

AMENDED INDEMNITY AGREEMENT

This Amended Indemnity Agreement (the “**Amended Indemnity Agreement**”) is entered into by the City of Tucson (the “**City**”) and Pulte Home Corporation, a Michigan Corporation, (the “**Master Developer**”) in accordance with Section 4.2 of the Revised Civano Development Agreement.

RECITALS

A. The City entered into a development agreement with certain parties in the adoption of Resolution No. 17345 on July 1, 1996, and subsequently amended that development agreement in the adoption of Resolution No. 17681 on June 23, 1997, and further amended that development agreement in Resolution No. 17836 on October 20, 1997 (the “Development Agreement”);

B. Pursuant to the Development Agreement, the City originally agreed to undertake the construction of certain infrastructure improvements (“Infrastructure Improvements”) prior to and in phases with the construction of dwellings at Civano at no cost to the Developer and at a total cost not to exceed \$3,000,000.

C. Pursuant to the Development Agreement, the Developer agreed to complete a specified amount of residential dwellings within a defined time period or indemnify the City for the costs of the Infrastructure Improvements.

D. Pursuant to the Development Agreement, the Developer and the City entered into an Indemnity Agreement dated October 20, 1997, and recorded at Docket 10656, Page 450 in the records of the Pima County Recorder (the “Indemnity Agreement”).

E. Since the execution of the Development Agreement the City has expended three million dollars (\$3,000,000.00) on the Infrastructure Improvements and the Developer has commenced the required construction of residential dwellings.

F. The City and the Master Developer have further entered into the Revised Civano Development Agreement, dated December 8, 2003 (the “Revised Civano Development Agreement”), which has amended, restated and superceded the provisions of the Development Agreement with respect to the required indemnity as provided in this Amended Indemnity Agreement.

NOW, THEREFORE, the City and the Master Developer agree as follows:

1. This Amended Indemnity Agreements amends, restates and supercedes the Indemnity Agreement.

2. The City has expended three million dollars (\$3,000,000.00) on the Infrastructure Improvements as required by the Development Agreement and is therefore entitled to this Amended Indemnity Agreement.

3. The Developer under the Development Agreement and the Master Developer have completed all obligations toward the Indemnity Agreement or any existing default has been waived as of the time of this Amended Indemnity Agreement.

4. The Master Developer has the obligation to continue the construction of residential dwelling units in Civano and shall construct or have constructed a minimum of 1,250 residential dwelling units on the Civano Property by April 1, 2012. In the event that 1,250 residential dwelling units (including all residential dwelling units constructed as of the date of this Amended Indemnity Agreement) are not constructed as of April 1, 2012, the Master Developer shall indemnify the City for the Infrastructure Improvements in accordance with the following formula: (three million dollars (\$3,000,000.00) minus (the number of residential dwelling units constructed as of April 1, 2012) divided by 1,250 times three million dollar (\$3,000,000.00).

5. All obligations under this Amended Indemnity Agreement shall terminate upon the earlier of the (1) completion of 1,250 residential dwelling units prior to April 1, 2012, or (2) upon the payment of the indemnity in accordance with Section 3 above.

6. This Amended Indemnity Agreement shall not be assignable without the approval of the City.

7. The indemnities provided in this Amended Indemnity Agreement shall be enforceable by the City only as against the Master Developer, and the City shall not seek recourse against the individual officers, employees, agents or shareholders of the Master Developer

8. The Master Developer further agrees to pay to the City all costs, fees and reasonable attorney's fees that may be necessary to enforce this Amended Indemnity Agreement.

9. This Amended Indemnity Agreement is entered into in Arizona and shall be construed and interpreted under Arizona law. In particular, the Amended Indemnity Agreement is subject to the provisions of A.R.S. §38-511.

10. All amendments to this Amended Indemnity Agreement shall be in writing and signed by the City, through the authority of the City Manager, and the Master Developer.

11. This Amended Indemnity Agreement shall be contingent upon two conditions: the approval by the Mayor and Council of the amendment in the Civano Master Plan (as defined in the Revised Civano Development Agreement) in Civano/Pulte, Bilby Road C9-91-14 and the prospective purchase of Civano

Neighborhoods 2 and 3 (as defined in the Revised Civano Development Agreement) (collectively the "Conditions"), the later of which date this Amended Indemnity Agreement shall become effective. If the Conditions are not satisfied by January 31, 2004, this Amended Indemnity Agreement shall become null and void and the Indemnity Agreement shall remain in full force and effect.

IN WITNESS WHERE OF, the parties have executed this Amended Indemnity Agreement as of the dates written below.

CITY OF TUCSON, an Arizona municipal corporation

By: _____
Mayor

ATTEST:

By: _____
City Clerk

Dated: _____

APPROVED AS TO FORM:

By: _____
City Attorney

Dated: _____

PULTE HOME CORPORATION, a Michigan corporation,

By: _____
Its: _____
Date: _____

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this _____ day of _____, 200____, by _____, the authorized representative of Pulte Home Corporation, a Michigan corporation.

Notary Public

My Commission Expires:
