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## **Early-Action Community Investment Agreement by and between Santa Cruz County Arizona, Town of Patagonia, City of Nogales, and South32 Hermosa Inc.**

This Early-Action Community Investment Agreement (“Agreement”) is entered into March \_\_, 2026 (the “Effective Date”) by and between Santa Cruz County, Arizona, acting by and through its Board of Supervisors (the “County”), the Town of Patagonia, Arizona, acting by and through its Mayor and Council (“Patagonia”), the City of Nogales, Arizona, acting through its Mayor (“Nogales”), and South32 Hermosa Inc. (“South32”), each of which may be referred to herein individually as a “Party” or collectively as the “Parties.” County, Patagonia, and Nogales may also be referred to together as the “Local Governments.”

### **RECITALS**

Whereas, South32 is a diversified mining and metals company that acquired the Hermosa Project in 2018 which could produce lead, silver, zinc, copper, and manganese mining project under construction located in the Santa Cruz County (the “Project”) and which values community investment pursuant to a rigorous process to support the communities in which it does business; and

Whereas, the Local Governments desire to work with South32 to promote community investment, explore opportunities to develop new community facilities and infrastructure, promote local employment and workforce development, support new business opportunities, and otherwise promote the benefits, the shared economic value, and capacity building opportunities that may come from the development and operation of the Project; and

Whereas, the Parties desire to ensure the protection of water and air resources, conservation of land, opportunities for recreation and preservation of the rural character of the area surrounding the Project; and

Whereas, the Parties intend for this Agreement ensure mutually beneficial outcomes for the Local Governments and South32 and to provide a framework for investment in community-based projects and for achieving the objectives set forth herein; and

Whereas, the University of Arizona, through a collaboration between the College of Engineering, the College of Architecture, Planning, and Landscape Architecture, and the Eller College of Management, prepared and released a capacity gap analysis (“UA Gap Analysis”) that identified the region’s short-term deficits in emergency services, community health infrastructure, early education and childcare, and affordable housing, and ranked these sectors as highest-urgency investment priorities for the Local Governments; and

Whereas, the UA Gap Analysis was intended by its authors to inform the negotiation of agreements between the Parties as to immediate community needs; and

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Now Therefore, in consideration of the mutual promises and covenants contained in this Agreement, and the understanding reflected in the Recitals set forth above, which are hereby incorporated into the following Agreement by this reference, and for other good and valuable consideration, the Parties agree as follows:

## **AGREEMENT**

### **1. Authority**

Authority for this Agreement is pursuant to Arizona Revised Statutes §§ 9-240, 9-244, 11-201, 11-251 and the Nogales City Charter.

### **2. Community Investment / Early-Action Projects**

The Parties have all worked together in good faith to identify opportunities to collaborate regarding the development, funding, and execution of projects that benefit the communities surrounding the Project. The Parties formed a workgroup to create the foundational concepts and structure for implementing these community-investment projects pursuant to a phased Community Protections and Benefits Agreement (“CPBA”). While the Parties are negotiating terms and details of the CPBA, South32 has agreed to provide funding and other support for certain community investment projects, identified herein as “Early-Action Projects,” according to the following terms:

- (a) The Parties have jointly developed a priority list of Early-Action Projects related to five broad categories identified in the UA Gap Analysis: emergency services, community health, early education and childcare, nature-based restorative economy/parks, affordable housing. The Early-Action Projects were selected, in part, based on the community needs identified in the UA Gap Analysis. The list of Early-Action Projects is attached to this Agreement as “Exhibit A.”
- (b) South32 has agreed to fund these Early-Action Projects directly. Prior to funding any of the identified Early-Action Projects, the Parties must execute an individual Statements of Work (“SOW”), which shall detail the scope, timing, resources, and funding requirements in a form substantially similar to the Sample SOW Template attached to this Agreement as “Exhibit B”. The term “Agreement” as used throughout this Agreement shall also include all SOWs executed under the terms of this Agreement. In the event of a conflict between the terms of the Agreement and the terms of an executed SOW, the terms of the Agreement shall prevail.
- (c) The Parties may request a change to the terms of an existing SOW by issuing a Change Order describing the nature of the modification for South32’s written approval and execution, which shall be provided by South32 within twenty (20) days from receipt of the proposed Change Order. A sample Change Order template is included herein as part of Exhibit B.
- (d) Funding for Early-Action Projects will be made by South32 directly to the Party responsible for execution of that specific Early-Action Project according to the terms and timing further outlined in the specific SOW.

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- (e) The Parties may identify additional Early-Action Projects through the regular meetings of the authorized representatives of each of the Parties. These additional Early-Action Projects shall be prioritized by consensus of the authorized representatives of the Parties and tracked on a tracking tool chosen by that team. No additional Early-Action Projects shall become effective or become part of this Agreement until it is detailed in a SOW which is signed by all Parties according to the terms of this Agreement. Any project tracking or other document related to this Agreement but maintained outside this Agreement and the SOW process shall not be legally binding on any Party.
- (f) If an Early-Action Project subject to this Agreement is cancelled for any reason, it shall not be deemed to cancel any other pending Early-Action Projects.

### **3. Additional Future Projects**

The Parties envision additional community-investment and protections projects will be implemented under the CPBA and not this Agreement. These future projects may be responsive to the community needs summarized in the Capacity Gap Analysis, or similar, such as forthcoming pursuant to Spheros Environmental's *CPBA Phase 1 Update Protections Roadmap* (January 2026), and would broadly relate to promotion and enhancement of community health and welfare, promotion and enhancement of community quality of life, enhancement and promotion of arts and culture, enhancement of transportation corridors, promotion and protection of agriculture and open space, promotion and improvement of the environment, promotion and enhancement of police, fire and emergency medical service and response, promotion and enhancement of education and workforce training, promotion and enhancement of economic development opportunities, and promotion and advancement of employment opportunities. These future projects are not intended to fund any of the Local Governments' governmental operational needs, apart from the envisioned building of requisite local capacity to address sustainable development needs. In addition to financial support provided by South32, non-monetary assistance may include staffing support, strategic planning support, matching funding for grants, and collaborative efforts at state and federal levels.

### **4. Information Sharing Between the Parties**

In compliance with all applicable laws, including but not limited to, publicly-traded exchange disclosure requirements as well as state and local regulations and requirements of the Local Governments, South32 and the Local Governments will provide each other with the information necessary to carry out the commitments set forth in this Agreement. When suitable for public review and comment in accordance with applicable environmental laws and permitting regulations, such other documentation as may be reasonably necessary for the Parties to make informed decisions related to the Early-Action Projects for their potential impact on the community, including but not limited to public health, water and air quality. However, the obligations set forth herein shall not be construed to require any Party to provide any confidential business information to any other Party. The Parties agree that information provided related to or under this Agreement shall be provided to all other Parties at the same time and containing the same content.

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## **5. Accountability**

- (a) The Local Governments hereby agree to use commercially reasonable efforts to consider South32's written corporate policies related to the Project's environmental, stewardship, health and safety, or community-engagement objectives and South32 hereby agrees to respect the sovereignty of each of the Local Governments. Each Party will endeavor to conduct all negotiations fairly, honestly, in good-faith and consistent with applicable law.
- (b) The Parties agree to respond to requests from each other promptly, honestly and in a manner that respects the responsibility and authority of the authorized representatives of the Local Governments and the responsibilities and authority of South32's leadership.

## **6. Conflict of Interest; No Personal Liability**

- (a) Pursuant to Arizona law, rules and regulations, no member, official or employee of a Community Group or South32 shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership, or association in which he or she is, directly or indirectly, interested.
- (b) No member, official, or employee of a Local Government shall be personally liable to South32, or any successor or assignee, (i) in the event of any default or breach by a Local Government, (ii) for any amount which may become due to South32 or its respective successor or assign, or (iii) pursuant to any obligation of a Local Government under the terms of this Agreement.
- (c) No member, agent, or employee of South32 shall be personally liable to any Local Government (i) in the event of any default or breach by South32 or any successor or assign, (ii) for any amount which may become due to a Local Government, or (iii) pursuant to any obligation of South32 or any successor or assign under the terms of this Agreement.

## **7. Representations and Warranties by County**

- (a) The Santa Cruz County Board of Supervisors has authorized the County Manager to enter into this Agreement and facilitate the performance of the County's obligations, representations, covenants, and undertakings under this Agreement.
- (b) All consents and approval necessary to the execution, delivery and performance of this Agreement have been obtained, and the County will execute all documents and take all actions reasonably necessary to implement, evidence, and enforce this Agreement.
- (c) The County knows of no litigation, proceeding, initiative, referendum, investigation, or threat of any of the same contesting the powers of the County or its officials with respect to this Agreement.

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- (d) The County has been assisted by legal counsel of its own choosing and has had the opportunity to discuss this Agreement and its consequences with its chosen legal counsel.

## **8. Representations and Warranties by Patagonia**

- (a) The \_\_\_\_\_ has authorized \_\_\_\_\_ to enter into this Agreement and facilitate the performance of Patagonia's obligations, representations, covenants, and undertakings under this Agreement.
- (b) All consents and approval necessary to the execution, delivery and performance of this Agreement have been obtained, and Patagonia will execute all documents and take all actions reasonably necessary to implement, evidence, and enforce this Agreement.
- (c) Patagonia knows of no litigation, proceeding, initiative, referendum, investigation, or threat of any of the same contesting the powers of Patagonia or its officials with respect to this Agreement.
- (d) Patagonia has been assisted by legal counsel of its own choosing and has had the opportunity to discuss this Agreement and its consequences with its chosen legal counsel.

## **9. Representations and Warranties by Nogales**

- (a) The \_\_\_\_\_ has authorized the \_\_\_\_\_ to enter into this Agreement and facilitate the performance of Nogales's obligations, representations, covenants, and undertakings under this Agreement.
- (b) All consents and approval necessary to the execution, delivery and performance of this Agreement have been obtained, and Nogales will execute all documents and take all actions reasonably necessary to implement, evidence, and enforce this Agreement.
- (c) Nogales knows of no litigation, proceeding, initiative, referendum, investigation, or threat of any of the same contesting the powers of Nogales or its officials with respect to this Agreement.
- (d) Nogales has been assisted by legal counsel of its own choosing and has had the opportunity to discuss this Agreement and its consequences with its chosen legal counsel.

## **10. Representations and Warranties by South32**

- (a) South32 has the full right, power, and authorization to enter into and perform this Agreement, and South32's execution, delivery and performance of this Agreement has been duly authorized and agreed to in accordance with its organization documents, and upon this Agreement's Effective Date, it shall be binding and enforceable against South32.
- (b) All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and South32 will execute all documents and

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take all actions necessary to implement, evidence, and enforce this Agreement. South32 knows of no litigation, proceedings, investigation, or threat of any of the same contesting the powers of South32 or its officials with respect to this Agreement.

- (c) The execution, delivery and performance of this Agreement by South32 is not prohibited by, and does not conflict with, any other agreements, laws, instruments or judgments to which South32 is a party or is otherwise subject.
- (d) South32 has been assisted by legal counsel of its own choosing and has had the opportunity to discuss this Agreement and its consequences with its chosen legal counsel.

## **11. Term and Termination**

- (a) This Agreement shall begin on the Effective Date and, unless terminated or extended by the Parties according to the terms herein, shall continue in full force and effect until all Early-Action Projects authorized under this Agreement are completed to the extent described in the associated SOW or any approved changes thereto.
- (b) This Agreement may be extended through an amendment to this Agreement which is signed by all the Parties.
- (c) This Agreement may be terminated as to any one Party in if in the performance of any obligation it has under this Agreement, the Party acted fraudulently, intentionally violated any applicable law or regulation, or committed any other act or omission that may reasonably be interpreted to frustrate the purpose of this Agreement.
- (d) A Local Government may exit this Agreement by providing written notice to all other Parties at least sixty (60) days prior to the effective date of such Local Government's exit. In the event a Local Government exits this Agreement, and unless otherwise terminated by the remaining Parties, the Agreement shall remain in full force and effect for South32 and the remaining Local Government(s).
- (e) The Parties acknowledge that the success of this Agreement relies on maintaining a collaborative partnership among all Parties. Accordingly, South32 may terminate this Agreement as to a specific Local Government if that Local Government acts in any way to impede, undermine, or obstruct the collaborative purpose of this Agreement; provided, however, South32 shall not terminate the Agreement with a Local Government pursuant to this subsection unless it has first exhausted reasonable non-adversarial opportunities to resolve the potential issue with the offending Local Government. Notwithstanding such a termination of an offending Local Government, and subject to subclause (c) above, this Agreement will remain in full force and effect as to South32 and the non-terminated Local Governments,

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and South32 agrees not to reduce its overall financial commitment to support projects under this Agreement as result of such termination of an offending Local Government.

- (f) The Parties may also terminate a specific SOW according to the SOW termination terms contained in each specific SOW. In the event of the termination of this Agreement, the wind-up, conclusion, and/or continuance of projects under the SOWs will be determined according to the termination terms contained in each specific SOW.

## **12. Cooperation**

Each Party to this Agreement will reasonably cooperate in good faith and diligently perform any further acts, deeds, and execute and deliver any documents that may from time to time be reasonably necessary or otherwise reasonably required to consummate, evidence, confirm, and/or carry out the intent and provisions of this Agreement, all without undue delay or expense and without further consideration.

## **13. Dispute Resolution**

In the event of any dispute between any of the Parties regarding the interpretation or performance of the Agreement or any SOW executed pursuant to this Agreement, before resorting to any legal recourse, the Party raising the issue shall provide written notice to the other Parties specifying the nature of the issue and formally commencing the dispute resolution process. Within seven (7) business days of the receipt of the notice of dispute by the receiving Parties, the Party raising the issue shall arrange a meeting, either in person, by telephone, or virtual, with the authorized representatives of each other Party to attempt to resolve the dispute. If the issue cannot be resolved by discussion between the authorized representatives of the Parties within fourteen (14) days following the meeting with the authorized representatives, the Parties shall seek relief first through arbitration and only if that does not resolve the issue, then through court proceedings. The Parties will continue to perform the respective obligations under the Agreement during this dispute resolution process. Nothing in this dispute resolution process shall preclude a Party from initiating court proceedings related to any dispute arising hereunder at any time where the Party seeks urgent or interim declaratory or injunctive relief. For all disputes under this Agreement, each Party shall be responsible for its own costs related to the dispute resolution process.

## **14. Force Majeure**

- (a) A Party shall not be responsible for any failure to perform its obligations under this Agreement if it is prevented or delayed in performing those obligations by a Force Majeure Event. Where there is a Force Majeure Event, the Party prevented from, or delayed in, performing its obligations under this Agreement or a SOW (the “Claiming Party”) must promptly notify the other Parties giving full particulars of the Force Majeure Event and the reasons for the Force Majeure Event preventing or delaying the Claiming Party from performing its obligations under this Agreement. The Claiming Party must use its reasonable efforts to mitigate the effect

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of the Force Majeure Event upon its performance of the Agreement and to fulfil its obligations under the Agreement. The Claiming Party must recommence performance of its obligations as soon as reasonably practicable once the Force Majeure Event no longer prevents or delays such Party's ability to perform its obligations under this Agreement.

- (b) "Force Majeure Event" means an event which is beyond the reasonable control of the Claiming Party, that directly and materially affects the Claiming Party's performance of obligations under this Agreement or a SOW under this Agreement, and could not be reasonably prevented by the Claiming Party, including: war, armed conflict or the serious threat of the same, act of a foreign enemy, civil war, riot, rebellion, revolution, military or usurped power, insurrection, civil disorder, mob violence, act of terrorism, plague, epidemic, pandemic, outbreaks of infectious disease or any other public health crisis, including quarantine or other government mandated employee restrictions, act of God or natural disaster such as but not limited to violent storm, cyclone, monsoon, typhoon, hurricane, tornado, blizzard, earthquake, volcanic activity, landslide, tidal wave, tsunami, flood, damage or destruction by lightning, drought, explosion, fire, destruction of machines, equipment, general labor disturbance such as but not limited to boycott, strike and lock-out, or any other events or circumstances not within the reasonable control of the Claiming Party, whether similar or dissimilar to any of the foregoing.

## **15. Indemnity and Joint Defense**

To the fullest extent permitted by law, each Party (as "Indemnitor") shall defend, indemnify, and hold harmless any other Party (as "Indemnitees"), its officers, officials, employees, agents, volunteers, successors, and assigns ("Indemnified Group") for claims, damages, losses, liabilities and reasonable and customary expenses of any nature whatsoever (including but not limited to attorneys' fees, court costs, the costs of appellate proceedings, and all claim adjusting and handling expense) relating to, arising out of, resulting from or alleged to have resulted from the Indemnitor's acts, errors, mistakes or omissions relating to any action or inaction of this Agreement (collectively "Claims") including but not limited to work, services, acts, errors, mistakes, or omissions in the performance of this Agreement by anyone directly or indirectly employed by or contracting with the Indemnitor, or any person for whose acts and liabilities are the obligation of the Indemnitor. If any Claim is brought against the Indemnified Group, Indemnitor shall have a duty, at its sole cost and expense, to resist or defend such claim or action on behalf of the Indemnified Group but only to the extent that such claims result in vicarious/derivative liability to the Indemnitee and are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees or volunteers, provided, however, that the Indemnitor shall have no obligation to indemnify the Indemnified Group for the Indemnified Group's passive negligence. All insurance recoveries, proceeds, or receipts are separate and independent from the indemnity provisions of this Agreement, and neither the existence of insurance nor the indemnity provisions shall be construed in any way to limit the scope, magnitude, or enforcement of the other provisions. The indemnity provisions of this Agreement shall survive the

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termination of this Agreement only as to the Early-Action Projects completed under this Agreement. If a claim or claims by third parties become subject to this indemnity provision, the Parties shall expeditiously meet to discuss a common and mutual defense, including possible proportionate liability and payment of possible litigation expenses and damages.

## 16. Notices

Unless otherwise specifically provided herein, formal notices, demands or other communications relating to this Agreement, shall be in writing and shall be deemed to have been duly delivered upon personal delivery or upon delivery by expedited courier services or four (4) days after deposited in the United States Mail, postage prepaid, registered or certified, return receipt requested, addressed to the persons identified below, with copies to the following:

*For the County:*

Jesus Valdez  
2150 N Congress Drive  
Nogales, AZ 85621  
Email: [jvaldez@santacruzcountyaz.gov](mailto:jvaldez@santacruzcountyaz.gov)  
With copy to:  
Robert May (Attorney)  
2150 N Congress Drive  
Nogales, AZ 85621  
Email: [rmay@santacruzcountyaz.gov](mailto:rmay@santacruzcountyaz.gov)

*For the Town of Patagonia:*

Town of Patagonia  
Attn: Ron Robinson  
P.O. Box 767  
Patagonia, AZ 85624  
Email: [manager@patagonia-az.gov](mailto:manager@patagonia-az.gov)

With copy to:  
Michael Masee (Attorney)  
P.O. Box 767  
Patagonia, AZ 85624  
Email: [mmasee84@gmail.com](mailto:mmasee84@gmail.com)

*For the City of Nogales:*

Mayor Maldonado  
777 N Grand Ave.  
Nogales, Az 85621  
Email: [jorge.azmixers@gmail.com](mailto:jorge.azmixers@gmail.com)  
With copy to:  
Trish Stuhan  
17851 North 85<sup>th</sup> street, Suite 175  
Scottsdale, AZ 85255

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Email: [Trish@piercecoleman.com](mailto:Trish@piercecoleman.com)

*For South32:*

South32 Hermosa Inc.  
Attn: Pat Risner  
1860 E. River Road, Suite 200  
Tucson, Arizona 85718  
Email: [Pat.Risner@south32.net](mailto:Pat.Risner@south32.net)

With copy to:  
South32 Hermosa Inc.  
Attn: Legal Counsel  
1860 E. River Road, Suite 200  
Email: [Todd.Gwillim@south32.net](mailto:Todd.Gwillim@south32.net)

## 17. Miscellaneous Provisions

- (a) **Governing Law.** This Agreement and any dispute arising out of or in connection with the Agreement is governed by, construed, and interpreted in accordance with the laws of the State of Arizona, without regard to the conflict of laws principles thereof. Any action seeking legal or equitable relief arising out of or relating to this Agreement will be brought only in the courts of the State of Arizona or the United States District Court for the District of Arizona.
- (b) **Relationship.** Nothing in this Agreement creates or is deemed to create any contract relationship of employment, principal and agent, partnership or joint venture between any of the Parties or the employees of any of the Parties, or renders or should be construed to render, any employee of a Party as an employee of any other Party or any Party's affiliates, or provides or should be construed to provide any Party with rights or benefits to which an employee of any other Party or a Party's affiliates is entitled.
- (c) **Waiver.** No waiver by any Party of any breach of any of the terms, covenants or conditions of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same for any other term, covenant or condition herein contained.
- (d) **Attorneys' Fees.** In the event of any actual litigation between the Parties in connection with this Agreement, the Party prevailing in such action shall be entitled to recover from the other Party its reasonable and customary costs and fees, including reasonable attorneys' fees, which shall be determined by the court and not by the jury.
- (e) **Exhibits.** The exhibits attached hereto are incorporated herein by this reference as though fully set forth herein.
- (f) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof and all prior and contemporaneous agreements, representations, negotiations and understandings of the Parties hereto, oral or written are hereby superseded.

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- (g) **No Third-Party Beneficiary.** This Agreement shall not create any third-party beneficiary rights to any person or entity who is not a Party to this Agreement, unless expressly provided to the contrary in this Agreement (and then only to the extent so provided).
- (h) **Binding Agreement.** Subject to any limitation on assignment elsewhere set forth herein, all terms of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective legal representatives, successors and permitted assigns.
- (i) **Assignment.** No Party may assign, transfer, subcontract, or otherwise deal with any of its rights or obligations under this Agreement without the prior written consent of all the Parties, which shall not be unreasonably withheld. However, South32 may, without the consent of the other Parties, assign, transfer, subcontract or otherwise deal with any or all of its rights or obligations under this Agreement at any time to any South32 affiliate.
- (j) **Modification.** This Agreement may be modified only by a written instrument executed by all Parties.
- (k) **Severability.** In the event that any phrase, clause, sentence, paragraph, section, article or other portion of this Agreement shall become illegal, null or void, or against public policy, for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in full force and effect to the fullest extent permitted by law.
- (l) **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall constitute an original but all of which together shall constitute one and the same instrument. Signature and acknowledgement pages may be removed from one counterpart and inserted into another counterpart to form a single document.
- (m) **Consents and Approvals.** Except as may be otherwise set forth in this Agreement, the Parties hereto shall at all times act reasonably with respect to any and all matters which require any Party to review, consent, or approve of any act or matter hereunder.
- (n) **Nondiscrimination.** The Parties agree to comply with all applicable state and federal laws, rules, regulations, and executive orders governing equal employment opportunity, immigration, nondiscrimination.
- (o) **Cancellation.** Pursuant to A.R.S. § 38-511 this Agreement may be canceled within three years after its execution, if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

*(Remainder of page intentionally left blank. Signature page to follow)*

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**IN WITNESS WHEREOF**, the Parties hereto have executed this Early Action Community Investment Agreement as of the Effective Date.

**SOUTH32 HERMOSA INC.:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**SANTA CRUZ COUNTY:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**TOWN OF PATAGONIA:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF NOGALES:**

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

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## **EXHIBIT A**

### **Early Action Community Investment Agreement Early Action Items**

1. Protections Roadmap
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$300,000.
2. Independent Emergency Services Audit: assess the readiness, gaps, and coordination capabilities of emergency services in the region (Countywide).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$200,000.
3. Expand fire and EMS, infrastructure (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$630,000
4. Designs to expand Patagonia main office to create a space for the local Marshall's Office (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$300,000.
5. Patagonia Flood Control Study Phase II (Facilitated by County) (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$380,000
6. Funding to support Mariposa mobile clinic for remote and underserved areas. (Includes equipment and possibly staffing) (Countywide).
  - a. Purchase completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$200,000.
7. Purchase County Mobile Health Vehicle/Clinic to increase convenient access to primary care, immunizations, screenings, and health education (Countywide).
  - a. Purchase completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$100,000.
8. Housing Project study and design for Mariposa residency program (Countywide).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$150,000.
9. Vehicle purchase for Mariposa Clinic transportation programs. (Countywide).
  - a. Purchase completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$220,000.

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10. Design for expansion of clinic for imaging, ER, and crisis counseling. (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding Provided by South32 up to \$500,000
  
11. Create a strategic childcare plan for the entire County. Work toward solutions for capacity, affordability, and quality. Will look for partnerships from private business, government, and nonprofits (Countywide).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$150,000.
  
12. Design and concept drawings for Patagonia daycare birth to 5. (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$150,000
  
13. County wide parks, recreation, and open space master plan. This covers parks, birding, trails (horse, hiking, walking), cycling, sports facilities, natural open spaces, and recreation programming. Includes inventory and needs assessment, economic impact, possible impacts from growth, environmental considerations, and a strategic plan with a CIP (Countywide).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$150,000.
  
14. Design and engineering for Affordable Housing Project (Patagonia).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$350,000
  
15. Update current Santa Cruz County Housing Strategy 22-27 and create an implementation strategy which includes regulatory changes, affordable housing projects, environmental considerations, and infrastructure expansion with CIP. Would emphasize housing for middle income professions such as teachers (Countywide).
  - a. Scope of Work completed within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$150,000.
  
16. Reimbursement for the Sewer and water engineering study (Nogales).
  - a. Funding provided within 12 months of Effective Date.
  - b. Funding provided by South32 up to \$70,000.

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## **EXHIBIT B**

### **Early Action Community Investment Agreement Sample SOW Template**

**SOW# Number:**  
**SOW Effective Date:**

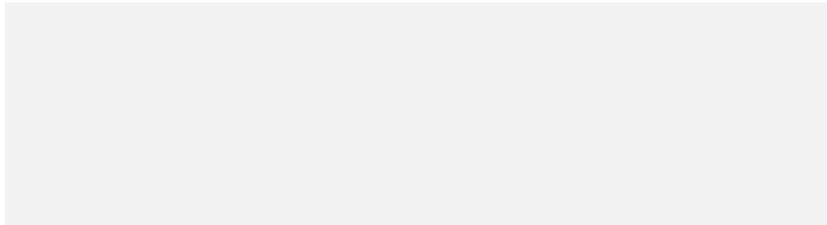
This Statement of Work # (“SOW# ”) is part of the Early Action Community Investment Agreement dated [insert] (“Agreement”), entered into between Santa Cruz County Arizona (the “County”), the Town of Patagonia Arizona (“Patagonia”), the City of Nogales Arizona (“Nogales”), and South32 Hermosa Inc. (“South32”). This SOW is subject to all terms and conditions contained in the Agreement, which will continue in full force and effect. In the event of a conflict between this SOW# and the Agreement, the Agreement shall prevail. Capitalized terms used, but not defined, herein this SOW# , shall have the meaning given in the Agreement.

**Project Title**

**Primary Project Sponsor**

**Sponsor Contact Information**

**Project Location**



#### **Part A – SOW # Project**

The Primary Project Sponsor (the “Sponsor”) shall organize and execute the following SOW# Project in accordance with the terms set forth herein.

**Purpose:**

**Goals/Deliverables/Achievables:** The Sponsor shall be responsible for the following key activities including all labor, supervision, equipment, materials, tools, health and safety obligations, and incidentals related to:

**Assumptions:** The purpose of this SOW# Project is based on the following assumptions:

- a.
- b.

Should any of these assumptions change, the Sponsor will immediately notify all other Parties.

# DRAFT

**Milestones:** The SOW# Project shall be subject to the following Milestones:

**Completion and Measure of Success:** The Project shall be Completed upon meeting the following completion criteria:

**SOW# Administration:** (insert the names of the Representatives of each Party and any other relevant information regarding the management under this SOW# )

Name	Title	Party	Email

## **Part B – Costs and Funding**

The Costs and Funding for SOW# Project performed by the Sponsor and its contractors and representatives in accordance with the Agreement is as follows:

## **Part C – General**

- a. **Term and Termination:** This SOW# shall begin on the SOW 1 Effective Date indicated above in this SOW# and, unless terminated by a Party or the Parties according to the terms of the Agreement, shall remain in full force and effect until Completion of the SOW# Project under this SOW# .
- b. **SOW Termination Impacts:** (Insert impacts or expected continuing and/or wind-down activities that would result from a termination of this SOW# )
- c. **Counterparts:** This SOW# may be executed in counterparts, each of which will be deemed to be an original, but all of which, taken together, will constitute one and the same SOW# .

IN WITNESS WHEREOF, each Party has executed this SOW# by its duly authorized representative, and it shall become effective as of the SOW# Effective Date indicated above:

**DRAFT**

**SANTA CRUZ COUNTY**

**TOWN OF PATAGOINA**

BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____

**CITY OF NOGALES**

**SOUTH32 HERMOSA INC.**

BY: _____	BY: _____
NAME: _____	NAME: _____
TITLE: _____	TITLE: _____
DATE: _____	DATE: _____