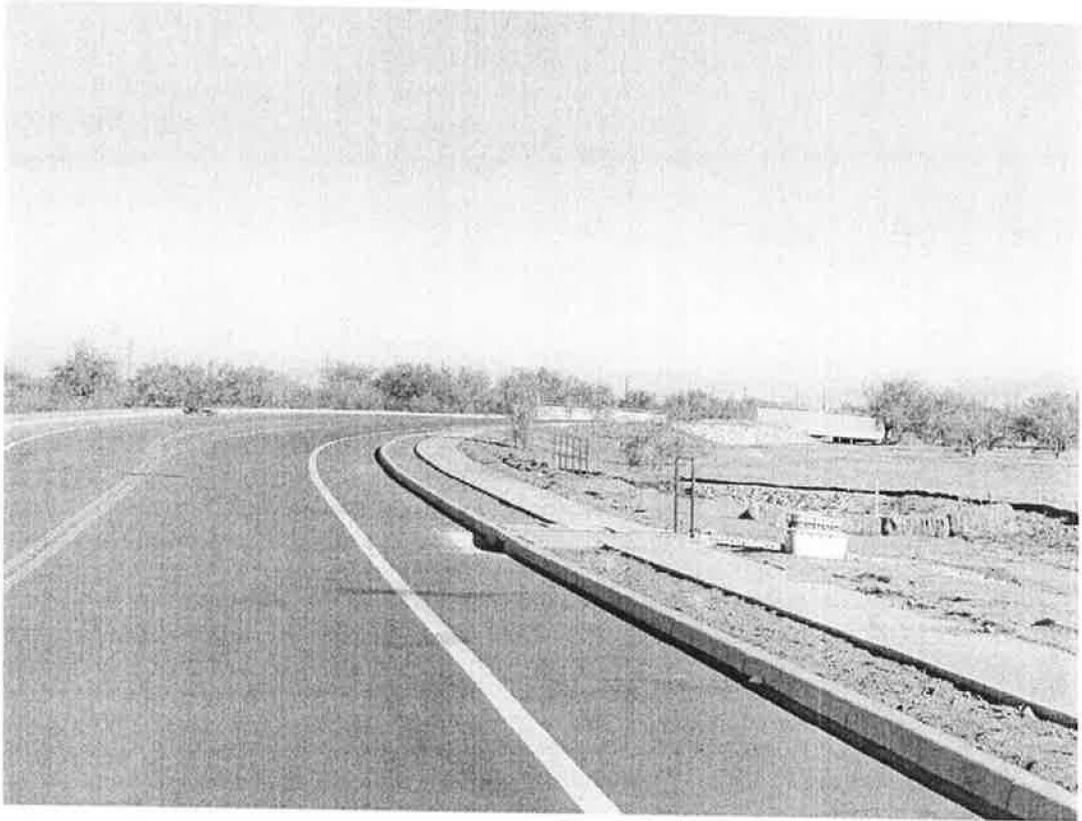


Quail Creek Community Facilities District

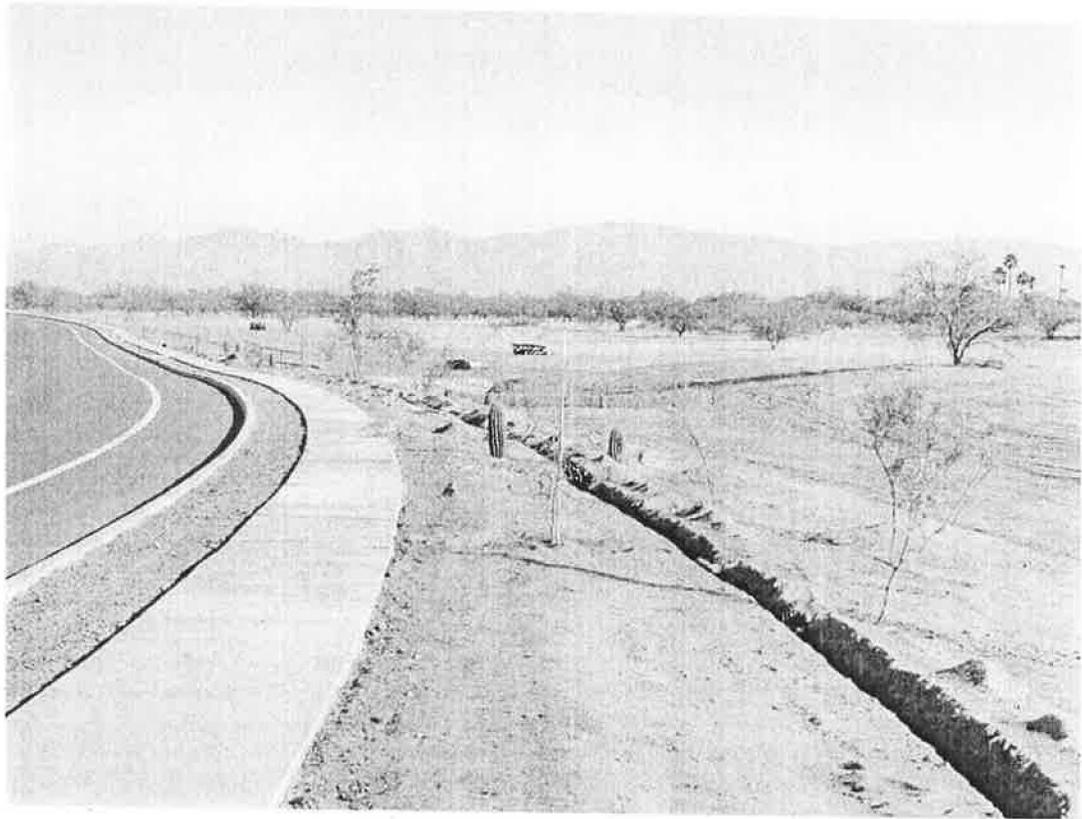
Progress Payment Submittal
Landscaping Along Public Streets
CFD ID # 4

Description	Amount
Landscaping Along Public Streets	\$ 457.18

Landscaping Along Public Streets



Landscape on Campbell Ave.
11/14/07



Landscape on Campbell Ave.
11/14/07

Quail Creek Community Facilities District

Progress Payment Submittal
Landscaping Along Public Streets
CFD ID # 4

Vendor	Amount
Reproductions Inc.	\$ 103.18
Sales Tax Total	\$ -
Overhead Total	\$ 170.00
	<u>\$ 184.00</u>
	\$ 457.18

Landscaping Along Public Streets

Quail Creek Community Facilities District

Progress Payment Submittal
Landscaping Along Public Streets
CFD ID # 4

Vendor	Invoice #	Date	Amount
Reproductions Inc.	713356	08/13/07 \$	60.02
Reproductions Inc.	713357	08/13/07 \$	43.16
Reproductions Inc. Total		\$	103.18



MAIN STORE / OFFICES
 234 E. 6th Street, Tucson, Arizona 85705
 Tel. 520.622.7747 - Fax 520.884.5059

700 W. Prince Road - 888.8020
 4514 E. Broadway - 886.5227
 18 E. Pennington - 628.8202

Reproductions, Inc.
 P.O. Box 731 - Tucson, AZ 85702

INVOICE

BILL TO: QUAIL CREEK CONSTRUCTION
 2175 E QUAIL CROSSING BLV
 GREEN VALLEY AZ 85614

SHIP TO: QUAIL CREEK LAND DEVELOPEMENT
 904 S QUAIL VIEW LOOP
 TUCSON AZ

CFO

648-0332

Job name: CAMPBELL AVE LANDSCP

VOICE NO.	CUST. NO.	INVOICE DATE	SLP	OPENED BY	ORDER NO.	CASHIER	SHIP VIA	LOC.	PURCHASE ORDER NO.
13356	07044	08/13/07	50	29	966836	ASHLEY	OUR TRUCK	01	NONE
ITEM NUMBER	DESCRIPTION	#ORD'D	#SHP'D	#B/ORD	UNIT	PRICE	Q/D	TOTAL-EA	EXT-TOTAL

48-4	DIGITAL PRINTS - HARDCOPY 7 originals, 10 sets(24x36) 420 sq ft	420	420		SQ. FT.			0.130	54.60
------	--	-----	-----	--	---------	--	--	-------	-------

328010
328011, 1725, 1105
 LANDSCAPE PLANS BID

RECEIVED AUG 14 2007 *[Signature]*

THANK YOU FOR YOUR ORDER

ORIGINALS: PRINTS: ORDERED BY: <i>TCM</i> REC'D BY: X <i>Tom Kelly</i> TERMS: Net 30 days	Sale amount 54.60 Gas surcharge Pri 1.00 Tax 4.42 Balance Due 60.02
--	--



MAIN STORE / OFFICES
 234 E. 6th Street, Tucson, Arizona 85705
 Tel. 520.622.7747 - Fax 520.884.5059

700 W. Prince Road - 888.8020
 4514 E. Broadway - 886.5227
 18 E. Pennington - 628.8202

Reproductions, Inc.

P.O. Box 731 - Tucson, AZ 85702

INVOICE

BILL TO:

QUAIL CREEK CONSTRUCTION
 2175 E QUAIL CROSSING BLV
 GREEN VALLEY AZ 85614.

SHIP TO:

QUAIL CREEK LAND DEVEL
 904 S QUAIL VIEW LOOP
 TUCSON AZ

648-0032

Job name: PARKWAY LND

LANDSCAPE SEED

CFD

INVOICE NO.	CUST. NO.	INVOICE DATE	SLP	OPENED BY	ORDER NO.	CASHIER	SHIP VIA	LOC.	PURCHASE ORDER NO.
713357	07044	08/13/07	50	29	966039	ASHLEY	OUR TRUCK	01	NONE
ITEM NUMBER	DESCRIPTION	#ORD'D	#SHP'D	#B/ORD	UNIT	PRICE	Q/D	TOTAL-EA	EXT-TOTAL

248-4	DIGITAL PRINTS - HARDCOPY	300	300		SQ. FT.			0.130	39.00
	5 originals, 10 sets (24x36)	300	300		sq ft				

328010
328015-1725-1105
LANDSCAPE PLANS BID

RECEIVED AUG 14 2007 *JCF*

THANK YOU FOR YOUR ORDER

ORIGINALS: PRINTS: ORDERED BY: TOM REC'D BY: X <i>[Signature]</i> TERMS: Net 30 days

Sale amount	39.00
Gas surcharge Pri	1.00
Tax	3.16
Balance Due	43.16

Quail Creek Community Facilities District

Progress Payment Submittal
Landscaping Along Public Streets
CFD ID # 4

Vendor	Invoice #	Date	Amount
Sales Tax	7/1 Thru 9/30		\$ 170.00
Sales Tax Total			\$ 170.00

Quail Creek Community Facilities District

Progress Payment Submittal
Landscaping Along Public Streets
CFD ID # 4

Vendor	Invoice #	Date	Amount
Overhead	7/1 thru 9/30/07		\$ 184.00
Overhead Total			\$ 184.00



October 5, 2006
Ms. Sherri Hill
Commercial Estimator
Santa Rita Landscaping Inc.
755 W. Grant Rd.
Tucson, Az 85705

Re: Quail Creek – Campbell Ave & Quail Creek Parkway Landscaping.

Dear Ms. Hill,

Please consider this your authorization to proceed with the scope of work described in your proposals for Quail Creek – Campbell Ave and Quail Creek Parkway Landscaping dated September 27, 2007, as a Quail Creek Community Facilities District Project.

A contract will be prepared and forwarded to you in the next week for your signature.

Please call if there are any questions.

Very truly yours,

Tom Fetterly
Project Manager
Quail Creek Land Development



October 9, 2006
Mr. Rob Everhart
Sunwest Golf & Reclamation.
25190 W. Clayton Rd.
Casa Grande, Az 85222

Re: Quail Creek – Campbell Ave & Quail Creek Parkway Hydroseeding.

Dear Mr. Everhart,

Please consider this your authorization to proceed with the scope of work described in your proposal for Quail Creek – Campbell Ave and Quail Creek Parkway Hydroseeding dated September 18, 2007, as a Quail Creek Community Facilities District Project.

A contract will be prepared and forwarded to you in the next week for your signature.

Please call if there are any questions.

Very truly yours

Tom Fetterly
Project Manager
Quail Creek Land Development



August 10, 2007

RE: Hydroseed Proposals for Campbell & Quail Creek Parkway

Dear Bidder,

Please refer to the Campbell Ave and Quail Creek Parkway plans regarding hydro seeding.

All bids must be addressed to Robson Ranch Arizona Construction Company, 904 N. Quail View Loop, Green Valley, AZ., 85614.

We wish to complete the landscape portion including plants and irrigation lines, then complete the fencing along the roadways, and then seed last.

Water will be made available from hydrants near Stonehouse, or within Quail Creek. Water withdrawn from the hydrants must be metered or kept track of by load count. Construction water is provided at no charge. The water stands on the project will most likely be gone by the time we seed. There will be construction water available in unit 22 at the Klein tank.

All bids must be by unit price for either square feet or acres, including tackifier, or mulch as an alternate. This work is tax exempt.

Any damage to any existing work (ie: sidewalk & curb) will be repaired at your expense. Access is possible behind the fences from the south portion of Campbell.

Prior to any work starting, we will require a signed contract, all liability, automobile, and workman comp certificates, with Robson Ranch Arizona Construction, and the Quail Creek Community Facilities District as additional insured.

Please refer to the attached list for the seed mix used at Quail Creek. Additions to the list can include blue palo verde and velvet mesquite.

Any Questions, please me at 520-393-5816 or my cell at 520-360-6866.

Thank you,



Tom Fetterly
Project Manager

ADDENDUM "1"

INSURANCE REQUIREMENTS OF SUBCONTRACTOR

(for use with Subcontractors **Not** enrolled in the Wrap-up Program)

Prior to commencing work for Contractor and throughout the subcontract period, Subcontractor shall comply with all of the following insurance requirements. Subcontractor shall cause all Sub-subcontractors it uses in performance of the Work to comply with these requirements as well:

1. Subcontractor and each Sub-subcontractor must provide Contractor with Certificates of Insurance evidencing the following minimum coverages and limits:
 - a. Commercial General Liability Insurance
\$1,000,000 Each Occurrence
\$2,000,000 Products/Completed Operations Aggregate
\$2,000,000 General Aggregate

The CGL Insurance must include contractual liability insurance applicable to the subcontract or sub-subcontract agreement and must contain no explosion, collapse or underground work exclusions.

- b. Automobile Liability Insurance
\$1,000,000 C.S.L. Each Accident

Auto Liability Insurance must cover all owned, non-owned and hired autos.

- c. Worker's Compensation and Employer's Liability Insurance
This coverage shall extend to the Workers' Compensation laws of any state, district or territory of the United States in which the Work is situated. Workers' Compensation Insurance shall have limits of not less than the statutory limits for any one occurrence and employer's liability insurance shall have limits of not less than \$1,000,000/\$1,000,000/\$1,000,000.
2. Each Certificate of Insurance shall provide Contractor as certificate holder with not less than thirty (30) days advance written notice in the event of any cancellation, non-renewal or material change in the policy limits, terms or conditions.
3. Each Certificate of Insurance issued on the Subcontractor's and Sub-subcontractor's General Liability policies must be accompanied by a copy of an endorsement issued by the insurer verifying that:
 - a. Contractor, Robson Communities, Inc., and their respective subsidiaries, affiliates, employees and agents are included as additional insureds.
 - b. The insurance provided by the Subcontractor and Sub-subcontractor to the above additional insureds constitutes primary coverage with respect to any other insurance that those additional insureds may have available to them.
4. All non-governmental insurers by the Subcontractor and Sub-subcontractors must be rated "A-/V" or better in the most current edition of Best's Insurance Reports.

Native seeding approximately 20 + acres using the following materials:

- 1800 -2000 lbs /acre wood fiber mulch
- 100 lbs /acre tackifier
- 300 lbs /acre starter fertilizer w/slow release nitrogen
- Seedmix

<u>Species</u>	<u>PLS rate.lbs/acre</u>
Side oats grama, 'Vaughns'	2.0
Blue grama, 'Hachita'	2.0
Plains bristlegrass	2.0
Purple three awn	2.0
Needle grama	1.0
Rothrock grama	1.0
Mexican gold poppy	2.0
Arroyo lupine	5.0
Desert phacelia	1.0
Parry penstemon	0.5
Desert globemallow	0.5
Prairie aster	1.0
Firewheels	1.0
Desert marigold	1.0
Indian wheat	4.0
Purple verbena	1.0



August 10, 2007

RE: Landscape proposals for Campbell & Quail Creek Parkway

Dear Bidder,

Regarding Quail Creek Parkway and Campbell Ave. Landscaping, you will find a very basic plan.

The intent at this time is to do a minimal landscape job that at a later date has the possibility of enhancement.

Quail Crossing Blvd. has had turn lanes added, and landscaping needs to be restored in the medians to match the existing.

Bid a 2" Sch 40 water line continuous for the entire roadway. This line will be capped from each direction at the intersection of Campbell and Quail Creek Parkway. We also have sleeves across all roadways at 5 hundred foot intervals, which will allow the 2" to cross to the opposite side of all roadways and allow for station valves.

There is a temporary 2" feed for Campbell at Quail Crossing Blvd which is fed from the irrigation system. This will require a 2" meter and box, there is no hookup fee.

At the end of Quail Creek Parkway there is a 2" blow off on the drinking water system we can hook to, which will require a backflow. Quail Creek Water company is the provider, Robson Ranch Az. Const. Co. will apply for the meter. The pressure at this location is approximately 79 psi, which will require a pressure reducer down stream. We need to allow for stations northeasterly 1050 feet on Quail Crossing to the arch bridge for future landscaping.

There is no power available at this time. Please bid solar / battery backup clocks. Locations will be determined by future power locations and future street intersections.

We may have available 12 spaded trees, however bid the trees with a mix of 24, 36, and 48 inch box trees. Include a price for the spade trees for drip and backfill only. Sahuaros and barrels are available from the site. Bid all other items to be brought in from nursery stock.

All bids must be by unit price and number of units for all plant stock, irrigation lines, multi port emitters, mainline, wiring, controllers, valves, transplanted trees, cactus, and any other item.

904 N. Quail View Loop, Green Valley, Arizona 85614
Office: 520.393.5810 • Fax: 520.393.2960

All landscape and irrigation will be stocked and installed from behind the sidewalk. Fencing will be installed last. Any area disturbed will be final graded, and any damage to any existing work (ie: sidewalk & curb) will be repaired at your expense. All trees and shrubs are to warranted for a period of 1 year.

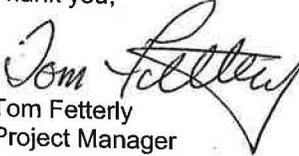
DG / landscape gravel should be ¾" Sonoran Tan, Coronado Brown or equivalent.

Prior to any work starting, we will require a signed contract, all liability, automobile, and workman comp certificates, with Robson Ranch Arizona Construction, and the Quail Creek Community Facilities District as additional insured.

A sample copy of the contract is enclosed with this package.

Any Questions, please me at 520-393-5816 or my cell at 520-360-6866.

Thank you,


Tom Fetterly
Project Manager

"SAMPLE"

OFFSITE LAND DEVELOPMENT SUBCONTRACT

THIS SUBCONTRACT is made and entered into as of _____, 2007 by ROBSON RANCH ARIZONA CONSTRUCTION COMPANY, an Arizona corporation ("Contractor"), and _____ ("Subcontractor"), for construction of that certain CAMPBELL AVE and Quail Creek Parkway Landscaping (the "Work") generally located within Quail Creek Resort Community in Sahuarita, Arizona (the "Project"). Contractor and Subcontractor agree as follows:

1. Agreement to Perform Work in Accordance with Plans. Subcontractor shall provide all labor, materials, equipment, tools, machinery and other services necessary to execute all of the Work in a timely, professional and workmanlike manner in accordance with the plans and specifications described on Exhibit "A" of this Subcontract (the "Plans and Specifications").
2. Standard of Performance. Subcontractor shall perform all Work in a neat, professional, good and workmanlike manner in accordance with the best practice of the industry and in conformity with this Subcontract and the Plans and Specifications, as determined by the Contractor. All labor and materials furnished by Subcontractor shall be new and of first class quality.
3. Governmental Approvals. Subcontractor is responsible for arranging inspection and approval of the Work by all necessary governmental authorities and utility companies. If Subcontractor's Work fails to pass inspection, Subcontractor shall pay all expenses for any required re-inspections. No portion of the Work will be deemed completed until final inspection and approval of that portion of the Work by any required government authorities and utility companies. Inspection and approval by all applicable government authorities and utility companies shall not constitute conclusive evidence that the Work has been completed in accordance with this Subcontract.
4. Inspection and Approval by Contractor. No portion of the Work will be deemed completed until that portion of the Work receives final inspection approval by Contractor, to Contractor's complete satisfaction. If Contractor rejects all or any portion of the Work as defective or failing to conform to this Subcontract or the Plans and Specifications, Subcontractor, at its cost and expense, promptly shall repair, replace or otherwise correct the defective or nonconforming Work to Contractor's complete satisfaction. Contractor's decision shall be final in the event of any dispute as to workmanship or as to quality or quantity of materials included in the Work. Inspection and approval by Contractor shall not constitute conclusive evidence that the Work has been completed in accordance with this Subcontract and the Plans and Specifications. Without limiting the generality of the previous sentence, inspection and approval by Contractor shall not eliminate or in any way alter the representations and warranties of Subcontractor set forth in this Subcontract, including but not limited to the warranty set forth in Paragraph 10.
5. Licenses. Subcontractor represents and warrants that Subcontractor has and shall maintain a proper and valid contractor's license in good standing, in conformity with Arizona requirements and the requirements of any other jurisdiction where any part of the Work is performed. Subcontractor covenants that any Sub-subcontractors (as defined in Paragraph 12) used by Subcontractor will be licensed contractors in good standing with the State of Arizona Registrar of Contractors. Subcontractor represents and warrants that Subcontractor is fully qualified to perform the contracted Work. Subcontractor acknowledges that Contractor will rely on the foregoing representations and warranties. Unless otherwise instructed in writing by Contractor, Subcontractor agrees that it shall secure and maintain all licenses required to perform the Work.
6. Staking. Contractor shall provide normal construction staking standard to the trade. Maintenance of stakes is Subcontractor's responsibility. Any additional construction stakes or re-staking required as a result of loss or damage to stakes caused by Subcontractor shall be paid for by Subcontractor.
7. Familiarity with Site. Subcontractor acknowledges that it has visited and inspected the job site prior to executing this Subcontract and is familiar with conditions relating to the contracted Work.
8. Subcontract Price.
 - (a) Subcontractor shall perform the Work for the amounts itemized on Exhibit "B" attached to this Subcontract (the "Subcontract Price"), which constitute the total compensation payable to Subcontractor for the Work. Without limiting the provisions of Exhibit "B", the Subcontract Price includes all labor, services and materials associated with the Work (including but not limited to any costs associated with delivery and storage of materials to be used in the Work).
 - (b) Unless Subcontractor is otherwise instructed by Contractor, Contractor shall obtain, and pay all fees and costs associated with, all permits required by federal, state and local governmental entities in connection with the Work. If Subcontractor is required to obtain any permits in performance of the Work, Contractor shall reimburse Subcontractor the cost of such permits. Contractor shall pay all applicable state and local transaction privilege taxes. Subcontractor shall pay all transportation taxes and all contributions and taxes associated with the employment of Subcontractor's employees (including but not limited to social security and unemployment taxes).
9. Labor and Materials. All labor and materials furnished by Subcontractor in performance of the Work are deemed included within the Subcontract Price, regardless of whether the labor and materials were specifically required in carrying out this Subcontract and/or the Plans and Specifications. Subcontractor shall provide, as part of the Work and included in the Subcontract Price, all items normally provided by those in Subcontractor's trade in addition to items specified in this Subcontract.
10. Warranty: Corrections and Repairs.
 - (a) Subcontractor warrants to Contractor that all materials and permanently installed equipment furnished as part of the Work shall be new and of first class quality, that the Work shall be of first class quality, that the Work shall be performed in accordance with the requirements of this Subcontract and the Plans and Specifications, and that the Work shall be free from defects in materials or workmanship. In addition to all other rights and remedies available to Contractor, if any part of the Work is defective or not in conformity with the Plans and Specifications and/or this Subcontract, upon receipt of a written notice from Contractor to that effect, Subcontractor shall replace or repair the defective or nonconforming Work to Contractor's complete satisfaction to comply with the requirements of this Subcontract and the Plans and Specifications. Subcontractor shall bear all costs of such replacement or repair, including all costs incidental thereto, without cost to Contractor, or the developer of the Project, Robson Ranch Quail Creek, LLC, a Delaware limited liability company ("Owner"), or any of their respective successors-in-interest. If Subcontractor fails to replace or repair the defective or nonconforming Work within a reasonable time pursuant to the foregoing sentence, Contractor may engage other help to replace or repair the defective or nonconforming Work, and Subcontractor shall be liable for the costs associated therewith.

(b) All warranties procured by Subcontractor from manufacturers or suppliers of materials or equipment contained in the Work and all warranties procured by Subcontractor from its Sub-subcontractors must be assignable to Contractor, to Owner and to each subsequent owner of the Work, and shall be deemed automatically assigned and provided to Contractor when the Work is completed. Upon completion of the Work, all warranties and guarantees by Subcontractor and its Sub-subcontractors shall remain in effect as warranties and guarantees to Contractor but also shall be deemed to be extended to, assigned to, and inure to the benefit of, Owner and any successor-in-interest to Owner.

(c) Nothing contained herein shall be deemed to limit any statutory or implied warranties, or any other rights or remedies of Contractor, Owner or any other party. The covenants and warranties set forth in this Paragraph 10 are in addition to all other rights, remedies and warranties available under applicable Laws (as defined in Paragraph 18).

11. Progress Schedule. Subcontractor shall perform the contracted Work in as expeditious and rapid manner as possible, without compromising the first class quality required by this Subcontract. Subcontractor shall complete the Work according to the "Progress Schedule" attached to this Subcontract as Exhibit "C", which may be accelerated or otherwise modified by Contractor from time to time in its discretion. If Contractor modifies the Progress Schedule, Subcontractor shall perform its Work in accordance with the modified Progress Schedule, and Subcontractor hereby releases and discharges Contractor from any liability for damages that may be caused or sustained by Subcontractor by reason of any such changes, including but not limited to any delays in the Work caused by such changes.

12. Sub-Subcontractors.

(a) When requested by Contractor, Subcontractor promptly shall provide to Contractor, in writing, the names, addresses and telephone numbers of all individuals and entities (each, a "Sub-subcontractor") that Subcontractor has contracted (or intends to contract) with or has requested (or intends to request) to provide labor, materials, supplies, or other goods or services in connection with the Work. Contractor shall have the right to object to the use of any Sub-subcontractor in performance of the Work, in which case that Sub-subcontractor shall not be used in performance of the Work. If Contractor has requested the names of each Sub-subcontractor, Subcontractor shall make no substitution for any listed Sub-subcontractor, nor add any Sub-subcontractor to the list, without the prior written consent of Contractor. Contractor also shall have the right to request a copy of any sub-subcontract that Subcontractor has entered into with a Sub-subcontractor.

(b) The subcontracting of all or any part of the Work by Subcontractor shall not relieve Subcontractor of any of the obligations or conditions of this Subcontract. As between the parties hereto, each Sub-subcontractor shall be considered the agent of Subcontractor. The acts and omissions of each Sub-subcontractor and all persons either directly or indirectly acting for it shall be deemed to be the acts and omissions of Subcontractor, and Subcontractor shall remain liable and responsible to Contractor hereunder as if no sub-subcontract had been made.

(c) Nothing contained in this Subcontract (including but not limited to any payment of sums by Contractor directly to a Sub-subcontractor pursuant to Paragraph 28 this Subcontract) or in any other agreement with a Sub-subcontractor shall create any contractual relationship between Contractor and any Sub-subcontractors or create any obligation on the part of Contractor to pay, or to see to the payment of, any sums to any Sub-subcontractor.

(d) In each agreement with a Sub-subcontractor, Subcontractor shall provide that if this Subcontract is terminated as a result of Subcontractor's "Default" hereunder (as defined in Paragraph 22), each such sub-subcontract agreement shall, at Contractor's option, remain in full force and effect. If, at Contractor's option, a sub-subcontract agreement remains in full force and effect, Contractor shall be entitled to all performances thereunder, provided Contractor honors Subcontractor's payment obligations thereunder (subject to the provisions of this Subcontract regarding payment).

(e) Each Sub-subcontractor shall agree that, upon full or partial payment of the sums due to it, it shall deliver to Contractor and Owner lien waivers in accordance with this Subcontract.

13. Subcontractor's Employees. Subcontractor shall maintain strict discipline among its employees and shall not employ any person unfit or without sufficient skill to perform the contracted Work. At all times during performance of the Work, Subcontractor shall maintain at the Work site a competent supervisor or foreman to oversee the performance of the Work and, for purposes of communication and safety at the Work site, at least one employee who speaks fluent English.

14. Cooperation with Other Subcontractors. Subcontractor agrees not to hinder or delay other contractors from proceeding with their work and will work in harmony with them in achieving Contractor's objectives for the Project. Subcontractor shall take appropriate precautions to protect the work of other subcontractors from damage or delay caused by Subcontractor's Work. Any damage by Subcontractor or its employees to work or property of other subcontractors will be repaired or replaced at Subcontractor's expense.

15. Protection of Existing Improvements and Subcontractor's Work.

(a) Subcontractor agrees to protect all existing utilities and improvements from damage as a result of Subcontractor's Work. Any damage to existing improvements or utilities resulting from Subcontractor's Work shall be repaired or replaced at Subcontractor's expense in adherence to utility company or other applicable standards. Subcontractor agrees that it is responsible for the protection of its Work, and all materials not yet incorporated into the Work, until final completion and acceptance of the Work by Contractor. Subcontractor, at its sole cost and expense, shall repair or replace any damage caused by Subcontractor to the Work, or materials not yet incorporated into the Work, that occurs prior to final acceptance by Contractor.

(b) If any materials are delivered or otherwise furnished to Subcontractor by any third-party, including but not limited to materials delivered or furnished by Contractor, Owner, or their suppliers or subcontractors, Subcontractor shall become responsible for all such materials upon delivery to Subcontractor and shall pay any storage charges after delivery. Furnished materials lost or damaged after delivery to Subcontractor shall be replaced by, or at the expense of, Subcontractor.

16. Notification of Faulty Workmanship. If Subcontractor observes or otherwise becomes aware of defective, faulty or sub-standard work by other subcontractors, Subcontractor promptly shall provide notice to Contractor. If Subcontractor fails to notify Contractor and knowingly performs contracted Work over faulty workmanship of other subcontractors, Subcontractor shall be responsible for replacing or repairing its own Work as necessary, at no charge to Contractor.

17. Quality Control Inspections and Meetings. Contractor shall have the right, but not the obligation, to conduct periodic quality control inspections throughout the duration of the Work. Contractor shall have the right, but not the obligation, to hold formal meetings to discuss the progress and conduct of the Work throughout the duration of the Work. Subcontractor agrees to have a supervisor attend the meetings when requested by Contractor. The content of the foregoing meetings may include, but need not be limited to: (a) discussions of the progress of the Work; (b) Subcontractor's suggestions regarding any improvements that would enhance Work

operation or aesthetic value or reduce costs; (c) Subcontractor's presentation of any issues that impair proper performance of, or may in the future impair proper performance of, the Work; and (d) Subcontractor's suggested corrections with respect to any areas of contracted Work where Subcontractor believes incorrect decisions or designs have been made, together with suggested methods to correct the problem and estimated costs associated with the corrections. While these quality control inspections and meetings are designed to improve job efficiency and reduce callbacks and corrective costs, proper performance of these procedures shall not relieve Subcontractor of its warranty or other obligations under this Subcontract.

18. Compliance with Laws. Subcontractor agrees to do the Work in conformity with all city, county, state and federal laws and regulations, as amended from time to time, including but not limited to those relating to taxes, social security, unemployment, worker's compensation, wages, occupational health and safety, discrimination, land use, waste disposal, air, water, groundwater, storm water discharge, dust control, endangered species, environmental contamination, toxic wastes, hazardous substances, oil, pesticides, herbicides, building and construction codes and standards, contractor licensing statutes and regulations, and any other laws governing the Work (collectively, the "Laws"). Accordingly, Subcontractor represents and warrants to Contractor that Subcontractor is familiar with all pertinent Laws. If there is any discrepancy between the Plans and Specifications and the Laws, Subcontractor shall not perform any Work without first giving Contractor written notice of the discrepancy and receiving written instructions from Contractor regarding how to proceed.

19. Bonding. If requested by Contractor in writing, Subcontractor shall, prior to commencement of the Work, furnish Contractor with maintenance, payment and performance bonds with such surety, in such amounts and with such provisions as shall, in all respects, comply with specific provisions of Arizona Laws and be acceptable to Contractor. Without limiting the generality of the foregoing, the bonds requested by Contractor may include: (a) bonds to guarantee Subcontractor's full and faithful performance of all the provisions of this Subcontract, (b) bonds to guarantee performance of Subcontractor's Work, (c) bonds to guarantee payment by Subcontractor to Contractor of all sums Contractor may pay for the account of Subcontractor, and (d) bonds to guarantee payment by Subcontractor of all sums Subcontractor may be required to pay hereunder. If Contractor requests such bonds, then, unless otherwise specified by Contractor in writing, such bonds shall be maintained in full force and effect during the term of this Subcontract; provided, however, any maintenance bond shall be maintained in full force and effect after the term of the Subcontract in accordance with the requirements of any public authority, utility, or other assignee to whom the Work or any portion thereof may be dedicated or conveyed. The reasonable cost of bond premiums that receive the prior written approval of Contractor shall be paid by Subcontractor and reimbursed by Contractor.

20. Insurance; Waiver of Subrogation.

(a) Subcontractor shall comply in all respects with the insurance requirements of this Subcontract that are set forth on Addendum "1" to this Subcontract.

(b) Subcontractor, on its own behalf and on behalf of all of its insurers, hereby waives all rights of recovery, whether under subrogation or otherwise, whether because of deductible clauses, self-insured retention amounts, inadequacy of limits of any insurance policy, limitations or exclusions of coverage or otherwise, against Contractor, Owner, the affiliates of Contractor and Owner, and all of their respective members, managers, partners, officers, directors, employees, agents, and trusts, and any other contractor, subcontractor or other individual or entity performing work or rendering services on behalf of Contractor or Owner in connection with the planning, development and/or construction of the Project. Subcontractor also shall require that all insurance policies related to the Work secured by Subcontractor or its Sub-subcontractors include clauses providing that each insurance underwriter shall waive all of its rights of recovery, by subrogation or otherwise, against all of the parties referenced above. Subcontractor shall require similar express waivers and insurance clauses from each of its Sub-subcontractors. A waiver of subrogation shall be effective as to any individual or entity even if such individual or entity (i) would otherwise have a duty of indemnification, contractual or otherwise, (ii) did not pay the insurance premium directly or indirectly, and/or (iii) has (or does not have) an insurable interest in the property damaged.

21. Change Orders. Subcontractor will not be paid for extras, additions, alterations, omissions, or other modifications in the Work (each, an "Alteration") (regardless of whether requested by Contractor), without prior written authorization from Contractor in the form of a work order or other similar written instrument (individually, a "Change Order," and collectively, the "Change Orders"). Once a Change Order has been executed by Contractor, Subcontractor promptly shall perform the Alterations specified in the Change Order in accordance with the terms thereof. The value associated with any Alteration (and the resulting increase or decrease in the Subcontract Price), and the schedule for completion of the Alteration, shall be set forth in the Change Order. Subcontractor agrees and understands that it is the responsibility of Subcontractor to request a Change Order to this Subcontract prior to performing any Alterations. All charges associated with Change Orders must be referenced separately on invoices for payment.

22. Default; Remedies.

(a) Each of the following events shall constitute a default by Subcontractor: (i) Subcontractor files a bankruptcy petition or a petition seeking relief under the bankruptcy statutes is filed against Subcontractor; (ii) Subcontractor makes a general assignment for the benefit of creditors or becomes insolvent; (iii) Subcontractor fails to pay promptly when due all bills and charges for labor, materials and rental of equipment used in the performance of the Work, or required by this Subcontract to be paid by Subcontractor; (iv) Subcontractor fails to carry out the Work in accordance with this Subcontract or otherwise breaches this Subcontract; and (v) Subcontractor stops Work in violation of Paragraph 27. Each of the foregoing events shall be referred to as a "Default".

(b) In response to a Default, Contractor may exercise any remedy available to Contractor at law or in equity; it being intended that all such remedies, and any other remedies expressly set forth in this Subcontract (including but not limited to the right to take over the Work in accordance with Paragraph 22(c) and the right to terminate this Subcontract for cause in accordance with Paragraph 37(a)), shall be cumulative. Taking over the Work and receiving the sums associated therewith as described in Paragraph 22(c) shall not constitute or be construed as a waiver by Contractor of any action, claim, demand or remedy Contractor may have against Subcontractor by reason of injury or damage resulting from Subcontractor's Default.

(c) Upon the occurrence of a Default, in addition to all other remedies available at law or in equity, Contractor shall have the right, but not the obligation, to take over the Work or any separable part thereof effective immediately upon delivery of written notice to Subcontractor (with or without a termination of this Subcontract). Following delivery of the written notice, Contractor may complete the Work or cause the Work to be completed, and Contractor shall have the right, for the purpose of completing the Work hereunder, to take possession of all drawings and materials belonging to Subcontractor; in such an event, this Subcontract shall constitute and be construed as an assignment by Subcontractor to Contractor of all such drawings and materials. Additionally, if Contractor takes over the Work, Subcontractor shall assign to Contractor all sub-subcontracts and purchase orders requested by Contractor. If Contractor takes over the Work, Subcontractor shall pay to Contractor, on demand, a sum equal to the amount by which Contractor's total cost of completing the Work exceeds the portions of the Subcontract Price allocable to such Work, plus an additional fifteen percent (15%) of that sum for administrative and supervisory costs associated with taking over the Work, plus a sum equal to any reasonably incurred attorneys' fees, expert witness fees, consultant fees, costs and related expenses associated with taking over and completing the Work.

(d) Subcontractor shall not have recourse, directly or indirectly, to the Town of Sahuarita or the Quall Creek Community Facilities District for the payment of any costs.

23. Dispute Resolution.

(a) CONTRACTOR AND SUBCONTRACTOR HEREBY AGREE TO WAIVE THE RIGHT TO A JURY TRIAL AND AGREE THAT ALL CLAIMS, DEMANDS, ACTIONS, COUNTERCLAIMS AND CROSS-CLAIMS ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY RELATED TO THIS SUBCONTRACT SHALL BE HEARD BY A JUDGE IN A COURT PROCEEDING AND NOT A JURY.

(b) Subcontractor acknowledges that upon conveyance of completed Job to Owner, Owner issues a "1 Year Limited Warranty". Upon request by Contractor or Owner, Subcontractor agrees to participate in any mediation, arbitration or other dispute resolution proceeding conducted pursuant to the Limited Warranty.

CONTRACTOR'S INITIALS _____

SUBCONTRACTOR'S INITIALS _____

24. Assignment. Contractor shall have the right to assign its rights and interests under this Subcontract to any public authority, utility company, homeowners association or other person or entity without Subcontractor's consent, and Subcontractor agrees to perform its obligations under this Subcontract (including but not limited to its warranty obligations) for any such assignee. Subcontractor shall not assign or transfer this Subcontract without the prior written consent of Contractor, which consent may be withheld in Contractor's sole and absolute discretion. Any purported assignment by Subcontractor without Contractor's consent shall be null and void and of no force or effect. Unless Contractor's written consent specifically provides otherwise, all of Subcontractor's duties and obligations hereunder shall be unaffected by any such assignment or transfer. Subcontractor shall not assign part or all of its right to receive payments pursuant to this Subcontract without Contractor's prior written consent, which consent may be withheld in Contractor's sole and absolute discretion. Any purported assignment of part or all of Subcontractor's right to receive payments hereunder without Contractor's consent shall be null and void and of no force or effect, and the assignee in such case shall acquire no right against Contractor. In the event of any assignment of part or all of Subcontractor's right to receive payments hereunder, the same conditions precedent to Contractor's payment obligations to Subcontractor shall apply.

25. Indemnification. Subcontractor shall indemnify, defend and hold harmless Contractor and Owner, and the affiliates of Contractor and Owner, and all of their respective members, managers, partners, officers, directors, employees, agents and trusts (collectively, the "Indemnified Parties") for, from and against any and all obligations, claims, damages, liabilities, liens, costs, charges, penalties, fines, insurance deductibles and self insured retention amounts, settlements, judgments and other losses and expenses suffered or incurred (collectively, the "Claims") resulting in whole or in part from, or arising out of, the performance of, or failure to perform, the Work covered by this Subcontract, or otherwise caused by any act, omission or negligence on the part of Subcontractor or its officers, agents, employees or Sub-subcontractors, whether sustained or asserted before or after completion of the Work or termination of this Subcontract, including but not limited to any and all Claims caused by the contributory negligence of Contractor, Owner or any of the other Indemnified Parties, and any and all Claims arising from the death or injury of an agent or employee of Subcontractor or any of the Indemnified Parties, and any and all Claims arising from damage to the property of Subcontractor or any of the Indemnified Parties, but excluding, with respect to an Indemnified Party any and all Claims caused by the sole negligence or willful misconduct of that Indemnified Party. The indemnifications set forth in this Paragraph shall include reasonable attorneys' fees, expert witness fees, consultant fees, costs and related expenses suffered or incurred by any of the Indemnified Parties in the investigation, defense, settlement or satisfaction of any Claim. Additionally, Subcontractor waives all rights against Contractor, Owner and the other Indemnified Parties for damages caused by fire or other perils (INCLUDING BUT NOT LIMITED TO DAMAGES ARISING OUT OF THE NEGLIGENCE OF OWNER OR ANY OF THE OTHER INDEMNIFIED PARTIES). THE INDEMNITIES AND PROTECTIONS OF THIS PARAGRAPH SHALL APPLY WITH RESPECT TO EACH INDEMNIFIED PARTY EVEN IF THE EFFECT IS TO INDEMNIFY AND PROTECT THAT INDEMNIFIED PARTY FROM ITS OWN CONTRIBUTORY NEGLIGENCE OR THE CONTRIBUTORY NEGLIGENCE OF OTHER INDEMNIFIED PARTIES. BUT, THE INDEMNITIES AND PROTECTIONS OF THIS PARAGRAPH SHALL NOT APPLY TO INDEMNIFY AND PROTECT CONTRACTOR, OWNER OR ANY OTHER INDEMNIFIED PARTY FROM CLAIMS CAUSED BY ITS OWN SOLE NEGLIGENCE OR WILLFUL MISCONDUCT.

26. Payments.

(a) Submission of Invoices and Payment. Invoices shall cover Work performed up to and including the dates specified for "Invoice Field Approval" on the Payment Schedule attached hereto as Exhibit "D" (the "Payment Schedule"). Subcontractor shall submit each invoice for payment to Contractor, with all required lien waivers, by the dates specified for "Invoice Submittal" on the Payment Schedule. Contractor shall pay Subcontractor the amount owing under this Subcontract, less any applicable withholding and retention, for invoices submitted by the applicable Invoice Submittal date by the dates specified as "Payment Dates" on the Payment Schedule, which shall, in all events, be within seven (7) days after Contractor has received the applicable payment from Owner.

(b) Conditions for Payment of Invoices. Contractor's obligation to pay any invoice shall be subject to the following conditions:

- (i) Contractor must have received an invoice consistent with the terms of this Subcontract;
- (ii) Contractor must have received with the invoice a conditional waiver and release on progress payment from Subcontractor and from all Sub-subcontractors (collectively, the "Lien Claimants"), through the last date included in the current invoice, in the form attached hereto as Exhibit "E-1";
- (iii) Contractor must have received with the invoice an unconditional waiver and release from Subcontractor and from all Lien Claimants for the full amount shown on all conditional waivers and releases submitted by Subcontractor in connection with prior invoices for which Contractor has made payment, through the date of the last payment made by Contractor, in the form attached hereto as Exhibit "E-2";
- (iv) The waivers and releases submitted by Subcontractor and all other Lien Claimants must be acceptable in form and substance to Contractor;
- (v) Subcontractor's Work must have progressed to Contractor's complete satisfaction; and
- (vi) Subcontractor must have complied with all other terms and conditions of this Subcontract and must not be in default under this Subcontract.

(c) Conditions for Final Payment. Upon final completion of the Work, Subcontractor may submit an invoice for final payment (excluding payment of the retention amount, which is separately addressed in Paragraph 26(g)) to Contractor. Contractor's obligation to pay any invoice for final payment shall be subject to the following conditions:

- (i) Subcontractor's Work must have been completed to Contractor's complete satisfaction and Contractor must have accepted all of the Work pursuant to Paragraph 4;
- (ii) Contractor must have received with the invoice for final payment an unconditional waiver and release from Subcontractor and from all other Lien Claimants for the full amount shown on all conditional waivers and releases submitted by Subcontractor in connection with prior invoices for progress payment for which Contractor has made payment, through the date of the last payment made by Contractor, in the form attached hereto as Exhibit "E-2";
- (iii) Contractor must have received with the invoice for final payment a conditional waiver and release for final payment from Subcontractor and from all other Lien Claimants on the form attached hereto as Exhibit "E-3";
- (iv) The waivers and releases submitted by Subcontractor and all other Lien Claimants must be acceptable in form and substance to Contractor; and
- (v) Subcontractor must have complied with all other terms and conditions of this Subcontract and must not be in default under this Subcontract.

(d) Right to Refuse Payment. Contractor may refuse to submit invoices to Owner (or, if invoices are submitted to Owner before Contractor discovers any of the following conditions, Contractor may withhold payments from Subcontractor) to such extent as Contractor deems necessary to protect Contractor from loss as a result of: (i) unsatisfactory job progress; (ii) defective Work or materials not remedied; (iii) disputed Work or materials; (iv) liens or other claims filed or reasonable evidence that a claim will be filed; (v) failure of Subcontractor or a Sub-subcontractor to make timely payments for labor, equipment and materials; (vi) damage to Owner or Contractor caused by Subcontractor or its Sub-subcontractors or their respective employees or agents; (vii) any breach of or Default under this Subcontract by Subcontractor; (viii) satisfaction of any claims by Contractor that are covered by Subcontractor's indemnities contained in this Subcontract; or (ix) reasonable evidence that the Work cannot be completed for the unpaid balance of the Subcontract Price. Invoices not submitted to Owner for any of the reasons set forth above shall be submitted (and payments withheld from Subcontractor for any of the reasons set forth above shall be paid to Subcontractor) within a reasonable time after the reasons for not submitting the invoices (or the reasons for withholding payment, as applicable) are remedied by Subcontractor. Notwithstanding anything to the contrary herein, Contractor shall have no obligation to pay invoices until all required lien waivers are submitted to Contractor.

(e) Unconditional Lien Waivers After Final Payment. Immediately upon receipt of final payment (excluding the retention amount, which is separately addressed in Paragraph 26(g) below), Subcontractor shall provide Contractor with an unconditional waiver and release on final payment in the form attached hereto as Exhibit "E-4", stating that all lien rights and other claims against the Project are released for all of the Work through the date of final completion and that there are no disputed claims. In addition, within fifteen (15) days of Subcontractor's receipt of final payment (excluding the retention amount, which is separately addressed in Paragraph 26(g) below), Subcontractor shall provide Contractor with an unconditional waiver and release on final payment from each Lien Claimant, in the form attached hereto as Exhibit "E-4", stating that all lien rights and other claims by Lien Claimants against the Project are released for all of the Work through the date of final completion and that there are no disputed claims.

(f) Withholding. If Contractor refuses to submit invoices to Owner or withholds payments from Subcontractor pursuant to Paragraph 26(d) above, Contractor may withhold an amount equal to Contractor's reasonable estimate of what Contractor expects to incur to correct the items plus an additional ten percent (10%).

(g) Retention. Contractor will deduct ten percent (10%) retention from each progress payment. The retention amount will be payable seven (7) days after the later of the following events, upon submittal of an invoice by Subcontractor: (i) final inspection and acceptance of the Work by Contractor in accordance with Paragraph 4, and (ii) delivery of all required unconditional lien waivers after final payment pursuant to Paragraph 26(e) above.

(h) Payments Do Not Constitute Acceptance. Any payments or any advances made to Subcontractor shall not be evidence of Subcontractor's performance of its obligations under this Subcontract either wholly or in part, and no payment, including final payment, shall be deemed an acceptance of any of the Work.

(i) Joint Checks. Contractor may, at its election and without the consent of Subcontractor, make any payments hereunder jointly to Subcontractor and any of its Sub-subcontractors; provided, however, prior to issuing such joint payments, Contractor shall provide notice to Subcontractor that it intends to issue payments hereunder jointly.

(j) Invoices Submitted After Sixty Days. Any invoices for payment under this Subcontract that are submitted to Contractor after sixty (60) days from completion of the Work will not be accepted by Contractor, and Contractor shall have no obligation to pay such charges.

27. Stop Work. Subcontractor shall not directly or indirectly stop any Work in the event of any claim, controversy or issue (including but not limited to those relating to any disputed invoice for payment, additional compensation or additional time). Subcontractor shall continue performance, under protest, pending resolution of all such claims, controversies, issues or withholdings unless specifically directed otherwise in writing by Contractor. Subcontractor agrees that its failure to continue performance of the Work pending resolution of any controversies, issues or withholdings shall be a "Default" under this Subcontract. If, notwithstanding the foregoing, Subcontractor is entitled to stop performance of the Work as permitted under any applicable Laws, Subcontractor shall provide written notice to Contractor at least three (3) days prior to the date on which Subcontractor intends to stop the Work. Any agreements made as a result of threats by Subcontractor to stop Work shall have no force or effect whatsoever.

28. Payment of Charges. Subcontractor shall pay any and all bills when due for all charges in connection with the Work, and failure to do so shall constitute a Default under this Subcontract. Subcontractor shall not allow any liens, stop notices or other encumbrances to be created or maintained against the Project, or any portions thereof, or any improvements, fixtures or property located therein. Within ten (10) days after demand from Contractor, Subcontractor shall furnish, at Subcontractor's sole cost, all statutory and other bonds necessary to release and discharge the Project, or any portions thereof, from any such liens and to result in the release of funds held in response to any stop notice or bonded stop notice. If Subcontractor fails to pay any or all of the charges associated with the Work as they become due, Contractor shall have the right, but not the obligation, to pay the charges in full or in part for the account of Subcontractor, either subject to Contractor's right of reimbursement from Subcontractor or from any funds Contractor owes to Subcontractor, or both.

29. Cleaning Up. At all times during the course of the Work, Subcontractor, at its cost and expense, shall keep the Work site and surrounding area free from waste materials, debris or rubbish caused by or resulting from the Work. If Subcontractor fails to comply with the foregoing obligation within one (1) business day after receiving notice from Contractor to do so, Contractor may take such actions as Contractor deems reasonably appropriate to cure Subcontractor's failure, and Subcontractor shall be liable for all costs associated with the actions taken by Contractor.
30. Signage on the Work Site. Subcontractor shall not place any building or sign on the Work site without the prior written consent of Contractor, which consent may be withheld in Contractor's sole and absolute discretion.
31. Written Notice. Any and all notices, approvals, payments, consents or other communications required or permitted under this Subcontract shall be deemed to have been received upon actual receipt or three (3) days after deposit in the United States mail, postage prepaid, to the respective parties at the addresses set forth below the parties' signatures herein or to such other addresses as the parties may from time to time designate in writing by notice given in a like manner.
32. Severability. If any term, condition or provision of this Subcontract is declared illegal, invalid or unenforceable for any reason, the remaining terms, conditions and provisions shall, to the extent permitted by law, remain in full force and effect and shall in no way be invalidated, impaired or affected thereby.
33. No Waiver; Amendment. The waiver by Contractor or Subcontractor of any term or provision of this Subcontract shall not constitute a waiver of any other term, condition or provision of this Subcontract, or the future application of any term, condition or provision of this Subcontract, and no waiver shall be effective unless made in writing and signed by the party against which the waiver is to be enforced. This Subcontract may only be amended by a written agreement executed by Contractor and Subcontractor.
34. Independent Contractor. Subcontractor is an independent contractor with respect to the Work and is not serving as the employee or agent of Contractor or Owner. Nothing contained in this Subcontract shall be construed as creating or constituting any partnership, joint venture, employment or agency between the parties. Subcontractor has sole authority and responsibility to employ, discharge and otherwise control its employees, and Subcontractor's employees are not, and shall not be deemed to be, employees of Contractor. Neither party shall have the right or power to bind or obligate the other party for any liabilities or obligations without the prior written consent of the other party, and nothing contained in this Subcontract shall be construed as creating or constituting any partnership, joint venture, employment or agency between the parties.
35. Computation of Periods. All time periods referred to in this Subcontract shall include all Saturdays, Sundays and holidays, unless the period of time specifies business days. If the date to perform any act or give a notice with respect to this Subcontract falls on a Saturday, Sunday or a holiday observed by the State of Arizona, the act or notice may be timely performed on the next succeeding day that is not a Saturday, Sunday or holiday observed by the State of Arizona.

36. Entire Agreement.

(a) This Subcontract, when duly signed by Contractor and Subcontractor, shall bind, and inure to the benefit of, Contractor and Subcontractor, their heirs, personal representatives, successors and permitted assigns, as of the date first above written. This Subcontract (including the exhibits and addenda attached hereto) constitutes the entire agreement between Contractor and Subcontractor with respect to the Work, and supercedes and cancels all previous understandings or agreements between Contractor and Subcontractor with respect to the Work, whether written, oral or implied.

(b) The following addenda, exhibits and attachments are incorporated in this Subcontract as though fully set forth herein, including but not limited to any addenda, exhibits and attachments that are not referenced elsewhere in this Subcontract. The following is a list of exhibits and addenda attached hereto:

Exhibit "A"	List of Plans and Specifications
Exhibit "B"	Subcontract Price
Exhibit "C"	Progress Schedule
Exhibit "D"	Payment Schedule
Exhibit "E-1"	Form of Progress Payment Conditional Lien Waiver
Exhibit "E-2"	Form of Progress Payment Unconditional Lien Waiver
Exhibit "E-3"	Form of Final Payment Conditional Lien Waiver
Exhibit "E-4"	Form of Final Payment Unconditional Lien Waiver
Exhibit "F"	Bid and Construction Requirements Letter
Addendum "1"	Insurance Requirements
	Bid Proposal <i>INCLUDE @ CONTRACT JD</i>
	Tax Exempt Certificate

In the event of any inconsistency between the numbered paragraphs of this Subcontract and the exhibits and addenda to this Subcontract, the provisions of the exhibits and addenda shall prevail.

37. Termination.

(a) With Cause. Contractor shall have the right to terminate this Subcontract upon written notice to Subcontractor if (i) Subcontractor fails to comply with the insurance requirements set forth on Addendum "1"; (ii) Subcontractor, in performance of the Work, jeopardizes the health, safety or welfare of persons or property; or (iii) Subcontractor abandons the Work in violation of Paragraph 27 of this Subcontract. Any such termination shall be effective immediately or upon such later date as is specified in the notice. With respect to any other Default, Contractor shall have the right to terminate this Subcontract if, within two (2) days after Contractor delivers a written notice to Subcontractor specifying a Default by Subcontractor under this Subcontract, Subcontractor fails to cure the specified Default to Contractor's satisfaction.

(b) Without Cause. In addition to Contractor's right to terminate this Subcontract for cause, Contractor shall have the right to terminate this Subcontract without cause and for any reason upon at least seven (7) days prior written notice to Subcontractor. Upon termination, Contractor shall take possession of all Work in progress, including all materials, supplies, and goods at the Work site or in transit, and Subcontractor shall assign to Contractor all subcontracts and purchase orders requested by Contractor. Upon receipt of a notice of termination, Subcontractor shall stop all Work on the date specified in the notice, and use its

best efforts to minimize the costs of terminating the Work. In the event of any such termination (other than a termination as a result of a Default by Subcontractor), Contractor shall pay Subcontractor the pro rata portion of the Subcontract Price that Contractor in good faith determines is reasonably allocable to the Work performed prior to the date of termination, plus any bona fide additional costs reasonably incurred by Subcontractor in good faith prior to the date of termination.

38. Represented by Counsel. Subcontractor has had the opportunity to review, understand and negotiate this Subcontract and to be represented by its own independent legal counsel with respect to the same.

39. Headings and Capitalized Terms. The headings and capitalized terms contained in this Subcontract are for convenience of reference only and shall not, in any way, limit or otherwise affect the meaning or interpretation of this Subcontract.

40. Interpretation. This Subcontract shall be construed in accordance with its plain meaning, and it shall not be more strictly construed against Contractor because Contractor drafted this Agreement.

41. Counterparts. This Subcontract may be executed in counterparts, each of which shall constitute an original but all of which together shall constitute one contract. A signed facsimile copy of this Subcontract shall have the same, binding effect as a signed original.

42. Time is of the Essence. **TIME AND FAITHFUL PERFORMANCE OF ALL PROVISIONS HEREOF ARE OF THE ESSENCE OF THIS CONTRACT.**

CONTRACTOR

ROBSON RANCH ARIZONA CONSTRUCTION COMPANY,
an Arizona corporation

By: _____

Its: Vice President, Land Development

Address: 9532 East Riggs Road, Sun Lakes, Arizona 85248

Phone: 480-895-0799

Contact: Tom Fetterly @ Quail Creek
520-393-5810

SUBCONTRACTOR

By: _____

Its:

Address:

Phone:

Contact:

License #

Exhibit "A"

Plans By ARC STUDIOS

1. Quail Creek Community Facilities District Project, Quail Creek Parkway Public Roadway Plans. Drawing title Landscape Mitigation Plan, Project # 04139, dated 10/24/2006, Sheets L1 through L5.
2. Campbell Road Extension, Drawing title Native Plant Preservation Plan Sheet N1, and Landscape Plan, Project # 01-06094, dated 6/19/2006, Sheets L1 through L6.

Exhibit "B"
SAMPLE

CONTRACTOR: PROJECT: Quail
 INVOICE #
 INV DATE:
 INV THRU:

LICENSE # 81595-005 & C21-096971
 EMP I.D. #
 BUSINESS TYPE: CORPORATION

CONTRACT # 323000
 JDE Line # 5105
 Cost Code 1730
 Cost Type Ret
 Ret

Job #	Cost Type	Cost Code	JDE Line #	Total Per Cost Code This Invoice	Description	Total # Contract Units	Unit Measure	Contract Unit Price	Total Contract Amount	# Units Billed To Date	Total \$ Billed To Date	# Units Billed	Total \$ Prev. Billed	# Units This Invoice	Total \$ This Invoice
					24" Box Trees or Spades	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					5 Gal Shrub & Accent	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					1 Gal Ground Cover	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Concrete Header	5	L.F.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Boulders Various size	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
									Subtotal		\$ 10.00		\$ 5.00	Subtotal	\$ 5.00
					Wiring	5	L.F.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					3/4 Pressure Regulators	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Irritrol 2" spray valves	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Irritrol 1" Drip Valves	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Flushend Caps w/ Pit Box	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Rainbird multi outlet Emitter	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					Rainbird Single Outlet Emitter	5	Ea.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					2" sch 40 Mainline	5	L.F.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					1" Class 200 lateral	5	L.F.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
					1/2" Poly Tubing	5	L.F.	\$ 1.00	\$ 5.00	2	\$ 2.00	1	\$ 1.00	1	\$ 1.00
									Subtotal		\$ 20.00		\$ 10.00	Subtotal	\$ 10.00
					Landscape Retention Held						\$ (3.00)		\$ (1.50)		\$ (1.50)
					Landscape Retention Paid						\$ (3.00)		\$ (1.50)		\$ (1.50)
									Contract Total:		\$ 75.00		\$ 30.00		\$ 15.00
									Total Billed:		\$ 30.00		\$ 15.00		\$ 15.00
									Retention:		\$ (3.00)		\$ (1.50)		\$ (1.50)
									Total Invoice:		\$ 27.00		\$ 13.50		\$ 13.50

EXHIBIT "C"

PROGRESS SCHEDULE

The Work shall begin no later than

, and shall be completed no later than

Exhibit "D"

**Land Development
CONTRACTOR PAY SCHEDULE FOR 2007**

WORK COMPLETED THROUGH GL DATE	INVOICES RECEIVED BY	CHECKS AVAILABLE BY
1/31/2007	2/6/2007	2/22/2007
2/28/2007	3/6/2007	3/19/2007
3/31/2007	4/5/2007	4/23/2007
4/30/2007	5/4/2007	5/21/2007
5/31/2007	6/6/2007	6/18/2007
6/30/2007	7/6/2007	7/23/2007
7/31/2007	8/6/2007	8/20/2007
8/31/2007	9/6/2007	9/24/2007
9/30/2007	10/4/2007	10/22/2007
10/31/2007	11/6/2007	11/19/2007
11/30/2007	12/6/2007	12/17/2007
12/31/2007	1/7/2008	1/21/2008

EXHIBIT "E-1"

CONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: _____

Job No.: _____

On receipt by the undersigned of a check from _____
in the sum of \$ _____ payable to _____
(Amount of Check) (Maker of the check)
(Payee of Payees of check)

and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any Mechanic's Lien, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the job of _____ located at _____
(Contractor) (Job Description)
to the following extent. This release covers a progress payment for all labor, services, equipment of materials furnished to the job site or to _____ through _____ only and does not
(Person with whom undersigned contracted) (Date)
cover retention, pending modifications and changes or items furnished after that date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATE: _____

(Company Name)
By: _____
(Signature)

(Title)

EXHIBIT "E-2"

UNCONDITIONAL WAIVER AND RELEASE ON PROGRESS PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: _____

Job No: _____

The undersigned has been paid and has received a progress payment in the sum of \$ _____ for all labor, services, equipment or material furnished to the job site or to _____ on the job of _____ located at _____ and does hereby release any Mechanic's Lien, any state or federal statutory bond right, any private bond right, (Contractor) (Contractor) (Job Description)

any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position that the undersigned has on the above referenced project to the following extent. This release covers a progress payment for all labor, services, equipment or materials furnished to the job site or to _____ through _____ (Person with whom undersigned contracted) (Date)

only and does not cover any retention, pending modifications and changes or items furnished after that date.

The undersigned warrants that he either has already paid or will use the monies he receives from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATE: _____

(Company Name)
BY _____
(Signature)

(Title)

NOTICE: THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A CONDITIONAL RELEASE FORM.

EXHIBIT "E-3"

CONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: _____

Job No: _____

On receipt by the undersigned of a check from _____ in the sum of \$ _____
(Maker of Check) (Amount of Check)

payable to _____ and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this
(Payee or Payees of Check)

document becomes effective to release any Mechanic's Lien, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position the undersigned has on the job of _____ located at _____
(Contractor) (Job Description)

This release covers the final payment to the undersigned for all labor, services, equipment or materials furnished to the job site or to _____ except for disputed claims in the amount of \$ _____
(Person with whom undersigned contracted)

Before any recipient of this document relies on it, the person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the monies he receives from this final payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

DATE: _____

(Company Name)

By: _____
(Signature)

(Title)

EXHIBIT "E-4"

UNCONDITIONAL WAIVER AND RELEASE ON FINAL PAYMENT
(Pursuant to A.R.S. § 33-1008)

Project: _____

Job No: _____

The Undersigned has been paid in full for all labor, services, equipment or material furnished to the job site or to
_____ on the job of _____
(Person with whom undersigned contracted) (Contractor)

located at _____ and does hereby waive and release
(Job Description)

any right to Mechanic's Lien, any state or federal statutory bond right, any private bond right, any claim for payment and any
rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position, except

for disputed claims for extra work in the amount of \$ _____.

The undersigned warrants that he either has already paid or will use the monies he receives from this final payment to
promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services
provided for or to the above referenced project.

DATE: _____

(Company Name)

By: _____
(Signature)

(Title)

NOTICE:

THIS DOCUMENT WAIVES RIGHTS UNCONDITIONALLY AND STATES
THAT YOU HAVE BEEN PAID FOR GIVING UP THOSE RIGHTS. THIS
DOCUMENT IS ENFORCEABLE AGAINST YOU IF YOU SIGN IT, EVEN IF
YOU HAVE NOT BEEN PAID. IF YOU HAVE NOT BEEN PAID, USE A
CONDITIONAL RELEASE FORM.

EXHIBIT "F"
Bid/Construction Requirements Quail Creek Parkway & Campbell Ave. Landscape

General:

1. Address all bids to: **Robson Ranch Arizona Construction Company**
904 N. Quail View Loop
Green Valley, AZ 85614
2. Include in each bid package the PROJECTED TIME for COMPLETION of EACH SEGMENT of CONSTRUCTION.
3. Prices on Bids/Contracts to remain FIRM Through Completion.
4. All Subcontractors are RESPONSIBLE FOR ANY DAMAGE to EXISTING IMPROVEMENTS during their phase of construction.
5. All Subcontractors to do quantity take off to check plan quantities, as plan quantities are listed as a courtesy.
6. Contractor will request the Subcontractor obtain the necessary permits. The Subcontractor will be reimbursed the cost of the permits by the Contractor.
7. Pollution control will be the Subcontractors responsibility.
8. Subcontractor is responsible for satisfying engineer if there is any discrepancy between staking and plans prior to construction, or the Subcontractor will be responsible for correcting the situation at their own expense.
9. If Subcontractor bids "Lump Sum"; "All Individual Bid Items", "Quantities" and "Unit Costs" must accompany bids. All payments will be made by Unit Cost.
10. Any special bid requirements from a governing agency or utility company will take precedence.
11. Subcontractor is responsible for scheduling inspections, staking and soils testing through the engineer, governing agency and/or Contractor as agreed to before the project begins.
12. Necessary safety devices, traffic control measures and temporary barricades shall be furnished by the subcontractor.
13. Subcontractor shall not backfill trenches until the Contractor's engineer has obtained as-builts in the areas such as, but not limited to, street crossings, other conflict areas and/or any requirements of the governing agencies.
14. Copies of all bonds, to be provided as part of bid, will be held by owner together with name and address of bond agent.
15. Provide numbers of all applicable government licenses necessary for this project.
16. The Subcontractor's Federal Employer Identification Number or Social Security Number, for all unincorporated contractors, must be on file with the Contractor's office.

General "Grading" Specifications:

1. Include all demolition, clearing and grubbing in bids. Include any required haul off. No debris is to be left on site.

Subcontractor's Initials: _____

EXHIBIT "F"

Bid/Construction Requirements Quail Creek Parkway & Campbell Ave. Landscape

2. Subcontractor is responsible to notify and order all compaction tests required by soils engineer.
3. All grades will be constructed to either Plan Grade or any Approved Grade Changes. All Perimeter Grading is to include Dress Up.
4. All compaction tests must pass and be verified before final payment will be made.

General "Drainage" Specifications:

1. All existing drainage must be maintained.

General "Water" Specifications:

1. All valves and services will be set to finish grade before final payment is made.
2. Water valve boxes are to be set to finish grade at time of curb/sidewalk completion.
3. All trenches will be compacted per requirements to avoid later settlement. Within the Street Right of Way, trenches must meet governing agency's and/or soils engineer's compaction requirements.

Trenching Specifications:

1. Bids will include Trenching, Shading, Backfilling, Settling and Dress-Up.
2. All trenches will be compacted per requirements to avoid later settlement. Trenches must meet governing agency's and/or soils engineer's compaction requirements.

Miscellaneous:

1. Bid all items not covered in the above mentioned lists as shown on plans or slated in specifications.

Construction to begin approximately: 9/30/2007

Should you have any questions, please call me @ 520-393-5816

Contractor:
Robson Ranch Arizona Construction Co.
9532 E. Riggs Road
Sun Lakes, AZ 85248


By: Tom Fetterly

Project Manager
Robson Ranch Arizona Construction Co.

Subcontractor:

By: _____

Title: _____
(Principle or Authorized Agent)

Subcontractor's Initials: _____

ADDENDUM "1"

INSURANCE REQUIREMENTS OF SUBCONTRACTOR

(for use with Subcontractors **Not** enrolled in the Wrap-up Program)

Prior to commencing work for Contractor and throughout the subcontract period, Subcontractor shall comply with all of the following insurance requirements. Subcontractor shall cause all Sub-subcontractors it uses in performance of the Work to comply with these requirements as well:

1. Subcontractor and each Sub-subcontractor must provide Contractor with Certificates of Insurance evidencing the following minimum coverages and limits:
 - a. Commercial General Liability Insurance
\$1,000,000 Each Occurrence
\$2,000,000 Products/Completed Operations Aggregate
\$2,000,000 General Aggregate

The CGL Insurance must include contractual liability insurance applicable to the subcontract or sub-subcontract agreement and must contain no explosion, collapse or underground work exclusions.

- b. Automobile Liability Insurance
\$1,000,000 C.S.L. Each Accident

Auto Liability Insurance must cover all owned, non-owned and hired autos.

- c. Worker's Compensation and Employer's Liability Insurance
This coverage shall extend to the Workers' Compensation laws of any state, district or territory of the United States in which the Work is situated. Workers' Compensation Insurance shall have limits of not less than the statutory limits for any one occurrence and employer's liability insurance shall have limits of not less than \$1,000,000/\$1,000,000/\$1,000,000.

2. Each Certificate of Insurance shall provide Contractor as certificate holder with not less than thirty (30) days advance written notice in the event of any cancellation, non-renewal or material change in the policy limits, terms or conditions.
3. Each Certificate of Insurance issued on the Subcontractor's and Sub-subcontractor's General Liability policies must be accompanied by a copy of an endorsement issued by the insurer verifying that:
 - a. Contractor, Robson Communities, Inc., and their respective subsidiaries, affiliates, employees and agents are included as additional insureds.
 - b. The insurance provided by the Subcontractor and Sub-subcontractor to the above additional insureds constitutes primary coverage with respect to any other insurance that those additional insureds may have available to them.
4. All non-governmental insurers by the Subcontractor and Sub-subcontractors must be rated "A-/V" or better in the most current edition of Best's Insurance Reports.



**Arizona Department of Revenue
Prime Contractor's Certificate**

**ARIZONA FORM
5005**

The purpose of this form is to provide a subcontractor with the validation required for tax exemption of a particular project, for a period of time, or until revoked. This certificate establishes responsibility for the transaction privilege tax; therefore, it must be completed by the prime contractor assuming the contracting transaction privilege tax liability for the contracting project(s). The asterisked (*) items must be completed, otherwise the certificate is not valid. The Department may disregard this certificate pursuant to ARS § 42-5075.E if the certificate is incomplete or erroneous. If disregarded, the entity accepting the certificate (subcontractor) will have the burden of proving (pursuant to ARS § 42-5075.D), that it is not subject to transaction privilege tax as a taxable prime contractor.

A. Prime Contractor	
* NAME: Robson Ranch Arizona Construction Company	* TRANSACTION PRIVILEGE LICENSE #: 10186758-N
* ADDRESS: 2175 E. Quail Crossing Blvd. Green Valley, Az 85614	AZ Contractor License #: 190585 A
	Telephone #: 520-393-5810

B. Subcontractor	
* NAME:	* TRANSACTION PRIVILEGE LICENSE #:
* ADDRESS:	AZ Contractor License #:
	Telephone #:

C. Type of Certificate (check one and provide requested information)	
<input type="checkbox"/> Single Project Certificate PROJECT DESCRIPTION <hr/> <hr/> <hr/> <hr/> <p>** (For example; Building Permit #, Address, Subdivision, Book/Map/Parcel #s, and/or Legal Description)</p>	OR
	<input checked="" type="checkbox"/> Blanket Certificate (check applicable box and fill in requested information). <input type="checkbox"/> Period From: _____ Through: _____ <input checked="" type="checkbox"/> Until revoked <input type="checkbox"/> Specific Exceptions: _____ <hr/>

I hereby certify that I have authority to sign this Certificate on behalf of Prime Contractor. I understand that by executing this Certificate, Prime Contractor is assuming the prime contracting transaction privilege tax liability applicable to the above referenced project(s).

Thomas Fetterly

 SIGNATURE
 Project Manager, Land Development

 TITLE

Thomas Fetterly

 PRINT NAME
 8-10-07

 DATE SIGNED