

RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

NOTICE OF REVERSION OPTION

THIS NOTICE OF REVERSION OPTION ("Notice") gives notice that as of this _____ day of _____, 2025, the City of Douglas, an Arizona municipal corporation ("City"), has a reversion option on certain real property located at Douglas Municipal Airport 3200 E. Airport Dr., Douglas, Cochise County, State of Arizona, as more specifically described in Exhibit "A" attached hereto ("Property").

1. On _____, 2025, the City and JW Resources, LLC, an Arizona limited liability company ("Buyer") entered into a Purchase and Sale Agreement and Escrow Instructions containing a Reversion Option for the Property ("Agreement"). Capitalized terms used but not defined in this Notice of Reversion Option shall have the meanings given such terms in the Agreement.

2. The Property was transferred to Buyer pursuant to a Special Warranty Deed recorded on _____, 2025 at Fee No. 2025- _____ in the Official Records of the Cochise County Recorder.

3. Pursuant to the Agreement, City and Buyer agreed that if Buyer fails to timely complete the requisite obligations as set forth in Section 13(e), (f), (g) and (m) of the Agreement, the City shall have the option of taking back title to the Property pursuant to the terms and conditions contained in Section 13(x) of the Agreement. In the event the City exercises this option as set forth in Section 13(x) of the Agreement, Buyer agrees to immediately sign any and all documents necessary to provide City title to the Property free and clear of all deeds of trust, mortgages, mechanics' liens and encumbrances that are a result of Buyer's acts. If the Property is transferred back to the Seller for any reason, the City shall pay Buyer the purchase price paid for the Property less the City's costs incurred in connection with the sale and rezoning of the Property and less the City's costs for the extension of the sewer and water lines servicing the Property. With respect to the obligations set forth in Section 13(e), (f), and (g) of the Agreement, the Reversion Option shall be applicable for each phase of the Airport Development. For example, if Buyer timely completes Phase 1 but does not timely complete Phase 2, then the Reversion Option shall apply to Phase 2 and Phase 3 only, or if Buyer timely completes Phase 1 and Phase 2 but does not timely complete Phase 3, then the Reversion Option shall apply to Phase 3 only.

4. The terms, covenants and provisions of the Agreement, the terms of which are hereby incorporated by reference into this Notice, will run with the Property while in effect and shall extend to and be binding upon the respective heirs, devisees, personal and legal representatives, successor and assigns of City and Buyer.

IN WITNESS WHEREOF, City has executed this Notice of Reversion Option as of the day and year first above written.

[SIGNATURE ON NEXT PAGE]

CITY OF DOUGLAS,
an Arizona municipal corporation

By: _____
Ana Urquijo, City Manager

STATE OF ARIZONA)
) ss.
COUNTY OF COCHISE)

The foregoing was acknowledged before me this _____ day of _____, 2025, by Ana Urquijo, the City Manager of the City of Douglas, an Arizona municipal corporation, who acknowledged that he signed the foregoing instrument on behalf of the City.

Notary Public

My Commission Expires:
