

DEVELOPMENT AGREEMENT

**CITY OF CASA GRANDE,
an Arizona municipal corporation**

**PINAL COUNTY,
an Arizona political subdivision**

and

**LUCID USA, INC.,
a Delaware corporation**

**Approved by City Council
_____, 2022**

**Approved by County Board of Supervisors
_____, 2022**

**Effective Date
_____, 2022**

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the “**Agreement**”) is made by and between the **PINAL COUNTY**, an Arizona political subdivision (“**Pinal County**”), **CITY OF CASA GRANDE**, an Arizona municipal corporation (“**Casa Grande**”) and **LUCID USA, INC.**, a Delaware corporation (“**Developer**”). Pinal County, Casa Grande and Developer shall be referred to in this Agreement, collectively as “**Parties**,” and individually as a “**Party**” and is dated as of the day that it is fully executed by all Parties as evidenced by the last date on the signature pages below (the “**Effective Date**”)

RECITALS

A. Pinal County currently owns or intends to acquire fee title to that certain real property legally described on Exhibit A attached hereto and located within or near the corporate limits of Casa Grande (the “**Property**”).

B. Following its acquisition, Pinal County intends to (i) lease the Property to Developer (the “**Lease**”), which Developer contemplates using in connection with its adjacent automobile manufacturing, assembly, and testing facility and related uses (the “**Project**”) and (ii) grant Developer the option to acquire the Property.

C. Casa Grande and Pinal County are empowered by A.R.S. §§11-952 and 9-461.11, as amended, to enter into this Agreement, and Casa Grande and Pinal County have authorized the undersigned City Administrator to execute this Agreement on behalf of the City and County Administrator to execute this Agreement on behalf of the County.

D. Casa Grande is further empowered, pursuant to A.R.S. §9-500.05, to enter into an agreement with any person or entity having an interest in real property providing for the annexation and development of such property and certain development rights thereon.

E. Developer and Pinal County desire for the Property to be annexed by Casa Grande and for Casa Grande to approve certain zoning for the Property as is consistent with its General Plan and Developer’s intended manufacturing and industrial uses on the Property.

F. This Agreement is intended to set forth the obligations of the Parties with respect to the development of the Project. The Parties intend for this Agreement to be a “development agreement” within the meaning of A.R.S. §9-500.05.

AGREEMENT

IN CONSIDERATION of the foregoing recitals and representations and the mutual covenants and conditions in this Agreement, the Parties agree as follows:

SECTION 1. DEFINITIONS. In this Agreement, unless a different meaning clearly appears from the context:

1.1 “**Affiliate**” means as described in Section 8.11.

1.2 “**Agreement**” means as defined in the introductory paragraph, as amended or supplemented in writing from time to time, and includes all exhibits and schedules hereto. References to Sections or Exhibits are to this Agreement unless otherwise qualified.

1.3 “**Applicable Laws**” means the federal, state, county and local laws (statutory and common law), charter provisions, codes, ordinances, rules, regulations which apply to the development of all or any part of the Property.

1.4 “**A.R.S.**” means the Arizona Revised Statutes as now or hereafter enacted or amended.

1.5 “**Casa Grande**” means as defined in the introductory paragraph.

1.6 “**Casa Grande Representative**” means as described in Section 8.19.

1.7 “**City Code**” means the Code and Ordinances of the City of Casa Grande, Arizona.

1.8 “**Confidential Information**” means as described in Section 8.6.A.

1.9 “**Developer**” means as described in the introductory paragraph.

1.10 “**Developer Representative**” means as described in Section 8.19.

1.11 “**Effective Date**” means as defined in the introductory paragraph.

1.12 “**Foreign-Trade Zone**” and “**FTZ**” mean an approved and activated foreign-trade zone or subzone established pursuant to 19 U.S.C. §81 and A.R.S. §44-6501.

1.13 “**FTZ Approval**” means as described in Section 3.

1.14 “**Lease Option Agreement**” means the Lease Option Agreement executed pursuant to Section 5.

1.15 “**Party**” and “**Parties**” mean as described in the introductory paragraph.

1.16 “**Person**” means and includes any and all natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures, associations, limited liability companies, limited liability partnerships, trusts, land trusts, business trusts, and other groups and organizations, whether or not legal entities. Without limiting the foregoing, each and every form of media shall constitute a “Person.”

1.17 “**Pinal County**” means as defined in the introductory paragraph.

1.18 “**Pinal County Representative**” means as described in Section 8.19.

1.19 “**Project**” means as described in Recital B.

1.20 “**Property**” means as described in Recital A.

- 1.21 “**Reservation Period**” means as described in Section 4.3.B.
- 1.22 “**Reserved Capacity**” means as described in Section 4.3.B.
- 1.23 “**U.S.C.**” means the United States Code as now or hereafter enacted or amended.

SECTION 2. ANNEXATION AND REZONING.

2.1 Annexation.

A. Casa Grande desires to annex the Property into its corporate limits, to be developed as an integral part of the City, to provide for the orderly, controlled, and quality growth in the area, to improve and enhance the economic welfare of the residents of the City, to ensure that the Property is developed to City standards, and to increase the revenues to the City, which revenues would not be generated without such annexation and development of the Property.

B. Casa Grande has determined that encouraging the development of the Property pursuant to this Agreement will result in significant planning, economic and other public purpose benefits for the City and its residents.

C. Accordingly, Casa Grande agrees that, upon request from Pinal County and Developer, Casa Grande will cooperate with Pinal County and Developer to process the annexation petition pursuant to A.R.S. § 9-471 et. seq. for the annexation of the Property into the corporate limits of the City and to submit same to the City Council for its consideration on a date reasonable selected by Pinal County and Casa Grande.

2.2 Rezoning.

A. If and to the extent the Property is annexed into the corporate limits of Casa Grande, Casa Grande agrees that, upon request, Casa Grande will cooperate with Developer (and Pinal County, as applicable) to process a rezoning application. Casa Grande confirms that the Property falls within the Manufacturing and Industry category and that City staff will, subject to appropriate conditions to ensure compatibility with surrounding properties, process zoning applications made by Developer (or Pinal County) which is contemplated to include I-2 zoning.

B. Casa Grande reserves, exercising its sole and absolute discretion, the right to amend existing Applicable Laws or to adopt new Applicable Laws that shall be applicable to and binding on the Project. Notwithstanding the foregoing, any change in the Applicable Laws in existence on the Effective Date and any Applicable Law enacted after the Effective Date shall not be enforced against any development of the Project if such enforcement would materially and adversely limit or change the development of the Project or materially increase the cost of the development of the Project consistent with the terms of this Agreement.

C. Notwithstanding the provisions of this Agreement, and subject to Developer reserving any and all claims for taking private property without just compensation pursuant to Applicable Laws, Casa Grande may change, enact and enforce Applicable Laws against the Property and the Project that have an adverse impact on the rights of Developer under this Agreement upon the occurrence of any one of the following provisions.

(a) Future Applicable Laws that Developer may agree in writing apply to the development of the Property and the Project;

(b) Applicable Laws of Casa Grande enacted as necessary to comply with mandatory requirements imposed on Casa Grande by Pinal County or the state or federal governments, including statutory requirements, court decisions, and other similar superior external authorities beyond the control of Casa Grande, provided that in the event any such mandatory requirement prevents or precludes compliance with this Agreement, if permitted by law, such affected provisions of this Agreement shall be modified as may be necessary to achieve the minimum permissible compliance with such mandatory requirement; provided, however, that Applicable Laws imposed on Casa Grande by Pinal County shall only be such Applicable Laws that satisfy the requirements of Subsection (b) through (d) of this Section 2.2.C as applied to Pinal County;

(c) Applicable Laws of Casa Grande reasonably necessary to alleviate threats to public health and safety, provided such Applicable Laws shall be applied uniformly and not arbitrarily to all areas that are subject to the similar threat; and

(d) Other than for any proposed, or existing, structure or other improvement, for which (in the case of any such structure or other improvement) building permits have previously been issued by Casa Grande, future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, dangerous building, and similar construction and safety related codes, such as the uniform International Building Code.

D. Nothing in this Agreement shall be interpreted as relieving Developer of any obligation that it may have either currently or in the future, to comply with all Applicable Laws enacted by entities other than Casa Grande or Pinal County that apply to the Property and the Project, provided that, to the extent such compliance involves factual findings or discretionary determinations by Casa Grande or Pinal County all such findings and/or discretionary determinations shall be consistent with Casa Grande's and Pinal County's findings and determinations memorialized in this Agreement.

2.3 **Moratorium.** In the event of any moratorium that is instituted pursuant to A.R.S. §9-463.06, a copy of which is attached as Exhibit B, Developer or any owner of all or any portion of the Property shall be automatically granted a waiver of the applicability of such moratorium to develop the Property pursuant to the provisions of this Agreement, as described in A.R.S. §9-463.06.D.

2.4 **Processing of Development Plans.** Subject to Applicable Laws, Casa Grande (to the extent necessary, upon annexation of the Property), Pinal County and Developer will reasonably cooperate in processing the approval or issuance of any permits, site plans, or other development approvals required or requested by Developer in connection with development of the Project. Casa Grande and Pinal County further agree that no unusual or extraordinary review or inspection requirements will be imposed upon Developer and that Casa Grande and Pinal County shall conduct all required inspections as expeditiously as possible. Developer shall be granted expedited review and processing of building plan submittals, building permit applications, and any other development or construction related applications or approvals, without payment of any

additional fee or charge. Pinal County shall assist Developer with Arizona Department of Environmental Quality permitting, provided that such assistance shall require no financial commitment from Pinal County.

SECTION 3. FOREIGN-TRADE ZONE. Casa Grande and Pinal County acknowledge that Developer is seeking (or may elect to seek) approval by the Foreign Trade Zone Board for status as a Foreign Trade Zone Usage- Drive Site pursuant to the City of Phoenix Foreign Trade Zone No. 75 Alternative Site Framework (the “**FTZ Approval**”). Pinal County and Developer shall jointly or independently, as necessary and appropriate, apply to the City of Phoenix to obtain FTZ Approval and to the Pinal County Tax Assessor for any beneficial tax treatments that may be available to Developer in conjunction therewith, including, without limitation, reclassifying the tax classification of the Property as a “class six property” pursuant to A.R.S. §42-12006. Pinal County, Casa Grande and Developer shall exercise good faith efforts in executing necessary resolutions or separate agreements and obtain necessary concurrence letters from other taxing authorities or governmental agencies to support the FTZ application process to the Foreign Trade Zones Board. Upon approval by the Foreign Trade Zones Board, Pinal County, Casa Grande shall assist Developer in executing such documents and agreements in order to activate such FTZ Approval. To the extent that such FTZ status approval or activation is not granted, Casa Grande and Pinal County agree to assist Developer and the City of Phoenix in appealing such decision. However, any application or assistance shall be at no cost to Pinal County or Casa Grande, except to the extent such costs are a normal cost of government administration.

SECTION 4. DEVELOPMENT MATTERS.

4.1 **Electric and Potable Water Utility Connections.** Casa Grande and Pinal County, as applicable, will cooperate with Developer in connection with obtaining appropriate electrical service from Arizona Power Service and potable water service from Arizona Water Company, including (without limitation) reviewing plans and facilitating utility connections if required; provided, however that neither Casa Grande’s nor Pinal County’s obligations under this Section shall require any financial commitment.

4.2 **Wastewater.**

A. Casa Grande acknowledges that Developer shall not be required to extend Casa Grande’s main wastewater line along the frontage of Peters Road, unless such extension is required in connection with Developer’s use of the Property. Casa Grande, however, shall be permitted to do so, if it elects to do so, provided such work and improvements are located within the public right of way.

B. For a period of five (5) years following the expiration of the Existing Reservation Period (as defined below) (the “**Reservation Period**”), Casa Grande shall continue to reserve, at no cost to Developer, one million (1,000,000) gallons of the existing capacity (i.e., peak average daily flow volume) in Casa Grande’s wastewater collection and treatment system (the “**Reserved Capacity**”) for wastewater generated by the Project. Developer may request that Casa Grande extend the Reservation Period for an additional eighteen (18) months, but such request must be made no later than twelve (12) months prior to the expiration of the Reservation Period and may be denied by Casa Grande for good cause. If Developer requires sewer collection

and treatment capacity in excess of the Reserved Capacity during the Reservation Period, Developer shall pay for such capacity if it is not available in the wastewater collection and treatment system at the time of such request. Developer, upon demonstration that it has an active project that will need capacity beyond that reserved herein, may request that Casa Grande reserve an additional 500,000 gallons and extend the Reservation Period, and Casa Grande agrees that upon such request Casa Grande will evaluate whether sufficient capacity exists to meet the request of the Developer without unduly, in the Casa Grande's sole discretion, restricting Casa Grande's ability to meet other wastewater collection and treatment needs in Casa Grande and if such capacity exists Casa Grande shall work with Developer in good faith to provide the additional reservation. If Casa Grande wishes to use any unused portion of the Reserved Capacity for wastewater generated outside of the Project during the Reservation Period, Casa Grande may request Developer's approval to reduce the Reserved Capacity, but such approval may be given or withheld in Developer's sole discretion. As used herein, the term "**Existing Reservation Period**" means the 'Reservation Period' as that term is used and defined in that certain Development Agreement, with an effective date of December 20, 2018, by and between Casa Grande, Pinal County and Developer, and recorded on December 20, 2018 at Fee Number 2018-094009, Official Records of Pinal County, Arizona.

SECTION 5. LEASE. Contemporaneously with the execution of this Agreement, Pinal County and Developer shall execute and deliver to one another the "**Lease Option Agreement**" the form attached as Exhibit D, which shall be contingent upon Pinal County's acquisition of the Property. Pinal County shall take such actions as may be reasonably necessary to acquire the Property.

SECTION 6. DEFAULTS.

6.1 **Events of Default.** It shall be a default hereunder if any Party fails to (i) pay any sum due to the other Party when due and such failure continues for five (5) days after written notice from a non-defaulting Party or (ii) perform any of its other obligations hereunder and such failure continues for a period of thirty (30) days after written notice from a non-defaulting Party specifying in reasonable detail the nature of the failure; provided that if the nature of the default is such that it cannot reasonably be cured within the 30-day period, no default shall be deemed to exist if the Party failing to perform commences a cure within that 30-day period and diligently and expeditiously pursues such cure to completion within one-hundred and eighty (180) days.

6.2 **Remedies.** In the event of a default hereunder and failure by the defaulting Party to timely cure the default as provided in Section 6.1, then except to the extent remedies are specifically limited herein, the non-defaulting Party shall have all remedies available to it at law or in equity. Without limiting the foregoing, Casa Grande, Pinal County, Developer or any successor-in-interest or assignee, may institute a legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages, provided, however, that claims for damages shall be limited to actual damages. The Parties hereby waive any right to seek consequential, punitive, multiple, exemplary or any other damages other than actual damages for a breach of this Agreement by either Party.

6.3 **Delays; Waivers.** Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a

waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any default by the other Party shall not be considered as a waiver of rights with respect to any other default by the non-defaulting Party or with respect to the particular default except to the extent specifically waived in writing.

6.4 **Rights and Remedies Cumulative.** The rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy for any other default by the other Party.

6.5 **Default Interest.** If any Party fails to pay an amount when due to another Party under this Agreement, such amount shall bear interest at the rate of twelve percent (12%) per annum.

SECTION 7. REPRESENTATIONS.

7.1 **Casa Grande Representations.** Casa Grande represents, warrants and covenants to Developer and to Pinal County that:

A. Casa Grande is duly formed and validly existing under Arizona law and that the individual(s) executing this Agreement on behalf of Casa Grande is authorized and empowered to bind Casa Grande.

B. Casa Grande has the full right, power and authorization to enter into and perform this Agreement and each of Casa Grande's obligations and undertakings under this Agreement, and Casa Grande's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of its Charter and Arizona law.

C. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

D. Casa Grande will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

7.2 **Pinal County Representations.** Pinal County represents, warrants and covenants to Developer and to Casa Grande that:

A. Pinal County is duly formed and validly existing under Arizona law and that the individual(s) executing this Agreement on behalf of Pinal County is authorized and empowered to bind Pinal County.

B. Pinal County has the full right, power and authorization to enter into and perform this Agreement and each of Pinal County's obligations and undertakings under this Agreement, and Pinal County's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of Arizona law.

C. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

D. Pinal County will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

7.3 **Developer Representations.** Developer represents, warrants and covenants to Casa Grande and to Pinal County that:

A. Developer is duly formed and validly existing under Delaware law and that the individual(s) executing this Agreement on behalf of Developer is authorized and empowered to bind Developer.

B. Developer has the full right, power and authorization to enter into and perform this Agreement and of the obligations and undertakings of Developer under this Agreement, and the execution, delivery and performance of this Agreement has been duly authorized and agreed to in compliance with its organizational documents and Arizona law.

C. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.

D. Developer will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.

SECTION 8. MISCELLANEOUS.

8.1 **Term.** Except as otherwise provided herein, this Agreement shall be effective for all purposes on the Effective Date. The term of this Agreement shall be twenty (20) years from the Effective Date. Notwithstanding the foregoing, unless otherwise agreed by the Parties in writing, this Agreement shall terminate if the Property is not acquired by Pinal County within ninety (90) days following the Effective Date.

8.2 **Notices.** Except as otherwise required by law, any notice, demand or other communication given hereunder shall be in writing and shall be deemed to have been given, received and become effective: (a) if given by personal delivery, on the date of personal delivery; (b) if delivered by any nationally recognized express or overnight delivery service (e.g., FedEx or UPS), on the next business day if designated for next day delivery; (c) if sent by electronic mail (email), on the date of delivery, provided that notice shall also be delivered within two (2) business days by another method permitted under this Section; or (d) if mailed to the party by certified mail, postage prepaid, return receipt requested, on the date that is three (3) days after deposit in the mail. Notices shall be addressed as follows:

To Developer:	Lucid USA, Inc. 317 S. Thornton Road Casa Grande, AZ 85193
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Attention: Jeffrey Conner and Ted Klaassen
Email: jeffreyconner@lucidmotors.com; and
TedKlaassen@lucidmotors.com

With copies to: Snell & Wilmer L.L.P.
One Arizona Center 400
E. Van Buren
Phoenix, AZ 85004-2202
Attention: Brett Rufer
Email: brufer@swlaw.com

To Casa Grande: City of Casa Grande
510 E. Florence Boulevard
Casa Grande, AZ 85122
Attention: Larry Rains, City Manager
Email: larryr@casagrandeaz.gov

With a copy to: City of Casa Grande
510 E. Florence Boulevard
Casa Grande, AZ 85122
Attention: Brett Wallace, City Attorney
Email: bwallace@casagrandeaz.gov

To Pinal County Pinal County
135 N. Pinal Street
Administrative Complex
PO Box 827
Florence, Arizona 85132
Attention: County Manager
Email: leo.lew@pinal.gov

With a copy to: Pinal County
135 N. Pinal Street
Administrative Complex
PO Box 827
Florence, Arizona 85132
Attention: County Attorney
Email: pinalcountyattorney@pinal.gov

Each Party may by notice in writing change its address for the purpose of this Agreement, which address shall thereafter be used in place of the former address.

8.3 **Effective Date of Notices.** All such notices, demands or other communications will (i) if delivered personally or delivered through a same day delivery/courier service be deemed effective upon delivery or refusal to accept delivery by the addressee, and (ii) if delivered by U.S. mail in the manner described above be deemed effective upon the earlier of receipt or three (3) business days after deposit in a post office operated by the United States or with a United States

postal officer (in each case regardless of whether such notice, demand or other communication is received by any other Person to whom a copy of such notice, demand or other communication is to be delivered pursuant to this paragraph). Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee.

8.4 **Waiver of Right to Trial by Jury.** The Parties expressly covenant and agree that in the event of a dispute arising from this Agreement, each Party waives any right to a trial by jury. In the event of litigation, the Parties agree to submit to a trial before the court.

8.5 **Attorneys' Fees.** In the event of commencement of a legal action in an appropriate forum by a Party to enforce any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing Party in any such action shall be entitled to reimbursement of its reasonable attorneys' fees and court costs, including, but not limited to, its costs of expert witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute.

8.6 **Confidentiality.**

A. In connection with this Agreement, Developer may make available to Pinal County and Casa Grande certain financial, statistical, operating and personnel information, including but not limited to reports, plans, policies, financial data, human resources data, schedules, and project management data. As a condition to such information being furnished to Pinal County and Casa Grande, Pinal County and Casa Grande agrees to treat any proprietary, non-public information concerning Developer and its Affiliates irrespective of the form of communication, that will be furnished to Pinal County and Casa Grande by or on behalf of Developer (herein collectively referred to as the "**Confidential Information**"), regardless of the inclusion or exclusion of any confidential markings, in accordance with the provisions of this Agreement, and to take or abstain from taking certain other actions hereinafter set forth.

B. The term Confidential Information shall be deemed to include all notes, analyses, compilations, studies, interpretations, technical manuals, plans, policy and procedure manuals and financial programs, or other documents prepared by Pinal County and Casa Grande, that contain, reflect, or utilize in whole or in part, the information furnished to Pinal County and Casa Grande by Developer. In the opinion of Developer: (1) the Confidential Information is the proprietary property of Developer and is strictly confidential and privileged pursuant to, among other laws, A.R.S. §§44-401, *et seq.*, (2) the release of the Confidential Information provided could cause harm to Developer's competitive position, (3) the Confidential Information is potentially personal and private, and (4) the Confidential Information is exempt from disclosure under the Arizona Public Records and Open Meeting Laws, A.R.S. §39-121, *et seq.* It is acknowledged and agreed by the Parties that the term Confidential Information does not include information that (1) is or becomes generally available to the public other than as a result of an unauthorized disclosure by Pinal County and Casa Grande; (2) was within Pinal County and Casa Grande's possession prior to its being furnished to Pinal County and Casa Grande pursuant hereto, provided that the source of such information was not known by Pinal County and Casa Grande to be bound by a confidentiality agreement with, or other contractual, legal, or fiduciary obligation of

confidentiality to Developer with respect to such information; (3) becomes available to Pinal County and Casa Grande on a non-confidential basis from a source other than Developer or any of its representatives, provided that such source is not known by Pinal County and Casa Grande to be bound by a confidentiality agreement with, or other contractual, legal, or fiduciary obligation of confidentiality to, Developer with respect to such information; (4) is independently developed by the Pinal County and Casa Grande without violating any of its obligations under this letter agreement; or (5) is disclosed by Pinal County and Casa Grande to others in accordance with the terms of prior written authorization of Developer or the remaining provisions of this Section 8.6.

C. Pinal County and Casa Grande agrees that it shall use the Confidential Information solely for the purpose of performance of this Agreement, that the Confidential Information will be kept confidential, and that Pinal County and Casa Grande will not disclose any of the Confidential Information in any manner whatsoever; provided, however, that (1) Pinal County and Casa Grande may make any disclosure of such information which Developer gives its prior written consent; and (2) any of such information may be disclosed to any of its representatives who need to know such information for the sole purpose of performing this Agreement. In any event, Pinal County and Casa Grande shall be responsible for any breach of confidentiality provision by any of Pinal County and Casa Grande's representatives.

D. Pinal County and Casa Grande further agree until the execution of this Agreement that, without the prior written consent of Developer, neither it nor its representatives will disclose to any other Person (other than Persons whose approval of this Agreement is required or requested by the Pinal County and Casa Grande) the fact that discussions or negotiations are taking place concerning possible transactions involving Developer, or any of the terms, conditions, or other facts with respect thereto (including the status thereof), unless, in the opinion of Pinal County and Casa Grande's counsel, such disclosure is required by law and then only with as much prior written notice to Developer as is practical under the circumstances to allow Developer to object to such disclosure.

E. In the event that Pinal County and Casa Grande is requested or required (by deposition, interrogatories, requests for information or documents in legal proceedings, subpoena, civil investigative demand, or other similar process) to disclose any of the Confidential Information, it shall provide Developer with prompt written notice of any such request or requirement so that Developer may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. If, in the absence of a protective order or other remedy or the receipt of a waiver by Developer, Pinal County and Casa Grande nonetheless, in the opinion of its attorney, is legally compelled to disclose Confidential Information, Pinal County and Casa Grande may, without liability hereunder, disclose only that portion of the Confidential Information that the Pinal County and Casa Grande's counsel advises is legally required to be disclosed. To the extent reasonably requested and required to achieve the purposes of this Section, Pinal County and Casa Grande shall, without cost to the Pinal County and Casa Grande except for its own legal costs, cooperate with Developer to obtain an appropriate protective order or other appropriate remedy limiting the disclosure of the Confidential Information otherwise requested or required.

F. Subject to internal record retention policies and in order to evidence proper administration (including retention of documentation demonstrating Developer's compliance with

and satisfaction of requirements of this Agreement), at the reasonable request of Developer, Pinal County and Casa Grande will deliver to Developer Confidential Information furnished to Pinal County and Casa Grande by or on behalf of Developer.

G. Other than the required reports prepared pursuant to this Agreement (and any and all supporting or ancillary documentation relating thereto), the Pinal County and Casa Grande understands and acknowledges that neither Developer nor any of its representatives makes any representation or warranty, expressed or implied, as to the accuracy or completeness of other Confidential Information. Other than the required reports prepared pursuant to this Agreement (and any and all supporting or ancillary documentation relating thereto), Pinal County and Casa Grande agrees that neither Developer nor any of its representatives shall have any liability to Pinal County and Casa Grande relating to or resulting from the use of the Confidential Information.

H. The obligations of Pinal County and Casa Grande pursuant to this Section 8.6 shall not cease until the mutual agreement of the Parties, taking into consideration for this purpose good faith efforts by the Parties to arrive at a specific date for cessation of the Pinal County and Casa Grande's obligations pursuant to this Section 8.6 after request by any one or both of the Parties.

8.7 **Amendment.** No change or addition is to be made to this Agreement except by written amendment executed by all Parties. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Pinal County, Arizona.

8.8 **Governing Law.** This Agreement shall be governed by and construed under the laws of the State of Arizona, including the applicability of A.R.S. §38-511.

8.9 **Severability.** If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses a Party from undertaking any contractual commitment to perform under any provision hereunder, the remaining portions of this Agreement shall remain in full force and effect, and the Parties will negotiate diligently in good faith for such amendments of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.

8.10 **Recordation.** This Agreement shall be recorded in its entirety in the Official Records of Pinal County, Arizona not later than ten (10) days after execution of the Agreement by the Parties.

8.11 **Successors and Assigns.** Developer may assign all or any portion of its rights hereunder to any one or more Persons, on such terms and conditions as Developer may deem appropriate, provided, however, that except for an assignment to an Affiliate which acquires the Property to develop and operate the Project, Developer may not convey all or any portion of its rights hereunder without the prior written consent of Casa Grande and Pinal County, which consent shall not be unreasonably withheld, conditioned or delayed. Notice of the assignment and assumption of Developer's obligations shall be reflected in a document that shall be executed by Developer and the assignee, and recorded by Developer in the land records of Pinal County, Arizona. Upon the recordation of such document and the assignee's written agreement to assume

the obligations under this Agreement corresponding to such assignment, Developer will be released from the obligations assumed by the assignee. An “**Affiliate**” as applied to Developer, means any Person directly or indirectly controlled by Developer. The burdens of this Agreement bind and the benefits of this Agreement inure to the Parties hereto and their successors in interest and assigns as provided in A.R.S. § 9-500.05.D, except to the extent an assignment is not authorized in this Section 8.11.

8.12 **Further Assurances**. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as the other Parties may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of (i) this Agreement as in full force and effect, and (ii) the performance of the obligations hereunder at any time.

8.13 **Time**. Time is of the essence in implementing the terms of this Agreement. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday in the State of Arizona, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday in the State of Arizona.

8.14 **Section Headings**. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.

8.15 **No Partnerships, Third Parties**. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between and among Developer, Pinal County and Casa Grande. No term or provision of this Agreement is intended to, or shall, be for the benefit of any Person not a Party hereto, and no such other Person shall have any right or cause of action hereunder, except for permitted transferees or assignees to the extent that they assume or succeed to the rights and/or obligations of Developer under this Agreement.

8.16 **Counterparts**. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all so executed shall constitute one agreement, binding on the Parties.

8.17 **Nonrecourse**. No Casa Grande Council member, Casa Grande official, representative, agent, attorney or employee and no Pinal County Supervisor, official representative, agent, attorney or employee shall be personally liable to Developer or to any successor in interest Developer, in the event of any default or breach by Casa Grande or Pinal County or for any amount which may become due to Developer or its successor, or with respect to any obligation of Casa Grande or Pinal County under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Developer under this Agreement shall be limited solely to the Property including all improvements located on the Property and shall not extend to or be enforceable against: (i) the other assets of Developer, (ii) the individual assets of any of the individuals or entities who are shareholders, members,

managers, constituent partners, officers or directors of the general partners, managers or members of Developer; or (iii) the officers, shareholders, members or managers or constituent partners of Developer.

8.18 **Estoppel Certificate.** Upon not less than ten (10) days prior written request by a Party, the other Parties shall execute, acknowledge, and deliver to the requesting Party and/or to any current or prospective mortgagee, purchaser, assignee, title insurer, or other appropriate party, a statement in writing certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same are in full force and effect as modified, and setting forth the modifications), setting forth whether or not to the knowledge of the Party making such certificate there is any existing default by any Party and whether or not any notice of default has been served by any Party upon the others and remains outstanding and stating the nature of any such defaults, and such other matters as may be reasonably requested, it being intended that any such statement delivered pursuant to this Section 8.18 may be relied upon by any Party, existing or prospective title insurer, purchaser, assignee, mortgagee, or other appropriate party.

8.19 **Representatives.** To further the cooperation of the Parties in implementing this Agreement and to expedite decisions by Casa Grande and Pinal County relating to the Project, Casa Grande and Pinal County each agree to designate a representative (“**Casa Grande Representative**” and “**Pinal County Representative**” respectively) to act as a liaison between Casa Grande and/or Pinal County and Developer and between the various departments of Casa Grande and Pinal County and Developer. Developer shall also designate a representative (“**Developer Representative**”) who shall serve as a liaison between Developer and Casa Grande and/or Pinal County. The initial Casa Grande Representative shall be its City Manager, the initial Pinal County Representative shall be its County Manager, and the initial Developer Representative shall be its Director of Manufacturing. Each Party shall be entitled to rely on written approvals, consents, or instructions received from the representative of another Party.

8.20 **No Boycott of Israel.** As required by A.R.S. §35-393.01, Developer is not currently engaged in a boycott of Israel, and will not engage in a boycott of Israel during the term of this Agreement.

8.21 **Recitals, Exhibits.** The Recitals set forth herein are incorporated herein by reference and form a part of this Agreement. The Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes. References to Sections or Exhibits are to this Agreement unless otherwise qualified.

8.22 **Entire Agreement.** This Agreement and all Exhibits hereto constitute the entire agreement between the Parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understandings of the Parties, oral or written, are hereby superseded and merged herein.

8.23 **Additional Provisions.** Developer agrees to and does knowingly waive any and all rights to compensation for diminution in value pursuant to A.R.S. §12-1134 that may now or in the future exist as a result of the approval or performance of, and all conditions, terms and agreements contained in this Agreement.

[SIGNATURES APPEAR ON FOLLOWING PAGES]

IN WITNESS WHEREOF, Casa Grande has caused this Agreement to be duly executed in its name and behalf by its Mayor, Pinal County has caused this Agreement to be duly executed in its name and behalf by its Chairman of the Board of Supervisors and Developer has executed the same, on or as of the day and year first above written.

CASA GRANDE:

CITY OF CASA GRANDE,
an Arizona municipal corporation

By: _____

Name: _____

Its: _____

ATTEST:

CITY CLERK

APPROVED AS TO FORM:

CASA GRANDE CITY ATTORNEY

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing was acknowledged before me this ____ day of _____, 2022, by _____, the Mayor of City of Casa Grande, an Arizona municipal corporation, on behalf of the corporation.

Notary Public

My Commission Expires:

PINAL COUNTY:

PINAL COUNTY,
an Arizona political subdivision

By: _____

Name: _____

Its: _____

ATTEST:

COUNTY CLERK

APPROVED AS TO FORM:

PINAL COUNTY ATTORNEY

STATE OF ARIZONA)
) ss.
County of Pinal)

The foregoing was acknowledged before me this ____ day of _____, 2022,
by _____, the Chairman of the Board of Supervisors of Pinal County, an Arizona
political subdivision, on behalf of the corporation.

Notary Public

My Commission Expires:

DEVELOPER:

LUCID USA, INC.,
a Delaware corporation

By: _____

Name: _____

Its: _____

STATE OF _____)
County of _____) ss.

The foregoing was acknowledged before me this ____ day of _____, 2022,
by _____, the _____ of Lucid USA, Inc., a Delaware corporation,
on behalf of the corporation.

Notary Public

My Commission Expires:

EXHIBIT A

Property - Legal Description

[SEE ATTACHED]

EXHIBIT B

Moratorium Statute

[SEE ATTACHED]

9-463.06. Standards for enactment of moratorium; land development; limitations; definitions

A. A city or town shall not adopt a moratorium on construction or land development unless it first:

1. Provides notice to the public published once in a newspaper of general circulation in the community at least thirty days before a final public hearing to be held to consider the adoption of the moratorium.
2. Makes written findings justifying the need for the moratorium in the manner provided for in this section.
3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. A showing of the extent of need beyond the estimated capacity of existing essential public facilities expected to result from new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development, or in the case of water resources, a showing that, in an active management area, an assured water supply cannot be provided or, outside an active management area, a sufficient water supply cannot be provided, to the new land development, including identification of current water resources and the portion already committed to development.
2. That the moratorium is reasonably limited to those areas of the city or town where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based upon the sufficiency of existing essential public facilities.
3. That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium not based on a shortage of essential public facilities under subsection B of this section may be justified only by a demonstration of compelling need for other public facilities, including police and fire facilities. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. For urban or urbanizable land:
 - (a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city or town are not unreasonably restricted by the adoption of the moratorium.

(c) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(d) That the city or town has determined that the public harm that would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands and the overall impact of the moratorium on population distribution.

(e) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

2. For rural land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(c) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium.

(d) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

D. Any moratorium adopted pursuant to this section does not affect any express provision in a development agreement entered into pursuant to section 9-500.05 or as defined in section 11-1101 governing the rate, timing and sequencing of development, nor does it affect rights acquired pursuant to a protected development right granted according to chapter 11 of this title or title 11, chapter 9. Any moratorium adopted pursuant to this section shall provide a procedure pursuant to which an individual landowner may apply for a waiver of the moratorium's applicability to its property by claiming rights obtained pursuant to a development agreement, a protected development right or any vested right or by providing the public facilities that are the subject of the moratorium at the landowner's cost.

E. A moratorium adopted under subsection C, paragraph 1 of this section shall not remain in effect for more than one hundred twenty days, but such a moratorium may be extended for additional periods of time of up to one hundred twenty days if the city or town adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.

2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.

3. Set a specific duration for the renewal of the moratorium.

F. A city or town considering an extension of a moratorium shall provide notice to the general public published once in a newspaper of general circulation in the community at least thirty days before a final hearing is held to consider an extension of a moratorium.

G. Nothing in this section shall prevent a city or town from complying with any state or federal law, regulation or order issued in writing by a legally authorized governmental entity.

H. A landowner aggrieved by a municipality's adoption of a moratorium pursuant to this section may file, at any time within thirty days after the moratorium has been adopted, a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this section have preference on the court calendar on the same basis as condemnation matters and the court shall further have the authority to award reasonable attorney fees incurred in the appeal and trial pursuant to this section to the prevailing party.

I. In this section:

1. "Compelling need" means a clear and imminent danger to the health and safety of the public.

2. "Essential public facilities" means water, sewer and street improvements to the extent that these improvements and water resources are provided by the city, town or private utility.

3. "Moratorium on construction or land development" means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for the subdivision and partitioning of, or construction on, any land. It does not include denial or delay of permits or authorizations because they are inconsistent with applicable statutes, rules, zoning or other ordinances.

4. "Rural land" means all property in the unincorporated area of a county or in the incorporated area of the city or town with a population of two thousand nine hundred or less persons according to the most recent United States decennial census.

5. "Urban or urbanizable land" means all property in the incorporated area of a city or town with a population of more than two thousand nine hundred persons according to the most recent United States decennial census.

6. "Vested right" means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the city, town or county.

EXHIBIT C

Public Roadways and Easements to Vacate

EXHIBIT D

Lease Option Agreement

LEASE AND OPTION TO PURCHASE

[insert once the Lease is finalized]