

**DEVELOPMENT AGREEMENT  
WATERFRONT AT LAKE HAVASU  
APN No. 107-15-015**

This Development Agreement (“Agreement”) is entered into as of January 13, 2026 (“Effective Date”) between Lake Havasu City, an Arizona municipal corporation (“City”) and Island Land Venture, LLC, a Delaware limited liability company (“Developer”). City and Developer are sometimes referred to in this Agreement collectively as the “Parties” or individually as a “Party.”

**RECITALS**

- A. As of the Effective Date, Developer owns real property located in Lake Havasu City, Arizona, consisting of approximately 90.50 acres, legally described in the attached **Exhibit A** (“Property”). Developer wishes to subdivide and develop the Property into a mixed-use project that includes residential, multi-family, commercial, garages, a marina, and a resort (“Project”). The Project will have private roadways that may be gated. The Property will receive City water and wastewater services.
- B. Developer and City are entering this Agreement in accordance with Arizona Revised Statutes § 9-500.05 to facilitate the development of the Property.
- C. Developer and City acknowledge that the development of the Property will require certain infrastructure improvements, including water and wastewater enhancements, and that Developer shall contribute financially and constructively to such improvements as further described in this Agreement.

**AGREEMENT**

Now, therefore, in consideration of the foregoing recitals and the mutual promises and agreements set forth herein, the Parties agree as follows:

- 1. Definitions.**
  - 1.1 “City” means Lake Havasu City, Arizona, an Arizona municipal corporation, and any successor public body or entity.
  - 1.2 “Developer” means Island Land Venture, LLC, and its successors and assigns.
- 2. Dedications.**
  - 2.1 Ingress/Egress. The means of ingress and egress to and from the Property shall remain the property of the property owners on whose property the roadway resides.

## **2.2 Public Utility Easements.**

- 2.2.1** Developer agrees to dedicate public utility easements (“Public Utility Easements”) as shown on final plats for City access to water and wastewater infrastructure serving the Property.
- 2.2.2** Developer shall install water and wastewater infrastructure to service the Property in accordance with all City specifications and requirements. Once completed to City’s satisfaction and after receipt of an Approval of Construction from the Arizona Department of Environmental Quality, Developer agrees to dedicate to City the water and wastewater infrastructure serving the Property. Thereafter, City shall be responsible for all maintenance, repairs, and replacement, of the water and wastewater infrastructure serving the Property in accordance with its existing policies and procedures.
- 2.2.3** Developer or future owner’s association is responsible for replacement or repair of the private roadway following any maintenance, repair, or replacement activities by City to the water and wastewater infrastructure.
- 2.2.4** A portion of the Public Utility Easement may contain certain “dry utilities,” which may include electric, phone, cable, internet, and other similar services. The property upon which the Public Utility Easement lies shall remain the property of the underlying property owners, but the property owners shall maintain their properties to allow for unrestricted access to the Public Utility Easement by the City or utility company as needed.

## **3. Roadway.**

- 3.1 Developer shall repair the asphaltic cuts made on publicly maintained roads as required to install infrastructure. Developer shall repair and install asphaltic concrete and subgrade materials required to adjoin the Property’s private roadways to any publicly maintained road.
- 3.2 Any maintenance, repair, future replacement, and related activities of all asphaltic concrete and subgrade materials within any public right-of-way for the purpose of underground utility maintenance, repair, replacement, etc., shall be the responsibility of the City.
- 3.3 Roadway materials residing within the means of ingress/egress belonging to the Developer or future owner’s association shall be the responsibility of the Developer or future owner’s association, as applicable, and maintained or replaced at the discretion of the Developer or future owner’s association, as applicable.
- 3.4 Developer may construct walls and gates as aesthetically desired, however all

improvements shall meet all requirements of the applicable Development and Building Codes. The private drive providing ingress/egress to the Property may be gated, but may not be located across, over, or upon public property, and all associated access appurtenances and their maintenance shall be the responsibility of the Developer or future owner's association. All materials used and maintenance of, shall be in accordance with City specifications. Appropriate means of and grants of access shall be provided for the City and made available at all times, under all conditions.

- 3.5 If applicable, Developer or future owner's association shall contract with a qualified contractor, properly licensed to work on public utilities for on-call emergency work and all infrastructure located below non-standard roadways.

#### **4. Drainage.**

Developer shall be solely responsible for the design, installation, maintenance, repair, and replacement of all drainage improvements and infrastructure serving the Property. The drainage system shall be constructed in accordance with all applicable City specifications and requirements. No public dedication of drainage infrastructure is contemplated at this time. Accordingly, City shall have no responsibility for any drainage improvements or infrastructure associated with the Property.

#### **5. Infrastructure Contributions and Improvements.**

5.1 Public Infrastructure Mitigation. Developer agrees to pay to City one million dollars (\$1,000,000.00) to mitigate impacts to public infrastructure, including traffic improvements and public safety, resulting from the proposed development. This payment shall be made prior to the issuance of any permits. This amount is in addition to required frontage improvements along the Property, which includes street widening, curbs, sidewalks, turn lanes, driveways, and any traffic improvement required by a traffic study related to the development or by City requirements.

5.2 Water Main Extension. Developer shall be solely responsible for the full cost of designing and constructing a 12-inch water main extension, approximately 3,700 linear feet in length, along McCulloch Boulevard North, as required to provide adequate water capacity to serve the proposed development. All design and construction shall be performed in accordance with City specifications and standards and shall be subject to City review and approval.

5.3 Sewer Lift Station. Developer shall be responsible for the design and construction of a new sewer lift station to serve the proposed development and replace the existing Nautical Lift Station serving the neighboring area. City agrees to contribute to the upsizing costs of the construction of the new sewer lift station to accommodate the flow currently handled by the Nautical Lift Station now serving the neighboring area. The current maximum flow is established as 54 gpm peak demand. This current peak

demand (54 gpm) will be utilized to establish a cost share ratio for the upsizing costs for the new lift station. This cost share ratio is dependent on the development's approved lift station peak demand sizing. All design and construction of the new lift station and related force mains shall be performed in accordance with City specifications and standards and shall be subject to City review and approval.

## **6. Future Plat Review and Amendments.**

- 6.1 The Parties acknowledge that this Agreement is being executed prior to final plat approvals and that certain terms, conditions, and exhibits may require amendment upon submission and approval of the final plats. The Parties agree to negotiate in good faith and execute such amendments as may be reasonably necessary to reflect the final approved plat and any related infrastructure requirements.
- 6.2 Developer shall coordinate with City during the plat review process to ensure that all dedications, easements, and infrastructure obligations described herein are accurately reflected in the final plat. Any discrepancies or changes shall be addressed through amendment to this Agreement.

## **7. Fire Sprinklers.**

Every occupied structure within the Property shall provide a fire sprinkler system in accordance with currently adopted City Codes.

## **8. Developer Representations.** Developer represents and warrants to City that:

- 8.1 Developer has the full right, power and authorization to enter into this Agreement and to perform its obligations and undertakings under this Agreement, and the execution, delivery and performance of this Agreement by Developer has been duly authorized and agreed to in compliance with the organizational documents of Developer.
- 8.2 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.
- 8.3 Developer will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.
- 8.4 As of the Effective Date, Developer knows of no litigation, proceeding or investigation pending or threatened against or affecting Developer, which could have a material adverse effect on Developer's performance under this Agreement that has not been disclosed in writing to City.
- 8.5 This Agreement (and each undertaking of Developer contained herein) constitutes a

valid, binding and enforceable obligation of Developer, enforceable according to its terms.

- 8.6 The execution, delivery and performance of this Agreement by Developer is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which Developer is a party or to which Developer is otherwise subject.
- 8.7 Developer has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of attorneys.
- 8.8 Developer has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

## **9. Events of Default; Remedies.**

9.1 Events of Default by Developer. Default or an Event of Default by Developer under this Agreement shall mean one or more of the following:

- 9.1.1 Any representation or warranty made in this Agreement by Developer was materially inaccurate when made or shall prove to be materially inaccurate during the term; or
- 9.1.2 Developer fails to observe or perform the payment obligations required of it under this Agreement.

9.2 Events of Default by City. Default or an Event of Default by City under this Agreement shall mean one or more of the following:

- 9.2.1 Any representation or warranty made in this Agreement by City was materially inaccurate when made or shall prove to be materially inaccurate during the term; or
- 9.2.2 City fails to observe or perform any other material covenant, obligation or agreement required of it under this Agreement.

9.3 Grace Periods; Notice and Cure. Upon the occurrence of an Event of Default by any Party, such Party shall, upon written notice from a non-defaulting Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within sixty (60) days after receipt of such notice, or, if such Default is of a nature that is not capable of being cured within sixty (60) days shall be commenced within such period and diligently pursued to completion.

9.4 Remedies on Default. Whenever any Event of Default occurs and is not cured (or

cure undertaken) in accordance with this Agreement, the non-defaulting Party may take any of one or more of the following actions:

9.4.1 Remedies of City. City's remedies shall consist of, and shall be limited to collection of all amounts past due and owing herein, withholding building permits, and specific performance.

9.4.2 Remedies of Developer. Developer's remedies upon Default by City shall consist of seeking special action or other similar relief (whether characterized as mandamus, injunction or otherwise), requiring City to undertake and to fully and timely perform its obligations under this Agreement, and such other rights and remedies allowed pursuant to Arizona law.

## 10. Miscellaneous Provisions.

10.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Mohave or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action. The parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced.

10.2 Limited Severability. In the event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring City to do any act in violation of any Applicable Laws, constitutional provision, law, regulation or City code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect.

10.3 Construction. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and each Party hereby waives the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

10.4 Notices.

10.4.1 Addresses. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given by personal delivery, or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing, or by telecopy facsimile machine, or by any nationally recognized express or overnight delivery service (e.g. Federal Express or UPS), delivery charges prepaid:

If to City:

City Manager  
Lake Havasu City  
2330 McCulloch Blvd N.  
Lake Havasu City, AZ 86403  
Telephone: 928-453-4141

With a copy to:

City Attorney  
Lake Havasu City  
2330 McCulloch Blvd N.  
Lake Havasu City, AZ 86403  
Telephone: 928-453-4144

If to Developer:

Island Land Venture, LLC  
2810 N Church St, Suite 77051  
Wilmington, Delaware 19802  
Attention: General Counsel  
[legal@cs1337.com](mailto:legal@cs1337.com)

With a copy to:

Berry Riddell LLC  
6750 E Camelback Road, Suite 100  
Scottsdale, AZ 85251  
Attention: John V. Berry  
[stanfordjb@berryriddell.com](mailto:stanfordjb@berryriddell.com)

10.4.2 Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or five (5) business days after deposit in a post office operated by the United States Postal Service. Any notice sent overnight for delivery before 5:00 p.m. local time the following day by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt or refusal to accept receipt by the addressee. Any Party may designate a different person or entity or change the place to which any notice shall be given.

10.5 Time of Essence. Time is of the essence of this Agreement and each of its provisions.

10.6 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.

10.7 Attorneys' Fees and Costs. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute shall be entitled to reimbursement of its reasonable attorney's fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute.

10.8 Waiver. The Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

10.9 Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement, except for permitted transferees, assignees, or Lenders to the extent that they assume or succeed to the rights and/or obligations of Developer under this Agreement, and except that the indemnified persons referred to in the indemnification provisions of this Agreement shall be third party beneficiaries of such indemnification provisions.

10.10 Exhibits. Without limiting the provisions of Section 1, 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.

10.11 Integration. Except (a) for the Existing Documents, with respect to which this Agreement is supplemental and not superseding; and (b) as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters, hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement, but not the Existing Documents.

10.12 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 any other party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of: (a) this Agreement as in full force and effect; and (b) the performance of the obligations under this Agreement at any time during its term.

10.13 Business Days. 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, 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.

10.14 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original and all so executed shall constitute one agreement, binding on the Parties.

10.15 Non-liability of City Officials. No City Council member, official, representative, agent, attorney or employee of City shall be personally liable to Developer, or to any successor in interest to Developer, in the event of any Default or breach by City or for any amount which may become due to Developer or its successors, or with respect to any obligation of City under the terms of this Agreement.

10.16 Conflict of Interest. This Agreement may be cancelled under Arizona Revised Statutes § 38-511.

10.17 Binding Effect. This Agreement shall run with the land and is binding upon and inures to the benefit of the successors and assigns of the Parties. This Agreement may be assigned or transferred by the Developer, in its sole and absolute discretion, in whole or in part, by written instrument, to any subsequent owner of all or any portion of the Property and the rights and obligations hereby created are assignable in whole or in part by the Developer. Notice of any transfer or assignment in accordance with this Section shall be provided by Developer or the transferor entity (or its successor or assign) to the City. Any future owner of the Property, or portion thereof, shall be bound to the provisions of this Agreement applicable to Developer. Any party taking title to the Property, or a portion thereof, shall be deemed to assume the obligations of the Developer hereunder as applicable to the portion of the Property acquired, and the Developer shall be released from all of said obligations at such time the Developer holds no further interest in the Property.

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IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first set forth above.

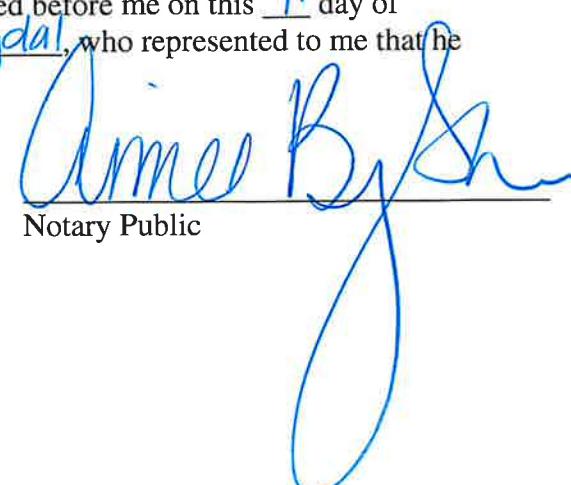
DEVELOPER  
Island Land Venture, LLC  
A Delaware limited liability company

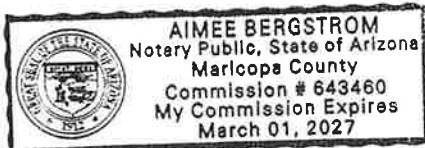
By:

By:   
Name: David Megdal  
Title: Manager

STATE OF ARIZONA )  
 ) ss:  
County of Maricopa )

The foregoing instrument was acknowledged before me on this 7<sup>th</sup> day of JANUARY, 2026, by David Megdal, who represented to me that he executed the same in his authorized capacity.

  
Aimee Bergstrom  
Notary Public



CITY

Lake Havasu City, an Arizona municipal corporation

By: \_\_\_\_\_  
Cal Sheehy, Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: Cal Sheehy  
City Attorney

STATE OF ARIZONA        )  
                              ) SS:  
County of Mohave        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of  
\_\_\_\_\_, 202\_\_\_\_, by \_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**EXHIBIT A**  
**“Property”**

**T13N R20W SEC 16, 21 & 22 WITH IPR PARCEL 107-00-001 SITUATED ON REVISED AREA 13 PITTSBURG POINT RECREATIONAL AREA NAUTICAL INN BEG AT SE COR OF SEC 16; TH S38 DEG 01'58 E 1527.29' TO TPOB; TH N89 DEG 59'38 W 516.41'; TH N16 DEG 13'44 E 291.39'; TH N 09 DEG 11'58 W 425.71'; TH S80 DEG 34'00 W 733.40'; TH N00 DEG 00'22 E 120.13' TO SLY R/W MCCULLOCH BLVD; TH N89 DEG 59'38 W 334.36' TO THE B.C. W/ R=700'; TH WLY THRU C/A =60 DEG 44'44 L=742.15'; TH N29**