participate at Nationals (250-300 teams)
- Sponsorship and Advertising at your park

I Look forward to speaking with you soon.

Best wishes,

Alex Para
President & CEO
U.S. Futsal
P O Box 40077
Berkeley, CA 94704
[email: info@futsal.com](mailto:info@futsal.com)
www.futsal.com



January 10, 2020

Chad Miller
CEO
Legacy Sports USA, LLC

Re: Letter of Intent

Dear Mr. Miller:

Congratulations on the progress of your project, as well as the new site location in the South East Valley. Now in my 7th year as the executive director for USA Pickleball, we continue to experience unprecedented growth in the United States, especially in warm weather markets, such as here in Arizona. USAPA membership has increased over 530% in just seven years. The Sports and Fitness Industry Association (SFIA) now estimates there are 3.4 million pickleball players in the US.

It is great to hear that the proposed pickleball facility you are planning has continued to grow and evolve. As the national governing body for the sport, we are committed to partnering with Legacy Sports USA to brand this complex as the “USAPA National Headquarters” and establish it as the premier pickleball facility in the nation. In this capacity, the facility would serve as the venue for player development initiatives for all ages and abilities including junior, recreational players, collegians and future pickleball professionals.

The facility would also become a new home for the USAPA National Championships. The event last year drew nearly 1,900 players from 47 states. This event is currently the largest and most prestigious tournament in the sport. In addition, the venue would serve as the new home for the USAPA Southwest Regional tournament which attracts over 800 players annually. Legacy Park could also provide growth opportunities for USAPA to host new local, national and international competitions.



Beyond tournaments, the complex could also serve as home to the annual USAPA Ambassador Retreat, USAPA Board Retreat, USAPA-sanctioned pickleball camps, outreach clinics and the back-drop for USAPA-sponsored training and instructional videos.

On a local level, USAPA can assist with the creation of the new “Legacy Pickleball Club”; a dedicated, year-round user group ensuring recreational and competitive play for young and old. In addition, USAPA has direct ties to all existing pickleball clubs in the metro-Phoenix area, some of which have over 1,000 members. Our connection to these clubs gives us an incredible opportunity to work with Legacy Sports to form an all-Phoenix pickleball league. All league matches, playoffs and championships would be played at Legacy Sports Park.

As for USAPA, the association was established 15 year ago (2005) to promote the growth and development of pickleball, not only on a national but an international level. USAPA is a nonprofit 501(c)(3) corporation and is governed by a board of directors. The board is committed to further the growth of pickleball among players of all ages and characteristics. It will continue to provide the infrastructure for the development of the sport through promulgation of official rules, sponsoring and sanctioning tournaments and clinics, ranking players, training of all levels of players, and otherwise promoting the sport.

In conclusion, we fully support and are committed to the development of the Legacy Sports Park Pickleball complex. A project of this magnitude would be a ‘game changer’ for the sport of pickleball with endless programming and event possibilities.

Sincerely,

Justin Maloof
Executive Director
602.989.6357
jmaloo@usapa.org



August 22, 2019

Dear Mr. De Laveaga
Chief Operating Officer
Legacy Sports USA, L.L.C.

It was great to speak with you about your new Legacy Sports Park project. As mentioned, the volleyball festival is now in its 7th year, the tournament serves over 7,500 athletes on over 450 teams. We are currently under contract for our June event at State Farm Stadium thru June 2021. However, we would like this letter of intent to serve as a commitment to Legacy park, and book Memorial Day for the next ten years at your facility and once the Cardinal Stadium contract is fulfilled, we will move that event to your park as well.

We are looking forward to seeing your progress with the build out and please send us an invite to your grand opening.

Sincerely,

Bryan Kelly
Director of Events
Volleyball Festival
1814 Forest Gate Circle
Sugar Land, TX 77479



August 2, 2019

Randy J. Miller
Legacy Sports, LLC
1900 W. Chandler Blvd. 15-315
Chandler, AZ 85224

RE: *Legacy Sports Family Entertainment Park (Legacy)*

Dear Randy:

This letter is a follow up to the previous letter dated October 18, 2018 on the letterhead of East Valley Juniors Volleyball Club (EVJ).

My capacity with EVJ as Director of Business Operations is not one of an employee but a consulting relationship through my management firm, Volleyball Unlimited, LLC (VBU). VBU provides operations management, financial consulting and mergers and acquisition research for EVJ. VBU has guided EVJ in its east side expansion to Gilbert (2nd location), the acquisition of three local area volleyball clubs, manages all sports camps and clinics and drove the additions of the beach and boys' volleyball programs.

In my capacity as President of VBU, the attached feasibility (Addendum A) is a conservative summary created using my current and historical knowledge of the volleyball marketplace in which I have been involved directly and indirectly for the past 16 years. It is VBU's intent to assist in the relocation of EVJ to Legacy Sports Park, contingent upon a mutually agreed relationship that will drive the programs and operations as presented in the attached feasibility study.

Sincerely,

Richard A. Leo
President
Volleyball Unlimited, LLC

© VOLLEYBALL UNLIMITED, LLC 2019

Addendum A

Revenue Type	Notes	Assumptions	Calculations
Club Volleyball	Court rental for club team	# of Regional Club Teams	32
		# of projected court hours per team	96
		Total court hours for 32 teams	3,072
		# of National Club Teams	16
		# of projected court hours per team	112
		Total court hours for 16 teams	1,792
		Total projected court hours rented	4,864
		Court rental fee	35
		Total projected court rental revenue	170,240
Athletic Performance Training	This can be an in house service or outsourced, in house will net higher returns		
		# of projected players per above projection	560
		Participation rate	50%
		# of projected player participants	280
		Cost per session	6
		# of projected sessions	48
		Total projected AP revenue	161,280
AZ Region Tournaments (girls only)	The AZ Region also runs boys club, it is much smaller and not included in this calculation		
		# projected AZ Reg tournaments	21
		# teams for every 2 courts	8
		6 divisions (12 courts)	6
		# waves each day	2
		total teams	96
		\$\$/team	42
		Total revenue per tournament	4,032
		Total projected revenue for 96 teams on 21 Saturdays	84,672
One National/Regional Tournament (USAV or AAU)	This tournament is owned by Legacy, this is not a court rental projection	# project teams participating (12/14/16/18)	184
		Cost per entry	900
	This does not include parking, entry, restaurant, bar, pro-shop, etc.	Projected tournament fees revenue	165,600
Training Programs	Camps run through Legacy, this is not a court rental projection but a camp revenue projection		
		# of projected annual camp hours	125
		# of projected camp participants	75
		# of projected total camp hours	9,375
		Hourly rate	15
		Projected camp revenue	140,625
	There are other revenue avenues that can be explored and applied, the above represents core volleyball assumptions, utilizing a 12-court facility.	Projected annual revenue based on above inputs and assumptions.	722,417



2/16/2019

Randy Miller
Legacy Sports, LLC

Randy,

As you know corporate team building activities and employee self-esteem events nurture the progress of any team whether children or adults. They help employees connect up with each other and understand each other better. These team building activities likewise bring different teams together. When people belonging to different groups work together, stereotypes and misconceptions are demolished. This increases communication and empowers the company to achieve their goals more easily.

Providing a compelling event venue for corporate groups is a huge part of what Arizona needs for its Meetings and Event clientele. Catering to groups that want to mix work and play, with games and sports at the center of their concept are proliferating as venues for private events. These interactive venues offer teambuilding activities, a variety of meeting spaces, and signature food and beverage packages—all perks that cater to the corporate client are a must for Arizona if it wants to compete for the corporate dollar in the convention industry as well as the locals.

Arizona it's a city that basks in sunshine during 85 percent of daylight hours! There are very few venues that actually have interactive areas let alone interactive sports and activity areas. Arizona is a sports lover's paradise, whether you're a spectator, participant or a little of both. With year-round sunny skies, you never have to lose a day or two of your vacation due to inclement weather.

If you look at the verbiage the Visit Phoenix team offers there is nothing about sports venues for activities? See add below.

"There's almost always a game happening in Phoenix. The city fields teams in all four major professional sports leagues: The NFL's Arizona Cardinals, NBA's Phoenix Suns, MLB's Arizona Diamondbacks and NHL's Arizona Coyotes. Downtown's Talking Stick Resort Arena (formerly US Airways Center) is also home to the WNBA's Phoenix Mercury and the Arena Football League's Arizona Rattlers. Greater Phoenix hosts major sporting events every year, including college football's Fiesta Bowl; the PGA Tour's highest-attended event, the Waste Management Phoenix Open; NASCAR events each spring and fall; and Cactus League Spring Training, where fans can see the biggest names in the MLB up close as 15 teams train and play each March.

No game happening while you're here? No worries. Both University of Phoenix Stadium and Chase Field offer public tours throughout the year allowing guests a behind-the-scenes look at the venues".

The most they offer is a tour?

Arizona added and remodeled 10 new venues in the last few years all were restaurants and bars one was the Chicago Cubs Spring Training Facility (nothing for kids or families)!

The other sports venues are limited and or are not conducive to all sports, family and kids. Most have no indoor areas or areas for private events or event sports banquets.

Tourism generates \$20.9 billion in direct spending in Arizona.

Greater Phoenix consistently ranks among the nation's top cities in the number of Five Diamond and



Diamond and Five Star and Four Star resorts. Once at the resort they need more activities other than site seeing.

More than 16 million people visit metropolitan Phoenix each year.

More than 37 million people visit Arizona each year.

According to "Fast Company" magazine, there are some key ideas to consider when planning a fun leadership retreat: The 1st one **build strong teams; incorporate fun** you cannot do this at a regular venue.

From Sports travel news: Why are sports events valuable?

Sports-related travel generates more than 47 million room nights annually and is one of the strongest segments in the entire travel industry.

Sports-event organizers value long-term destination relationships.

Sports-related meetings and conventions generate nearly 25 million room nights annually

Sporting events are highly visible, their impact is more easily measured, they enhance the quality of life for residents of the host city and can be key to economic development as well as individual and business relocation.

Randy,

We are very excited for this venue the location is great and would be a fabulous place to take our clients. Whether it's a day of sports activities for 1500 or a Fortune 500 group of CEO's doing some teambuilding then having a nice dinner we are excited for this project. Please keep us posted on the updates as our large groups do book sometimes 1 to 2 years out and do spend upwards of \$150K per event for offsite activities. We would love to start booking many of these with you as soon as possible & form an amazing partnership.

We look forward to working with you!

Sincerely,

Karen L. May

Karen L. May

Live Event Producer

VP Sales & Marketing

W Production Group/North Scottsdale Venues



21800 Haggerty Rd Suite 310 Northville, MI 48167 | 866.468.3268 | www.travelingteams.com



March 11, 2020

Dear Chad,

It is truly our honor to have the opportunity to partner with you regarding housing services for Legacy Sport Park.

Traveling Teams® is the largest youth sports housing company in the country. We are a full-service agency currently doing business in 42 states and over 360 cities and have been specifically serving the youth sports market for over 19 years.

Over the last 10 years in the Greater Phoenix Metro Area we've received hotel rebate sponsorship of between \$24-\$28 per room/per night throughout the calendar year. We have great working relationships with Marriott, Hilton, IHG, Hyatt, Best Western as well as independent brands, and are confident that this type of sponsorship rebate will be attained by Traveling Teams® for Legacy Sports Park.

We are excited about the opportunity to be part of your success. Thank you again for this opportunity and please let us know if we can assist in any way moving forward.

With fullest sincerity and gratitude,

Carlo Tato
President & Owner
TRAVELING TEAMS®

LONG-TERM PARTNER



Carlo Tato and the staff with Traveling Teams are valued partners for Hilton Worldwide. As we strive to fill the earth with the light and warmth of hospitality, Traveling Teams shares our passion for delivering exceptional experiences to our guests and clients. At their core, Traveling Team's drive to maintain cutting edge technology, to be leaders not only within their industry but also the communities they serve, and to operate with integrity in everything they do aligns with the values that are fundamental to Hilton Worldwide. Carlo and his team living and breathing these values has helped foster great relationships with our hotels around the country. We truly value the partnership that has developed over the years and look forward to working with Carlo and Traveling Teams for many years to come!

Mike Hill, CSEE
Senior Director, Sports Sales



LONG-TERM PARTNER



Jeffrey F. Perrin, CMP
Hyatt Hotels & Resorts
9801 International Drive
Orlando, FL 32819

407-376-3351

June 11, 2014

To whom it may concern:

When I first began working with Traveling Teams Inc. 3 years ago, I was immediately impressed with Traveling Teams insight and knowledge of the hotel industry, their commitment to service, as well as their timely and reliable communication and professionalism. They consistently demonstrate 's all of these qualities and more, and we wholeheartedly endorse Traveling Teams as a leader in the Youth Sports Housing and Management industry.

Of particular value to us is...

Traveling Teams has been very proactive with our company. We regularly receive unsolicited communications and updates along with clear and accurate data reports. Challenges are foreseen and mitigated immediately. They take a positive approach to resolving any opportunities.

Traveling Teams has demonstrated an unwavering commitment to exceeding customer expectations by providing timely and accurate information to the hotel. They continue working with both the hotel and the Rights Holder to insure a positive experience for the attendees. After all, if the participants are not Happy, then none of us have done our jobs, and Traveling Teams works to insure their full enjoyment out of the experience!

Traveling Teams employs diligent and experienced customer service professionals. Shaun and Danielle have been extremely responsive, and when we have a question regarding a particular group, we can be assured that their response is timely and accurate.

Traveling Teams has our highest recommendation, and we are happy to furnish more details if you would like additional information.

Sincerely,

Jeffrey F. Perrin, CMP
Director of Strategic Accounts

LONG-TERM PARTNER



National Group Sales

1818 North 90th Street
Omaha NE 68114

November 4, 2014

Carlo Tato
Traveling Teams
21800 Haggerty Road Suite 203
Northville, MI 48167

Dear Mr. Tato:

I am reaching out to you on behalf of the National Sales Department of Marriott International. We have had the pleasure of being a trusted partner with Traveling Teams for a number of years. This continued relationship with our organization provides Traveling Teams the ability to offer quality lodging options around the globe at a value they can extend to their youth sports teams and their families as well as other clients they represent.

Traveling Teams continuously will source and contract thousands of room nights with Marriott throughout the course of a year. Traveling Teams has an excellent relationship with their Marriott Global Sales Representative which allows them the ability to gather the information they need in a quick and efficient manner to allow decisions to be made; a must when working on multiple programs simultaneously. This relationship also allows Traveling Teams to leverage all of the business with Marriott to ensure strong hotel relationships and achieve the best solutions for their clients.

Due to this lengthy and valued partnership, Marriott offers a commitment in their ability to assist Traveling Teams in finding the best accommodations at the best rate possible each and every time. Please reach out to me directly with any questions regarding this recommendation for Traveling Teams.

Best Regards,

Kelly M. Johns

Kelly M. Johns
Group Sales Director
Marriott International
402-390-1629

LONG-TERM PARTNER



February 21, 2018

To Whom It May Concern,

Best Western Worldwide Sales has had the privilege of working with Traveling Teams as a top national account over the past eight years. As a leader in youth sports housing, Traveling Teams has played a significant factor in helping Best Western become a major player in the youth sports travel market. It is a valuable relationship that can be credited to a number of their key business strengths.

First, Traveling Teams has impeccable knowledge of the hotel industry, which is echoed by the vast number of Best Western properties they have strengthened and procured relationships with. Traveling Teams is able to contract rooms quickly, fulfill blocks accurately and make prompt decisions, which brings immense value to each hotel.

Second, their technology, reporting and RFP system is far superior to what is used by most of their competition in this market segment. Their homegrown RFP system and contracting format is an extremely welcoming tool that allows for quick and effective bids and room block procurement with limited issues. Additionally, Traveling Teams also proactively provides strong reporting to help ensure no hotel or event is left behind.

Finally, Best Western values working with Traveling Teams because of their commitment to exceptional customer care. They seek timely resolutions to issues and concerns and will not rest until resolved. The entire staff at Traveling Teams invests a personal dedication to ensure that every coach, player, hotel partner and event organizer is left with a positive experience.

Should you have any questions, please do not hesitate to reach out to me.

Sincerely,

Kelsey McLean
Worldwide Sales Manager, Sports
Best Western Hotels & Resorts
Kelsey.McLean@bestwestern.com

6201 N. 24th Parkway, Phoenix, AZ 85016 P (602) 957-4200 bestwestern.com

Wherever Life Takes You, Best Western Is There.[®]
Each Best Western[®] branded hotel is independently owned and operated.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX N

CONSTRUCTION CONTRACT

[THIS PAGE INTENTIONALLY LEFT BLANK]



ConsensusDocs®
BUILDING A BETTER WAY

ConsensusDocs® 415

STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS
BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)



This page is solely for the information and convenience of ConsensusDocs users, and is not a part of the contract. Gray boxes indicate where you should click and type in your project information. The yellow shading is a Word® default function that displays editable text. Shading can be turned off by going to the Review tab, select "Restrict Editing" button and uncheck "Highlight the regions I can edit". In Word 2003 you will find this option under the Tools tab, Options, Security tab, Protect Document button.

EMBEDDED INSTRUCTIONS are provided solely to help you complete the document. To display or hide instructions select the "¶" button under the "Home" tab to show all formatting marks.

Red Boxes: Instructions for fields that are typically required to complete contract.
Blue Boxes: Instructions for fields that may or may not be required for a complete contract.
Green Boxes: Provide general instructions or ConsensusDocs Coalition Guidebook comments, which can be found at www.ConsensusDocs.org/guidebook

This document was developed through a collaborative effort of organizations representing a wide cross-section of the design and construction industry. This document has important legal and insurance consequences, and it is not intended as a substitute for competent professional services and advice. This document must be reviewed and adapted to meet your project-specific needs. Federal, State and Local laws may vary with respect to the applicability or enforceability of specific provisions in this document. **CONSENSUSDOCS SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PURCHASER ASSUMES ALL LIABILITY WITH RESPECT TO THE USE OF THIS DOCUMENT, AND CONSENSUSDOCS AND ANY OF THE ORGANIZATIONS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM SUCH USE.** For additional information, please contact ConsensusDocs, 2300 Wilson Blvd, Suite 300, Arlington, VA 22201, 866-925-DOCS (3627), support@consensusdocs.org or www.ConsensusDocs.org.



ConsensusDocs® 415 – Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Lump Sum Price)®
2017, Revised October 2018. THIS DOCUMENT MAY HAVE BEEN MODIFIED. The ConsensusDocs technology platform creates a redline comparison to the standard language which the purchaser of this contract is authorized to share for review purposes. Consultation with legal and insurance counsel are strongly encouraged. You may only make copies of finalized documents for distribution to parties in direct connection with this contract. Any other uses are strictly prohibited.
CONTENT SECURE ID: 92D63849-60C4

ConsensusDocs® 415

STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)

TABLE OF ARTICLES

1. AGREEMENT
2. GENERAL PROVISIONS
3. DESIGN-BUILDER'S RESPONSIBILITIES
4. OWNER'S RESPONSIBILITIES
5. SUBCONTRACTS
6. CONTRACT TIME
7. CONTRACT PRICE
8. CHANGES IN THE WORK
9. PAYMENT
10. INDEMNITY, INSURANCE, AND BONDS
11. SUSPENSION, NOTICE TO CURE, AND TERMINATION
12. DISPUTE MITIGATION OR RESOLUTION
13. MISCELLANEOUS
14. CONTRACT DOCUMENTS

ARTICLE 1 AGREEMENT

Job Number: 20-20-003

This Agreement is made this 14 Day of August in the year 2020, by and between the

OWNER: Legacy Cares, Inc.
1900 West Chandler Blvd
Suite No. 15-315
Chandler, Arizona 85224

and the

DESIGN-BUILDER: JS Waltz Construction LLC
449 S. 48th St. Ste 105
Tempe, AZ 85281

Tax identification number (TIN): 75-3196906
Contractor Licensing No., if applicable: ROC 193934
Design Professional Licensing No. in the State of the Project:
Icon HD Architects - 47296
Orcutt Winslow Architects - 10803
Lloyd Engineering - 16011

for services in connection with the following:
Architectural/Structural/Mechanical/Electrical/Plumbing/Civil/Landscaping

PROJECT: Legacy Sports Park (Buildings A & B)

ARTICLE 2 GENERAL PROVISIONS



2.1 TEAM RELATIONSHIP Each Party agrees to act on the basis of trust, good faith, and fair dealing, and shall take all actions reasonably necessary to perform this Agreement in an economical and timely manner. The Parties shall each endeavor to promote harmony and cooperation among all Project participants.

2.1.1 Neither Design-Builder nor any of its agents or employees shall act on behalf of or in the name of Owner unless authorized in writing by Owner's Representative.

2.2 ETHICS Each Party shall perform with integrity. Each shall: (a) avoid conflicts of interest; (b) promptly disclose to the other Party any conflicts of interest which may arise. Each Party warrants it has not and shall not pay or receive any contingent fees or gratuities to or from the other Party, including its agents, officers and employees, Design Professional, Subcontractors, Subsubcontractors, Suppliers or Others, to secure preferential treatment.

2.3 DESIGN PROFESSIONAL Architectural and engineering services shall be procured from licensed, independent design professionals retained by Design-Builder or furnished by licensed employees of Design-Builder, as permitted by the Law. The person or entity providing architectural and engineering services shall be referred to as Design Professional. If Design Professional is an independent design professional, the architectural and engineering services shall be procured pursuant to a separate agreement between Design-Builder and Design Professional.

2.3.1 **STANDARD OF CARE** Design Professional shall furnish and provide the architectural and engineering services necessary to design the Project in accordance with Owner's requirements, as outlined in Owner's Program and other relevant data defining the Project. The architectural and engineering services shall be performed in accordance with the standard of professional skill and care required for a Project of similar size, scope, and complexity, during the time in which the Services are provided.

2.4 DEFINITIONS

2.4.1 "Agreement" means this ConsensusDocs 415 Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), as modified, amendments, exhibits, addenda, and attachments made part of this Agreement upon its execution.

2.4.1.1

- Exhibit A – Legacy Bond Proposal
- Exhibit A2 – Legacy Abstract Package
- Exhibit B – Drawing Log (Bond Issuance)
- Exhibit C – Preliminary Construction Schedule
- Exhibit D – Contingency Usage
- Exhibit E – Waltz Construction – Certificate of Insurance (SAMPLE)
- Exhibit F – Waltz Construction – Payment & Performance Bond (SAMPLE)

2.4.2 "Business Day" means all Days, except weekends and official federal or state holidays where the Project is located.

2.4.3 A "Change Order" is a written order signed by Owner and Design-Builder after execution of this Agreement, indicating changes in the scope of the Work or Contract Time, including substitutions proposed by Design-Builder and accepted by Owner.

2.4.4 "Construction Schedule" is the document prepared by Design-Builder that specifies the dates on which Design-Builder plans to begin and complete various parts of the construction phase services Work, and the Project, including dates on which information and approvals are required from Owner.



2.4.5 The "Contract Documents" consist of those documents identified in §14.1.

2.4.6 The "Contract Time" is the period between the Date of Commencement and total time authorized to achieve Final Completion.

2.4.7 "Day" means calendar day.

2.4.8 "Date of Commencement" is as provided for in §6.1.

2.4.9 "Defective Work" is any portion of the Work not in conformance to the requirements of the Contract Documents.

2.4.10 "Final Completion" occurs on the date when Design-Builder's obligations under this Agreement are complete and accepted by Owner and final payment becomes due and payable.

2.4.11 A Hazardous Material is any substance or material identified now or in the future as hazardous under any Laws or any other substance or material which may be considered hazardous or otherwise subject to statutory or regulatory requirements governing handling, disposal or clean-up.

2.4.12 "Interim Directive" is any written order containing Work instructions that is signed by Owner after execution this Agreement and before Substantial Completion to the Work directed by Owner.

2.4.13 "Law" means a federal, state or local law, ordinance, code, rule, or regulation applicable to the Work with which Design-Builder must comply that are enacted as of the Agreement date.

2.4.14 "Others" means Owner's other: (a) contractors/constructors, (b) suppliers, (c) subcontractors, subsubcontractors, or suppliers of (a) and (b); and others employed directly or indirectly by (a), (b), or (c) or any by any of them or for whose acts any of them may be liable.

2.4.15 "Overhead" shall mean (a) payroll costs and other compensation of Design-Builder's employees in Design-Builder's principal and branch offices; (b) general and administrative expenses of Design-Builder's principal and branch offices including charges against Design-Builder for delinquent payments; and (c) Design-Builder's capital expenses, including interest on capital used for the Work.

2.4.16 The "Owner" is the person or entity identified in ARTICLE 1, and includes Owner's representative.

2.4.17 The "Owner's Program" is a description of Owner's objectives, budgetary and time criteria, space requirements and relationships, flexibility and expandability requirements, special equipment and systems, and site requirements, together with Schematic Design Documents which shall include drawings, outline specifications, and other conceptual documents illustrating the Project's basic elements, scale, and their relationship to the Worksite.

2.4.18 The "Parties" are collectively Owner and Design-Builder.

2.4.19 The "Project," as identified in ARTICLE 1, is the building, facility, or other improvements for which Design-Builder is to perform the Work under this Agreement. It may also include improvements to be undertaken by Owner or Others.

2.4.20 "Project schedule" A schedule that shows the timing and sequencing of the design and construction required to meet the time criteria set forth in Owner's Program. The Project includes the Construction Schedule and is coordinated with design phase service activities.



2.4.21 A "Subcontractor" is a person or entity retained by Design-Builder as an independent contractor to provide the labor, materials, equipment, or services necessary to complete a specific portion of the Work. The term Subcontractor does not include Design Professional or any separate contractor employed by Owner or any separate contractor's subcontractors.

2.4.22 "Substantial Completion" of the Work, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the Contract Documents so that Owner can occupy or utilize the Project, or a designated portion, for the use for which it is intended, without unscheduled disruption. The issuance of a certificate of occupancy is not a prerequisite for Substantial Completion if the certificate of occupancy cannot be obtained due to factors beyond Design-Builder's control. This date shall be confirmed by a certificate of Substantial Completion signed by The Parties.

2.4.23 A "Subsubcontractor" is a party or entity who has an agreement with a Subcontractor or other Subsubcontractor, or Supplier to perform any portion of the Work or to supply material or equipment.

2.4.24 A "Supplier" is a person or entity retained by Design-Builder to provide material and equipment for the Work.

2.4.25 "Terrorism" means a violent act, or an act that is dangerous to human life, property, or infrastructure, that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes, but is not limited to, any act certified by the United States Secretary of Treasury as an act of terrorism pursuant to the Terrorism Risk Insurance Act, as amended.

2.4.26 The "Work" is the design services procured in accordance with §3.1, the construction services provided in accordance with §3.2, additional services in accordance with §3.11, and other services which are necessary to complete the Project in accordance with and reasonably inferable from the Contract Documents. The Work may refer to the whole Project or only a part of the Project if work is also being performed by Owner or Others.

2.4.27 "Worksite" means the geographical area of the Project location mentioned in ARTICLE 1 where the Work is to be performed

ARTICLE 3 DESIGN-BUILDER'S RESPONSIBILITIES

3.1 DESIGN SERVICES Pursuant to a mutually agreeable schedule, Design-Builder shall submit for Owner's written approval, as applicable, Design Development Documents or Construction Documents, based on the Contract Documents in existence at the time of the execution of this Agreement or any further development of Contract Documents that have been approved in writing by Owner.

3.1.1 If required, the Design Development Documents shall further define the Project, including drawings and outline specifications fixing and describing the Project size and character as to site utilization, and other appropriate elements incorporating the structural, architectural, mechanical, and electrical systems. When Design-Builder submits the Design Development Documents, Design-Builder shall identify in writing all material changes and deviations that have taken place from the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Design Development Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion.

3.1.2 The Construction Documents shall set forth in detail the requirements for construction of the Work, and shall be based upon codes, laws, or regulations enacted at the time of their preparation. When Design-Builder submits the Construction Documents, Design-Builder shall identify in writing all



material changes and deviations that have taken place from the Design Development Documents or the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Construction Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion. Construction shall be in accordance with the approved Construction Documents. One set of these documents shall be furnished to Owner before commencing construction.

3.1.3 OWNERSHIP OF DOCUMENTS

3.1.3.1 OWNERSHIP OF TANGIBLE DOCUMENTS Owner shall receive ownership of the property rights, except for copyrights, of all documents, drawings, specifications, electronic data, and information (hereinafter "Documents") prepared, provided or procured by Design-Builder, its Design Professional, Subcontractors, or consultants and distributed to Owner for this Project, upon the making of final payment to Design-Builder or in the event of termination under ARTICLE 11, upon payment for all sums due to Design-Builder pursuant to ARTICLE 11. Owner's acquisition of the copyright shall be subject to Owner's making of all payments required by this Agreement.

3.1.3.2 COPYRIGHT The Parties agree that Owner ☐ shall/ ☒ shall not obtain ownership of the copyright of all Documents. Owner's acquisition of the copyright for all Documents shall be subject to the making of payments as required by §3.1.3.1 and the payment of the fee reflecting the agreed value of the copyright set forth below:

If the Parties have not made a selection to transfer copyright interests in the Documents, the copyright shall remain with Design-Builder.

3.1.3.3 USE OF DOCUMENTS IN EVENT OF TERMINATION In the event of a termination of this Agreement pursuant to ARTICLE 11, Owner shall have the right to use, to reproduce, and to make derivative works of the Documents to complete the Project, regardless of whether there has been a transfer of copyright under §3.1.3.1, provided payment has been made pursuant to §3.1.3.1

3.1.3.4 OWNER'S USE OF DOCUMENTS AFTER COMPLETION OF PROJECT After completion of the Project, Owner may reuse, reproduce, or make derivative works from the Documents solely for the purposes of maintaining, renovating, remodeling, or expanding the Project at the Worksite. Owner's use of the Documents without Design-Builder's involvement or on other projects is at Owner's sole risk, except for Design-Builder's indemnification obligations, and Owner shall indemnify and hold harmless Design-Builder, its Design Professional, Subcontractors, and consultants, and the agents, officers, directors, and employees of each of them, from and against any and all claims, damages, losses, costs, and expenses, including reasonable attorneys' fees and costs, arising out of or resulting from any such prohibited use.

3.1.3.5 DESIGN-BUILDER'S USE OF DOCUMENTS Where Design-Builder has transferred its copyright interest in the Documents under §3.1.3.1, Design-Builder may reuse Documents prepared by it pursuant to this Agreement in its practice, but only in their separate constituent parts and not as a whole.

3.1.3.6 Design-Builder shall obtain from its Design Professional, Subcontractors, and consultants rights and rights of use that correspond to the rights given by Design-Builder to Owner in this Agreement, and Design-Builder shall provide evidence that such rights have been secured.



3.2 CONSTRUCTION SERVICES

3.2.1 Construction will commence upon the issuance by Owner of a written notice to proceed.

3.2.2 In order to complete the Work, Design-Builder shall provide all necessary construction supervision, inspection, construction equipment, construction labor, materials, tools, and subcontracted items.

3.2.3 COMPLIANCE WITH LAW Design-Builder shall give all notices and comply with all Laws at its own costs. Design-Builder shall be liable to Owner for all loss, cost, and expense attributable to any acts or omissions by Design-Builder, its employees, subcontractors, and agents resulting from the failure to comply with Laws, including fines, penalties, or corrective measures. However, liability under this subsection shall not apply if notice to Owner was given, and advance approval by appropriate authorities, including Owner, is received.

3.2.3.1 CHANGES IN LAW The Contract Price or Contract Time, or both shall be equitably adjusted by Change Order for additional costs or time needed resulting from any change in Law, including increased taxes, enacted after the date of this Agreement

3.2.4 Design-Builder shall maintain the Schedule of Work. This schedule shall indicate the dates for the start and completion of the various stages of the construction, including the dates when information and approvals are required from Owner. It shall be revised as required by the conditions of the Work.

3.2.5 Design-Builder shall obtain and Owner shall pay, in addition to the Contract Price, for the building permits necessary for the construction of the Project.

3.2.6 Design-Builder shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. Owner shall be afforded access to all Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to Change Order work performed on the basis of actual cost. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by law.

3.2.7 Design-Builder shall provide periodic written reports to Owner on the progress of the Work in such detail as is required by Owner and as agreed to by The Parties.

3.2.8 Design-Builder shall regularly remove debris and waste materials at the Worksite resulting from the Work. Before discontinuing Work in an area, Design-Builder shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials. Design-Builder shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, Design-Builder shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.

3.2.9 Design-Builder shall prepare and submit to Owner either:

- X final marked up as-built drawings
- X updated electronic data

that generally document how the various elements of the Work including changes were actually constructed or installed, or as defined by the Parties by attachment to this Agreement.

3.3 CONSTRUCTION SCHEDULE Design-Builder shall prepare and submit a Schedule of Work for Owner's acceptance and written approval. This schedule shall indicate the commencement and



completion dates of the various stages of the Work, including the dates when information and approvals are required from Owner. The Schedule shall be revised on a monthly basis or as mutually agreed by the Parties.

3.4 SAFETY OF PERSONS AND PROPERTY

3.4.1 SAFETY PRECAUTIONS AND PROGRAMS Design-Builder shall have overall responsibility for safety precautions and programs in the performance of the Work. However, such obligation does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with the provisions of Laws.

3.4.2 Design-Builder shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect:

3.4.2.1 its employees and other persons at the Worksite;

3.4.2.2 materials, supplies, and equipment stored at the Worksite for use in performance of the Work; and

3.4.2.3 the Project and all property located at the Worksite and adjacent to work areas, whether or not said property or structures are part of the Project or involved in the Work.

3.4.3 DESIGN-BUILDER'S SAFETY REPRESENTATIVE Design-Builder shall designate an individual at the Worksite in the employ of Design-Builder who shall act as Design-Builder's designated safety representative with a duty to prevent accidents. Unless otherwise identified by Design-Builder in writing to Owner, the designated safety representative shall be Design-Builder's project superintendent. Design-Builder will report immediately in writing all accidents and injuries occurring at the Worksite to Owner. When Design-Builder is required to file an accident report with a public authority, Design-Builder shall furnish a copy of the report to Owner.

3.4.4 Design-Builder shall provide Owner with copies of all notices required of Design-Builder by Law. Design-Builder's safety program shall comply with the requirements of governmental and quasi-governmental authorities having jurisdiction over the Work.

3.4.5 Damage or loss not insured under property insurance which may arise from the performance of the Work, to the extent of the negligence attributed to such acts or omissions of Design-Builder, or anyone for whose acts Design-Builder may be liable, shall be promptly remedied by Design-Builder. Damage or loss attributable to the acts or omissions of Owner or Others and not to Design-Builder shall be promptly remedied by Owner.

3.4.6 If Owner deems any part of the Work or Worksite unsafe, Owner, without assuming responsibility for Design-Builder's safety program, may require Design-Builder to stop performance of the Work or take corrective measures satisfactory to Owner, or both. If Design-Builder does not adopt corrective measures, Owner may perform them and reduce the amount of the Contract Price by the costs of the corrective measures. Design-Builder agrees to make no claim for damages, for an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion based on Design-Builder's compliance with Owner's reasonable request.

3.5 EMERGENCIES In any emergency affecting the safety of persons or property, Design-Builder shall act in a reasonable manner to prevent threatened damage, injury, or loss. Any change in the Contract Price, the Date of Substantial Completion, or the Date of Final Completion, on account of emergency work shall be determined as a Change Order.

3.6 HAZARDOUS MATERIAL



3.6.1 Design-Builder shall not be obligated to commence or continue Work until all Hazardous Material discovered at the Worksite has been removed, rendered, or determined to be harmless by Owner as certified by an independent testing laboratory and approved by the appropriate government agency.

3.6.2 If after commencing the Work, Hazardous Material is discovered at the Project, Design-Builder shall be entitled to immediately stop Work in the affected area. Design-Builder shall report the condition to Owner and, if required, the government agency with jurisdiction.

3.6.3 Design-Builder shall not resume nor be required to continue any Work affected by any Hazardous Material without written mutual agreement between the Parties after the Hazardous Material has been removed or rendered harmless and only after approval, if necessary, of the governmental agency with jurisdiction. Owner shall be responsible for retaining an independent testing laboratory to determine the nature of the material encountered and whether it is a Hazardous Material requiring corrective measures or remedial action. Such measures shall be the sole responsibility of Owner and shall be performed in a manner minimizing any adverse effect upon the Work.

3.6.4 If Design-Builder incurs additional costs or is delayed due to the presence or remediation of Hazardous Material, Design-Builder shall be entitled to an equitable adjustment in the Contract Price or the date of Substantial Completion.

3.6.5 To the extent not caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, Owner shall indemnify and hold harmless Design-Builder, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, from and against all claims, damages, losses, costs, and expenses, including but not limited to reasonable attorneys' fees, costs, and expenses incurred in connection with any dispute resolution process, to the extent permitted pursuant to §6.5, arising out of or relating to the performance of the Work in any area affected by Hazardous Material.

3.7 Safety Data Sheets (SDS) as required by law and pertaining to materials or substances used or consumed in the performance of the Work, whether obtained by Design-Builder, Subcontractors, Owner or Others, shall be maintained at the Project by Design-Builder and made available to Owner and Subcontractors.

3.7.1 During Design-Builder's performance of the Work, Design-Builder shall be responsible for the proper handling, application, storage, removal, and disposal of all materials brought to the Worksite by Design-Builder. Upon the issuance of the Certificate of Substantial Completion, Owner shall be responsible for materials and substances brought to the Worksite by Design-Builder if such materials or substances are required by the Contract Documents.

3.7.2 §3.6 shall survive the completion of the Work under this Agreement or any termination of this Agreement.

3.8 WARRANTY

3.8.1 Design-Builder warrants that all materials and equipment furnished under this Agreement will be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Warranties shall commence on the date of Substantial Completion of the Work or of a designated portion.

3.8.2 To the extent products, equipment, systems, or materials incorporated in the Work are specified and purchased by Owner, they shall be covered exclusively by the warranty of the manufacturer. There are no warranties which extend beyond the description on the face thereof. To the extent



products, equipment, systems, or materials incorporated in the Work are specified by Owner but purchased by Design-Build and are inconsistent with selection criteria that otherwise would have been followed by Design-Build, Design-Build shall assist Owner in pursuing warranty claims. ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

3.8.3 Design-Build shall secure required certificates of inspection, testing, or approval and deliver them to Owner.

3.8.4 Design-Build shall collect all written warranties and equipment manuals and deliver them to Owner in a format directed by Owner.

3.8.5 With the assistance of Owner's maintenance personnel, Design-Build shall direct the checkout of utilities and start-up operations, and adjusting and balancing of systems and equipment for readiness.

3.9 CORRECTION OF WORK WITHIN ONE YEAR

3.9.1 Before Substantial Completion and within one year after the date of Substantial Completion of the Work or for such longer periods of time as may be set forth with respect to specific warranties required by the Contract Documents, if any Defective Work is found, Owner shall promptly notify Design-Build in writing. Unless Owner provides written acceptance of the condition, Design-Build shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. If within the one-year correction period Owner discovers and does not promptly notify Design-Build or give Design-Build an opportunity to test or correct Defective Work as reasonably requested by Design-Build, Owner waives Design-Build's obligation to correct that Defective Work as well as Owner's right to claim a breach of the warranty with respect to that Defective Work.

3.9.2 With respect to any portion of Work first performed after Substantial Completion, the one-year correction period shall commence when that portion of Work is complete. Correction periods shall not be extended by corrective work performed by Design-Build.

3.9.3 If Design-Build fails to correct Defective Work within a reasonable time after receipt of written notice from Owner before final payment, Owner may correct it in accordance with Owner's right to carry out the Work. In such case, an appropriate Change Order shall be issued deducting the cost of correcting such deficiencies from payments then or thereafter due Design-Build. If payments then or thereafter due Design-Build are not sufficient to cover such amounts, Design-Build shall pay the difference to Owner.

3.9.4 Design-Build's obligations and liability, if any, with respect to any Defective Work discovered after the one-year correction period shall be determined by the Law. If, after the one-year correction period but before the applicable limitation period has expired, Owner discovers any Work which Owner considers Defective Work, Owner shall, unless the Defective Work requires emergency correction, promptly notify Design-Build and allow Design-Build an opportunity to correct the Work if Design-Build elects to do so. If Design-Build elects to correct the Work, it shall provide written notice of such intent within fourteen (14) Days of its receipt of notice from Owner and shall complete the correction of Work within a mutually agreed timeframe. If Design-Build does not elect to correct the Work, Owner may have the Work corrected by itself or Others, and, if Owner intends to seek recovery of those costs from Design-Build, Owner shall promptly provide Design-Build with an accounting of the correction costs it incurs.



3.9.5 If Design-Builder's correction or removal of Defective Work causes damage to or destroys other completed or partially completed Work or existing buildings, Design-Builder shall be responsible for the cost of correcting the destroyed or damaged property.

3.9.6 The one-year period for correction of Defective Work does not constitute a limitation period with respect to the enforcement of Design-Builder's other obligations under the Contract Documents.

3.9.7 Before final payment, at Owner's option and with Design-Builder's agreement, Owner may elect to accept Defective Work rather than require its removal and correction. In such case the Contract Price shall be equitably adjusted for any diminution in the value of the Project caused by such Defective Work.

3.10 CONFIDENTIALITY Design-Builder shall treat as confidential and not disclose to third-persons, except Subcontractors, Subsubcontractors, and Design Professional as is necessary for the performance of the Work, or use for its own benefit any of Owner's developments, confidential information, know-how, discoveries, production methods, and the like that may be disclosed to Design-Builder or which Design-Builder may acquire in connection with the Work. Owner shall treat as confidential information all of Design-Builder's estimating systems and historical and parameter cost data that may be disclosed to Owner in connection with the performance of this Agreement. The Parties shall each specify those items to be treated as confidential and shall mark them as "Confidential." Confidentiality obligations do not supersede compulsion by Law, a governmental agency or authority, an order of a court of competent jurisdiction, or a validly issued subpoena. In such event, a Party shall promptly notify the other Party to permit that Party's legal objection.

3.11 ADDITIONAL SERVICES Design-Builder shall provide or procure the following Additional services upon the request of Owner. A written agreement between The Parties shall define the extent of such Additional services. Such Additional services shall be considered a Change in the Work, unless they are specifically included in §3.1 or §3.2.

3.11.1 Assisting in the developing Owner's Program, establishing the Project budget, investigating sources of financing, general business planning, and other information and documentation as may be required to establish the feasibility of the Project;

3.11.2 Consultations, negotiations, and documentation supporting the procurement of Project financing;

3.11.3 Surveys, site evaluations, legal descriptions, and aerial photographs;

3.11.4 Appraisals of existing equipment, existing properties, new equipment, and developed properties;

3.11.5 Soils, subsurface, and environmental studies, reports, and investigations required for submission to governmental authorities or others having jurisdiction over the Project;

3.11.6 Consultations and representations before governmental authorities or others having jurisdiction over the Project other than normal assistance in securing building permits;

3.11.7 Investigation or making measured drawings of existing conditions or the verification of Owner-provided drawings and information;

3.11.8 Artistic renderings, models, and mockups of the Project or any part of the Project or the Work;

3.11.9 Inventories of existing furniture, fixtures, furnishings, and equipment which might be under consideration for incorporation into the Project;



3.11.10 Interior design and related services including procurement and placement of furniture, furnishings, artwork, and decorations;

3.11.11 Making revisions to design documents after they have been approved by Owner when revisions are due to causes beyond the control of Design-Builder. Causes beyond the control of Design-Builder do not include acts or omissions on the part of Subcontractors, Subsubcontractors, or Design Professional;

3.11.12 Design, coordination, management, expediting, and other services supporting the procurement of materials to be obtained, or work to be performed, by Owner, including but not limited to telephone systems, computer wiring networks, sound systems, alarms, security systems, and other specialty systems which are not a part of this Agreement;

3.11.13 Estimates, proposals, appraisals, consultations, negotiations, and services in connection with the repair or replacement of an insured loss, provided such repair or replacement did not result from the negligence of Design-Builder;

3.11.14 The premium portion of overtime work ordered by Owner including productivity impact costs, other than that required by Design-Builder to maintain the Schedule of Work;

3.11.15 Out-of-town travel by Design Professional in connection with the Work, except between Design Professional's office, Design-Builder's office, Owner's office, and the Project site;

3.11.16 Obtaining service contractors and training maintenance personnel; assisting and consulting in the use of systems and equipment after the initial startup;

3.11.17 Services for tenant or rental spaces not required by this Agreement;

3.11.18 services requested by Owner or required by the Work which are not specified in the Contract Documents and which are not normally part of generally accepted design and construction practice;

3.11.19 Except when Design Professional is a party to the proceeding, serving or preparing to serve as an expert witness in connection with any proceeding, legal or otherwise, regarding the Project;

3.11.20 document reproduction exceeding the limits provided for in this Agreement;

3.11.21 providing services relating to Hazardous Material discovered at the Worksite;

3.11.22 acting as a Green Building Facilitator as identified in the ConsensusDocs 310 Green Building Addendum or separate addenda, which, at a minimum, shall include: (a) coordinating and facilitating the achievement of elected green measures and green status, such as achieving Leadership in Energy and Environmental Design "LEED" certification; (b) identifying, preparing, and submitting necessary documentation for elected green status; and (c) identifying project participants responsible to complete physical and procedural green measures;

3.11.23 performing formal commissioning services; and

3.11.24 other services as agreed to by the Parties and identified in an attached exhibit.

3.12 DESIGN-BUILDER'S REPRESENTATIVE Design-Builder shall designate a person who shall be Design-Builder's authorized representative. Design-Builder's Representative is Matt Waltz & Jay Green.

ARTICLE 4 OWNER'S RESPONSIBILITIES



4.1 INFORMATION AND SERVICES PROVIDED BY OWNER Owner's responsibilities under this article shall be provided with reasonable detail and in a timely manner.

4.2 FINANCIAL INFORMATION Before commencing the Work and thereafter at the written request of Design-Builder, Owner shall provide Design-Builder evidence of Project financing. Evidence of such financing shall be a condition precedent to Design-Builder's commencing or continuing the Work. Design-Builder shall be notified before any material change in Project financing.

4.3 WORKSITE INFORMATION To the extent Owner has obtained, or is required elsewhere in the Contract Documents to obtain, the following Worksite information, Owner shall provide at Owner's expense and with reasonable promptness:

4.3.1 information describing the physical characteristics of the site, including surveys, site evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface conditions and environmental studies, reports, and investigations;

4.3.2 tests, inspections, and other reports dealing with environmental matters, Hazardous Material, and other existing conditions, including structural, mechanical, and chemical tests, required by the Contract Documents or by Law;

4.3.3 the limits of Pollution Liability Insurance covering the Worksite held by Owner, and

4.3.4 any other information or services requested in writing by Design-Builder which are required for Design-Builder's performance of the Work and under Owner's control.

4.4 MECHANICS AND CONSTRUCTION LIEN INFORMATION Within seven (7) Days after receiving Design-Builder's written request, Owner shall provide Design-Builder with the information necessary to give notice of or enforce mechanics lien rights and, where applicable, stop notices. This information shall include Owner's interest in the real property on which the Project is located and the record legal title.

4.5 RESPONSIBILITIES DURING DESIGN

4.5.1 Owner shall review and approve further development of the drawings and specifications as set forth in ARTICLE 3.

4.6 RESPONSIBILITIES DURING CONSTRUCTION

4.6.1 Owner shall review the Construction Schedule, timely approve milestone dates set forth, and timely respond to its obligations.

4.6.2 If Owner becomes aware of any error, omission, or failure to meet the requirements of the Contract Documents or any fault or defect in the Work, Owner shall give prompt written notice to Design-Builder. The failure of Owner to give such notice shall not relieve Design-Builder of its obligations to fulfill the requirements of the Contract Documents.

4.6.3 Owner shall have no contractual obligations to Subcontractors, suppliers, or Design Professional.

4.6.4 Owner shall provide insurance for the Project as provided in ARTICLE 10.

4.7 TAX EXEMPTION If in accordance with Owner's direction Design-Builder claims an exemption for taxes, Owner shall indemnify and hold Design-Builder harmless from all liability, penalty, interest, fine, tax assessment, attorneys' fees, or other expense or cost incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's direction.



4.8 ELECTRONIC DOCUMENTS If Owner requires that The Parties exchange documents and data in electronic or digital form, before any such exchange, The Parties shall agree on a written protocol governing all exchanges in ConsensusDocs 200.2 or a separate agreement, which, at a minimum, shall specify: (a) the definition of documents and data to be accepted in electronic or digital form or to be transmitted electronically or digitally; (b) management and coordination responsibilities; (c) necessary equipment, software, and services; (d) acceptable formats, transmission methods, and verification procedures; (e) methods for maintaining version control; (f) privacy and security requirements; and (g) storage and retrieval requirements. The Parties shall each bear their own costs for the requirements identified in the protocol. In the absence of a written protocol, use of documents and data in electronic or digital form shall be at the sole risk of the recipient.

4.9 Owner's Representative is Jeff Puzzullo. Owner's representative shall: (a) be fully acquainted with the Project; (b) agree to furnish the information and services required of Owner in a timely manner; and (c) have the authority to bind Owner in all matters requiring Owner's approval, authorization or written notice. If Owner changes its representative or the representative's authority as listed above, Owner shall notify Design-Builder in writing in advance.

ARTICLE 5 SUBCONTRACTS

5.1. RETAINING SUBCONTRACTORS Design-Builder shall not retain any Subcontractor or Supplier to whom Owner has a reasonable and timely objection, provided that Owner agrees to increase the Contract Price for any additional costs incurred by Design-Builder as a result of such objection. Owner may propose subcontractors to be considered by Design-Builder. Design-Builder shall not be required to retain any subcontractor to whom Design-Builder has a reasonable objection.

5.2. MANAGEMENT OF SUBCONTRACTORS Design-Builder shall be responsible for the management of Subcontractors in the performance of their work.

5.3. CONTINGENT ASSIGNMENT OF SUBCONTRACT AGREEMENTS

5.3.1. If this Agreement is terminated, each subcontract agreement shall be assigned by Design-Builder to Owner, subject to the prior rights of any surety, provided that:

5.3.1.1. this Agreement is terminated by Owner pursuant to §11.2 or §11.3; and

5.3.1.2. Owner accepts such assignment, after termination by notifying the Subcontractor and Design-Builder in writing, and assumes all rights and obligations of Design-Builder pursuant to each subcontract or supply agreement.

5.3.2. If Owner accepts such an assignment, and the Work has been suspended for more than thirty (30) consecutive Days, following termination, if appropriate, Subcontractor's or Supplier's compensation shall be equitably adjusted as a result of the suspension.

5.4. BINDING OF SUBCONTRACTORS AND SUPPLIERS Design-Builder agrees to bind every Subcontractor and Supplier (and require every Subcontractor to so bind its Subsubcontractors and significant Suppliers) to all the provisions of this Agreement and the Contract Documents' applicable provisions to that portion of the Work.

ARTICLE 6 CONTRACT TIME

6.1. DATE OF COMMENCEMENT The Date of Commencement is the Agreement date in **ARTICLE 1** unless otherwise set forth below. The Work shall proceed in general accordance with the Project Schedule which may be amended in accordance with this Agreement.



6.2. SUBSTANTIAL COMPLETION/FINAL COMPLETION

6.2.1. Substantial Completion of the Work shall be achieved in the date set forth in the agreed upon schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans. ([]) Days from the Date of Commencement. Unless otherwise specified, the Work shall be finally complete within the agreed upon on schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans ([]) Days after the date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.2. Time is of the essence with regards to the obligations of the Contract Documents.

6.2.3. The Date of Final Completion of the Work is complete within one hundred & eighty (180) Days after the Date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.4. Unless otherwise instructed by an Interim Directive, Design-Builder shall not knowingly commence the Work before the effective date of insurance required to be provided by Design-Builder

6.3. DELAYS AND EXTENSIONS OF TIME

6.3.1. If Design-Builder is delayed at any time in the commencement or progress of the Work by any cause beyond the control of Design-Builder, Design-Builder shall be entitled to an equitable extension of the Date of Substantial Completion or the Date of Final Completion. Examples of causes beyond the control of Design-Builder include, but are not limited to, the following: (a) acts or omissions of Owner or Others; (b) changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work; (c) encountering Hazardous Materials, or concealed or unknown conditions; (d) delay authorized by Owner pending dispute resolution or suspension by Owner under §12.1; (e) transportation delays not reasonably foreseeable; (f) labor disputes not involving Design-Builder; (g) general labor disputes impacting the Project but not specifically related to the Worksite; (h) fire; (i) Terrorism; (j) epidemics; (k) adverse governmental actions, (l) unavoidable accidents or circumstances; (m) adverse weather conditions not reasonably anticipated. Design-Builder shall process any requests for equitable extensions of the Date of Substantial Completion or the Date of Final Completion in accordance with the provisions of ARTICLE 8.

6.3.2. In addition, if Design-Builder incurs additional costs as a result of a delay that is caused by acts or omissions of Owner or Others, changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work, encountering Hazardous Materials unanticipated by Design-Builder or concealed or unknown conditions, delay authorized by Owner pending dispute resolution, and suspension by Owner under §ARTICLE 11, Design-Builder shall be entitled to an equitable adjustment in the Contract Price subject to §6.5.

6.3.3. In the event delays to the project are encountered for any reason, the Parties agree to undertake reasonable steps to mitigate the effect of such delays.

6.4. LIQUIDATED DAMAGES

6.4.1. SUBSTANTIAL COMPLETION The Parties agree that this Agreement X shall/ shall not provide for the imposition of liquidated damages based on the Date of Substantial Completion.

6.4.1.1. Design-Builder understands that if the Date of Substantial Completion as may be amended by subsequent Change Order, is not attained, Owner will suffer damages which are



difficult to determine and accurately specify. Design-Build agrees that if the Date of Substantial Completion is not attained, Design-Build shall pay Owner Five Hundred dollars (\$500.00) as liquidated damages and not as a penalty for each Day that Substantial Completion extends beyond the Date of Substantial Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Substantial Completion.

6.4.2. FINAL COMPLETION Owner and Design-Build agree that this Agreement [] shall/ X shall not provide for the imposition of liquidated damages based on the Date of Final Completion.

6.4.2.1. Design-Build understands that if the Date of Final Completion is not attained, Owner will suffer damages which are difficult to determine and accurately specify. Design-Build agrees that if the Date of Final Completion is not attained, Design-Build shall pay Owner Five-hundred dollars (\$500.00) as liquidated damages for each Day that Final Completion extends beyond the Date of Final Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Final Completion.

6.4.3. OTHER LIQUIDATED DAMAGES Owner and Design-Build may agree upon the imposition of liquidated damages based on other project milestones or performance requirements. Such agreement shall be included as an exhibit to this Agreement.

6.5. LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES Except for damages mutually agreed upon by the Parties as liquidated damages in §6.4 and excluding losses covered by insurance required by the Contract Documents, Owner and Design-Build agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement, except for those specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below. Owner agrees to waive damages including but not limited to Owner's loss of use of the Project, any rental expenses incurred, loss of income, profit, or financing related to the Project, as well as the loss of business, loss of financing, principal office overhead and expenses, loss of profits not related to this Project, loss of reputation, or insolvency. Design-Build agrees to waive damages including but not limited to loss of business, loss of financing, loss of profits not related to this Project, loss of bonding capacity, loss of reputation, or insolvency.

6.5.1. The following items of damages are excluded from this mutual waiver:

6.5.2. The provisions of this section shall also apply to the termination of this Agreement and shall survive such termination. Owner and Design-Build shall require similar waivers in contracts with Subcontractors and Others retained for the Project.

ARTICLE 7 CONTRACT PRICE

The Contract Price is Fifty Five Million, Nine Hundred Twenty Seven Thousand, Six Hundred Sixty Four dollars (\$55,927,664.00) subject to adjustment as provided in ARTICLE 8. In addition to the Contract Price, Design-Build is entitled to payment of a development fee in an amount equal to one percent (1%) of the total capital expenditures on the Project.

ARTICLE 8 CHANGES IN THE WORK

Changes in the Work which are within the general scope of this Agreement may be accomplished without invalidating this Agreement by Change Order, Interim Directive, or a minor change in the Work, subject to the limitations stated in the Contract Documents.

8.1. CHANGE ORDERS



8.1.1. Design-Build may request or Owner, without invalidating this Agreement, may order changes in the Work within the general scope of the Contract Documents consisting of adjustment to the Contract Price or the Date of Substantial Completion or the Date of Final Completion. All such changes in the Work shall be authorized by applicable Change Order, and processed in accordance with this article. Each adjustment in the Contract Price resulting from a Change Order shall clearly separate the amount attributable to Design services.

8.1.2. The Parties shall negotiate an appropriate adjustment to Contract Price or the Date of Substantial Completion or the Date of Final Completion in good faith and conclude negotiations as expeditiously as possible. Acceptance of the Change Order and any adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion shall not be unreasonably withheld.

8.1.3. NO OBLIGATION TO PERFORM Design-Build shall not be obligated to perform changes in the Work until a Change Order has been executed or a written Interim Directive has been issued.

8.2. INTERIM DIRECTIVE

8.2.1. Owner may issue an Interim Directive directing a change in the Work before agreeing on an adjustment, if any, in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services or directing Design-Build to perform Work that Owner believes is not a change. If the Parties disagree that the Interim Directed work is within the scope of the Work, Design-Build shall perform the disputed Work and furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations.

8.2.2. The Parties shall negotiate expeditiously and in good faith for appropriate adjustments, as applicable, to the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate the compensation for Design services, arising out of Interim Directive. As the changed work is completed, the Design Builder shall submit its costs for such work with its Application for Payment beginning with the next Application for Payment within thirty (30) Days of the issuance of the Interim Directive. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of the Work.

8.2.3. If the Parties agree upon the adjustments in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services, for a change in the Work directed by an Interim Directive, such agreement shall be the subject of an appropriate Change Order. The Change Order shall include all outstanding Interim Directives issued since the last Change Order.

8.3. MINOR CHANGES IN THE WORK

8.3.1. Design-Build may make minor changes in the design and construction of the Project consistent with the intent of the Contract Documents which do not involve an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion; and do not materially and adversely affect the design of the Project, the quality of any of the materials or equipment specified in the Contract Documents, the performance of any materials, equipment, or systems specified in the Contract Documents, or the quality of workmanship required by the Contract Documents.

8.3.2. Design-Build shall promptly inform Owner in writing of any such changes and shall record such changes on the Design-Build Documents maintained by Design-Build.



8.4. CONCEALED OR UNKNOWN SITE CONDITIONS If a condition encountered at the Worksite are (a) subsurface or other physical conditions materially different from those indicated in the Contract Documents, or (b) unusual and unknown physical conditions materially different from conditions ordinarily encountered and generally recognized as inherent in Work provided for in the Contract Documents, Design-Builder shall stop affected Work after the concealed or unknown condition is first observed and give prompt written notice of the condition to Owner. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists and directing how Design-Builder is to proceed. Design-Builder shall not be required to perform any Work relating to the unknown condition without the written mutual agreement of the Parties. Any change in the Contract Price or Contract Time as a result of the condition, including any dispute about its existence or nature, shall be determined as provided in this ARTICLE 8.

8.5. DETERMINATION OF COST

8.5.1. An increase or decrease in the Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

8.5.1.1. unit prices set forth in this Agreement or as subsequently agreed;

8.5.1.2. a mutually accepted, itemized lump sum; or

8.5.1.3. COST OF THE WORK Cost of the Work as defined by this §8.5.1.3 plus 10% for Overhead and 4.5% for profit. "Cost of the Work" shall include the following costs reasonably incurred to perform a change in the Work:

8.5.1.3.1. Labor wages directly employed by Design-Builder performing the Work;

8.5.1.3.2. Salaries of Design-Builder's employees when stationed at the field office to the extent necessary to complete the applicable Work, employees engaged on the road expediting the production or transportation of material and equipment, and supervisory employees from the principal or branch office as mutually agreed by the Parties in writing;

8.5.1.3.3. Cost of applicable employee benefits and taxes, including but not limited to, workers' compensation, unemployment compensation, social security, health, welfare, retirement and other fringe benefits as required by law, labor agreements, or paid under Design-Builder's standard personnel policy, insofar as such costs are paid to employees of Design-Builder who are included in the Cost of the Work in §8.5.1.3.1 and §8.5.1.3.2;

8.5.1.3.4. Reasonable transportation, travel, and hotel expenses of Design-Builder's personnel incurred in connection with the Work;

8.5.1.3.5. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of inspection and testing if not provided by Owner, transportation, storage, and handling;

8.5.1.3.6. Payments made by Design-Builder to Subcontractors for performed Work;

8.5.1.3.7. Fees and expenses for design services procured or furnished by Design-Builder

8.5.1.3.8. Cost, including transportation and maintenance of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers that are used



or consumed in the performance of the Work, less salvage value or residual value; and cost less salvage value of such items used, but not consumed that remain the property of Design-Builder;

8.5.1.3.9. Rental charges of all necessary machinery and equipment, exclusive of hand tools owned by workers, used at the Worksite, whether rented from Design-Builder or others, including installation, repair and replacement, dismantling, removal, maintenance, transportation, and delivery costs. Rental from unrelated third parties shall be reimbursed at actual cost. Rentals from Design-Builder or its affiliates, subsidiaries, or related parties shall be reimbursed at the prevailing rates in the locality of the Worksite up to eighty-five percent (85%) of the value of the piece of equipment;

8.5.1.3.10. Cost of the premiums for all insurance and surety bonds which Design-Builder is required to procure or deems necessary, and approved by Owner including any additional premium incurred as a result of any increase in the cost of the Work;

8.5.1.3.11. Sales, use, gross receipts or other taxes, tariffs, or duties related to the Work for which Design-Builder is liable;

8.5.1.3.12. Permits, fees, licenses, tests, and royalties;

8.5.1.3.13. Losses, expenses or damages to the extent not compensated by insurance or otherwise, and the cost of corrective work, provided that such did not arise from Design-Builder's negligence.

8.5.1.3.14. Water, power, and fuel costs necessary for the changed Work;

8.5.1.3.15. Cost of removal of all nonhazardous substances, debris, and waste materials;

8.5.1.3.16. Costs directly incurred to perform a change in the Work which are reasonably inferable from the Contract Documents for the changed Work

8.5.1.3.17. DISCOUNTS All discounts for prompt payment shall accrue to Owner to the extent such payments are made directly by Owner. To the extent payments are made with funds of Design-Builder, all cash discounts shall accrue to Design-Builder. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment, shall be credited to the Cost of the Work;

8.5.1.3.18. COST REPORTING Design-Builder shall maintain complete and current records that comply with generally accepted accounting principles and calculate the Cost of Work. Owner shall be afforded access to Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to requested payment for Cost of the Work. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by Law;

8.5.1.3.19. COST AND SCHEDULE ESTIMATES Design-Builder shall use reasonable skill and judgment in the preparation of a cost estimate or schedule for a change to the Work, but does not warrant or guarantee their accuracy.

8.5.1.3.20. Cost of the Work pursuant to §8.5.1.3 is determined net of savings from the change. Design-Builder's Overhead and profit shall be added to any net increase in Cost of the Work. No Overhead and profit shall be applied to any net decrease in the



Cost of the Work that is less than ten (10) percent of the Contract Price. Overhead and profit shall be applied to any net decrease ten (10) percent or more. Design-Builder shall maintain a documented, itemized accounting evidencing expenses and savings.

8.5.1.3.21. **CONTRACTOR CONTINGENCY** is prime contractor owned and controlled and used solely at the discretion of the prime contractor to mitigate the risk of the prime contractor as the design build contractor and used for construction related items of the following, but not limited to: scope of work items not defined at the time of GMP issuance, refinement of details from design documents, missing and or incomplete design services as part of contractual footprint, scope errors, labor and or time accelerations for prime contractor and trade partners, impact costs on materials and labor, construction disturbances, (e.g. strikes, accidents, or breakdowns), bankruptcies, regulatory risk, technological change, calamitous weather and delays from weather, unanticipated price or interest rate increases, costs of higher than expected subcontractor proposals based on original qualified contracted scope.

8.5.2. If unit prices are indicated in the Contract Documents or are subsequently agreed to by the Parties, but the character or quantity of such unit items as originally contemplated is so different in a proposed Change Order that the original unit prices will cause substantial inequity to Owner or Design-Builder, such unit prices shall be equitably adjusted.

8.5.3. If Owner and Design-Builder disagree as to whether work required by Owner is within the scope of the Work, Design-Builder shall furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations. If Owner issues a written order for Design-Builder to proceed, Design-Builder shall perform the disputed work and Owner shall pay Design-Builder fifty percent (50%) of its estimated cost to perform the work. In such event, both Parties reserve their rights as to whether the work was within the scope of the Work. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of Work. Design-Builder's receipt of payment for the disputed work does not prejudice its right to receive full payment for the disputed work should it be determined that the disputed work is not within the scope of the Work.

8.6. **CHANGES NOTICE** For any claim for an increase in the Contract Price or an extension in the Date of Substantial Completion or the Date of Final Completion, Design-Builder shall give Owner written notice of the claim within twenty-one (21) Days after the occurrence giving rise to the claim or within twenty-one (21) Days after Design-Builder first recognizes the condition giving rise to the claim, whichever is later. Except in an emergency, notice shall be given before proceeding with the Work. Claims for design and estimating costs incurred in connection with possible changes requested by Owner, but which do not proceed, shall be made within twenty-one (21) Days after the decision is made not to proceed. Thereafter, Design-Builder shall submit written documentation of its claim, including appropriate supporting documentation, within twenty-one (21) Days after giving notice, unless the Parties mutually agree upon a longer period of time. Owner shall respond in writing denying or approving Design-Builder's claim no later than fourteen (14) Days after receipt of Design-Builder's documentation of claim. Owner's failure to so respond shall be deemed a denial of Design-Builder's claim. Any change in Contract Price or the Date of Substantial Completion or the Date of Final Completion resulting from such claim shall be authorized by Change Order.

8.7. **INCIDENTAL CHANGES** Owner may direct Design-Builder to perform incidental changes in the Work upon concurrence with Design-Builder that such changes do not involve adjustments in the Cost of the Work or Contract Time. Incidental changes shall be consistent with the scope and intent of the Contract Documents. Owner shall initiate an incidental change in the Work by issuing a written order to Design-Builder. Such written notice shall be carried out promptly and is binding on the Parties.



ARTICLE 9 PAYMENT

9.1. PROGRESS PAYMENT

9.1.1. Before submitting the first application for payment, Design-Builder shall provide a Schedule of Values satisfactory to Owner, consisting of a breakdown of the Contract Price, with a separate line item for Design services.

9.1.2. On or before the 20th Day of each month after the Work has commenced, Design-Builder shall submit to Owner an application for payment in accordance with the Schedule of Values based upon the Work completed and materials suitably stored on the Worksite or at other locations approved by Owner. Approval of payment applications for such stored materials shall be conditioned upon submission by Design-Builder of bills of sale and applicable insurance or such other procedures satisfactory to Owner to establish Owner's title to such materials, or otherwise to protect Owner's interest including transportation to the site.

9.1.3. Within seven (7) Days after receipt of each monthly application for payment, Owner shall give written notice to Design-Builder of Owner's acceptance or rejection, in whole or in part, of such application for payment. Within fifteen (15) Days after accepting such Application, Owner shall pay directly to Design-Builder the appropriate amount for which application for payment is made, less amounts previously paid by Owner. If such application is rejected in whole or in part, Owner shall indicate the reasons for its rejection. If Owner and Design-Builder cannot agree on a revised amount, then, within fifteen (15) Days after its initial rejection in part of such application, Owner shall pay directly to Design-Builder the appropriate amount for those items not rejected by Owner for which application for payment is made, less amounts previously paid by Owner. Those items rejected by Owner shall be due and payable when the reasons for the rejection have been removed.

9.1.4. If Owner fails to pay Design-Builder at the time payment of any amount becomes due, then Design-Builder may, at any time thereafter, upon serving written notice that the Work will be stopped within seven (7) Days after receipt of the notice by Owner, and after such seven (7) Day period, stop the Work until payment of the amount owing has been received.

9.1.5. Payments due but unpaid pursuant to §9.1.3, less any amount retained pursuant to §9.2 or §9.3, may bear interest from the date payment is due at the prime rate prevailing at the place of the Project.

9.1.6. Design-Builder warrants and guarantees that title to all Work, materials, and equipment covered by an application for payment, whether incorporated in the Project or not, will pass to Owner upon receipt of such payment by Design-Builder free and clear of all liens, claims, security interests, or encumbrances, hereinafter referred to as "liens."

9.1.7. Owner's progress payment, occupancy, or use of the Project, whether in whole or in part, shall not be deemed an acceptance of any Work not conforming to the requirements of the Contract Documents.

9.1.8. Upon Substantial Completion of the Work, Owner shall pay Design-Builder the unpaid balance of the Contract Price, less a sum equal to one hundred fifty percent (150%) of Design-Builder's estimated cost of completing any unfinished items as agreed to between The Parties as to extent and time for completion. Owner thereafter shall pay Design-Builder monthly the amount retained for unfinished items as each item is completed.

9.1.9. STORED MATERIALS AND EQUIPMENT Unless otherwise provided in the contract documents, applications for payment may include materials and equipment not yet incorporated into the Work but delivered to and suitably stored onsite or offsite, including applicable insurance, storage



and costs incurred transporting the materials to an offsite storage facility. Approval of payment applications for stored materials and equipment stored offsite shall be conditioned on submission by Design-Builder of bills of sale and proof of required insurance, or such other procedures satisfactory to Owner to establish the proper valuation of the stored materials and equipment, Owner's title to such materials and equipment, and to otherwise protect Owner's interests therein, including transportation to the site.

9.2. RETAINAGE From each progress payment made before the time of Substantial Completion, Owner may retain Ten percent (10%) of the amount otherwise due after deduction of any amounts as provided in §9.3, provided such percentage doesn't exceed the Law. If Owner chooses to use this retainage provision:

9.2.1. after the Work is fifty percent (50%) complete, Owner shall withhold no additional retainage and pay Design-Builder the full amount due on account of subsequent progress payments;

9.2.2. Owner may, in its sole discretion, reduce the amount to be retained at any time;

9.2.3. Owner may release retainage on that portion of the Work a Subcontractor has completed, in whole or in part, and which work Owner has accepted;

9.2.4. in lieu of retainage, Design-Builder may furnish a retention bond or other security interest acceptable to Owner, to be held by Owner.

9.3. ADJUSTMENT OF AN APPLICATION FOR PAYMENT Owner may adjust or reject an application for payment or nullify a previously approved application for payment, in whole or in part, as may reasonably be necessary to protect Owner from loss or damage based upon the following, to the extent that Design-Builder is responsible under this Agreement:

9.3.1. Design-Builder's repeated failure to perform the Work as required by the Contract Documents;

9.3.2. except as accepted by the insurer providing Builders Risk or other property insurance covering the project, loss or damage arising out of or relating to this Agreement and caused by Design-Builder to Owner, or others to whom Owner may be liable;

9.3.3. Design-Builder's failure to pay either Design Professional, Subcontractor or Supplier following receipt of payment from Owner for that portion of the Work or for supplies, provided that Owner is making payments to Constructor in accordance with the terms of this Agreement;

9.3.4. Defective Work not corrected in a timely fashion;

9.3.5. reasonable evidence of delay in performance of the Work such that the Work will not be completed by the Date of Substantial Completion or the Date of Final Completion, and that the unpaid balance of the Contract Price is not sufficient to offset any direct damages that may be sustained by Owner as a result of the anticipated delay caused by Design-Builder;

9.3.6. reasonable evidence demonstrating that the unpaid balance of the Contract Price is insufficient to fund the cost to complete the Work;

9.3.7. uninsured third-party claims involving the Contractor or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until the Contractor furnishes Owner with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment which are sufficient to discharge such claims if established; and

9.3.8. uninsured third-party claims involving Design-Builder or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until Design-Builder furnishes Owner with



adequate security in the form of a surety bond, letter of credit, or other collateral or commitment sufficient to discharge such claims if established.

No later than seven (7) Days after receipt of an application for payment, Owner shall give written notice to Design-Builder, at the time of disapproving or nullifying all or part of an application for payment, stating its specific reasons for such disapproval or nullification, and the remedial actions to be taken by Design-Builder in order to receive payment. When the above reasons for disapproving or nullifying an application for payment are removed, payment will be promptly made for the amount previously withheld.

9.4. OWNER OCCUPANCY OR USE OF COMPLETED OR PARTIALLY COMPLETED WORK

Portions of the Work that are completed or partially completed may be used or occupied by Owner when (a) the portion of the Work is designated in a Certificate of Substantial Completion, (b) appropriate insurer(s) or sureties consent to the occupancy or use, and (c) appropriate public authorities authorize the occupancy or use. Such partial occupancy or use shall constitute Substantial Completion of that portion of the Work. Design-Builder shall not unreasonably withhold consent to partial occupancy or use. Owner shall not unreasonably refuse to accept partial occupancy or use, provided such partial occupancy or use is of value to Owner.

9.5. FINAL PAYMENT

9.5.1. Final payment, consisting of the unpaid balance of the Contract Price, shall be due and payable when the Work is fully completed. Before issuance of final payment, Owner may request satisfactory evidence that all payrolls, materials bills, and other indebtedness connected with the Work have been paid or otherwise satisfied.

9.5.2. In making final payment Owner waives all claims except for:

9.5.2.1. outstanding liens;

9.5.2.2. improper workmanship or defective materials appearing within one year after the date of Substantial Completion;

9.5.2.3. Work not in conformance with the Contract Documents; and

9.5.2.4. terms of any special warranties required by the Contract Documents.

9.5.3. In accepting final payment, Design-Builder waives all claims except those previously made in writing and which remain unsettled.

ARTICLE 10 INDEMNITY, INSURANCE, AND BONDS

10.1. INDEMNITY

10.1.1. To the fullest extent permitted by law, Design-Builder shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees (the Indemnitees) from all claims for bodily injury and property damage, other than to the Work itself and other property required to be insured under §10.3, including reasonable attorneys' fees, costs, and expenses that may arise from the performance of the Work, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, Subcontractors, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. Design-Builder shall not be required to indemnify or hold harmless the Indemnitees for any negligent or intentionally wrongful acts or omissions of the Indemnitees. Design-Builder shall be entitled to



reimbursement of any defense costs paid above Design-Builder's percentage of liability for the underlying claim to the extent provided for by the subsection below.

10.1.2. To the fullest extent permitted by law, Owner shall indemnify and hold harmless Design-Builder, its officers, directors, or members, Subcontractors, or anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured under §10.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Others, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Others. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided for by the subsection above.

10.1.3. NO LIMITATION ON LIABILITY In any and all claims against the Indemnitees by any employee of Design-Builder, anyone directly or indirectly employed by Design-Builder or anyone for whose acts Design-Builder may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Design-Builder under Workers' Compensation acts, disability benefit acts, or other employee benefit acts.

10.2. DESIGN-BUILDER'S LIABILITY INSURANCE

10.2.1. Before commencing the Work and as a condition for payment, Design-Builder shall procure and maintain in force Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance (CGL). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. Design-Builder shall maintain completed operations liability insurance for one year after Substantial Completion, or as required by the Contract Documents, whichever is longer. Design-Builder's Employers' Liability, Business Automobile Liability, and CGL policies shall be written with at least the following limits of liability:

10.2.1.1. Employers' Liability Insurance

- (a) \$1,000,000.00 bodily injury by accident per accident
- (b) \$1,000,000.00 bodily injury by disease policy limit
- (c) \$1,000,000.00 bodily injury by disease per employee

10.2.1.2. Business Automobile Liability Insurance per accident \$1,000,000.00.

10.2.1.3. Commercial General Liability Insurance

- (a) Per occurrence \$1,000,000.00
- (b) General aggregate \$2,000,000.00
- (c) Products/completed operations aggregate \$1,000,000.00
- (d) Personal and advertising injury limit \$1,000,000.00

10.2.2. Employers' Liability, Business Automobile Liability, and Commercial General Liability coverage required under §10.2.1 may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by Excess or Umbrella Liability policies.

10.2.3. Design-Builder shall maintain in effect all insurance coverage required under §10.2.1 with insurance companies lawfully authorized to do business in the jurisdiction in which the Project is



located. If Design-Builder fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to Design-Builder, or terminate this Agreement.

10.2.4. To the extent commercially available to Design-Builder and its current insurance company, insurance policies required under §10.2.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed by the insurance company and (b) within 10 Business Days after cancellation of coverage by the insurance company. Before commencing the Work and upon renewal or replacement of the insurance policies, Design-Builder shall furnish Owner with certificates of insurance until one year after Substantial Completion or longer if required by the Contract Documents. In addition, if any insurance policy required under §10.2.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, Design-Builder shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

10.3. PROPERTY INSURANCE

10.3.1. Unless otherwise directed in writing by Owner, before starting the Work, Design-Builder shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss, including existing structures. This insurance shall also: (a) name Design-Builder, Subcontractors, Subsubcontractors, Suppliers, and Design Professional as insureds; (b) be written in such form as to cover all risks of physical loss except those specifically excluded by the policy; and (c) insure at least against and not exclude:

10.3.1.1. the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft (except aircraft, including helicopter, operated by or on behalf of the Contractor) and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water damage, wind damage, testing if applicable, collapse however caused;

10.3.1.2. damage resulting from defective design, workmanship, or material;

10.3.1.3. coverage extension for damage to existing buildings, plant, or other structures at the Worksites, when the Project is contained within or attached to such existing buildings, plant, or structures. Coverage shall be to the extent loss or damage arises out of Constructor's activities or operations at the Project;

10.3.1.4. equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment;

10.3.1.5. testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and

10.3.1.6. physical loss resulting from Terrorism.

10.3.2. The Party that is the primary cause of a Builder's Risk Policy claim shall be responsible for any deductible amounts or coinsurance payments. If no Party is the primary cause of a claim, then the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 shall be responsible for the deductible amounts or coinsurance payments. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until final payment has been made or until no person or entity other than Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. Partial occupancy or use of the Work shall not commence until Design-Builder has secured the consent of the insurance company or companies providing the



coverage required in this subsection. Before commencing the Work, Design-Builder shall provide a copy of the property policy or policies obtained in compliance with §10.3.1.

10.3.3. If Owner elects to purchase the property insurance required by this Agreement, including all of the same coverages and deductibles for the same duration specified in §10.3.1, then Owner shall give written notice to Design-Builder and the Design Professional before the Work is commenced and provide a copy of the property policy or policies obtained in compliance with §10.3.1. Owner may then provide insurance to protect its interests and the interests of the Design-Builder, Subcontractors, Suppliers, and Subsubcontractors. The cost of this insurance shall be paid by Owner in a Change Order. If Owner gives written notice of its intent to purchase property insurance required by this Agreement and fails to purchase or maintain such insurance, Owner shall be responsible for costs reasonably attributed to such failure.

10.3.4. The Parties waive all rights against each other and their respective employees, agents, contractors, subcontractors and subsubcontractors, and design professionals for damages caused by risks covered by the property insurance except such rights as they may have to the proceeds of the insurance.

10.3.5. RISK OF LOSS Except to the extent a loss is covered by applicable insurance, risk of loss or damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 until the Date of Final Completion.

10.4. ADDITIONAL GENERAL LIABILITY COVERAGE

10.4.1. Owner ☐ shall/ ☒ shall not require Design-Builder to purchase and maintain additional liability coverage.

10.4.2. If required by the above subsection, the additional liability coverage required of Design-Builder shall be:

☒ Additional Insured. Owner shall be named as an additional insured on Design-Builder's Commercial General Liability Insurance specified, for on-going operations and completed operations, excess/umbrella liability, commercial automobile liability, and any required pollution liability, but only with respect to liability for bodily injury, property damage, or personal and advertising injury to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, or those acting on Design-Builder's behalf, in the performance of Design-Builder's Work for Owner at the Worksite. The insurance of the Subcontractor shall be primary and non-contributory to any insurance available to the Additional Insureds.

☐ OCP. Design-Builder shall provide an Owners' and Contractors' Protective Liability Insurance ("OCP") policy with limits equal to the limits on Commercial General Liability Insurance specified, or limits as otherwise required by Owner.

Any documented additional cost in the form of a surcharge associated with procuring the additional liability coverage in accordance with this subsection shall be paid by Owner directly or the costs may be reimbursed by Owner to Design-Builder by increasing the contract price to correspond to the actual cost required to purchase and maintain the additional liability coverage.

Before commencing the Work, Design-Builder shall provide either a copy of the OCP policy, or a certificate and endorsement evidencing that Owner has been named as an additional insured, as applicable.



10.5. ROYALTIES, PATENTS, AND COPYRIGHTS Design-Builder shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods, or systems selected by Design-Builder and incorporated in the Work. Design-Builder shall indemnify and hold Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of such selection. Owner agrees to indemnify and hold Design-Builder harmless from any suits or claims of infringement of any patent rights or copyrights arising out of any patented or copyrighted materials, methods, or systems specified by Owner.

10.6. PROFESSIONAL LIABILITY INSURANCE Design-Builder shall obtain, either itself or through Design Professional, professional liability insurance for claims arising from the negligent performance of professional services under this Agreement, which shall be:

☒ Practice Policy or ☐ Project Specific Coverage

written for not less than \$2,000,000.00 per claim and in the aggregate with a deductible not to exceed \$100,000.00. The Professional Liability Insurance shall include prior acts coverage sufficient to cover all services rendered by Design Professional. This coverage shall be continued in effect for 5 year(s) after the Date of Substantial Completion.

10.7. BONDING

10.7.1. Performance and Payment Bonds ☒ are/ ☐ are not required of Design-Builder. Such bonds shall be issued by a surety licensed in the state in which the Project is located and must be acceptable to Owner. Owner's acceptance shall not be withheld without reasonable cause.

10.7.2. Such Performance Bond shall be issued in the penal sum equal to one hundred percent (100%) of the:

- ☒ Contract price, including design and construction.
- ☐ Agreed estimated construction cost of the Project as reflected in The Schedule of Values.

Such Performance Bond shall cover the cost to complete the Work, but shall not cover any damages of the type specified to be covered by the insurance pursuant to §10.2 and §10.3, whether or not such insurance is provided or in an amount sufficient to cover such damages.

10.7.3. The penal sum of the Payment Bond shall equal the penal sum of the Performance Bond. Design-Builder's payment bond for the Project, if any, shall be made available by Owner or Design-Builder upon Subcontractor's written request.

10.7.4. Design-Builder shall endeavor to keep its surety advised of changes within the scope of the initial Agreement potentially impacting the Contract Price or the Dates of Substantial Completion or Final Completion, though Design-Builder shall require that its surety waives any requirement to be notified of any alteration or extension of time.

ARTICLE 11 SUSPENSION, NOTICE TO CURE, AND TERMINATION

11.1. SUSPENSION BY OWNER FOR CONVENIENCE

11.1.1. Owner may order Design-Builder in writing to suspend, delay, or interrupt all or any part of the Work without cause for such period of time as Owner may determine to be appropriate for its convenience.



11.1.2. Adjustments caused by suspension, delay, or interruption shall be made for increases in the Contract Price or the Date of Substantial Completion or the Date of Final Completion. No adjustment shall be made if Design-Builder is or otherwise would have been responsible for the suspension, delay, or interruption of the Work, or if another provision of this Agreement is applied to render an equitable adjustment.

11.2. NOTICE TO CURE A DEFAULT

11.2.1. If Design-Builder persistently fails to supply enough qualified workers, proper materials, or equipment to maintain the approved Construction Schedule, or fails to make prompt payment to its workers, Subcontractors, or Suppliers, disregards Laws or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, Design-Builder may be deemed in default.

If Design-Builder fails within seven (7) Days after receipt of written notice to commence and continue satisfactory correction of such default, then Owner shall give Design-Builder a second notice to correct the default within a three (3) Day period.

11.2.2. After receiving Owner's written notice, if Design-Builder fails to promptly commence and continue satisfactory correction of the default, then Owner without prejudice to any other rights or remedies may: (a) take possession of the Worksite; (b) complete the Work utilizing any reasonable means; (c) withhold payment due to Design-Builder; and (d) as Owner deems necessary, supply workers and materials, equipment, and other facilities for the satisfactory correction of the default, and charge Design-Builder the costs and expenses, including reasonable Overhead, profit, and attorneys' fees.

11.2.3. In the event of an emergency affecting the safety of persons or property, Owner may immediately commence and continue satisfactory correction of a default without first giving written notice to Design-Builder, but shall give Design-Builder prompt notice.

11.3. OWNER'S RIGHT TO TERMINATE FOR DEFAULT

11.3.1. **TERMINATION BY OWNER FOR DEFAULT** Upon expiration of the second notice for default period pursuant to §12.2 and absent appropriate corrective action, Owner may terminate this Agreement by written notice. Termination for default is in addition to any other remedies available to Owner under §12.2. If Owner's costs arising out of Design-Builder's failure to cure, including the costs to complete the Work and reasonable attorneys' fees, exceed the GMP, Design-Builder shall be liable to Owner for such excess costs. If Owner's costs are less than the GMP, Owner shall pay the difference to Design-Builder. If Owner exercises its rights under this section, upon the request of Design-Builder, Owner shall furnish to Design-Builder a detailed accounting of the costs incurred by Owner.

11.3.2. If Design-Builder files a petition under the bankruptcy code, this Agreement shall terminate if Design-Builder or Design-Builder's trustee rejects the Agreement or, if a default occurs and Design-Builder is unable to give adequate assurance of required performance; or (c) Design-Builder is otherwise unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.

11.3.3. Owner shall make reasonable efforts to mitigate damages arising from Design-Builder's default, and shall promptly invoice Design-Builder for all amounts due.

11.4. **TERMINATION BY OWNER FOR CONVENIENCE** If Owner terminates this Agreement other than as set forth in §11.1.2, Owner shall pay Design-Builder for all Work executed and for all proven loss, cost,



or expense in connection with the Work, plus all demobilization costs. In addition, Design-Builder shall be paid an amount calculated as set forth below:

11.4.1. If Owner terminates this Agreement before commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values and a premium as set forth below: \$0.00.

11.4.2. If Owner terminates this Agreement after commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values, the Construction services provided to date, reasonable attorneys' fees and costs related to termination, and a premium as set forth below: \$0.00.

11.4.3. Owner shall also pay to Design-Builder fair compensation, either by purchase or rental at the election of Owner, for all equipment retained. Owner shall assume and become liable for obligations, commitments, and unsettled claims that Design-Builder has previously undertaken or incurred in good faith in connection with the Work or as a result of the termination of this Agreement. As a condition of receiving the payments provided under this article, Design-Builder shall cooperate with Owner by taking all steps necessary to accomplish the legal assignment of Design-Builder's rights and benefits to Owner, including the execution and delivery of required papers.

11.5. TERMINATION BY DESIGN-BUILDER

11.5.1. Seven (7) Days' after Owner's receipt of written notice from Design-Builder, Design-Builder may terminate this Agreement for any of the following reasons: if the Work has been stopped for a thirty (30) Day period through no fault of the Design-Builder: (a) under court order or order of other governmental authorities having jurisdiction, or (b) as a result of the declaration of a national emergency or other governmental act emergency during which, through no act or fault of Design-Builder, materials are not available; (c) Work is suspended by Owner for Convenience;

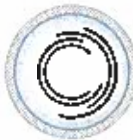
11.5.2. In addition, upon seven (7) Days written notice to Owner and an opportunity to cure within three (3) Days, Constructor may terminate this Agreement if Owner: (a) fails to furnish reasonable evidence that sufficient funds are available and committed for the entire cost of the Project ;(b) assigns this Agreement over Design-Builder's reasonable objection; (c) fails to pay Design-Builder in accordance with this Agreement and Design-Builder stopped Work accordingly; or (d) otherwise materially breaches this Agreement.

11.5.3. Upon termination by Design-Builder in accordance with §11.5.1, Design-Builder shall be entitled to recover from Owner payment for all Work executed and for all proven loss, cost, or expense in connection with the Work, plus all demobilization costs and reasonable damages. In addition, Design-Builder shall be paid an amount calculated as set forth either in §11.4.1 or §11.4.2, depending on when the termination occurs, and §11.4.3.

ARTICLE 12 DISPUTE MITIGATION OR RESOLUTION

12.1. WORK CONTINUANCE AND PAYMENT Unless otherwise agreed in writing, Design-Builder shall continue the Work and maintain the approved schedules during any dispute mitigation or resolution proceedings. If Design-Builder continues to perform, Owner shall continue to make payments in accordance with the Agreement.

12.2. DIRECT DISCUSSIONS If the Parties cannot reach resolution on a matter relating to or arising out of this Agreement, the Parties shall endeavor to reach resolution through good faith direct discussions between the Parties' representatives, who shall possess the necessary authority to resolve such matter and who will record the date of first discussions. If the Parties' representatives are not able to resolve such matter within five (5) Business Days of the date of first discussion, the Parties' representatives shall



immediately inform senior executives of the Parties in writing that a resolution could not be reached. Upon receipt of such notice, the senior executives of the Parties shall meet within five (5) Business Days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) Days from the date of first discussion, the Parties shall submit such matter to the dispute mitigation and dispute resolution procedures selected below.

12.3. MITIGATION If the Parties select one of the dispute mitigation procedures provided below, disputes remaining unresolved after direct discussions shall be directed to the selected mitigation procedure. The dispute mitigation procedure shall result in a nonbinding finding on the matter, which may be introduced as evidence at a subsequent binding adjudication of the matter, as designated in §12.5. The Parties agree that the dispute mitigation procedure shall be:

☒ Project Neutral (Neutral) or ☐ Dispute Review Board (DRB)

12.4. MITIGATION PROCEDURES As soon as practicable after Agreement execution, the Neutral or DRB shall be mutually selected and appointed by the Parties and shall execute a retainer agreement with the Parties establishing the scope of responsibilities, including requirements for nonbinding findings. Costs and expenses of the Neutral or DRB shall be shared equally by the Parties. The Neutral or DRB shall be available to either Party, upon request, throughout the course of the Project, and shall make regular visits to the Project so as to maintain an up-to-date understanding of the Project progress and issues and to enable the Neutral or DRB to address matters in dispute between the Parties promptly and knowledgeably.

12.4.1. If the matter remains unresolved following the issuance of the nonbinding finding or such findings are not made by the mitigation procedure or if the Neutral/Board fails to issue nonbinding findings within five (5) Business Days of the referral, the Parties shall submit the matter to the binding dispute resolution procedure designated in §12.6.

12.4.2. If the Parties execute a DRB Addendum, then the dispute mitigation procedures and time requirements in §12.4.1 and §12.4.2. shall be governed by that DRB Addendum.

12.5. MEDIATION If direct discussions pursuant to §12.1 do not result in resolution of the matter and no dispute mitigation procedure is selected under §12.2, the Parties shall endeavor to resolve the matter by mediation through the current Construction Industry Mediation Rules of the American Arbitration Association (AAA), or the Parties may mutually agree to select another set of mediation rules. The administration of the mediation shall be as mutually agreed by the Parties. The mediation shall be convened within thirty (30) Business Days of the matter first being discussed and shall conclude within forty-five (45) Business Days of the matter first being discussed. Either Party may terminate the mediation at any time after the first session by written notice to the non-terminating Party and mediator. The costs of the mediation shall be shared equally by the Parties.

12.6. BINDING DISPUTE RESOLUTION If the matter is unresolved after submission of the matter to a mitigation procedure or to mediation, the Parties shall submit the matter to the binding dispute resolution procedure selected below.

12.7. ARBITRATION.

☐ The Parties choose binding arbitration for any claim or dispute arising out of or relating to this Agreement. **EACH PARTY WAIVES THEIR RIGHT TO BE HEARD IN A COURT OF LAW**, with or without a jury. Arbitration does not involve a judge or jury. Instead, an arbitrator with the power to award damages and other appropriate relief will decide claims and disputes. An arbitrator's award shall be final and binding upon the Parties, and judgment may be entered upon it in any court having jurisdiction.



12.7.1. Neither Party may commence arbitration if the claim or cause of action would be barred by the applicable statute of limitations had the claim or cause of action been filed in a state or federal court. Receipt of a demand for arbitration by the person or entity administering the arbitration shall constitute the commencement of legal proceedings for the purposes of determining whether a claim or cause of action is barred by the applicable statute of limitations. If, however, a state or federal court exercising jurisdiction over a timely filed claim or cause of action orders that the claim or cause of action be submitted to arbitration, the arbitration proceeding shall be deemed commenced as of the date the court action was filed, provided that the Party asserting the claim or cause of action files its demand for arbitration with the person or entity administering the arbitration within thirty (30) Days after the entry of such order.

12.7.2. The arbitration shall use the following rules:

- ☒ the current AAA Construction Industry Arbitration Rules and AAA administration, AAA Construction Fast Track Rules shall apply to all two-party cases when neither Party's disclosed claim or counterclaim exceeds \$250,000. If arbitration is selected but no rules are selected, then this subsection shall apply by default;
- ☐ the current JAMS Engineering and Construction Arbitration Rules and Procedures and administered by JAMS; or
- ☐ the current arbitration rules of [] and administered by [].

12.8. LITIGATION

☒ Litigation in either the state or federal court having jurisdiction of the matter in the location of the Project

If not indicated, then litigation is default as opposed to arbitration.

12.8.1. COSTS The costs of any binding dispute resolution procedures and reasonable attorneys' fees shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

12.8.2. VENUE The Project location shall serve as the venue.

12.9. MULTIPARTY PROCEEDING The Parties agree that all Parties necessary to resolve a matter shall be Parties to the same dispute resolution procedure, if possible. Appropriate provisions shall be included in all other contracts relating to the Work to provide for the joinder or consolidation of such dispute resolution proceedings.

12.10. LIEN RIGHTS Nothing in this article shall limit any rights or remedies not expressly waived by Design-Builder that Design-Builder may have under lien laws.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1. EXTENT OF AGREEMENT Except as expressly provided, this Agreement is solely for the benefit of the Parties, represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement and each and every provision is for the exclusive benefit of The Parties and not for the benefit of any third party.



13.2. ASSIGNMENT Neither Owner nor Design-Builder shall assign its interest in this Agreement without the written consent of the other except as to the assignment of proceeds. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives. Neither Party to this Agreement shall assign the Agreement as a whole without written consent of the other except that Owner may assign the Agreement to a wholly owned subsidiary of Owner when Owner has fully indemnified Design-Builder or to an institutional lender providing construction financing for the Project as long as the assignment is no less favorable to Design-Builder than this Agreement. In the event of such assignment, Design-Builder shall execute all consents reasonably required. In such event, the wholly-owned subsidiary or lender shall assume Owner's rights and obligations under the Contract Documents. If either Party attempts to make such an assignment, that Party shall nevertheless remain legally responsible for all obligations under the Agreement, unless otherwise agreed by the other Party.

13.3. GOVERNING LAW The Law in effect at the location of the Project shall govern this Agreement.

13.4. SEVERABILITY The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

13.5. NOTICE Unless changed in writing, a Party's address indicated in ARTICLE 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service.

13.6. NO WAIVER OF PERFORMANCE The failure of either Party to insist, in any one or more instances, on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, condition, or right with respect to further performance.

13.7. TITLES AND GROUPINGS The title given to the articles and sections are for ease of reference only and shall not be relied upon or cited for any other purpose.

13.8. JOINT DRAFTING The Parties expressly agree that this Agreement was jointly drafted, and that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms before execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

ARTICLE 14 CONTRACT DOCUMENTS

14.1. CONTRACT DOCUMENTS The Contract Documents are as follows:

- (a) This Agreement;
- (b) Basis of Design/Owner's Program;
- (c) Owner-provided information pursuant to §3.6.3 and other Owner information identified as intended to be a contract document;
- (d) The Schematic Design Documents upon Owner approval pursuant to §2.4.17;
- (e) The Design Development Documents upon Owner approval pursuant to §3.1;
- (f) The Construction Documents upon Owner approval under §3.1;
- (g) Change Order, Interim Directives, and amendments issues in accordance with this Agreement;
- (h) Other: .



14.2. ORDER OF PRECEDENCE In case of any inconsistency, conflict, or ambiguity among the Contract Documents, the documents shall govern in the following order: (a) Change Orders and written amendments to this Agreement; (b) this Agreement; (c) design documents approved by Owner pursuant to §2.4.17 and §3.1.3 in order of the most recently approved; (d) information furnished by Owner pursuant to §4.1 or designated as a Contract Document in §ARTICLE 14; (e) other documents listed in this Agreement. Except as otherwise provided, among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control. Where figures are given, they shall be preferred to scaled dimensions. Unless otherwise specifically defined in this Agreement, any terms that have well-known technical or trade meanings shall be interpreted in accordance with their well-known meanings.

OWNER: Legacy Carex, Inc.

BY: [Signature] NAME: Douglas Moss TITLE: President

WITNESS: [Signature] NAME: Chad Miller TITLE: Chief Executive Officer (Legacy Sports USA)

DESIGN-BUILDER: JS Waltz Construction, LLC

BY: [Signature] NAME: Matt Waltz TITLE: President

WITNESS: [Signature] NAME: Jay Green TITLE: Project Executive

END OF DOCUMENT.



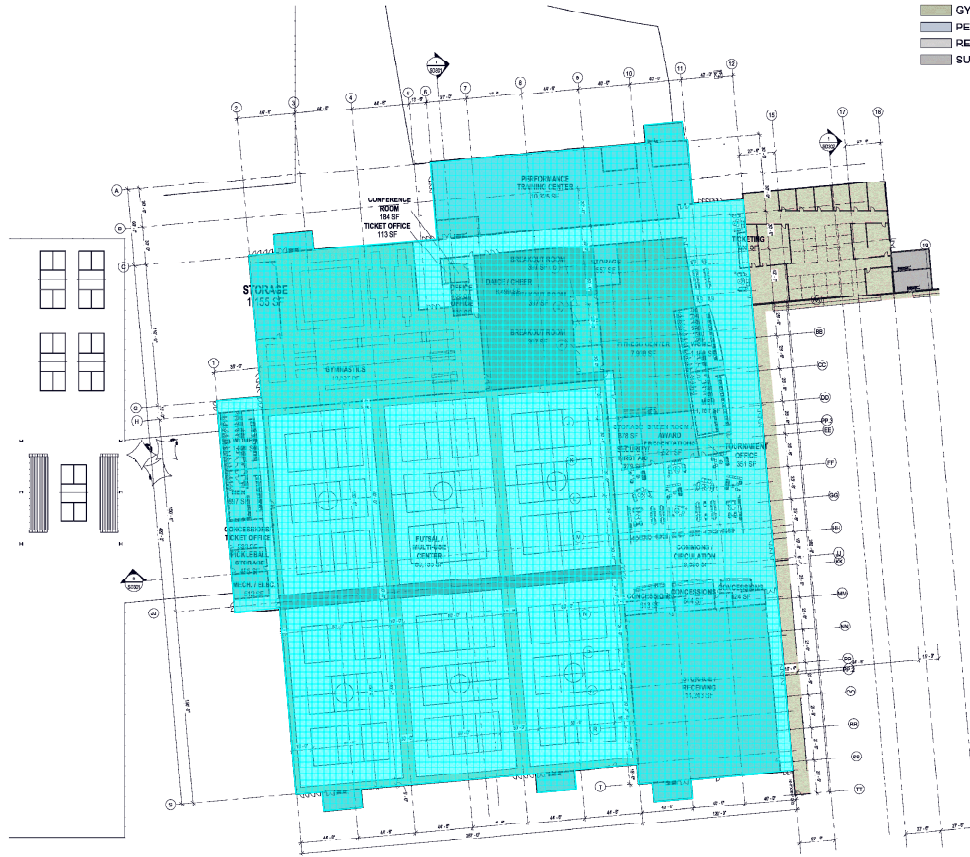
12 - Building A - 185,184 SF

LEGEND

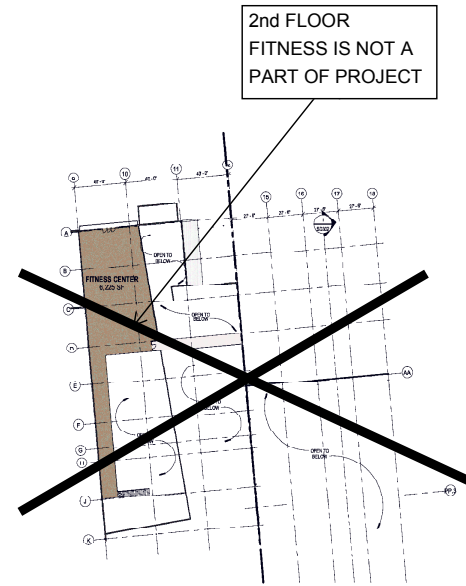
- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- DANCE / CHEER
- EVENT
- FITNESS CENTER
- GYMNASICS
- PERFORMANCE TRAINING CENTER
- RESTROOMS
- SUPPORT SPACE

LEGEND

- CIRCULATION
- FITNESS CENTER



FIRST FLOOR PLAN



Executive Level Floor Plan



Legacy Sports Park - Legacy Multi-Purpose & Fieldhouse

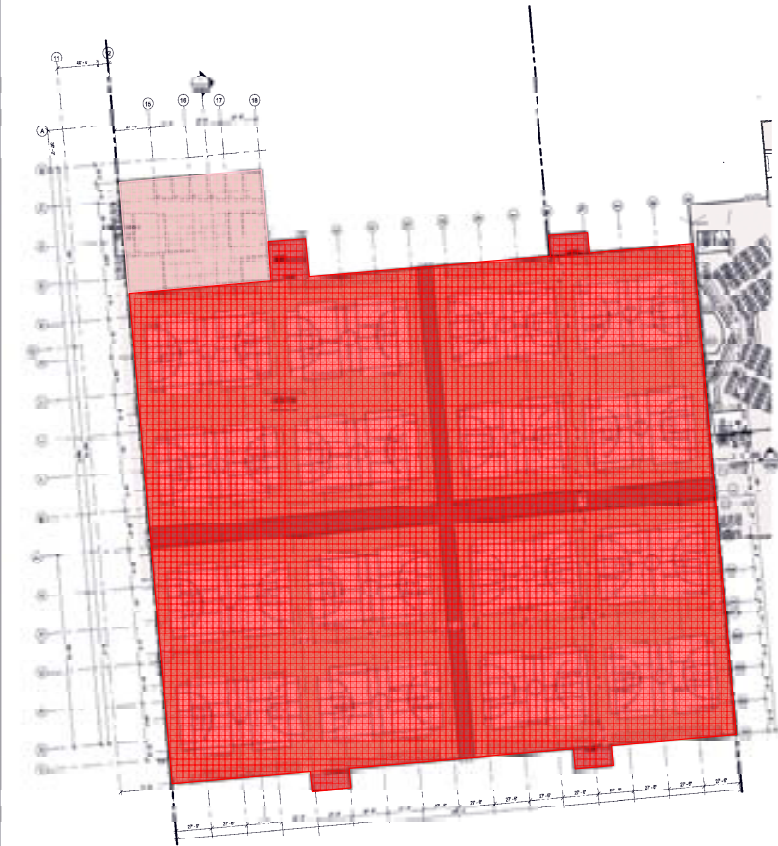
Mesa, Arizona

First Floor Plan - Building A

- 13 - Building B - Gym - 171,362 SF
- 14 - Building B - Admin - 9,579 SF

LEGEND

- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- EVENT
- RESTROOMS
- SUPPORT SPACE



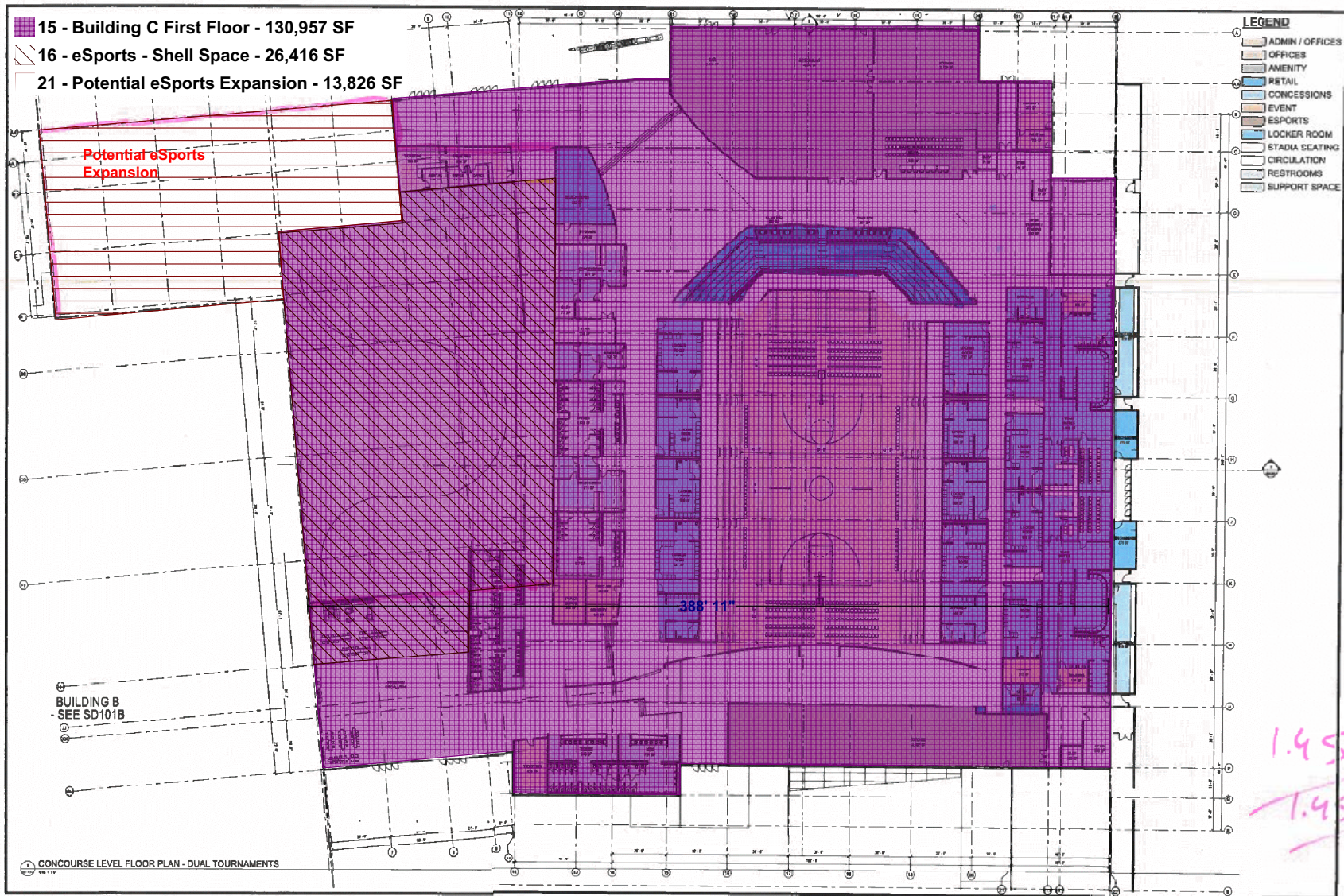
LEGEND



Legacy Sports Park - Legacy Multi-Purpose & Fieldhouse

Mesa, Arizona

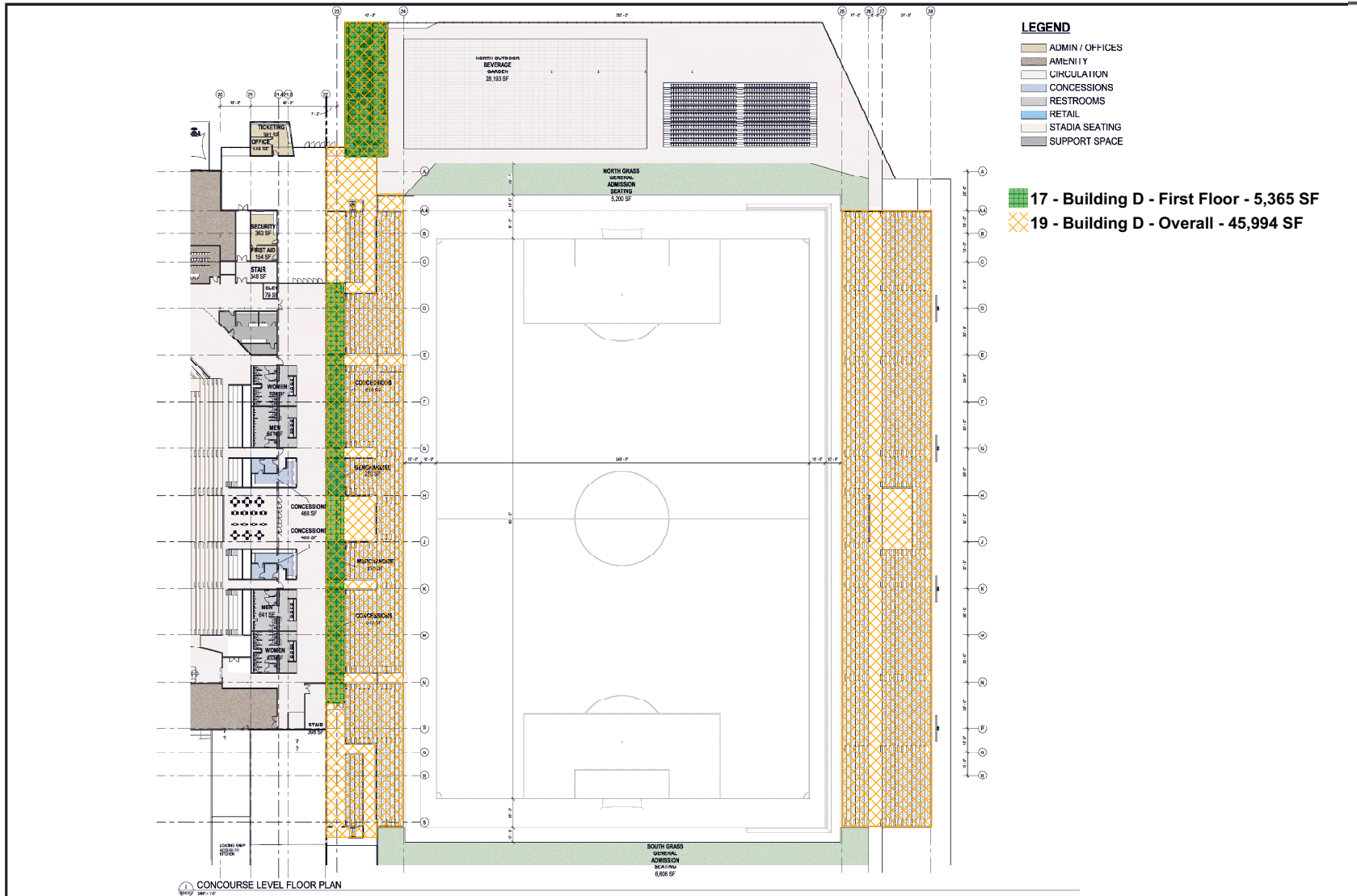
First Floor Plan - Building B



Legacy Sports Park - Legacy Center

Concourse Level Floor Plan -
Building C

ICON

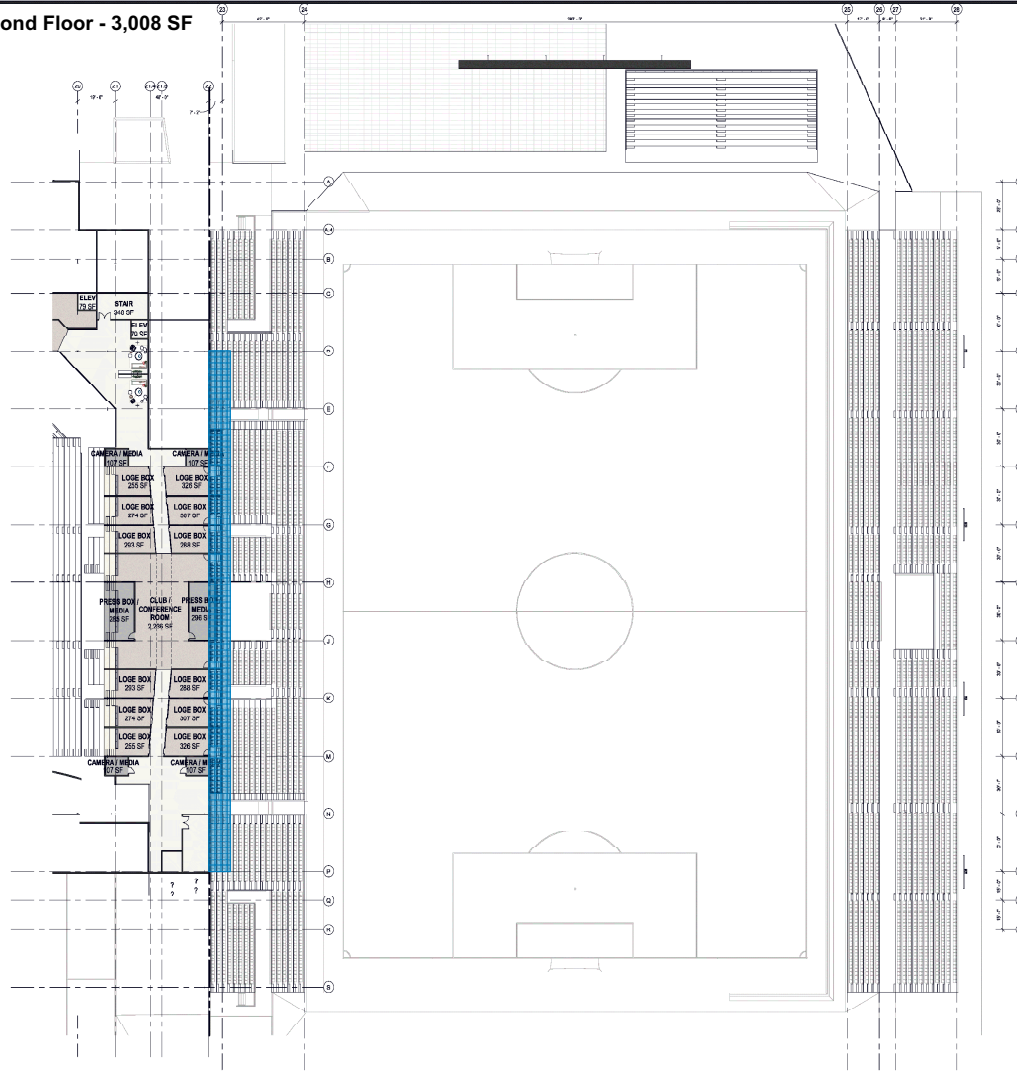


Legacy Sports Park - Legacy Stadium

Mesa, Arizona

CONCOURSE FLOOR PLAN - BUILDING D

18 - Building D - Second Floor - 3,008 SF



LEGEND

- CIRCULATION
- LOUNGE
- STADIA SEATING
- SUPPORT SPACE

CLUB LEVEL FLOOR PLAN

SEATING COUNT	
BASKETBALL / FOOT / RUGBY	
FIXED SEATS	2,150
RETRACTABLE SEATING*	832
RAIL SEATS	400
CLUB SEATS	320
TOTAL	3,702
E-SPORTS	
FIXED SEATS	1,218
GAMING STATIONS	200
TOTAL	1,418
SOCCER	
FIXED SEATS	6,101
RAIL SEATS	175
CLUB SEATS	300
NORTH GENERAL ADMISSION	700
SOUTH GENERAL ADMISSION	750
TOTAL	8,126
NORTH TEMPORARY BLEACHERS *3,430	
SOUTH TEMPORARY BLEACHERS *4,420	
TOTAL	16,016
ALL COUNTS APPROXIMATE	
*RETRACTABLE SEATING SECTIONS NOT SUITABLE FOR ALL EVENT LAYOUTS	



Date:	08/15/20
CLUB LEVEL	458,200
CONCOURSE	57,200
CANOPY	58,250
ni Building (SF)	533,650

Gross Site Area Disturbed:	13,599,200
Gross Off-Site Area Disturbed:	340,000
Duration in Months:	24.0

WALTZ CONSTRUCTION
440 S 48th Street, Suite 105, Tempe, Arizona 85281 P. 480.459.9622
Page 1 of 3



EXHIBIT A - COST SUMMARY

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICON / Drexel / Winslow
Estimate Type: Proposal

Date: 06/18/20
CLUB LEVEL: 496,300
CONCOURSE: 87,200
CANOPY: 98,230
Total Building (SF): 583,690

Gross Site Area Disturbed: 13,969,200
Gross Off-Site Area Disturbed: 340,000
Duration in Months: 24.0

Project Summary - BREAKDOWN BY CSI DIVISION						Contract 1		Contract 2		Contract 3		Contract 4		Project		Comments		Comments		Cost/SF			
CSI Division						Site Prep	SF Adjustment	Cost / SF	Site	Buildings A/B	SF Adjustment	Cost / SF	A/B	Buildings C/D	SF Adjustment	Cost / SF	C/D	Total					
Div 06	FINISHED CARPENTRY									\$ 196,870	(9,000.00)	\$0.50	\$ (4,500)	\$ 1,084,991	(51,300.00)	\$0.00	\$ (256,500)	\$ 1,020,861	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$152,288 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$33,229 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$19,106 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$12,461 in savings.	\$1.91	/BSF	
Div 07	THERMAL PROTECTION / SEALANTS									\$ 425,803	(9,000.00)	\$0.60	\$ (5,400)	\$ 613,185	(51,300.00)	\$2.25	\$ (115,425)	\$ 918,163	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$137,077 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$25,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$6,540 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$3,761 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$2,453 in savings.	\$1.72	/BSF	
Div 07	ROOFING & ACCESSORIES									\$ 1,865,097	(9,000.00)	\$6.50	\$ (58,500)	\$ 905,863	(51,300.00)	\$5.25	\$ (269,325)	\$ 2,443,135	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$234,342 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$70,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$27,146 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$15,609 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$10,180 in savings.	\$4.58	/BSF	
Div 08	DOORS, FRAMES AND HARDWARE									\$ 325,075	(9,000.00)	\$0.50	\$ (4,500)	\$ 274,675	(51,300.00)	\$1.20	\$ (61,560)	\$ 533,690	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$78,253 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$50,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$21,284 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,238 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$7,982 in savings.	\$1.00	/BSF	
Div 08	GLASS & GLAZING									\$ 912,160	(9,000.00)	\$2.00	\$ (18,000)	\$ 1,354,544	(51,300.00)	\$6.00	\$ (307,800)	\$ 1,940,904	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$289,466 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$200,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$46,534 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$26,757 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$17,450 in savings.	\$3.64	/BSF	
Div 09	EPS / STUCCO									\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ 2,232,426	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$305,921 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$18,671. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$70,241 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,389 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$26,341 in savings.	\$0.00	/BSF	
Div 09	METAL STUDS / DRYWALL / FRP									\$ 1,261,227	(9,000.00)	\$5.00	\$ (45,000)	\$ 1,285,524	(51,300.00)	\$5.25	\$ (269,325)	\$ 2,269,426	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$305,921 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$18,671. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$70,241 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,389 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$26,341 in savings.	\$4.18	/BSF	
Div 09	PAINTING									\$ 899,137	(9,000.00)	\$2.25	\$ (20,250)	\$ 708,292	(51,300.00)	\$2.00	\$ (102,600)	\$ 1,484,579	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$186,742 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$22,357 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,855 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$8,384 in savings.	\$2.78	/BSF	
Div 09	ACOUSTICAL TREATMENT									\$ 456,679	(9,000.00)	\$1.25	\$ (11,250)	\$ 227,689	(51,300.00)	\$1.00	\$ (51,300)	\$ 621,818	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$81,105 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$24,584 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$9,536 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$9,219 in savings.	\$1.17	/BSF	
Div 09	CERAMIC TILE									\$ 125,319	(9,000.00)	\$0.25	\$ (2,250)	\$ 289,602	(51,300.00)	\$1.25	\$ (64,125)	\$ 348,545	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$48,940 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$9,695 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$5,575 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$3,636 in savings.	\$0.65	/BSF	
Div 09	FLOORING									\$ 3,207,311	(9,000.00)	\$9.25	\$ (83,250)	\$ 892,455	(51,300.00)	\$4.00	\$ (205,200)	\$ 3,811,316	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$464,110 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$50,732 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$25,171 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$19,025 in savings.	\$7.14	/BSF	
Div 10	SPECIALTIES									\$ 438,667		\$ -	\$ -	\$ 506,304	(51,300.00)	\$2.00	\$ (102,600)	\$ 842,373	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/27/20) Legacy removed Site Signage from Waltz Scope = \$588,202 savings.	\$1.58	/BSF	
Div 11	MISC EQUIPMENT									\$ 526,680		\$ -	\$ -	\$ 277,020		\$ -	\$ -	\$ 803,700	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	Waltz Bldg B Telescoping Bleachers = \$600,000; Bldg C Telescoping Bleachers = \$450,000; Bldg C Fixed Seating = \$787,500; Bldg D Bleacher Runs = \$225,000	\$1.51	/BSF	
Div 12	WINDOW FURNISHINGS									\$ 60,000	(9,000.00)	\$0.15	\$ (1,350)	\$ 75,360	(51,300.00)	\$0.25	\$ (12,825)	\$ 121,185	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.			\$0.23	/BSF



EXHIBIT A - COST SUMMARY

Date: 06/18/20
CLUB LEVEL 486,300
CONCOURSE 87,200

CANOPY 88,230
Total Building (SF) 583,690

Gross Site Area Disturbed: 13,989,200
Gross Office Area Disturbed: 340,000
Duration in Months: 24.0

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICIM / Dwyer | Winslow
Estimate Type: Proposal

Project Summary - BREADAWAY PV CSI DIVISION										Contract 1				Contract 2				Contract 3				Project		Comments		Comments		Dues/RF	
CSI Division		Site Prep	SF Adjustment	Cost / SF	Site	Buildings A/B	SF Adjustment	Cost / SF	A/B	Buildings C/D	SF Adjustment	Cost / SF	C/D	Total	Comments		Comments		Dues/RF										
Div 13	DOCK EQUIPMENT / ROLL UP DOORS					\$ 330,540	(9,000.00)	\$0.52	\$ (4,661)	\$ 92,500	(\$1,300.00)	\$0.40	\$ (20,641)	\$ 897,738	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/24/20) Legacy cut 2nd floor restaurant eliminating elevator = \$75,000 savings.	\$0.79	RF5						
Div 14	CONVEYING					\$ -		\$0.00	\$ -	\$ 420,000			\$ -	\$ 420,000															
Div 15	FIRE PROTECTION					\$ 878,332	(9,000.00)	\$1.90	\$ (17,500)	\$ 456,000	(\$1,300.00)	\$1.65	\$ (84,645)	\$ 1,232,587	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$155,430 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$30,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$21,594 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,417 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$8,098 in savings.	\$0.79	RF5						
Div 15	PLUMBING					\$ 1,247,079	(9,000.00)	\$3.90	\$ (35,500)	\$ 1,729,388	(\$1,300.00)	\$7.50	\$ (384,750)	\$ 2,556,617	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$355,965 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$65,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$69,813 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,142 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$5,790 in savings.	\$2.31	RF5						
Div 15	HVAC / EMS					\$ 5,303,471	(9,000.00)	\$13.25	\$ (119,250)	\$ 3,904,433	(\$1,300.00)	\$16.75	\$ (859,275)	\$ 8,229,369	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$250,000 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$150,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$148,859 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$85,584 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$55,822 in savings.	\$4.79	RF5						
Div 16	ELECTRICAL					\$ 5,187,412	(9,000.00)	\$11.50	\$ (103,500)	\$ 3,578,800	(\$1,300.00)	\$14.00	\$ (718,200)	\$ 7,944,512	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$1,750,000 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$500,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$148,148 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$85,785 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$55,945 in savings.	\$15.42	RF5						
Div 16	FIRE ALARM / SS CONDUIT					\$ 505,492	(9,000.00)	\$1.02	\$ (9,180)	\$ 252,750	(\$1,300.00)	\$0.90	\$ (46,170)	\$ 703,892	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$62,297 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$20,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$6,400 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$3,680 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$2,400 in savings.	\$14.89	RF5						
Subtotal		\$ 39,111,510				\$ -	\$ 43,800,288		\$ (1,123,301)	\$ 55,336,001		\$ (9,884,351)	\$ 127,259,110														\$2,849,750		
5.60%	Public Service, Tap & Dev't Fees	\$ 234,669				\$ -	\$ 262,801		\$ (7,940)	\$ 131,210		\$ (59,186)	\$ 763,555														\$1,431		
0.30%	Building Permit, Plan Check Fee	\$ 118,039				\$ -	\$ 132,189		\$ (3,954)	\$ 167,605		\$ (29,771)	\$ 384,068														\$0.72		
5.00%	WALTZ Contingency	\$ 1,955,576				\$ -	\$ 2,190,012		\$ (66,165)	\$ 2,776,750		\$ (493,218)	\$ 6,362,956														\$11,927		
	Design / Engineering Fees	\$ 3,500,000				\$ -	\$ 4,000,000		\$ -	\$ 4,000,000		\$ 500,000	\$ 12,000,000														\$22,49		
	Diligence / Consultants	\$ -				\$ -	\$ -		\$ -	\$ -		\$ -	\$ -																
1.40%	Insurance & General Liability	\$ 628,877				\$ -	\$ 705,393		\$ (19,626)	\$ 879,376		\$ (139,251)	\$ 2,054,776														\$0.00		
	Builders Risk Insurance	\$ -				\$ -	\$ -		\$ -	\$ -		\$ -	\$ -														\$3.85		
1.00%	Performance & Payment Bond	\$ 455,487				\$ -	\$ 510,006		\$ (14,210)	\$ 636,930		\$ (100,858)	\$ 1,488,240														\$0.00		
	Preconstruction Services	\$ 475,725				\$ -	\$ 425,000		\$ -	\$ 425,000		\$ -	\$ 1,325,725														\$2.79		
4.50%	Fees	\$ 2,209,802				\$ -	\$ 2,473,507		\$ -	\$ 3,078,604		\$ -	\$ 7,761,913														\$2.48		
						\$ -	\$ -		\$ -	\$ -		\$ -	\$ -																
5.40%	AZ Resale Tax (Mesa)	\$ 2,626,809				\$ -	\$ 2,940,278		\$ (77,431)	\$ 3,659,562		\$ (549,569)	\$ 8,599,649														\$14.54		
Building and Site Construction Cost		\$ 51,816,502				\$ -	\$ 57,440,524		\$ (1,512,640)	\$ 71,462,067		\$ (267,755)	\$ 166,000,001														\$16,000,001		
CO2T / Building Square Foot			51,816,502																								\$16,000,001		
CO2T / Site Square Foot				\$ 3.68				\$159.46				\$ 274.71																	



ConsensusDocs®

BUILDING A BETTER WAY

ConsensusDocs® 415

**STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS
BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)**



This page is solely for the information and convenience of ConsensusDocs users, and is not a part of the contract. Gray boxes indicate where you should click and type in your project information. The yellow shading is a Word® default function that displays editable text. Shading can be turned off by going to the Review tab, select "Restrict Editing" button and uncheck "Highlight the regions I can edit". In Word 2003 you will find this option under the Tools tab, Options, Security tab, Protect Document button.

EMBEDDED INSTRUCTIONS are provided solely to help you complete the document. To display or hide instructions select the "¶" button under the "Home" tab to show all formatting marks.

Red Boxes: Instructions for fields that are typically required to complete contract.
Blue Boxes: Instructions for fields that may or may not be required for a complete contract.
Green Boxes: Provide general instructions or ConsensusDocs Coalition Guidebook comments, which can be found at www.ConsensusDocs.org/guidebook.

This document was developed through a collaborative effort of organizations representing a wide cross-section of the design and construction industry. This document has important legal and insurance consequences, and it is not intended as a substitute for competent professional services and advice. This document must be reviewed and adapted to meet your project-specific needs. Federal, State and Local laws may vary with respect to the applicability or enforceability of specific provisions in this document. **CONSENSUSDOCS SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PURCHASER ASSUMES ALL LIABILITY WITH RESPECT TO THE USE OF THIS DOCUMENT, AND CONSENSUSDOCS AND ANY OF THE ORGANIZATIONS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM SUCH USE.** For additional information, please contact ConsensusDocs, 2300 Wilson Blvd, Suite 300, Arlington, VA 22201, 866-925-DOCS (3627), support@consensusdocs.org or www.ConsensusDocs.org.



ConsensusDocs® 415 – Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Lump Sum Price)®
2017, Revised October 2018. THIS DOCUMENT MAY HAVE BEEN MODIFIED. The ConsensusDocs technology platform creates a redline comparison to the standard language which the purchaser of this contract is authorized to share for review purposes. Consultation with legal and insurance counsel are strongly encouraged. You may only make copies of finalized documents for distribution to parties in direct connection with this contract. Any other uses are strictly prohibited.
CONTENT SECURE ID: AFE70D3A-4470

ConsensusDocs® 415

STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)

TABLE OF ARTICLES

1. AGREEMENT
2. GENERAL PROVISIONS
3. DESIGN-BUILDER'S RESPONSIBILITIES
4. OWNER'S RESPONSIBILITIES
5. SUBCONTRACTS
6. CONTRACT TIME
7. CONTRACT PRICE
8. CHANGES IN THE WORK
9. PAYMENT
10. INDEMNITY, INSURANCE, AND BONDS
11. SUSPENSION, NOTICE TO CURE, AND TERMINATION
12. DISPUTE MITIGATION OR RESOLUTION
13. MISCELLANEOUS
14. CONTRACT DOCUMENTS

ARTICLE 1 AGREEMENT

Job Number: 20-20-003

This Agreement is made this 14 Day of August in the year 2020, by and between the

OWNER: Legacy Cares, Inc.
1900 West Chandler Blvd
Suite No. 15-315
Chandler, Arizona 85224

and the

DESIGN-BUILDER: JS Waltz Construction LLC
449 S. 48th St. Ste 105
Tempe, AZ 85281

Tax identification number (TIN): 75-3196906
Contractor Licensing No., if applicable: ROC 193934
Design Professional Licensing No. in the State of the Project:
Icon HD Architects - 47296
Orcutt Winslow Architects - 10803
Lloyd Engineering - 16011

for services in connection with the following:
Architectural/Structural/Mechanical/Electrical/Plumbing/Civil/Landscaping

PROJECT: Legacy Sports Park (Buildings C & D)

ARTICLE 2 GENERAL PROVISIONS



2.1 TEAM RELATIONSHIP Each Party agrees to act on the basis of trust, good faith, and fair dealing, and shall take all actions reasonably necessary to perform this Agreement in an economical and timely manner. The Parties shall each endeavor to promote harmony and cooperation among all Project participants.

2.1.1 Neither Design-Builder nor any of its agents or employees shall act on behalf of or in the name of Owner unless authorized in writing by Owner's Representative.

2.2 ETHICS Each Party shall perform with integrity. Each shall: (a) avoid conflicts of interest; (b) promptly disclose to the other Party any conflicts of interest which may arise. Each Party warrants it has not and shall not pay or receive any contingent fees or gratuities to or from the other Party, including its agents, officers and employees, Design Professional, Subcontractors, Subsubcontractors, Suppliers or Others, to secure preferential treatment.

2.3 DESIGN PROFESSIONAL Architectural and engineering services shall be procured from licensed, independent design professionals retained by Design-Builder or furnished by licensed employees of Design-Builder, as permitted by the Law. The person or entity providing architectural and engineering services shall be referred to as Design Professional. If Design Professional is an independent design professional, the architectural and engineering services shall be procured pursuant to a separate agreement between Design-Builder and Design Professional.

2.3.1 **STANDARD OF CARE** Design Professional shall furnish and provide the architectural and engineering services necessary to design the Project in accordance with Owner's requirements, as outlined in Owner's Program and other relevant data defining the Project. The architectural and engineering services shall be performed in accordance with the standard of professional skill and care required for a Project of similar size, scope, and complexity, during the time in which the Services are provided.

2.4 DEFINITIONS

2.4.1 "Agreement" means this ConsensusDocs 415 Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), as modified, amendments, exhibits, addenda, and attachments made part of this Agreement upon its execution.

2.4.1.1

- Exhibit A – Legacy Bond Proposal
- Exhibit A2 – Legacy Abstract Package
- Exhibit B – Drawing Log (Bond Issuance)
- Exhibit C – Preliminary Construction Schedule
- Exhibit D – Contingency Usage
- Exhibit E – Waltz Construction – Certificate of Insurance (SAMPLE)
- Exhibit F – Waltz Construction – Payment & Performance Bond (SAMPLE)

2.4.2 "Business Day" means all Days, except weekends and official federal or state holidays where the Project is located.

2.4.3 A "Change Order" is a written order signed by Owner and Design-Builder after execution of this Agreement, indicating changes in the scope of the Work or Contract Time, including substitutions proposed by Design-Builder and accepted by Owner.

2.4.4 "Construction Schedule" is the document prepared by Design-Builder that specifies the dates on which Design-Builder plans to begin and complete various parts of the construction phase services Work, and the Project, including dates on which information and approvals are required from Owner.



- 2.4.5 The "Contract Documents" consist of those documents identified in §14.1.
- 2.4.6 The "Contract Time" is the period between the Date of Commencement and total time authorized to achieve Final Completion.
- 2.4.7 "Day" means calendar day.
- 2.4.8 "Date of Commencement" is as provided for in §6.1.
- 2.4.9 "Defective Work" is any portion of the Work not in conformance to the requirements of the Contract Documents.
- 2.4.10 "Final Completion" occurs on the date when Design-Builder's obligations under this Agreement are complete and accepted by Owner and final payment becomes due and payable.
- 2.4.11 A Hazardous Material is any substance or material identified now or in the future as hazardous under any Laws or any other substance or material which may be considered hazardous or otherwise subject to statutory or regulatory requirements governing handling, disposal or clean-up.
- 2.4.12 "Interim Directive" is any written order containing Work instructions that is signed by Owner after execution this Agreement and before Substantial Completion to the Work directed by Owner.
- 2.4.13 "Law" means a federal, state or local law, ordinance, code, rule, or regulation applicable to the Work with which Design-Builder must comply that are enacted as of the Agreement date.
- 2.4.14 "Others" means Owner's other; (a) contractors/constructors, (b) suppliers, (c) subcontractors, subsubcontractors, or suppliers of (a) and (b); and others employed directly or indirectly by (a), (b), or (c) or any by any of them or for whose acts any of them may be liable.
- 2.4.15 "Overhead" shall mean (a) payroll costs and other compensation of Design-Builder's employees in Design-Builder's principal and branch offices; (b) general and administrative expenses of Design-Builder's principal and branch offices including charges against Design-Builder for delinquent payments; and (c) Design-Builder's capital expenses, including interest on capital used for the Work.
- 2.4.16 The "Owner" is the person or entity identified in ARTICLE 1, and includes Owner's representative.
- 2.4.17 The "Owner's Program" is a description of Owner's objectives, budgetary and time criteria, space requirements and relationships, flexibility and expandability requirements, special equipment and systems, and site requirements, together with Schematic Design Documents which shall include drawings, outline specifications, and other conceptual documents illustrating the Project's basic elements, scale, and their relationship to the Worksite.
- 2.4.18 The "Parties" are collectively Owner and Design-Builder.
- 2.4.19 The "Project," as identified in ARTICLE 1, is the building, facility, or other improvements for which Design-Builder is to perform the Work under this Agreement. It may also include improvements to be undertaken by Owner or Others.
- 2.4.20 "Project schedule" A schedule that shows the timing and sequencing of the design and construction required to meet the time criteria set forth in Owner's Program. The Project includes the Construction Schedule and is coordinated with design phase service activities.



2.4.21 A "Subcontractor" is a person or entity retained by Design-Builder as an independent contractor to provide the labor, materials, equipment, or services necessary to complete a specific portion of the Work. The term Subcontractor does not include Design Professional or any separate contractor employed by Owner or any separate contractor's subcontractors.

2.4.22 "Substantial Completion" of the Work, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the Contract Documents so that Owner can occupy or utilize the Project, or a designated portion, for the use for which it is intended, without unscheduled disruption. The issuance of a certificate of occupancy is not a prerequisite for Substantial Completion if the certificate of occupancy cannot be obtained due to factors beyond Design-Builder's control. This date shall be confirmed by a certificate of Substantial Completion signed by The Parties.

2.4.23 A "Subsubcontractor" is a party or entity who has an agreement with a Subcontractor or other Subsubcontractor, or Supplier to perform any portion of the Work or to supply material or equipment.

2.4.24 A "Supplier" is a person or entity retained by Design-Builder to provide material and equipment for the Work.

2.4.25 "Terrorism" means a violent act, or an act that is dangerous to human life, property, or infrastructure, that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes, but is not limited to, any act certified by the United States Secretary of Treasury as an act of terrorism pursuant to the Terrorism Risk Insurance Act, as amended.

2.4.26 The "Work" is the design services procured in accordance with §3.1, the construction services provided in accordance with §3.2, additional services in accordance with §3.11, and other services which are necessary to complete the Project in accordance with and reasonably inferable from the Contract Documents. The Work may refer to the whole Project or only a part of the Project if work is also being performed by Owner or Others.

2.4.27 "Worksite" means the geographical area of the Project location mentioned in ARTICLE 1 where the Work is to be performed

ARTICLE 3 DESIGN-BUILDER'S RESPONSIBILITIES

3.1 DESIGN SERVICES Pursuant to a mutually agreeable schedule, Design-Builder shall submit for Owner's written approval, as applicable, Design Development Documents or Construction Documents, based on the Contract Documents in existence at the time of the execution of this Agreement or any further development of Contract Documents that have been approved in writing by Owner.

3.1.1 If required, the Design Development Documents shall further define the Project, including drawings and outline specifications fixing and describing the Project size and character as to site utilization, and other appropriate elements incorporating the structural, architectural, mechanical, and electrical systems. When Design-Builder submits the Design Development Documents, Design-Builder shall identify in writing all material changes and deviations that have taken place from the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Design Development Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion.

3.1.2 The Construction Documents shall set forth in detail the requirements for construction of the Work, and shall be based upon codes, laws, or regulations enacted at the time of their preparation. When Design-Builder submits the Construction Documents, Design-Builder shall identify in writing all



material changes and deviations that have taken place from the Design Development Documents or the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Construction Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion. Construction shall be in accordance with the approved Construction Documents. One set of these documents shall be furnished to Owner before commencing construction.

3.1.3 OWNERSHIP OF DOCUMENTS

3.1.3.1 OWNERSHIP OF TANGIBLE DOCUMENTS Owner shall receive ownership of the property rights, except for copyrights, of all documents, drawings, specifications, electronic data, and information (hereinafter "Documents") prepared, provided or procured by Design-Builder, its Design Professional, Subcontractors, or consultants and distributed to Owner for this Project, upon the making of final payment to Design-Builder or in the event of termination under ARTICLE 11, upon payment for all sums due to Design-Builder pursuant to ARTICLE 11. Owner's acquisition of the copyright shall be subject to Owner's making of all payments required by this Agreement.

3.1.3.2 COPYRIGHT The Parties agree that Owner ☐ shall/ ☒ shall not obtain ownership of the copyright of all Documents. Owner's acquisition of the copyright for all Documents shall be subject to the making of payments as required by §3.1.3.1 and the payment of the fee reflecting the agreed value of the copyright set forth below:

If the Parties have not made a selection to transfer copyright interests in the Documents, the copyright shall remain with Design-Builder.

3.1.3.3 USE OF DOCUMENTS IN EVENT OF TERMINATION In the event of a termination of this Agreement pursuant to ARTICLE 11, Owner shall have the right to use, to reproduce, and to make derivative works of the Documents to complete the Project, regardless of whether there has been a transfer of copyright under §3.1.3.1, provided payment has been made pursuant to §3.1.3.1

3.1.3.4 OWNER'S USE OF DOCUMENTS AFTER COMPLETION OF PROJECT After completion of the Project, Owner may reuse, reproduce, or make derivative works from the Documents solely for the purposes of maintaining, renovating, remodeling, or expanding the Project at the Worksite. Owner's use of the Documents without Design-Builder's involvement or on other projects is at Owner's sole risk, except for Design-Builder's indemnification obligations, and Owner shall indemnify and hold harmless Design-Builder, its Design Professional, Subcontractors, and consultants, and the agents, officers, directors, and employees of each of them, from and against any and all claims, damages, losses, costs, and expenses, including reasonable attorneys' fees and costs, arising out of or resulting from any such prohibited use.

3.1.3.5 DESIGN-BUILDER'S USE OF DOCUMENTS Where Design-Builder has transferred its copyright interest in the Documents under §3.1.3.1, Design-Builder may reuse Documents prepared by it pursuant to this Agreement in its practice, but only in their separate constituent parts and not as a whole.

3.1.3.6 Design-Builder shall obtain from its Design Professional, Subcontractors, and consultants rights and rights of use that correspond to the rights given by Design-Builder to Owner in this Agreement, and Design-Builder shall provide evidence that such rights have been secured.



3.2 CONSTRUCTION SERVICES

3.2.1 Construction will commence upon the issuance by Owner of a written notice to proceed.

3.2.2 In order to complete the Work, Design-Builder shall provide all necessary construction supervision, inspection, construction equipment, construction labor, materials, tools, and subcontracted items.

3.2.3 COMPLIANCE WITH LAW Design-Builder shall give all notices and comply with all Laws at its own costs. Design-Builder shall be liable to Owner for all loss, cost, and expense attributable to any acts or omissions by Design-Builder, its employees, subcontractors, and agents resulting from the failure to comply with Laws, including fines, penalties, or corrective measures. However, liability under this subsection shall not apply if notice to Owner was given, and advance approval by appropriate authorities, including Owner, is received.

3.2.3.1 CHANGES IN LAW The Contract Price or Contract Time, or both shall be equitably adjusted by Change Order for additional costs or time needed resulting from any change in Law, including increased taxes, enacted after the date of this Agreement

3.2.4 Design-Builder shall maintain the Schedule of Work. This schedule shall indicate the dates for the start and completion of the various stages of the construction, including the dates when information and approvals are required from Owner. It shall be revised as required by the conditions of the Work.

3.2.5 Design-Builder shall obtain and Owner shall pay, in addition to the Contract Price, for the building permits necessary for the construction of the Project.

3.2.6 Design-Builder shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. Owner shall be afforded access to all Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to Change Order work performed on the basis of actual cost. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by law.

3.2.7 Design-Builder shall provide periodic written reports to Owner on the progress of the Work in such detail as is required by Owner and as agreed to by The Parties.

3.2.8 Design-Builder shall regularly remove debris and waste materials at the Worksite resulting from the Work. Before discontinuing Work in an area, Design-Builder shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials. Design-Builder shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, Design-Builder shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.

3.2.9 Design-Builder shall prepare and submit to Owner either:

- X final marked up as-built drawings
- X updated electronic data

that generally document how the various elements of the Work including changes were actually constructed or installed, or as defined by the Parties by attachment to this Agreement.

3.3 CONSTRUCTION SCHEDULE Design-Builder shall prepare and submit a Schedule of Work for Owner's acceptance and written approval. This schedule shall indicate the commencement and



completion dates of the various stages of the Work, including the dates when information and approvals are required from Owner. The Schedule shall be revised on a monthly basis or as mutually agreed by the Parties.

3.4 SAFETY OF PERSONS AND PROPERTY

3.4.1 SAFETY PRECAUTIONS AND PROGRAMS Design-Builder shall have overall responsibility for safety precautions and programs in the performance of the Work. However, such obligation does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with the provisions of Laws.

3.4.2 Design-Builder shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect:

3.4.2.1 its employees and other persons at the Worksite;

3.4.2.2 materials, supplies, and equipment stored at the Worksite for use in performance of the Work; and

3.4.2.3 the Project and all property located at the Worksite and adjacent to work areas, whether or not said property or structures are part of the Project or involved in the Work.

3.4.3 DESIGN-BUILDER'S SAFETY REPRESENTATIVE Design-Builder shall designate an individual at the Worksite in the employ of Design-Builder who shall act as Design-Builder's designated safety representative with a duty to prevent accidents. Unless otherwise identified by Design-Builder in writing to Owner, the designated safety representative shall be Design-Builder's project superintendent. Design-Builder will report immediately in writing all accidents and injuries occurring at the Worksite to Owner. When Design-Builder is required to file an accident report with a public authority, Design-Builder shall furnish a copy of the report to Owner.

3.4.4 Design-Builder shall provide Owner with copies of all notices required of Design-Builder by Law. Design-Builder's safety program shall comply with the requirements of governmental and quasi-governmental authorities having jurisdiction over the Work.

3.4.5 Damage or loss not insured under property insurance which may arise from the performance of the Work, to the extent of the negligence attributed to such acts or omissions of Design-Builder, or anyone for whose acts Design-Builder may be liable, shall be promptly remedied by Design-Builder. Damage or loss attributable to the acts or omissions of Owner or Others and not to Design-Builder shall be promptly remedied by Owner.

3.4.6 If Owner deems any part of the Work or Worksite unsafe, Owner, without assuming responsibility for Design-Builder's safety program, may require Design-Builder to stop performance of the Work or take corrective measures satisfactory to Owner, or both. If Design-Builder does not adopt corrective measures, Owner may perform them and reduce the amount of the Contract Price by the costs of the corrective measures. Design-Builder agrees to make no claim for damages, for an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion based on Design-Builder's compliance with Owner's reasonable request.

3.5 EMERGENCIES In any emergency affecting the safety of persons or property, Design-Builder shall act in a reasonable manner to prevent threatened damage, injury, or loss. Any change in the Contract Price, the Date of Substantial Completion, or the Date of Final Completion, on account of emergency work shall be determined as a Change Order.

3.6 HAZARDOUS MATERIAL



3.6.1 Design-Builder shall not be obligated to commence or continue Work until all Hazardous Material discovered at the Worksite has been removed, rendered, or determined to be harmless by Owner as certified by an independent testing laboratory and approved by the appropriate government agency.

3.6.2 If after commencing the Work, Hazardous Material is discovered at the Project, Design-Builder shall be entitled to immediately stop Work in the affected area. Design-Builder shall report the condition to Owner and, if required, the government agency with jurisdiction.

3.6.3 Design-Builder shall not resume nor be required to continue any Work affected by any Hazardous Material without written mutual agreement between the Parties after the Hazardous Material has been removed or rendered harmless and only after approval, if necessary, of the governmental agency with jurisdiction. Owner shall be responsible for retaining an independent testing laboratory to determine the nature of the material encountered and whether it is a Hazardous Material requiring corrective measures or remedial action. Such measures shall be the sole responsibility of Owner and shall be performed in a manner minimizing any adverse effect upon the Work.

3.6.4 If Design-Builder incurs additional costs or is delayed due to the presence or remediation of Hazardous Material, Design-Builder shall be entitled to an equitable adjustment in the Contract Price or the date of Substantial Completion.

3.6.5 To the extent not caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, Owner shall indemnify and hold harmless Design-Builder, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, from and against all claims, damages, losses, costs, and expenses, including but not limited to reasonable attorneys' fees, costs, and expenses incurred in connection with any dispute resolution process, to the extent permitted pursuant to §6.5, arising out of or relating to the performance of the Work in any area affected by Hazardous Material.

3.7 Safety Data Sheets (SDS) as required by law and pertaining to materials or substances used or consumed in the performance of the Work, whether obtained by Design-Builder, Subcontractors, Owner or Others, shall be maintained at the Project by Design-Builder and made available to Owner and Subcontractors.

3.7.1 During Design-Builder's performance of the Work, Design-Builder shall be responsible for the proper handling, application, storage, removal, and disposal of all materials brought to the Worksite by Design-Builder. Upon the issuance of the Certificate of Substantial Completion, Owner shall be responsible for materials and substances brought to the Worksite by Design-Builder if such materials or substances are required by the Contract Documents.

3.7.2 §3.6 shall survive the completion of the Work under this Agreement or any termination of this Agreement.

3.8 WARRANTY

3.8.1 Design-Builder warrants that all materials and equipment furnished under this Agreement will be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Warranties shall commence on the date of Substantial Completion of the Work or of a designated portion.

3.8.2 To the extent products, equipment, systems, or materials incorporated in the Work are specified and purchased by Owner, they shall be covered exclusively by the warranty of the manufacturer. There are no warranties which extend beyond the description on the face thereof. To the extent



products, equipment, systems, or materials incorporated in the Work are specified by Owner but purchased by Design-Builder and are inconsistent with selection criteria that otherwise would have been followed by Design-Builder, Design-Builder shall assist Owner in pursuing warranty claims. ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

3.8.3 Design-Builder shall secure required certificates of inspection, testing, or approval and deliver them to Owner.

3.8.4 Design-Builder shall collect all written warranties and equipment manuals and deliver them to Owner in a format directed by Owner.

3.8.5 With the assistance of Owner's maintenance personnel, Design-Builder shall direct the checkout of utilities and start-up operations, and adjusting and balancing of systems and equipment for readiness.

3.9 CORRECTION OF WORK WITHIN ONE YEAR

3.9.1 Before Substantial Completion and within one year after the date of Substantial Completion of the Work or for such longer periods of time as may be set forth with respect to specific warranties required by the Contract Documents, if any Defective Work is found, Owner shall promptly notify Design-Builder in writing. Unless Owner provides written acceptance of the condition, Design-Builder shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. If within the one-year correction period Owner discovers and does not promptly notify Design-Builder or give Design-Builder an opportunity to test or correct Defective Work as reasonably requested by Design-Builder, Owner waives Design-Builder's obligation to correct that Defective Work as well as Owner's right to claim a breach of the warranty with respect to that Defective Work.

3.9.2 With respect to any portion of Work first performed after Substantial Completion, the one-year correction period shall commence when that portion of Work is complete. Correction periods shall not be extended by corrective work performed by Design-Builder.

3.9.3 If Design-Builder fails to correct Defective Work within a reasonable time after receipt of written notice from Owner before final payment, Owner may correct it in accordance with Owner's right to carry out the Work. In such case, an appropriate Change Order shall be issued deducting the cost of correcting such deficiencies from payments then or thereafter due Design-Builder. If payments then or thereafter due Design-Builder are not sufficient to cover such amounts, Design-Builder shall pay the difference to Owner.

3.9.4 Design-Builder's obligations and liability, if any, with respect to any Defective Work discovered after the one-year correction period shall be determined by the Law. If, after the one-year correction period but before the applicable limitation period has expired, Owner discovers any Work which Owner considers Defective Work, Owner shall, unless the Defective Work requires emergency correction, promptly notify Design-Builder and allow Design-Builder an opportunity to correct the Work if Design-Builder elects to do so. If Design-Builder elects to correct the Work, it shall provide written notice of such intent within fourteen (14) Days of its receipt of notice from Owner and shall complete the correction of Work within a mutually agreed timeframe. If Design-Builder does not elect to correct the Work, Owner may have the Work corrected by itself or Others, and, if Owner intends to seek recovery of those costs from Design-Builder, Owner shall promptly provide Design-Builder with an accounting of the correction costs it incurs.



3.9.5 If Design-Builder's correction or removal of Defective Work causes damage to or destroys other completed or partially completed Work or existing buildings, Design-Builder shall be responsible for the cost of correcting the destroyed or damaged property.

3.9.6 The one-year period for correction of Defective Work does not constitute a limitation period with respect to the enforcement of Design-Builder's other obligations under the Contract Documents.

3.9.7 Before final payment, at Owner's option and with Design-Builder's agreement, Owner may elect to accept Defective Work rather than require its removal and correction. In such case the Contract Price shall be equitably adjusted for any diminution in the value of the Project caused by such Defective Work.

3.10 **CONFIDENTIALITY** Design-Builder shall treat as confidential and not disclose to third-persons, except Subcontractors, Subsubcontractors, and Design Professional as is necessary for the performance of the Work, or use for its own benefit any of Owner's developments, confidential information, know-how, discoveries, production methods, and the like that may be disclosed to Design-Builder or which Design-Builder may acquire in connection with the Work. Owner shall treat as confidential information all of Design-Builder's estimating systems and historical and parameter cost data that may be disclosed to Owner in connection with the performance of this Agreement. The Parties shall each specify those items to be treated as confidential and shall mark them as "Confidential." Confidentiality obligations do not supersede compulsion by Law, a governmental agency or authority, an order of a court of competent jurisdiction, or a validly issued subpoena. In such event, a Party shall promptly notify the other Party to permit that Party's legal objection.

3.11 **ADDITIONAL SERVICES** Design-Builder shall provide or procure the following Additional services upon the request of Owner. A written agreement between The Parties shall define the extent of such Additional services. Such Additional services shall be considered a Change in the Work, unless they are specifically included in §3.1 or §3.2.

3.11.1 Assisting in the developing Owner's Program, establishing the Project budget, investigating sources of financing, general business planning, and other information and documentation as may be required to establish the feasibility of the Project;

3.11.2 Consultations, negotiations, and documentation supporting the procurement of Project financing;

3.11.3 Surveys, site evaluations, legal descriptions, and aerial photographs;

3.11.4 Appraisals of existing equipment, existing properties, new equipment, and developed properties;

3.11.5 Soils, subsurface, and environmental studies, reports, and investigations required for submission to governmental authorities or others having jurisdiction over the Project;

3.11.6 Consultations and representations before governmental authorities or others having jurisdiction over the Project other than normal assistance in securing building permits;

3.11.7 Investigation or making measured drawings of existing conditions or the verification of Owner-provided drawings and information;

3.11.8 Artistic renderings, models, and mockups of the Project or any part of the Project or the Work;

3.11.9 Inventories of existing furniture, fixtures, furnishings, and equipment which might be under consideration for incorporation into the Project;



3.11.10 Interior design and related services including procurement and placement of furniture, furnishings, artwork, and decorations;

3.11.11 Making revisions to design documents after they have been approved by Owner when revisions are due to causes beyond the control of Design-Builder. Causes beyond the control of Design-Builder do not include acts or omissions on the part of Subcontractors, Subsubcontractors, or Design Professional;

3.11.12 Design, coordination, management, expediting, and other services supporting the procurement of materials to be obtained, or work to be performed, by Owner, including but not limited to telephone systems, computer wiring networks, sound systems, alarms, security systems, and other specialty systems which are not a part of this Agreement;

3.11.13 Estimates, proposals, appraisals, consultations, negotiations, and services in connection with the repair or replacement of an insured loss, provided such repair or replacement did not result from the negligence of Design-Builder;

3.11.14 The premium portion of overtime work ordered by Owner including productivity impact costs, other than that required by Design-Builder to maintain the Schedule of Work;

3.11.15 Out-of-town travel by Design Professional in connection with the Work, except between Design Professional's office, Design-Builder's office, Owner's office, and the Project site;

3.11.16 Obtaining service contractors and training maintenance personnel; assisting and consulting in the use of systems and equipment after the initial startup;

3.11.17 Services for tenant or rental spaces not required by this Agreement;

3.11.18 services requested by Owner or required by the Work which are not specified in the Contract Documents and which are not normally part of generally accepted design and construction practice;

3.11.19 Except when Design Professional is a party to the proceeding, serving or preparing to serve as an expert witness in connection with any proceeding, legal or otherwise, regarding the Project;

3.11.20 document reproduction exceeding the limits provided for in this Agreement;

3.11.21 providing services relating to Hazardous Material discovered at the Worksite;

3.11.22 acting as a Green Building Facilitator as identified in the ConsensusDocs 310 Green Building Addendum or separate addenda, which, at a minimum, shall include: (a) coordinating and facilitating the achievement of elected green measures and green status, such as achieving Leadership in Energy and Environmental Design "LEED" certification; (b) identifying, preparing, and submitting necessary documentation for elected green status; and (c) identifying project participants responsible to complete physical and procedural green measures;

3.11.23 performing formal commissioning services; and

3.11.24 other services as agreed to by the Parties and identified in an attached exhibit.

3.12 DESIGN-BUILDER'S REPRESENTATIVE Design-Builder shall designate a person who shall be Design-Builder's authorized representative. Design-Builder's Representative is Matt Waltz & Jay Green.

ARTICLE 4 OWNER'S RESPONSIBILITIES



4.1 INFORMATION AND SERVICES PROVIDED BY OWNER Owner's responsibilities under this article shall be provided with reasonable detail and in a timely manner.

4.2 FINANCIAL INFORMATION Before commencing the Work and thereafter at the written request of Design-Builder, Owner shall provide Design-Builder evidence of Project financing. Evidence of such financing shall be a condition precedent to Design-Builder's commencing or continuing the Work. Design-Builder shall be notified before any material change in Project financing.

4.3 WORKSITE INFORMATION To the extent Owner has obtained, or is required elsewhere in the Contract Documents to obtain, the following Worksite information, Owner shall provide at Owner's expense and with reasonable promptness:

4.3.1 information describing the physical characteristics of the site, including surveys, site evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface conditions, and environmental studies, reports, and investigations;

4.3.2 tests, inspections, and other reports dealing with environmental matters, Hazardous Material, and other existing conditions, including structural, mechanical, and chemical tests, required by the Contract Documents or by Law;

4.3.3 the limits of Pollution Liability Insurance covering the Worksite held by Owner; and

4.3.4 any other information or services requested in writing by Design-Builder which are required for Design-Builder's performance of the Work and under Owner's control.

4.4 MECHANICS AND CONSTRUCTION LIEN INFORMATION Within seven (7) Days after receiving Design-Builder's written request, Owner shall provide Design-Builder with the information necessary to give notice of or enforce mechanics lien rights and, where applicable, stop notices. This information shall include Owner's interest in the real property on which the Project is located and the record legal title.

4.5 RESPONSIBILITIES DURING DESIGN

4.5.1 Owner shall review and approve further development of the drawings and specifications as set forth in ARTICLE 3.

4.6 RESPONSIBILITIES DURING CONSTRUCTION

4.6.1 Owner shall review the Construction Schedule, timely approve milestone dates set forth, and timely respond to its obligations.

4.6.2 If Owner becomes aware of any error, omission, or failure to meet the requirements of the Contract Documents or any fault or defect in the Work, Owner shall give prompt written notice to Design-Builder. The failure of Owner to give such notice shall not relieve Design-Builder of its obligations to fulfill the requirements of the Contract Documents.

4.6.3 Owner shall have no contractual obligations to Subcontractors, suppliers, or Design Professional.

4.6.4 Owner shall provide insurance for the Project as provided in ARTICLE 10.

4.7 TAX EXEMPTION If in accordance with Owner's direction Design-Builder claims an exemption for taxes, Owner shall indemnify and hold Design-Builder harmless from all liability, penalty, interest, fine, tax assessment, attorneys' fees, or other expense or cost incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's direction.



4.8 ELECTRONIC DOCUMENTS If Owner requires that The Parties exchange documents and data in electronic or digital form, before any such exchange, The Parties shall agree on a written protocol governing all exchanges in ConsensusDocs 200.2 or a separate agreement, which, at a minimum, shall specify: (a) the definition of documents and data to be accepted in electronic or digital form or to be transmitted electronically or digitally; (b) management and coordination responsibilities; (c) necessary equipment, software, and services; (d) acceptable formats, transmission methods, and verification procedures; (e) methods for maintaining version control; (f) privacy and security requirements; and (g) storage and retrieval requirements. The Parties shall each bear their own costs for the requirements identified in the protocol. In the absence of a written protocol, use of documents and data in electronic or digital form shall be at the sole risk of the recipient.

4.9 Owner's Representative is Jeff Puzzullo. Owner's representative shall: (a) be fully acquainted with the Project; (b) agree to furnish the information and services required of Owner in a timely manner; and (c) have the authority to bind Owner in all matters requiring Owner's approval, authorization or written notice. If Owner changes its representative or the representative's authority as listed above, Owner shall notify Design-Builder in writing in advance.

ARTICLE 5 SUBCONTRACTS

5.1. RETAINING SUBCONTRACTORS Design-Builder shall not retain any Subcontractor or Supplier to whom Owner has a reasonable and timely objection, provided that Owner agrees to increase the Contract Price for any additional costs incurred by Design-Builder as a result of such objection. Owner may propose subcontractors to be considered by Design-Builder. Design-Builder shall not be required to retain any subcontractor to whom Design-Builder has a reasonable objection.

5.2. MANAGEMENT OF SUBCONTRACTORS Design-Builder shall be responsible for the management of Subcontractors in the performance of their work.

5.3. CONTINGENT ASSIGNMENT OF SUBCONTRACT AGREEMENTS

5.3.1. If this Agreement is terminated, each subcontract agreement shall be assigned by Design-Builder to Owner, subject to the prior rights of any surety, provided that:

5.3.1.1. this Agreement is terminated by Owner pursuant to §11.2 or §11.3; and

5.3.1.2. Owner accepts such assignment, after termination by notifying the Subcontractor and Design-Builder in writing, and assumes all rights and obligations of Design-Builder pursuant to each subcontract or supply agreement.

5.3.2. If Owner accepts such an assignment, and the Work has been suspended for more than thirty (30) consecutive Days, following termination, if appropriate, Subcontractor's or Supplier's compensation shall be equitably adjusted as a result of the suspension.

5.4. BINDING OF SUBCONTRACTORS AND SUPPLIERS Design-Builder agrees to bind every Subcontractor and Supplier (and require every Subcontractor to so bind its Subsubcontractors and significant Suppliers) to all the provisions of this Agreement and the Contract Documents' applicable provisions to that portion of the Work.

ARTICLE 6 CONTRACT TIME

6.1. DATE OF COMMENCEMENT The Date of Commencement is the Agreement date in ARTICLE 1 unless otherwise set forth below. The Work shall proceed in general accordance with the Project Schedule which may be amended in accordance with this Agreement.



6.2. SUBSTANTIAL COMPLETION/FINAL COMPLETION

6.2.1. Substantial Completion of the Work shall be achieved in the date set forth in the agreed upon schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans. ([]) Days from the Date of Commencement. Unless otherwise specified, the Work shall be finally complete within the agreed upon on schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans ([]) Days after the date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.2. Time is of the essence with regards to the obligations of the Contract Documents.

6.2.3. The Date of Final Completion of the Work is complete within one hundred & eighty (180) Days after the Date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.4. Unless otherwise instructed by an Interim Directive, Design-Builder shall not knowingly commence the Work before the effective date of insurance required to be provided by Design-Builder

6.3. DELAYS AND EXTENSIONS OF TIME

6.3.1. If Design-Builder is delayed at any time in the commencement or progress of the Work by any cause beyond the control of Design-Builder, Design-Builder shall be entitled to an equitable extension of the Date of Substantial Completion or the Date of Final Completion. Examples of causes beyond the control of Design-Builder include, but are not limited to, the following: (a) acts or omissions of Owner or Others; (b) changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work; (c) encountering Hazardous Materials, or concealed or unknown conditions; (d) delay authorized by Owner pending dispute resolution or suspension by Owner under §12.1; (e) transportation delays not reasonably foreseeable; (f) labor disputes not involving Design-Builder, (g) general labor disputes impacting the Project but not specifically related to the Worksites; (h) fire; (i) Terrorism; (j) epidemics; (k) adverse governmental actions, (l) unavoidable accidents or circumstances; (m) adverse weather conditions not reasonably anticipated. Design-Builder shall process any requests for equitable extensions of the Date of Substantial Completion or the Date of Final Completion in accordance with the provisions of ARTICLE 8.

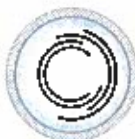
6.3.2. In addition, if Design-Builder incurs additional costs as a result of a delay that is caused by acts or omissions of Owner or Others, changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work, encountering Hazardous Materials unanticipated by Design-Builder or concealed or unknown conditions, delay authorized by Owner pending dispute resolution, and suspension by Owner under §ARTICLE 11, Design-Builder shall be entitled to an equitable adjustment in the Contract Price subject to §6.5.

6.3.3. In the event delays to the project are encountered for any reason, the Parties agree to undertake reasonable steps to mitigate the effect of such delays.

6.4. LIQUIDATED DAMAGES

6.4.1. SUBSTANTIAL COMPLETION The Parties agree that this Agreement X shall/ shall not provide for the imposition of liquidated damages based on the Date of Substantial Completion.

6.4.1.1. Design-Builder understands that if the Date of Substantial Completion as may be amended by subsequent Change Order, is not attained, Owner will suffer damages which are



difficult to determine and accurately specify. Design-Builder agrees that if the Date of Substantial Completion is not attained, Design-Builder shall pay Owner Five Hundred dollars (\$500.00) as liquidated damages and not as a penalty for each Day that Substantial Completion extends beyond the Date of Substantial Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Substantial Completion.

6.4.2. FINAL COMPLETION Owner and Design-Builder agree that this Agreement [] shall/ X shall not provide for the imposition of liquidated damages based on the Date of Final Completion.

6.4.2.1. Design-Builder understands that if the Date of Final Completion is not attained, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if the Date of Final Completion is not attained, Design-Builder shall pay Owner Five-hundred dollars (\$500.00) as liquidated damages for each Day that Final Completion extends beyond the Date of Final Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Final Completion.

6.4.3. OTHER LIQUIDATED DAMAGES Owner and Design-Builder may agree upon the imposition of liquidated damages based on other project milestones or performance requirements. Such agreement shall be included as an exhibit to this Agreement.

6.5. LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES Except for damages mutually agreed upon by the Parties as liquidated damages in §6.4 and excluding losses covered by insurance required by the Contract Documents, Owner and Design-Builder agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement, except for those specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below. Owner agrees to waive damages including but not limited to Owner's loss of use of the Project, any rental expenses incurred, loss of income, profit, or financing related to the Project, as well as the loss of business, loss of financing, principal office overhead and expenses, loss of profits not related to this Project, loss of reputation, or insolvency. Design-Builder agrees to waive damages including but not limited to loss of business, loss of financing, loss of profits not related to this Project, loss of bonding capacity, loss of reputation, or insolvency.

6.5.1. The following items of damages are excluded from this mutual waiver:

6.5.2. The provisions of this section shall also apply to the termination of this Agreement and shall survive such termination. Owner and Design-Builder shall require similar waivers in contracts with Subcontractors and Others retained for the Project.

ARTICLE 7 CONTRACT PRICE

The Contract Price is Sixty Million, Seven Hundred Fifty Five Thousand, Eight Hundred Thirty Five dollars (\$60,755,835.00) subject to adjustment as provided in ARTICLE 8. In addition to the Contract Price, Design-Builder is entitled to payment of a development fee in an amount equal to one percent (1%) of the total capital expenditures on the Project.

ARTICLE 8 CHANGES IN THE WORK

Changes in the Work which are within the general scope of this Agreement may be accomplished without invalidating this Agreement by Change Order, Interim Directive, or a minor change in the Work, subject to the limitations stated in the Contract Documents.

8.1. CHANGE ORDERS



8.1.1. Design-Build may request or Owner, without invalidating this Agreement, may order changes in the Work within the general scope of the Contract Documents consisting of adjustment to the Contract Price or the Date of Substantial Completion or the Date of Final Completion. All such changes in the Work shall be authorized by applicable Change Order, and processed in accordance with this article. Each adjustment in the Contract Price resulting from a Change Order shall clearly separate the amount attributable to Design services.

8.1.2. The Parties shall negotiate an appropriate adjustment to Contract Price or the Date of Substantial Completion or the Date of Final Completion in good faith and conclude negotiations as expeditiously as possible. Acceptance of the Change Order and any adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion shall not be unreasonably withheld.

8.1.3. NO OBLIGATION TO PERFORM Design-Build shall not be obligated to perform changes in the Work until a Change Order has been executed or a written Interim Directive has been issued.

8.2. INTERIM DIRECTIVE

8.2.1. Owner may issue an Interim Directive directing a change in the Work before agreeing on an adjustment, if any, in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services or directing Design-Build to perform Work that Owner believes is not a change. If the Parties disagree that the Interim Directed work is within the scope of the Work, Design-Build shall perform the disputed Work and furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations.

8.2.2. The Parties shall negotiate expeditiously and in good faith for appropriate adjustments, as applicable, to the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate the compensation for Design services, arising out of Interim Directive. As the changed work is completed, the Design Builder shall submit its costs for such work with its Application for Payment beginning with the next Application for Payment within thirty (30) Days of the issuance of the Interim Directive. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of the Work.

8.2.3. If the Parties agree upon the adjustments in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services, for a change in the Work directed by an Interim Directive, such agreement shall be the subject of an appropriate Change Order. The Change Order shall include all outstanding Interim Directives issued since the last Change Order.

8.3. MINOR CHANGES IN THE WORK

8.3.1. Design-Build may make minor changes in the design and construction of the Project consistent with the intent of the Contract Documents which do not involve an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion; and do not materially and adversely affect the design of the Project, the quality of any of the materials or equipment specified in the Contract Documents, the performance of any materials, equipment, or systems specified in the Contract Documents, or the quality of workmanship required by the Contract Documents.

8.3.2. Design-Build shall promptly inform Owner in writing of any such changes and shall record such changes on the Design-Build Documents maintained by Design-Build.



8.4. CONCEALED OR UNKNOWN SITE CONDITIONS If a condition encountered at the Worksite are (a) subsurface or other physical conditions materially different from those indicated in the Contract Documents, or (b) unusual and unknown physical conditions materially different from conditions ordinarily encountered and generally recognized as inherent in Work provided for in the Contract Documents, Design-Builder shall stop affected Work after the concealed or unknown condition is first observed and give prompt written notice of the condition to Owner. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists and directing how Design-Builder is to proceed. Design-Builder shall not be required to perform any Work relating to the unknown condition without the written mutual agreement of the Parties. Any change in the Contract Price or Contract Time as a result of the condition, including any dispute about its existence or nature, shall be determined as provided in this ARTICLE 8.

8.5. DETERMINATION OF COST

8.5.1. An increase or decrease in the Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

8.5.1.1. unit prices set forth in this Agreement or as subsequently agreed;

8.5.1.2. a mutually accepted, itemized lump sum; or

8.5.1.3. COST OF THE WORK Cost of the Work as defined by this §8.5.1.3 plus 10% for Overhead and 4.5% for profit. "Cost of the Work" shall include the following costs reasonably incurred to perform a change in the Work:

8.5.1.3.1. Labor wages directly employed by Design-Builder performing the Work;

8.5.1.3.2. Salaries of Design-Builder's employees when stationed at the field office to the extent necessary to complete the applicable Work, employees engaged on the road expediting the production or transportation of material and equipment, and supervisory employees from the principal or branch office as mutually agreed by the Parties in writing;

8.5.1.3.3. Cost of applicable employee benefits and taxes, including but not limited to, workers' compensation, unemployment compensation, social security, health, welfare, retirement and other fringe benefits as required by law, labor agreements, or paid under Design-Builder's standard personnel policy, insofar as such costs are paid to employees of Design-Builder who are included in the Cost of the Work in §8.5.1.3.1 and §8.5.1.3.2;

8.5.1.3.4. Reasonable transportation, travel, and hotel expenses of Design-Builder's personnel incurred in connection with the Work;

8.5.1.3.5. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of inspection and testing if not provided by Owner, transportation, storage, and handling;

8.5.1.3.6. Payments made by Design-Builder to Subcontractors for performed Work;

8.5.1.3.7. Fees and expenses for design services procured or furnished by Design-Builder

8.5.1.3.8. Cost, including transportation and maintenance of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers that are used



or consumed in the performance of the Work, less salvage value or residual value; and cost less salvage value of such items used, but not consumed that remain the property of Design-Builder;

8.5.1.3.9. Rental charges of all necessary machinery and equipment, exclusive of hand tools owned by workers, used at the Worksite, whether rented from Design-Builder or others, including installation, repair and replacement, dismantling, removal, maintenance, transportation, and delivery costs. Rental from unrelated third parties shall be reimbursed at actual cost. Rentals from Design-Builder or its affiliates, subsidiaries, or related parties shall be reimbursed at the prevailing rates in the locality of the Worksite up to eighty-five percent (85%) of the value of the piece of equipment;

8.5.1.3.10. Cost of the premiums for all insurance and surety bonds which Design-Builder is required to procure or deems necessary, and approved by Owner including any additional premium incurred as a result of any increase in the cost of the Work;

8.5.1.3.11. Sales, use, gross receipts or other taxes, tariffs, or duties related to the Work for which Design-Builder is liable;

8.5.1.3.12. Permits, fees, licenses, tests, and royalties;

8.5.1.3.13. Losses, expenses or damages to the extent not compensated by insurance or otherwise, and the cost of corrective work, provided that such did not arise from Design-Builder's negligence;

8.5.1.3.14. Water, power, and fuel costs necessary for the changed Work;

8.5.1.3.15. Cost of removal of all nonhazardous substances, debris, and waste materials;

8.5.1.3.16. Costs directly incurred to perform a change in the Work which are reasonably inferable from the Contract Documents for the changed Work

8.5.1.3.17. DISCOUNTS All discounts for prompt payment shall accrue to Owner to the extent such payments are made directly by Owner. To the extent payments are made with funds of Design-Builder, all cash discounts shall accrue to Design-Builder. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment, shall be credited to the Cost of the Work;

8.5.1.3.18. COST REPORTING Design-Builder shall maintain complete and current records that comply with generally accepted accounting principles and calculate the Cost of Work. Owner shall be afforded access to Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to requested payment for Cost of the Work. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by Law;

8.5.1.3.19. COST AND SCHEDULE ESTIMATES Design-Builder shall use reasonable skill and judgment in the preparation of a cost estimate or schedule for a change to the Work, but does not warrant or guarantee their accuracy.

8.5.1.3.20. Cost of the Work pursuant to §8.5.1.3 is determined net of savings from the change. Design-Builder's Overhead and profit shall be added to any net increase in Cost of the Work. No Overhead and profit shall be applied to any net decrease in the



Cost of the Work that is less than ten (10) percent of the Contract Price. Overhead and profit shall be applied to any net decrease ten (10) percent or more. Design-Builder shall maintain a documented, itemized accounting evidencing expenses and savings.

8.5.1.3.21. **CONTRACTOR CONTINGENCY** is prime contractor owned and controlled and used solely at the discretion of the prime contractor to mitigate the risk of the prime contractor as the design build contractor and used for construction related items of the following, but not limited to: scope of work items not defined at the time of GMP issuance, refinement of details from design documents, missing and or incomplete design services as part of contractual footprint, scope errors, labor and or time accelerations for prime contractor and trade partners, impact costs on materials and labor, construction disturbances, (e.g. strikes, accidents, or breakdowns), bankruptcies, regulatory risk, technological change, calamitous weather and delays from weather, unanticipated price or interest rate increases, costs of higher than expected subcontractor proposals based on original qualified contracted scope.

8.5.2. If unit prices are indicated in the Contract Documents or are subsequently agreed to by the Parties, but the character or quantity of such unit items as originally contemplated is so different in a proposed Change Order that the original unit prices will cause substantial inequity to Owner or Design-Builder, such unit prices shall be equitably adjusted.

8.5.3. If Owner and Design-Builder disagree as to whether work required by Owner is within the scope of the Work, Design-Builder shall furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations. If Owner issues a written order for Design-Builder to proceed, Design-Builder shall perform the disputed work and Owner shall pay Design-Builder fifty percent (50%) of its estimated cost to perform the work. In such event, both Parties reserve their rights as to whether the work was within the scope of the Work. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of Work. Design-Builder's receipt of payment for the disputed work does not prejudice its right to receive full payment for the disputed work should it be determined that the disputed work is not within the scope of the Work.

8.6. **CHANGES NOTICE** For any claim for an increase in the Contract Price or an extension in the Date of Substantial Completion or the Date of Final Completion, Design-Builder shall give Owner written notice of the claim within twenty-one (21) Days after the occurrence giving rise to the claim or within twenty-one (21) Days after Design-Builder first recognizes the condition giving rise to the claim, whichever is later. Except in an emergency, notice shall be given before proceeding with the Work. Claims for design and estimating costs incurred in connection with possible changes requested by Owner, but which do not proceed, shall be made within twenty-one (21) Days after the decision is made not to proceed. Thereafter, Design-Builder shall submit written documentation of its claim, including appropriate supporting documentation, within twenty-one (21) Days after giving notice, unless the Parties mutually agree upon a longer period of time. Owner shall respond in writing denying or approving Design-Builder's claim no later than fourteen (14) Days after receipt of Design-Builder's documentation of claim. Owner's failure to so respond shall be deemed a denial of Design-Builder's claim. Any change in Contract Price or the Date of Substantial Completion or the Date of Final Completion resulting from such claim shall be authorized by Change Order.

8.7. **INCIDENTAL CHANGES** Owner may direct Design-Builder to perform incidental changes in the Work upon concurrence with Design-Builder that such changes do not involve adjustments in the Cost of the Work or Contract Time. Incidental changes shall be consistent with the scope and intent of the Contract Documents. Owner shall initiate an incidental change in the Work by issuing a written order to Design-Builder. Such written notice shall be carried out promptly and is binding on the Parties.



ARTICLE 9 PAYMENT

9.1. PROGRESS PAYMENT

9.1.1. Before submitting the first application for payment, Design-Builder shall provide a Schedule of Values satisfactory to Owner, consisting of a breakdown of the Contract Price, with a separate line item for Design services.

9.1.2. On or before the 20th Day of each month after the Work has commenced, Design-Builder shall submit to Owner an application for payment in accordance with the Schedule of Values based upon the Work completed and materials suitably stored on the Worksite or at other locations approved by Owner. Approval of payment applications for such stored materials shall be conditioned upon submission by Design-Builder of bills of sale and applicable insurance or such other procedures satisfactory to Owner to establish Owner's title to such materials, or otherwise to protect Owner's interest including transportation to the site.

9.1.3. Within seven (7) Days after receipt of each monthly application for payment, Owner shall give written notice to Design-Builder of Owner's acceptance or rejection, in whole or in part, of such application for payment. Within fifteen (15) Days after accepting such Application, Owner shall pay directly to Design-Builder the appropriate amount for which application for payment is made, less amounts previously paid by Owner. If such application is rejected in whole or in part, Owner shall indicate the reasons for its rejection. If Owner and Design-Builder cannot agree on a revised amount, then, within fifteen (15) Days after its initial rejection in part of such application, Owner shall pay directly to Design-Builder the appropriate amount for those items not rejected by Owner for which application for payment is made, less amounts previously paid by Owner. Those items rejected by Owner shall be due and payable when the reasons for the rejection have been removed.

9.1.4. If Owner fails to pay Design-Builder at the time payment of any amount becomes due, then Design-Builder may, at any time thereafter, upon serving written notice that the Work will be stopped within seven (7) Days after receipt of the notice by Owner, and after such seven (7) Day period, stop the Work until payment of the amount owing has been received.

9.1.5. Payments due but unpaid pursuant to §9.1.3, less any amount retained pursuant to §9.2 or §9.3, may bear interest from the date payment is due at the prime rate prevailing at the place of the Project.

9.1.6. Design-Builder warrants and guarantees that title to all Work, materials, and equipment covered by an application for payment, whether incorporated in the Project or not, will pass to Owner upon receipt of such payment by Design-Builder free and clear of all liens, claims, security interests, or encumbrances, hereinafter referred to as "liens."

9.1.7. Owner's progress payment, occupancy, or use of the Project, whether in whole or in part, shall not be deemed an acceptance of any Work not conforming to the requirements of the Contract Documents.

9.1.8. Upon Substantial Completion of the Work, Owner shall pay Design-Builder the unpaid balance of the Contract Price, less a sum equal to one hundred fifty percent (150%) of Design-Builder's estimated cost of completing any unfinished items as agreed to between The Parties as to extent and time for completion. Owner thereafter shall pay Design-Builder monthly the amount retained for unfinished items as each item is completed.

9.1.9. **STORED MATERIALS AND EQUIPMENT** Unless otherwise provided in the contract documents, applications for payment may include materials and equipment not yet incorporated into the Work but delivered to and suitably stored onsite or offsite, including applicable insurance, storage



and costs incurred transporting the materials to an offsite storage facility. Approval of payment applications for stored materials and equipment stored offsite shall be conditioned on submission by Design-Builder of bills of sale and proof of required insurance, or such other procedures satisfactory to Owner to establish the proper valuation of the stored materials and equipment, Owner's title to such materials and equipment, and to otherwise protect Owner's interests therein, including transportation to the site.

9.2. RETAINAGE From each progress payment made before the time of Substantial Completion, Owner may retain Ten percent (10%) of the amount otherwise due after deduction of any amounts as provided in §9.3, provided such percentage doesn't exceed the Law. If Owner chooses to use this retainage provision:

9.2.1. after the Work is fifty percent (50%) complete, Owner shall withhold no additional retainage and pay Design-Builder the full amount due on account of subsequent progress payments;

9.2.2. Owner may, in its sole discretion, reduce the amount to be retained at any time;

9.2.3. Owner may release retainage on that portion of the Work a Subcontractor has completed, in whole or in part, and which work Owner has accepted;

9.2.4. in lieu of retainage, Design-Builder may furnish a retention bond or other security interest acceptable to Owner, to be held by Owner.

9.3. ADJUSTMENT OF AN APPLICATION FOR PAYMENT Owner may adjust or reject an application for payment or nullify a previously approved application for payment, in whole or in part, as may reasonably be necessary to protect Owner from loss or damage based upon the following, to the extent that Design-Builder is responsible under this Agreement:

9.3.1. Design-Builder's repeated failure to perform the Work as required by the Contract Documents;

9.3.2. except as accepted by the insurer providing Builders Risk or other property insurance covering the project, loss or damage arising out of or relating to this Agreement and caused by Design-Builder to Owner, or others to whom Owner may be liable;

9.3.3. Design-Builder's failure to pay either Design Professional, Subcontractor or Supplier following receipt of payment from Owner for that portion of the Work or for supplies, provided that Owner is making payments to Constructor in accordance with the terms of this Agreement;

9.3.4. Defective Work not corrected in a timely fashion;

9.3.5. reasonable evidence of delay in performance of the Work such that the Work will not be completed by the Date of Substantial Completion or the Date of Final Completion, and that the unpaid balance of the Contract Price is not sufficient to offset any direct damages that may be sustained by Owner as a result of the anticipated delay caused by Design-Builder;

9.3.6. reasonable evidence demonstrating that the unpaid balance of the Contract Price is insufficient to fund the cost to complete the Work;

9.3.7. uninsured third-party claims involving the Contractor or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until the Contractor furnishes Owner with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment which are sufficient to discharge such claims if established; and

9.3.8. uninsured third-party claims involving Design-Builder or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until Design-Builder furnishes Owner with



adequate security in the form of a surety bond, letter of credit, or other collateral or commitment sufficient to discharge such claims if established.

No later than seven (7) Days after receipt of an application for payment, Owner shall give written notice to Design-Builder, at the time of disapproving or nullifying all or part of an application for payment, stating its specific reasons for such disapproval or nullification, and the remedial actions to be taken by Design-Builder in order to receive payment. When the above reasons for disapproving or nullifying an application for payment are removed, payment will be promptly made for the amount previously withheld.

9.4. OWNER OCCUPANCY OR USE OF COMPLETED OR PARTIALLY COMPLETED WORK

Portions of the Work that are completed or partially completed may be used or occupied by Owner when (a) the portion of the Work is designated in a Certificate of Substantial Completion, (b) appropriate insurer(s) or sureties consent to the occupancy or use, and (c) appropriate public authorities authorize the occupancy or use. Such partial occupancy or use shall constitute Substantial Completion of that portion of the Work. Design-Builder shall not unreasonably withhold consent to partial occupancy or use. Owner shall not unreasonably refuse to accept partial occupancy or use, provided such partial occupancy or use is of value to Owner.

9.5. FINAL PAYMENT

9.5.1. Final payment, consisting of the unpaid balance of the Contract Price, shall be due and payable when the Work is fully completed. Before issuance of final payment, Owner may request satisfactory evidence that all payrolls, materials bills, and other indebtedness connected with the Work have been paid or otherwise satisfied.

9.5.2. In making final payment Owner waives all claims except for:

9.5.2.1. outstanding liens;

9.5.2.2. improper workmanship or defective materials appearing within one year after the date of Substantial Completion;

9.5.2.3. Work not in conformance with the Contract Documents; and

9.5.2.4. terms of any special warranties required by the Contract Documents.

9.5.3. In accepting final payment, Design-Builder waives all claims except those previously made in writing and which remain unsettled.

ARTICLE 10 INDEMNITY, INSURANCE, AND BONDS

10.1. INDEMNITY

10.1.1. To the fullest extent permitted by law, Design-Builder shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees (the Indemnitees) from all claims for bodily injury and property damage, other than to the Work itself and other property required to be insured under §10.3, including reasonable attorneys' fees, costs, and expenses that may arise from the performance of the Work, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, Subcontractors, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. Design-Builder shall not be required to indemnify or hold harmless the Indemnitees for any negligent or intentionally wrongful acts or omissions of the Indemnitees. Design-Builder shall be entitled to



reimbursement of any defense costs paid above Design-Builder's percentage of liability for the underlying claim to the extent provided for by the subsection below.

10.1.2. To the fullest extent permitted by law, Owner shall indemnify and hold harmless Design-Builder, its officers, directors, or members, Subcontractors, or anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured under §10.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Others, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Others. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided for by the subsection above.

10.1.3. NO LIMITATION ON LIABILITY In any and all claims against the Indemnitees by any employee of Design-Builder, anyone directly or indirectly employed by Design-Builder or anyone for whose acts Design-Builder may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Design-Builder under Workers' Compensation acts, disability benefit acts, or other employee benefit acts.

10.2. DESIGN-BUILDER'S LIABILITY INSURANCE

10.2.1. Before commencing the Work and as a condition for payment, Design-Builder shall procure and maintain in force Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance (CGL). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. Design-Builder shall maintain completed operations liability insurance for one year after Substantial Completion, or as required by the Contract Documents, whichever is longer. Design-Builder's Employers' Liability, Business Automobile Liability, and CGL policies shall be written with at least the following limits of liability.

10.2.1.1. Employers' Liability Insurance

- (a) \$1,000,000.00 bodily injury by accident per accident
- (b) \$1,000,000.00 bodily injury by disease policy limit
- (c) \$1,000,000.00 bodily injury by disease per employee

10.2.1.2. Business Automobile Liability Insurance per accident \$1,000,000.00.

10.2.1.3. Commercial General Liability Insurance

- (a) Per occurrence \$1,000,000.00
- (b) General aggregate \$2,000,000.00
- (c) Products/completed operations aggregate \$1,000,000.00
- (d) Personal and advertising injury limit \$1,000,000.00

10.2.2. Employers' Liability, Business Automobile Liability, and Commercial General Liability coverage required under §10.2.1 may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by Excess or Umbrella Liability policies.

10.2.3. Design-Builder shall maintain in effect all insurance coverage required under §10.2.1 with insurance companies lawfully authorized to do business in the jurisdiction in which the Project is



located. If Design-Builder fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to Design-Builder, or terminate this Agreement.

10.2.4. To the extent commercially available to Design-Builder and its current insurance company, insurance policies required under §10.2.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed by the insurance company and (b) within 10 Business Days after cancellation of coverage by the insurance company. Before commencing the Work and upon renewal or replacement of the insurance policies, Design-Builder shall furnish Owner with certificates of insurance until one year after Substantial Completion or longer if required by the Contract Documents. In addition, if any insurance policy required under §10.2.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, Design-Builder shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

10.3. PROPERTY INSURANCE

10.3.1. Unless otherwise directed in writing by Owner, before starting the Work, Design-Builder shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss, including existing structures. This insurance shall also: (a) name Design-Builder, Subcontractors, Subsubcontractors, Suppliers, and Design Professional as insureds; (b) be written in such form as to cover all risks of physical loss except those specifically excluded by the policy; and (c) insure at least against and not exclude:

10.3.1.1. the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft (except aircraft, including helicopter, operated by or on behalf of the Contractor) and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water damage, wind damage, testing if applicable, collapse however caused;

10.3.1.2. damage resulting from defective design, workmanship, or material;

10.3.1.3. coverage extension for damage to existing buildings, plant, or other structures at the Worksite, when the Project is contained within or attached to such existing buildings, plant, or structures. Coverage shall be to the extent loss or damage arises out of Constructor's activities or operations at the Project;

10.3.1.4. equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment;

10.3.1.5. testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and

10.3.1.6. physical loss resulting from Terrorism.

10.3.2. The Party that is the primary cause of a Builder's Risk Policy claim shall be responsible for any deductible amounts or coinsurance payments. If no Party is the primary cause of a claim, then the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 shall be responsible for the deductible amounts or coinsurance payments. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until final payment has been made or until no person or entity other than Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. Partial occupancy or use of the Work shall not commence until Design-Builder has secured the consent of the insurance company or companies providing the



coverage required in this subsection. Before commencing the Work, Design-Builder shall provide a copy of the property policy or policies obtained in compliance with §10.3.1.

10.3.3. If Owner elects to purchase the property insurance required by this Agreement, including all of the same coverages and deductibles for the same duration specified in §10.3.1, then Owner shall give written notice to Design-Builder and the Design Professional before the Work is commenced and provide a copy of the property policy or policies obtained in compliance with §10.3.1. Owner may then provide insurance to protect its interests and the interests of the Design-Builder, Subcontractors, Suppliers, and Subsubcontractors. The cost of this insurance shall be paid by Owner in a Change Order. If Owner gives written notice of its intent to purchase property insurance required by this Agreement and fails to purchase or maintain such insurance, Owner shall be responsible for costs reasonably attributed to such failure.

10.3.4. The Parties waive all rights against each other and their respective employees, agents, contractors, subcontractors and subsubcontractors, and design professionals for damages caused by risks covered by the property insurance except such rights as they may have to the proceeds of the insurance.

10.3.5. RISK OF LOSS Except to the extent a loss is covered by applicable insurance, risk of loss or damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 until the Date of Final Completion.

10.4. ADDITIONAL GENERAL LIABILITY COVERAGE

10.4.1. Owner ☐ shall/ ☒ shall not require Design-Builder to purchase and maintain additional liability coverage.

10.4.2. If required by the above subsection, the additional liability coverage required of Design-Builder shall be:

☒ Additional Insured. Owner shall be named as an additional insured on Design-Builder's Commercial General Liability Insurance specified, for on-going operations and completed operations, excess/umbrella liability, commercial automobile liability, and any required pollution liability, but only with respect to liability for bodily injury, property damage, or personal and advertising injury to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, or those acting on Design-Builder's behalf, in the performance of Design-Builder's Work for Owner at the Worksite. The insurance of the Subcontractor shall be primary and non-contributory to any insurance available to the Additional Insureds.

☐ OCP. Design-Builder shall provide an Owners' and Contractors' Protective Liability Insurance ("OCP") policy with limits equal to the limits on Commercial General Liability Insurance specified, or limits as otherwise required by Owner.

Any documented additional cost in the form of a surcharge associated with procuring the additional liability coverage in accordance with this subsection shall be paid by Owner directly or the costs may be reimbursed by Owner to Design-Builder by increasing the contract price to correspond to the actual cost required to purchase and maintain the additional liability coverage.

Before commencing the Work, Design-Builder shall provide either a copy of the OCP policy, or a certificate and endorsement evidencing that Owner has been named as an additional insured, as applicable.



10.5. ROYALTIES, PATENTS, AND COPYRIGHTS Design-Builder shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods, or systems selected by Design-Builder and incorporated in the Work. Design-Builder shall indemnify and hold Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of such selection. Owner agrees to indemnify and hold Design-Builder harmless from any suits or claims of infringement of any patent rights or copyrights arising out of any patented or copyrighted materials, methods, or systems specified by Owner.

10.6. PROFESSIONAL LIABILITY INSURANCE Design-Builder shall obtain, either itself or through Design Professional, professional liability insurance for claims arising from the negligent performance of professional services under this Agreement, which shall be:

☒ Practice Policy or ☐ Project Specific Coverage

written for not less than \$2,000,000.00 per claim and in the aggregate with a deductible not to exceed \$100,000.00. The Professional Liability Insurance shall include prior acts coverage sufficient to cover all services rendered by Design Professional. This coverage shall be continued in effect for 5 year(s) after the Date of Substantial Completion.

10.7. BONDING

10.7.1. Performance and Payment Bonds ☒ are/ ☐ are not required of Design-Builder. Such bonds shall be issued by a surety licensed in the state in which the Project is located and must be acceptable to Owner. Owner's acceptance shall not be withheld without reasonable cause.

10.7.2. Such Performance Bond shall be issued in the penal sum equal to one hundred percent (100%) of the:

- ☒ Contract price, including design and construction.
- ☐ Agreed estimated construction cost of the Project as reflected in the Schedule of Values.

Such Performance Bond shall cover the cost to complete the Work, but shall not cover any damages of the type specified to be covered by the insurance pursuant to §10.2 and §10.3, whether or not such insurance is provided or in an amount sufficient to cover such damages.

10.7.3. The penal sum of the Payment Bond shall equal the penal sum of the Performance Bond. Design-Builder's payment bond for the Project, if any, shall be made available by Owner or Design-Builder upon Subcontractor's written request.

10.7.4. Design-Builder shall endeavor to keep its surety advised of changes within the scope of the initial Agreement potentially impacting the Contract Price or the Dates of Substantial Completion or Final Completion, though Design-Builder shall require that its surety waives any requirement to be notified of any alteration or extension of time.

ARTICLE 11 SUSPENSION, NOTICE TO CURE, AND TERMINATION

11.1. SUSPENSION BY OWNER FOR CONVENIENCE

11.1.1. Owner may order Design-Builder in writing to suspend, delay, or interrupt all or any part of the Work without cause for such period of time as Owner may determine to be appropriate for its convenience.



11.1.2. Adjustments caused by suspension, delay, or interruption shall be made for increases in the Contract Price or the Date of Substantial Completion or the Date of Final Completion. No adjustment shall be made if Design-Builder is or otherwise would have been responsible for the suspension, delay, or interruption of the Work, or if another provision of this Agreement is applied to render an equitable adjustment.

11.2. NOTICE TO CURE A DEFAULT

11.2.1. If Design-Builder persistently fails to supply enough qualified workers, proper materials, or equipment to maintain the approved Construction Schedule, or fails to make prompt payment to its workers, Subcontractors, or Suppliers, disregards Laws or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, Design-Builder may be deemed in default.

If Design-Builder fails within seven (7) Days after receipt of written notice to commence and continue satisfactory correction of such default, then Owner shall give Design-Builder a second notice to correct the default within a three (3) Day period.

11.2.2. After receiving Owner's written notice, if Design-Builder fails to promptly commence and continue satisfactory correction of the default, then Owner without prejudice to any other rights or remedies may: (a) take possession of the Worksite; (b) complete the Work utilizing any reasonable means; (c) withhold payment due to Design-Builder; and (d) as Owner deems necessary, supply workers and materials, equipment, and other facilities for the satisfactory correction of the default, and charge Design-Builder the costs and expenses, including reasonable Overhead, profit, and attorneys' fees.

11.2.3. In the event of an emergency affecting the safety of persons or property, Owner may immediately commence and continue satisfactory correction of a default without first giving written notice to Design-Builder, but shall give a Design-Builder prompt notice.

11.3. OWNER'S RIGHT TO TERMINATE FOR DEFAULT

11.3.1. **TERMINATION BY OWNER FOR DEFAULT** Upon expiration of the second notice for default period pursuant to §12.2 and absent appropriate corrective action, Owner may terminate this Agreement by written notice. Termination for default is in addition to any other remedies available to Owner under §12.2. If Owner's costs arising out of Design-Builder's failure to cure, including the costs to complete the Work and reasonable attorneys' fees, exceed the GMP, Design-Builder shall be liable to Owner for such excess costs. If Owner's costs are less than the GMP, Owner shall pay the difference to Design-Builder. If Owner exercises its rights under this section, upon the request of Design-Builder, Owner shall furnish to Design-Builder a detailed accounting of the costs incurred by Owner.

11.3.2. If Design-Builder files a petition under the bankruptcy code, this Agreement shall terminate if Design-Builder or Design-Builder's trustee rejects the Agreement or, if a default occurs and Design-Builder is unable to give adequate assurance of required performance; or (c) Design-Builder is otherwise unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.

11.3.3. Owner shall make reasonable efforts to mitigate damages arising from Design-Builder's default, and shall promptly invoice Design-Builder for all amounts due.

11.4. **TERMINATION BY OWNER FOR CONVENIENCE** If Owner terminates this Agreement other than as set forth in §11.1.2, Owner shall pay Design-Builder for all Work executed and for all proven loss, cost,



or expense in connection with the Work, plus all demobilization costs. In addition, Design-Builder shall be paid an amount calculated as set forth below:

11.4.1. If Owner terminates this Agreement before commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values and a premium as set forth below: \$0.00.

11.4.2. If Owner terminates this Agreement after commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values, the Construction services provided to date, reasonable attorneys' fees and costs related to termination, and a premium as set forth below: \$0.00.

11.4.3. Owner shall also pay to Design-Builder fair compensation, either by purchase or rental at the election of Owner, for all equipment retained. Owner shall assume and become liable for obligations, commitments, and unsettled claims that Design-Builder has previously undertaken or incurred in good faith in connection with the Work or as a result of the termination of this Agreement. As a condition of receiving the payments provided under this article, Design-Builder shall cooperate with Owner by taking all steps necessary to accomplish the legal assignment of Design-Builder's rights and benefits to Owner, including the execution and delivery of required papers.

11.5. TERMINATION BY DESIGN-BUILDER

11.5.1. Seven (7) Days' after Owner's receipt of written notice from Design-Builder, Design-Builder may terminate this Agreement for any of the following reasons: if the Work has been stopped for a thirty (30) Day period through no fault of the Design-Builder: (a) under court order or order of other governmental authorities having jurisdiction, or (b) as a result of the declaration of a national emergency or other governmental act emergency during which, through no act or fault of Design-Builder, materials are not available; (c) Work is suspended by Owner for Convenience;

11.5.2. In addition, upon seven (7) Days written notice to Owner and an opportunity to cure within three (3) Days, Constructor may terminate this Agreement if Owner: (a) fails to furnish reasonable evidence that sufficient funds are available and committed for the entire cost of the Project ;(b) assigns this Agreement over Design-Builder's reasonable objection; (c) fails to pay Design-Builder in accordance with this Agreement and Design-Builder stopped Work accordingly; or (d) otherwise materially breaches this Agreement.

11.5.3. Upon termination by Design-Builder in accordance with §11.5.1, Design-Builder shall be entitled to recover from Owner payment for all Work executed and for all proven loss, cost, or expense in connection with the Work, plus all demobilization costs and reasonable damages. In addition, Design-Builder shall be paid an amount calculated as set forth either in §11.4.1 or §11.4.2, depending on when the termination occurs, and §11.4.3.

ARTICLE 12 DISPUTE MITIGATION OR RESOLUTION

12.1. **WORK CONTINUANCE AND PAYMENT** Unless otherwise agreed in writing, Design-Builder shall continue the Work and maintain the approved schedules during any dispute mitigation or resolution proceedings. If Design-Builder continues to perform, Owner shall continue to make payments in accordance with the Agreement.

12.2. **DIRECT DISCUSSIONS** If the Parties cannot reach resolution on a matter relating to or arising out of this Agreement, the Parties shall endeavor to reach resolution through good faith direct discussions between the Parties' representatives, who shall possess the necessary authority to resolve such matter and who will record the date of first discussions. If the Parties' representatives are not able to resolve such matter within five (5) Business Days of the date of first discussion, the Parties' representatives shall



immediately inform senior executives of the Parties in writing that a resolution could not be reached. Upon receipt of such notice, the senior executives of the Parties shall meet within five (5) Business Days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) Days from the date of first discussion, the Parties shall submit such matter to the dispute mitigation and dispute resolution procedures selected below.

12.3. MITIGATION If the Parties select one of the dispute mitigation procedures provided below, disputes remaining unresolved after direct discussions shall be directed to the selected mitigation procedure. The dispute mitigation procedure shall result in a nonbinding finding on the matter, which may be introduced as evidence at a subsequent binding adjudication of the matter, as designated in §12.5. The Parties agree that the dispute mitigation procedure shall be:

☒ Project Neutral (Neutral) or ☐ Dispute Review Board (DRB)

12.4. MITIGATION PROCEDURES As soon as practicable after Agreement execution, the Neutral or DRB shall be mutually selected and appointed by the Parties and shall execute a retainer agreement with the Parties establishing the scope of responsibilities, including requirements for nonbinding findings. Costs and expenses of the Neutral or DRB shall be shared equally by the Parties. The Neutral or DRB shall be available to either Party, upon request, throughout the course of the Project, and shall make regular visits to the Project so as to maintain an up-to-date understanding of the Project progress and issues and to enable the Neutral or DRB to address matters in dispute between the Parties promptly and knowledgeably.

12.4.1. If the matter remains unresolved following the issuance of the nonbinding finding or such findings are not made by the mitigation procedure or if the Neutral/Board fails to issue nonbinding findings within five (5) Business Days of the referral, the Parties shall submit the matter to the binding dispute resolution procedure designated in §12.6.

12.4.2. If the Parties execute a DRB Addendum, then the dispute mitigation procedures and time requirements in §12.4.1 and §12.4.2. shall be governed by that DRB Addendum.

12.5. MEDIATION If direct discussions pursuant to §12.1 do not result in resolution of the matter and no dispute mitigation procedure is selected under §12.2, the Parties shall endeavor to resolve the matter by mediation through the current Construction Industry Mediation Rules of the American Arbitration Association (AAA), or the Parties may mutually agree to select another set of mediation rules. The administration of the mediation shall be as mutually agreed by the Parties. The mediation shall be convened within thirty (30) Business Days of the matter first being discussed and shall conclude within forty-five (45) Business Days of the matter first being discussed. Either Party may terminate the mediation at any time after the first session by written notice to the non-terminating Party and mediator. The costs of the mediation shall be shared equally by the Parties.

12.6. BINDING DISPUTE RESOLUTION If the matter is unresolved after submission of the matter to a mitigation procedure or to mediation, the Parties shall submit the matter to the binding dispute resolution procedure selected below.

12.7. ARBITRATION.

☐ The Parties choose binding arbitration for any claim or dispute arising out of or relating to this Agreement. **EACH PARTY WAIVES THEIR RIGHT TO BE HEARD IN A COURT OF LAW**, with or without a jury. Arbitration does not involve a judge or jury. Instead, an arbitrator with the power to award damages and other appropriate relief will decide claims and disputes. An arbitrator's award shall be final and binding upon the Parties, and judgment may be entered upon it in any court having jurisdiction.



12.7.1. Neither Party may commence arbitration if the claim or cause of action would be barred by the applicable statute of limitations had the claim or cause of action been filed in a state or federal court. Receipt of a demand for arbitration by the person or entity administering the arbitration shall constitute the commencement of legal proceedings for the purposes of determining whether a claim or cause of action is barred by the applicable statute of limitations. If, however, a state or federal court exercising jurisdiction over a timely filed claim or cause of action orders that the claim or cause of action be submitted to arbitration, the arbitration proceeding shall be deemed commenced as of the date the court action was filed, provided that the Party asserting the claim or cause of action files its demand for arbitration with the person or entity administering the arbitration within thirty (30) Days after the entry of such order.

12.7.2. The arbitration shall use the following rules:

- ☒ the current AAA Construction Industry Arbitration Rules and AAA administration. AAA Construction Fast Track Rules shall apply to all two-party cases when neither Party's disclosed claim or counterclaim exceeds \$250,000. If arbitration is selected but no rules are selected, then this subsection shall apply by default;
- ☐ the current JAMS Engineering and Construction Arbitration Rules and Procedures and administered by JAMS; or
- ☐ the current arbitration rules of [] and administered by [].

12.8. LITIGATION

☒ Litigation in either the state or federal court having jurisdiction of the matter in the location of the Project

If not indicated, then litigation is default as opposed to arbitration.

12.8.1. **COSTS** The costs of any binding dispute resolution procedures and reasonable attorneys' fees shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

12.8.2. **VENUE** The Project location shall serve as the venue.

12.9. **MULTIPARTY PROCEEDING** The Parties agree that all Parties necessary to resolve a matter shall be Parties to the same dispute resolution procedure, if possible. Appropriate provisions shall be included in all other contracts relating to the Work to provide for the joinder or consolidation of such dispute resolution proceedings.

12.10. **LIEN RIGHTS** Nothing in this article shall limit any rights or remedies not expressly waived by Design-Builder that Design-Builder may have under lien laws.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1. **EXTENT OF AGREEMENT** Except as expressly provided, this Agreement is solely for the benefit of the Parties, represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement and each and every provision is for the exclusive benefit of The Parties and not for the benefit of any third party.



13.2. **ASSIGNMENT** Neither Owner nor Design-Builder shall assign its interest in this Agreement without the written consent of the other except as to the assignment of proceeds. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives. Neither Party to this Agreement shall assign the Agreement as a whole without written consent of the other except that Owner may assign the Agreement to a wholly owned subsidiary of Owner when Owner has fully indemnified Design-Builder or to an institutional lender providing construction financing for the Project as long as the assignment is no less favorable to Design-Builder than this Agreement. In the event of such assignment, Design-Builder shall execute all consents reasonably required. In such event, the wholly-owned subsidiary or lender shall assume Owner's rights and obligations under the Contract Documents. If either Party attempts to make such an assignment, that Party shall nevertheless remain legally responsible for all obligations under the Agreement, unless otherwise agreed by the other Party.

13.3. **GOVERNING LAW** The Law in effect at the location of the Project shall govern this Agreement.

13.4. **SEVERABILITY** The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

13.5. **NOTICE** Unless changed in writing, a Party's address indicated in ARTICLE 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service.

13.6. **NO WAIVER OF PERFORMANCE** The failure of either Party to insist, in any one or more instances, on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, condition, or right with respect to further performance.

13.7. **TITLES AND GROUPINGS** The title given to the articles and sections are for ease of reference only and shall not be relied upon or cited for any other purpose.

13.8. **JOINT DRAFTING** The Parties expressly agree that this Agreement was jointly drafted, and that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms before execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

ARTICLE 14 CONTRACT DOCUMENTS

14.1. **CONTRACT DOCUMENTS** The Contract Documents are as follows:

- (a) This Agreement;
- (b) Basis of Design/Owner's Program;
- (c) Owner-provided information pursuant to §3.6.3 and other Owner information identified as intended to be a contract document;
- (d) The Schematic Design Documents upon Owner approval pursuant to §2.4.17;
- (e) The Design Development Documents upon Owner approval pursuant to §3.1;
- (f) The Construction Documents upon Owner approval under §3.1;
- (g) Change Order, Interim Directives, and amendments issues in accordance with this Agreement.
- (h) Other: .



14.2. ORDER OF PRECEDENCE In case of any inconsistency, conflict, or ambiguity among the Contract Documents, the documents shall govern in the following order: (a) Change Orders and written amendments to this Agreement; (b) this Agreement; (c) design documents approved by Owner pursuant to §2.4.17 and §3.1.3 in order of the most recently approved; (d) information furnished by Owner pursuant to §4.1 or designated as a Contract Document in §ARTICLE 14; (e) other documents listed in this Agreement. Except as otherwise provided, among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control. Where figures are given, they shall be preferred to scaled dimensions. Unless otherwise specifically defined in this Agreement, any terms that have well-known technical or trade meanings shall be interpreted in accordance with their well-known meanings.

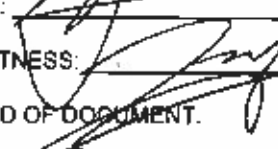
OWNER: Legacy Cares, Inc.

BY:  NAME: Douglas Moss TITLE: President

WITNESS:  NAME: Chad Miller TITLE: Chief Executive Officer (Legacy Sports USA)

DESIGN-BUILDER: JS Waltz Construction, LLC

BY:  NAME: Matt Waltz TITLE: President

WITNESS:  NAME: Jay Green TITLE: Project Executive

END OF DOCUMENT.



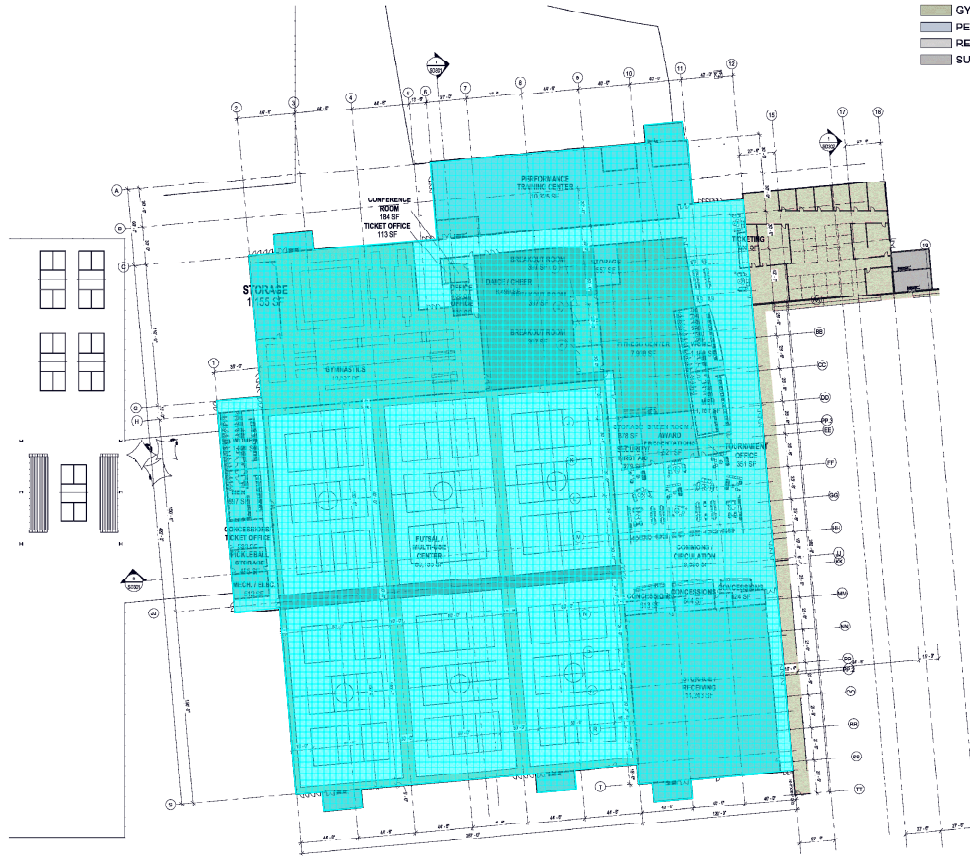
12 - Building A - 185,184 SF

LEGEND

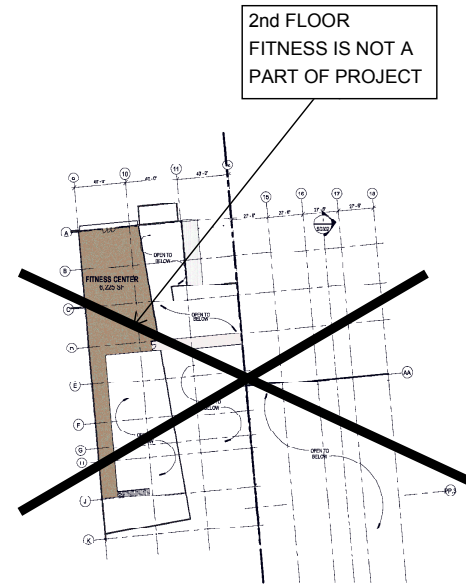
- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- DANCE / CHEER
- EVENT
- FITNESS CENTER
- GYMNASICS
- PERFORMANCE TRAINING CENTER
- RESTROOMS
- SUPPORT SPACE

LEGEND

- CIRCULATION
- FITNESS CENTER



FIRST FLOOR PLAN



Executive Level Floor Plan



Legacy Sports Park - Legacy Multi-Purpose & Fieldhouse

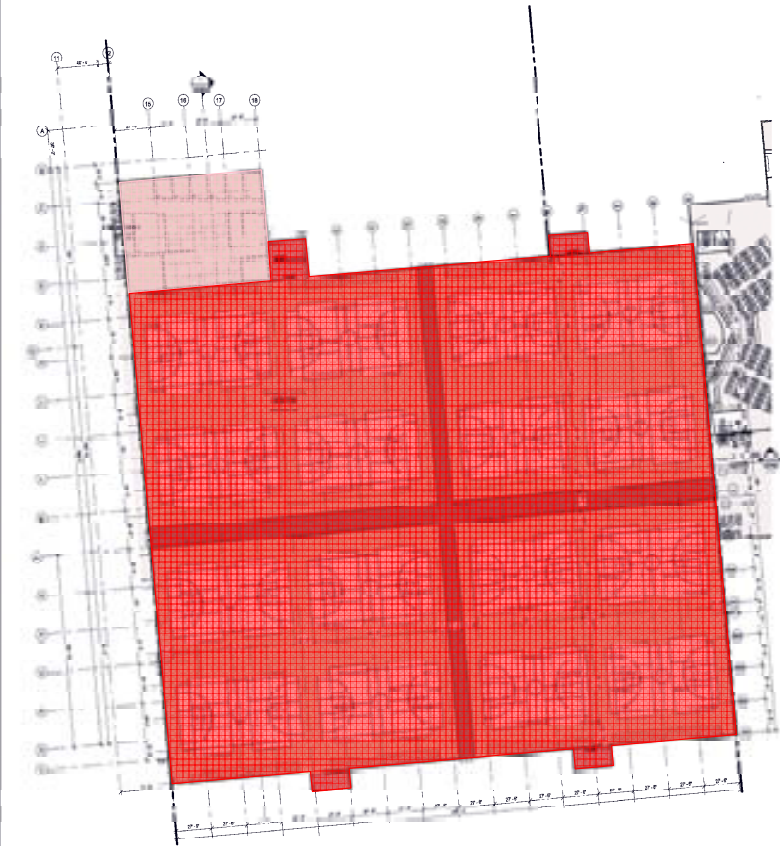
Mesa, Arizona

First Floor Plan - Building A

- 13 - Building B - Gym - 171,362 SF
- 14 - Building B - Admin - 9,579 SF

LEGEND

- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- EVENT
- RESTROOMS
- SUPPORT SPACE

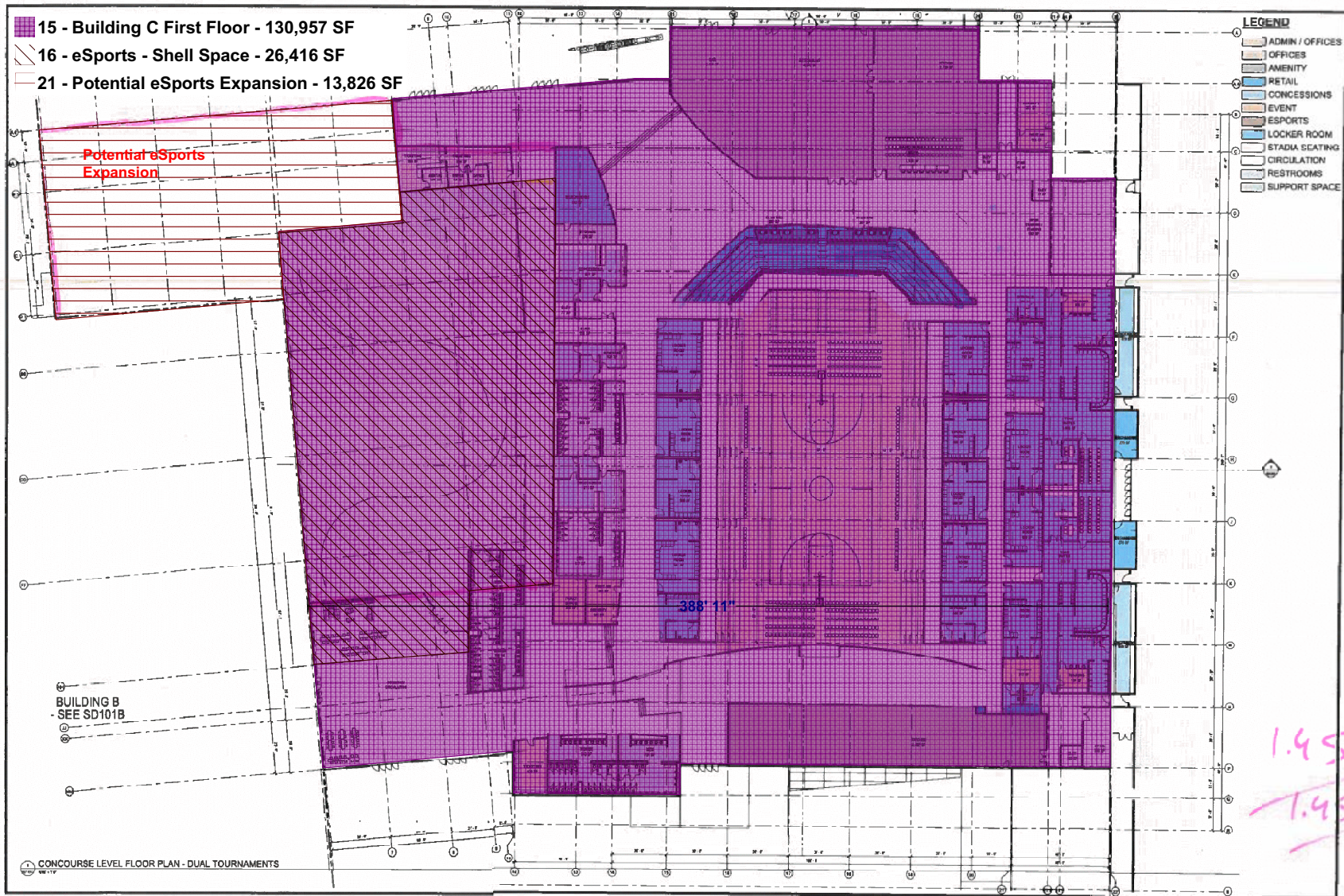


LEGEND



Legacy Sports Park - Legacy Multi-Purpose & Fieldhouse
Mesa, Arizona

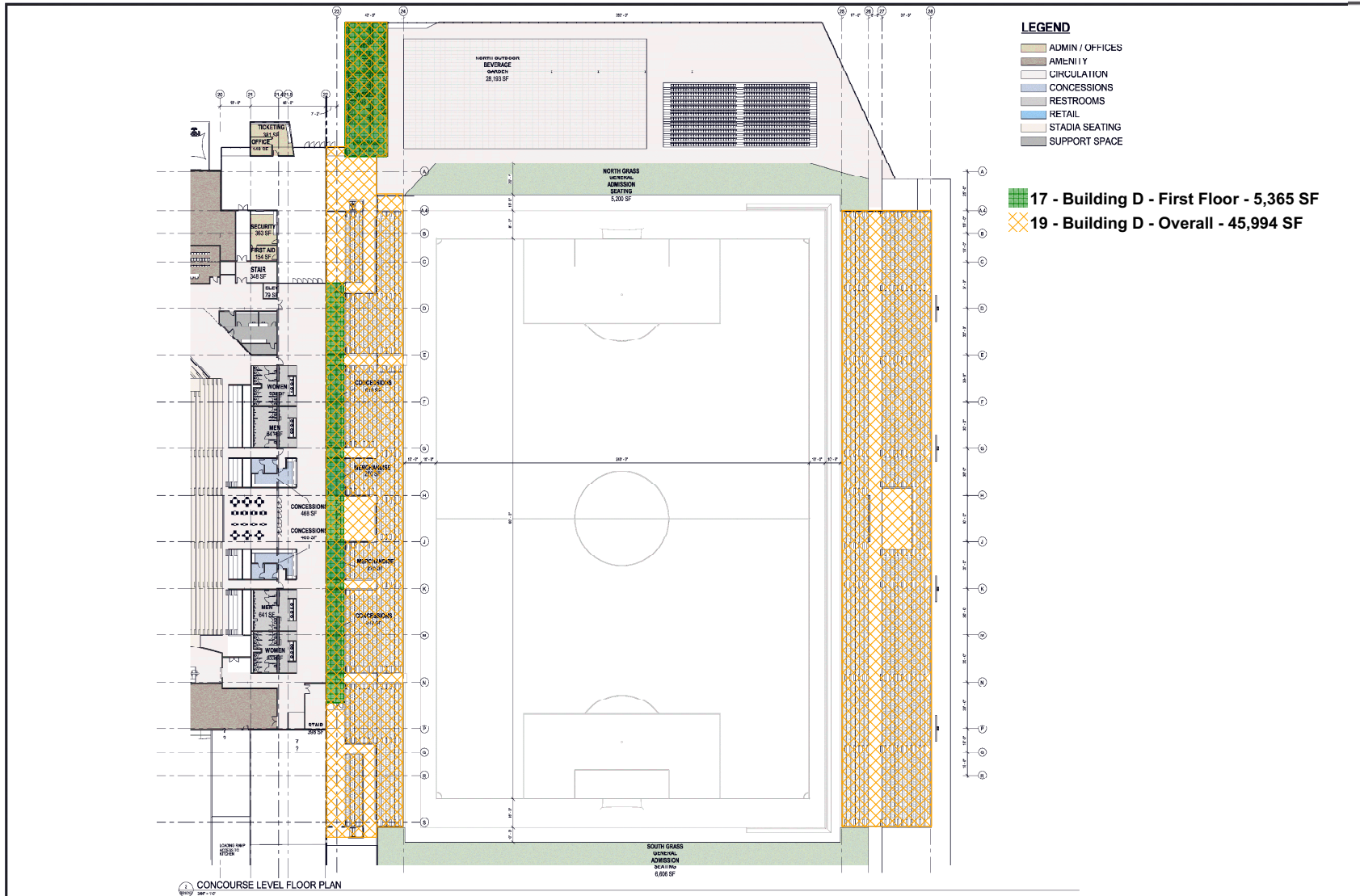
First Floor Plan - Building B



Legacy Sports Park - Legacy Center

Concourse Level Floor Plan -
Building C

ICON

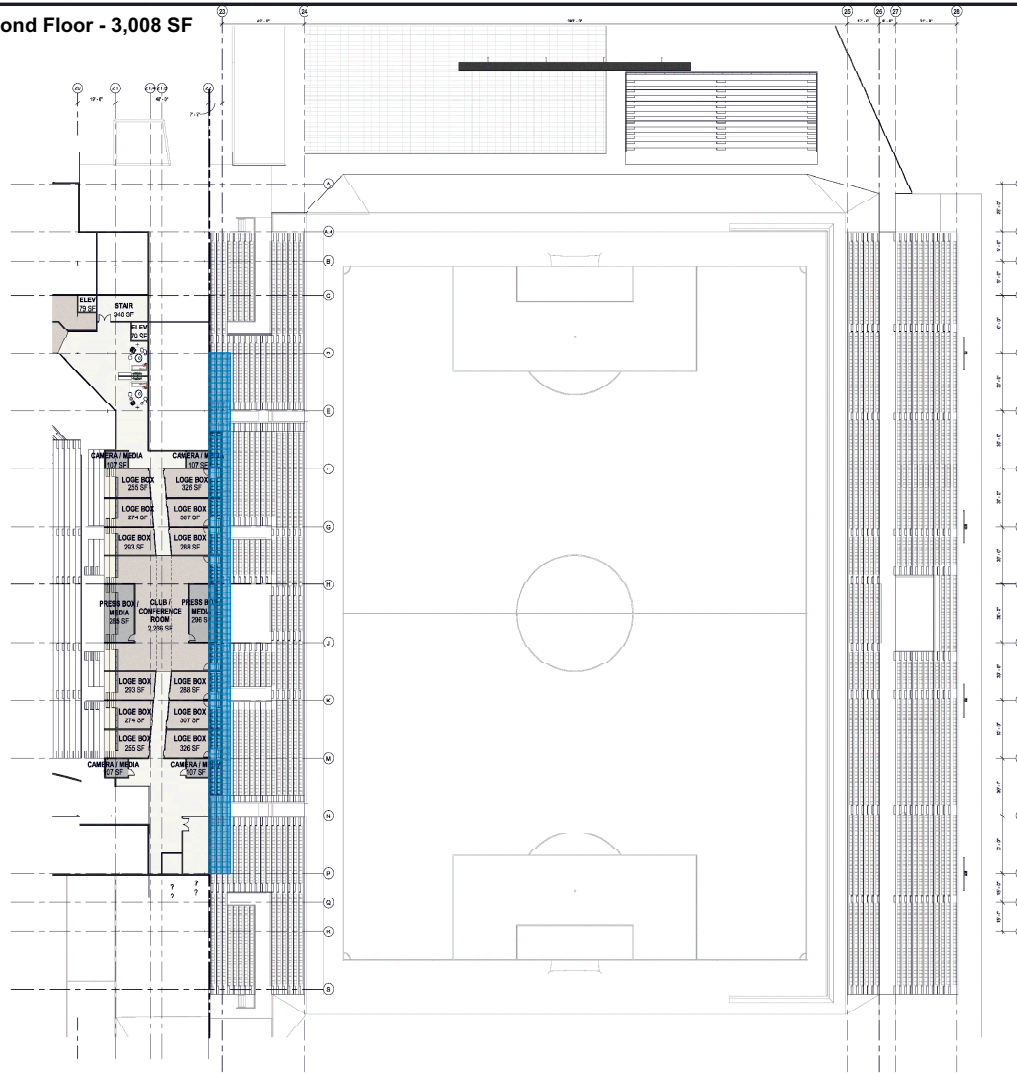


Legacy Sports Park - Legacy Stadium

Mesa, Arizona

CONCOURSE FLOOR PLAN - BUILDING D

18 - Building D - Second Floor - 3,008 SF



LEGEND

- CIRCULATION
- LOUNGE
- STADIA SEATING
- SUPPORT SPACE

CLUB LEVEL FLOOR PLAN

SEATING COUNT	
BASKETBALL / FOOT / RUGBY	2,150
FIXED SEATS	832
RETRACTABLE SEATING*	400
CLUB SEATS	320
TOTAL	1,552
E-SPORTS	
FIXED SEATS	1,218
GAMING STATIONS	200
TOTAL	1,418
SOCCER	
FIXED SEATS	6,101
CLUB SEATS	175
CLUB SEATS	300
NORTH GENERAL ADMISSION	700
SOUTH GENERAL ADMISSION	750
TOTAL	8,126
NORTH TEMPORARY BLEACHERS *3,430	
SOUTH TEMPORARY BLEACHERS *4,420	
TOTAL	16,016
ALL COUNTS APPROXIMATE	
*RETRACTABLE SEATING SECTIONS NOT SUITABLE FOR ALL EVENT LAYOUTS	



Date:	08/15/20
CLUB LEVEL	458,200
CONCOURSE	57,200
CANOPY	58,250
ni Building (SF)	533,650

Gross Site Area Disturbed:	13,599,200
Gross Off-Site Area Disturbed:	340,000
Duration in Months:	24.0

WALTZ CONSTRUCTION
440 S 48th Street, Suite 105, Tempe, Arizona 85281 P. 480.459.9622
Page 1 of 3



EXHIBIT A - COST SUMMARY

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICON / Drexel / Winslow
Estimate Type: Proposal

Date: 06/18/20
CLUB LEVEL: 406,300
CONCOURSE: 87,200
CANOPY: 98,230
Total Building (SF): 593,690

Gross Site Area Disturbed: 13,969,200
Gross Off-Site Area Disturbed: 340,000
Duration in Months: 24.0

Project Summary - BREAKDOWN BY CSI DIVISION						Contract 1			Contract 2			Contract 3			Project									
CSI Division						Site Prep	SF Adjustment	Cost / SF	Site	Buildings A/B	SF Adjustment	Cost / SF	A/B	Buildings C/D	SF Adjustment	Cost / SF	C/D	Total	Comments	Comments	Cost/SF	BSF		
Div 06	FINISHED CARPENTRY									\$ 196,870	(9,000.00)	\$0.50	\$ (4,500)	\$ 1,084,991	(51,300.00)	\$0.00	\$ (256,500)	\$ 1,020,861	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$152,288 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$33,229 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$19,106 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$12,461 in savings.			\$1.91	/BSF
Div 07	THERMAL PROTECTION / SEALANTS									\$ 425,803	(9,000.00)	\$0.60	\$ (5,400)	\$ 613,185	(51,300.00)	\$2.25	\$ (115,425)	\$ 918,163	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$137,077 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$25,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$6,540 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$3,761 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$2,453 in savings.			\$1.72	/BSF
Div 07	ROOFING & ACCESSORIES									\$ 1,865,097	(9,000.00)	\$6.50	\$ (58,500)	\$ 905,863	(51,300.00)	\$5.25	\$ (269,325)	\$ 2,443,135	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$234,342 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$70,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$27,146 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$15,609 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$10,180 in savings.			\$4.58	/BSF
Div 08	DOORS, FRAMES AND HARDWARE									\$ 325,075	(9,000.00)	\$0.50	\$ (4,500)	\$ 274,675	(51,300.00)	\$1.20	\$ (61,560)	\$ 533,690	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$78,253 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$50,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$21,284 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,238 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$7,982 in savings.			\$1.00	/BSF
Div 08	GLASS & GLAZING									\$ 912,160	(9,000.00)	\$2.00	\$ (18,000)	\$ 1,354,544	(51,300.00)	\$6.00	\$ (307,800)	\$ 1,940,904	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$289,466 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$200,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$46,534 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$26,757 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$17,450 in savings.			\$3.64	/BSF
Div 09	EPS / STUCCO									\$ -		\$ -	\$ -	\$ -		\$ -	\$ -	\$ 2,232,426	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$305,921 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$18,671. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$70,241 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,389 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$26,341 in savings.			\$4.18	/BSF
Div 09	METAL STUDS / DRYWALL / FRP									\$ 1,261,227	(9,000.00)	\$5.00	\$ (45,000)	\$ 1,285,524	(51,300.00)	\$5.25	\$ (269,325)	\$ 2,269,325	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$186,742 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$12,357 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,855 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$8,384 in savings.			\$2.78	/BSF
Div 09	PAINTING									\$ 899,137	(9,000.00)	\$2.25	\$ (20,250)	\$ 708,292	(51,300.00)	\$2.00	\$ (102,600)	\$ 1,484,579	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$48,940 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$9,695 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$5,575 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$3,636 in savings.			\$0.65	/BSF
Div 09	ACOUSTICAL TREATMENT									\$ 456,679	(9,000.00)	\$1.25	\$ (11,250)	\$ 227,689	(51,300.00)	\$1.00	\$ (51,300)	\$ 621,818	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$81,105 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$24,584 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$9,536 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$9,219 in savings.			\$1.17	/BSF
Div 09	CERAMIC TILE									\$ 125,319	(9,000.00)	\$0.25	\$ (2,250)	\$ 289,602	(51,300.00)	\$1.25	\$ (64,125)	\$ 348,545	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$48,940 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$9,695 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$5,575 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$3,636 in savings.			\$0.65	/BSF
Div 09	FLOORING									\$ 3,207,311	(9,000.00)	\$9.25	\$ (83,250)	\$ 892,455	(51,300.00)	\$4.00	\$ (205,200)	\$ 3,811,316	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$464,110 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$50,732 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$25,171 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$19,025 in savings.			\$7.14	/BSF
Div 10	SPECIALTIES									\$ 438,667		\$ -	\$ -	\$ 506,304	(51,300.00)	\$2.00	\$ (102,600)	\$ 842,373	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/27/20) Legacy removed Site Signage from Waltz Scope = \$588,202 savings.			\$1.58	/BSF
Div 11	MISC EQUIPMENT									\$ 526,680		\$ -	\$ -	\$ 277,020		\$ -	\$ -	\$ 803,700	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	Waltz Bldg B Telecoping Bleachers = \$600,000; Bldg C Telecoping Bleachers = \$450,000; Bldg C Fixed Seating = \$787,500; Bldg D Bleacher Runs = \$225,000			\$1.51	/BSF
Div 12	WINDOW FURNISHINGS									\$ 60,000	(9,000.00)	\$0.15	\$ (1,350)	\$ 75,360	(51,300.00)	\$0.25	\$ (12,825)	\$ 121,185	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.				\$0.23	/BSF



EXHIBIT A - COST SUMMARY

Date: 06/18/20
CLUB LEVEL 486,300
CONCOURSE 87,200

CANOPY 88,230
Total Building (SF) 583,690

Gross Site Area Disturbed: 13,989,200
Gross Office Area Disturbed: 340,000
Duration in Months: 24.0

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICON / Drexel | Winslow
Estimate Type: Proposal

Project Summary - BREADAWAY BY CSI DIVISION										Contract 1			Contract 2			Contract 3			Project		Comments		Comments		Dues/RF				
CSI Division		Site Prep	SF Adjustment	Cost / SF	S/S	Buildings A/B	SF Adjustment	Cost / SF	A/B	Buildings C/D	SF Adjustment	Cost / SF	C/D	Total	Comments		Comments		Dues/RF										
Div 13	DOCK EQUIPMENT / ROLL UP DOORS					\$ 330,540	(9,000.00)	\$0.52	\$ (4,661)	\$ 92,500	(\$1,300.00)	\$0.40	\$ (20,641)	\$ 897,738	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/24/20) Legacy cut 2nd floor restaurant eliminating elevator = \$75,000 savings.	\$0.79	/BSF						
Div 14	CONVEYING					\$ -		\$0.00	\$ -	\$ 420,000			\$ -	\$ 420,000															
Div 15	FIRE PROTECTION					\$ 878,332	(9,000.00)	\$1.90	\$ (17,500)	\$ 456,000	(\$1,300.00)	\$1.65	\$ (84,645)	\$ 1,232,587	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$155,430 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$30,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$21,594 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,417 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$8,098 in savings.	\$0.79	/BSF						
Div 15	PLUMBING					\$ 1,247,079	(9,000.00)	\$3.90	\$ (35,500)	\$ 1,729,388	(\$1,300.00)	\$7.50	\$ (384,750)	\$ 2,556,617	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$355,965 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$65,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$69,813 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,142 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$5,790 in savings.	\$2.31	/BSF						
Div 15	HVAC / EMS					\$ 5,303,471	(9,000.00)	\$13.25	\$ (119,250)	\$ 3,904,433	(\$1,300.00)	\$16.75	\$ (859,275)	\$ 8,229,369	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$250,000 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$150,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$148,859 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$85,594 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$55,822 in savings.	\$4.79	/BSF						
Div 16	ELECTRICAL					\$ 5,187,412	(9,000.00)	\$11.50	\$ (103,500)	\$ 3,578,800	(\$1,300.00)	\$14.00	\$ (718,200)	\$ 7,944,512	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$1,750,000 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$500,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$148,148 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$85,785 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$55,945 in savings.	\$15.42	/BSF						
Div 16	FIRE ALARM / SS CONDUIT					\$ 505,492	(9,000.00)	\$1.02	\$ (9,180)	\$ 252,750	(\$1,300.00)	\$0.90	\$ (46,170)	\$ 703,892	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.						(4/22/20) Projected cut due to building size reduction = \$62,297 savings. (4/27/20) Projected cut due to 20,000 SF Exports Building Removal = \$20,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$6,400 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$3,680 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$2,400 in savings.	\$14.89	/BSF						
Subtotal		\$ 39,111,510				\$ -		\$ 43,800,288		\$ (1,123,301)	\$ 55,336,001			\$ (9,884,351)	\$ 127,200,110										\$2,849	/BSF			
5.60%	Public Service, Tap & Dev't Fees	\$ 234,669				\$ -		\$ 262,801		\$ (7,940)	\$ 133,210			\$ (59,186)	\$ 763,555											\$1.43	/BSF		
0.30%	Building Permit, Plan Check Fee	\$ 118,039				\$ -		\$ 132,189		\$ (3,954)	\$ 167,605			\$ (29,771)	\$ 384,068											\$0.72	/BSF		
5.00%	WALTZ Contingency	\$ 1,955,576				\$ -		\$ 2,190,012		\$ (66,165)	\$ 2,776,750			\$ (493,218)	\$ 6,362,956											\$11.92	/BSF		
	Design / Engineering Fees	\$ 3,500,000				\$ -		\$ 4,000,000		\$ -	\$ 4,000,000			\$ 500,000	\$ 12,000,000												\$22.49	/BSF	
	Diligence / Consultants	\$ -				\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
1.40%	Insurance & General Liability	\$ 628,877				\$ -		\$ 705,393		\$ (19,620)	\$ 879,376			\$ (139,251)	\$ 2,054,776												\$0.00	/BSF	
	Builders Risk Insurance	\$ -				\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
1.00%	Performance & Payment Bond	\$ 455,487				\$ -		\$ 510,006		\$ (14,210)	\$ 636,930			\$ (100,858)	\$ 1,488,240													\$0.85	/BSF
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -													\$0.00	/BSF
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -														
						\$ -		\$ -		\$ -	\$ -			\$ -	\$ -	</													



ConsensusDocs®
BUILDING A BETTER WAY

ConsensusDocs® 415

STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS
BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)



This page is solely for the information and convenience of ConsensusDocs users, and is not a part of the contract. Gray boxes indicate where you should click and type in your project information. The yellow shading is a Word® default function that displays editable text. Shading can be turned off by going to the Review tab, select "Restrict Editing" button and uncheck "Highlight the regions I can edit". In Word 2003 you will find this option under the Tools tab, Options, Security tab, Protect Document button.

EMBEDDED INSTRUCTIONS are provided solely to help you complete the document. To display or hide instructions select the "¶" button under the "Home" tab to show all formatting marks.

Red Boxes: Instructions for fields that are typically required to complete contract.
Blue Boxes: Instructions for fields that may or may not be required for a complete contract.
Green Boxes: Provide general instructions or ConsensusDocs Coalition Guidebook comments, which can be found at www.ConsensusDocs.org/guidebook.

This document was developed through a collaborative effort of organizations representing a wide cross-section of the design and construction industry. This document has important legal and insurance consequences, and it is not intended as a substitute for competent professional services and advice. This document must be reviewed and adapted to meet your project-specific needs. Federal, State and Local laws may vary with respect to the applicability or enforceability of specific provisions in this document. **CONSENSUSDOCS SPECIFICALLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. PURCHASER ASSUMES ALL LIABILITY WITH RESPECT TO THE USE OF THIS DOCUMENT, AND CONSENSUSDOCS AND ANY OF THE ORGANIZATIONS SHALL NOT BE LIABLE FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL DAMAGES RESULTING FROM SUCH USE.** For additional information, please contact ConsensusDocs, 2300 Wilson Blvd, Suite 300, Arlington, VA 22201, 866-925-DOCS (3627), support@consensusdocs.org or www.ConsensusDocs.org.



ConsensusDocs® 415 – Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Lump Sum Price)®
2017, Revised October 2018. THIS DOCUMENT MAY HAVE BEEN MODIFIED. The ConsensusDocs technology platform creates a redline comparison to the standard language which the purchaser of this contract is authorized to share for review purposes. Consultation with legal and insurance counsel are strongly encouraged. You may only make copies of finalized documents for distribution to parties in direct connection with this contract. Any other uses are strictly prohibited.
CONTENT SECURE ID: AFE76D3A-4470

ConsensusDocs® 415

STANDARD DESIGN-BUILD AGREEMENT AND GENERAL CONDITIONS BETWEEN OWNER AND DESIGN-BUILDER (Guaranteed Maximum Price)

TABLE OF ARTICLES

1. AGREEMENT
2. GENERAL PROVISIONS
3. DESIGN-BUILDER'S RESPONSIBILITIES
4. OWNER'S RESPONSIBILITIES
5. SUBCONTRACTS
6. CONTRACT TIME
7. CONTRACT PRICE
8. CHANGES IN THE WORK
9. PAYMENT
10. INDEMNITY, INSURANCE, AND BONDS
11. SUSPENSION, NOTICE TO CURE, AND TERMINATION
12. DISPUTE MITIGATION OR RESOLUTION
13. MISCELLANEOUS
14. CONTRACT DOCUMENTS

ARTICLE 1 AGREEMENT

Job Number: 20-20-003

This Agreement is made this 14 Day of August in the year 2020, by and between the

OWNER: Legacy Cares, Inc.
1900 West Chandler Blvd
Suite No. 15-315
Chandler, Arizona 85224

and the

DESIGN-BUILDER: JS Waltz Construction LLC
449 S. 48th St. Ste 105
Tempe, AZ 85281

Tax identification number (TIN): 75-3196906
Contractor Licensing No., if applicable: ROC 193934
Design Professional Licensing No. in the State of the Project:
Icon HD Architects - 47296
Orcutt Winslow Architects - 10803
Lloyd Engineering - 16011

for services in connection with the following:
Architectural/Structural/Mechanical/Electrical/Plumbing/Civil/Landscaping

PROJECT: Legacy Sports Park (Site Work/Utilities/Fields)

ARTICLE 2 GENERAL PROVISIONS



2.1 TEAM RELATIONSHIP Each Party agrees to act on the basis of trust, good faith, and fair dealing, and shall take all actions reasonably necessary to perform this Agreement in an economical and timely manner. The Parties shall each endeavor to promote harmony and cooperation among all Project participants.

2.1.1 Neither Design-Builder nor any of its agents or employees shall act on behalf of or in the name of Owner unless authorized in writing by Owner's Representative.

2.2 ETHICS Each Party shall perform with integrity. Each shall: (a) avoid conflicts of interest; (b) promptly disclose to the other Party any conflicts of interest which may arise. Each Party warrants it has not and shall not pay or receive any contingent fees or gratuities to or from the other Party, including its agents, officers and employees, Design Professional, Subcontractors, Subsubcontractors, Suppliers or Others, to secure preferential treatment.

2.3 DESIGN PROFESSIONAL Architectural and engineering services shall be procured from licensed, independent design professionals retained by Design-Builder or furnished by licensed employees of Design-Builder, as permitted by the Law. The person or entity providing architectural and engineering services shall be referred to as Design Professional. If Design Professional is an independent design professional, the architectural and engineering services shall be procured pursuant to a separate agreement between Design-Builder and Design Professional.

2.3.1 **STANDARD OF CARE** Design Professional shall furnish and provide the architectural and engineering services necessary to design the Project in accordance with Owner's requirements, as outlined in Owner's Program and other relevant data defining the Project. The architectural and engineering services shall be performed in accordance with the standard of professional skill and care required for a Project of similar size, scope, and complexity, during the time in which the Services are provided.

2.4 DEFINITIONS

2.4.1 "Agreement" means this ConsensusDocs 415 Standard Design-Build Agreement and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), as modified, amendments, exhibits, addenda, and attachments made part of this Agreement upon its execution.

2.4.1.1

- Exhibit A – Legacy Bond Proposal
- Exhibit A2 – Legacy Abstract Package
- Exhibit B – Drawing Log (Bond Issuance)
- Exhibit C – Preliminary Construction Schedule
- Exhibit D – Contingency Usage
- Exhibit E – Waltz Construction – Certificate of Insurance (SAMPLE)
- Exhibit F – Waltz Construction – Payment & Performance Bond (SAMPLE)

2.4.2 "Business Day" means all Days, except weekends and official federal or state holidays where the Project is located.

2.4.3 A "Change Order" is a written order signed by Owner and Design-Builder after execution of this Agreement, indicating changes in the scope of the Work or Contract Time, including substitutions proposed by Design-Builder and accepted by Owner.

2.4.4 "Construction Schedule" is the document prepared by Design-Builder that specifies the dates on which Design-Builder plans to begin and complete various parts of the construction phase services Work, and the Project, including dates on which information and approvals are required from Owner.



2.4.5 The "Contract Documents" consist of those documents identified in §14.1.

2.4.6 The "Contract Time" is the period between the Date of Commencement and total time authorized to achieve Final Completion.

2.4.7 "Day" means calendar day.

2.4.8 "Date of Commencement" is as provided for in §6.1.

2.4.9 "Defective Work" is any portion of the Work not in conformance to the requirements of the Contract Documents.

2.4.10 "Final Completion" occurs on the date when Design-Builder's obligations under this Agreement are complete and accepted by Owner and final payment becomes due and payable.

2.4.11 A Hazardous Material is any substance or material identified now or in the future as hazardous under any Laws or any other substance or material which may be considered hazardous or otherwise subject to statutory or regulatory requirements governing handling, disposal or clean-up.

2.4.12 "Interim Directive" is any written order containing Work instructions that is signed by Owner after execution this Agreement and before Substantial Completion to the Work directed by Owner.

2.4.13 "Law" means a federal, state or local law, ordinance, code, rule, or regulation applicable to the Work with which Design-Builder must comply that are enacted as of the Agreement date.

2.4.14 "Others" means Owner's other: (a) contractors/constructors, (b) suppliers, (c) subcontractors, subsubcontractors, or suppliers of (a) and (b); and others employed directly or indirectly by (a), (b), or (c) or any by any of them or for whose acts any of them may be liable.

2.4.15 "Overhead" shall mean (a) payroll costs and other compensation of Design-Builder's employees in Design-Builder's principal and branch offices; (b) general and administrative expenses of Design-Builder's principal and branch offices including charges against Design-Builder for delinquent payments; and (c) Design-Builder's capital expenses, including interest on capital used for the Work.

2.4.16 The "Owner" is the person or entity identified in ARTICLE 1, and includes Owner's representative.

2.4.17 The "Owner's Program" is a description of Owner's objectives, budgetary and time criteria, space requirements and relationships, flexibility and expandability requirements, special equipment and systems, and site requirements, together with Schematic Design Documents which shall include drawings, outline specifications, and other conceptual documents illustrating the Project's basic elements, scale, and their relationship to the Worksite.

2.4.18 The "Parties" are collectively Owner and Design-Builder.

2.4.19 The "Project," as identified in ARTICLE 1, is the building, facility, or other improvements for which Design-Builder is to perform the Work under this Agreement. It may also include improvements to be undertaken by Owner or Others.

2.4.20 "Project schedule" A schedule that shows the timing and sequencing of the design and construction required to meet the time criteria set forth in Owner's Program. The Project includes the Construction Schedule and is coordinated with design phase service activities.



2.4.21 A "Subcontractor" is a person or entity retained by Design-Builder as an independent contractor to provide the labor, materials, equipment, or services necessary to complete a specific portion of the Work. The term Subcontractor does not include Design Professional or any separate contractor employed by Owner or any separate contractor's subcontractors.

2.4.22 "Substantial Completion" of the Work, or of a designated portion, occurs on the date when construction is sufficiently complete in accordance with the Contract Documents so that Owner can occupy or utilize the Project, or a designated portion, for the use for which it is intended, without unscheduled disruption. The issuance of a certificate of occupancy is not a prerequisite for Substantial Completion if the certificate of occupancy cannot be obtained due to factors beyond Design-Builder's control. This date shall be confirmed by a certificate of Substantial Completion signed by The Parties.

2.4.23 A "Subsubcontractor" is a party or entity who has an agreement with a Subcontractor or other Subsubcontractor, or Supplier to perform any portion of the Work or to supply material or equipment.

2.4.24 A "Supplier" is a person or entity retained by Design-Builder to provide material and equipment for the Work.

2.4.25 "Terrorism" means a violent act, or an act that is dangerous to human life, property, or infrastructure, that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion. Terrorism includes, but is not limited to, any act certified by the United States Secretary of Treasury as an act of terrorism pursuant to the Terrorism Risk Insurance Act, as amended.

2.4.26 The "Work" is the design services procured in accordance with §3.1, the construction services provided in accordance with §3.2, additional services in accordance with §3.11, and other services which are necessary to complete the Project in accordance with and reasonably inferable from the Contract Documents. The Work may refer to the whole Project or only a part of the Project if work is also being performed by Owner or Others.

2.4.27 "Worksite" means the geographical area of the Project location mentioned in ARTICLE 1 where the Work is to be performed

ARTICLE 3 DESIGN-BUILDER'S RESPONSIBILITIES

3.1 DESIGN SERVICES Pursuant to a mutually agreeable schedule, Design-Builder shall submit for Owner's written approval, as applicable, Design Development Documents or Construction Documents, based on the Contract Documents in existence at the time of the execution of this Agreement or any further development of Contract Documents that have been approved in writing by Owner.

3.1.1 If required, the Design Development Documents shall further define the Project, including drawings and outline specifications fixing and describing the Project size and character as to site utilization, and other appropriate elements incorporating the structural, architectural, mechanical, and electrical systems. When Design-Builder submits the Design Development Documents, Design-Builder shall identify in writing all material changes and deviations that have taken place from the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Design Development Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion.

3.1.2 The Construction Documents shall set forth in detail the requirements for construction of the Work, and shall be based upon codes, laws, or regulations enacted at the time of their preparation. When Design-Builder submits the Construction Documents, Design-Builder shall identify in writing all



material changes and deviations that have taken place from the Design Development Documents or the Contract Documents in existence at the time of the execution of this Agreement. Any changes in the Work contained in the Construction Documents approved by Owner shall result in a Change Order pursuant to ARTICLE 8 adjusting the Contract Price or the Date of Substantial Completion or the Date of Final Completion. Construction shall be in accordance with the approved Construction Documents. One set of these documents shall be furnished to Owner before commencing construction.

3.1.3 OWNERSHIP OF DOCUMENTS

3.1.3.1 OWNERSHIP OF TANGIBLE DOCUMENTS Owner shall receive ownership of the property rights, except for copyrights, of all documents, drawings, specifications, electronic data, and information (hereinafter "Documents") prepared, provided or procured by Design-Builder, its Design Professional, Subcontractors, or consultants and distributed to Owner for this Project, upon the making of final payment to Design-Builder or in the event of termination under ARTICLE 11, upon payment for all sums due to Design-Builder pursuant to ARTICLE 11. Owner's acquisition of the copyright shall be subject to Owner's making of all payments required by this Agreement.

3.1.3.2 COPYRIGHT The Parties agree that Owner ☐ shall/ ☒ shall not obtain ownership of the copyright of all Documents. Owner's acquisition of the copyright for all Documents shall be subject to the making of payments as required by §3.1.3.1 and the payment of the fee reflecting the agreed value of the copyright set forth below:

If the Parties have not made a selection to transfer copyright interests in the Documents, the copyright shall remain with Design-Builder.

3.1.3.3 USE OF DOCUMENTS IN EVENT OF TERMINATION In the event of a termination of this Agreement pursuant to ARTICLE 11, Owner shall have the right to use, to reproduce, and to make derivative works of the Documents to complete the Project, regardless of whether there has been a transfer of copyright under §3.1.3.1, provided payment has been made pursuant to §3.1.3.1

3.1.3.4 OWNER'S USE OF DOCUMENTS AFTER COMPLETION OF PROJECT After completion of the Project, Owner may reuse, reproduce, or make derivative works from the Documents solely for the purposes of maintaining, renovating, remodeling, or expanding the Project at the Worksite. Owner's use of the Documents without Design-Builder's involvement or on other projects is at Owner's sole risk, except for Design-Builder's indemnification obligations, and Owner shall indemnify and hold harmless Design-Builder, its Design Professional, Subcontractors, and consultants, and the agents, officers, directors, and employees of each of them, from and against any and all claims, damages, losses, costs, and expenses, including reasonable attorneys' fees and costs, arising out of or resulting from any such prohibited use.

3.1.3.5 DESIGN-BUILDER'S USE OF DOCUMENTS Where Design-Builder has transferred its copyright interest in the Documents under §3.1.3.1, Design-Builder may reuse Documents prepared by it pursuant to this Agreement in its practice, but only in their separate constituent parts and not as a whole.

3.1.3.6 Design-Builder shall obtain from its Design Professional, Subcontractors, and consultants rights and rights of use that correspond to the rights given by Design-Builder to Owner in this Agreement, and Design-Builder shall provide evidence that such rights have been secured.



3.2 CONSTRUCTION SERVICES

3.2.1 Construction will commence upon the issuance by Owner of a written notice to proceed.

3.2.2 In order to complete the Work, Design-Builder shall provide all necessary construction supervision, inspection, construction equipment, construction labor, materials, tools, and subcontracted items.

3.2.3 COMPLIANCE WITH LAW Design-Builder shall give all notices and comply with all Laws at its own costs. Design-Builder shall be liable to Owner for all loss, cost, and expense attributable to any acts or omissions by Design-Builder, its employees, subcontractors, and agents resulting from the failure to comply with Laws, including fines, penalties, or corrective measures. However, liability under this subsection shall not apply if notice to Owner was given, and advance approval by appropriate authorities, including Owner, is received.

3.2.3.1 CHANGES IN LAW The Contract Price or Contract Time, or both shall be equitably adjusted by Change Order for additional costs or time needed resulting from any change in Law, including increased taxes, enacted after the date of this Agreement

3.2.4 Design-Builder shall maintain the Schedule of Work. This schedule shall indicate the dates for the start and completion of the various stages of the construction, including the dates when information and approvals are required from Owner. It shall be revised as required by the conditions of the Work.

3.2.5 Design-Builder shall obtain and Owner shall pay, in addition to the Contract Price, for the building permits necessary for the construction of the Project.

3.2.6 Design-Builder shall keep such full and detailed accounts as may be necessary for proper financial management under this Agreement. Owner shall be afforded access to all Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda, and similar data relating to Change Order work performed on the basis of actual cost. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by law.

3.2.7 Design-Builder shall provide periodic written reports to Owner on the progress of the Work in such detail as is required by Owner and as agreed to by The Parties.

3.2.8 Design-Builder shall regularly remove debris and waste materials at the Worksite resulting from the Work. Before discontinuing Work in an area, Design-Builder shall clean the area and remove all rubbish and its construction equipment, tools, machinery, waste, and surplus materials. Design-Builder shall minimize and confine dust and debris resulting from construction activities. At the completion of the Work, Design-Builder shall remove from the Worksite all construction equipment, tools, surplus materials, waste materials, and debris.

3.2.9 Design-Builder shall prepare and submit to Owner either:

- X final marked up as-built drawings
- X updated electronic data

that generally document how the various elements of the Work including changes were actually constructed or installed, or as defined by the Parties by attachment to this Agreement.

3.3 CONSTRUCTION SCHEDULE Design-Builder shall prepare and submit a Schedule of Work for Owner's acceptance and written approval. This schedule shall indicate the commencement and



completion dates of the various stages of the Work, including the dates when information and approvals are required from Owner. The Schedule shall be revised on a monthly basis or as mutually agreed by the Parties.

3.4 SAFETY OF PERSONS AND PROPERTY

3.4.1 SAFETY PRECAUTIONS AND PROGRAMS Design-Builder shall have overall responsibility for safety precautions and programs in the performance of the Work. However, such obligation does not relieve Subcontractors of their responsibility for the safety of persons or property in the performance of their work, nor for compliance with the provisions of Laws.

3.4.2 Design-Builder shall prevent against injury, loss, or damage to persons or property by taking reasonable steps to protect:

3.4.2.1 its employees and other persons at the Worksite;

3.4.2.2 materials, supplies, and equipment stored at the Worksite for use in performance of the Work; and

3.4.2.3 the Project and all property located at the Worksite and adjacent to work areas, whether or not said property or structures are part of the Project or involved in the Work.

3.4.3 DESIGN-BUILDER'S SAFETY REPRESENTATIVE Design-Builder shall designate an individual at the Worksite in the employ of Design-Builder who shall act as Design-Builder's designated safety representative with a duty to prevent accidents. Unless otherwise identified by Design-Builder in writing to Owner, the designated safety representative shall be Design-Builder's project superintendent. Design-Builder will report immediately in writing all accidents and injuries occurring at the Worksite to Owner. When Design-Builder is required to file an accident report with a public authority, Design-Builder shall furnish a copy of the report to Owner.

3.4.4 Design-Builder shall provide Owner with copies of all notices required of Design-Builder by Law. Design-Builder's safety program shall comply with the requirements of governmental and quasi-governmental authorities having jurisdiction over the Work.

3.4.5 Damage or loss not insured under property insurance which may arise from the performance of the Work, to the extent of the negligence attributed to such acts or omissions of Design-Builder, or anyone for whose acts Design-Builder may be liable, shall be promptly remedied by Design-Builder. Damage or loss attributable to the acts or omissions of Owner or Others and not to Design-Builder shall be promptly remedied by Owner.

3.4.6 If Owner deems any part of the Work or Worksite unsafe, Owner, without assuming responsibility for Design-Builder's safety program, may require Design-Builder to stop performance of the Work or take corrective measures satisfactory to Owner, or both. If Design-Builder does not adopt corrective measures, Owner may perform them and reduce the amount of the Contract Price by the costs of the corrective measures. Design-Builder agrees to make no claim for damages, for an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion based on Design-Builder's compliance with Owner's reasonable request.

3.5 EMERGENCIES In any emergency affecting the safety of persons or property, Design-Builder shall act in a reasonable manner to prevent threatened damage, injury, or loss. Any change in the Contract Price, the Date of Substantial Completion, or the Date of Final Completion, on account of emergency work shall be determined as a Change Order.

3.6 HAZARDOUS MATERIAL



3.6.1 Design-Build shall not be obligated to commence or continue Work until all Hazardous Material discovered at the Worksite has been removed, rendered, or determined to be harmless by Owner as certified by an independent testing laboratory and approved by the appropriate government agency.

3.6.2 If after commencing the Work, Hazardous Material is discovered at the Project, Design-Build shall be entitled to immediately stop Work in the affected area. Design-Build shall report the condition to Owner and, if required, the government agency with jurisdiction.

3.6.3 Design-Build shall not resume nor be required to continue any Work affected by any Hazardous Material without written mutual agreement between the Parties after the Hazardous Material has been removed or rendered harmless and only after approval, if necessary, of the governmental agency with jurisdiction. Owner shall be responsible for retaining an independent testing laboratory to determine the nature of the material encountered and whether it is a Hazardous Material requiring corrective measures or remedial action. Such measures shall be the sole responsibility of Owner and shall be performed in a manner minimizing any adverse effect upon the Work.

3.6.4 If Design-Build incurs additional costs or is delayed due to the presence or remediation of Hazardous Material, Design-Build shall be entitled to an equitable adjustment in the Contract Price or the date of Substantial Completion.

3.6.5 To the extent not caused by the negligent or intentionally wrongful acts or omissions of Design-Build, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, Owner shall indemnify and hold harmless Design-Build, its Subcontractors and Subsubcontractors, and the agents, officers, directors, and employees of each of them, from and against all claims, damages, losses, costs, and expenses, including but not limited to reasonable attorneys' fees, costs, and expenses incurred in connection with any dispute resolution process, to the extent permitted pursuant to §6.5, arising out of or relating to the performance of the Work in any area affected by Hazardous Material.

3.7 Safety Data Sheets (SDS) as required by law and pertaining to materials or substances used or consumed in the performance of the Work, whether obtained by Design-Build, Subcontractors, Owner or Others, shall be maintained at the Project by Design-Build and made available to Owner and Subcontractors.

3.7.1 During Design-Build's performance of the Work, Design-Build shall be responsible for the proper handling, application, storage, removal, and disposal of all materials brought to the Worksite by Design-Build. Upon the issuance of the Certificate of Substantial Completion, Owner shall be responsible for materials and substances brought to the Worksite by Design-Build if such materials or substances are required by the Contract Documents.

3.7.2 §3.6 shall survive the completion of the Work under this Agreement or any termination of this Agreement.

3.8 WARRANTY

3.8.1 Design-Build warrants that all materials and equipment furnished under this Agreement will be new unless otherwise specified, of good quality, in conformance with the Contract Documents, and free from defective workmanship and materials. Warranties shall commence on the date of Substantial Completion of the Work or of a designated portion.

3.8.2 To the extent products, equipment, systems, or materials incorporated in the Work are specified and purchased by Owner, they shall be covered exclusively by the warranty of the manufacturer. There are no warranties which extend beyond the description on the face thereof. To the extent



products, equipment, systems, or materials incorporated in the Work are specified by Owner but purchased by Design-Builder and are inconsistent with selection criteria that otherwise would have been followed by Design-Builder, Design-Builder shall assist Owner in pursuing warranty claims. ALL OTHER WARRANTIES EXPRESSED OR IMPLIED INCLUDING THE WARRANTY OF MERCHANTABILITY AND THE WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

3.8.3 Design-Builder shall secure required certificates of inspection, testing, or approval and deliver them to Owner.

3.8.4 Design-Builder shall collect all written warranties and equipment manuals and deliver them to Owner in a format directed by Owner.

3.8.5 With the assistance of Owner's maintenance personnel, Design-Builder shall direct the checkout of utilities and start-up operations, and adjusting and balancing of systems and equipment for readiness.

3.9 CORRECTION OF WORK WITHIN ONE YEAR

3.9.1 Before Substantial Completion and within one year after the date of Substantial Completion of the Work or for such longer periods of time as may be set forth with respect to specific warranties required by the Contract Documents, if any Defective Work is found, Owner shall promptly notify Design-Builder in writing. Unless Owner provides written acceptance of the condition, Design-Builder shall promptly correct the Defective Work at its own cost and time and bear the expense of additional services required for correction of any Defective Work for which it is responsible. If within the one-year correction period Owner discovers and does not promptly notify Design-Builder or give Design-Builder an opportunity to test or correct Defective Work as reasonably requested by Design-Builder, Owner waives Design-Builder's obligation to correct that Defective Work as well as Owner's right to claim a breach of the warranty with respect to that Defective Work.

3.9.2 With respect to any portion of Work first performed after Substantial Completion, the one-year correction period shall commence when that portion of Work is complete. Correction periods shall not be extended by corrective work performed by Design-Builder.

3.9.3 If Design-Builder fails to correct Defective Work within a reasonable time after receipt of written notice from Owner before final payment, Owner may correct it in accordance with Owner's right to carry out the Work. In such case, an appropriate Change Order shall be issued deducting the cost of correcting such deficiencies from payments then or thereafter due Design-Builder. If payments then or thereafter due Design-Builder are not sufficient to cover such amounts, Design-Builder shall pay the difference to Owner.

3.9.4 Design-Builder's obligations and liability, if any, with respect to any Defective Work discovered after the one-year correction period shall be determined by the Law. If, after the one-year correction period but before the applicable limitation period has expired, Owner discovers any Work which Owner considers Defective Work, Owner shall, unless the Defective Work requires emergency correction, promptly notify Design-Builder and allow Design-Builder an opportunity to correct the Work if Design-Builder elects to do so. If Design-Builder elects to correct the Work, it shall provide written notice of such intent within fourteen (14) Days of its receipt of notice from Owner and shall complete the correction of Work within a mutually agreed timeframe. If Design-Builder does not elect to correct the Work, Owner may have the Work corrected by itself or Others, and, if Owner intends to seek recovery of those costs from Design-Builder, Owner shall promptly provide Design-Builder with an accounting of the correction costs it incurs.



3.9.5 If Design-Builder's correction or removal of Defective Work causes damage to or destroys other completed or partially completed Work or existing buildings, Design-Builder shall be responsible for the cost of correcting the destroyed or damaged property.

3.9.6 The one-year period for correction of Defective Work does not constitute a limitation period with respect to the enforcement of Design-Builder's other obligations under the Contract Documents.

3.9.7 Before final payment, at Owner's option and with Design-Builder's agreement, Owner may elect to accept Defective Work rather than require its removal and correction. In such case the Contract Price shall be equitably adjusted for any diminution in the value of the Project caused by such Defective Work.

3.10 **CONFIDENTIALITY** Design-Builder shall treat as confidential and not disclose to third-persons, except Subcontractors, Subsubcontractors, and Design Professional as is necessary for the performance of the Work, or use for its own benefit any of Owner's developments, confidential information, know-how, discoveries, production methods, and the like that may be disclosed to Design-Builder or which Design-Builder may acquire in connection with the Work. Owner shall treat as confidential information all of Design-Builder's estimating systems and historical and parameter cost data that may be disclosed to Owner in connection with the performance of this Agreement. The Parties shall each specify those items to be treated as confidential and shall mark them as "Confidential." Confidentiality obligations do not supersede compulsion by Law, a governmental agency or authority, an order of a court of competent jurisdiction, or a validly issued subpoena. In such event, a Party shall promptly notify the other Party to permit that Party's legal objection.

3.11 **ADDITIONAL SERVICES** Design-Builder shall provide or procure the following Additional services upon the request of Owner. A written agreement between The Parties shall define the extent of such Additional services. Such Additional services shall be considered a Change in the Work, unless they are specifically included in §3.1 or §3.2.

3.11.1 Assisting in the developing Owner's Program, establishing the Project budget, investigating sources of financing, general business planning, and other information and documentation as may be required to establish the feasibility of the Project;

3.11.2 Consultations, negotiations, and documentation supporting the procurement of Project financing;

3.11.3 Surveys, site evaluations, legal descriptions, and aerial photographs;

3.11.4 Appraisals of existing equipment, existing properties, new equipment, and developed properties;

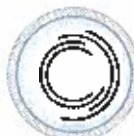
3.11.5 Soils, subsurface, and environmental studies, reports, and investigations required for submission to governmental authorities or others having jurisdiction over the Project;

3.11.6 Consultations and representations before governmental authorities or others having jurisdiction over the Project other than normal assistance in securing building permits;

3.11.7 Investigation or making measured drawings of existing conditions or the verification of Owner-provided drawings and information;

3.11.8 Artistic renderings, models, and mockups of the Project or any part of the Project or the Work;

3.11.9 Inventories of existing furniture, fixtures, furnishings, and equipment which might be under consideration for incorporation into the Project;



3.11.10 Interior design and related services including procurement and placement of furniture, furnishings, artwork, and decorations;

3.11.11 Making revisions to design documents after they have been approved by Owner when revisions are due to causes beyond the control of Design-Builder. Causes beyond the control of Design-Builder do not include acts or omissions on the part of Subcontractors, Subsubcontractors, or Design Professional;

3.11.12 Design, coordination, management, expediting, and other services supporting the procurement of materials to be obtained, or work to be performed, by Owner, including but not limited to telephone systems, computer wiring networks, sound systems, alarms, security systems, and other specialty systems which are not a part of this Agreement;

3.11.13 Estimates, proposals, appraisals, consultations, negotiations, and services in connection with the repair or replacement of an insured loss, provided such repair or replacement did not result from the negligence of Design-Builder;

3.11.14 The premium portion of overtime work ordered by Owner including productivity impact costs, other than that required by Design-Builder to maintain the Schedule of Work;

3.11.15 Out-of-town travel by Design Professional in connection with the Work, except between Design Professional's office, Design-Builder's office, Owner's office, and the Project site;

3.11.16 Obtaining service contractors and training maintenance personnel; assisting and consulting in the use of systems and equipment after the initial startup;

3.11.17 Services for tenant or rental spaces not required by this Agreement;

3.11.18 services requested by Owner or required by the Work which are not specified in the Contract Documents and which are not normally part of generally accepted design and construction practice;

3.11.19 Except when Design Professional is a party to the proceeding, serving or preparing to serve as an expert witness in connection with any proceeding, legal or otherwise, regarding the Project;

3.11.20 document reproduction exceeding the limits provided for in this Agreement;

3.11.21 providing services relating to Hazardous Material discovered at the Worksite;

3.11.22 acting as a Green Building Facilitator as identified in the ConsensusDocs 310 Green Building Addendum or separate addenda, which, at a minimum, shall include: (a) coordinating and facilitating the achievement of elected green measures and green status, such as achieving Leadership in Energy and Environmental Design "LEED" certification; (b) identifying, preparing, and submitting necessary documentation for elected green status; and (c) identifying project participants responsible to complete physical and procedural green measures;

3.11.23 performing formal commissioning services; and

3.11.24 other services as agreed to by the Parties and identified in an attached exhibit.

3.12 DESIGN-BUILDER'S REPRESENTATIVE Design-Builder shall designate a person who shall be Design-Builder's authorized representative. Design-Builder's Representative is Matt Waltz & Jay Green.

ARTICLE 4 OWNER'S RESPONSIBILITIES



4.1 INFORMATION AND SERVICES PROVIDED BY OWNER Owner's responsibilities under this article shall be provided with reasonable detail and in a timely manner.

4.2 FINANCIAL INFORMATION Before commencing the Work and thereafter at the written request of Design-Builder, Owner shall provide Design-Builder evidence of Project financing. Evidence of such financing shall be a condition precedent to Design-Builder's commencing or continuing the Work. Design-Builder shall be notified before any material change in Project financing.

4.3 WORKSITE INFORMATION To the extent Owner has obtained, or is required elsewhere in the Contract Documents to obtain, the following Worksite information, Owner shall provide at Owner's expense and with reasonable promptness:

4.3.1 information describing the physical characteristics of the site, including surveys, site evaluations, legal descriptions, data, or drawings depicting existing conditions, subsurface conditions and environmental studies, reports, and investigations;

4.3.2 tests, inspections, and other reports dealing with environmental matters, Hazardous Material, and other existing conditions, including structural, mechanical, and chemical tests, required by the Contract Documents or by Law;

4.3.3 the limits of Pollution Liability Insurance covering the Worksite held by Owner, and

4.3.4 any other information or services requested in writing by Design-Builder which are required for Design-Builder's performance of the Work and under Owner's control.

4.4 MECHANICS AND CONSTRUCTION LIEN INFORMATION Within seven (7) Days after receiving Design-Builder's written request, Owner shall provide Design-Builder with the information necessary to give notice of or enforce mechanics lien rights and, where applicable, stop notices. This information shall include Owner's interest in the real property on which the Project is located and the record legal title.

4.5 RESPONSIBILITIES DURING DESIGN

4.5.1 Owner shall review and approve further development of the drawings and specifications as set forth in ARTICLE 3.

4.6 RESPONSIBILITIES DURING CONSTRUCTION

4.6.1 Owner shall review the Construction Schedule, timely approve milestone dates set forth, and timely respond to its obligations.

4.6.2 If Owner becomes aware of any error, omission, or failure to meet the requirements of the Contract Documents or any fault or defect in the Work, Owner shall give prompt written notice to Design-Builder. The failure of Owner to give such notice shall not relieve Design-Builder of its obligations to fulfill the requirements of the Contract Documents.

4.6.3 Owner shall have no contractual obligations to Subcontractors, suppliers, or Design Professional.

4.6.4 Owner shall provide insurance for the Project as provided in ARTICLE 10.

4.7 TAX EXEMPTION If in accordance with Owner's direction Design-Builder claims an exemption for taxes, Owner shall indemnify and hold Design-Builder harmless from all liability, penalty, interest, fine, tax assessment, attorneys' fees, or other expense or cost incurred by Design-Builder as a result of any action taken by Design-Builder in accordance with Owner's direction.



4.8 ELECTRONIC DOCUMENTS If Owner requires that The Parties exchange documents and data in electronic or digital form, before any such exchange, The Parties shall agree on a written protocol governing all exchanges in ConsensusDocs 200.2 or a separate agreement, which, at a minimum, shall specify: (a) the definition of documents and data to be accepted in electronic or digital form or to be transmitted electronically or digitally; (b) management and coordination responsibilities; (c) necessary equipment, software, and services; (d) acceptable formats, transmission methods, and verification procedures; (e) methods for maintaining version control; (f) privacy and security requirements; and (g) storage and retrieval requirements. The Parties shall each bear their own costs for the requirements identified in the protocol. In the absence of a written protocol, use of documents and data in electronic or digital form shall be at the sole risk of the recipient.

4.9 Owner's Representative is Jeff Puzzullo. Owner's representative shall: (a) be fully acquainted with the Project; (b) agree to furnish the information and services required of Owner in a timely manner; and (c) have the authority to bind Owner in all matters requiring Owner's approval, authorization or written notice. If Owner changes its representative or the representative's authority as listed above, Owner shall notify Design-Builder in writing in advance.

ARTICLE 5 SUBCONTRACTS

5.1. RETAINING SUBCONTRACTORS Design-Builder shall not retain any Subcontractor or Supplier to whom Owner has a reasonable and timely objection, provided that Owner agrees to increase the Contract Price for any additional costs incurred by Design-Builder as a result of such objection. Owner may propose subcontractors to be considered by Design-Builder. Design-Builder shall not be required to retain any subcontractor to whom Design-Builder has a reasonable objection.

5.2. MANAGEMENT OF SUBCONTRACTORS Design-Builder shall be responsible for the management of Subcontractors in the performance of their work.

5.3. CONTINGENT ASSIGNMENT OF SUBCONTRACT AGREEMENTS

5.3.1. If this Agreement is terminated, each subcontract agreement shall be assigned by Design-Builder to Owner, subject to the prior rights of any surety, provided that:

5.3.1.1. this Agreement is terminated by Owner pursuant to §11.2 or §11.3; and

5.3.1.2. Owner accepts such assignment, after termination by notifying the Subcontractor and Design-Builder in writing, and assumes all rights and obligations of Design-Builder pursuant to each subcontract or supply agreement.

5.3.2. If Owner accepts such an assignment, and the Work has been suspended for more than thirty (30) consecutive Days, following termination, if appropriate, Subcontractor's or Supplier's compensation shall be equitably adjusted as a result of the suspension.

5.4. BINDING OF SUBCONTRACTORS AND SUPPLIERS Design-Builder agrees to bind every Subcontractor and Supplier (and require every Subcontractor to so bind its Subsubcontractors and significant Suppliers) to all the provisions of this Agreement and the Contract Documents' applicable provisions to that portion of the Work.

ARTICLE 6 CONTRACT TIME

6.1. DATE OF COMMENCEMENT The Date of Commencement is the Agreement date in ARTICLE 1 unless otherwise set forth below. The Work shall proceed in general accordance with the Project Schedule which may be amended in accordance with this Agreement.



6.2. SUBSTANTIAL COMPLETION/FINAL COMPLETION

6.2.1. Substantial Completion of the Work shall be achieved in the date set forth in the agreed upon schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans. ([]) Days from the Date of Commencement. Unless otherwise specified, the Work shall be finally complete within the agreed upon on schedule based on permanent funding of the project and the obtainment of a city approved project permit set of plans ([]) Days after the date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.2. Time is of the essence with regards to the obligations of the Contract Documents.

6.2.3. The Date of Final Completion of the Work is complete within one hundred & eighty (180) Days after the Date of Substantial Completion, subject to adjustments as provided for in the Contract Documents.

6.2.4. Unless otherwise instructed by an Interim Directive, Design-Builder shall not knowingly commence the Work before the effective date of insurance required to be provided by Design-Builder

6.3. DELAYS AND EXTENSIONS OF TIME

6.3.1. If Design-Builder is delayed at any time in the commencement or progress of the Work by any cause beyond the control of Design-Builder, Design-Builder shall be entitled to an equitable extension of the Date of Substantial Completion or the Date of Final Completion. Examples of causes beyond the control of Design-Builder include, but are not limited to, the following: (a) acts or omissions of Owner or Others; (b) changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work; (c) encountering Hazardous Materials, or concealed or unknown conditions; (d) delay authorized by Owner pending dispute resolution or suspension by Owner under §12.1; (e) transportation delays not reasonably foreseeable; (f) labor disputes not involving Design-Builder; (g) general labor disputes impacting the Project but not specifically related to the Worksite; (h) fire; (i) Terrorism; (j) epidemics; (k) adverse governmental actions, (l) unavoidable accidents or circumstances; (m) adverse weather conditions not reasonably anticipated. Design-Builder shall process any requests for equitable extensions of the Date of Substantial Completion or the Date of Final Completion in accordance with the provisions of ARTICLE 8.

6.3.2. In addition, if Design-Builder incurs additional costs as a result of a delay that is caused by acts or omissions of Owner or Others, changes in the Work or the sequencing of the Work ordered by Owner, or arising from decisions of Owner that impact the time of performance of the Work, encountering Hazardous Materials unanticipated by Design-Builder or concealed or unknown conditions, delay authorized by Owner pending dispute resolution, and suspension by Owner under §ARTICLE 11, Design-Builder shall be entitled to an equitable adjustment in the Contract Price subject to §6.5.

6.3.3. In the event delays to the project are encountered for any reason, the Parties agree to undertake reasonable steps to mitigate the effect of such delays.

6.4. LIQUIDATED DAMAGES

6.4.1. SUBSTANTIAL COMPLETION The Parties agree that this Agreement X shall/ shall not provide for the imposition of liquidated damages based on the Date of Substantial Completion.

6.4.1.1. Design-Builder understands that if the Date of Substantial Completion as may be amended by subsequent Change Order, is not attained, Owner will suffer damages which are



difficult to determine and accurately specify. Design-Builder agrees that if the Date of Substantial Completion is not attained, Design-Builder shall pay Owner Five Hundred dollars (\$500.00) as liquidated damages and not as a penalty for each Day that Substantial Completion extends beyond the Date of Substantial Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Substantial Completion.

6.4.2. FINAL COMPLETION Owner and Design-Builder agree that this Agreement [] shall/ X shall not provide for the imposition of liquidated damages based on the Date of Final Completion.

6.4.2.1. Design-Builder understands that if the Date of Final Completion is not attained, Owner will suffer damages which are difficult to determine and accurately specify. Design-Builder agrees that if the Date of Final Completion is not attained, Design-Builder shall pay Owner Five-hundred dollars (\$500.00) as liquidated damages for each Day that Final Completion extends beyond the Date of Final Completion. The liquidated damages provided herein shall be in lieu of all liability for any and all extra costs, losses, expenses, claims, penalties, and any other damages of whatsoever nature incurred by Owner which are occasioned by any delay in achieving the Date of Final Completion.

6.4.3. OTHER LIQUIDATED DAMAGES Owner and Design-Builder may agree upon the imposition of liquidated damages based on other project milestones or performance requirements. Such agreement shall be included as an exhibit to this Agreement.

6.5. LIMITED MUTUAL WAIVER OF CONSEQUENTIAL DAMAGES Except for damages mutually agreed upon by the Parties as liquidated damages in §6.4 and excluding losses covered by insurance required by the Contract Documents, Owner and Design-Builder agree to waive all claims against each other for any consequential damages that may arise out of or relate to this Agreement, except for those specific items of damages excluded from this waiver as mutually agreed upon by the Parties and identified below. Owner agrees to waive damages including but not limited to Owner's loss of use of the Project, any rental expenses incurred, loss of income, profit, or financing related to the Project, as well as the loss of business, loss of financing, principal office overhead and expenses, loss of profits not related to this Project, loss of reputation, or insolvency. Design-Builder agrees to waive damages including but not limited to loss of business, loss of financing, loss of profits not related to this Project, loss of bonding capacity, loss of reputation, or insolvency.

6.5.1. The following items of damages are excluded from this mutual waiver:

6.5.2. The provisions of this section shall also apply to the termination of this Agreement and shall survive such termination. Owner and Design-Builder shall require similar waivers in contracts with Subcontractors and Others retained for the Project.

ARTICLE 7 CONTRACT PRICE

The Contract Price is Fifty One Million, Three Hundred Sixteen Thousand, Five Hundred Two dollars (\$51,316,502.00) subject to adjustment as provided in ARTICLE 8. In addition to the Contract Price, Design-Builder is entitled to payment of a development fee in an amount equal to one percent (1%) of the total capital expenditures on the Project.

ARTICLE 8 CHANGES IN THE WORK

Changes in the Work which are within the general scope of this Agreement may be accomplished without invalidating this Agreement by Change Order, Interim Directive, or a minor change in the Work, subject to the limitations stated in the Contract Documents.

8.1. CHANGE ORDERS



8.1.1. Design-Builder may request or Owner, without invalidating this Agreement, may order changes in the Work within the general scope of the Contract Documents consisting of adjustment to the Contract Price or the Date of Substantial Completion or the Date of Final Completion. All such changes in the Work shall be authorized by applicable Change Order, and processed in accordance with this article. Each adjustment in the Contract Price resulting from a Change Order shall clearly separate the amount attributable to Design services.

8.1.2. The Parties shall negotiate an appropriate adjustment to Contract Price or the Date of Substantial Completion or the Date of Final Completion in good faith and conclude negotiations as expeditiously as possible. Acceptance of the Change Order and any adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion shall not be unreasonably withheld.

8.1.3. NO OBLIGATION TO PERFORM Design-Builder shall not be obligated to perform changes in the Work until a Change Order has been executed or a written Interim Directive has been issued.

8.2. INTERIM DIRECTIVE

8.2.1. Owner may issue an Interim Directive directing a change in the Work before agreeing on an adjustment, if any, in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services or directing Design-Builder to perform Work that Owner believes is not a change. If the Parties disagree that the Interim Directed work is within the scope of the Work, Design-Builder shall perform the disputed Work and furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations.

8.2.2. The Parties shall negotiate expeditiously and in good faith for appropriate adjustments, as applicable, to the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate the compensation for Design services, arising out of Interim Directive. As the changed work is completed, the Design Builder shall submit its costs for such work with its Application for Payment beginning with the next Application for Payment within thirty (30) Days of the issuance of the Interim Directive. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of the Work.

8.2.3. If the Parties agree upon the adjustments in the Contract Price or the Date of Substantial Completion or the Date of Final Completion, and if appropriate, the compensation for Design services, for a change in the Work directed by an Interim Directive, such agreement shall be the subject of an appropriate Change Order. The Change Order shall include all outstanding Interim Directives issued since the last Change Order.

8.3. MINOR CHANGES IN THE WORK

8.3.1. Design-Builder may make minor changes in the design and construction of the Project consistent with the intent of the Contract Documents which do not involve an adjustment in the Contract Price or the Date of Substantial Completion or the Date of Final Completion; and do not materially and adversely affect the design of the Project, the quality of any of the materials or equipment specified in the Contract Documents, the performance of any materials, equipment, or systems specified in the Contract Documents, or the quality of workmanship required by the Contract Documents.

8.3.2. Design-Builder shall promptly inform Owner in writing of any such changes and shall record such changes on the Design-Build Documents maintained by Design-Builder.



8.4. CONCEALED OR UNKNOWN SITE CONDITIONS If a condition encountered at the Worksite are (a) subsurface or other physical conditions materially different from those indicated in the Contract Documents, or (b) unusual and unknown physical conditions materially different from conditions ordinarily encountered and generally recognized as inherent in Work provided for in the Contract Documents, Design-Builder shall stop affected Work after the concealed or unknown condition is first observed and give prompt written notice of the condition to Owner. Owner shall investigate and then issue an Interim Directive specifying the extent to which Owner agrees that a concealed or unknown condition exists and directing how Design-Builder is to proceed. Design-Builder shall not be required to perform any Work relating to the unknown condition without the written mutual agreement of the Parties. Any change in the Contract Price or Contract Time as a result of the condition, including any dispute about its existence or nature, shall be determined as provided in this ARTICLE 8.

8.5. DETERMINATION OF COST

8.5.1. An increase or decrease in the Contract Price resulting from a change in the Work shall be determined by one or more of the following methods:

8.5.1.1. unit prices set forth in this Agreement or as subsequently agreed;

8.5.1.2. a mutually accepted, itemized lump sum; or

8.5.1.3. COST OF THE WORK Cost of the Work as defined by this §8.5.1.3 plus 10% for Overhead and 4.5% for profit. "Cost of the Work" shall include the following costs reasonably incurred to perform a change in the Work:

8.5.1.3.1. Labor wages directly employed by Design-Builder performing the Work;

8.5.1.3.2. Salaries of Design-Builder's employees when stationed at the field office to the extent necessary to complete the applicable Work, employees engaged on the road expediting the production or transportation of material and equipment, and supervisory employees from the principal or branch office as mutually agreed by the Parties in writing;

8.5.1.3.3. Cost of applicable employee benefits and taxes, including but not limited to, workers' compensation, unemployment compensation, social security, health, welfare, retirement and other fringe benefits as required by law, labor agreements, or paid under Design-Builder's standard personnel policy, insofar as such costs are paid to employees of Design-Builder who are included in the Cost of the Work in §8.5.1.3.1 and §8.5.1.3.2;

8.5.1.3.4. Reasonable transportation, travel, and hotel expenses of Design-Builder's personnel incurred in connection with the Work;

8.5.1.3.5. Cost of all materials, supplies, and equipment incorporated in the Work, including costs of inspection and testing if not provided by Owner, transportation, storage, and handling;

8.5.1.3.6. Payments made by Design-Builder to Subcontractors for performed Work;

8.5.1.3.7. Fees and expenses for design services procured or furnished by Design-Builder

8.5.1.3.8. Cost, including transportation and maintenance of all materials, supplies, equipment, temporary facilities, and hand tools not owned by the workers that are used



or consumed in the performance of the Work, less salvage value or residual value; and cost less salvage value of such items used, but not consumed that remain the property of Design-Builder;

8.5.1.3.9. Rental charges of all necessary machinery and equipment, exclusive of hand tools owned by workers, used at the Worksite, whether rented from Design-Builder or others, including installation, repair and replacement, dismantling, removal, maintenance, transportation, and delivery costs. Rental from unrelated third parties shall be reimbursed at actual cost. Rentals from Design-Builder or its affiliates, subsidiaries, or related parties shall be reimbursed at the prevailing rates in the locality of the Worksite up to eighty-five percent (85%) of the value of the piece of equipment;

8.5.1.3.10. Cost of the premiums for all insurance and surety bonds which Design-Builder is required to procure or deems necessary, and approved by Owner including any additional premium incurred as a result of any increase in the cost of the Work;

8.5.1.3.11. Sales, use, gross receipts or other taxes, tariffs, or duties related to the Work for which Design-Builder is liable;

8.5.1.3.12. Permits, fees, licenses, tests, and royalties;

8.5.1.3.13. Losses, expenses or damages to the extent not compensated by insurance or otherwise, and the cost of corrective work, provided that such did not arise from Design-Builder's negligence;

8.5.1.3.14. Water, power, and fuel costs necessary for the changed Work;

8.5.1.3.15. Cost of removal of all nonhazardous substances, debris, and waste materials;

8.5.1.3.16. Costs directly incurred to perform a change in the Work which are reasonably inferable from the Contract Documents for the changed Work

8.5.1.3.17. DISCOUNTS All discounts for prompt payment shall accrue to Owner to the extent such payments are made directly by Owner. To the extent payments are made with funds of Design-Builder, all cash discounts shall accrue to Design-Builder. All trade discounts, rebates and refunds, and all returns from sale of surplus materials and equipment, shall be credited to the Cost of the Work;

8.5.1.3.18. COST REPORTING Design-Builder shall maintain complete and current records that comply with generally accepted accounting principles and calculate the Cost of Work. Owner shall be afforded access to Design-Builder's records, books, correspondence, instructions, drawings, receipts, vouchers, memoranda and similar data relating to requested payment for Cost of the Work. Design-Builder shall preserve all such records for a period of three years after the final payment or longer where required by Law;

8.5.1.3.19. COST AND SCHEDULE ESTIMATES Design-Builder shall use reasonable skill and judgment in the preparation of a cost estimate or schedule for a change to the Work, but does not warrant or guarantee their accuracy.

8.5.1.3.20. Cost of the Work pursuant to §8.5.1.3 is determined net of savings from the change. Design-Builder's Overhead and profit shall be added to any net increase in Cost of the Work. No Overhead and profit shall be applied to any net decrease in the



Cost of the Work that is less than ten (10) percent of the Contract Price. Overhead and profit shall be applied to any net decrease ten (10) percent or more. Design-Builder shall maintain a documented, itemized accounting evidencing expenses and savings.

8.5.1.3.21. **CONTRACTOR CONTINGENCY** is prime contractor owned and controlled and used solely at the discretion of the prime contractor to mitigate the risk of the prime contractor as the design build contractor and used for construction related items of the following, but not limited to: scope of work items not defined at the time of GMP issuance, refinement of details from design documents, missing and or incomplete design services as part of contractual footprint, scope errors, labor and or time accelerations for prime contractor and trade partners, impact costs on materials and labor, construction disturbances, (e.g. strikes, accidents, or breakdowns), bankruptcies, regulatory risk, technological change, calamitous weather and delays from weather, unanticipated price or interest rate increases, costs of higher than expected subcontractor proposals based on original qualified contracted scope.

8.5.2. If unit prices are indicated in the Contract Documents or are subsequently agreed to by the Parties, but the character or quantity of such unit items as originally contemplated is so different in a proposed Change Order that the original unit prices will cause substantial inequity to Owner or Design-Builder, such unit prices shall be equitably adjusted.

8.5.3. If Owner and Design-Builder disagree as to whether work required by Owner is within the scope of the Work, Design-Builder shall furnish Owner with an estimate of the costs to perform the disputed work in accordance with Owner's interpretations. If Owner issues a written order for Design-Builder to proceed, Design-Builder shall perform the disputed work and Owner shall pay Design-Builder fifty percent (50%) of its estimated cost to perform the work. In such event, both Parties reserve their rights as to whether the work was within the scope of the Work. Owner's payment does not prejudice its right to be reimbursed should it be determined that the disputed work was within the scope of Work. Design-Builder's receipt of payment for the disputed work does not prejudice its right to receive full payment for the disputed work should it be determined that the disputed work is not within the scope of the Work.

8.6. **CHANGES NOTICE** For any claim for an increase in the Contract Price or an extension in the Date of Substantial Completion or the Date of Final Completion, Design-Builder shall give Owner written notice of the claim within twenty-one (21) Days after the occurrence giving rise to the claim or within twenty-one (21) Days after Design-Builder first recognizes the condition giving rise to the claim, whichever is later. Except in an emergency, notice shall be given before proceeding with the Work. Claims for design and estimating costs incurred in connection with possible changes requested by Owner, but which do not proceed, shall be made within twenty-one (21) Days after the decision is made not to proceed. Thereafter, Design-Builder shall submit written documentation of its claim, including appropriate supporting documentation, within twenty-one (21) Days after giving notice, unless the Parties mutually agree upon a longer period of time. Owner shall respond in writing denying or approving Design-Builder's claim no later than fourteen (14) Days after receipt of Design-Builder's documentation of claim. Owner's failure to so respond shall be deemed a denial of Design-Builder's claim. Any change in Contract Price or the Date of Substantial Completion or the Date of Final Completion resulting from such claim shall be authorized by Change Order.

8.7. **INCIDENTAL CHANGES** Owner may direct Design-Builder to perform incidental changes in the Work upon concurrence with Design-Builder that such changes do not involve adjustments in the Cost of the Work or Contract Time. Incidental changes shall be consistent with the scope and intent of the Contract Documents. Owner shall initiate an incidental change in the Work by issuing a written order to Design-Builder. Such written notice shall be carried out promptly and is binding on the Parties.



ARTICLE 9 PAYMENT

9.1. PROGRESS PAYMENT

9.1.1. Before submitting the first application for payment, Design-Builder shall provide a Schedule of Values satisfactory to Owner, consisting of a breakdown of the Contract Price, with a separate line item for Design services.

9.1.2. On or before the 20th Day of each month after the Work has commenced, Design-Builder shall submit to Owner an application for payment in accordance with the Schedule of Values based upon the Work completed and materials suitably stored on the Worksite or at other locations approved by Owner. Approval of payment applications for such stored materials shall be conditioned upon submission by Design-Builder of bills of sale and applicable insurance or such other procedures satisfactory to Owner to establish Owner's title to such materials, or otherwise to protect Owner's interest including transportation to the site.

9.1.3. Within seven (7) Days after receipt of each monthly application for payment, Owner shall give written notice to Design-Builder of Owner's acceptance or rejection, in whole or in part, of such application for payment. Within fifteen (15) Days after accepting such Application, Owner shall pay directly to Design-Builder the appropriate amount for which application for payment is made, less amounts previously paid by Owner. If such application is rejected in whole or in part, Owner shall indicate the reasons for its rejection. If Owner and Design-Builder cannot agree on a revised amount, then, within fifteen (15) Days after its initial rejection in part of such application, Owner shall pay directly to Design-Builder the appropriate amount for those items not rejected by Owner for which application for payment is made, less amounts previously paid by Owner. Those items rejected by Owner shall be due and payable when the reasons for the rejection have been removed.

9.1.4. If Owner fails to pay Design-Builder at the time payment of any amount becomes due, then Design-Builder may, at any time thereafter, upon serving written notice that the Work will be stopped within seven (7) Days after receipt of the notice by Owner, and after such seven (7) Day period, stop the Work until payment of the amount owing has been received.

9.1.5. Payments due but unpaid pursuant to §9.1.3, less any amount retained pursuant to §9.2 or §9.3, may bear interest from the date payment is due at the prime rate prevailing at the place of the Project.

9.1.6. Design-Builder warrants and guarantees that title to all Work, materials, and equipment covered by an application for payment, whether incorporated in the Project or not, will pass to Owner upon receipt of such payment by Design-Builder free and clear of all liens, claims, security interests, or encumbrances, hereinafter referred to as "liens."

9.1.7. Owner's progress payment, occupancy, or use of the Project, whether in whole or in part, shall not be deemed an acceptance of any Work not conforming to the requirements of the Contract Documents.

9.1.8. Upon Substantial Completion of the Work, Owner shall pay Design-Builder the unpaid balance of the Contract Price, less a sum equal to one hundred fifty percent (150%) of Design-Builder's estimated cost of completing any unfinished items as agreed to between The Parties as to extent and time for completion. Owner thereafter shall pay Design-Builder monthly the amount retained for unfinished items as each item is completed.

9.1.9. **STORED MATERIALS AND EQUIPMENT** Unless otherwise provided in the contract documents, applications for payment may include materials and equipment not yet incorporated into the Work but delivered to and suitably stored onsite or offsite, including applicable insurance, storage



and costs incurred transporting the materials to an offsite storage facility. Approval of payment applications for stored materials and equipment stored offsite shall be conditioned on submission by Design-Builder of bills of sale and proof of required insurance, or such other procedures satisfactory to Owner to establish the proper valuation of the stored materials and equipment, Owner's title to such materials and equipment, and to otherwise protect Owner's interests therein, including transportation to the site.

9.2. RETAINAGE From each progress payment made before the time of Substantial Completion, Owner may retain Ten percent (10%) of the amount otherwise due after deduction of any amounts as provided in §9.3, provided such percentage doesn't exceed the Law. If Owner chooses to use this retainage provision:

9.2.1. after the Work is fifty percent (50%) complete, Owner shall withhold no additional retainage and pay Design-Builder the full amount due on account of subsequent progress payments;

9.2.2. Owner may, in its sole discretion, reduce the amount to be retained at any time;

9.2.3. Owner may release retainage on that portion of the Work a Subcontractor has completed, in whole or in part, and which work Owner has accepted;

9.2.4. in lieu of retainage, Design-Builder may furnish a retention bond or other security interest acceptable to Owner, to be held by Owner.

9.3. ADJUSTMENT OF AN APPLICATION FOR PAYMENT Owner may adjust or reject an application for payment or nullify a previously approved application for payment, in whole or in part, as may reasonably be necessary to protect Owner from loss or damage based upon the following, to the extent that Design-Builder is responsible under this Agreement:

9.3.1. Design-Builder's repeated failure to perform the Work as required by the Contract Documents;

9.3.2. except as accepted by the insurer providing Builders Risk or other property insurance covering the project, loss or damage arising out of or relating to this Agreement and caused by Design-Builder to Owner, or others to whom Owner may be liable;

9.3.3. Design-Builder's failure to pay either Design Professional, Subcontractor or Supplier following receipt of payment from Owner for that portion of the Work or for supplies, provided that Owner is making payments to Constructor in accordance with the terms of this Agreement;

9.3.4. Defective Work not corrected in a timely fashion;

9.3.5. reasonable evidence of delay in performance of the Work such that the Work will not be completed by the Date of Substantial Completion or the Date of Final Completion, and that the unpaid balance of the Contract Price is not sufficient to offset any direct damages that may be sustained by Owner as a result of the anticipated delay caused by Design-Builder;

9.3.6. reasonable evidence demonstrating that the unpaid balance of the Contract Price is insufficient to fund the cost to complete the Work;

9.3.7. uninsured third-party claims involving the Contractor or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until the Contractor furnishes Owner with adequate security in the form of a surety bond, letter of credit, or other collateral or commitment which are sufficient to discharge such claims if established; and

9.3.8. uninsured third-party claims involving Design-Builder or reasonable evidence demonstrating that third-party claims are likely to be filed unless and until Design-Builder furnishes Owner with



adequate security in the form of a surety bond, letter of credit, or other collateral or commitment sufficient to discharge such claims if established.

No later than seven (7) Days after receipt of an application for payment, Owner shall give written notice to Design-Builder, at the time of disapproving or nullifying all or part of an application for payment, stating its specific reasons for such disapproval or nullification, and the remedial actions to be taken by Design-Builder in order to receive payment. When the above reasons for disapproving or nullifying an application for payment are removed, payment will be promptly made for the amount previously withheld.

9.4. OWNER OCCUPANCY OR USE OF COMPLETED OR PARTIALLY COMPLETED WORK

Portions of the Work that are completed or partially completed may be used or occupied by Owner when (a) the portion of the Work is designated in a Certificate of Substantial Completion, (b) appropriate insurer(s) or sureties consent to the occupancy or use, and (c) appropriate public authorities authorize the occupancy or use. Such partial occupancy or use shall constitute Substantial Completion of that portion of the Work. Design-Builder shall not unreasonably withhold consent to partial occupancy or use. Owner shall not unreasonably refuse to accept partial occupancy or use, provided such partial occupancy or use is of value to Owner.

9.5. FINAL PAYMENT

9.5.1. Final payment, consisting of the unpaid balance of the Contract Price, shall be due and payable when the Work is fully completed. Before issuance of final payment, Owner may request satisfactory evidence that all payrolls, materials bills, and other indebtedness connected with the Work have been paid or otherwise satisfied.

9.5.2. In making final payment Owner waives all claims except for:

9.5.2.1. outstanding liens;

9.5.2.2. improper workmanship or defective materials appearing within one year after the date of Substantial Completion;

9.5.2.3. Work not in conformance with the Contract Documents; and

9.5.2.4. terms of any special warranties required by the Contract Documents.

9.5.3. In accepting final payment, Design-Builder waives all claims except those previously made in writing and which remain unsettled.

ARTICLE 10 INDEMNITY, INSURANCE, AND BONDS

10.1. INDEMNITY

10.1.1. To the fullest extent permitted by law, Design-Builder shall indemnify and hold harmless Owner, Owner's officers, directors, members, consultants, agents, and employees (the Indemnitees) from all claims for bodily injury and property damage, other than to the Work itself and other property required to be insured under §10.3, including reasonable attorneys' fees, costs, and expenses that may arise from the performance of the Work, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, Subcontractors, or anyone employed directly or indirectly by any of them or by anyone for whose acts any of them may be liable. Design-Builder shall not be required to indemnify or hold harmless the Indemnitees for any negligent or intentionally wrongful acts or omissions of the Indemnitees. Design-Builder shall be entitled to



reimbursement of any defense costs paid above Design-Builder's percentage of liability for the underlying claim to the extent provided for by the subsection below.

10.1.2. To the fullest extent permitted by law, Owner shall indemnify and hold harmless Design-Builder, its officers, directors, or members, Subcontractors, or anyone employed directly or indirectly by any of them or anyone for whose acts any of them may be liable from all claims for bodily injury and property damage, other than property insured under §10.3, including reasonable attorneys' fees, costs, and expenses, that may arise from the performance of work by Others, but only to the extent caused by the negligent or intentionally wrongful acts or omissions of Others. Owner shall be entitled to reimbursement of any defense costs paid above Owner's percentage of liability for the underlying claim to the extent provided for by the subsection above.

10.1.3. NO LIMITATION ON LIABILITY In any and all claims against the Indemnitees by any employee of Design-Builder, anyone directly or indirectly employed by Design-Builder or anyone for whose acts Design-Builder may be liable, the indemnification obligation shall not be limited in any way by any limitation on the amount or type of damages, compensation, or benefits payable by or for Design-Builder under Workers' Compensation acts, disability benefit acts, or other employee benefit acts.

10.2. DESIGN-BUILDER'S LIABILITY INSURANCE

10.2.1. Before commencing the Work and as a condition for payment, Design-Builder shall procure and maintain in force Workers' Compensation Insurance, Employers' Liability Insurance, Business Automobile Liability Insurance, and Commercial General Liability Insurance (CGL). The CGL policy shall include coverage for liability arising from premises, operations, independent contractors, products-completed operations, personal injury and advertising injury, contractual liability, and broad form property damage. Design-Builder shall maintain completed operations liability insurance for one year after Substantial Completion, or as required by the Contract Documents, whichever is longer. Design-Builder's Employers' Liability, Business Automobile Liability, and CGL policies shall be written with at least the following limits of liability:

10.2.1.1. Employers' Liability Insurance

- (a) \$1,000,000.00 bodily injury by accident per accident
- (b) \$1,000,000.00 bodily injury by disease policy limit
- (c) \$1,000,000.00 bodily injury by disease per employee

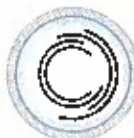
10.2.1.2. Business Automobile Liability Insurance per accident \$1,000,000.00.

10.2.1.3. Commercial General Liability Insurance

- (a) Per occurrence \$1,000,000.00
- (b) General aggregate \$2,000,000.00
- (c) Products/completed operations aggregate \$1,000,000.00
- (d) Personal and advertising injury limit \$1,000,000.00

10.2.2. Employers' Liability, Business Automobile Liability, and Commercial General Liability coverage required under §10.2.1 may be arranged under a single policy for the full limits required or by a combination of underlying policies with the balance provided by Excess or Umbrella Liability policies.

10.2.3. Design-Builder shall maintain in effect all insurance coverage required under §10.2.1 with insurance companies lawfully authorized to do business in the jurisdiction in which the Project is



located. If Design-Builder fails to obtain or maintain any insurance coverage required under this Agreement, Owner may purchase such coverage and charge the expense to Design-Builder, or terminate this Agreement.

10.2.4. To the extent commercially available to Design-Builder and its current insurance company, insurance policies required under §10.2.1 shall contain a provision that the insurance company or its designee must give Owner written notice transmitted in paper or electronic format: (a) 30 Days before coverage is nonrenewed by the insurance company and (b) within 10 Business Days after cancelation of coverage by the insurance company. Before commencing the Work and upon renewal or replacement of the insurance policies, Design-Builder shall furnish Owner with certificates of insurance until one year after Substantial Completion or longer if required by the Contract Documents. In addition, if any insurance policy required under §10.2.1 is not to be immediately replaced without lapse in coverage when it expires, exhausts its limits, or is to be cancelled, Design-Builder shall give Owner prompt written notice upon actual or constructive knowledge of such condition.

10.3. PROPERTY INSURANCE

10.3.1. Unless otherwise directed in writing by Owner, before starting the Work, Design-Builder shall obtain and maintain a Builder's Risk Policy upon the entire Project for the full cost of replacement at the time of loss, including existing structures. This insurance shall also: (a) name Design-Builder, Subcontractors, Subsubcontractors, Suppliers, and Design Professional as insureds; (b) be written in such form as to cover all risks of physical loss except those specifically excluded by the policy; and (c) insure at least against and not exclude:

10.3.1.1. the perils of fire, lightning, explosion, windstorm, hail, smoke, aircraft (except aircraft, including helicopter, operated by or on behalf of the Contractor) and vehicles, riot and civil commotion, theft, vandalism, malicious mischief, debris removal, flood, earthquake, earth movement, water damage, wind damage, testing if applicable, collapse however caused;

10.3.1.2. damage resulting from defective design, workmanship, or material;

10.3.1.3. coverage extension for damage to existing buildings, plant, or other structures at the Worksites, when the Project is contained within or attached to such existing buildings, plant, or structures. Coverage shall be to the extent loss or damage arises out of Constructor's activities or operations at the Project;

10.3.1.4. equipment breakdown, including mechanical breakdown, electrical injury to electrical devices, explosion of steam equipment, and damage to steam equipment caused by a condition within the equipment;

10.3.1.5. testing coverage for running newly installed machinery and equipment at or beyond the specified limits of their capacity to determine whether they are fit for their intended use; and

10.3.1.6. physical loss resulting from Terrorism.

10.3.2. The Party that is the primary cause of a Builder's Risk Policy claim shall be responsible for any deductible amounts or coinsurance payments. If no Party is the primary cause of a claim, then the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 shall be responsible for the deductible amounts or coinsurance payments. This policy shall provide for a waiver of subrogation. This insurance shall remain in effect until final payment has been made or until no person or entity other than Owner has an insurable interest in the property to be covered by this insurance, whichever is sooner. Partial occupancy or use of the Work shall not commence until Design-Builder has secured the consent of the insurance company or companies providing the



coverage required in this subsection. Before commencing the Work, Design-Builder shall provide a copy of the property policy or policies obtained in compliance with §10.3.1.

10.3.3. If Owner elects to purchase the property insurance required by this Agreement, including all of the same coverages and deductibles for the same duration specified in §10.3.1, then Owner shall give written notice to Design-Builder and the Design Professional before the Work is commenced and provide a copy of the property policy or policies obtained in compliance with §10.3.1. Owner may then provide insurance to protect its interests and the interests of the Design-Builder, Subcontractors, Suppliers, and Subsubcontractors. The cost of this insurance shall be paid by Owner in a Change Order. If Owner gives written notice of its intent to purchase property insurance required by this Agreement and fails to purchase or maintain such insurance, Owner shall be responsible for costs reasonably attributed to such failure.

10.3.4. The Parties waive all rights against each other and their respective employees, agents, contractors, subcontractors and subsubcontractors, and design professionals for damages caused by risks covered by the property insurance except such rights as they may have to the proceeds of the insurance.

10.3.5. RISK OF LOSS Except to the extent a loss is covered by applicable insurance, risk of loss or damage to the Work shall be upon the Party obtaining and maintaining the Builder's Risk Policy pursuant to §10.3.1 until the Date of Final Completion.

10.4. ADDITIONAL GENERAL LIABILITY COVERAGE

10.4.1. Owner ☐ shall/ ☒ shall not require Design-Builder to purchase and maintain additional liability coverage.

10.4.2. If required by the above subsection, the additional liability coverage required of Design-Builder shall be:

☒ Additional Insured. Owner shall be named as an additional insured on Design-Builder's Commercial General Liability Insurance specified, for on-going operations and completed operations, excess/umbrella liability, commercial automobile liability, and any required pollution liability, but only with respect to liability for bodily injury, property damage, or personal and advertising injury to the extent caused by the negligent or intentionally wrongful acts or omissions of Design-Builder, or those acting on Design-Builder's behalf, in the performance of Design-Builder's Work for Owner at the Worksite. The insurance of the Subcontractor shall be primary and non-contributory to any insurance available to the Additional Insureds.

☐ OCP. Design-Builder shall provide an Owners' and Contractors' Protective Liability Insurance ("OCP") policy with limits equal to the limits on Commercial General Liability Insurance specified, or limits as otherwise required by Owner.

Any documented additional cost in the form of a surcharge associated with procuring the additional liability coverage in accordance with this subsection shall be paid by Owner directly or the costs may be reimbursed by Owner to Design-Builder by increasing the contract price to correspond to the actual cost required to purchase and maintain the additional liability coverage.

Before commencing the Work, Design-Builder shall provide either a copy of the OCP policy, or a certificate and endorsement evidencing that Owner has been named as an additional insured, as applicable.



10.5. ROYALTIES, PATENTS, AND COPYRIGHTS Design-Builder shall pay all royalties and license fees which may be due on the inclusion of any patented or copyrighted materials, methods, or systems selected by Design-Builder and incorporated in the Work. Design-Builder shall indemnify and hold Owner harmless from all suits or claims for infringement of any patent rights or copyrights arising out of such selection. Owner agrees to indemnify and hold Design-Builder harmless from any suits or claims of infringement of any patent rights or copyrights arising out of any patented or copyrighted materials, methods, or systems specified by Owner.

10.6. PROFESSIONAL LIABILITY INSURANCE Design-Builder shall obtain, either itself or through Design Professional, professional liability insurance for claims arising from the negligent performance of professional services under this Agreement, which shall be:

☒ Practice Policy or ☐ Project Specific Coverage

written for not less than \$2,000,000.00 per claim and in the aggregate with a deductible not to exceed \$100,000.00. The Professional Liability Insurance shall include prior acts coverage sufficient to cover all services rendered by Design Professional. This coverage shall be continued in effect for 5 year(s) after the Date of Substantial Completion.

10.7. BONDING

10.7.1. Performance and Payment Bonds ☒ are/ ☐ are not required of Design-Builder. Such bonds shall be issued by a surety licensed in the state in which the Project is located and must be acceptable to Owner. Owner's acceptance shall not be withheld without reasonable cause.

10.7.2. Such Performance Bond shall be issued in the penal sum equal to one hundred percent (100%) of the:

☒ Contract price, including design and construction.

☐ Agreed estimated construction cost of the Project as reflected in the Schedule of Values.

Such Performance Bond shall cover the cost to complete the Work, but shall not cover any damages of the type specified to be covered by the insurance pursuant to §10.2 and §10.3, whether or not such insurance is provided or in an amount sufficient to cover such damages.

10.7.3. The penal sum of the Payment Bond shall equal the penal sum of the Performance Bond. Design-Builder's payment bond for the Project, if any, shall be made available by Owner or Design-Builder upon Subcontractor's written request.

10.7.4. Design-Builder shall endeavor to keep its surety advised of changes within the scope of the initial Agreement potentially impacting the Contract Price or the Dates of Substantial Completion or Final Completion, though Design-Builder shall require that its surety waives any requirement to be notified of any alteration or extension of time.

ARTICLE 11 SUSPENSION, NOTICE TO CURE, AND TERMINATION

11.1. SUSPENSION BY OWNER FOR CONVENIENCE

11.1.1. Owner may order Design-Builder in writing to suspend, delay, or interrupt all or any part of the Work without cause for such period of time as Owner may determine to be appropriate for its convenience.



11.1.2. Adjustments caused by suspension, delay, or interruption shall be made for increases in the Contract Price or the Date of Substantial Completion or the Date of Final Completion. No adjustment shall be made if Design-Build is or otherwise would have been responsible for the suspension, delay, or interruption of the Work, or if another provision of this Agreement is applied to render an equitable adjustment.

11.2. NOTICE TO CURE A DEFAULT

11.2.1. If Design-Build persistently fails to supply enough qualified workers, proper materials, or equipment to maintain the approved Construction Schedule, or fails to make prompt payment to its workers, Subcontractors, or Suppliers, disregards Laws or orders of any public authority having jurisdiction, or is otherwise guilty of a material breach of a provision of this Agreement, Design-Build may be deemed in default.

If Design-Build fails within seven (7) Days after receipt of written notice to commence and continue satisfactory correction of such default, then Owner shall give Design-Build a second notice to correct the default within a three (3) Day period.

11.2.2. After receiving Owner's written notice, if Design-Build fails to promptly commence and continue satisfactory correction of the default, then Owner without prejudice to any other rights or remedies may: (a) take possession of the Worksite; (b) complete the Work utilizing any reasonable means; (c) withhold payment due to Design-Build; and (d) as Owner deems necessary, supply workers and materials, equipment, and other facilities for the satisfactory correction of the default, and charge Design-Build the costs and expenses, including reasonable Overhead, profit, and attorneys' fees.

11.2.3. In the event of an emergency affecting the safety of persons or property, Owner may immediately commence and continue satisfactory correction of a default without first giving written notice to Design-Build, but shall give Design-Build prompt notice.

11.3. OWNER'S RIGHT TO TERMINATE FOR DEFAULT

11.3.1. **TERMINATION BY OWNER FOR DEFAULT** Upon expiration of the second notice for default period pursuant to §12.2 and absent appropriate corrective action, Owner may terminate this Agreement by written notice. Termination for default is in addition to any other remedies available to Owner under §12.2. If Owner's costs arising out of Design-Build's failure to cure, including the costs to complete the Work and reasonable attorneys' fees, exceed the GMP, Design-Build shall be liable to Owner for such excess costs. If Owner's costs are less than the GMP, Owner shall pay the difference to Design-Build. If Owner exercises its rights under this section, upon the request of Design-Build, Owner shall furnish to Design-Build a detailed accounting of the costs incurred by Owner.

11.3.2. If Design-Build files a petition under the bankruptcy code, this Agreement shall terminate if Design-Build or Design-Build's trustee rejects the Agreement or, if a default occurs and Design-Build is unable to give adequate assurance of required performance; or (c) Design-Build is otherwise unable to comply with the requirements for assuming this Agreement under the applicable provisions of the Bankruptcy Code.

11.3.3. Owner shall make reasonable efforts to mitigate damages arising from Design-Build's default, and shall promptly invoice Design-Build for all amounts due.

11.4. **TERMINATION BY OWNER FOR CONVENIENCE** If Owner terminates this Agreement other than as set forth in §11.1.2, Owner shall pay Design-Build for all Work executed and for all proven loss, cost,



or expense in connection with the Work, plus all demobilization costs. In addition, Design-Builder shall be paid an amount calculated as set forth below:

11.4.1. If Owner terminates this Agreement before commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values and a premium as set forth below: \$0.00.

11.4.2. If Owner terminates this Agreement after commencing construction, Design-Builder shall be paid the unpaid balance of Design-Builder's design costs as set forth in the Schedule of Values, the Construction services provided to date, reasonable attorneys' fees and costs related to termination, and a premium as set forth below: \$0.00.

11.4.3. Owner shall also pay to Design-Builder fair compensation, either by purchase or rental at the election of Owner, for all equipment retained. Owner shall assume and become liable for obligations, commitments, and unsettled claims that Design-Builder has previously undertaken or incurred in good faith in connection with the Work or as a result of the termination of this Agreement. As a condition of receiving the payments provided under this article, Design-Builder shall cooperate with Owner by taking all steps necessary to accomplish the legal assignment of Design-Builder's rights and benefits to Owner, including the execution and delivery of required papers.

11.5. TERMINATION BY DESIGN-BUILDER

11.5.1. Seven (7) Days' after Owner's receipt of written notice from Design-Builder, Design-Builder may terminate this Agreement for any of the following reasons: if the Work has been stopped for a thirty (30) Day period through no fault of the Design-Builder: (a) under court order or order of other governmental authorities having jurisdiction, or (b) as a result of the declaration of a national emergency or other governmental act emergency during which, through no act or fault of Design-Builder, materials are not available; (c) Work is suspended by Owner for Convenience;

11.5.2. In addition, upon seven (7) Days written notice to Owner and an opportunity to cure within three (3) Days, Constructor may terminate this Agreement if Owner: (a) fails to furnish reasonable evidence that sufficient funds are available and committed for the entire cost of the Project; (b) assigns this Agreement over Design-Builder's reasonable objection; (c) fails to pay Design-Builder in accordance with this Agreement and Design-Builder stopped Work accordingly; or (d) otherwise materially breaches this Agreement.

11.5.3. Upon termination by Design-Builder in accordance with §11.5.1, Design-Builder shall be entitled to recover from Owner payment for all Work executed and for all proven loss, cost, or expense in connection with the Work, plus all demobilization costs and reasonable damages. In addition, Design-Builder shall be paid an amount calculated as set forth either in §11.4.1 or §11.4.2, depending on when the termination occurs, and §11.4.3.

ARTICLE 12 DISPUTE MITIGATION OR RESOLUTION

12.1. WORK CONTINUANCE AND PAYMENT Unless otherwise agreed in writing, Design-Builder shall continue the Work and maintain the approved schedules during any dispute mitigation or resolution proceedings. If Design-Builder continues to perform, Owner shall continue to make payments in accordance with the Agreement.

12.2. DIRECT DISCUSSIONS If the Parties cannot reach resolution on a matter relating to or arising out of this Agreement, the Parties shall endeavor to reach resolution through good faith direct discussions between the Parties' representatives, who shall possess the necessary authority to resolve such matter and who will record the date of first discussions. If the Parties' representatives are not able to resolve such matter within five (5) Business Days of the date of first discussion, the Parties' representatives shall



immediately inform senior executives of the Parties in writing that a resolution could not be reached. Upon receipt of such notice, the senior executives of the Parties shall meet within five (5) Business Days to endeavor to reach resolution. If the dispute remains unresolved after fifteen (15) Days from the date of first discussion, the Parties shall submit such matter to the dispute mitigation and dispute resolution procedures selected below.

12.3. MITIGATION If the Parties select one of the dispute mitigation procedures provided below, disputes remaining unresolved after direct discussions shall be directed to the selected mitigation procedure. The dispute mitigation procedure shall result in a nonbinding finding on the matter, which may be introduced as evidence at a subsequent binding adjudication of the matter, as designated in §12.5. The Parties agree that the dispute mitigation procedure shall be:

☒ Project Neutral (Neutral) or ☐ Dispute Review Board (DRB)

12.4. MITIGATION PROCEDURES As soon as practicable after Agreement execution, the Neutral or DRB shall be mutually selected and appointed by the Parties and shall execute a retainer agreement with the Parties establishing the scope of responsibilities, including requirements for nonbinding findings. Costs and expenses of the Neutral or DRB shall be shared equally by the Parties. The Neutral or DRB shall be available to either Party, upon request, throughout the course of the Project, and shall make regular visits to the Project so as to maintain an up-to-date understanding of the Project progress and issues and to enable the Neutral or DRB to address matters in dispute between the Parties promptly and knowledgeably.

12.4.1. If the matter remains unresolved following the issuance of the nonbinding finding or such findings are not made by the mitigation procedure or if the Neutral/Board fails to issue nonbinding findings within five (5) Business Days of the referral, the Parties shall submit the matter to the binding dispute resolution procedure designated in §12.6.

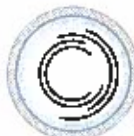
12.4.2. If the Parties execute a DRB Addendum, then the dispute mitigation procedures and time requirements in §12.4.1 and §12.4.2. shall be governed by that DRB Addendum.

12.5. MEDIATION If direct discussions pursuant to §12.1 do not result in resolution of the matter and no dispute mitigation procedure is selected under §12.2, the Parties shall endeavor to resolve the matter by mediation through the current Construction Industry Mediation Rules of the American Arbitration Association (AAA), or the Parties may mutually agree to select another set of mediation rules. The administration of the mediation shall be as mutually agreed by the Parties. The mediation shall be convened within thirty (30) Business Days of the matter first being discussed and shall conclude within forty-five (45) Business Days of the matter first being discussed. Either Party may terminate the mediation at any time after the first session by written notice to the non-terminating Party and mediator. The costs of the mediation shall be shared equally by the Parties.

12.6. BINDING DISPUTE RESOLUTION If the matter is unresolved after submission of the matter to a mitigation procedure or to mediation, the Parties shall submit the matter to the binding dispute resolution procedure selected below.

12.7. ARBITRATION.

☐ The Parties choose binding arbitration for any claim or dispute arising out of or relating to this Agreement. **EACH PARTY WAIVES THEIR RIGHT TO BE HEARD IN A COURT OF LAW**, with or without a jury. Arbitration does not involve a judge or jury. Instead, an arbitrator with the power to award damages and other appropriate relief will decide claims and disputes. An arbitrator's award shall be final and binding upon the Parties, and judgment may be entered upon it in any court having jurisdiction.



12.7.1. Neither Party may commence arbitration if the claim or cause of action would be barred by the applicable statute of limitations had the claim or cause of action been filed in a state or federal court. Receipt of a demand for arbitration by the person or entity administering the arbitration shall constitute the commencement of legal proceedings for the purposes of determining whether a claim or cause of action is barred by the applicable statute of limitations. If, however, a state or federal court exercising jurisdiction over a timely filed claim or cause of action orders that the claim or cause of action be submitted to arbitration, the arbitration proceeding shall be deemed commenced as of the date the court action was filed, provided that the Party asserting the claim or cause of action files its demand for arbitration with the person or entity administering the arbitration within thirty (30) Days after the entry of such order.

12.7.2. The arbitration shall use the following rules:

- ☒ the current AAA Construction Industry Arbitration Rules and AAA administration. AAA Construction Fast Track Rules shall apply to all two-party cases when neither Party's disclosed claim or counterclaim exceeds \$250,000. If arbitration is selected but no rules are selected, then this subsection shall apply by default;
- ☐ the current JAMS Engineering and Construction Arbitration Rules and Procedures and administered by JAMS; or
- ☐ the current arbitration rules of [] and administered by [].

12.8. LITIGATION

☒ Litigation in either the state or federal court having jurisdiction of the matter in the location of the Project

If not indicated, then litigation is default as opposed to arbitration.

12.8.1. COSTS The costs of any binding dispute resolution procedures and reasonable attorneys' fees shall be borne by the non-prevailing Party, as determined by the adjudicator of the dispute.

12.8.2. VENUE The Project location shall serve as the venue.

12.9. MULTIPARTY PROCEEDING The Parties agree that all Parties necessary to resolve a matter shall be Parties to the same dispute resolution procedure, if possible. Appropriate provisions shall be included in all other contracts relating to the Work to provide for the joinder or consolidation of such dispute resolution proceedings.

12.10. LIEN RIGHTS Nothing in this article shall limit any rights or remedies not expressly waived by Design-Builder that Design-Builder may have under lien laws.

ARTICLE 13 MISCELLANEOUS PROVISIONS

13.1. EXTENT OF AGREEMENT Except as expressly provided, this Agreement is solely for the benefit of the Parties, represents the entire and integrated agreement between the Parties, and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement and each and every provision is for the exclusive benefit of The Parties and not for the benefit of any third party.



13.2. ASSIGNMENT Neither Owner nor Design-Builder shall assign its interest in this Agreement without the written consent of the other except as to the assignment of proceeds. The terms and conditions of this Agreement shall be binding upon both Parties, their partners, successors, assigns, and legal representatives. Neither Party to this Agreement shall assign the Agreement as a whole without written consent of the other except that Owner may assign the Agreement to a wholly owned subsidiary of Owner when Owner has fully indemnified Design-Builder or to an institutional lender providing construction financing for the Project as long as the assignment is no less favorable to Design-Builder than this Agreement. In the event of such assignment, Design-Builder shall execute all consents reasonably required. In such event, the wholly-owned subsidiary or lender shall assume Owner's rights and obligations under the Contract Documents. If either Party attempts to make such an assignment, that Party shall nevertheless remain legally responsible for all obligations under the Agreement, unless otherwise agreed by the other Party.

13.3. GOVERNING LAW The Law in effect at the location of the Project shall govern this Agreement.

13.4. SEVERABILITY The partial or complete invalidity of any one or more provisions of this Agreement shall not affect the validity or continuing force and effect of any other provision.

13.5. NOTICE Unless changed in writing, a Party's address indicated in ARTICLE 1 shall be used when delivering notice to a physical address. Except for Agreement termination and as otherwise specified in the Contract Documents, notice is effective upon transmission by any effective means, including U.S. postal service and overnight delivery service.

13.6. NO WAIVER OF PERFORMANCE The failure of either Party to insist, in any one or more instances, on the performance of any of the terms, covenants, or conditions of this Agreement, or to exercise any of its rights, shall not be construed as a waiver or relinquishment of such term, covenant, condition, or right with respect to further performance.

13.7. TITLES AND GROUPINGS The title given to the articles and sections are for ease of reference only and shall not be relied upon or cited for any other purpose.

13.8. JOINT DRAFTING The Parties expressly agree that this Agreement was jointly drafted, and that both had opportunity to negotiate its terms and to obtain the assistance of counsel in reviewing its terms before execution. Therefore, this Agreement shall be construed neither against nor in favor of either Party, but shall be construed in a neutral manner.

ARTICLE 14 CONTRACT DOCUMENTS

14.1. CONTRACT DOCUMENTS The Contract Documents are as follows:

- (a) This Agreement;
- (b) Basis of Design/Owner's Program;
- (c) Owner-provided information pursuant to §3.6.3 and other Owner information identified as intended to be a contract document;
- (d) The Schematic Design Documents upon Owner approval pursuant to §2.4.17;
- (e) The Design Development Documents upon Owner approval pursuant to §3.1;
- (f) The Construction Documents upon Owner approval under §3.1;
- (g) Change Order, Interim Directives, and amendments issues in accordance with this Agreement;
- (h) Other: .



14.2. ORDER OF PRECEDENCE In case of any inconsistency, conflict, or ambiguity among the Contract Documents, the documents shall govern in the following order: (a) Change Orders and written amendments to this Agreement; (b) this Agreement; (c) design documents approved by Owner pursuant to §2.4.17 and §3.1.3 in order of the most recently approved; (d) information furnished by Owner pursuant to §4.1 or designated as a Contract Document in §ARTICLE 14; (e) other documents listed in this Agreement. Except as otherwise provided, among categories of documents having the same order of precedence, the term or provision that includes the latest date shall control. Where figures are given, they shall be preferred to scaled dimensions. Unless otherwise specifically defined in this Agreement, any terms that have well-known technical or trade meanings shall be interpreted in accordance with their well-known meanings.

OWNER: Legacy Oares, Inc.

BY: [Signature] NAME: Douglas Moss TITLE: President

WITNESS: [Signature] NAME: Chad Miller TITLE: Chief Executive Officer (Legacy Sports USA)

DESIGN-BUILDER: JS Waltz Construction, LLC

BY: [Signature] NAME: Matt Waltz TITLE: President

WITNESS: [Signature] NAME: Jay Green TITLE: Project Executive

END OF DOCUMENT.



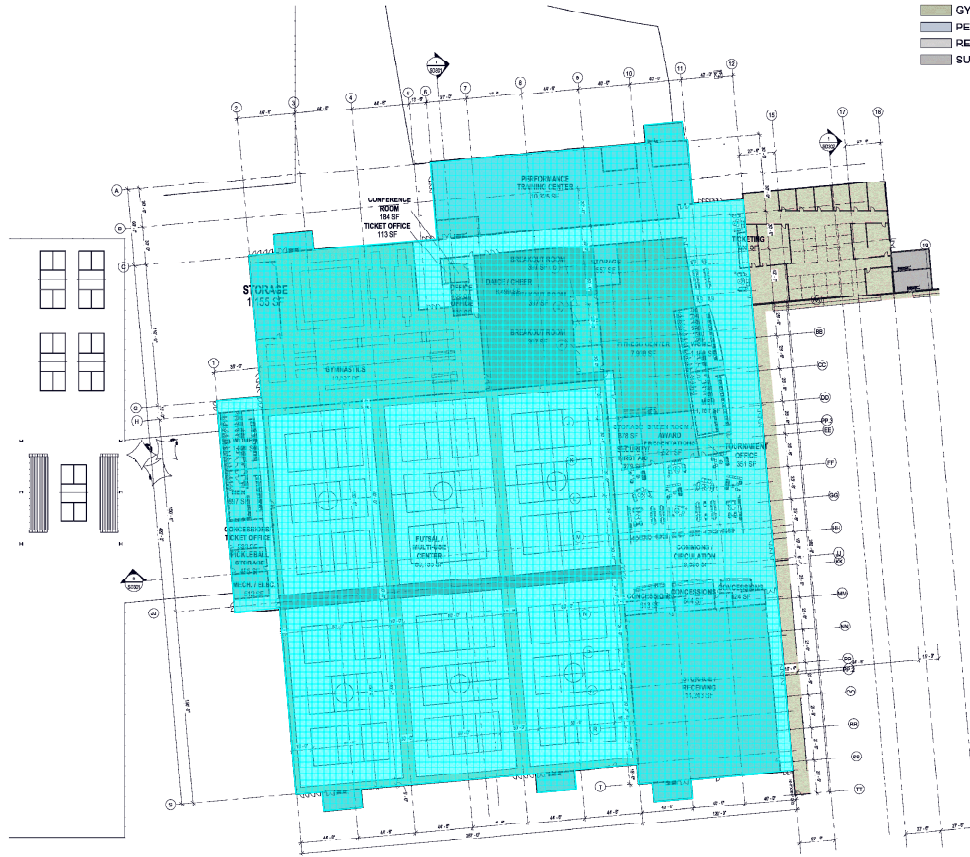
12 - Building A - 185,184 SF

LEGEND

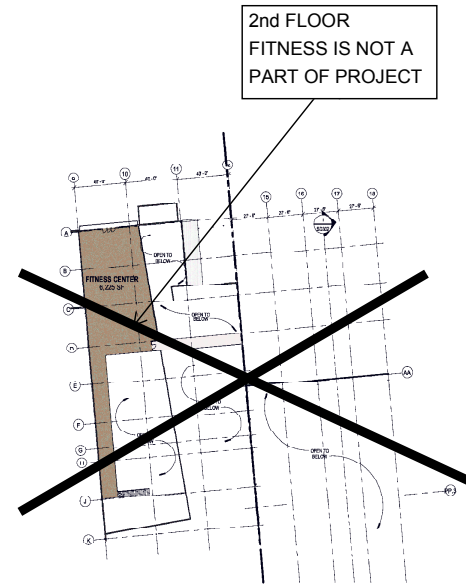
- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- DANCE / CHEER
- EVENT
- FITNESS CENTER
- GYMNASICS
- PERFORMANCE TRAINING CENTER
- RESTROOMS
- SUPPORT SPACE

LEGEND

- CIRCULATION
- FITNESS CENTER



FIRST FLOOR PLAN

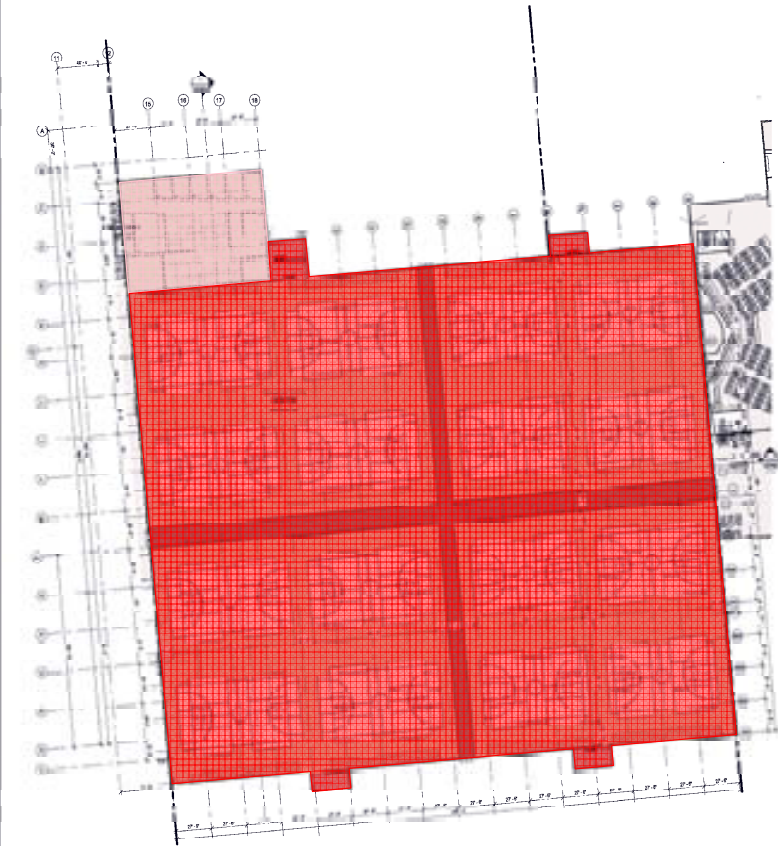


Executive Level Floor Plan

- 13 - Building B - Gym - 171,362 SF
- 14 - Building B - Admin - 9,579 SF

LEGEND

- ADMIN / OFFICES
- CIRCULATION
- CONCESSIONS
- EVENT
- RESTROOMS
- SUPPORT SPACE

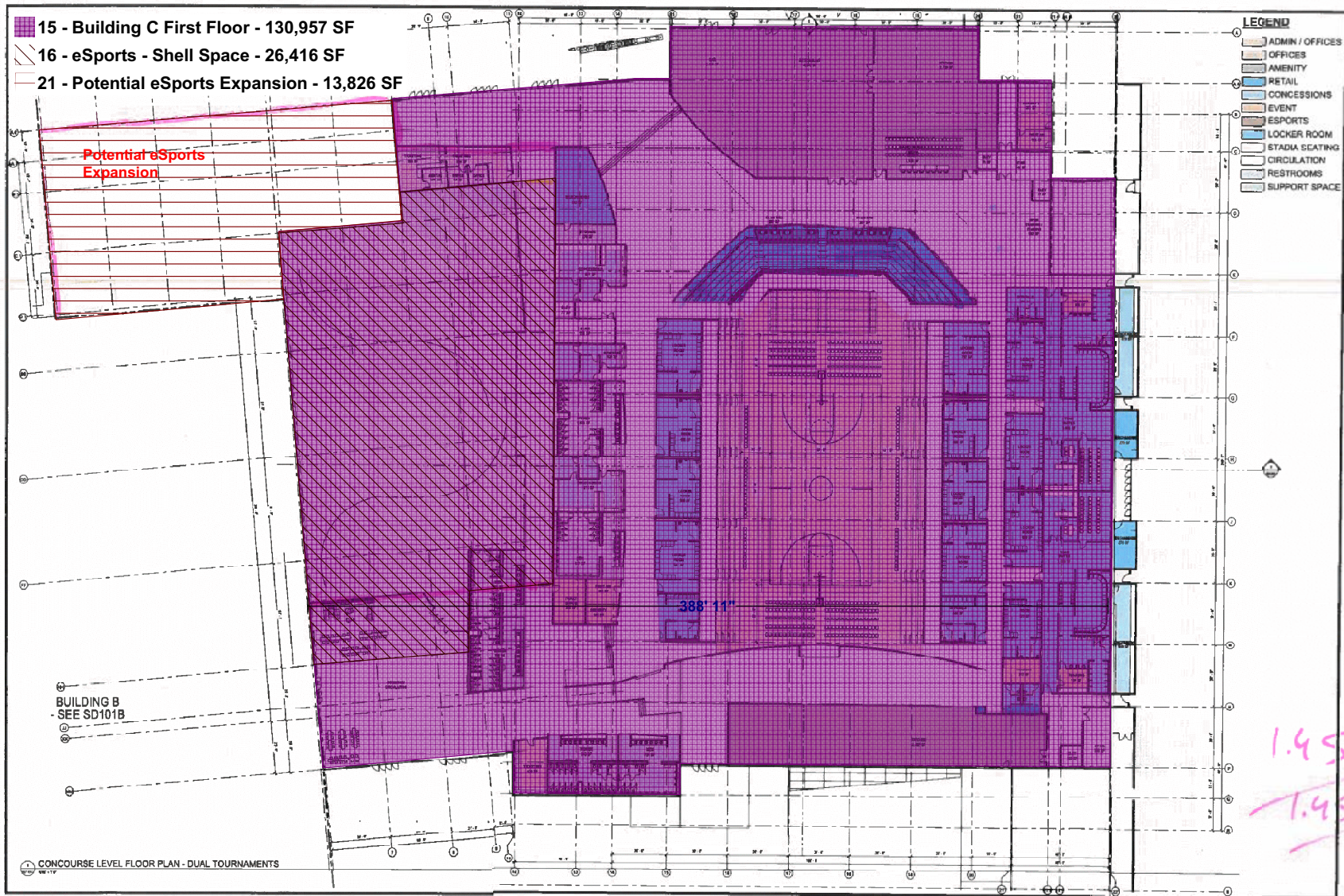


LEGEND



Legacy Sports Park - Legacy Multi-Purpose & Fieldhouse
Mesa, Arizona

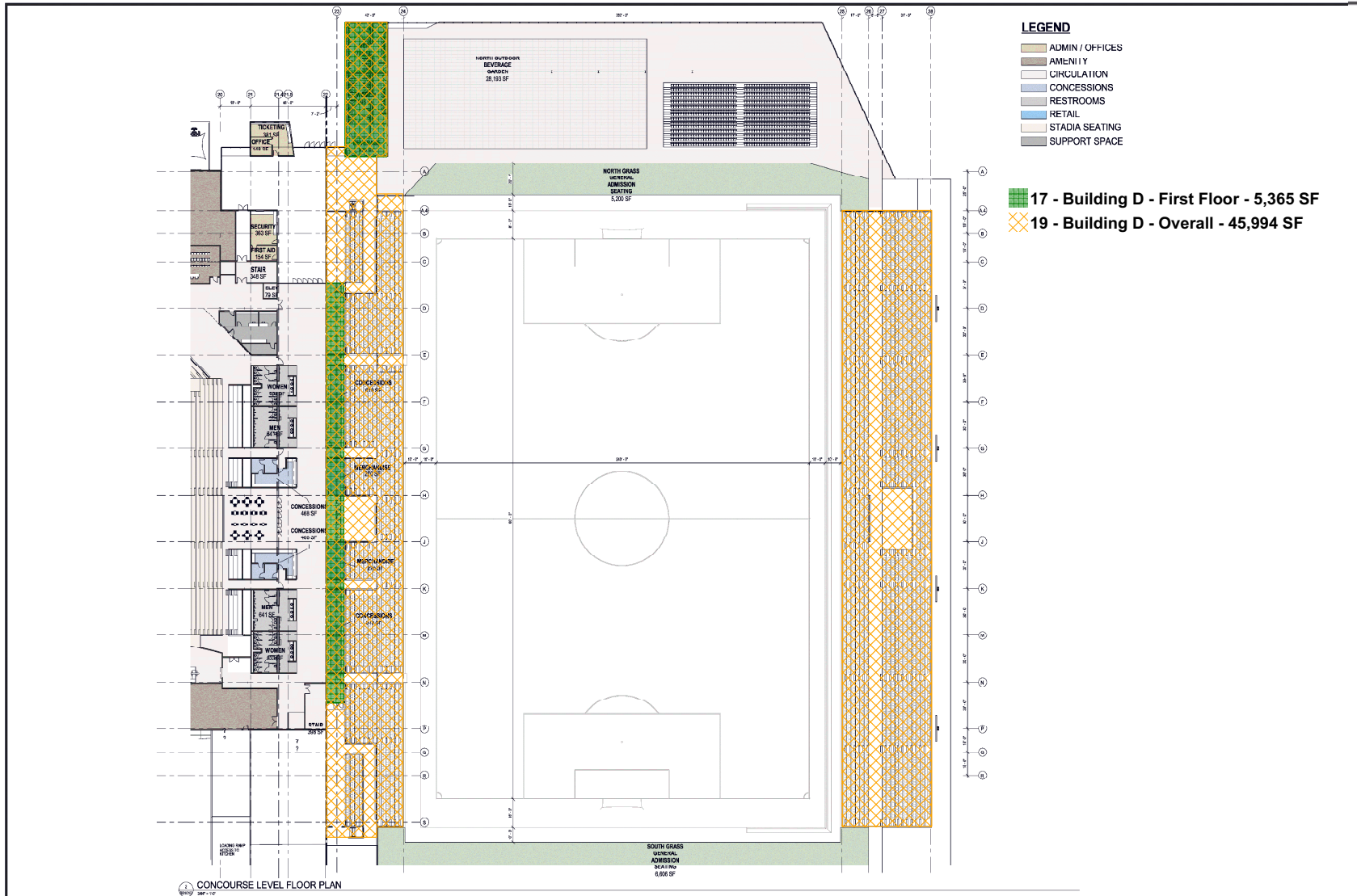
First Floor Plan - Building B



Legacy Sports Park - Legacy Center

Concourse Level Floor Plan -
Building C

ICON

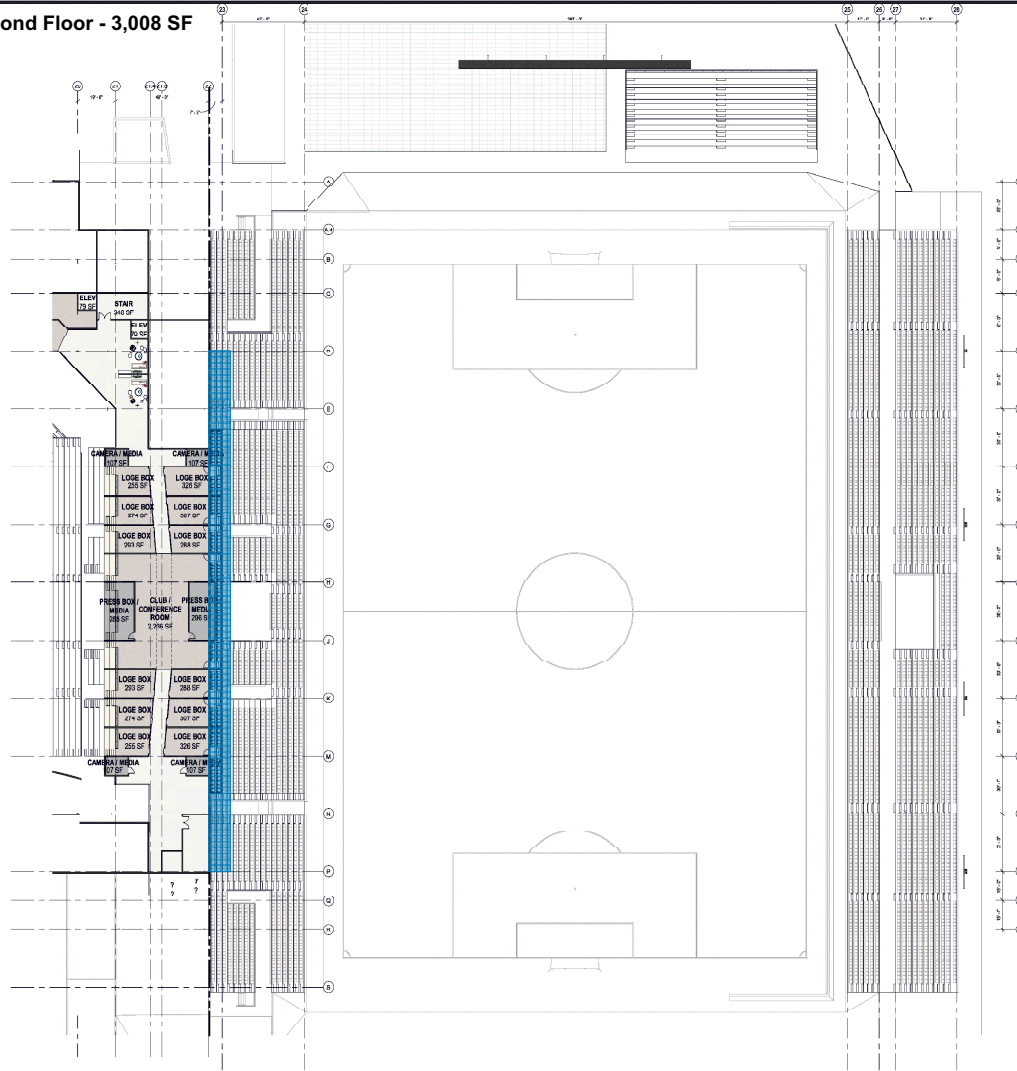


Legacy Sports Park - Legacy Stadium

Mesa, Arizona

CONCOURSE FLOOR PLAN - BUILDING D

18 - Building D - Second Floor - 3,008 SF



LEGEND

- CIRCULATION
- LOUNGE
- STADIA SEATING
- SUPPORT SPACE

CLUB LEVEL FLOOR PLAN

SEATING COUNT	
BASKETBALL / FOOT / RUGBY	
FIXED SEATS	2,150
RETRACTABLE SEATING*	832
RAIL SEATS	400
CLUB SEATS	320
TOTAL	3,702
E-SPORTS	
FIXED SEATS	1,218
GAMING STATIONS	200
TOTAL	1,418
SOCCER	
FIXED SEATS	6,101
RAIL SEATS	175
CLUB SEATS	300
NORTH GENERAL ADMISSION	700
SOUTH GENERAL ADMISSION	750
TOTAL	8,126
NORTH TEMPORARY BLEACHERS *3,430	
SOUTH TEMPORARY BLEACHERS *4,420	
TOTAL	16,016
ALL COUNTS APPROXIMATE	
*RETRACTABLE SEATING SECTIONS NOT SUITABLE FOR ALL EVENT LAYOUTS	



EXHIBIT A - COST SUMMARY

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICCM / Crouth | Winslow
Estimate Type: Proposal

Date: 06/18/20
CLUB LEVEL 496,300
CONCOURSE 87,200
CANOPY 58,230
Total Building (SF) 583,690

Gross Site Area Disturbed: 13,999,200
Gross Off-Site Area Disturbed: 340,000
Duration In Months: 24.0

Project Summary - BREAKDOWN BY CBI DIVISION		Contract 1				Contract 2				Contract 3				Project		Comments		Comments		Cost/SF		
CBI Division	Comments	Site Prep	SF Adjustment	Cost / SF	Site	Buildings A/B	SF Adjustment	Cost / SF	A/B	Buildings C/D	SF Adjustment	Cost / SF	C/D	Total		Required Building Scope Reductions	Previously Required Reductions					
	Required Building Scope Reductions	Utilities/Network	No Scope Reductions to this Contract			Building A - Indoor Maintenance / Storage by 2,000 SF; Remove Second Floor of Fitness. Final Square Footage of adjusted spaces are Main/Storage = 23,350; Circulation = 17,760; Fitness = 4500. Building B - Office reduced by 5,000 SF. Final square footage = 5,000 with room for potential expansion. Building D Openings revised to have structural support in both the directions reducing free span and cost of pre engineered metal building.				Building C - Building Revised to eliminate most level and push related amenities to the concourse level. Concourse will be short level and project will rise to the club level. Concourse level = 131,000 including 26,500 SF of storage shed space, Club level expanded to 46,500 for restrooms and concessions with an additional 25,500 in second floor sports available. Building then reduced in size for budget by cutting seating capacity of main event center to 1,000 seats. 10' minimum will be removed from the building depth (North - South) associated with the reduction in seating and associated facilities. This cuts 34,000 SF from Concourse with 20,000 SF being removed from sports and 25,300 SF from the event area. Second floor will have a 15,300 SF reduction to the event center and an associated 20,800 SF reduction to the potential second floor of sports. Final SF = 15,700 SF of concourse sports shall space, 69,000 SF of building C event area; fitness area club level SF = 14,300 with the potential second floor sports build out at 15,700 SF. 31,400 Total Potential SF for sports. Outside there will be room to add a two story 26,000 SF Total Addition to the sports area for closer to 60,000 SF.						metal paint, glazing, paint, canopy and all finish trades will need to be reduced in the program unit. All adjustments has been made to the unit rates to reflect new finish level required.						
Div 01	GENERAL CONDITIONS	\$	4,378,419					\$	2,348,984					\$	9,307,148					\$17.44	/BSF	
Div 01	GENERAL REQUIREMENTS	\$	1,560,795					\$	837,352					\$	1,317,760					\$6.22	/BSF	
Div 02	SITE FENCING / GATES								\$	2,037,740				\$	2,037,740					\$0.15	/BSF	
Div 02	FIELDS / SITE AMENITIES							\$	12,588,045		1.00	\$	(2,974,305)	\$	(2,974,305)	\$	9,613,740	1) Main Legacy Field from Hybrid Turf to Standard Turf. 2) Two turf soccer fields converted to standard sand topped soccer fields. 3) 12 soccer fields converted from standard sand topped to native soil amended with fertilizer, irrigation and sod. 4) California Sand to USGA Top Dressing (Fine Sand)	4/22/20) Projected Field Reduction or Buydown of subcontractor price = \$1,500,000 savings. 4/23/20) Legacy identifies California sand requirement = \$240,000 in added cost 4/23/20) Legacy sets 3 primary soccer fields as 2 - Hybrid & 1 - Turf from previous layout of 1 - Hybrid, 2 - Turf = \$356,700 in added cost. 4/27/20) 1 - Hybrid Field to Sand Topped Turf = \$684,600 in savings. 4/28/20) Reverse 4/27/20) 1 - Hybrid Field to Sand Topped Turf = \$684,600 in savings." so \$684,600 loss.			
Div 02	MISC SITE WORK	\$	1,592,351											\$	1,592,351					\$0.69	/BSF	
Div 02	ROUGH GRADING / DEMO	\$	1,821,770											\$	1,821,770					\$0.11	/BSF	
Div 02	FINE GRADING / HAUL OFF	\$	910,115											\$	910,115					\$0.11	/BSF	
Div 02	ASPHALT PAVING / SIGNAGE	\$	7,304,678											\$	7,304,678					\$0.07	/BSF	
Div 02	SITE CONCRETE	\$	5,800,455											\$	5,800,455					\$0.52	/BSF	
Div 02	DRY UTILITIES - ELECTRICIAN	\$	6,744,275											\$	6,744,275					\$0.48	/BSF	
Div 02	FIELD LIGHTING							\$	4,994,000	(30,000)	\$	40,504	\$	(1,215,118)	\$	3,778,882	1) Remove 30 remote field light poles in Park (Rough in included).				\$0.27	/BSF
Div 02	TRAFFIC SIGNALS	\$	2,032,000											\$	2,032,000					\$0.15	/BSF	
Div 02	WET UTILITIES	\$	6,966,660											\$	6,966,660					\$0.50	/BSF	
Div 02	LANDSCAPE / IRRIGATION							\$	4,000,000					\$	4,000,000							
Div 03	BUILDING CONCRETE					\$	4,798,470	(9,000.00)	\$8.00	\$	(72,000)	\$	2,353,019	(51,300.00)	\$7.00	\$	(959,100)	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$847,196 savings. 4/24/20) Legacy cut 2nd floor of restaurant and bridge West removing 9945 SF @ \$15.51 = \$154,850 savings. 4/24/20) Legacy cut 2nd floor restaurant eliminating elevator pit = \$15,000 savings. 4/27/20) Projected cut due to 8,000 SF Admin Removal = \$44,000 in savings. 4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$46,800 in savings. 4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$24,000 in savings.			
Div 03	PRECAST CONCRETE					\$	-		\$	-		\$	1,567,027	(51,300.00)	\$4.50	\$	(230,850)	Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$249,277.			
Div 04	MASONRY					\$	2,113,536	(9,000.00)	\$3.75	\$	(33,750)	\$	1,524,528	(51,300.00)	\$4.00	\$	(205,200)	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$462,754 savings. 4/24/20) Legacy cut 2nd floor restaurant eliminating elevator shaft = \$50,000 savings. 4/27/20) Projected cut due to 20,000 SF sports Building Removal = \$150,000. 4/27/20) Projected cut due to 8,000 SF Admin Removal = \$100,000 in savings. 4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$50,000 in savings. 4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$50,000 in savings.			
Div 05	METALS					\$	2,204,584	(9,000.00)	\$6.75	\$	(60,750)	\$	1,286,630	(51,300.00)	\$6.00	\$	(807,800)	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$559,169 savings. 4/24/20) Legacy cut 2nd floor of restaurant and bridge West removing 9945 SF @ \$15.51 = \$59,175 savings. 4/24/20) Legacy cut 2nd floor of restaurant eliminating the internal stair tower = \$15,000 savings. 4/27/20) Projected cut due to 20,000 SF sports Building Removal = \$400,000. 4/27/20) Projected cut due to 8,000 SF Admin Removal = \$160,000 in savings. 4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$52,000 in savings. 4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$60,000 in savings.			
Div 05	STRUCTURAL METALS (PEMB)					\$	6,941,314	(9,000.00)	\$12.50	\$	(612,500)	\$	3,011,142	(51,300.00)	\$12.25	\$	(628,425)	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$1,215,043 savings. 4/24/20) Legacy set total value at \$10,000,000 = additional \$731,782 savings.			
Div 06	ROUGH CARPENTRY					\$	90,625	(9,000.00)	\$0.14	\$	(1,260)	\$	56,180	(51,300.00)	\$0.22	\$	(11,286)	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	4/22/20) Projected cut due to building size reduction = \$18,637 savings. 4/27/20) Projected cut due to 20,000 SF sports Building Removal = \$10,000. 4/27/20) Projected cut due to 8,000 SF Admin Removal = \$2,047 in savings. 4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$1,177 in savings. 4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$768 in savings.			



EXHIBIT A - COST SUMMARY

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICON / Drexel / Winslow
Estimate Type: Proposal

Date: 06/18/20
CLUB LEVEL: 496,300
CONCOURSE: 87,200
CANOPY: 98,230
Total Building (SF): 583,690

Gross Site Area Disturbed: 13,969,200
Gross Off-Site Area Disturbed: 340,000
Duration in Months: 24.0

Project Summary - BREAKDOWN BY CSI DIVISION						Contract 1					Contract 2					Contract 3					Project		Comments		Comments		Cost/SF			
CSI Division						Site Prep		SF Adjustment	Cost / SF	Site	Buildings A/B		SF Adjustment	Cost / SF	A/B	Buildings C/D		SF Adjustment	Cost / SF	C/D	Total	Comments		Comments		Cost/SF				
Div 06	FINISHED CARPENTRY										\$	196,870	(9,000.00)	\$0.50	\$	(4,500)	\$	1,084,991	(51,300.00)	\$0.00	\$	(256,500)	\$	1,020,861	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$152,288 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$33,229 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$19,106 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$12,461 in savings.	\$1.91	/BSF		
Div 07	THERMAL PROTECTION / SEALANTS										\$	425,803	(9,000.00)	\$0.60	\$	(5,400)	\$	613,185	(51,300.00)	\$2.25	\$	(115,425)	\$	918,163	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$137,077 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$25,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$6,540 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$3,761 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$2,453 in savings.	\$1.72	/BSF		
Div 07	ROOFING & ACCESSORIES										\$	1,865,097	(9,000.00)	\$6.50	\$	(58,500)	\$	905,863	(51,300.00)	\$5.25	\$	(269,325)	\$	2,443,135	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$234,342 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$70,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$27,146 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$15,609 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$10,180 in savings.	\$4.58	/BSF		
Div 08	DOORS, FRAMES AND HARDWARE										\$	325,075	(9,000.00)	\$0.50	\$	(4,500)	\$	274,675	(51,300.00)	\$1.20	\$	(61,560)	\$	533,690	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$78,251 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$50,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$21,284 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,238 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$7,982 in savings.	\$1.00	/BSF		
Div 08	GLASS & GLAZING										\$	912,160	(9,000.00)	\$2.00	\$	(18,000)	\$	1,354,544	(51,300.00)	\$6.00	\$	(307,800)	\$	1,940,904	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$289,466 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$200,000. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$46,534 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$26,757 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$17,450 in savings.	\$3.64	/BSF		
Div 09	EPS / STUCCO										\$	-		\$	-	\$	-				\$	-	\$	2,232,426	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$305,921 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$18,671. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$70,241 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,389 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$26,341 in savings.	\$0.00	/BSF		
Div 09	METAL STUDS / DRYWALL / FRP										\$	1,261,227	(9,000.00)	\$5.00	\$	(45,000)	\$	1,285,524	(51,300.00)	\$5.25	\$	(269,325)	\$	2,282,426	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$305,921 savings. (4/27/20) Projected cut due to 20,000 SF Sports Building Removal = \$18,671. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$70,241 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$40,389 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$26,341 in savings.	\$4.18	/BSF		
Div 09	PAINTING										\$	899,137	(9,000.00)	\$2.25	\$	(20,250)	\$	708,292	(51,300.00)	\$2.00	\$	(102,600)	\$	1,484,579	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$186,742 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$22,357 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$12,855 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$8,384 in savings.	\$2.78	/BSF		
Div 09	ACOUSTICAL TREATMENT										\$	456,679	(9,000.00)	\$1.25	\$	(11,250)	\$	227,689	(51,300.00)	\$1.00	\$	(51,300)	\$	621,818	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$81,105 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$24,584 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$9,536 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$9,219 in savings.	\$1.17	/BSF		
Div 09	CERAMIC TILE										\$	125,319	(9,000.00)	\$0.25	\$	(2,250)	\$	289,602	(51,300.00)	\$1.25	\$	(64,125)	\$	348,545	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$48,940 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$9,695 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$5,575 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$3,636 in savings.	\$0.65	/BSF		
Div 09	FLOORING										\$	3,207,311	(9,000.00)	\$9.25	\$	(83,250)	\$	892,455	(51,300.00)	\$4.00	\$	(205,200)	\$	3,811,316	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/22/20) Projected cut due to building size reduction = \$464,110 savings. (4/27/20) Projected cut due to 8,000 SF Admin Removal = \$50,732 in savings. (4/27/20) Projected cut due to 4,600 SF of Kitchen Removal = \$25,171 in savings. (4/27/20) Projected cut due to 3,000 SF of Food court Removal = \$19,025 in savings.	\$7.14	/BSF		
Div 10	SPECIALTIES										\$	438,667		\$	-	\$	506,304	(51,300.00)	\$2.00	\$	(102,600)	\$	842,373	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	(4/27/20) Legacy removed Site Signage from Waltz Scope = \$588,202 savings.	\$1.58	/BSF			
Div 11	MISC EQUIPMENT										\$	526,680		\$	-	\$	277,020		\$	-	\$	803,700	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.	Waltz Bldg B Telescoping Bleachers = \$600,000; Bldg C Telescoping Bleachers = \$450,000; Bldg C Fixed Seating = \$787,500; Bldg D Bleacher Runs = \$225,000	\$1.51	/BSF				
Div 12	WINDOW FURNISHINGS										\$	60,000	(9,000.00)	\$0.15	\$	(1,350)	\$	75,360	(51,300.00)	\$0.25	\$	(12,825)	\$	121,185	Building A/B - 2,000 SF Maintenance / Storage Reduction; 2,000 SF Circulation Reduction; 5,000 SF Office Reduction. Buildings C/D - 36,000 SF Concourse Reduction; 15,300 Club Level Reduction. ALL Buildings - Finish level reductions at all finishes.		\$0.23	/BSF		



EXHIBIT A - COST SUMMARY

Project: LEGACY SPORTS PARK
Owner: LEGACY CARES, INC.
Location: Ellsworth Road, Legacy Drive & SR-24
Mesa, Arizona
Architect: ICIM / Dwyer | Winslow
Estimate Type: Proposal

Date: 06/18/20
CLUB LEVEL: 406,300
CONCOURSE: 87,200
CANOPY: 58,230
Total Building (SF): 551,690

Gross Site Area Disturbed: 13,969,200
Gross Office Area Disturbed: 340,000
Duration in Months: 24.0

Project Summary - HEADWORK BY CSI DIVISION										Contract 1		Contract 2		Contract 3		Contract 4		Contract 5		Contract 6		Contract 7		Contract 8		Contract 9		Contract 10		Contract 11		Contract 12		Contract 13		Contract 14		Contract 15		Contract 16		Contract 17		Contract 18		Contract 19		Contract 20		Contract 21		Contract 22		Contract 23		Contract 24		Contract 25		Contract 26		Contract 27		Contract 28		Contract 29		Contract 30		Contract 31		Contract 32		Contract 33		Contract 34		Contract 35		Contract 36		Contract 37		Contract 38		Contract 39		Contract 40		Contract 41		Contract 42		Contract 43		Contract 44		Contract 45		Contract 46		Contract 47		Contract 48		Contract 49		Contract 50		Contract 51		Contract 52		Contract 53		Contract 54		Contract 55		Contract 56		Contract 57		Contract 58		Contract 59		Contract 60		Contract 61		Contract 62		Contract 63		Contract 64		Contract 65		Contract 66		Contract 67		Contract 68		Contract 69		Contract 70		Contract 71		Contract 72		Contract 73		Contract 74		Contract 75		Contract 76		Contract 77		Contract 78		Contract 79		Contract 80		Contract 81		Contract 82		Contract 83		Contract 84		Contract 85		Contract 86		Contract 87		Contract 88		Contract 89		Contract 90		Contract 91		Contract 92		Contract 93		Contract 94		Contract 95		Contract 96		Contract 97		Contract 98		Contract 99		Contract 100		Contract 101		Contract 102		Contract 103		Contract 104		Contract 105		Contract 106		Contract 107		Contract 108		Contract 109		Contract 110		Contract 111		Contract 112		Contract 113		Contract 114		Contract 115		Contract 116		Contract 117		Contract 118		Contract 119		Contract 120		Contract 121		Contract 122		Contract 123		Contract 124		Contract 125		Contract 126		Contract 127		Contract 128		Contract 129		Contract 130		Contract 131		Contract 132		Contract 133		Contract 134		Contract 135		Contract 136		Contract 137		Contract 138		Contract 139		Contract 140		Contract 141		Contract 142		Contract 143		Contract 144		Contract 145		Contract 146		Contract 147		Contract 148		Contract 149		Contract 150		Contract 151		Contract 152		Contract 153		Contract 154		Contract 155		Contract 156		Contract 157		Contract 158		Contract 159		Contract 160		Contract 161		Contract 162		Contract 163		Contract 164		Contract 165		Contract 166		Contract 167		Contract 168		Contract 169		Contract 170		Contract 171		Contract 172		Contract 173		Contract 174		Contract 175		Contract 176		Contract 177		Contract 178		Contract 179		Contract 180		Contract 181		Contract 182		Contract 183		Contract 184		Contract 185		Contract 186		Contract 187		Contract 188		Contract 189		Contract 190		Contract 191		Contract 192		Contract 193		Contract 194		Contract 195		Contract 196		Contract 197		Contract 198		Contract 199		Contract 200		Contract 201		Contract 202		Contract 203		Contract 204		Contract 205		Contract 206		Contract 207		Contract 208		Contract 209		Contract 210		Contract 211		Contract 212		Contract 213		Contract 214		Contract 215		Contract 216		Contract 217		Contract 218		Contract 219		Contract 220		Contract 221		Contract 222		Contract 223		Contract 224		Contract 225		Contract 226		Contract 227		Contract 228		Contract 229		Contract 230		Contract 231		Contract 232		Contract 233		Contract 234		Contract 235		Contract 236		Contract 237		Contract 238		Contract 239		Contract 240		Contract 241		Contract 242		Contract 243		Contract 244		Contract 245		Contract 246		Contract 247		Contract 248		Contract 249		Contract 250		Contract 251		Contract 252		Contract 253		Contract 254		Contract 255		Contract 256		Contract 257		Contract 258		Contract 259		Contract 260		Contract 261		Contract 262		Contract 263		Contract 264		Contract 265		Contract 266		Contract 267		Contract 268		Contract 269		Contract 270		Contract 271		Contract 272		Contract 273		Contract 274		Contract 275		Contract 276		Contract 277		Contract 278		Contract 279		Contract 280		Contract 281		Contract 282		Contract 283		Contract 284		Contract 285		Contract 286		Contract 287		Contract 288		Contract 289		Contract 290		Contract 291		Contract 292		Contract 293		Contract 294		Contract 295		Contract 296		Contract 297		Contract 298		Contract 299		Contract 300		Contract 301		Contract 302		Contract 303		Contract 304		Contract 305		Contract 306		Contract 307		Contract 308		Contract 309		Contract 310		Contract 311		Contract 312		Contract 313		Contract 314		Contract 315		Contract 316		Contract 317		Contract 318		Contract 319		Contract 320		Contract 321		Contract 322		Contract 323		Contract 324		Contract 325		Contract 326		Contract 327		Contract 328		Contract 329		Contract 330		Contract 331		Contract 332		Contract 333		Contract 334		Contract 335		Contract 336		Contract 337		Contract 338		Contract 339		Contract 340		Contract 341		Contract 342		Contract 343		Contract 344		Contract 345		Contract 346		Contract 347		Contract 348		Contract 349		Contract 350		Contract 351		Contract 352		Contract 353		Contract 354		Contract 355		Contract 356		Contract 357		Contract 358		Contract 359		Contract 360		Contract 361		Contract 362		Contract 363		Contract 364		Contract 365		Contract 366		Contract 367		Contract 368		Contract 369		Contract 370		Contract 371		Contract 372		Contract 373		Contract 374		Contract 375		Contract 376		Contract 377		Contract 378		Contract 379		Contract 380		Contract 381		Contract 382		Contract 383		Contract 384		Contract 385		Contract 386		Contract 387		Contract 388		Contract 389		Contract 390		Contract 391		Contract 392		Contract 393		Contract 394		Contract 395		Contract 396		Contract 397		Contract 398		Contract 399		Contract 400		Contract 401		Contract 402		Contract 403		Contract 404		Contract 405		Contract 406		Contract 407		Contract 408		Contract 409		Contract 410		Contract 411		Contract 412		Contract 413		Contract 414		Contract 415		Contract 416		Contract 417		Contract 418		Contract 419		Contract 420		Contract 421		Contract 422		Contract 423		Contract 424		Contract 425		Contract 426		Contract 427		Contract 428		Contract 429		Contract 430		Contract 431		Contract 432		Contract 433		Contract 434		Contract 435		Contract 436		Contract 437		Contract 438		Contract 439		Contract 440		Contract 441		Contract 442		Contract 443		Contract 444		Contract 445		Contract 446		Contract 447		Contract 448		Contract 449		Contract 450		Contract 451		Contract 452		Contract 453		Contract 454		Contract 455		Contract 456		Contract 457		Contract 458		Contract 459		Contract 460		Contract 461		Contract 462		Contract 463		Contract 464		Contract 465		Contract 466		Contract 467		Contract 468		Contract 469		Contract 470		Contract 471		Contract 472		Contract 473		Contract 474		Contract 475		Contract 476		Contract 477		Contract 478		Contract 479		Contract 480		Contract 481		Contract 482		Contract 483		Contract 484		Contract 485		Contract 486		Contract 487		Contract 488		Contract 489		Contract 490		Contract 491		Contract 492		Contract 493		Contract 494		Contract 495		Contract 496		Contract 497		Contract 498		Contract 499		Contract 500		Contract 501		Contract 502		Contract 503		Contract 504		Contract 505		Contract 506		Contract 507		Contract 508		Contract 509		Contract 510		Contract 511		Contract 512		Contract 513		Contract 514		Contract 515		Contract 516		Contract 517		Contract 518		Contract 519		Contract 520		Contract 521		Contract 522		Contract 523		Contract 524		Contract 525		Contract 526		Contract 527		Contract 528		Contract 529		Contract 530		Contract 531		Contract 532		Contract 533		Contract 534		Contract 535		Contract 536		Contract 537		Contract 538		Contract 539		Contract 540		Contract 541		Contract 542		Contract 543		Contract 544		Contract 545		Contract 546		Contract 547		Contract 548		Contract 549		Contract 550		Contract 551		Contract 552		Contract 553		Contract 554		Contract 555		Contract 556		Contract 557		Contract 558		Contract 559		Contract 560		Contract 561		Contract 562		Contract 563		Contract 564		Contract 565		Contract 566		Contract 567		Contract 568		Contract 569		Contract 570		Contract 571		Contract 572		Contract 573		Contract 574		Contract 575		Contract 576		Contract 577		Contract 578		Contract 579		Contract 580		Contract 581		Contract 582		Contract 583		Contract 584		Contract 585		Contract 586		Contract 587		Contract 588		Contract 589		Contract 590		Contract 591		Contract 592		Contract 593		Contract 594		Contract 595		Contract 596		Contract 597		Contract 598		Contract 599		Contract 600		Contract 601		Contract 602		Contract 603		Contract 604		Contract 605		Contract 606		Contract 607		Contract 608		Contract 609		Contract 610		Contract 611		Contract 612		Contract 613		Contract 614		Contract 615		Contract 616		Contract 617		Contract 618		Contract 619		Contract 620		Contract 621		Contract 622		Contract 623		Contract 624		Contract 625		Contract 626		Contract 627		Contract 628		Contract 629		Contract 630		Contract 631		Contract 632		Contract 633		Contract 634		Contract 635		Contract 636		Contract 637		Contract 638		Contract 639		Contract 640		Contract 641		Contract 642		Contract 643		Contract 644		Contract 645		Contract 646		Contract 647		Contract 648		Contract 649		Contract 650		Contract 651		Contract 652		Contract 653		Contract 654		Contract 655		Contract 656		Contract 657		Contract 658		Contract 659		Contract 660		Contract 661		Contract 662		Contract 663		Contract 664		Contract 665		Contract 666		Contract 667		Contract 668		Contract 669		Contract 670		Contract 671		Contract 672		Contract 673		Contract 674		Contract 675		Contract 676		Contract 677		Contract 678		Contract 679		Contract 680		Contract 681		Contract 682		Contract 683		Contract 684		Contract 685		Contract 686		Contract 687		Contract 688		Contract 689		Contract 690		Contract 691		Contract 692		Contract 693		Contract 694		Contract 695		Contract 696		Contract 697		Contract 698		Contract 699		Contract 700		Contract 701		Contract 702		Contract 703		Contract 704		Contract 705		Contract 706		Contract 707		Contract 708		Contract 709		Contract 710		Contract 711		Contract 712		Contract 713		Contract 714		Contract 715		Contract 716		Contract 717		Contract 718		Contract 719		Contract 720		Contract 721		Contract 722		Contract 723		Contract 724		Contract 725		Contract 726		Contract 727		Contract 728		Contract 729		Contract 730		Contract 731		Contract 732		Contract 733		Contract 734		Contract 735		Contract 736		Contract 737		Contract 738		Contract 739		Contract 740		Contract 741		Contract 742		Contract 743		Contract 744		Contract 745		Contract 746		Contract 747		Contract 748		Contract 749		Contract 750		Contract 751		Contract 752		Contract 753		Contract 754		Contract 755		Contract 756		Contract 757		Contract 758		Contract 759		Contract 760		Contract 761		Contract 762		Contract 763		Contract 764		Contract 765		Contract 766		Contract 767		Contract 768		Contract 769		Contract 770		Contract 771		Contract 772		Contract 773		Contract 774		Contract 775		Contract 776		Contract 777		Contract 778		Contract 779		Contract 780		Contract 781		Contract 782		Contract 783		Contract 784		Contract 785		Contract 786		Contract 787		Contract 788		Contract 789		Contract 790		Contract 791		Contract 792		Contract 793		Contract 794		Contract 795		Contract 796		Contract 797		Contract 798		Contract 799		Contract 800		Contract 801		Contract 802		Contract 803		Contract 804		Contract 805		Contract 806		Contract 807		Contract 808		Contract 809		Contract 810		Contract 811		Contract 812		Contract 813		Contract 814		Contract 815		Contract 816		Contract 817		Contract 818		Contract 819		Contract 820		Contract 821		Contract 822		Contract 823		Contract 824		Contract 825		Contract 826		Contract 827		Contract 828		Contract 829		Contract 830		Contract 831		Contract 832		Contract 833		Contract 834		Contract 835		Contract 836		Contract 837		Contract 838		Contract 839		Contract 840		Contract 841		Contract 842		Contract 843		Contract 844		Contract 845		Contract 846		Contract 847		Contract 848		Contract 849		Contract 850		Contract 851		Contract 852		Contract 853		Contract 854		Contract 855		Contract 856		Contract 857		Contract 858		Contract 859		Contract 860		Contract 861		Contract 862		Contract 863		Contract 864		Contract 865		Contract 866		Contract 867		Contract 868		Contract 869		Contract 870		Contract 871		Contract 872		Contract 873		Contract 874		Contract 875		Contract 876		Contract 877		Contract 878		Contract 879		Contract 880		Contract 881		Contract 882		Contract 883		Contract 884		Contract 885		Contract 886		Contract 887		Contract 888		Contract 889		Contract 890		Contract 891		Contract 892		Contract 893		Contract 894		Contract 895		Contract 896		Contract 897		Contract 898		Contract 899		Contract 900		Contract 901		Contract 902		Contract 903		Contract 904		Contract 905		Contract 906		Contract 907		Contract 908		Contract 909		Contract 910		Contract 911		Contract 912		Contract 913		Contract 914		Contract 915		Contract 916		Contract 917		Contract 918		Contract 919		Contract 920		Contract 921		Contract 922		Contract 923		Contract 924		Contract 925		Contract 926		Contract 927		Contract 928		Contract 929		Contract 930		Contract 931		Contract 932		Contract 933		Contract 934		Contract 935		Contract 936		Contract 937		Contract 938		Contract 939		Contract 940		Contract 941		Contract 942		Contract 943		Contract 944		Contract 945		Contract 946		Contract 947		Contract 948		Contract 949		Contract 950		Contract 951		Contract 952		Contract 953		Contract 954		Contract 955		Contract 956		Contract 957		Contract 958		Contract 959	
--	--	--	--	--	--	--	--	--	--	------------	--	------------	--	------------	--	------------	--	------------	--	------------	--	------------	--	------------	--	------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	-------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--	--------------	--

APPENDIX O

GROUND LEASE

[THIS PAGE INTENTIONALLY LEFT BLANK]

GROUND LEASE

BETWEEN

PACIFIC PROVING, LLC

as "Landlord"

and

LEGACY CARES, INC.

as "Tenant"

For

the "Premises"

GROUND LEASE

This "Lease", is made and entered into as of this 20th day of May, 2020 (the "Effective Date"), by and between PACIFIC PROVING, LLC, a Delaware limited liability company ("Landlord") and LEGACY CARES, INC., an Arizona nonprofit corporation ("Tenant"). Landlord and Tenant may be referred to, each, as a "Party" and, together, as the "Parties".

RECITALS

A. Landlord is the owner of certain real property, situated in the County of Maricopa, State of Arizona, more particularly described on attached Exhibit "A" (the "Property") together with all rights appurtenant thereto and any Improvements now or hereafter constructed on the Property (the "Premises").

B. Tenant desires to lease the Premises from Landlord, and Landlord desires to lease the Premises to Tenant upon the terms and conditions herein.

NOW, THEREFORE, for and in consideration of the rent, covenants and agreements contained in this Lease and subject to the terms hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord (subject to Landlord's retention of the exclusive right to develop and retain all benefits of outdoor billboards in the areas described on Exhibit "A-1"), and Landlord and Tenant hereby covenant and agree as follows:

ARTICLE 1

TERM; CONTINGENCY

Section 1.01 Lease Term. The "Term" of this Lease shall commence on the Commencement Date and unless sooner terminated pursuant to another provision of this Lease, shall expire and terminate at 11:59 p.m., on the fortieth (40th) anniversary of the Commencement Date; where the "Commencement Date" shall be January 1, 2021. After the Commencement Date, either Party may request that the other Party countersign a written statement memorializing the Commencement Date and the non-requesting Party shall execute and return the same without unreasonable delay or condition.

Section 1.02 Option to Extend. Subject to the terms of this Lease, Tenant is hereby granted two (2) options ("Option") to extend the term of this Lease for five (5) years each (each an "Option Period"), on all of the same terms and conditions contained herein including but not limited to the annual two percent (2%) Base Rent increases; provided that Tenant gives Landlord written notice of Tenant's election to exercise the Option at least three hundred sixty five (365) days prior to the scheduled expiration of the initial Term (or the expiration of the first Option Period, as the case may be), but no more than eighteen (18) months prior to the then scheduled expiration of the initial Term (or the expiration of the first Option Period, as the case may be). If Tenant fails to give Landlord such written notice within the time and in the manner provided herein of the exercise of the Option, said Option shall expire and be of no further force and effect. Time is of the essence in the exercise of the Option. So long as at the time of such exercise and at the commencement of the Option Period this Lease is in full force and effect and Tenant is not in default in any of its obligations

hereunder beyond any applicable cure period, the Term of this Lease shall be automatically extended for such Option Term, without the execution of an amendment to extend or renew the Lease, and during such Option Period, Landlord and Tenant shall be bound by all of the terms, covenants and conditions of this Lease (subject to Base Rent provision adjustments provided herein) as if such Option Term were part of the Initial Term. If Tenant gives notice to Landlord of its election to exercise the Option within the time and in the manner prescribed herein, the Base Rent payable during the first year of the Option Period shall be increased by two percent (2%) over the prior year. On each anniversary of the first day of the Option Period, the Base Rent shall be increased by two percent (2%) over the prior year's Base Rent.

Section 1.03 Due Diligence; Initial Project Entitlements.

(a) Due Diligence. Prior to the Effective Date, Landlord provided Tenant with reasonable access to the Property and copies of the following Property documents to the extent they are in Landlord's possession and control and without representation or warranty: (i) all leases and service contracts (ii) soil/engineering tests; (ii) ALTA title commitment issued by Chicago Title Insurance Company, together with all underlying documents; (iii) Landlord's existing ALTA survey (iv) most recent real estate tax and utility bills; (v) building plans; (vi) environmental studies; (vii) existing zoning and entitlements; and (viii) concept plan from the City of Mesa (the "City"); and (ix) such other materials as reasonably requested by Tenant, and Tenant acknowledges that it has sufficiently examined the Property, is familiar with the physical condition, zoning, status of title and use that may be made of the Property and every other matter or thing affecting or related to the Property, and is leasing the same in its "AS IS" condition existing on the Effective Date.

(b) Project Entitlements. Upon the Effective Date, Tenant shall use its reasonable and diligent efforts, at its sole cost and expense, to obtain all necessary and desirable approvals from the City and all other applicable governmental authorities, quasi-governmental authorities, and/or utility providers and regulators (collectively, "Governmental Authorities") in form and with stipulations reasonably acceptable to Tenant and approved by Landlord, which may include rezoning, site plan approval, improvement plans for infrastructure improvements, utility services agreement, and, development agreements (collectively, the "Project Entitlements") for the Initial Improvements (the "Initial Project Entitlements"). Tenant shall obtain the Initial Project Entitlements no later than August 15, 2020 (the "Entitlement Outside Date"). If Tenant fails to do so, Landlord shall have the right upon sixty (60) days prior written notice to Tenant to terminate this Lease unless Tenant obtains the Initial Project Entitlement prior to the expiration of the sixty (60) day period. Following such termination (and assuming that the Landlord is not otherwise entitled to apply the Security Deposit as set forth herein) the Security Deposit less \$100,000.00 shall be returned to the Tenant. Additionally, in connection with obtaining the Initial Project Entitlements Tenant shall meet the hurdle deadlines (unless otherwise expressly waived or modified in writing by mutual agreement of Landlord and Tenant) as set forth on Exhibit B ("Hurdle Schedule"). If Tenant fails to meet any of the deadlines on the Hurdle Schedule, Landlord shall have the right upon sixty (60) days prior written notice to Tenant to terminate this Lease upon written notice to Tenant, and the Lease shall terminate unless Tenant satisfies the hurdle dates set forth in Exhibit B prior to expiration of such 60-day period. Following termination (and assuming that the Landlord is not otherwise entitled to apply the Security Deposit as set forth herein) the Security Deposit less \$125,000.00 shall be returned to the Tenant. "Initial Improvements" means the Improvements to be constructed by Tenant on the Premises promptly following the Commencement Date as generally

depicted, in the conceptual plan attached hereto as Exhibit "C" (the "Conceptual Plan") and shall include, without limitation, a sports and entertainment park of quality consistent with other national sports and entertainment parks/complexes, together with parking improvements for not less than the number of cars required by Governmental Authorities having jurisdiction thereof, and such other facilities, utilities, improvements and appurtenances necessary or desired by Tenant in connection with such a development. The Conceptual Plan shall not be materially amended or modified by Tenant without Landlord's prior written consent; where a material amendment or modification shall mean a change to the plan that results in a reduction of leasable square footage by ten percent (10%) or more.

(c) Landlord's Approval and Cooperation. Landlord shall reasonably cooperate with Tenant, at Tenant's sole expense, in Tenant's efforts to obtain the Initial Project Entitlements, if necessary, subject to the following:

(i) Tenant shall promptly provide Landlord with written notice of and secure Landlord's prior written approval of any written application or formal submittal to Governmental Authorities for Initial Project Entitlements, including, but not limited to, (A) any zoning change, site plan or plat approval before the same is submitted to or filed with the City and to any material changes thereto, (B) any conditions and stipulations imposed in connection with the Initial Project Entitlements and (C) any development or other similar agreement before execution. Landlord's approval shall not be unreasonably withheld, conditioned or delayed. If Landlord fails to respond to any request for approval of any Initial Project Entitlements within fifteen (15) business days following receipt of Tenant's written request and a copy of the relevant Initial Project Entitlements, Landlord shall be deemed to have approved the same. If Landlord disapproves any proposed Initial Project Entitlements, it shall notify Tenant in writing (with e mail being deemed a writing) specifying the reason for such disapproval.

(ii) Following Landlord's approval of any proposed Initial Project Entitlements, Landlord shall execute any and all applications, consents, and other documents reasonably and timely requested by Tenant in connection with such proposed Initial Project Entitlements. Landlord, if necessary, shall be the applicant with respect to the Initial Project Entitlements, but Tenant shall be solely responsible for all application fees and expenses associated with the proposed Initial Project Entitlements.

(iii) Landlord shall approve the creation of easements and all zoning-related stipulations on the Premises and the grant of other property interests in the Premises, including without limitation, public utility easements, sidewalk and landscaping easements and utility easements (collectively, "Easement Interests"), reasonably necessary to Tenant's development of and use of the Initial Improvements as permitted in this Lease, or required by the Initial Project Entitlements. Except as expressly provided otherwise in this Lease, without Landlord's prior written approval, which may be given or withheld in Landlord's reasonable discretion, no lien, charge or encumbrance shall be asserted against or imposed upon the Premises as a result of any Initial Project Entitlements. Following Landlord's approval of any Easement Interests, Landlord shall timely execute any and all easements, consents, and other documents, reasonably requested by Tenant in connection with such Easement Interests.

(iv) Tenant will be responsible for payment of any cost, charge, expense or liability whatsoever in connection with the Initial Project Entitlements and Tenant's financial obligations with respect to the Initial Project Entitlements shall survive expiration or sooner termination of this Lease.

(v) Tenant shall promptly furnish to Landlord copies of all applications and materials submitted, filed or received in connection with the Initial Project Entitlements, all notices of public hearings and continuances thereof, all staff reports and recommendations (including conditions and stipulations), and all written opposition to the Initial Project Entitlements, to or received from any Governmental Authorities in connection with the Initial Project Entitlements.

(vi) Tenant shall inform Landlord of all commission, council and other meetings or hearings with respect to the Initial Project Entitlements and Landlord shall be permitted to attend the same.

(vii) Tenant acknowledges that the City may impose certain stipulations or conditions on the Initial Project Entitlements, and that during the term of the Lease, Landlord will not be responsible for satisfying such stipulations except to the extent provided in this Lease.

(viii) Tenant agrees to indemnify, defend and hold harmless Landlord for, from, and against any and all out-of-pocket losses, costs, liabilities, causes of action, damages or expenses arising out of or in connection with any breach by Tenant of the agreements made by Tenant in this Section 1.03(c), and this indemnity shall survive expiration or sooner termination of this Lease.

(d) Future Project Entitlements. Following completion of the Initial Improvements and from time to time during this Lease, Tenant may desire additional Project Entitlements for the Premises, in which event, such additional Project Entitlements shall be allowed subject to the same limitations as applicable to alterations as set forth in this Section 1.03(c) and in Section 10.02 below.

ARTICLE 2

RENT

Section 2.01 Rent.

(a) Base Rent and Annual Rent Adjustment. Beginning on the Commencement Date, Tenant shall pay to Landlord as annual rent, without deduction, set-off, prior notice or demand, twenty-five cents (\$0.25) per square foot comprising the Premises. The parties agree that the total square feet of the Premises is thirteen million, nine hundred and thirty nine thousand, two hundred (13,939,200) square feet, which shall be conclusive. Base Rent shall increase on the anniversary of the Commencement Date and on each anniversary thereafter in the amount of 2% over the prior year.

(b) Payment of Base Rent. Base Rent shall be paid in advance in equal monthly installments on the first day of each calendar month, beginning on the Commencement

Date and continuing during the Lease Term. Base Rent for any partial month shall be prorated per diem. Rent shall be paid to Landlord at the address to which notices to Landlord are given, or to such other person or such other place as directed from time to time by written notice to Tenant from Landlord.

Section 2.02 Other Tenant Costs and Charges. Except as expressly provided otherwise herein, the Rent payable under this Article 2 shall be absolutely net to Landlord free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off whatsoever. Unless otherwise expressly provided herein, Tenant shall pay all costs, charges and expenses of every kind and nature whatsoever relating to the Premises, which may arise or become due or payable prior to, during or after (but attributable to a period falling within) the Lease Term, whether now existing or hereafter arising, or whether beyond the present contemplation of the Parties. However, nothing in this Lease shall require, or be construed to require, Tenant to pay any interest or principal payments or other payments on or required under any mortgage or trust deed on the fee of the Premises. Except as specifically set forth herein, the obligations of Tenant (including but not limited to the obligation to pay Rent) hereunder shall not be affected by reason of: any damage to or destruction of the Premises or any part thereof, any taking of the Premises or any part thereof or interest therein by condemnation or otherwise, any prohibition, limitation, restriction or prevention of or interference with Tenant's use, occupancy or enjoyment of the Premises or any part thereof any action of any governmental authority.

Section 2.03 Rent Taxes. Tenant shall pay, when due, all federal, state and local privilege taxes, sales taxes, gross proceeds or value added taxes or similar taxes ("Rent Taxes"), now or hereafter levied or assessed upon Landlord's receipt of the monies constituting the Rent. Tenant shall pay, when due, all Rent Taxes now or hereafter levied or assessed upon Landlord's receipt of monies collected by Tenant from space tenants.

Section 2.04 Security Deposit. Tenant shall deposit with Landlord a security deposit in the amount of One Million and 00/100 Dollars (\$1,000,000.00) (\$250,000 upon the full execution of this Lease; \$250,000 upon obtaining the Project Entitlements; \$500,000 upon the earlier of (i) the Commencement Date, or (ii) groundbreaking in connection with the use described in section 13.01 below or (iii) annexation of the Property by the City to be held by Landlord for the initial five (5) years of the Term. So long as Tenant is not in default at any time during the initial five (5) year period, the security deposit shall be refunded to Tenant by Two Hundred and Fifty Thousand and 00/100 Dollars (\$250,000.00) at the end of each subsequent year for the next three (3) years with the final \$250,000.00 to remain with Landlord for the duration of the Term. The security deposit shall be provided to Landlord as security for the full and faithful performance of every provision of this Lease to be performed by Tenant. If Tenant breaches any provision of this Lease, including but not limited to the payment of the Base Rent or any additional rental obligations following the expiration of any applicable grace period, Landlord may use all or any part of this security deposit for the payment of any rent or any other sums in default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. Except as otherwise provided herein, if any portion of said deposit is so used or applied, Tenant shall, within five (5) days after written demand therefor, deposit cash with Landlord in an amount sufficient to restore the security deposit to its original amount. Tenant agrees that Landlord shall not be required to keep the security deposit in trust, segregate it

or keep it separate from Landlord's general funds, but Landlord may commingle the security deposit with its general funds, and Tenant shall not be entitled to interest on such deposit. Within thirty (30) days after the expiration of the Lease Term, and provided there exists no default by Tenant hereunder, the security deposit, or any balance thereof shall be returned to Tenant (or, at Landlord's option, to Tenant's assignee), provided that subsequent to the expiration of this Lease, Landlord may retain from said security deposit (i) any and all amounts reasonably estimated by Landlord to cover the anticipated costs to be incurred by Landlord to remove any signage if Tenant fails to remove any such signage and to repair any damage caused by such removal (in which case any excess amount so retained by Landlord shall be returned to Tenant within thirty (30) days after such removal and repair).

ARTICLE 3

PAYMENT OF IMPOSITIONS

Section 3.01 Payment of Impositions. Tenant shall directly pay, when due and payable, subject to the terms and conditions of this Article 3, all real property taxes, assessments, water and sewer rates and charges, and other governmental charges, general and special, ordinary and extraordinary, unforeseen as well as foreseen, of any kind and nature whatsoever, together with any interest or penalties imposed upon the late payment thereof as a result of Tenant's breach of its obligations in this Article 3 (all of the foregoing are hereinafter referred to collectively as "Impositions"), that are assessed, levied, imposed or become a lien upon the Premises and the sidewalks or streets in front of or adjoining the Premises (and are the obligation of Landlord), or become payable, during the Term of this Lease; provided, however, that if, by law, any such Imposition may at the option of the taxpayer be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Tenant may exercise the option to pay the same (and any accrued interest on the unpaid balance of such Imposition) in installments and shall pay only such installments as may become due during the Term of this Lease as the same respectively become due; and provided, further, that any Imposition relating to a fiscal period of the taxing authority, a part of which period is included within the Term of this Lease and a part of which is included in a period of time after the expiration or sooner termination of this Lease, other than a termination of this Lease pursuant to Article 15 below, shall (whether or not such Imposition shall be assessed, levied, imposed or become a lien upon the Premises, or shall become payable, during the Term of this Lease) be adjusted between Landlord and Tenant as of the expiration of the Term of this Lease, so that Landlord shall pay that portion of such Imposition that relates to that part of the fiscal period after the expiration or sooner termination of this Lease, and Tenant shall pay that portion of which relates to the period prior to the expiration or sooner termination of the Lease.

Section 3.02 Personal Taxes. Nothing contained in this Lease shall require Tenant to pay any franchise, corporate, estate, inheritance, succession, capital levy, stamp tax or transfer tax of Landlord, or any income, excess profits or revenue tax or any other tax, assessment, charge or levy upon the Rent payable by Tenant under this Lease, nor shall any tax, assessment, charge or levy of the character hereinabove in this Section described be deemed to be included within the term "Imposition" as defined in Section 3.01 above.

Section 3.03 Notice of Impositions. Landlord shall deliver to Tenant, within reasonable time after Landlord's receipt, but in any event, at least thirty (30) days prior to due date

(or with sufficient time to challenge in the case of property tax valuation notices), notice of any and all Impositions delivered to Landlord and not to Tenant. If Landlord does not provide Tenant notice of Impositions as required in this Section 3.03, Landlord shall pay such Impositions as and when due and Tenant shall reimburse Landlord the actual cost of such imposition (less any late charge, interest or similar charge incurred as a result of Landlord's failure to timely deliver such notice to Tenant and/or late payment of the same Imposition) within thirty (30) days of Landlord's request for reimbursement. Tenant shall, upon written request of Landlord, furnish to Landlord for inspection by it within sixty (60) days after the date when any Imposition is payable, official receipts of the appropriate taxing authority, or other evidence satisfactory to Landlord, evidencing the payment of such Imposition.

Section 3.04 Contest of Impositions. Tenant, at its sole cost and expense, shall have the right to contest the amount or validity, or to seek a refund, in whole or in part, of any Imposition by appropriate proceedings, provided that (a) nonpayment will not subject the Premises or any part thereof to any lien, sale or other liability by reason of such nonpayment, (b) such contest shall not subject Landlord to the risk of any criminal or civil liability, and (c) if such Imposition must be paid pursuant to any applicable statute, ordinance, regulation or rule as a condition to such contest, Tenant shall timely pay such Imposition. Notwithstanding the provisions of Section 3.01 above, such contest shall not be deemed or construed in any way as relieving, modifying or extending Tenant's covenants to pay any such Imposition at the time and in the manner as provided in this Article 3 unless Tenant shall have either paid such Impositions, if payment is a condition to such contest, or deposited with Landlord or a bank or trust company designated by Landlord, as security for the payment of such Imposition, money or a corporate surety bond or other security acceptable to Landlord in the amount so contested and unpaid, together with the estimated amount of all interest and penalties in connection therewith and all charges that may or might be assessed against or become a charge on the Premises and/or improvements or any part thereof in the proceedings, whereupon Tenant may postpone or defer payment of such Imposition. Upon the termination of such proceedings, Tenant shall pay the amount of such Imposition or part thereof as finally determined in such proceedings, the payment of which may have been deferred during the prosecution of such proceedings, together with any costs, fees, interest, penalties or other liabilities in connection therewith, and, if applicable, upon such payment Landlord shall return, or cause such bank or trust company to return, the amount above referred to without interest. Landlord agrees to join in any property tax related challenge, if requested by Tenant, and, Landlord agrees not to unreasonably withhold its consent to joining in any other such proceedings or permitting the same to be brought in its name. Landlord shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceeding, and Tenant agrees to indemnify, defend, save and hold harmless Landlord from any such costs or expenses. Tenant shall be entitled promptly to any refund of any such Imposition and penalties or interest thereon that have been paid by Tenant, or that have been paid by Landlord and for which Landlord has been fully reimbursed. Notwithstanding anything contained here in to the contrary, during any Event of Default, Tenant shall not commence any proceeding pursuant to this Section without Landlord's prior written consent.

Section 3.05 Proof of Payment of Impositions. The certificate, advice or bill of the appropriate official designated by law to make or issue or to receive payment of any Imposition, of

non-payment thereof, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

ARTICLE 4

INSURANCE

Section 4.01 Tenant's Insurance Obligations. At all times during the Lease Term, at its sole cost and expense, Tenant shall keep the Improvements insured against:

(a) Actual replacement cost coverage for loss or damage by fire, and such other risks including, without limitation, boiler and machinery, building ordinance and demolition with a retention limit of not greater than \$100,000, and vandalism and malicious mischief coverage, in an amount not less than the then full insurable value of the Improvements;

(b) claims for bodily injury or property damage, under a policy of commercial general liability insurance, with such limits to be not less than One Million Dollars (\$1,000,000.00) for any one (1) person and Two Million Dollars (\$2,000,000.00) for any one (1) occurrence in respect of bodily injury or death, Two Million Dollars (\$2,000,000.00) for property damage, Two Million Dollars (\$2,000,000.00) for products and completed operations aggregate and Two Million Dollars (\$2,000,000.00) general aggregate, \$2,000,000.00 for alcohol/dramshop liability. Tenant shall further keep in place an umbrella commercial general liability insurance policy in a form reasonably approved by Landlord with a coverage amount of not less than Ten Million Dollars (\$10,000,000.00). Tenant shall provide either full rental replacement bond covering a period of not less than thirty six (36) months or a reserve fund equal to not less than thirty-six (36) months of Rent. Landlord may from time to time during the Lease Term (but not more often than once each five years) request by written notice that Tenant review and adjust the amounts of such coverages (but not below the minimums herein specified), as may be necessary, in Tenant's reasonable discretion, to reflect changes in the use of the Premises and to maintain a commercially reasonable level of coverage; and

(c) actual replacement cost of the Improvements (excluding foundation and excavation costs) and the actual replacement cost shall be determined by an architect, appraiser, appraisal company or one of the insurers selected by Tenant and approved by Landlord, which determination shall be made no less frequently than once every five (5) years or upon completion of any commercially significant remodeling or redevelopment of the Premises.

Section 4.02 Builder's Risk Coverage. During any construction on or about the Premises, Tenant shall maintain in force until completion of the work. Builder's Risk insurance, including vandalism and malicious mischief, covering Improvements in place and all material and equipment at the job site, but excluding contractor's, subcontractor's and construction manager's tools and equipment and property owned by contractors' or subcontractors' employees.

Section 4.03 Insurers and Certificates. All insurance contemplated in this Article 4 (the "Insurance") shall be issued by insurers rated at least "A-" by A.M. Best Insurance Service and licensed to do business in the State of Arizona. All Insurance policies shall be nonassessable and shall contain language that (a) any loss shall be payable notwithstanding any act or negligence of

Landlord (excluding Landlord's gross negligence or willful misconduct) that might otherwise result in a forfeiture of the Insurance, (b) the insurer waives the right of recovery and/or subrogation against Landlord, (c) the policies are primary and noncontributing with any insurance that may be carried by Landlord. Prior to the Commencement Date and before the expiration or other termination of the existing policy, the original Insurance policies shall be delivered to Landlord. Tenant shall endeavor to deliver to the holder of the expiring original policy, at least ten (10) days prior to the expiration date of any policy, but in any event prior to expiration, the original renewal policy, and certificates thereof shall be delivered as aforesaid. All Insurance policies shall contain a non-cancellation clause except upon ten (10) days prior written notice to each named insured and loss payee.

Section 4.04 Other Insurance Provisions.

(a) The Insurance required under Sections 4.01(b) and 4.02 shall name Landlord as an additional insured. The Insurance required under Sections 4.01(a) shall name Landlord and Tenant as loss payees as their respective interests may appear. The loss, if any, under the policies referred to in Section 4.01 above, shall be adjusted with the insurance companies by Tenant. Tenant may also name its lender as an additional insured if required under the applicable loan and financing documents.

(b) The loss, if any, under all Insurance policies shall be payable to Tenant except rental replacement proceeds which shall be paid to Landlord and in the case of casualty proceeds to be used to restore the Improvements under Section 8.01 below, which proceeds shall be held in a joint account with Landlord and disbursed for the purposes set forth in Section 8.01.

(c) Except as otherwise set forth herein, any loss paid under any Insurance policy to Tenant shall, subject to an escrow and disbursement agreement approved by Landlord, be held in trust for application to the cost of restoring, repairing, replacing or rebuilding the Improvements, if the same is necessary; any excess following the completion and full payment of all such restoring, repairing, replacing or rebuilding the Improvements shall be disbursed to and be the sole property of Tenant.

Section 4.05 Blanket Policy. Nothing in this Article shall prevent Tenant from providing the Insurance required under Sections 4.01 pursuant to a blanket insurance policy or policies that can cover other properties owned or operated by Tenant, as well as the Premises and the Improvements; provided, however, that any blanket policy shall specify therein or Tenant shall furnish Landlord with a written statement from the insurers specifying the amount of the total insurance allocated to the Improvements, which amount shall be not be less than the amount required to be carried pursuant to Section 4.01 above.

Section 4.06 Waiver of Subrogation. Tenant hereby waives any and all rights of recovery against Landlord or against its officers, directors, partners, members, trustees, employees and shareholders, on account of loss or damage occasioned by Tenant or its property or any property of others under its control to the extent that such loss or damage is insured under any Insurance required to be maintained pursuant to this Lease, except to the extent such loss or damage is caused by the gross negligence or willful misconduct of Landlord. Tenant will, upon

obtaining the respective policies of Insurance required under this Lease, give notice to the insurance carrier or carriers that the foregoing waiver of subrogation is contained in this Lease and obtain from the respective carriers an endorsement waiving any right of subrogation in favor of the insurer.

ARTICLE 5

LANDLORD'S RIGHT TO PERFORM CERTAIN TENANT'S COVENANTS

Tenant hereby agrees that if, after expiration of the notice and grace periods set forth in Section 15.02 below (except in the case of maintaining the Insurance policies provided in Article 4 above for which such time limitation shall not apply for purposes of this Article 5), it shall fail (i) to pay any Imposition in accordance with the provisions of Article 3, or (ii) to take out, pay for, maintain or deliver any of the Insurance policies provided for in Article 4, (iii) fail to cause any lien of the character referred to in Article 12 to be discharged as provided therein, then Landlord may (but shall not be obligated to) and without further notice or demand upon Tenant and without waiving or releasing Tenant from any obligations of Tenant contained in this Lease, (a) pay any Imposition payable by Tenant pursuant to the provisions of Article 3, or (b) take out, pay for and maintain any of its Insurance policies provided for in Article 4, or (c) discharge any lien of the character referred to in Article 12 as provided therein. All reasonable out-of-pocket sums so paid by Landlord, together with interest thereon at the Default Rate from the date of making of such expenditure by Landlord, shall be payable to Landlord on demand or, at the option of Landlord, may be added to any Base Rent then due or thereafter becoming due under this Lease, and Tenant covenants to pay any such sum or sums payable by Tenant for Impositions pursuant to Article 3, insurance premiums pursuant to Article 4 and all other charges and expenses of whatsoever nature that Tenant assumes or agrees to pay pursuant to this Lease, shall be deemed additional Rent under this Lease and payable as provided in this Lease, and Landlord shall have (in addition to any other right or remedy of Landlord provided in this Lease) the same rights and remedies in the event of the non-payment of any such sums by Tenant as in the case of default by Tenant in the payment of Rent.

ARTICLE 6

COVENANTS TO MAINTAIN

Throughout the Term, Tenant, at its sole cost and expense, shall keep the Improvements, the Premises and the adjoining sidewalks and curbs, to the extent the same are the responsibility of the Property owner, clean and in good condition, subject to reasonable wear and tear, free of accumulations of dirt and rubbish, and shall make all repairs (including interior and exterior, structural and nonstructural, ordinary and extraordinary, and unforeseen and foreseen) and replacements necessary to maintain the Premises and the Improvements in first class condition appropriate for sports and entertainment parks located in the greater Phoenix area, provided, that, in any event, Tenant shall make all repairs necessary to avoid any structural damage or injury to the Improvements. All repairs shall be performed in a good and workmanlike manner in compliance with all Applicable Laws, Permits, and all requirements of applicable Governmental Authorities, any national or local board of fire underwriters or any other body hereafter exercising functions similar to those of any of the foregoing. Landlord shall not be required to furnish any services or facilities

or to make any repairs or alterations to the Premises or the Improvements and Tenant hereby assumes the full and sole responsibility for the condition, operation, repair, replacement, maintenance and management of the Premises and the Improvements. Tenant hereby waives and releases all rights now or hereinafter conferred by statute or otherwise which would have the effect of limiting or modifying any of the provisions of this Article 6.

ARTICLE 7

COMPLIANCE WITH APPLICABLE LAWS

Section 7.01 Applicable Laws. Tenant shall comply with all laws and ordinances and the orders, rules, regulations and requirements of all federal, state, and municipal governments that may be applicable to the occupancy and the use of the Premises and the Improvements (collectively, the "Applicable Laws"), regardless of whether such compliance is foreseen or unforeseen, ordinary or extraordinary, and regardless of whether presently within the contemplation of the Parties or involving any change of governmental policy or requiring structural or extraordinary repairs, alterations or additions. Tenant shall likewise observe and comply with the requirements of all policies of public liability, fire, and all other policies of Insurance at any time in force with respect to the Improvements.

Section 7.02 Contest of Applicable Laws. Tenant shall have the right to contest by appropriate legal proceedings, without cost or expense to Landlord, the validity or application of any Applicable Law. If by the terms of any such Applicable Law, compliance therewith may legally be held in abeyance pending the prosecution of any such proceeding without the incurrance of a lien, charge or liability of any kind against the Premises or the Improvements or Tenant's leasehold interest therein and without subjecting Tenant or Landlord to any criminal liability or civil penalty of any nature for failure so to comply therewith, Tenant may postpone compliance therewith until the final determination of any proceedings, provided that all such proceedings shall be prosecuted with all due diligence and dispatch, and if any lien, charge or civil liability is incurred by reason of non-compliance, Tenant may nevertheless make such contest and delay compliance as provided above, provided that Tenant furnishes to Landlord security, reasonably satisfactory to Landlord, against any loss or injury by reason of such non-compliance or delay therein and prosecutes the contest with due diligence. Landlord shall reasonably cooperate with Tenant in the prosecution of any such proceeding provided that (a) such contest will not subject the Landlord to the risk of criminal or civil penalty, (b) such contest will not subject the Premises or any part thereof to any Lien, sale or other liability as a result of such contest, and (c) Landlord shall not ultimately be subjected to any liability for the payment of any costs or expenses in connection with any such proceeding, and Tenant agrees to indemnify, defend, save and hold harmless Landlord from any such costs or expenses.

ARTICLE 8

DAMAGE TO OR DESTRUCTION OF THE IMPROVEMENTS

Section 8.01 Casualty Repair. Tenant covenants that in case of damage to or destruction of the Improvements by fire or any other cause, similar or dissimilar, insured or uninsured, it will promptly, at its sole cost and expense, restore, repair, replace or rebuild the Improvements as nearly as possible to the condition, quality and class it was in immediately prior

to such damage or destruction, or with such changes or alterations as Tenant shall elect to make in conformity with Article 10 below. Such restoration, repairs, replacement or rebuilding shall be commenced reasonably promptly and prosecuted with reasonable diligence.

Section 8.02 Insufficient Proceeds. If insurance proceeds, if any, recovered in respect of any insured damage or destruction, less any cost of recovery, shall be insufficient to pay the entire cost of such restoration, repairs, replacement or rebuilding, Tenant shall pay such costs or obtain financing for the deficiency.

Section 8.03 No Abatement. Tenant's obligation to make payment of the Rent and to perform all of its other covenants and agreements herein shall not be affected by any such damage to or destruction of the Improvements.

ARTICLE 9

CONDEMNATION

Section 9.01 Total Taking. If, at any time during the Term of this Lease, there shall be a total "Taking" or "a constructive total Taking" (as those terms are defined below) of the fee title to the Premises, this Lease shall terminate on the date of such Taking and the Rent and other charges payable by Tenant under this Lease shall be apportioned and paid to the date of such Taking. For the purposes of this Article, the term "a constructive total Taking" shall mean a Taking of such scope that the portion of the Premises not taken is insufficient, in Tenant's and Landlord's reasonable judgment, to permit the restoration of the existing Improvements so as to constitute a complete, economical project. For purposes of this Lease, "Taking" means the taking or damaging, including severance damage, by eminent domain or by inverse condemnation or for any public or quasi-public use under any statute. The Taking shall be considered to take place as of the earlier of (a) the date actual physical possession is taken by the condemnor, or (b) the date on which the right to compensation and damages accrue under Applicable Law. If a Taking does not constitute a total taking or "a constructive total Taking," the provisions of Sections 9.03 through 9.08 shall apply. The transfer of title may be either a transfer resulting from recording a final order in condemnation or a voluntary transfer or conveyance to the condemnor.

Section 9.02 Condemnation Proceeds. In the event of a total Taking or constructive total Taking and the termination of this Lease, the award or awards for such taking, less the costs of the determination and collection of the amount of the award or awards ("Condemnation Proceeds"), shall be distributed as follows:

(a) first, to payment of the costs (or reimbursement to Tenant, to the extent Tenant has already paid such costs) of removal of the damaged or destroyed Improvements;

(b) second, Tenant shall receive from the Condemnation Proceeds an amount equal to the lesser of (i) the then fair market value of Tenant's leasehold interest in the Premises, and (ii) the remaining Condemnation Proceeds; and

(c) third, Landlord shall receive the remainder, if any, of the Condemnation Proceeds.

Nothing herein shall prohibit the Landlord from seeking amounts from the applicable governmental entity for just compensation resulting from any taking of the Property which proceeds shall be payable directly to the Landlord and shall not be subject to Section 9.02 (a, b and c) above.

Section 9.03 Partial Taking. In the event of a taking that is less than a total Taking or constructive total Taking (a "Partial Taking"), this Lease shall not terminate or be affected in any way, except as provided in Section 9.04 below, and the Condemnation Proceeds from a Partial Taking shall be applied and distributed in the following order of priority: (a) to Tenant a sum equal to the cost of restoring any Improvements in accordance with Section 9.04 below; and (b) the residue, if any, shall be paid to Landlord. Notwithstanding the foregoing, Landlord shall retain all Condemnation Proceeds related to the taking of fee title or an easement (perpetual and temporary) by Salt River Project or the State of Arizona in the areas marked on Exhibit A. Promptly after a Partial Taking, at its expense, Tenant shall reconstruct the Premises according to Plans approved by Landlord.

Nothing herein shall prohibit the Landlord from seeking amounts from the applicable governmental entity for just compensation resulting from any taking of the Property which proceeds shall be payable directly to the Landlord and shall not be the subject of this Section 9.03.

Section 9.04 Repair After Taking. In the event of a Partial Taking, Tenant, at its sole cost and expense, and whether or not the Condemnation Proceeds shall be sufficient for the purpose, shall proceed with due diligence to restore, repair, replace or rebuild the remaining part of the Improvements to substantially its former condition or with such changes or alterations as Tenant may elect to make in conformity with Article 10 below so as to constitute a complete, rentable project.

Section 9.05 Rent Reduction. In the event of a Partial Taking, this Lease shall terminate as to the portion of the Premises so taken and the percentage used to calculate the Base Rent payable for the balance of the Term of this Lease shall be reduced by a sum equivalent to the portion of the Premises taken vs the original size of the Premises, such reduction to be effective as of the date of Taking. Until the amount of the reduction of the Base Rent shall have been determined, Tenant shall continue to pay to Landlord the Base Rent provided for in Article 2 above; provided that upon determination of the reduction in Base Rent, any overpayment by Tenant shall be applied immediately to the net due Base Rent until such overpayment is exhausted.

Section 9.06 Temporary Taking. If, at any time during the Lease Term, the whole or any part of the Premises, Tenant's leasehold estate, or the Improvements shall be Taken in condemnation proceedings or by any right of eminent domain for temporary use or occupancy (a "Temporary Taking") Sections 9.02 through 9.05 shall not apply and Tenant shall continue to pay,

in the manner at the times specified in this Lease, the full amounts of the Rent and other charges payable by Tenant under this Lease, and, except only to the extent that Tenant may be prevented from reasonably doing so as a result of the Temporary Taking, Tenant shall perform and observe all of the other terms of this Lease. In the event of any such Temporary Taking, Tenant shall be entitled to receive the entire amount of the Condemnation Proceeds made for such taking and reasonably apportioned to the Term of this Lease, whether paid by way of damages, rent or otherwise. Tenant covenants that, upon the expiration of any such period of temporary use or occupancy, if during the Lease Term, it will, at its sole cost and expense, restore the Improvements, as nearly as may be reasonably possible, to the condition in which the same was immediately prior to such taking, wear and tear during such temporary use or occupancy excepted. To the extent that Landlord receives any portion of the Condemnation Proceeds as compensation for the cost of restoration or repair of the Improvements, Landlord shall, pay all such sums to Tenant as and when the improvements are restored. Any portion of the Condemnation Proceeds received by Tenant as compensation for the cost of restoration of the Improvements shall, if such period of temporary use or occupancy shall extend beyond the Term of this Lease and the Improvements shall not actually be restored with Condemnation Proceeds, be paid to Landlord on the date of termination of this Lease.

Section 9.07 Allocation of Award. If the order or decree in any condemnation or similar proceeding shall fail separately to state the amount to be awarded to Landlord and the amount to be awarded to Tenant under the provisions of Section 9.02 or 9.03, above, or the amount of the compensation for the restoration of the Improvements under Section 9.05, above, and Landlord and Tenant fail to agree on such allocation within sixty (60) days after the final award or awards have been fixed and determined, Landlord and Tenant agree that such allocation shall be determined by appraisers as follows:

(a) Landlord and Tenant shall each appoint an appraiser within ninety (90) days of the date of the final condemnation order. The two appraisers so appointed shall promptly appoint a third appraiser within one hundred twenty (120) days following the date of the final condemnation order. If a Party fails to timely appoint an appraiser, no third appraiser shall be appointed, and the appraiser selected by the other Party shall determine the apportionment within one hundred eighty (180) days of the date of the final condemnation order.

(b) Within forty-five (45) days after the appointment of the third appraiser (if applicable), the two appraisers appointed by Landlord and Tenant shall each determine and report to the third appraiser the appropriate apportionment. Within ten (10) days thereafter, the third appraiser shall determine which of the two apportionments determined by the appraisers appointed by Landlord and Tenant is the more appropriate apportionment and the apportionment chosen by the third appraiser shall be final and binding upon the Parties and enforceable by any court of competent jurisdiction.

(c) All appraisers shall be members of the Appraisal Institute (M.A.I.) or, if such Institute shall not then exist, members of its successor organization or an organization of substantially equivalent stature. The fees of the appraisers shall be borne equally by Landlord and Tenant.

Section 9.08 Right to Participate. Each of Landlord and Tenant shall have the right, at its own expense, to appear in any condemnation proceeding and participate in any and all hearings, trials and appeals therein for the purpose of protecting its rights under this Lease and for Tenant to introduce evidence independently of Landlord to establish the value of or damage to the Improvements.

ARTICLE 10

CONSTRUCTION OF IMPROVEMENTS

Section 10.01 Construction of Initial Improvements.

(a) Within a reasonable time following the date it obtains all Initial Project Entitlements, Tenant shall commence and diligently pursue completion of the Initial Improvements in a sound workmanlike manner in accordance with this Lease and all Initial Project Entitlements, Applicable Laws and Permits. If Tenant has not commenced construction of the Initial Improvements within one hundred and twenty (120) days after the date Tenant obtains all Initial Project Entitlements and issuance of the Permits for the Initial Improvements (the "Construction Start Date"), Landlord shall have the right upon ninety (90) days prior written notice to Tenant given at any time prior to the Commencement of Construction, to terminate this Lease upon written notice to Tenant, and the Lease shall terminate unless Tenant commences construction of the Initial Improvements prior to expiration of such 90-day period. Landlord shall retain the Security Deposit upon such termination. The Construction Start Date and 90-day cure period in this Section 10.01(a) shall be extended for delays beyond the reasonable control of Tenant ("Unavoidable Delays"), including, without limitation, lender feasibility measures and force majeure events; where "force majeure events" means acts of God; strikes; lockouts; labor troubles; inability to procure materials; acts of war; terrorist actions; inclement weather; governmental laws or regulations; Casualty; orders or directives of any legislative, administrative, or judicial body or any governmental department; inability to obtain any licenses, permissions or authorities (despite commercially reasonable pursuit of such licenses, permissions or authorities); and other similar or dissimilar causes beyond the reasonable control of the party charged with or affected by such events. Landlord shall have no obligation to construct all or any Improvements (whether on-site or off-site) or to make any changes or improvements or modifications to the Property. For purposes of this Lease, "Commencement of Construction" (or equivalent) means the date when all of the following have occurred: (a) Tenant has entered into a binding construction contract to construct the Initial Improvements and (b) Tenant's contractors have established a presence on the Property and commenced physical alteration of the same in more than a negligible manner.

(b) Tenant shall proceed diligently to obtain, and Landlord shall assist and cooperate with Tenant, without cost or expense to Landlord, in obtaining, all permits, authorizations and approvals required by Governmental Authorities, including without limitation, approval of the Conceptual Plan and building permits required for construction of any Improvements (the "Permits").

(c) Tenant shall require the general contractor to secure, pay for, and maintain during the continuance of construction, commercial general liability insurance in an amount not less than Five Million Dollars (\$5,000,000.00), Builder's Risk insurance, and worker's

compensation insurance. All such insurance shall be with a company or companies of recognized responsibility, and certificates evidencing such policies and, upon Landlord's written request, true copies thereof, issued by the respective insurers shall be delivered to Landlord prior to Commencement of Construction with evidence of the payment of the premiums therefor stamped thereon or other evidence of payment satisfactory to Landlord. Landlord shall be endorsed as an additional insured under the commercial general liability insurance policy and builder's risk policy. All such policies shall provide that Landlord and Tenant shall be given ten (10) days' prior written notice of any alteration or termination of coverage. Additionally, Tenant shall require its architect to maintain "errors and omissions" professional liability insurance in at least the amount of Two Million and No/100 Dollars (\$2,000,000), containing a deductible amount not to exceed Fifty Thousand and No/100 Dollars (\$50,000).

(d) Within ten (10) days of the Commencement of Construction, Tenant shall: (i) provide Landlord a copy of a payment and performance bond(s) on which Tenant shall be the principal, which shall be issued by a surety company of recognized responsibility and sufficient financial strength, and which is authorized to do, and doing, business in the State of Arizona, on which Landlord shall be named the obligee (the "Bond"), and shall be in a commercially reasonable form and in the estimated amount of the cost of the Initial Improvements, or, (ii) deposit with Landlord an irrevocable letter of credit substantially in a commercially reasonable form; provided further, that such bond or letter of credit shall be in an amount equal to the construction budget for the Initial Improvements prepared by Tenant's general contractor and having an expiration date no later than twelve (12) months after the estimated completion date of the Initial Improvements as estimated by Tenant's general contractor in its reasonable discretion (the "~~Outside Completion Date~~"). The ~~Outside Completion Date~~ and other dates in this Section shall be determined within sixty (60) days of the approval of the Initial Project Entitlements and issuance of Permits.

(e) On or before Commencement of Construction, Tenant shall deliver to Landlord a construction "Milestone" schedule which shall be incorporated into this Lease as Exhibit "E" (the "Milestone Schedule"). If Tenant has not accomplished a Milestone by the date provided on the Milestone Schedule, Landlord shall have, as its sole right and remedy for such failure, the right upon ninety (90) days prior written notice to Tenant given at any time after the missed Milestone, but prior to the substantial completion of such Milestone, to draw upon the Bond or Letter of Credit upon written notice to Tenant, unless Tenant accomplishes such Milestone prior to expiration of such 90-day period. Each Milestone date on Exhibit "E," including the Outside Completion Date, shall be extended by a day for each day of Unavoidable Delay. Subject to extensions of time for Unavoidable Delays, Landlord, at its option and without limiting its other remedies, shall have the right upon thirty (30) days prior written notice to Tenant given at any time after the Outside Completion Date, but prior to the substantial Completion of Construction, to draw upon the Bond or Letter of Credit upon written notice to Tenant, unless Tenant resumes construction of the Initial Improvements prior to expiration of such 30-day period and diligently pursues the same to completion. If Landlord draws on the Bond or Letter of Credit pursuant to this Section 10.01(e), Landlord shall use the proceeds to Complete Construction of the Initial Improvements, including retaining a construction manager and/or any other third parties to oversee completion of construction. If the amount of the proceeds from the Bond or Letter of Credit exceed the reasonable cost to Complete Construction of the Initial improvements, Landlord shall

remit the balance of the proceeds to Tenant. If the cost to Complete Construction of the Initial Improvements exceeds the proceeds from the Bond or Letter of Credit, Tenant shall pay to Landlord the balance of such reasonable costs within thirty (30) days following one or more written requests from Landlord accompanied by receipt of invoices therefor given no more frequently than monthly. For purposes of this Lease, "Completion of Construction" (or equivalent) means the date when all of the Initial Improvements are substantially complete and a certificate of occupancy (or equivalent) allowing such Initial Improvements to be occupied has been issued by the applicable Governmental Authorities and all costs associated therewith have been paid in full and lien waivers have been received from all contractors and materialmen.

Section 10.02 Alterations. After completion of the Initial Improvements, Tenant shall have the right, at any time and from time to time during the Lease Term, to make any and all Improvements and Alterations to the Premises as Tenant shall deem necessary or desirable, and without the consent of Landlord, including, without limiting the foregoing, the right to increase or reduce the height of any of the Improvements, construction new Improvements or demolition any of the Improvements or any part thereof, provided that such changes and alterations do not: (a) decrease the fair market value of the Premises, and (b) do not reduce the leasable square footage on the Premises. If either of subsections (a) and (b) in the foregoing are not satisfied, Tenant may make Improvements and Alterations to the Premises, with Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Notwithstanding the foregoing sentence, if Tenant assigns its right under this Lease to a non-affiliate (as defined in Section 14.01), Tenant shall not allow to be made any Major Alterations to the Premises or any part thereof, without obtaining Landlord's prior written consent (which will not be unreasonably withheld or delayed), regardless of whether such Major Alterations arises from or relates to Tenant's obligations to make repairs hereunder, and the following conditions shall apply: (i) As a condition to granting its approval, Landlord may impose such conditions as it deems reasonably necessary, including without limitation prior approval of the plans therefor; and, (ii) if the aggregate cost of such Major Alteration is expected to exceed \$1,000,000, then Landlord may also require Tenant, to provide to Landlord a completion bond in form and amount reasonably satisfactory to Landlord guaranteeing the payment and performance of the Alteration, free of mechanic's Liens, or such other form of security reasonably acceptable to Landlord as assurance of Tenant's financial ability to complete and fully pay for the Alteration. For purposes of this Lease, (A) "Improvements" means any buildings, structures, parking areas, paved areas, loading areas, driveways, roadways, medians, sidewalks, walkways, curbs, gutters, storage areas, canopies, fences, gates, screening devices, walls, poles, signs, exterior lighting and lighting standards, trash enclosures, exterior air conditioning equipment, antennae, landscaping, water features, utility lines, pipes and conduits, or similar improvements and any replacements, additions, repairs or alterations thereto of any kind whatsoever, (B) "Alterations" means any construction, reconstruction, replacement, expansion, repair or alteration of the Premises, including maintenance and repair which is capitalized rather than expensed pursuant to generally accepted accounting principles, (C) "Major Alteration" means any Alteration (x) structural in nature, (y) that materially changes the exterior appearance of any building or other structure, or (iii) the cost of which exceeds the Major Alteration Limit, and (z) "Major Alteration Limit" means \$500,000.00 in the aggregate.

Section 10.03 As-Built Plans. Upon completion of any Improvements, Tenant shall provide to Landlord one electronic and one paper copy of As-Built drawings and As-Built specifications.

Section 10.04 Waste. Tenant shall not commit or suffer any waste or damage to the Premises.

Section 10.05 Ownership. The Improvements and any Alterations or other additions thereto as permitted by this Lease shall be owned by and title thereto shall be vested in Tenant at all times during the Term until the expiration or sooner termination of this Lease.

Section 10.06 Additional Approvals. Landlord hereby authorizes, subject to Landlord's prior approval, Tenant to apply for and obtain all necessary and desirable Project Entitlements from Governmental Authorities in connection with any Alterations permitted by this Lease. Landlord shall reasonably cooperate with Tenant, at Tenant's sole expense, in Tenant's efforts to obtain the Project Entitlements and shall, within five (5) days of Tenant's written request, or sooner if required by a Governmental Authority, execute any and all applications, consents, and other documents reasonably and timely requested by Tenant in connection with the Project Entitlements. Landlord, if necessary, shall be the applicant with respect to the Project Entitlements, but Tenant shall be solely responsible for all application fees, expenses associated with the Project Entitlements. If additional Easement Interests are required in connection with the Alterations, Landlord shall not unreasonably withhold, condition or delay its consent thereto, and upon consent, Landlord shall, within five (5) days of Tenant's written request, or sooner if required by a Governmental Authority, execute any and all applications, consents, and other documents reasonably and timely requested by Tenant in connection with approved Easement Interests. Any development or jobs incentive (up to a total value of One Million Five Hundred Thousand Dollars (\$1,500,000.00) obtained by or on behalf of Tenant from a Governmental Authority including, but not limited to, a sales tax overlay or bed tax rebate shall be the property of and inure to the benefit of Tenant.

ARTICLE 11

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT

Section 11.01 Subordination. This Lease may be subject and subordinate to the lien of any mortgage, deed of trust, or other financing or security instrument or encumbrance recognized in the State of Arizona as a lien on real property ("Mortgage") which may now or hereafter encumber the Premises or any portion thereof except as to Landlord Financing as set forth herein, Landlord Financing. Tenant shall, within ten (10) days after the written request by Landlord or a mortgagee of a mortgage, beneficiary of a deed of trust, or other obligee of any indebtedness secured by a Mortgage in which the Landlord is the borrower (a "Lender"), execute promptly any appropriate certificate or instrument evidencing such subordination of its leasehold interest in a form acceptable to Tenant in its reasonable discretion, and failure to deliver such certificate within such 10-day period shall constitute an Event of Default hereunder. Tenant's obligation to subordinate its interests under the Lease to the lien of any Mortgage shall be conditioned upon Landlord providing Tenant with a non-disturbance agreement from the Lender, which, in substance, agrees that so long as Tenant is not in default under the terms of this Lease, its tenancy will not be

disturbed by the Lender so long as Tenant is not in default beyond the expiration of any applicable grace period. In the event of the enforcement of any remedy by any Lender of the remedies provided for by law, or under any Mortgage, Tenant will, at the option of and upon written request of any successor to Landlord, attorn to the successor in interest of Landlord and automatically become the Tenant of such successor in interest without any change in the terms or any other provision of this Lease. Tenant shall give written notice of each and every default by Landlord hereunder to any Lender for which an address has been furnished to Tenant, and Tenant shall not exercise any of its remedies under this Lease unless the Lender shall have failed to cure such default within ninety (90) days.

Section 11.02 Landlord Limited Consent Not to Encumber. As of the Effective Date, Landlord's fee interest in the Property is free and clear of financing liens and encumbrances. During such period of time that Tenant's leasehold interest is subject to a Leasehold Deed of Trust, Security Agreement, Assignment of Rents and Fixture Filing to UMB Bank, NA, its successor or assignee, Landlord will not pledge Tenant's leasehold interest in the Property as collateral for any Landlord financing absent Landlord's lender executing a commercially reasonable form of subordination and non-disturbance agreement.

Section 11.03 Tenant Financing. Landlord consents to the imposition, filing and recording of a leasehold mortgage and Deed of Trust, Security Agreement, Assignment of Rents and Leases and Fixture Filing ("Tenant Leasehold Mortgage") in favor of Tenant's lender, trustee or beneficiary of deed of trust (collectively, and with its successors and assigns, the "Tenant's Lender") encumbering and secured by Tenant's leasehold interest in the Premises. Without limiting the generality of the foregoing, Landlord shall, within ten (10) days after the written request by Tenant or Tenant's Lender, execute promptly a commercially reasonable certificate or instrument, consistent with the terms of this Lease, evidencing Landlord's consent and Landlord's lender's consent to the extent necessary, to the filing of the Tenant Leasehold Mortgage and obtain and provide to Tenant or Tenant's Lender consent from Landlord's lender. Regardless of whether any such certificate is executed, Landlord shall give written notice of each and every default by Tenant hereunder to any Tenant Lender for which an address has been furnished to Landlord, and Landlord shall not exercise any of its remedies under this Lease unless the Tenant's Lender shall have failed to cure such default within thirty (30) days following the date that Tenant was otherwise required to cure said default which time period shall be subject to further extension (but not for a total period of more than 120 days inclusive of the initial 30 day period following the date that Tenant's cure period expired) so long as Tenant's Lender is taking reasonably diligent steps to cure said default. If Tenant is in default pursuant to the terms of the agreements with Tenant's Lender, Landlord consents to the exercise of those rights and remedies available to Tenant's Lender, including foreclosure on Tenant's leasehold interest hereunder and will attorn to Tenant's Lender or, subject to Lender's first right of purchase as described in Section 11.04 hereof having been waived or deemed waived by Landlord, Lender's assignee. Tenant's Lender shall be for all purposes a third party beneficiary of this Section 11.03 and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if it were a party hereto.

Section 11.04 First Right of Purchase. Landlord shall have a first right of purchase to purchase the outstanding Bonds in connection with any direct or indirect sale or transfer of Tenant's leasehold interest in the Premises by Tenant's Lender. The purchase price of the Bonds shall be the value of the Bonds determined by Bloomberg Valuation Services as of the date of the initial notice of foreclosure by Tenant's Lender (the "Purchase Price"). Within ten (10) business days from receipt of the notice of

foreclosure, Landlord shall notify Tenant's Lender, in writing, of its intention to purchase the Bonds for the Purchase Price. Failure to notify Tenant's Lender in a timely manner shall constitute a waiver by Landlord of its rights under this Section 11.04. In the event Landlord elects to purchase the Bonds, Landlord shall have a period of thirty (30) days from the date it notifies Tenant's Lender of its intention to exercise its right hereunder, to tender the Purchase Price to Lender's Tenant. Failure to tender the Purchase Price in a timely manner shall constitute a waiver of its right under this Section 11.04. Upon Landlord's waiver as set forth herein, Tenant's Lender may proceed to exercise any and all remedies provided to it in the Tenant Leaschold Mortgage without claim or interference from Landlord.

ARTICLE 12

MECHANICS' LIENS

Tenant shall pay or cause to be paid the total cost and expenses of the construction of the Initial Improvements, any Alterations thereto, and other Improvements, made during the term of the Lease. Tenant shall not suffer or permit any mechanics', vendors', laborers', or materialmen's statutory or similar liens (collectively "mechanics' liens") to be filed against the Premises, nor against Tenant's leasehold interest in the Premises, by reason of work, labor, services or materials supplied or claimed to have been supplied to Tenant or anyone holding any interest in the Premises and/or the Improvements or any part thereof through or under Tenant. If any such mechanics' lien shall be filed, Tenant shall, within twenty (20) days after notice of the filing thereof, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise; provided, however, that Tenant shall have the right to contest, with due diligence, the validity or amount of any such lien or claimed lien. Subject to the foregoing provisions, if Tenant shall fail to cause such mechanics' lien to be discharged within such 20-day period, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obligated to, discharge the same either by paying the amount claimed to be due or by procuring the discharge of such mechanics' lien by deposit or by bonding proceedings. Nothing in this Lease contained shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any materials for any specific improvements, alteration to or repair of the Premises or any part thereof, nor as giving Tenant a right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanics' liens against the Premises. Tenant shall indemnify, defend and hold Landlord harmless for, from and against all liability or loss of any type to the extent arising out of any work, construction or other activity by Tenant or on behalf of Tenant in connection with the Premises, except to the extent caused by the gross negligence or willful misconduct of, or misrepresentation by Landlord.

ARTICLE 13

USE; SURRENDER; INSPECTION

Section 13.01 Use of the Premises. Tenant shall not use or allow the Improvements or any part thereof, or the Premises, to be used or occupied for (i) any unlawful purpose or (ii) any of the uses described on Exhibit "D" (the "Prohibited Uses"). The Premises shall, unless Landlord otherwise gives prior approval in writing, only be used for a national quality family oriented

sports/entertainment park which will provide a variety of premier playing fields, indoor team sports facilities, eSports venues, concerts, family dining, locally based retail store(s) and other family entertainment venues. Tenant shall have the right to develop retail amenities within the Premises that are directly related to and complimentary to the onsite activities conducted by Tenant including, but not limited to, banks (limited to ATM's and/or kiosks vs a branch location), restaurants, coffee shops, a hotel (subject to the restrictions set forth below) and apparel stores, in each case as a secondary use (vs a primary, stand-alone use) subject to the primary use of the Premises as a sports/entertainment park. The Parties acknowledge that it is the intent of Tenant to develop a hotel (not to exceed 150 rooms absent Landlord's prior written consent) on the Premises to accommodate the patrons of the sports/entertainment park. The uses described in the immediately preceding three sentences are collectively referred to as the "Permitted Uses." At no time during the term of this Lease as the same may be extended shall the Tenant, any affiliate (as defined in Section 14.01 of this Lease) of the Tenant or any successor of the Tenant or any affiliate thereof engage in all or any one or more of the Permitted Uses within thirty (30) miles of the perimeter of any portion of the Premises. This provision shall be specifically enforceable, and the subject of equitable relief given the unique nature of the real property interests and development thereof as set forth in this Lease. Landlord shall have first right to refusal to develop any hotel on the Premises in accordance with commercially reasonable terms agreed upon by the Parties. If Landlord elects not to proceed with the hotel development, Tenant shall be permitted to develop a hotel on the Premises subject to the restrictions set forth above. Tenant shall also have the rights of access and use to and of any well and well water, if any located on a parcel of land adjacent to the Premises known as tax parcel _____.

Section 13.02 Surrender. Upon expiration or sooner termination of this Lease, (a) the Improvements and any Alterations shall (unless requested by Landlord to be removed in whole or part which Tenant shall complete prior to expiration or earlier termination of this Lease) become Landlord's property free and clear of all mechanics' liens and claims thereto by Tenant or through Tenant (but excluding, however, Tenant's Personal Property) and Tenant shall, if requested by Landlord, promptly execute a quit claim deed, bill of sale or other instruments reasonably requested by Landlord to confirm ownership in and possession of the Improvements by Landlord; (b) surrender the Improvements in good order and repair, reasonable wear and tear excepted. Upon such expiration or sooner termination, Tenant shall also deliver to Landlord all non-confidential leases, lease files, plans, records, registers and all other papers and documents that may be necessary or appropriate for the proper operation and management of the Premises and the Improvements. Notwithstanding anything to the contrary herein, Tenant may remove from the Premises any and all of Tenant's Personal Property at any time prior to the expiration or sooner termination of this Lease. For purposes of this Lease, "Tenant's Personal Property" means any trade fixtures, inventory, equipment, furniture, vehicles, or other personal property of any type or kind located at or about the Premises which is owned or leased by Tenant or its tenants, agents, employees, contractors, or invitees. Tenant shall restore any damage to the Premises resulting from the removal of Tenant's Personal Property.

Section 13.03 Inspection. Tenant agrees to permit Landlord and the authorized representatives of Landlord to enter the Premises at all reasonable times (except in the case of an emergency) during usual business hours for the purpose of inspecting the same or, during the last

one (1) year of the Lease Term, exhibiting the same to prospective purchasers or lessees of the Premises.

ARTICLE 14

ASSIGNMENT, SUBLETTING AND MORTGAGING

Section 14.01 Assignment. Prior to the Completion of Construction of the Initial Improvements, this Lease and the interest of Tenant under this Lease may not, directly or indirectly, be assigned, sold or otherwise transferred or subleased in its entirety ("assigned" including any variation thereof such as "assign" or "assignment") without the prior written consent of Landlord in each instance, which consent may be given or withheld in Landlord's sole discretion. Following Completion of Construction of the Initial Improvements, and without the prior consent of Landlord, this Lease and the interest of Tenant under this Lease may be assigned on one or more occasions to any affiliate; provided, that Tenant shall have no right to assign its interest under this Lease at any time when an Event of Default is pending or when an event has occurred which, with the passage of time or the giving of notice or both, will constitute an Event of Default. Following Completion of Construction of the Initial Improvements, this Lease and the interest of Tenant under this Lease may be assigned on one or more occasions to a third party nonaffiliate upon written consent of Landlord which consent will not be unreasonably withheld, conditioned or delayed. No such assignment shall be effective for any purpose unless and until (i) the assignor's interest in the Improvements shall be transferred to the assignee of this Lease and (ii) there shall be delivered to Landlord (A) a duplicate original of the instrument or instruments of transfer of this Lease and of the assignor's interest in the Improvements in recordable form, containing the name and address of the transferee and (B) an instrument of assumption by the transferee of all of Tenant's obligations under this Lease. Tenant acknowledges that Landlord's decision to lease the Premises to Tenant is based, in part, on a review of the individuals and entities comprising Tenant (and the individuals comprising any entities having an ownership interest in Tenant); therefore, if Tenant is a corporation which is not publicly traded or a partnership, limited liability company, trust or other entity, the issuance of any additional stock and/or the transfer, assignment or hypothecation of any stock or interest in any corporation, partnership, limited liability company or other entity, directly or indirectly, to any individual or entity resulting in a change in 50% or more ownership interest or the designation of any additional trustees or beneficiaries in any trust shall be deemed an assignment within the meaning of this Article 14. As used in this Lease, an "affiliate" of Tenant means, with respect to any person or entity, any other person or entity that, directly or indirectly, controls, is controlled by or is under common control with such person or entity. For purposes of this definition, "control" means possessing the power to direct or cause the direction of the management and policies of the entity.

Section 14.02 Subletting. Without the consent of Landlord, Tenant shall have the right, at any time during the Term of this Lease, to sublet or license any portion of the Premises (such sublease being hereinafter in this Section called a "space lease"), provided that (i) the term of any such space lease (including any options to extend the same as therein provided) shall not extend beyond the then remaining Term of this Lease without the prior written consent of Landlord, and (ii) any space lease shall be subject to the terms and conditions of this Lease.

No assignment or sublease of all or any portion of the Premises shall release the Tenant from its obligations under this Lease absent Landlord's express written release thereof.

Landlord shall have the right to assign this Lease at any time to its successor in interest as and to title to the Premises.

ARTICLE 15

DEFAULT: BANKRUPTCY

Section 15.01 Bankruptcy. Tenant agrees that in the event (a) all or substantially all of Tenant's assets are placed in the hands of a receiver or trustee, and such receivership or trusteeship continues for a period of seven (7) months; or (b) Tenant make an assignment for the benefit of creditors; or (c) Tenant institutes any proceeding under the Federal Bankruptcy Code as the same now exists or under any amendment thereof that may hereafter be enacted, or under any other act relating to the subject of bankruptcy, or to be discharged of its debts, or to effect a plan of liquidation, composition or reorganization, or any involuntary proceeding be filed against Tenant under any such bankruptcy laws and Tenant has failed to assume this Lease in accordance with the provisions of Section 365 of the Bankruptcy Code (11 U.S.C. § 365) within 120 days from the date of filing or within such other period as may be set by the court, the Lease shall be deemed rejected and Tenant shall surrender the Property to Landlord. In such event, in addition to any and all rights or remedies of Landlord under this Lease or as otherwise provided by law, it shall be lawful for Landlord to declare the Lease Term ended and to reenter the Property and take possession thereof and remove all persons therefrom, and Tenant shall have no further claim thereon or hereunder.

Section 15.02 Tenant Default. The occurrence of any of the following, and subject to any applicable Additional Cure Periods (defined in Section 15.06 below), shall constitute a default by Tenant under this Lease: (an "Event of Default"):

(a) If Tenant fails to timely pay the Rent or other charges payable by Tenant under this Lease, and if such default continues for a period of five (5) days after written notice from Landlord to Tenant, or

(b) If Tenant be in default or breach in the prompt and full performance of any other of its material promises, covenants or agreements contained in this Lease and should such default or breach of performance continue for more than thirty (30) days, after written notice thereof from Landlord to Tenant specifying the particulars of such default or breach of performance and passage of any applicable cure period provided herein.

(c) Tenant Default Remedies. Upon the occurrence of an Event of Default, Landlord may, subject to the provisions in Article 11 herein, in addition to all remedies at law and in equity, exercise any one (1) or more of the following remedies concurrently or in succession.

Andrew M. Cohn
Authorized Rep.

(d) Terminate Tenant's right to possession of the Premises by legal process or otherwise, and retake exclusive possession of the Premises with or without termination of this Lease;

(e) Waive the Event of Default, in which case this Lease shall continue in full force and effect; provided, however, that no such waiver shall be deemed to be a permanent waiver of such default or similar default unless agreed otherwise in writing (nonetheless, Landlord shall be required to provide Tenant written notice of any continued or subsequent default pursuant to this Article 15 prior to exercising its rights and remedies in this Section in connection therewith);

(f) Negotiate in good faith with Tenant to amend this Lease or enter into a separate written accord to satisfy Landlord in lieu of Tenant curing the Event of Default; if the negotiations are unsuccessful, Landlord shall not be deemed to have waived its rights under Subsection (d) below;

(g) From time to time recover accrued and unpaid Rent and damages arising from Tenant's breach of this Lease;

(h) Recover all costs, expenses and attorneys' fees (including without limitation litigation expenses, expert witness fees, and service of process fees) incurred by Landlord in connection with enforcing this Lease, recovering possession, or collecting amounts owed;

(i) Perform any obligation on Tenant's behalf in accordance with Article 5; or,

(j) Seek injunctive relief, including, if applicable, a mandatory injunction and/or specific performance; and/or

(k) Pursue any other remedies expressly provided to Landlord in this Lease.

Notwithstanding the foregoing, if Landlord elects any one or more remedies granted above, Landlord shall have the right to elect one or more other remedies at any time or times thereafter. No action of Landlord shall be construed as an election to terminate this Lease unless written notice of such intention is given by Landlord to Tenant.

Section 15.03 Interest on Unpaid Rent. Rent and other sums payable by Tenant under this Lease which are not paid when due shall bear interest from the date due until paid at the Default Rate.

Section 15.04 Waiver. No failure by Tenant or Landlord to insist upon the strict performance of any provision of this Lease or to exercise any right or remedy, and no acceptance of partial payment during the continuance of any default, shall constitute a waiver of any such default or of such provision. No provision of this Lease to be performed or observed by Landlord or Tenant, and no Event of Default thereof shall be waived, altered or modified except by written instrument

executed by Landlord and Tenant. No waiver of any default shall affect or alter this Lease but each and every provision of this Lease shall remain and continue in full force and effect with respect to any other existing or subsequent Event of Default.

Section 15.05 Additional Cure Periods. Notwithstanding any other provisions of this Article 15, Landlord agrees to the following "Additional Cure Periods":

(a) if the default complained of, other than for the payment of monies, is of such a nature that the same cannot be rectified or cured within the thirty (30) day period requiring such rectification or curing as specified in the written notice relating thereto, then such default shall be deemed to be rectified or cured if Tenant within such period of thirty (30) days shall have commenced the rectification and curing thereof and shall continue thereafter with all due diligence to cause such rectification and curing and does so diligently complete the same within sixty (60) days of receipt of the notice required under Section 15.02(b) above; and

(b) after a default described in Section 15.02(b), Tenant shall have an additional ninety (90) days to cure the underlying default, provided that, notwithstanding Section 26.01, any corresponding overdue and unpaid sums shall bear interest at the Default Rate during the Additional Cure Period until paid in full.

Section 15.06 Landlord's Default. Landlord shall not be deemed to be in default in the performance of any obligation required to be performed by it under this Lease until it has (a) failed to timely pay any amount due and payable by Landlord under this Lease, and if such default continues for a period of ten (10) business days after written notice from Tenant to Landlord, or (b) failed to perform any other obligation within thirty (30) days after written notice by Tenant to Landlord specifying the nature of Landlord's default; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be deemed to be in default if it shall commence such performance within such thirty (30) day period and thereafter diligently prosecute the same to completion. If any default by Landlord continues beyond the applicable cure period set forth in this Section 15.06, Tenant may pursue all rights and remedies in equity, including an action for injunctive relief and/or specific performance, subject, however, to Article 17 below. Notwithstanding anything to the contrary herein and in addition to all other rights and remedies of Tenant in this Lease, if Landlord's default threatens the safety of persons or imminent damage to property (including title thereto), Tenant may, but shall not be obligated, to cure such default on Landlord's behalf, and Tenant shall have the right to offset reasonable amounts incurred by Tenant in curing such default against all payments of all Rent until such amount plus annual interest at the Default Rate is recovered in full, subject, however, to Article 17 below.

ARTICLE 16

INDEMNIFICATION

Tenant agrees to indemnify, hold harmless and defend Landlord for, from and against any and all Claims, damages, losses and expenses, including but not limited to attorneys' fees, in connection with, arising out of, or resulting from Tenant's development, use or occupancy of the Premises, access or use of parking lots, walkways or common areas and any alterations or work



done in or about the Premises by the Tenant or on the Tenant's behalf arising from any act or negligence of Tenant caused to any person or property occurring during the Term of this Lease in or about the Premises, or upon or under the sidewalks and the land adjacent thereto provided that such claim, damage, loss or expense is related to bodily injury sickness, disease or death or to injury to or destruction of tangible property. For purposes of this Lease, "Claims" means all claims, actions, demands, liabilities, damages, costs, and reasonable attorneys' fees. If any demand, action or proceeding is brought against Landlord by reason of any such Claims, Tenant, upon notice from Landlord, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Landlord. This indemnity shall survive the expiration or sooner termination of this Lease. Landlord agrees to indemnify, hold harmless and defend Tenant for, from and against any and all Claims, damages, losses and expenses, including but not limited to attorneys' fees, in connection with, arising out of or resulting from Landlord's ownership of the Premises, arising from any grossly negligent act of Landlord or those acting on the Landlord's behalf caused to any person or property occurring during the Term of this Lease in or about the Premises, or upon or under the sidewalks and the land adjacent thereto provided that such claim, damage, loss or expense is related to bodily injury, sickness, disease or death or to injury to or destruction of tangible property.

ARTICLE 17

LIMITATIONS ON LANDLORD'S LIABILITY

Section 17.01 Landlord's Transfer. The term "Landlord" as used in this Lease so far as covenants or obligations on the part of Landlord are concerned shall be limited to mean and include only the owner or owners at the time in question of the fee of the Premises and in the event of any transfer or transfers of the title to such fee Landlord herein named (and in case of any subsequent transfers or conveyances the then grantor) shall be automatically freed and relieved from and after the date of such transfer or conveyance from all obligations on the part of Landlord contained in this Lease to be performed thereafter, provided that any prepaid rent or security deposit or other Tenant funds held by such Landlord or the then grantor at the time of such transfer, shall be transferred to the grantee or transferee, who shall expressly assume, subject to the limitations of this Article 17, all of the terms, covenants and conditions in this Lease contained on the part of Landlord thereafter to be performed, it being intended by this Article that the covenants and obligations contained in this Lease on the part of Landlord shall, subject to the provisions of this Article 17, be binding on Landlord, its successors and assigns, only during and in respect of their respective successive periods of ownership.

Section 17.02 Landlord's Liability. Notwithstanding anything to the contrary in this Lease, neither Landlord nor Landlord's general or limited partners, members, directors, officers, shareholders, members employees, agents, constituent partners, beneficiaries, trustees, representatives, successors or assigns (collectively, "Landlord's Affiliates") shall be personally responsible or liable for any representation, warranty, covenant, undertaking or agreement contained in the Lease, and the sole right and remedy of the Tenant or any subsequent assignee shall be against Landlord's interest in the Premises. Neither Tenant nor any subsequent assignee shall seek to obtain any judgment imposing personal liability against Landlord, Landlord's Affiliates, or their successors or assigns nor execute upon any judgment or place any lien against any property other than Landlord's interest in the Premises.

ARTICLE 18

INVALIDITY OF PARTICULAR PROVISIONS

If any term or provision of this Lease or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

ARTICLE 19

CERTIFICATES OF LANDLORD AND TENANT

Tenant agrees at any time and from time to time upon not less than fifteen (15) days prior notice by Landlord to execute, acknowledge and deliver to Landlord a statement in writing certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the Lease is in full force and effect as modified and stating the modifications), and the dates to which the Base Rent has been paid, and stating whether or not to the best knowledge of the signer of such statement Tenant or Landlord is then in default or may be in default with notice or the passage of time, or both, in keeping, observing or performing any term, covenant, agreement, provision, condition or limitation contained in this Lease, and, if in default, specifying each such default, it being intended that any such statement delivered pursuant to this Section may be relied upon by Landlord or any prospective purchaser of the fee but reliance on such statement may not extend to any default as to which the signer shall have had no actual knowledge.

ARTICLE 20

NOTICES

All Notices must be in writing and must be sent by personal delivery, by United States registered or certified mail (postage prepaid), or by an independent overnight courier service, fully prepaid and addressed to the Party as follows:

Landlord: Pacific Proving, LLC
2801 E. Camelback Rd., #450
Phoenix, Arizona 85016
Attention: Andrew Cohn
E mail: andrew@levineinvestments.com

with a copy to: Burch & Cracchiolo, PA
702 E. Osborn Rd., #200
Phoenix, Arizona 85014
Attention: Andrew Abraham
E mail: aabraham@bcattorneys.com

Tenant: Legacy Cares, Inc.
1900 W. Chandler Blvd., Ste. 15-315
Chandler, Arizona 85224
Attention: Douglas G. Moss
E mail: DMoss@legacycares.com

with a copy to: McCann, Garland, Ridall & Burke
11 Stanwix St., Ste. 1030
Pittsburgh, Pennsylvania 15222
Attention: J. Michael Baggett, Esquire
E mail: jmbaggett@mgrblaw.com

Notices given by personal delivery are deemed delivered when actually received or when the receiving Party refuses delivery. Notices given by mail are deemed delivered within three business days after the Party sending the notice deposits the notice with the United States Post Office. Notices delivered by courier are deemed delivered on the next business day after the day the Party delivering the notice timely deposits the notice with the courier for overnight (next day) delivery. Any notice given by an attorney or agent acting on behalf of a Party shall be effective as notice from such Party. Either Party may designate by notice in writing given in the manner specified above a new or other address to which such notice or demand shall thereafter be so given or made. Courtesy copies of notices shall also be provided by email.

ARTICLE 21

HAZARDOUS MATERIALS

Section 21.01 Compliance with Hazardous Materials Laws. Tenant will not cause any Hazardous Materials to be brought upon, kept or used on the Premises in a manner or for any purpose that violates any Hazardous Materials Laws. Tenant, at its sole cost and expense, will comply with, and require all others using the Premises during the term to comply with, all Hazardous Materials Laws related to the use of the Premises. On or before the expiration or sooner termination of this Lease, Tenant will completely remove from the Premises (regardless whether any Hazardous Materials Law requires removal), in compliance with all Hazardous Materials Laws and at Tenant's sole cost and expense, all Hazardous Materials Tenant causes to be present in, on, under or about the Premises.

Section 21.02 Notice of Actions. Tenant will notify Landlord of any of the following actions affecting Landlord, Tenant or the Premises that result from or in any way relate to Tenant's use of the Premises, immediately after receiving notice of the same: (a) any enforcement, clean-up, removal or other governmental or regulatory action instituted, completed or threatened under any Hazardous Materials Law; (b) any Claims made or threatened relating to any Hazardous Material; (c) any reports, records, letters of inquiry and responses, manifests or other documents made by any person, including Tenant, to or from any environmental agency relating to any Hazardous Material, including any complaints, notices, warnings or asserted violations, and (d) any change in the operations on the Premises that will change Tenant's or Landlord's obligations or liabilities under Hazardous Materials Law. Tenant will not take any remedial action in response to the

presence of any Hazardous Materials in, on, under or about the Premises, nor enter into any settlement agreement, consent decree or other compromise with respect to any Claims relating to or in any way connected with Hazardous Materials in, on, under or about the Premises, without first notifying Landlord of Tenant's intention to do so and (i) affording Landlord reasonable opportunity to investigate, appear, intervene and otherwise assert and protect Landlord's interest in the Premises and (ii) obtaining Landlord's prior written consent thereto, which shall not be unreasonably withheld, conditioned or delayed.

Section 21.03 Hazardous Materials Indemnifications and Representation. To the fullest extent allowable under Hazardous Materials Laws, Tenant releases and will indemnify, protect, defend (with counsel reasonably acceptable to Tenant's insurance provider) and hold harmless Landlord for, from and against any and all Claims whatsoever arising or resulting in whole or in part, directly or indirectly, from the presence, treatment, storage, transportation, disposal, release or management of Hazardous Materials in, on, under, about or from the Premises (including water tables and atmosphere), but only to the extent arising from Tenant's use or occupancy of the Premises and subject to the limitations below. Tenant's obligations under this Section include, without limitation and whether foreseeable or unforeseeable, (i) the costs of any required or necessary repair, compliance, investigations, clean-up, monitoring, response, detoxification or decontamination of the Premises; (ii) the costs of implementing any closure, remediation or other required action in connection therewith; (iii) the value of any loss of use and any diminution in value of the Premises, including groundwater; and (iv) consultants' fees, experts' fees and response costs (collectively, "Environmental Costs"). If any action or proceeding is brought against Landlord by reason of any such Claims, Tenant, upon notice from Landlord, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Landlord. The obligations of Tenant under this Article survive the expiration or sooner termination of this Lease. Notwithstanding anything to contrary herein, Tenant's indemnification and other obligations in this Section 21.03 shall not include Claims or Environmental Costs to the extent caused by Landlord's negligence or willful misconduct.

Section 21.04 Environmental Definitions. "Hazardous Materials" means any of the following, in any amount: (a) any petroleum or petroleum product, asbestos in any form, urea formaldehyde and polychlorinated biphenyls, solvents, lead, cyanide, DDT, printing inks, acids, pesticides, ammonia compounds and other chemical products, asbestos in any form, PCBs; (b) any radioactive substance, transformers or other equipment containing dielectric fluid; (c) any toxic, infectious, reactive, corrosive, ignitable or flammable chemical or chemical compound; and (d) any chemicals, materials or substances, whether solid, liquid or gas, defined as or included in the definitions of "hazardous substances," "hazardous wastes," "hazardous materials," "extremely hazardous wastes," "restricted hazardous wastes," "toxic substances," "toxic pollutants," "solid waste," "medical waste," or words of similar import in any federal, state or local statute, law, ordinance or regulation now existing or existing on or after the Effective Date as the same may be interpreted by government offices and agencies, including, without limitation, (i) trichloroethylene, tetrachloroethylene, perchloroethylene and other chlorinated solvents, (ii) oil or any petroleum products or fractions thereof, (iii) asbestos, (iv) polychlorinated biphenyls, (v) flammable explosives, (vi) urea formaldehyde, (vii) radioactive materials and waste, and (viii) infectious waste. "Hazardous Materials Laws" means any federal, state or local laws, ordinances, codes, statutes, regulations, administrative rules, policies and orders, and other authority, existing now or in the



future, which classify, regulate, list or define Hazardous Materials or which deal with the regulation or protection of human health, industrial hygiene or the environment, including the soil, subsurface soil, ambient air, groundwater, surface water, and land use, including, but not limited to the following: the Comprehensive Environmental Response, Compensation and Liability Act, as amended by the Superfund Amendments and Reauthorization Act of 1986 (42 U.S.C. §§ 9601 et seq.); the Resource Conservation Act and Recovery Act as amended (42 U.S.C. §§ 6901 et seq.); the Safe Drinking Water Act as amended (42 U.S.C. §§ 300f et seq.); the Clean Water Act as amended (33 U.S.C. §§ 1251 et seq.); the Clean Air Act as amended (42 U.S.C. §§ 7401 et seq.); the Toxic Substances Control Act as amended (15 U.S.C. §§ 135 et seq.); the Solid Waste Disposal Act as amended (42 U.S.C. §§ 3251 et seq.); the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801 et seq.); the provisions of Title 49 of Arizona Revised Statutes; the regulations promulgated under any of the foregoing.

ARTICLE 22

REMEDIES; NO WAIVER; NO ORAL CHANGE

Section 22.01 ~~Remedies Exclusive; No Waiver~~. The failure of any Party to insist in any one or more cases upon the strict performance of any of the covenants of this Lease or to exercise any option contained in this Lease shall not be construed as a waiver or a relinquishment for the future of such covenant or option. A receipt by Landlord of rent with knowledge of the breach of any covenant of this Lease shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless expressly in writing and signed by Landlord.

Section 22.02 ~~Amendment~~. This Lease cannot be changed orally, but only by an agreement in writing signed by Landlord and Tenant.

ARTICLE 23

QUIET ENJOYMENT

Landlord covenants and agrees that Tenant, upon paying the rent provided for in this Lease and upon observing and keeping all of the covenants, agreements and provisions of this Lease on its part to be observed and kept, shall lawfully and quietly hold, occupy and enjoy the Premises during the Term of this Lease, without hindrance by or from anyone claiming by, through or under Landlord.

ARTICLE 24

REAL ESTATE BROKERS

Tenant hereby represents and warrants that it has dealt with no real estate broker, agent or Party who may be entitled to a commission or fee on account of this Lease except JLL (Steve Larsen). Landlord shall be responsible for the brokerage commission to JLL, which shall be paid through Landlord's agent, Nathan and Associates. Tenant hereby indemnifies and agrees to indemnify, protect, defend (with counsel reasonably acceptable to Tenant's insurance provider and Landlord) and hold harmless Landlord for, from and against any and all Claims that may be incurred

in the event the foregoing representation and warranty proves incorrect. If any action or proceeding is brought against Landlord by reason of any such Claims, Tenant, upon notice from Landlord, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to Landlord. The obligations of Tenant under this Article survive the expiration or sooner termination of this Lease.

ARTICLE 25

REPRESENTATIONS

Section 25.01 Landlord's Representations. Landlord represents and warrants to and agrees with Tenant that as of the Effective Date:

(a) Due Organization. Landlord is a limited partnership duly organized and existing in good standing under the laws of the state of Arizona.

(b) Landlord's Authority; Validity of Agreements. Landlord has full right, power and authority to lease the Premises to Tenant as provided in this Lease and to carry out its obligations hereunder. The individual(s) executing this Lease and the instruments referenced herein on behalf of Landlord have the legal power, right and actual authority to bind Landlord to the terms hereof and thereof. This Lease is, and all other instruments, documents and agreements to be executed and delivered by Landlord in connection with this Lease shall be, duly authorized, executed and delivered by Landlord and shall be valid, binding and enforceable obligations of Landlord and do not violate any provisions of any agreement or judicial order to which Landlord is a Party or to which Landlord or the Property is subject.

(c) Sole Owner. Landlord is the sole owner of fee simple interest to the Premises as of the Effective Date. Except as expressly permitted herein, Landlord shall not take any action to effect title or permit or consent to any change to title to the Premises while this Lease is in effect (including, by the recordation of any restriction, encumbrance or other covenant against the Premises), and the sole and exclusive possession of the Property shall be delivered to Tenant on the Effective Date.

(d) No Third-Party Rights. Except as expressly permitted herein or created hereby, there are and shall be no leases, occupancy agreements, easements, licenses or other agreements which grant third-parties any possessory or usage rights to all or any part of the Premises.

(e) Litigation. To the actual knowledge of Landlord (a) there are no actions, investigations, suits or proceedings (other than tax appeals or protests) pending or threatened that affect the Premises, or the ownership or operation thereof, and (b) there are no judgments, orders, awards or decrees currently in effect against Landlord with respect to the ownership or operation of the Premises which have not been fully discharged prior to the Effective Date.

(f) Survival. All of the representations, warranties and agreements of Landlord set forth in this Lease shall be true upon the Effective Date, shall be deemed

to be repeated at and as of the Commencement Date (except as otherwise set forth in writing to Tenant) and shall survive for the Term of this Lease.

(g) Knowledge. Landlord's "knowledge" or "actual knowledge" or words to that effect shall mean the present actual knowledge of Andrew Cohn with no duty to inquire or investigate. Andrew Cohn shall have no personal liability for any of the Landlord representations made herein.

Section 25.02 Tenant acknowledges that it has examined the Property, is familiar with the physical condition, zoning, status of title and use that may be made of the Property and every other matter or thing affecting or related to the Property, and is leasing the same in its "AS IS" condition existing on the Effective Date. Except as specifically set forth in this Lease, Landlord has not made and does not make any representations or warranties whatsoever with respect to the Property or otherwise with respect to this Lease. Except as otherwise expressly provided in this Lease, Tenant assumes all risks resulting from any defects (patent or latent) in the Property or from any failure of the same to comply with any Applicable Law or the uses or purposes for which the same may be used or occupied.

Section 25.03 Tenant's Representations. Tenant represents and warrants to and agrees with Landlord that as of the Effective Date:

(a) Due Organization. Tenant is a nonprofit corporation duly organized and existing in good standing under the laws of the State of Arizona.

(b) Tenant's Authority; Validity of Agreements. Tenant has full right, power and authority to lease the Premises from Landlord as provided in this Lease and to carry out its obligations hereunder. The individual(s) executing this Lease and the instruments referenced herein on behalf of Tenant have the legal power, right and actual authority to bind Tenant to the terms hereof and thereof. This Lease is, and all other instruments, documents and agreements to be executed and delivered by Tenant in connection with this Lease shall be, duly authorized, executed and delivered by Tenant and shall be valid, binding and enforceable obligations of Tenant (except as enforcement may be limited by bankruptcy, insolvency or similar laws) and do not, and as of the Effective Date will not, violate any provisions of any agreement or judicial order to which Tenant is a party.

ARTICLE 26

MISCELLANEOUS

Section 26.01 Interest Rate. All Rent and other sums that may from time to time become due and payable by Tenant to Landlord under any of the provisions of this Lease shall bear interest from and after the due date thereof at the rate of twelve percent (12%) per annum (the "Default Rate").

Section 26.02 Construction. In all cases the language in all parts of this Lease shall be construed simply, according to its fair meaning and not strictly for or against Landlord or Tenant.

This Lease shall not be construed more strictly against one Party hereto than against any other Party hereto merely by virtue of the fact that it may have been prepared by counsel for one of the Parties.

Section 26.03 Headings. The word titles underlying the article and section designations contained in this Lease are inserted solely for convenience and under no circumstances are they or any of them to be treated or construed as any part of this instrument.

Section 26.04 Successors and Assigns. Subject to the other provisions of this Lease, this Lease shall be binding upon and inure to the benefit of Landlord and Tenant and their respective successors and assigns, and wherever a reference in this Lease is made to either Landlord or Tenant, such reference shall be deemed to include, wherever applicable, also a reference to the successors and assigns of such Party, as if in every case so expressed.

Section 26.05 Memorandum of Lease. At the request of either Landlord or Tenant, a Memorandum of Lease (in the form attached hereto as Exhibit "F") shall be executed by Landlord and Tenant and recorded in the Office of the County Recorder of Maricopa County, Arizona. In no event shall this Lease be recorded.

Section 26.06 Governing Law. This Lease shall be governed by and construed in accordance with the laws of the State of Arizona. Any suit against Landlord or Tenant relating to this Lease must be brought in Maricopa County or, if the suit is brought in federal court, in any federal court appropriate for suits arising in Maricopa County; Landlord and Tenant waive the right to bring suit against each other elsewhere.

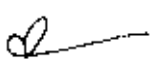
Section 26.07 Entire Agreement. This Lease, together with any written modifications or amendments hereafter entered into shall constitute the entire agreement between the Parties relative to the subject matter of this Lease, and shall supersede any prior agreement or understanding, if any, whether written or oral, that Tenant may have had with Landlord relating to the subject matter of this Lease.

Section 26.08 Counterparts. This instrument may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 26.09 Attorneys' Fees. In the event of any litigation or formal dispute resolution between Landlord and Tenant with respect to the subject matter of this Lease, the unsuccessful Party to such litigation or formal dispute resolution shall pay to the prevailing Party all costs and expenses, including reasonably attorneys' fees, incurred therein by the prevailing Party, all of which shall be included in and as a part of the judgment rendered in such litigation or formal dispute resolution.

Section 26.10 Consent. Whenever and wherever a Party's consent is to be granted or obtained pursuant to this Lease, unless expressly provided otherwise, such consent shall not be unreasonably withheld, conditioned or delayed.

Section 26.11 Unavoidable Delays. If either Party is delayed in or prevented from performing any obligation under this Lease (excluding, however, the payment of money) by reason



of Unavoidable Delay, such Party's performance of such obligation will be excused for a period equal to the period of delay actually caused by the Unavoidable Delay. "Unavoidable Delay" shall mean delay due to strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions, enemy action, civil commotion, fire, unavoidable casualties or similar causes beyond the control of the performing Party.

Section 26.12 Expenses. Subject to express provisions otherwise in this Lease, all fees and expenses incurred by any Party hereto in connection with this Lease shall be borne by such Party.

Section 26.13 Further Assurances. In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Landlord and Tenant, Landlord and Tenant agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered any and all such further reasonable acts, instruments, deeds and assurances as may be reasonably required to consummate the transactions expressly contemplated herein.

Section 26.14 Number and Gender. Whenever the singular number is used, and when required by the context, the same includes the plural, and the masculine gender includes the feminine and neuter genders.

Section 26.15 Holding Over. No holding over by Tenant after the Term of this Lease shall operate to extend the Lease. In the event of any unauthorized holding over, Tenant shall indemnify, defend and hold harmless Landlord against all Claims by any other lessee to whom Landlord may have leased all or any part of the Premises effective upon the expiration or sooner termination of this Lease, and this indemnity shall survive the expiration or sooner termination of this Lease. Any holding over without the consent of Landlord in writing shall thereafter constitute this Lease a lease from month to month with a Base Rent equal to one hundred fifty percent (150%) of the most recent Base Rent then in effect.

Section 26.16 Nondisclosure of Lease Terms. The terms and conditions of this Lease constitute proprietary information that Landlord and Tenant will keep confidential. Accordingly, neither Landlord nor Tenant will directly or indirectly, disclose the terms and conditions of this Lease other than to such Party's advisors, employees and agents who have a legitimate need to know such information (and who will also keep the same in confidence) unless, and only to the extent, any such disclosure is required by law or appropriate judicial order.

Section 26.17 No Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent provided to be paid shall be deemed to be other than on account of the earliest Rent due and payable under this Lease, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, unless expressly agreed to, in writing, by Landlord. Landlord may accept any such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this lease.

Section 26.18 Relationship of Parties. This Lease does not create, between the Parties to this Lease, the relationship of principal and agent, or of partnership or joint venture, or any other association or relationship, other than that of landlord and tenant.

Section 26.19 Time of Essence. Time is of the essence of this Lease and each and all of its provisions.

Section 26.20 Defined Term. For purposes of this Lease, "upon expiration or sooner termination of this Lease" and variations thereof shall be limited to expiration of the Lease or termination as permitted by the express terms of this Lease.

Section 26.21 Completion Guaranty. Not less than thirty (30) days prior to the commencement of any construction activities on the Premises, Tenant will require its General Contractor to procure a Performance Bond in a form reasonably approved by Landlord in an amount sufficient to ensure that construction of the Initial Improvements is completed. Not less than thirty (30) days prior to the commencement of any construction activities on the Premises, Tenant will also require its General Contractor to procure a Payment Bond in a form reasonably approved by Landlord to ensure that all design professionals, contractors, subcontractors and materialmen are fully paid for the services, labor and materials rendered at the Project.

[Signatures on following page]



Landlord and Tenant have each caused this Lease to be executed and delivered by their duly authorized representatives.

Landlord:

Pacific Proving, LLC, a Delaware limited liability company,

By its member, Levine Investments Limited Partnership, an Arizona limited partnership

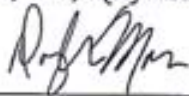
By Keim, Inc., an Arizona corporation, its general partner

By 
Name: _____
Title: _____
Dated: 5/22/2020, 2020

Andrew M. Cohn
Authorized Rep.

Tenant:

Legacy Cares, Inc., a(n) Arizona Nonprofit corporation

By 
Name: _____
Title: President

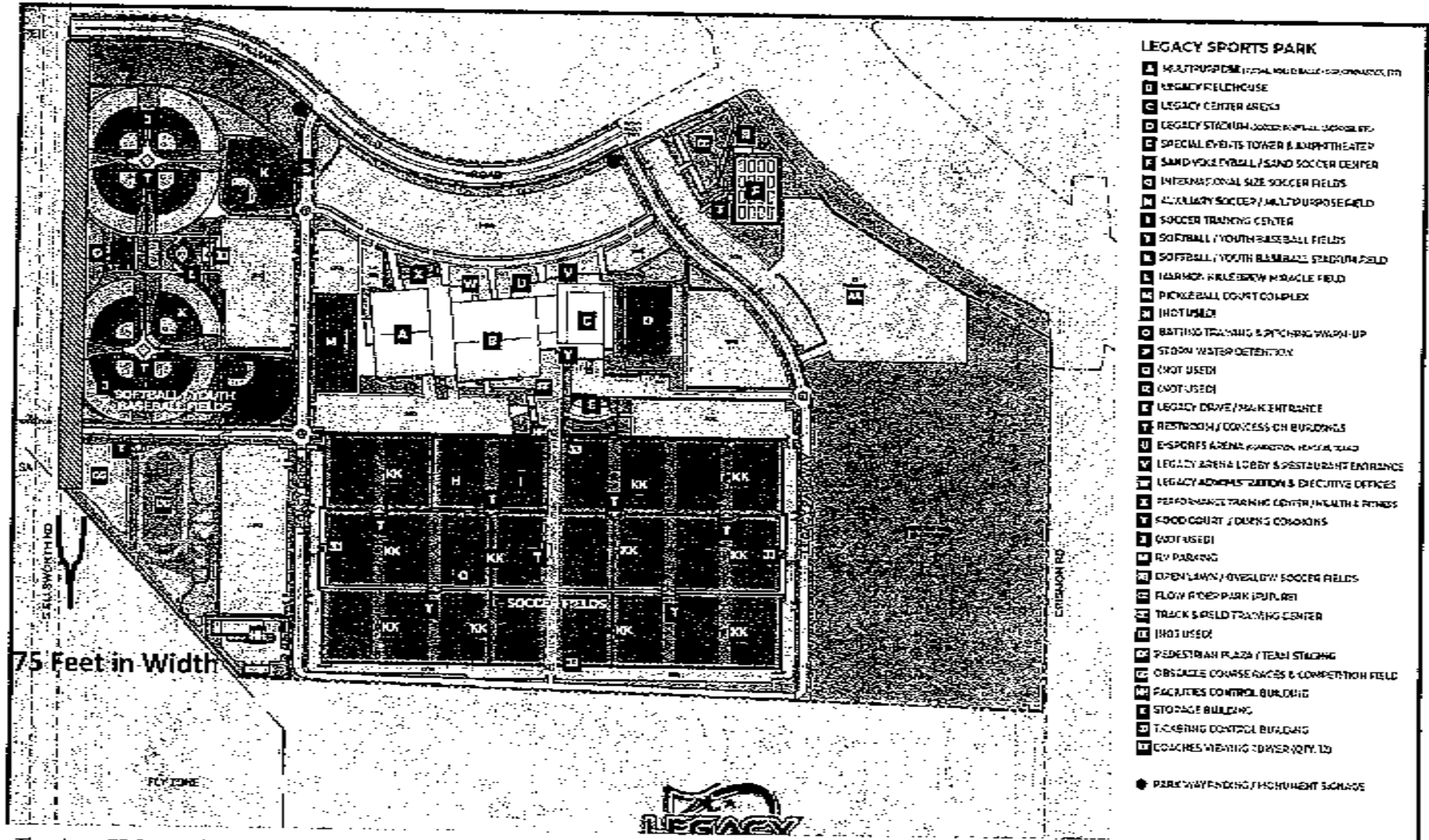
Douglas Moss

Dated: May 20th, 2020

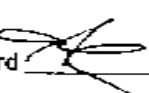



EXHIBIT "A-1"

Exhibit "A-1" - Billboard Easement Area



The above 75-foot wide cross hatched area represents Landlord's retained billboard easement area. Included in the 75-foot easement shall be Landlord/Assignee rights to locate a billboard pole with billboard head, apron, imprint, lighting, utilities, along with view corridor protection so there is no impairment of the billboard easement area or copy of the billboard located within the easement area. There will also be designated parking areas for service trucks and access to install, maintain and service said billboards within the easement area. Tenant with Landlord's approval may install way-finding signs in the easement area, provided in Landlord's sole discretion, they are not an impairment to all Landlord's rights and uses of the cross hatched easement area.

Landlord  Tenant 

**LEGACY SPORTS BOUNDARY
LEGAL DESCRIPTION**

A portion of land being situated within Section 34, Township 1 South, Range 7 East of the Gila and Salt River Meridian, Maricopa County, Arizona, being more particularly described as follows:

COMMENCING at 3" Maricopa County DOT brass cap in hand hole accepted as the northwest corner of said Section 34, from which a 3" Maricopa County DOT brass cap flush accepted as the west quarter corner thereof bears South 01°09'59" East, 2640.78 feet;

Thence South 01°09'59" East, 546.96 feet along the west line of the Northwest Quarter of said Section 34;

Thence leaving said west line, North 88°50'01" East, 65.00 feet to the **POINT OF BEGINNING**;

Thence North 88°39'03" East, 466.01 feet to the beginning of a tangent curve concave southwesterly, having a radius of 1090.00 feet;

Thence southeasterly along said curve, through a central angle of 40°37'40", an arc length of 772.91 feet to a tangent line;

Thence South 50°43'16" East, 283.00 feet to the beginning of a tangent curve concave northerly, having a radius of 1220.00 feet;

Thence westerly along said curve, through a central angle of 68°30'25", an arc length of 1458.72 feet to a tangent line;

Thence North 60°46'19" East, 201.64 feet to the southerly right of way line of State Route 24 as described within the Order of Immediate Possession filed as Document No. 2019-0309832, Maricopa County Records;

Thence South 28°54'47" East, 7.83 feet along said southerly right of way line;

Thence North 62°24'04" East, 333.41 feet along said southerly right of way line;

Thence North 67°38'39" East, 120.37 feet along said southerly right of way line;

Thence North 62°24'04" East, 168.55 feet along said southerly right of way line to the southwesterly line of a proposed electrical easement;

Thence leaving said southerly right of way line, South 42°18'10" East, 793.39 feet along said southwesterly line;

1

Thence South 60°22'57" East, 824.06 feet along said southwesterly line;

Thence South 64°14'29" East, 489.96 feet along said southwesterly line to said southerly right of way line;

Thence leaving said southwesterly line, South 06°41'37" East, 32.63 feet along said southerly right of way line to the west line of the east 33.00 feet of said section 34;

Thence leaving said southerly right of way line, South 00°41'42" East, 727.75 feet along said west line to an angle point therein;

Thence South 00°33'21" East, 1191.82 feet along said west line;

Thence leaving said west line North 89°34'13" West, 4225.03 feet to the easterly line of the Restricted Use Easement described within Docket 12949, Page 199, Maricopa County Records;

Thence North 44°34'12" West, 1351.14 feet along said easterly line to the east line of the west 65.00 feet of said Section 34;

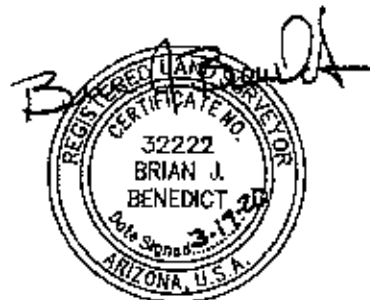
Thence North 01°10'02" West, 235.80 feet along said east line to an angle point therein;

Thence North 01°09'59" West, 2093.82 feet along said east line to the **POINT OF BEGINNING**.

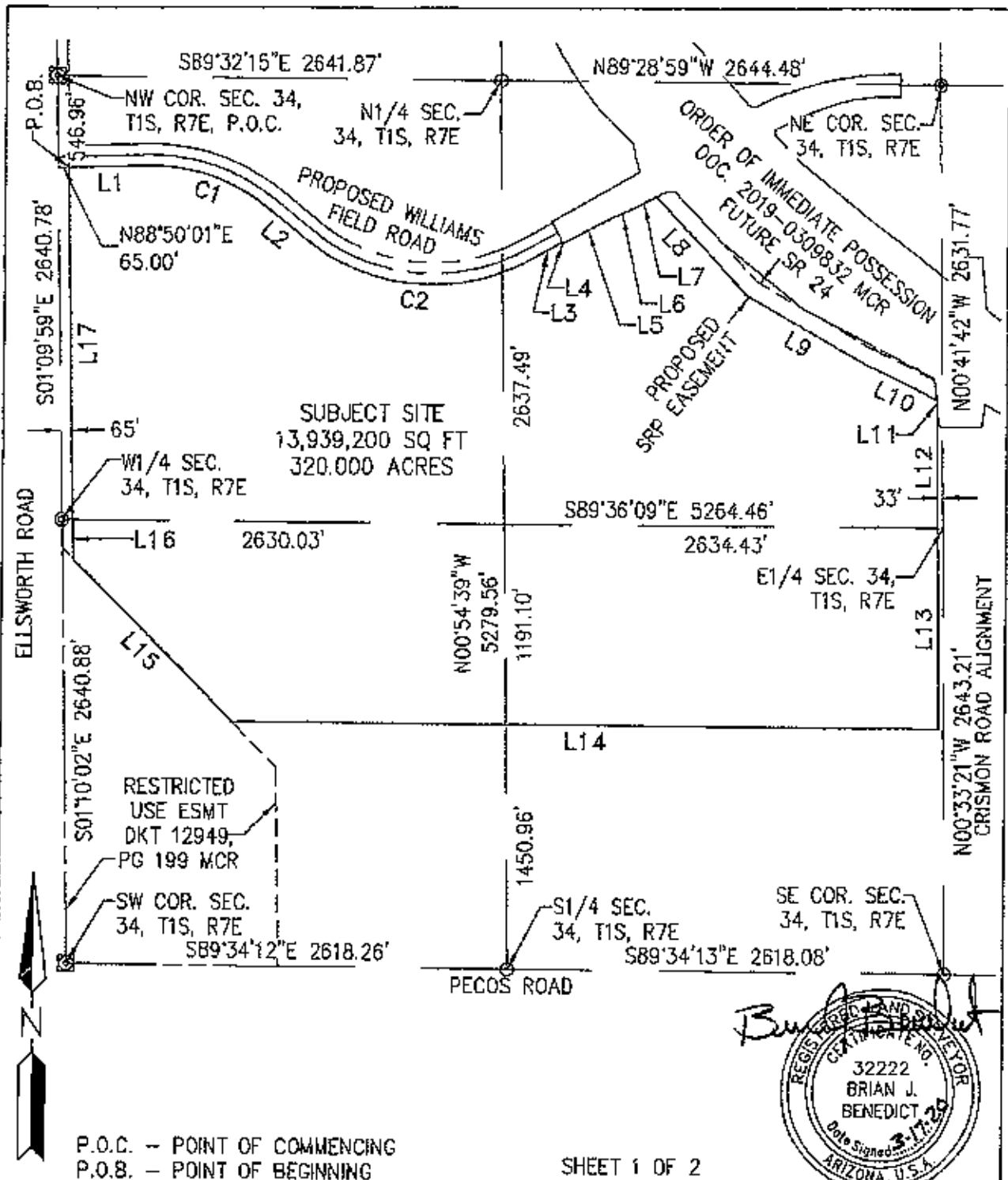
The above described parcel contains a computed area of 13939200 sq. ft. (320 acres) more or less and being subject to any easements, restrictions, rights-of-way of record or otherwise.


The description shown hereon is not to be used to violate any subdivision regulation of the state, county and/or municipality or any land division restrictions.

Prepared by: HILGARTWILSON, LLC
2141 E. Highland Avenue, Suite 250
Phoenix, AZ 85016
Project No. 2063
Date March 2020



A




PROJ. NO.:	2063	LEGACY SPORTS BOUNDARY	 HILGARTWILSON 2141 E. HIGHLAND AVE., STE. 250 PHOENIX, AZ 85016 P: 602.490.0535 / F: 602.368.2436
DATE:	MAR 2020	ELLSWORTH RD & PECOS RD	
SCALE:	NTS	MESA, ARIZONA	
DRAWN BY:	DSP	EXHIBIT	
CHECKED BY:	BJB		

LINE TABLE			CURVE TABLE			
LINE NO.	DIRECTION	LENGTH	CURVE NO.	RADIUS	DELTA	LENGTH
L1	N88°39'03"E	466.01'	C1	1090.00'	40°37'40"	772.91'
L2	S50°43'16"E	283.00'	C2	1220.00'	68°30'25"	1458.72'
L3	N60°46'19"E	201.64'				
L4	S28°54'47"E	7.83'				
L5	N62°24'04"E	333.41'				
L6	N67°38'39"E	120.37'				
L7	N62°24'04"E	168.55'				
L8	S42°18'10"E	793.39'				
L9	S60°22'57"E	824.06'				
L10	S64°14'29"E	489.96'				
L11	S06°41'37"E	32.63'				
L12	S00°41'42"E	727.75'				
L13	S00°33'21"E	1191.82'				
L14	N89°34'13"W	4225.03'				
L15	N44°34'12"W	1351.14'				
L16	N01°10'02"W	235.80'				
L17	N01°09'59"W	2093.82'				



SHEET 2 OF 2

PROJ.NO.: 2063	LEGACY SPORTS BOUNDARY ELLSWORTH RD & PECOS RD MESA, ARIZONA	 HILGARTWILSON 2141 E. HIGHLAND AVE., STE. 250 PHOENIX, AZ 85016 P: 602.490.0535 / F: 602.368.2436
DATE: MAR 2020		
SCALE: NTS		
DRAWN BY: DSP		
CHECKED BY: BJB		

A

EXHIBIT "B"

HURDLE SCHEDULE

- August 15, 2020 - Procurement of Initial Entitlements incident to Annexation.
- January 17, 2022 - Certificate of Occupancy/Opening

AD

EXHIBIT "C"
CONCEPTUAL PLAN





LEGACY SPORTS PARK

- A MULTIPURPOSE (HURL, VOLLEYBALL, SOCCER, ETC)
- B LEGACY FIELDHOUSE
- C LEGACY CENTER ARENA
- D LEGACY STADIUM (SOCCER, FOOTBALL, LACROSSE, ETC)
- E SPECIAL EVENTS TOWER & AMPHITHEATER
- F SAND VOLLEYBALL / SAND SOCCER CENTER
- G INTERNATIONAL SIZE SOCCER FIELDS
- H AUXILIARY SOCCER / MULTIPURPOSE FIELD
- I SOCCER TRAINING CENTER
- J SOFTBALL / YOUTH BASEBALL FIELDS
- K SOFTBALL / YOUTH BASEBALL STADIUM FIELD
- L HARMON KILLEBREW MIRACLE FIELD
- M PICKLEBALL COURT COMPLEX
- N (NOT USED)
- O BATTING TRAINING & PITCHING WARM-UP
- P STORM WATER DETENTION
- Q (NOT USED)
- R (NOT USED)
- S LEGACY DRIVE / MAIN ENTRANCE
- T RESTROOM / CONCESSION BUILDINGS
- U E-SPORTS ARENA (CONVENTION, MEMBERS, TRAINING)
- V LEGACY ARENA LOBBY & RESTAURANT ENTRANCE
- W LEGACY ADMINISTRATION & EXECUTIVE OFFICES
- X PERFORMANCE TRAINING CENTER / HEALTH & FITNESS
- Y FOOD COURT / DINING COMMONS
- Z (NOT USED)
- AA RV PARKING
- AB OPEN LAWN / OVERFLOW SOCCER FIELDS
- AC FLOW RIDER PARK (FUTURE)
- AD TRACK & FIELD TRAINING CENTER
- AE (NOT USED)
- AF PEDESTRIAN PLAZA / TEAM STAGING
- AG OBSTACLE COURSE RACES & COMPETITION FIELD
- AH FACILITIES CONTROL BUILDING
- AI STORAGE BUILDING
- AJ TICKETING CONTROL BUILDING
- AK COACHES VIEWING TOWER (QTY. 12)
- AL PARK WAYFINDING / MONUMENT SIGNAGE

LEGACY SPORTS PARK
MESA, ARIZONA, USA



ICON
ARCHITECTURAL GROUP
3000 N. GAVELIN AVENUE, SUITE 100
MESA, AZ 85205
PH: 480.336.1000
FAX: 480.336.1001

R

EXHIBIT "D"

PROHIBITED USES

Environmental remediation facility; exterminating service; butane distribution; exterminating and fumigating warehouse; bulk storage of gasoline or fuel oil tanks; bulk; petroleum products packaging and storage; adult book store or adult novelty store (meaning a store primarily engaged in the sale, rental, distribution or display of pornographic, lewd, sexually explicit or so called adult material; adult theater or so-called "gentlemen's club" featuring nude, topless or scantily clad men or women); day labor hiring hall; pawn shop; religious mission, including a charity dining hall; commercial loading of small arms or manufacture of ammunition; rock quarrying, sand and gravel or other mineral extraction; transit terminal; propane sales; tattoo establishment; body piercing establishment; concrete or cement products manufacturing; plating or polishing shop; plating works or electric plating; farm devoted to hatching, raising, breeding and marketing of chickens, turkeys or other fowl, rabbits, fur-bearing animals or fish; feeder lot for horses, cattle, goats or sheep; dairy farm; bail bond company; body and fender shop; cannery, slaughter house or meat processing or packaging plant; cesspool service; flour or grain elevator; motor vehicle fuel distribution facility gas station, service station and/or car wash; outdoor storage; massage establishment (except for massage services offered by doctor, nurse, chiropractor or other medical or healthcare provider); repair and rewinding of transformers or generators; outdoor paving materials storage; welding shop; wrecking yard or junkyard; traveling carnival; bingo parlor or any establishment conducting games of chance (other than lawful and permitted esports-related gaming and subject to Landlord's prior approval); dumping or disposing of garbage or refuse (except as may be incidental to an otherwise permitted use); flea market; booths for the sale of fireworks; a cemetery, crematorium, funeral home or facility for the sale of caskets; outdoor advertising/billboards; hotels except as otherwise expressly set forth in the Lease to which this Exhibit D is attached; big box retail; any other uses not typically found in a national sports/entertainment park. Notwithstanding the prohibitions against outdoor advertising/billboards, Tenant shall, ancillary to the primary use of the Premises as a sports/entertainment park, be permitted to erect video scoreboards as well as signage within the sports/entertainment park related to branding partners and sponsorships.



EXHIBIT "E"

MILESTONE SCHEDULE

August 16, 2020	Construction Phase - begin construction of Athletic Fields and Vertical Amenities
September 10, 2020	Construction Phase - begin construction of Main Building
October 22, 2020	Construction Phase - begin construction of Track & Field/Soccer Stadium
June 6, 2021	Construction Phase - begin construction of Auxiliary Sports/Special Events Area
October 19, 2021	Begin Project Closeout
November 11, 2021	Certificate of Occupancy for Athletic Fields and Soccer Stadium
January 17, 2022	Main Building Final Inspection and Temporary Certificate of Occupancy
April 13, 2022	Main Building Final Certificate of Occupancy



EXHIBIT "F"

MEMORANDUM OF GROUND LEASE

RECORDING REQUESTED BY AND
WHEN RECORDED, MAIL TO

MEMORANDUM OF GROUND LEASE

THIS MEMORANDUM OF LEASE (the "Memorandum") is by and between Pacific Proving, LLC ("Landlord"), and Legacy Cares, Inc. ("Tenant"). Notice is hereby given that Landlord and Tenant have entered into that certain Ground Lease dated May 20th, 2020 (the "Lease") which contains the following terms:

1. Pursuant to the Lease, Landlord has leased to Tenant the Property described on Exhibit "A" attached hereto.
2. The Term of the Lease is 40 years.
3. Tenant has two (2) options to extend the Term of the Lease for five (5) years each.

The purpose of this Memorandum is to give record notice of the existence of the Lease. In the event of any conflict or inconsistency between this Memorandum and the Lease, the Lease will govern and control. This Memorandum will automatically terminate (without the necessity of recording any termination hereof) on the date of the expiration or earlier termination of the Lease.

[Signatures on following page]

A


Landlord and Tenant have each caused this Memorandum to be executed and delivered by their duly authorized representatives.

Landlord:

Pacific Proving, LLC, a Delaware limited liability company,

By its member, Levine Investments Limited Partnership, an Arizona limited partnership

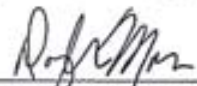
By Keim, Inc., an Arizona corporation, its general partner

By  _____
Name: Andrew M. Cohn
Title: Authorized Rep.

Dated: May 21, 2020

Tenant:

Legacy Cares, Inc., a(n) Arizona nonprofit corporation

By  _____
Name: Douglas Moss
Title: President

Dated: May 20th, 2020

AMENDMENT NO. 1 TO GROUND LEASE

BETWEEN

PACIFIC PROVING, LLC

as "Landlord"

and

LEGACY CARES, INC.

as "Tenant"

For

the "Premises"

AMENDMENT NO. 1 TO GROUND LEASE

THIS AMENDMENT NO. 1 TO GROUND LEASE (this "Amendment No. 1"), is made as of July 27, 2020 (the "Effective Date"), by and between PACIFIC PROVING, LLC, a Delaware limited liability company ("Landlord") and LEGACY CARES, INC., an Arizona nonprofit corporation ("Tenant").

RECITALS

A. Landlord and Tenant entered into a Ground Lease dated as of May 20, 2020 (the "Ground Lease") pursuant to which Landlord leases to Tenant thirteen million, nine hundred thirty-nine thousand, two hundred (13,939,200) square feet located to the southeast of the future intersection of Ellsworth Road and future addition to State Route 24, City of Mesa, Arizona.

B. Landlord and Tenant desire to modify certain provisions of the Ground Lease upon the terms and conditions set forth hereafter.

C. Capitalized words used herein without their definition shall have their meaning as assigned in the Bond Documents (as defined herein).

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows, with the intent to be legally bound.

AGREEMENT

1. The foregoing recitals are incorporated herein by reference. As amended hereby, the Ground Lease remains in full force and effect, and all of the terms contained therein are ratified by, and remain binding upon, Landlord and Tenant. In case of any inconsistency between the provisions of the Ground Lease and the provisions of this Amendment No. 1, the provisions of this Amendment No. 1 will govern and control. All rights and remedies of Landlord and Tenant under the Ground Lease shall continue and survive execution and delivery of this Amendment No. 1, except to the extent that any such rights or remedies are modified by the express terms of this Amendment. Capitalized terms used but not expressly defined in this Amendment No. 1 have the respective meanings ascribed to such terms in the Ground Lease.

2. In Section 1.03(b) of the Ground Lease, the second sentence is amended to state, "Tenant shall obtain the Initial Project Entitlements no later than December 15, 2020 (the "Entitlement Outside Date")." The reference in the same sentence to August 15, 2020 is deleted.

3. The existing Section 11.04 of the Ground Lease is deleted in its entirety and replaced by the new Section 11.04 therein and states as follows:

Section 11.04 First Right of Purchase. Following the declaration of an Event of Default including subsequent Events of Default as this is an ongoing right in favor of the Landlord (the "Default Declaration") under the financing documents that govern the Tenant's financing with its lender (collectively, the "Bond Documents"), the Landlord shall have a first right of purchase to acquire all, but not less than all, of the outstanding Bonds pursuant to the Bond Documents as described below.

The purchase price of the Bonds shall be a price as established by holders of no less than holders of 65% of the outstanding principal amount of the subject Bonds ("Bond Call Price"). The Bond Call Price shall be presented to the Landlord by no later than ten (10) business days following the Default Declaration. Landlord must respond to the Tenant's Lender with either acceptance or the rejection of the Bond Call Price within ten (10) business days after its receipt of the subject price. If the Bond Call Price is accepted, the Bonds must be sold via a nationally recognized broker-dealer chosen by the Bondholders and purchased by Landlord's chosen broker dealer within five (5) business days of acceptance. If the Bond Call Price is rejected, Bondholders shall have no obligation with regard to a sale of the subject Bonds to the Landlord. Upon Landlord's rejection of the offer to sell the Bonds as set forth herein, and subject to the terms of this Lease, Tenant's Lender may proceed to exercise any and all remedies provided to it in the Tenant Leasehold Mortgage without claim or interference from Landlord.

Landlord acknowledges that it is qualified to purchase unrated, high yield municipal securities, such as the Bonds and that is intimately familiar with the subject premises that ultimately secure the Bonds. Landlord agrees that the Bondholders shall owe the Landlord no information regarding the Bonds or the premises and that Landlord will have done whatever due diligence it deems necessary in regard to purchase with no responsibility upon the part of the Bondholders.

4. Section 11.05 and Section 11.06 are added to the Ground Lease as follows:

Section 11.05 Right to New Lease. If (i) Landlord shall terminate this Lease as a result of an Event of Default, (ii) this Lease is terminated for any other reason (other than in connection with a total condemnation), or (iii) this Lease shall be rejected by Tenant in any bankruptcy, insolvency, reorganization or similar proceeding, then Tenant's Lender, upon payment (which payment may come from Tenant or Tenant's Lender) of the Base Rent, Rent and any other amounts then remaining unpaid and the curing of such Events of Default, Tenant's Lender shall have the option to obtain a new lease upon its written request made within thirty (30) days after the effective date of such termination or rejection (the "New Lease"). Such New Lease shall be made with either the Tenant's Lender or such other transferee as the Tenant's Lender may designate, at the Tenant's Lender's or such transferee's sole cost. Such New Lease shall be effective as of the date of termination or rejection of this Lease, and shall be upon all of the terms, conditions and covenants of this Lease, it being the intention of the parties to preserve the Lease and the leasehold estate created by the Lease for the benefit of Tenant's Lender without interruption. Subject to the provisions set forth in Section 11.01, the New Lease shall be superior to all rights, liens and interests intervening between the date of the Lease and the granting of the New Lease, and shall be free of any rights of the Tenant following the lawful termination of the Lease. Notwithstanding anything herein to the contrary, in order for a Tenant Leasehold Mortgage to be entitled to the benefits of this Section and to the New Lease provisions, the Tenant Leasehold Mortgage shall not secure the repayment of sums in excess of 110% of the original bond issue.

Section 11.06 No Surrender of Lease. No surrender or cancellation by Tenant or material modification of this Lease that increases Tenant's financial liability hereunder shall be effective as to Tenant's Lender unless consented to in writing by Tenant's Lender, such consent not to be unreasonably withheld, delayed or conditioned. Landlord shall not accept any surrender or

cancellation of this Lease by Tenant, or agree to any modification of the terms of this Lease that materially affects the rights, powers, privileges, obligations or liabilities of Tenant, without the prior consent in writing of any Tenant's Lender, such consent not to be unreasonably withheld, delayed or conditioned.

5. Exhibit "B" HURDLE SCHEDULE is deleted in its entirety and replaced by the new Exhibit "B" which states:

HURDLE SCHEDULE

- December 15, 2020 - Procurement of Initial Entitlements incident to annexation.

6. This Amendment No. 1, together with the Ground Lease, sets forth the entire agreement between Landlord and Tenant with respect to the matters set forth herein. There have been no additional oral or written representations or agreements.

7. This Amendment No. 1: (a) may be amended only by a writing signed by Landlord and Tenant; (b) shall be governed by, and construed and enforced in accordance with, the laws of the State of Arizona, without giving effect to any conflict of laws rules; and (c) is binding upon, and will inure to the benefit of, the parties and their respective heirs, successors and assigns.

[Signatures on following page]

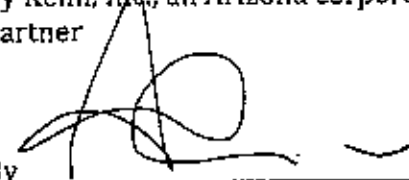
Landlord and Tenant have each caused this Amendment No. 1 to Ground Lease to be executed and delivered by their duly authorized representatives.

Landlord:

Pacific Proving, LLC, a Delaware limited liability company,

By its member, Levine Investments Limited Partnership, an Arizona limited partnership

By Keim, Inc., an Arizona corporation, its general partner

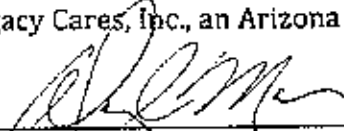
By 

Name: Andrew M. Cohn

Title: Authorized Rep.

Tenant:

Legacy Cares, Inc., an Arizona nonprofit corporation

By 

Name: Douglas Moss

Title: President

EXHIBIT "B"

HURDLE SCHEDULE

- December 15, 2020 - Procurement of Initial Entitlements incident to Annexation.

APPENDIX P

SUMMARY OF PRE-CONTRACTS AND LETTERS OF INTENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

PRE-CONTRACTS

Pre-Contracts Executed	Sport
i9 Sports	Multiple
Special Olympics Arizona	Multiple
PlayStation Fiesta Bowl	Multiple
USA Softball	Softball
Phoenix Rising Youth Soccer	Soccer
Arizona Youth Soccer Association	Soccer
Real Salt Lake - Arizona	Soccer
SC del Sol	Soccer
US Futsal	Futsal
Arizona Regional USA Volleyball	Volleyball
Volleyball Festival	Volleyball
RPM Sand Volleyball	Volleyball
Junior Volleyball Association (JVA)	Volleyball
Rush Volleyball Club	Volleyball
Just 4 Hoopin (Tournaments)	Basketball
Power House Hoops	Basketball
Arizona Elite	Basketball
Breakthrough Basketball	Basketball
Position Sports	Basketball
School of Drones	e-Sports
Spring it on Cheer / Dance	Cheer/Dance
USA Gymnastics	Gymnastics
Arizona Dynamics	Gymnastics
USA Pickleball Association	Pickleball
Triple Threat Performance Training	Sports Training
TOTAL	

LETTERS OF INTENT

Letters of Intent	Sport
Benedictine University Mesa	Multiple
Arizona Sports and Entertainment Commission	Multiple
Christ's Church of the Valley Youth Sports	Multiple
Arizona Sports & Tourism Authority	Multiple
Arizona Interscholastic Association	Multiple
Canyon Athletic Association	Multiple
Top Choice Baseball	Baseball
Tournament Sports	Baseball
Manchester United	Soccer
Sindicado dos Atletas de Futebol - Rio De Janeiro	Soccer
NCE Soccer	Soccer
Barnsley Women's Football Club	Soccer
South Yorkshire Schools Football	Soccer
Long Island Junior Soccer Leagues, Inc.	Soccer
Players Futsal Academy	Futsal
East Valley Juniors Volleyball	Volleyball
Legacy ESports Program	e-Sports
Arizona Girls Lacrosse	Lacrosse
Last Man Stands Cricket	Cricket
IARA Rugby	Rugby
Adventure Solutions / Obstacle Course Racing (OCR)	Racing
Race Place	Racing
Hi-Five Camps	Camps
BEST Edge Sports Training	Sports Training
Active Health Chiropractic & Physical Therapy	Sports Training
Dan O'Brien Sports	Sports Training

INDICATIONS OF INTEREST

Indications of Interest		
AZ All World Softball	Phoenix Suns G-League	The All-American Marching Band
Arizona Recreational Sports	Spartan Race	American Grappling Association
Invictus Games	Adidas Basketball Gauntlet	Arizona Arsenal Soccer Club
BIG SKY Conference Tournament	The Color Run	Arizona Disabled Sports
Varsity Cheer Adidas Basketball Gauntlet	Korean National Baseball Team	Arizona Flames Gymnastics
NFL Play 60 Flag Football	Republic Services Truck Rodeo	Arizona Supreme Basketball Club
Tough Mudder	International Sportsmen's Expo	ASU Gymnastics
Beachfest / Sand Volleyball	Good Guys Car Show	Cal Coast Sports Ventures / Lacrosse
RV Super Show	AAU Desert Jam Basketball Tournament	Coerver Sports / Rec Soccer Clubs
Game of Throws – Cornhole Championships	Arizona Bike Week	CCSC / College Coaches Sports Camps
Maricopa County Home and Garden Show	Arizona Grinders Baseball Club	Drew Bree's Flag Football League
Phoenix Intl Open - IBJJF Jiu-Jitsu Tournament	Predator USA Baseball Club	Fight To Win Promotions / MMA
USA Sevens Rugby	Dim Mak Records	NAGA / North American Grappling Association
Cal Ripken Baseball	Nike EYBL	Park University
T-Rex Baseball Club	Scuderia Southwest	USA Karate
Triple Crown Sports	US Army All-American Bowl	Grind Session Basketball
R-Entertainment Group	National Youth Championship	Under Armour Rise Circuit
Manheim Auto Show	7v7 National Championship	Nike Tournament of Champions
National Signing Day	The Hall of Fame National Showcase	CALPAC Conference Tournament
Flag Fest	Gurlz Got Game	Jam On It /Basketball Tournament Org
The Hall of Fame Football Academy	Elev8 QB Academy	Gilbert Youth Soccer Association
The Capital Classic	CrossFit Games	Fiesta Volleyball Tournaments
Women's Basketball Hall of Fame Championship	All-American Softball Game	NETS Tournaments / Basketball
All-American Baseball Game by PlayStation	Front Office Academy	Prep Hoops Circuit
Super Series Baseball	Team Captain Camp	
Faster2First	Young Guns Basketball & Softball	
76 Organizations		

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX Q

FORM OF COLLATERAL ASSIGNMENT OF CONTRACTS, PERMITS, LICENSES AND PLANS

[THIS PAGE INTENTIONALLY LEFT BLANK]

COLLATERAL ASSIGNMENT OF CONTRACTS, PERMITS, LICENSES AND PLANS

THIS COLLATERAL ASSIGNMENT OF CONTRACTS, PERMITS, LICENSES AND PLANS, dated as of August 1, 2020 (this “Assignment”), is made by LEGACY CARES, INC., an Arizona nonprofit corporation and 501(c)(3) organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (together with its permitted successors and assigns, the “Company”), to and for the benefit of UMB BANK, N.A., a national banking association, as trustee (the “Trustee”) under that certain Trust Indenture, dated as of August 1, 2020, as further amended, restated, modified, or otherwise supplemented from time to time, the “Indenture”). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Indenture.

----- WITNESSETH THAT:

WHEREAS, the Company has entered into that certain Loan Agreement, dated as of August 1, 2020 (the “Loan Agreement”), with the Arizona Industrial Development Authority (the “Issuer”), pursuant to which the Issuer has loaned the proceeds of its (i) Economic Development Revenue Bonds, Tax-Exempt Series 2020A (Legacy Cares, Inc. Project) in the principal amount of \$212,960,000 (the “Series 2020A Bonds”), (ii) Economic Development Revenue Bonds, Taxable Series 2020B (Legacy Cares, Inc. Project) in the principal amount of \$6,810,000 (the “Series 2020B Bonds”) to the Company and (iii) Economic Development Revenue Bonds, Tax-Exempt Turbo Redemption Series 2020C (Legacy Cares, Inc. Project) in the principal amount of \$31,000,000 (the “Series 2020C Bonds”, which together with the Series 2020A Bonds and the Series 2020B Bonds, the “Series 2020 Bonds”);

WHEREAS, the Company’s repayment obligations under the Loan Agreement are evidenced by three promissory notes dated August 20, 2020 (the “Notes”), one each related to the Series 2020A Bonds, the Series 2020B Bonds and the Series 2020C Bonds, respectively, and each from the Company to the Issuer and assigned to the Trustee pursuant to the Indenture;

WHEREAS, the Company in connection with the issuance of the Series 2020 Bonds is required to secure the payment thereof through, among other items, the collateral assignment to the Trustee of certain contracts related to the Series 2020 Project (the “Collateral Assignments”); and

WHEREAS, the Company now desires to execute this Assignment to secure the repayment of the Series 2020 Bonds, and to collaterally assign all Project Contracts (as such term is defined herein) as security for repayment of the Notes and the Series 2020 Bonds, and all of the Company’s obligations under the Indenture and Loan Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the Company does hereby collaterally assign, transfer and set over unto the Trustee, and grant to the Trustee a continuing first-priority security interest in all right, title, interest and claim of Company in, the following:

- (i) all contracts and agreements of any nature relating to the Project pertaining to the acquisition, development, construction, design, architecture, engineering management, maintenance, leasing, use or operation of the Project, whether now existing

or hereafter entered into, and in, to or under any and all amendments, supplements and additions thereto, including but not limited to those contracts identified in Exhibit A attached hereto (collectively, all of the foregoing are the “Project Contracts”);

(ii) all transferable permits, licenses and authorizations of any governmental body necessary or useful in connection with the construction, operation and use of the Project for its intended purposes, whether now existing or hereafter entered into, and in, to or under any and all amendments, supplements and additions thereto (the “Permits and Licenses”);

(iii) all plans, reports, designs, and specifications necessary or useful in connection with the construction, operation and use of the Project for its intended purposes (the “Plans”), whether now existing or hereafter entered into, and in, to, or under any and all amendments, supplements and additions to the foregoing (the Project Contracts, the Permits and Licenses and the Plans and any such amendments, additions or supplements thereto being hereinafter collectively referred to as the “Agreements”; provided, however, that the term Agreements, as used herein, shall specifically exclude the Loan Agreement, the Notes, the Indenture, the Bonds and the Leasehold Deed of Trust);

(iv) all claims of the Company for breach by any other party to any of the Agreements of any covenant, agreement, representation or warranty contained in such Agreements;

(v) all right, title and interest of the Company in, to, under or pursuant to any and all reserve or escrow accounts, now or hereafter established pursuant to any Agreement, including, without limitation, the right to receive any proceeds of such accounts; and

(vi) all proceeds of any and all of the foregoing (all of the foregoing rights, interests, properties and privileges hereby assigned and in which a security interest is hereby granted being hereinafter collectively referred to as the “Collateral”).

The assignments and security interest herein granted and provided for are made and given to secure and shall secure the payment of all amounts due under and the performance by the Company of all of its obligations related to the Notes or that subsequently may be issued pursuant to the Loan Agreement, and the payment of all expenses and charges, legal or otherwise, paid or incurred by the Trustee in realizing upon or protecting the foregoing indebtedness or any security therefor, including this Assignment (all of the foregoing being hereinafter collectively referred to as the “indebtedness hereby secured”).

1. The Company represents and warrants that (i) true, correct and complete copies of the Agreements have been delivered to the Trustee (or will be delivered immediately upon execution thereof) as of the date hereof; (ii) the Company’s interest therein is not subject to any claim, defense, counter-claim, lien, consent, set-off or encumbrance of any nature; (iii) the Agreements have not been modified, amended or otherwise changed except as disclosed in writing to the Trustee; (iv) the Agreements are in full force and effect and free from default; (v) the Company has all necessary right, power and authority to enter into the Agreements and perform

its obligations thereunder; (vi) the Company is in compliance with all of the terms and conditions of the Agreements; and (vii) the Company shall promptly provide the Trustee with a copy of all amendments, modifications, additions and waivers of any provisions of the Agreements.

2. The Company hereby irrevocably constitutes and appoints the Trustee its true and lawful attorney in fact, such power of attorney coupled with an interest, with full power of substitution for it and in its name, place and stead (i) to ask, demand, collect, receive, receipt for, sue for, compound and give acquittance for any and all sums, payments and distributions that may be or become due or payable to the Company under the Agreements, in respect or on account of the Collateral or that constitute a part of the Collateral, with full power to settle, adjust or compromise any claim thereunder or therefor as fully as the Company could itself do and to endorse the name of the Company on all commercial paper given in payment or part payment of such sums, (ii) in the reasonable judgment of the Trustee, to cure any default of the Company under the Agreements, and (iii) to file any claim or to take any other action or proceeding, either in its own name or in the name of the Company, or otherwise, that the Trustee may deem necessary or reasonably appropriate to collect any and all sums, payments and distributions that are or may become due or payable to the Company under the Agreements, in respect or on account of the Collateral, that constitute a part of the Collateral or that the Trustee may deem necessary or reasonably appropriate to protect and preserve the right, title and interest of the Company or the Trustee in and to the Collateral and the security intended to be afforded thereby; *provided*, that the Trustee shall not have the power to exercise any of the aforesaid rights under this paragraph prior to the occurrence of an Event of Default under the Indenture or the Leasehold Deed of Trust and the expiration of any cure period set forth therein.

3. The Company hereby further covenants that it will execute and deliver such further instruments and do and perform such other acts and things as the Trustee may deem necessary or reasonably desirable to more effectively vest in and secure to the Trustee the Collateral, including, but not limited to, obtaining an acknowledgment of this Assignment from any counterparty to each material Project Contract.

4. The Company shall direct any party at any time holding sums, payments or distributions due the Company and constituting part of the Collateral to make payments and distributions directly to the Trustee, such party shall pay all such sums, payments and distributions directly to the Trustee and the Company agrees that such payments to the Trustee shall be a good receipt and acquittance against the Company to the extent so made. Any party to the Agreements shall be fully protected in paying sums due in respect of the Collateral directly to the Trustee upon its demand therefor.

5. The Company agrees to perform all of its obligations under the Agreements within the time limitations therein provided for. In the event the Company fails to pay or perform any of its obligations under any Agreement within any applicable period of grace, the Trustee may, but need not, pay or perform such obligation at the expense and for the account of the Company (and the Trustee will send Company a notice of its election to so pay or perform describing the obligation of the Company that the Trustee intends to perform) and all funds expended for such purposes shall constitute additional indebtedness hereby secured, which the Company promises to pay upon demand together with interest thereon at a rate per annum equal to the rates applicable to the Notes.

6. Upon the occurrence of any Event of Default and unless and until the same shall be cured, the Trustee may (i) exercise all remedies available to it under applicable law, (ii) enforce the rights of the Company under the Agreements, (iii) collect and receive all sums due or to become due in respect of the Collateral and apply the same to the indebtedness hereby secured in such order and manner as it may elect, and (iv) have all the rights and remedies of a secured party upon default as provided for in the Uniform Commercial Code (the "Code"). Any requirement of said Code for reasonable notice shall be satisfied if such notice is personally served or mailed (certified mail, return receipt requested) to the Company at its address specified in Section 11.09 of the Indenture, at least ten (10) days before the time of the sale, disposition or other event or thing giving rise to the requirement for such notice. The reasonable expenses of collecting all sums due or to become due in respect of the Collateral or in connection with protecting, preserving or realizing upon the rights of the Trustee in and to the Collateral, including, without limitation, court costs and reasonable attorneys' fees, shall constitute additional indebtedness hereby secured, which the Company hereby promises to pay upon demand with interest thereon at a rate per annum equal to the rates applicable to the Notes from the date of expenditure.

7. This Assignment constitutes an assignment of rights only and not an assignment of any of the duties and obligations of the Company under the Agreements, and by its acceptance hereof the Trustee does not undertake to perform any of such duties and responsibilities and shall incur no liability for any action taken by it or on its behalf. The Company shall continue to be liable for all its obligations under the Agreements. The Company does hereby agree to indemnify and hold harmless the Trustee from and against any and all loss, cost, liability or expense (including reasonable attorneys' fees and expenses) resulting from a default by the Company under any of the Agreements. This Assignment shall be binding upon the Company and shall inure to the benefit of the Trustee, and its successors and assigns (including any subsequent holder of any of the indebtedness hereby secured).

8. All provisions hereof are intended to be severable and if any term, condition and provision hereof shall be held invalid or unenforceable, the validity and enforceability of the remaining terms, conditions or provisions hereof shall in no way be affected thereby. This instrument may only be amended or modified by an agreement in writing signed by the party against whom enforcement of the amendment or modification is sought. This instrument, including matters of interpretation and construction, and the rights of the Trustee and the duties and obligations of the Company hereunder, shall be determined in accordance with the internal laws of the State of Arizona without regard to principles of conflicts of law.

[Signature Page Follows]

Executed and delivered as of the date first set forth above.

LEGACY CARES, INC.

By: _____

Name: _____

Title: _____

EXHIBIT A

ASSIGNED CONTRACTS

1. Three (3) Consensus Docs 415 Standard Design-Build Agreements and General Conditions Between Owner and Design-Builder, each dated as of August 14, 2020, each by and between Company and JS Waltz Construction, LLC.
2. Qualified Management Agreement, dated as of August 1, 2020, between the Company and Legacy Sports USA, LLC (“Legacy Sports”), and (i) related Pre-Opening Agreement, dated as of August 20, 2020 between Legacy Sports and OVG Facilities, LLC (“OVG”), and (ii) related Operating Agreement, to be entered into between Legacy and OVG.
3. All Pre-Contracts and Letters of Intent listed on Schedule I to this Exhibit A (as such Pre-Contracts and Letters of Intent may be converted to definitive contracts).
4. All other Project Contracts as defined in this Assignment.

SCHEDULE I TO EXHIBIT A
LETTERS OF INTENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX R

FORM OF CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT)

[THIS PAGE INTENTIONALLY LEFT BLANK]

CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT)

THIS CONSENT AND AGREEMENT (CONSTRUCTION CONTRACT) (this “Consent and Agreement”) dated and effective as of August 1, 2020, is by and among JS Waltz Construction LLC, an Arizona limited liability company (the “Project Party”), Legacy Cares, Inc., an Arizona nonprofit corporation and 501(c)(3) organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Borrower”), UMB Bank, N.A. (the “Trustee”) and Wells Fargo Bank, N.A. (the “Depository Bank”).

RECITALS

A. The Borrower has entered or will enter into certain documents providing for, among other things, the ownership, development, construction, operation, maintenance, and financing of a multi-sports park facility and family entertainment complex to be located on a 320-acre site, at the intersection of State Route 24 and Ellsworth Road, in Mesa, Arizona, to be known as Legacy Sports Park (the “Project”).

B. In connection with the Project, Trustee, as trustee, and the Arizona Industrial Development Authority (the “Issuer”), a nonprofit corporation designated as a political subdivision of the State of Arizona (the “State”) in accordance with the provisions of the Constitution and laws of the State and under Title 35, Chapter 5, Arizona Revised Statutes, as amended, entered into that certain Indenture of Trust, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Indenture”), for the benefit of the holders of Bonds (as defined in the Indenture) issued pursuant to the Indenture.

C. In connection with the Project, the Depository Bank, as depository bank, UMB Bank, N.A., as secured party, and the Borrower entered into that certain Deposit Account Control Agreement, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Deposit Account Control Agreement”).

D. The Borrower and the Project Party have entered into those three (3) certain Consensus Docs 415 Standard Design-Build Agreements and General Conditions Between Owner and Design-Builder (Guaranteed Maximum Price), each dated as of August 14, 2020 (each as amended, restated, modified or otherwise supplemented from time to time in accordance with the terms thereof and hereof, collectively, the “Assigned Agreement”).

E. In connection with the financing of the Project, the Trustee is the beneficiary of a lien on and a continuing security interest in all right, title, interest and claim of the Borrower in the Revenues (as defined in the Indenture) for the benefit of any holder of the Bonds issued under the Indenture in accordance with the terms thereof.

F. The Borrower also has entered or will enter into that certain Collateral Assignment of Contracts, Permits, Licenses and Plans, dated as of August 1, 2020 (as further amended, restated, modified or otherwise supplemented from time to time, the “Collateral Assignment”) in favor of the Trustee, pursuant to which the Borrower has granted to the Trustee, as security for the Bonds, all of the Borrower’s right, title and interest in and to any and all rights, benefits and privileges (but not the obligations) under, and granted a security interest in, the Assigned

Agreement, and all payments due and to become due to the Borrower thereunder, for the benefit of the holders of the Bonds.

NOW, THEREFORE, in consideration of the holders of the Bonds now or hereafter entering into the financing documents in connection with the Indenture and to induce such parties to purchase and hold the Bonds and release the proceeds thereof, and for other good and valuable consideration, the receipt and sufficiency of which hereby is acknowledged, the parties hereby agree as follows:

1. Consent to Collateral Assignment. The Project Party hereby acknowledges notice and receipt of, and consents to the terms and provisions of, the Collateral Assignment.

2. Definitions. Capitalized terms not defined herein shall have the respective meanings given to them in the Collateral Assignment or the Indenture, as applicable. Unless otherwise stated, references herein to any Person shall include its permitted successors and assigns and, in the case of any governmental authority, any Person succeeding to its functions and capacities.

3. Representations and Warranties. The Project Party hereby represents and warrants that:

(a) The Project Party is a limited liability company duly organized, validly existing and in good standing under the laws of the State. The Project Party is duly qualified to do business and is in good standing in all jurisdictions where necessary in light of the business it conducts and the property it owns and intends to conduct and own and in light of the transactions contemplated by the Assigned Agreement. No filing, recording, publishing or other act that has not been made or done is necessary or desirable in connection with the existence or good standing of the Project Party or the conduct of its business.

(b) The Project Party has the full power, authority and legal right to execute, deliver and perform its obligations hereunder and under the Assigned Agreement. The execution, delivery and performance by the Project Party of this Consent and Agreement and the Assigned Agreement and the consummation of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action. This Consent and Agreement and the Assigned Agreement have been duly executed and delivered by the Project Party and constitute the legal, valid and binding obligations of the Project Party enforceable against the Project Party in accordance with their respective terms, except as the enforceability thereof may be limited by (i) applicable bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) the application of general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity).

(c) The execution, delivery and performance by the Project Party of this Consent and Agreement and the Assigned Agreement do not and will not (i) require any consent or approval of the governing body of the Project Party or any partners or members of the Project Party or of any other Person that has not been obtained and each such consent or approval that has been obtained is in full force and effect, (ii) violate any provision of any law, rule, regulation, order, writ, judgment, decree, determination or award having applicability to the Project Party or

any provision of the articles of incorporation or bylaws of the Project Party (the “Corporate Documents”), (iii) conflict with, result in a breach of or constitute a default under any provision of the Corporate Documents or any resolution of the governing body of the Project Party or any indenture or loan or credit agreement or any other agreement, lease or instrument to which the Project Party is a party or by which the Project Party or its properties and assets are bound or affected or (iv) result in, or require the creation or imposition of, any lien upon or with respect to any of the assets or properties of the Project Party now owned or hereafter acquired. The Project Party is not in violation of any such law, rule or regulation, order, writ, judgment, decree, determination or award referred to in clause (ii) above or its Corporate Documents or in breach of or default under any provision of its Corporate Documents or any material agreement, lease or instrument referred to in clause (iii) above.

(d) Each government approval required for the execution, delivery or performance of this Consent and Agreement and the Assigned Agreement by the Project Party has been validly issued and duly obtained, taken or made, is not subject to any condition, does not impose restrictions or requirements inconsistent with the terms hereof or of the Assigned Agreement, is in full force and effect and is not subject to appeal.

(e) This Consent and Agreement and the Assigned Agreement (assuming the due authorization, execution and delivery by, and binding effect on, the Borrower) are in full force and effect.

(f) There is no action, suit or proceeding at law or in equity by or before any government authority, arbitral tribunal or other body now pending or to the actual knowledge of the Project Party, threatened against or affecting the Project Party or any of its properties, rights or assets that (i) if adversely determined, individually or in the aggregate, could have a material adverse effect on its ability to perform its obligations hereunder or under the Assigned Agreement or (ii) questions the validity, binding effect or enforceability hereof or of the Assigned Agreement or any action taken or to be taken pursuant hereto or thereto or any of the transactions contemplated hereby or thereby.

(g) The Project Party is not in default under any material covenant or obligation hereunder or under the Assigned Agreement and no such default has occurred prior to the date hereof. The Project Party has no actual knowledge that the Borrower is in default under any material covenant or obligation of the Assigned Agreement or that any such default has occurred prior to the date hereof. After giving effect to the assignment by the Borrower to the Trustee of the Assigned Agreement pursuant to the Collateral Assignment, and after giving effect to the acknowledgment of and consent to such assignment by the Project Party, there exists no event or condition that would constitute a default, or that would, with the giving of notice or lapse of time or both, constitute a default under the Assigned Agreement. The Project Party has complied with all conditions precedent to its obligations to perform under the Assigned Agreement. As of the date hereof, the Project Party has no actual knowledge that the Borrower has not complied with all conditions precedent to its obligations to perform under the Assigned Agreement.

(h) This Consent and Agreement and the Assigned Agreement constitute and include all agreements entered into by the Project Party relating to, and required for the

consummation of, the transactions contemplated by this Consent and Agreement and the Assigned Agreement.

4. Consent and Agreement. The Project Party hereby acknowledges and agrees that:

(a) The Trustee and any assignee thereof shall be entitled to exercise any and all rights of the Borrower under the Assigned Agreement in accordance with its terms and the Project Party shall comply in all respects with such exercise. Without limiting the generality of the foregoing, the Trustee and any assignee thereof shall have the full right and power to enforce directly against the Project Party all obligations of the Project Party under the Assigned Agreement and otherwise to exercise all remedies thereunder and to make all demands and give all notices and make all requests required or permitted to be made by the Borrower under the Assigned Agreement.

(b) The Project Party will not, without the prior written consent of the Trustee, take any action to (i) cancel or terminate, or suspend performance under, the Assigned Agreement (except as expressly provided in the Assigned Agreement) or consent to or accept any cancellation, termination or suspension thereof, (ii) exercise any of its rights set forth in the Assigned Agreement to cancel or terminate, or suspend performance under (other than due to an event of force majeure if and as set forth in the Assigned Agreement, but excluding exercising its rights to terminate based on such an event of force majeure) the Assigned Agreement unless the Project Party shall have delivered to the Trustee and the Depository Bank written notice specifying the nature of the default giving rise to such right (and, in the case of a payment default, specifying the amount thereof) and that it intends to exercise such right on a date not less than (the following periods in this clause (ii) shall be tolled until the Trustee receives such written notice) (A) with respect to a monetary default, ten (10) Business Days, (B) with respect to a default (as set forth in the Assigned Agreement) based on Borrower's bankruptcy, other than involuntary bankruptcy, thirty (30) Business Days, and (C) with respect to any other default or right of termination, fifteen (15) Business Days (subject to the below), and permitting the Trustee to cure such default by making a payment in the amount in default or by performing or causing to be performed the obligation in default, as the case may be, provided that Trustee shall have provided notice to Project Party of its intention to cure such default, (iii) amend, supplement or otherwise modify the Assigned Agreement (as in effect on the date hereof), provided, however, that the Trustee's consent to such amendment, supplement or modification shall not be unreasonably withheld, delayed or conditioned, but in any event such consent shall be deemed given if no objection from the Trustee is received by the Project Party within fifteen (15) Business Days after the Trustee receives written notice of any intention to amend, supplement or modify the Assigned Agreement, (iv) sell, assign or otherwise dispose of (other than by operation of law) any part of its interest in the Assigned Agreement to any entity not affiliated with the Project Party or (v) petition, request or take any other legal or administrative action that seeks, or may reasonably be expected, to rescind, terminate, suspend, amend or modify the Assigned Agreement or any part thereof. In furtherance of the foregoing clause (ii), the Project Party agrees that, notwithstanding anything contained in the Assigned Agreement to the contrary, upon the occurrence of a default under the Assigned Agreement that cannot by its nature be cured by the payment of money, the Project Party will not cancel or terminate the Assigned Agreement (X) if, prior to the end of the cure period (as set forth in the Assigned Agreement), the Trustee shall have provided the Project Party with written notice of its intention to cure such default and (Y) if, and for so long as, the

Trustee shall be diligently seeking to cure such default or otherwise to institute foreclosure proceedings, or otherwise to acquire the Borrower's interest in the Assigned Agreement, the Project Party shall grant the Trustee a reasonable period of time not to exceed sixty (60) days to cure such default upon the occurrence of such foreclosure or acquisition. The provisions of this subsection (b) shall not limit or impair the Project Party's right to reject and terminate the Assigned Agreement pursuant to a bankruptcy or insolvency proceeding involving the Project Party.

(c) The Project Party shall deliver to the Trustee and the Depository Bank at the addresses set forth on the signature pages hereof, or at such other address as the Trustee or the Depository Bank may designate in writing from time to time to the Project Party, concurrently with the delivery thereof to the Borrower, a copy of each material notice (including but not limited to notice of termination of the Assigned Agreement), request or demand given by the Project Party pursuant to the Assigned Agreement.

(d) In the event the Trustee or its designee(s) directly or indirectly takes possession of or title to the Project, other than through a lease or leasehold mortgage entered into solely for purposes of providing financing to the Borrower for all or any part of the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), the Trustee or its designee(s) shall assume all of the Borrower's obligations arising under the Assigned Agreement and all related agreements for only the period of time during which the Trustee or its designee(s) has taken such possession (but such obligations shall not exceed the Borrower's under the Assigned Agreement); provided that, the Trustee or its designee(s) shall have no liability for (i) any monetary obligations of the Borrower under the Assigned Agreement that are due and owing to the Project Party as of the assumption date or (ii) any liabilities that arise following any assignment of the Assigned Agreement and the assumption of its obligations by an assignee from the Trustee or its designee(s) pursuant to the rights granted to the Trustee or its designee(s) in the Collateral Assignment; provided further, however, that prior to such assumption, if the Project Party advises the Trustee in writing that the Project Party will require that the Trustee cure (or cause to be cured) any event of default existing as of the possession date that the Trustee or its designee(s) has the power to cure, in order to avoid the exercise by the Project Party (in its sole discretion) of the Project Party's right to terminate the Assigned Agreement with respect to such event of default, then the Trustee or its designee(s), at its option and in its reasonable judgment, may elect to either (A) cause such event of default to be cured or (B) not assume the Assigned Agreement.

(e) Upon the exercise by the Trustee of the applicable remedies set forth in the Indenture, the Trustee may assign its rights and interests and the rights and interests of the Borrower under the Assigned Agreement to any purchaser or transferee of the Project, if such purchaser or transferee (i) is an entity with financial qualifications and operating experience (whether directly or through a contract with an experienced operations and maintenance contractor) reasonably equivalent to the Borrower and (ii) assumes all of the Borrower's obligations under the Assigned Agreement and cures any outstanding defaults that are susceptible to cure. Upon such assignment and assumption, the Trustee shall be relieved of all obligations under the Assigned Agreement arising after such assignment and assumption.

(f) If (i) the Assigned Agreement is rejected by a trustee or debtor-in-possession in any bankruptcy or insolvency proceeding involving the Borrower, (ii) the Assigned Agreement is terminated as a result of any voluntary bankruptcy or insolvency proceeding involving the Borrower or (iii) the Assigned Agreement is terminated as a result of any involuntary bankruptcy or insolvency proceeding involving the Borrower, then the Project Party shall execute and deliver to the Trustee or such designee(s) a new Assigned Agreement for the balance of the remaining term under the original Assigned Agreement before giving effect to such rejection or termination, which new Assigned Agreement shall contain the same conditions, agreements, terms, provisions and limitations as the original Assigned Agreement (except for any requirements which have been fulfilled by the Borrower and the Project Party prior to such rejection or termination); provided that (x) (A) with respect (i) above, within ninety (90) days after such rejection, (B) with respect to (ii) above, within thirty (30) days after such voluntary termination or (C) with respect to (iii) above, within sixty (60) days after such involuntary termination, the Trustee or its designee(s) shall certify in writing to the Project Party that the Trustee intends to perform the obligations of the Borrower to the extent required under the Assigned Agreement, (y) the Trustee or its designee(s) directly or indirectly shall take possession of, or title to, the Project (including possession by a receiver or title by foreclosure or deed in lieu of foreclosure), and (z) the Trustee shall, or shall cause its designee(s) to, cure all defaults susceptible to being cured under the Assigned Agreement that were not cured prior to or during the bankruptcy proceeding.

(g) In the event the Trustee or its designee(s), or any purchaser, transferee, grantee or assignee of the interests of the Trustee or its designee(s) in the Project assumes or becomes liable under the Assigned Agreement (as contemplated in subsection (d), (e), or (f) above or otherwise), liability in respect of any and all obligations of any such party under the Assigned Agreement shall be limited solely to such party's interest in the Project (and no officer, director, employee, shareholder or agent thereof shall have any liability with respect thereto).

(h) Upon the request of the Borrower or the Trustee, or their respective designee(s), the Project Party shall deliver an estoppel certificate with respect to the Project Party's performance of the Assigned Agreement on terms acceptable to Project Party in its reasonable determination.

(i) Nothing contained in this Consent and Agreement shall be deemed or construed to obligate the Trustee to take any action hereunder or under or with respect to the Assigned Agreement or to perform or discharge any indebtedness, liability, obligation or duty of either the Borrower or the Project Party under the Assigned Agreement, the Indenture or any agreement, obligation or duty in connection therewith except as expressly contemplated in the Indenture. In the event the Trustee determines to take any action hereunder, the Trustee shall have no obligation to take such action unless it has received indemnity satisfactory to it. Such indemnity, at the Trustee's reasonable judgment, shall be in the form it selects, whether cash, securities, surety or bond. In all events, the Trustee shall have no liability for anything hereunder whatsoever and shall be held harmless absent its gross negligence or willful misconduct.

(j) Regardless of the occurrence of an Event of Default under the Indenture, the Borrower shall submit to the Trustee requisitions for payment from the Project Fund as necessary to timely pay to the Project Party any amounts owed (other than in respect of indemnity

obligations of the Borrower) to the Project Party pursuant to the terms of the Assigned Agreement. For the avoidance of doubt, the Borrower and the Project Party acknowledge Section 3.09 of the Indenture.

(k) The Borrower shall deliver notice of any Event of Default under the Indenture to the Project Party within three (3) days of the occurrence of such Event of Default.

5. Miscellaneous.

(a) No failure on the part of the Trustee or any of its agents to exercise, and no delay in exercising, and no course of dealing with respect to, any right, power or privilege hereunder shall operate as a waiver thereof, and no single or partial exercise of any right, power or privilege hereunder shall preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(b) All notices, requests and other communications provided for herein and under the Assigned Agreement (including, without limitation, any modifications of, or waivers or consents under, this Consent and Agreement) shall be given or made in writing (including, without limitation, by facsimile) delivered to the intended recipient at the “Address for Notices” specified below its name on the signature pages hereof or, as to any party, at such other address as shall be designated by such party in a notice to each other party. Except as otherwise provided in this Consent and Agreement, all such communications shall be deemed to have been duly given when transmitted by facsimile or personally delivered or, in the case of a mailed notice, upon receipt, in each case given or addressed as aforesaid.

(c) This Consent and Agreement may be amended or modified only by an instrument in writing signed by the Borrower, the Project Party, the Depository Bank and the Trustee in accordance with the Indenture, and any provision of this Consent and Agreement may be waived by the Trustee acting in accordance with the Indenture; provided that no amendment, modification or waiver shall, unless by an instrument in writing signed by the Trustee acting with the consent of the holders of the Bonds, alter the terms of this Section 5(c). Any waiver shall be effective only for the specified purpose for which it was given.

(d) This Consent and Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each of the Project Party, the Borrower, the holders of the Bonds, the Depository Bank and the Trustee (provided, however, that the Project Party shall not assign or transfer its rights hereunder without the prior written consent of the Trustee).

(e) This Consent and Agreement may be executed in any number of counterparts, all of which when taken together shall constitute one and the same instrument and any of the parties hereto may execute this Consent and Agreement by signing any such counterpart. This Consent and Agreement shall become effective at such time as the Trustee and the Depository Bank shall have received counterparts hereof signed by all of the intended parties hereto. The exchange of copies of this Consent and Agreement and of signature pages by facsimile or PDF transmission shall constitute effective execution and delivery of this Consent and Agreement as to the parties hereto and may be used in lieu of the original Consent and

Agreement and signature pages for all purposes. The words “execution,” “signed,” “signature,” “delivery,” and words of like import in or relating to this Consent and Agreement or any document to be signed in connection with this Consent and Agreement shall be deemed to include electronic signatures, deliveries or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature, physical delivery thereof or the use of a paper-based recordkeeping system, as the case may be, and the parties hereto consent to conduct the transactions contemplated hereunder by electronic means.

(f) If any provision hereof is invalid and unenforceable in any jurisdiction, then, to the fullest extent permitted by law, (i) the other provisions hereof shall remain in full force and effect in such jurisdiction and shall be liberally construed in favor of the Depository Bank, the Trustee and the other holders of Bonds in order to carry out the intentions of the parties hereto as nearly as may be possible and (ii) the invalidity or unenforceability of any provision hereof in any jurisdiction shall not affect the validity or enforceability of such provision in any other jurisdiction.

(g) Headings appearing herein are used solely for convenience and are not intended to affect the interpretation of any provision of this Consent and Agreement.

(h) EACH OF THE PROJECT PARTY AND THE BORROWER HEREBY SUBMITS TO THE NONEXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT OF THE DISTRICT OF ARIZONA AND OF ANY STATE COURT SITTING IN MARICOPA COUNTY, ARIZONA FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS CONSENT AND AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. EACH OF THE PROJECT PARTY AND THE BORROWER HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH A COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(i) THIS CONSENT AND AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE CONSTITUTION AND LAWS OF THE STATE APPLICABLE TO CONTRACTS MADE AND PERFORMED IN THE STATE.

(j) EACH OF THE PROJECT PARTY, THE BORROWER, THE DEPOSITORY BANK AND THE TRUSTEE HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS CONSENT AND AGREEMENT OR THE ASSIGNED AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

[Signature Pages Follow]

IN WITNESS WHEREOF, the undersigned by its officer duly authorized has caused this Consent and Agreement to be duly executed and delivered and effective as of the date first set forth above.

JS WALTZ CONSTRUCTION LLC

By: _____
Name: _____
Title: _____

Address for Notices:
JS Waltz Construction LLC
449 South 48th Street, Suite 105
Tempe, Arizona 85281
Attention: Matthew Waltz

Acknowledged and Agreed:

LEGACY CARES, INC.

By: _____
Name: _____
Title: _____

Address for Notices:

Legacy Cares, Inc.
1900 West Chandler Boulevard, Suite 15-315
Chandler, Arizona 85224
Attention: Douglas Moss, President

Acknowledged and Agreed:

UMB BANK, N.A.

By: _____
Sandra Battas, Vice President

Address for Notices:

UMB Bank, N.A.

2777 East Camelback Road, Suite 359

Phoenix, Arizona 85016

Attention: Sandra Battas

Acknowledged and Agreed:

WELLS FARGO BANK, N.A.,
as Depository Bank

By: _____

Name: _____

Title: _____

Address for Notices:

Wells Fargo Bank, N.A.
21040 North Tatum Boulevard
Phoenix, AZ 85050
Attention: Jason George

ECONOMIC DEVELOPMENT REVENUE BONDS, TAX-EXEMPT SERIES 2020A, TAXABLE SERIES 2020B AND TAX-EXEMPT TURBO REDEMPTION SERIES 2020C (LEGACY CARES, INC. PROJECT)

ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY



Printed by: ImageMaster, LLC
www.imagemaster.com