

**TOWN OF FLORENCE
REGULAR MEETING
AGENDA**

PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE FLORENCE TOWN COUNCIL AND TO THE GENERAL PUBLIC THAT THE FLORENCE TOWN COUNCIL WILL HOLD A MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 21, 2014, AT 5:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

- 2. ROLL CALL: Mayor Rankin___; Vice-Mayor Smith___;
Councilmembers: Tom Celaya___; Bill Hawkins___;
Ruben Montaña___; Tara Walter___; Vallarie Woolridge___**

3. INVOCATION

4. ADJOURN TO EXECUTIVE SESSION

For the purpose of discussion and consultation of the public body in accordance with A.R.S. 38-431.03(A)(3) and A.R.S. 38-431.03(A)(4) to obtain legal advice from the Town Attorney and to discuss and consider the settlement of pending litigation.

5. ADJOURN FROM EXECUTIVE SESSION

6. PLEDGE OF ALLEGIANCE

7. CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

8. MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.

- a. Ordinance No. MRCFD1 111-14: Discussion and possible approval of AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT**

ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015. (First reading on June 16, 2014 and second reading on July 7, 2014)

9. MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1 BOARD.

10. MOTION TO ADJOURN TO MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.

- a. **Ordinance No. MRCFD2 210-14:** Discussion and possible approval of AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015. (First reading on June 16, 2014 and second reading on July 7, 2014)

11. MOTION TO ADJOURN FROM MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD.

12. PUBLIC HEARING AND PRESENTATIONS

- a. **Public hearing on a Minor** General Plan Amendment to amend the Town of Florence 2020 General Plan to change the land use designations on approximately 1,183 acres from Employment/Light Industrial (E/LI), High Density Residential-1 (HDR-1) and Community Commercial (CC) to Master Planned Community (MPC); and for Discussion/Approval/Disapproval of Resolution No. 1455-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE ARIZONA FARMS MINOR GENERAL PLAN AMENDMENT FOR (CASE PZC-18-14-GPA).
- b. **Public hearing on a Minor** General Plan Amendment to amend the Town of Florence 2020 General Plan to amend the Future Land Use Map contained within the Land Use Element to adjust the Town's conceptual alignment of the proposed North-South ADOT Freeway Corridor, as well as the proposed conceptual alignment of the ADOT Passenger Rail Corridor, based on information collected and analysis completed since the adoption of the 2020 General Plan in 2010 and subsequent amendments; and for Discussion/Approval/Disapproval of Resolution No. 1456-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE NORTH-SOUTH ADOT FREEWAY CORRIDOR MINOR GENERAL PLAN AMENDMENT (PZC-22-14-GPA).

- c. **Public hearing on a Minor** General Plan Amendment to amend the Town of Florence 2020 General Plan to amend the Future Land Use Map for the removal of the Aggregate Resources (AR) Overlay from the proposed Reserve at Lookout Mountain planned community located at the southwest corner of Hunt Highway and the Heritage Road alignment due to the aggregate mining use being permanently eliminated from the subject site; and for Discussion/Approval/Disapproval of Resolution No. 1457-14: A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE RESERVE AT LOOKOUT MOUNTAIN MINOR GENERAL PLAN AMENDMENT (PZC-23-14-GPA).
- d. Presentation by Greater Florence Chamber of Commerce recognizing the Business of the Month

13. **CONSENT:** All items indicated by an (*) will be handled by a single vote as part of the consent agenda, unless a Councilmember or a member of the public objects at the time the agenda item is called.

- a. ***Authorization to enter** into an agreement between Superstition Fire and Medical Department and the Town of Florence for maintenance services for the Town of Florence fire apparatus.
- b. ***Authorization to enter** into an agreement between the City of Mesa, the TRWC and the Town of Florence to become an associate member of TOPAZ.
- c. ***Approval to hire Ripple** Industries for installation of SCADA equipment at well sites and reservoirs, in an amount not to exceed \$70,000.
- d. ***Approval of a lease** with Carol Johnson (Silver King Hair Co.) for Suite 201, in the Silver King Market Place.
- e. ***Approval of the June 18 and June 23, 2014** Town Council Minutes.
- f. ***Receive and file the following board and commission minutes:**
 - i. **April 17, 2014** Planning and Zoning Commission minutes.

14. UNFINISHED BUSINESS

- a. **Ordinance No. 612-14:** Discussion/Approval/Disapproval of AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE

30th DAY OF JUNE 2015. (First reading June 16, 2014, second reading July 7, 2014)

15. NEW BUSINESS

- a. **Resolution No. 1461-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH SUPERSTITION SPRINGS R-14 ASSOCIATES, AN ARIZONA LIMITED PARTNERSHIP; WOLFY'S R.E. HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; AND DAVID C. PHILLIPS, A MARRIED MAN DEALING WITH HIS SOLE AND SEPARATE PROPERTY, HEREAFTER CUMULATIVELY REFERRED TO AS "OWNER", AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-02 – "COMMERCIAL/EMPLOYMENT AND PARKLINKS AT ARIZONA FARMS" PROPERTY).
- b. **Resolution No. 1462-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RES-AZ CRESTVIEW, LLC, A FLORIDA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-02 – CRESTFIELD MANOR "RIALTO" PROPERTY).
- c. **Resolution No. 1463-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG LUCKY HUNT 65, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – "LUCKY HUNT" PROPERTY).
- d. **Resolution No. 1464-14:** Discussion/Approval/Disapproval of A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH MAGIC LAKE 80, LLC, AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – "LOOKOUT MOUNTAIN" PROPERTY).
- e. **Discussion/Approval/Disapproval** of the Town Manager to enter into an amendment to the Town's current contract with Haydon Building Corp., in an amount not to exceed \$172,000 for additional design-build construction services required to complete the proposed Padilla Park at Silver King Plaza project.

- f. **Authorization to enter** into a three-year Employment Agreement with the Town Manager Charles A. Montoya.
- g. **Authorization to enter** into a one-year Employment Agreement with the Town Attorney James E. Mannato.

16. MANAGER'S REPORT

17. CALL TO THE PUBLIC

18. CALL TO THE COUNCIL

19. ADJOURNMENT

Council may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the Town's Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED JULY 15, 2014, BY LISA GARCIA, TOWN CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT WWW.FLORENCEAZ.GOV.

*****PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.*****

**MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 1
SPECIAL MEETING
AGENDA**

PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT BOARD AND TO THE GENERAL PUBLIC THAT THE MERRILL RANCH COMMUNITY FACILITY DISTRICT BOARD WILL HOLD A SPECIAL MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 21, 2014, AT 5:00 P.M. (IMMEDIATELY FOLLOWING THE EXECUTIVE SESSION OF THE FLORENCE TOWN COUNCIL MEETING) IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

- 2. ROLL CALL** Chair Tom Rankin___, Vice-Chair Tom Smith___,
Board Members: Vallarie Woolridge___, Tom Celaya___,
Ruben Montaña___, Bill Hawkins___, and Tara Walter___.

3. NEW BUSINESS

- a. **Ordinance No. MRCFD1 111-14:** Discussion and possible approval of AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015. (First reading on June 16, 2014 and second reading on July 7, 2014)

4. ADJOURNMENT

The Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

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**MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2
SPECIAL MEETING
AGENDA**

PURSUANT TO A.R.S. § 38-431.02, NOTICE IS HEREBY GIVEN TO THE MEMBERS OF THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD AND TO THE GENERAL PUBLIC THAT THE MERRILL RANCH COMMUNITY FACILITY DISTRICT NO. 2 BOARD WILL HOLD A SPECIAL MEETING OPEN TO THE PUBLIC ON MONDAY, JULY 21, 2014, AT 5:00 P.M. (IMMEDIATELY FOLLOWING THE EXECUTIVE SESSION OF THE FLORENCE TOWN COUNCIL MEETING) IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 N. MAIN STREET, FLORENCE, ARIZONA.

1. CALL TO ORDER

- 2. ROLL CALL:** Chair Tom Rankin___; Vice-Chair Tom Smith___;
Board Members: Tom Celaya___; Bill Hawkins___;
Ruben Montaña___; Tara Walter___; Vallarie Woolridge___;

3. NEW BUSINESS

- a. **Ordinance No. MRCFD2 210-14:** Discussion and possible approval of AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015. (First reading on June 16, 2014 and second reading on July 7, 2014)

4. ADJOURNMENT

The Board may go into Executive Session at any time during the meeting for the purpose of obtaining legal advice from the District Attorney(s) on any of the agenda items pursuant to A.R.S. § 38-431.03(A)(3).

POSTED JULY 15, 2014, BY LISA GARCIA, BOARD CLERK, AT 775 NORTH MAIN STREET, 1000 SOUTH WILLOW STREET, FLORENCE, ARIZONA, AND AT WWW.FLORENCEAZ.GOV.

PURSUANT TO TITLE II OF THE AMERICANS WITH DISABILITIES ACT (ADA), THE TOWN OF FLORENCE DOES NOT DISCRIMINATE ON THE BASIS OF DISABILITY REGARDING ADMISSION TO PUBLIC MEETINGS. PERSONS WITH A DISABILITY MAY REQUEST REASONABLE ACCOMMODATIONS BY CONTACTING THE TOWN OF FLORENCE ADA COORDINATOR, AT (520) 868-7574 OR (520) 868-7502 TDD. REQUESTS SHOULD BE MADE AS EARLY AS POSSIBLE TO ALLOW TIME TO ARRANGE THE ACCOMMODATION.



Community Facilities District No. 1 ACTION FORM

AGENDA ITEM 8a.

MEETING DATE: July 21, 2014

DEPARTMENT: Finance

STAFF PRESENTER: Mike Farina, District Treasurer

SUBJECT: Adoption of Ordinance No. MRCFD1 111-14 to
levy secondary property tax

- Action
 Information Only
 Public Hearing
 Resolution
 Ordinance
 Regulatory
 1st Reading
 2nd Reading
 Other

RECOMMENDED MOTION/ACTION:

Adopt Ordinance No. MRCFD1 111-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

BACKGROUND/DISCUSSION:

The District Board has authorized a secondary property tax levy for the payment of debt service, public improvements, and operations and maintenance of Community Facilities District No. 1. The current property tax rate is \$3.55 per \$100 of Net Assessed Valuation ("NAV").

The estimates for Fiscal Year 2014-2015 have been determined. This year's budget includes anticipated revenues from assessments and secondary tax. Expenditures include those for public improvements, debt service, and operations and maintenance.

FINANCIAL IMPACT:

Total collections in revenues, prior year fund balance and bond proceeds are anticipated to fund all expenditures. A secondary tax will be levied on the District, which consists of \$3.25 per \$100 of NAV estimated at \$504,900 for debt service, and an operations and maintenance levy of \$0.30 per \$100 of NAV estimated at \$46,600, for a total of \$3.55 per \$100 of NAV or \$551,500.

STAFF RECOMMENDATION:

Adopt Ordinance No. MRCFD1 111-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of NAV for Fiscal Year 2014-2015.

ATTACHMENTS:

Ordinance No. MRCFD1 111-14

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1

ORDINANCE NO. MRCFD1 111-14

AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 1, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.

WHEREAS, by the provision of State Law, the Ordinance levying a secondary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

WHEREAS, the County of Pinal is now the assessing and collecting authority for the Merrill Ranch Community Facilities District No. 1, the District Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona;

NOW, THEREFORE, BE IT ORDAINED by the District Board of Merrill Ranch Community Facilities District No. 1, as follows:

Section 1: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Merrill Ranch Community Facilities District No. 1, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$3.25** on each one hundred dollars (\$100.00) for the purpose of providing debt service and enhanced municipal services, and **\$.30** on each one hundred dollars (\$100.00) for operations and maintenance of the district, for a combined rate of **\$3.55** on each one hundred dollars (\$100.00) for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 2: No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes thereon, and no overcharge as to part of the

taxes or of costs will invalidate any of the proceeding upon the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

Section 3: All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

Section 4: The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Merrill Ranch Community Facilities District No. 1, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the District Board and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the District Board of Merrill Ranch Community Facilities District No. 1, Pinal County, Arizona, the 21st day of July 2014.

Tom J. Rankin, District Board Chairperson

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, District Clerk

James E. Mannato, District Attorney



Community Facilities District No. 2 ACTION FORM

AGENDA ITEM 10a.

MEETING DATE: July 21, 2014

DEPARTMENT: Finance

STAFF PRESENTER: Mike Farina, District Treasurer

SUBJECT: Adoption of Ordinance No. MRCFD2 210-14 to
levy secondary property tax

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

Adopt Ordinance No. MRCFD2 210-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

BACKGROUND/DISCUSSION:

The District Board has authorized a secondary property tax levy for the payment of debt service, public improvements, and operations and maintenance of Community Facilities District No. 2. The current property tax rate is \$3.55 per \$100 of Net Assessed Valuation ("NAV").

The estimates for Fiscal Year 2014-2015 have been determined. This year's budget includes anticipated revenues from assessments and secondary tax. Expenditures include those for public improvements, debt service, and operations and maintenance.

FINANCIAL IMPACT:

Total collections in revenues, prior year fund balance and bond proceeds are anticipated to fund all expenditures. A secondary tax will be levied on the District, which consists of \$3.25 per \$100 of NAV estimated at \$476,900 for debt service, and an operations and maintenance levy of \$0.30 per \$100 of NAV estimated at \$44,000, for a total of \$3.55 per \$100 of NAV or \$520,900.

STAFF RECOMMENDATION:

Adopt Ordinance No. MRCFD2 210-14, adopting a secondary property tax levy in the amount of \$3.55 per \$100 of NAV for Fiscal Year 2014-2015.

ATTACHMENTS:

Ordinance No. MRCFD2 210-14

MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2

ORDINANCE NO. MR CFD2 210-14

AN ORDINANCE OF MERRILL RANCH COMMUNITY FACILITIES DISTRICT NO. 2, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE COMMUNITY FACILITIES DISTRICT SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR COMMUNITY FACILITIES EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.

WHEREAS, by the provision of State Law, the Ordinance levying a secondary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

WHEREAS, the County of Pinal is now the assessing and collecting authority for the Merrill Ranch Community Facilities District No. 2, the District Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona;

NOW, THEREFORE, BE IT ORDAINED by the District Board of Merrill Ranch Community Facilities District No. 2, as follows:

Section 1: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Merrill Ranch Community Facilities District No. 2, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$3.25** on each one hundred dollars (\$100.00) for the purpose of providing debt service and enhanced municipal services, and **\$.30** on each one hundred dollars (\$100.00) for operations and maintenance of the district, for a combined rate of **\$3.55** on each one hundred dollars (\$100.00) for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 2: No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes thereon, and no overcharge as to part of the

taxes or of costs will invalidate any of the proceeding upon the lien therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

Section 3: All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

Section 4: The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Merrill Ranch Community Facilities District No. 2, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the District Board and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the District Board of Merrill Ranch Community Facilities District No. 2, Pinal County, Arizona, the 21st day of July, 2014.


Tom J. Rankin, District Board Chairperson

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, District Clerk

James E. Mannato, District Attorney

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|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 12a. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: Resolution No. 1455-14: Arizona Farms Minor General Plan Amendment (PZC-18-14-GPA) | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1 st Reading <input type="checkbox"/> 2 nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Conduct public hearing, and motion to adopt Resolution No. 1455-14 for the Arizona Farms Minor General Plan Amendment.

REQUEST:

A Minor General Plan Amendment (GPA) request by The WLB Group, Inc. on behalf of: El Dorado Arizona Farms, LLC; Langley AZ Farms 150, LLC; Wolfy’s R. E. Holdings, LLC; David C. Phillips c/o BGH Associates, LLC; and Superstition Springs R-14 Association. This Minor GPA to the Town’s 2020 General Plan Future Land Use Map proposes to change the land use designations on approximately 1,183 acres from Employment/Light Industrial (E/LI), High Density Residential-1 (HDR-1) and Community Commercial (CC) to Master Planned Community (MPC). This change would facilitate a subsequent zoning case on the site, which is generally located on the south side of Arizona Farms Road, east of the Quail Run Lane alignment, north of the Heritage Road alignment and west of Felix Road. The Copper Basin Railroad bisecting the site and the commercial parcel at the immediate southwest corner of Felix Road and Arizona Farms Road are not a part of this application.

BACKGROUND:

The proposed project known as Arizona Farms encompasses 1,183 acres located near the intersection of Arizona Farms Road and Felix Road in Pinal County, Arizona.

The intent of this General Plan Amendment is to amend the land use designation on the site from Employment/Light Industrial (E/LI), High Density Residential-1 (HDR-1) and

Community Commercial (CC) to Master Planned Community (MPC). This designation is appropriate for the property and in the future considering surrounding designations. The minimum size for any property to apply for the MPC designation is 640 acres or greater. All properties within the MPC shall be under the control of one master developer, have a Planned Unit Development (PUD) zoning classification and be subject to a development agreement between the Town and master developer. Factors such as locations, uses, areas, intensities and densities within the MPC shall be flexible, providing land use decisions regarding said factors are guided by good planning principles, a PUD development guide and the governing development agreement. The applicant meets all the minimum requirements for the MPC designation.

The proposed project intends to provide a mixture of uses that will provide diversity in housing, commercial conveniences and employment. This property lies at the confluence of several planned major transportation corridors, those being the major arterial roadways (Arizona Farms Road, Felix Road and Attaway Road) as well as the future North-South ADOT Freeway Conceptual Corridor.

The project is currently zoned Planned Area Development in Pinal County. Upon annexation, the site would receive comparable Planned Unit Development (PUD) Zoning District. In addition, there may be a zoning amendment.

ANALYSIS:

When the Planning and Zoning and Town Council are considering an amendment to the General Plan, the applicant must justify the need for Minor Amendment to the General Plan through a series of questions:

1. Why is the current land use/circulation classification not suitable?

An industrial user was in purchase negotiations with a previous land owner to develop the site as a solar power generation facility; however, the project did not move forward. Fortunately, though, this enabled the current landowners to re-assess the highest and best use of the property, and arrive at the determination that the property is highly suitable for a mixture of residential, commercial and employment land uses, which is consistent with the project's current zoning.

2. Does the proposal conform with land use goals?

A. Support the goals and policies of the General Plan;

This proposed amendment would contribute to the future growth of the Town of Florence in a manner that provides balanced growth. Also, It will provide for a healthy balance between residential, commercial and employment land uses and assist in providing for an orderly pattern of land use types and intensities,

especially in areas such as this that are being converted from agricultural uses to residential uses. This will allow both the property owner and the Town of Florence to properly plan for the future infrastructure and services that would be required to serve this project.

B. Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and

This amendment proposes a wide range of land uses(under the umbrella of the MPC land use designation), including different densities of residential and commercial. The residential densities for the property will be consistent with the density ranges in the town of Florence 202 General Plan and will be established during the future amendment to the zoning of the property.

As for intensity of uses, the project has located intense commercial/employment areas in the northern and northeastern portions of the property. This area of the property lies adjacent to property at the southwest corner of Arizona Farms Road and Felix Road that is currently zoned B-2 (Highway Business Commercial). This property is also adjacent to planned major arterials (Arizona Farms Road and Attaway Road) as well as near the planned corridor for the North-South ADOT Freeway. As such, the vision for the property respects the hierarchy of roadways that are shown in the Circulation Element of the Town of Florence 2020 General Plan.

C. Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?

This proposal places more intense land uses along the future major transportation corridor of Arizona Farms Road and the North-South ADOT Freeway Conceptual Corridor.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

The property is currently being farmed and has been for many years. As such, any natural features have been removed from the property to make it suitable for farming. The property slopes generally from east to west at a slope of less than 1%. There are no significant physical features on the site that would prevent development.

The Copper Basin Railroad runs through the western portion of the site and the 2020 General Plan Map identifies this corridor for open space purposes. A negative for the railroad is that it poses challenges for vehicular connections within the site. Hence, no internal vehicular connections over the railroad are proposed and

presence also means that appropriate buffering will be needed to occur between the railroad and adjacent residential properties.

4. What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?

The property is located within the Certificate of Convenience and Necessity (CC&N) of Johnson Utilities Company (JUC) for water and sewer. This plant is located approximately one mile west of the western boundary of the site. There are existing force mains in Heritage Road and Felix Road. There is an existing wastewater treatment plant (named the Section 11 Plant) located within the Oasis at Magic Ranch project. There are 12" water lines in Arizona Farms Road, Heritage Road and Felix Road.

5. What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?

Police and fire protection for the property would be served by the Town of Florence. Also, with annexation, this property would be subject to the Development Impact Fees of the Town, as negotiated in a Pre-Annexation and Development Agreement. A portion of these fees goes toward police protection as well as fire/emergency medical services. The payment of these fees would assist in ensuring that proper services are available to this property.

The main police station is located in downtown Florence, approximately 12 miles southeast. A police substation has been included in Fire Station No. Two within the Anthem community along Hunt Highway.

6. What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?

The future development of this property will provide open space consistent with the Parks, Trails and Open Space Element of the General Plan. It will also provide open space consistent with the requirements of the Planned Unit Development Zoning District, the details of which will be outlined in a future application for rezoning. It is likely that any proposed park or open space on this property would be private and owned and operated by a homeowners association.

The property is located within the boundaries of the Florence Unified School District. Walker Butte K-8 School is located in Johnson Ranch and Anthem K-8 School and located within the Anthem at Merrill Ranch Community. Students would have the

option of attending either Poston Butte High School or Florence High School. At the time of re-zoning, the property owner will meet with representatives from the Florence Unified School District to determine the future needs of the district and arrive at a preliminary understanding of how the future students residing within the subject property might have their educational needs met. It is possible that the developer of the project could provide a parcel of land for a future school site and could provide financial contributions on a rooftop basis or reach another form of agreement with the Florence School District.

The future residents of this property would also enjoy the use of the public library system. With annexation, this property will be subject to the Development Impact Fees of the Town, as negotiated in a Pre-Annexation and Development Agreement, and a portion of these fees goes toward the library. The payment of these fees will assist in ensuring that proper services are available to this property.

7. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decrease in population and development that could occur as a result of the General Plan amendment?

First of all and as previously discussed, this property, once annexed, would be subject to the Development Impact Fees of the Town of Florence, as negotiated in a Pre-Annexation and Development Agreement. With the future payment of these fees, the property would contribute to transportation, general government, police, fire/emergency medical services, parks and community facilities and the library.

Also, the proposed amendment anticipates approximately 75 acres of Employment/Commercial land area. Based on this acreage and based on an approximate floor area ratio (FAR) of .22 for commercial property, it may be reasonable to expect approximately 480,000 square feet of gross leasable area within the Arizona Farms Development. This number is only a preliminary estimate and subject to prevailing market conditions. If the property is annexed, the Town of Florence would capture sales tax on transactions that occurred at this future commercial area, providing additional operating revenue for the Town.

8. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

This project will meet all local, State and Federal regulations that are applicable to the future uses as proposed by this application. The property will connect to the private water and wastewater system of Johnson Utilities Company, which is governed by the Arizona Corporation Commission and the Arizona Department of

Environmental Quality. As such, the project will contribute to the protection of the water resources in the area.

The project also does not propose any uses that will emit extraordinary pollutants into the air. Energy needs, such as electric power and natural gas, may be provided by Arizona Public Service, Southwest Gas or Magma Gas (or other private utility company). By planning the future land uses of the property today, these utility companies will also be able to plan and anticipate serving this property in the future. They will be able to estimate the number of future customers and develop preliminary strategies to provide service to this new area without sacrificing service to existing customers.

As previously mentioned, this property, with annexation, would pay Development Impact Fees to the Town of Florence, as negotiated in a Pre-Annexation and Development Agreement. These fees would be used in part by the Town to pay for services and amenities that are demanded by both its current and future residents. Also, the introduction of commercial uses would generate sales tax revenue that may provide additional financial resources required to meet the service and amenity demands of present and future residents of the Town of Florence.

9. What changes, if any, in Federal or State Laws or policies substantiate the proposed amendment?

This requested General Plan amendment is consistent with the statutes of the State of Arizona as well as with the amendment procedures established by the Town of Florence for amendments to the Town of Florence 2020 General Plan.

FINDINGS:

- The Master Planned Community (MPC) designation has been identified for suitable areas within the Town's Planning Area;
- The proposed designation will provide a mixture of uses that will provide diversity in housing, commercial conveniences and employment;
- The properties in the subject area should be affected in a positive way by this General Plan Amendment as the amendment may encourage more diverse housing types and additional market base for employment and in retail goods and services; and
- The proposed Minor General Plan Amendment is in compliance with the goals, objectives and strategies of the Town's 2020 General Plan.

PUBLIC PARTICIPATION:

The Town has reached out to all Town residents and other property owners through a public participation process that includes:

- A notice for the Planning and Zoning Commission public hearings was mailed to all property owners within three hundred (300) feet of the site;
- Property Posting (Signs) - Notice of Public Hearing for a Minor General Plan Amendment was posted on the site;
- Advertisements in the local Town paper;
- One public hearing for the Planning and Zoning Commission; and
- Town Council public hearing.

Staff notes that a few property owners expressed interest in this case at the Planning and Zoning Commission public hearing on June 19, 2014 because of their concerns with the proposed State Land Zoning Case (PZC-22-14-PUD).

STAFF RECOMMENDATION:

Conduct public hearing, and in accordance with the findings presented on this request, staff recommends adoption of Resolution No. 1455-14 for approval of this Minor General Plan Amendment, subject to the following conditions:

- Any conditions deemed necessary by the Town Council.

ATTACHMENTS:

Resolution No. 1455-14

Exhibit A

The Arizona Farms Minor General Plan Amendment Book

RESOLUTION NO. 1455-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE ARIZONA FARMS MINOR GENERAL PLAN AMENDMENT FOR (CASE PZC-18-14-GPA).

WHEREAS, a Minor General Plan Amendment (Minor GPA) is requested for property located on the south side of Arizona Farms Road, east of the Quail Run alignment, north of the Heritage Road alignment and west of Felix Road; and

WHEREAS, a significant public participation process, including the holding of a public hearing of the Town of Florence Planning and Zoning Commission, has been followed for the Minor GPA; and

WHEREAS, the Planning and Zoning Commission of the Town of Florence has considered all public comments made at the public hearing; and

WHEREAS, the Planning and Zoning Commission sent a unanimous favorable recommendation to the Town Council on the Arizona Farms Minor GPA; and

WHEREAS, said proposal has been considered by the Council and the Minor GPA has been found to: be appropriate; be consistent with the goals, objectives and strategies of the Town's General Plan; have a positive impact on the overall balance and mixture of land uses in the Town's General Plan; be consistent with good planning principles; be beneficial for the Town's orderly growth; and be favorable to the general welfare, health and safety of the public. Thus, a determination has been made that the Minor GPA should be approved.

BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

The Mayor and Council of the Town of Florence hereby approve the subject Minor General Plan Amendment as presented in Exhibit A.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 21st day of July, 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

Town of Florence

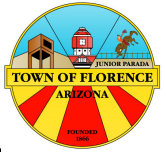
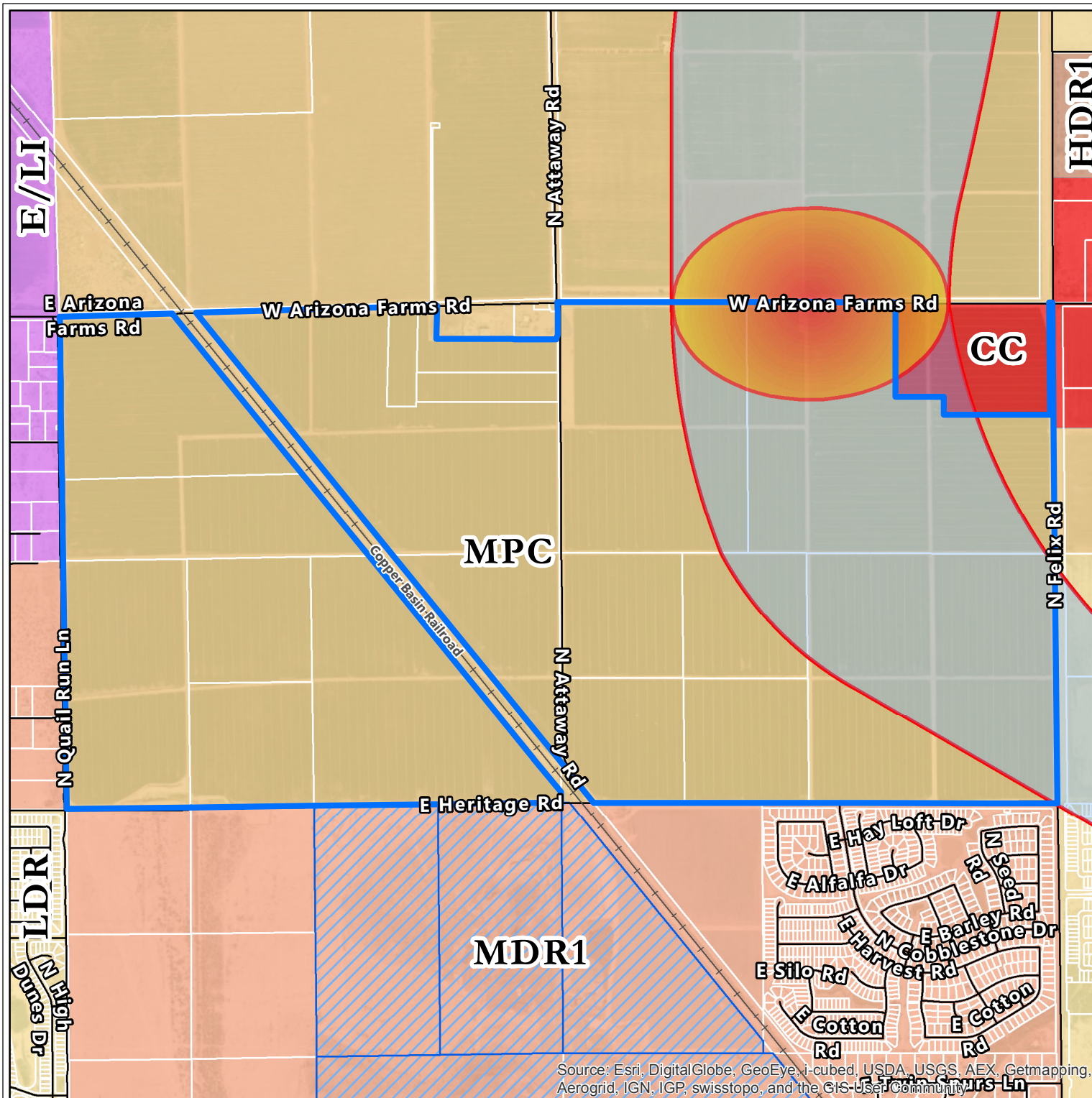


Exhibit A Proposed 2020 General Plan Designation

Arizona Farms



- Site Location
- Low Density Residential (LDR)
- Medium Density Residential 1 (MDR1)
- High Density Residential 1 (HDR1)
- Community Commercial (CC)
- Employment/Light Industrial (E/LI)
- Master Planned Community (MPC)
- North-South ADOT Freeway
Conceptual Interchanges
- North-South ADOT Freeway
Conceptual Corridor



This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.

Source: Esri, DigitalGlobe, GeoEye, i-cubed, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community

An aerial photograph showing a mix of agricultural fields in various shades of green and brown, and a residential area with houses and roads. The text is overlaid on the center of the image.

ARIZONA FARMS

Application for Minor General Plan Amendment

April 28, 2014

Prepared By:
The WLB Group, Inc.
Contact Persons:
Robert G. Longaker III, P.L.A., Project Manager
Clay Goodwin, Planner
4444 East Broadway Boulevard
Tucson, AZ 85711
(520) 881-7480

WLB Nos. 198026-C-001
198026-D-001

The
WLB
Group **WLB**

Table of Contents

Section 1: Application for Minor General Plan Amendment

Section 2: Project Narrative

Section 3: Owner's Authorization Forms

Section 4: Legal Descriptions

Section 5: Exhibits

- Exhibit A: Vicinity Map
- Exhibit B: Tax Assessor Parcel Maps
- Exhibit C: Aerial Photograph
- Exhibit D: Existing General Plan Land Use Designations
- Exhibit E: Proposed General Plan Land Use Designation
- Exhibit F: Conceptual Land Use & Circulation Concept

Section 1: Application for Minor General Plan Amendment

APPLICATION FOR GENERAL PLAN AMENDMENT

PROJECT NAME: Arizona Farms

APPLICATION TYPE: Major Minor Text (Major)

1. Property Owner: **Name:** See attached list of property owners
Address: _____

Phone: _____ **Fax:** _____
Email: _____

2. Applicant **Name:** The WLB Group, Inc. Attn: Rob Longaker
Address: 4444 E. Broadway Blvd.
Tucson, Arizona 85711
Phone: 520-881-7480 **Fax:** 520-881-7492
Email: rlongaker@wlbgroup.com

3. Address or Location of Property: See attached Exhibit A: Site Location Map.

4. Legal Description of Property: If applicable, include Lot(s), Block(s), and Subdivision Name:
A portion of Section 6, Township 4 South, Range 9 East and a portion of
Section 1, Township 4 South, Range 8 East, Pinal County, Arizona.

Tax Parcel Numbers: 20031007K, 20031007B, 20031007L, 20031007D, 20031007E, 20031007G,
20031007F, 20024001R, 20024001U, 20024001V, 20024001T, 20024001W,
20024001Y, 20024001Z, 20024001S, 200240920, 200240930, 20024001Q
Gross Acres: 1,183± Ac.

5. Current Land Use Classification(s): Employment/Light Industrial, High Density Residential-1 (HDR-1)
and Community Commercial

6. Proposed Land Use Classification(s): Master Planned Community (MPC)

Rob Longaker WLB GROUP 4.25.14
SIGNATURE OF PROPERTY OWNER or REPRESENTATIVE DATE

FOR STAFF USE ONLY:

| | |
|------------------------|---------------------------------|
| CASE NO. _____ | APPLICATION DATE AND TIME _____ |
| PERMIT NO. _____ | FEE \$ _____ |
| PZ HEARING DATES _____ | |
| TC HEARING DATE _____ | REVIEWED BY: _____ |

List of Property Owners

| <u>Name of Property Owner</u> | <u>Tax Parcel Numbers</u> |
|---|---|
| <ul style="list-style-type: none">• El Dorado Arizona Farms, LLC. 426 N. 44th Street Phoenix, Az 85008 | 200-31-007D, 200-31-007E, 200-31-007G, 200-24-001R, 200-24-001W, 200-31-007L, 200-24-001Q, 200-24-001Y, 200-24-001Z, 200-24-0930, 200-24-001S, 200-31-007B, 200-31-007F, 200-24-0920 |
| <ul style="list-style-type: none">• Langley Az Farms 150, LLC. 2738 E. Guadalupe Rd. Gilbert, Az 85234 | 200-31-007K |
| <ul style="list-style-type: none">• Wolfy's R E Holdings, LLC. 2453 N. Keystone Dr. Flagstaff, Az 86004 | 200-24-001U |
| <ul style="list-style-type: none">• Phillips, David C. c/o BGH Associates, LLC 2453 N. Keystone Dr. Flagstaff, AZ 86004 | 200-24-001V |
| <ul style="list-style-type: none">• Superstition Springs R-14 Association 2453 N. Keystone Dr. Flagstaff, Az 86004 | 200-24-001T |

Section 2: Project Narrative

Executive Summary

This project narrative has been prepared in support of an application for a minor amendment to the Town of Florence 2020 General Plan. This application is specific to approximately 1,183 acres located near the intersection of Arizona Farms Road and Felix Road. Refer to Exhibit A: Vicinity Map for the project location.

This property is currently located outside of the incorporated limits of the Town of Florence; however, it is located within the Planning Area of the Town and is included in the Future Land Use Map of the Town of Florence 2020 General Plan. Furthermore, the property is included within the proposed Arizona Farms and Magic Ranch annexation areas. Petitions have been circulated to all property owners within the annexation areas and it is anticipated that the annexation process will be completed by the fall of 2014. The owners of this property look forward to becoming part of the Town of Florence and would like to take this opportunity to plan for future use of the property. As such, this application for a minor amendment to the Town of Florence 2020 General Plan is being submitted. It is expected that after the proposed amendment to the General Plan is reviewed and approved, an application for Planned Unit Development zoning on this property would be submitted. A pre-annexation development agreement is also anticipated.

In order to best plan for the future growth, it is logical to plan now and envision the types of land uses that are most appropriate for the property. The uses proposed by this application are the ones that we believe will best meet the demand of the market and those that will best serve to assist the Town of Florence in meeting its goals and objectives as outlined in the General Plan. We believe that the land uses proposed by this application for this property are consistent with the elements of the General Plan and will contribute to orderly and planned growth in the Town of Florence.

The current General Plan land use classifications for this property are as follows (see Exhibit D):

- Employment/Light Industrial (E/LI)
- High Density Residential (HDR1)
- Community Commercial (CC)

Also, it should be noted that the North-South ADOT Freeway Conceptual Corridor is shown on the General Plan Future Land Use Map as being located within the eastern portion of the site. The property owners will work with the Town of Florence and ADOT to determine the final alignment of the North-South Freeway through this property.

We propose and request your consideration and approval of a Master Planned Community (MPC) land use designation on the entire property. *Exhibit E* illustrates the proposed MPC designation on the property and how it relates with surrounding land use designations.

Exhibit F provides a conceptual illustration of how the property may be developed. Please note that as a means of illustrating the potential land uses and densities that will be established in a future application for Planned Unit Development (PUD) zoning, the exhibit lists potential uses and densities consistent with the land use classifications contained within the Land Use Element of the Town of Florence 2020 General Plan. This exhibit also demonstrates how these proposed land uses relate to surrounding land uses and both existing and planned vehicular transportation corridors in the area.

The overall motivating philosophy behind these proposed land uses was to provide a mixture of uses that will provide diversity in housing, commercial conveniences and employment. This property lies at the confluence of several planned major transportation corridors, those being the major arterial roadways (Arizona Farms Road, Felix Road and Attaway Road) as well as the future North-South ADOT Freeway Conceptual Corridor. The General Plan also shows a conceptual traffic interchange adjacent to this property. As such, the most dense and intense land uses have been located in the areas of these transportation facilities.

As a means of assisting your consideration of this application, we offer the following responses to the questions listed in the General Plan Amendment Process application packet:

1. *Why is the current land use/circulation classification not suitable?*

This property had been previously envisioned for industrial/employment land uses primarily due to its frontage on major arterial roadways and the presence of the Copper Basin Railroad. In fact, an industrial user was in purchase negotiations with a previous land owner to develop the site as a solar power generation facility; however, the project did not move forward. Fortunately, though, this enabled the current landowners to re-assess the highest and best use of the property, and arrive at the determination that the property is highly suitable for residential uses and commercial uses. These uses are appropriate for the following reasons:

- As previously stated, the property is located at the intersection of and adjacent to three roadways anticipated as major arterial roads. Arizona Farms Road, Felix Road and Attaway Road are all identified in the General Plan Circulation Element and Coolidge-Florence Regional Transportation Plan as Major Arterial roads.
- The property is adjacent to, and in the vicinity of, existing developed property. Crestfield Manor and Wild Horse Estates, residential communities, are located to the

immediate south of the property. The Oasis at Magic Ranch is located to the immediate southwest of the property.

- The property is in close proximity to Anthem at Merrill Ranch. This project, with its residential, commercial and open space uses, demonstrates that the area is appropriate for master planned community type development.
- The property is adjacent to other properties with General Plan land use designations that anticipate development at higher densities and intensities. The land use designations on surrounding property are as follows:

North: Master Planned Community (MPC) (Dobson Farms PUD).

West: Employment/Light Industrial (E/LI) and Medium Density Residential 1 (MDR1).

East: Master Planned Community (MPC). The Aspen Farms/Paloroso PUD and Skyview Farms PUDs are located within one mile of the subject property.

South: Medium Density Residential 1 (MDR1).

2. *Does the proposal conform with land use goals? Will the proposed change in land use or circulation do the following:*

- a. *Support the goals and policies of the General Plan;*

This proposed amendment would contribute to the future growth of the Town of Florence in a manner that provides balanced growth. It will provide for a healthy balance between residential, commercial and employment land uses. It will also assist in providing for an orderly pattern of land use types and intensities, especially in areas such as this that are being converted from agricultural uses to developed uses. This will allow both the property owner and the Town of Florence to properly plan for the future infrastructure and services that would be required to serve this project.

In short, this proposed amendment is consistent with the goals contained within the Land Use Element of the General Plan for the following reasons:

- It establishes an orderly pattern of land uses and intensities.

- It provides opportunity for new growth and development.
- The proposed land uses are compatible with the surrounding land uses.
- It would provide a diversity of housing, employment, services and activities to serve the everyday needs of future residents.
- It provides a logical arrangement of land uses to minimize the conflict between different land uses.
- The project will have a mixture of dwelling unit sizes and layouts in order to provide housing opportunities for a range of incomes and households.

The proposed amendment is consistent with the goals contained within the Circulation Element of the General Plan for the following reasons:

- It will contribute to the development of a safe and efficient transportation system through the improvement of the adjacent major arterial roadways, Arizona Farms Road, Attaway Road and Felix Road.
- It will also construct collector roads within the property to facilitate easy access to the arterial roadways and to the interior local streets.
- It will support the proposed North-South ADOT Freeway Conceptual Corridor and plan for land uses that are appropriate in areas adjacent to the freeway and at the proposed traffic interchange.

The proposed amendment is consistent with the goals contained within the Housing Element of the General Plan for the following reasons:

- It will promote diversity in types of housing products available to residents within the community.
- This project will encourage sustainable building and design practices.
- It will provide a supply of safe and high quality housing for a variety of household income levels.

The proposed amendment is consistent with the goals contained within the Parks, Trails and Open Space Element of the General Plan for the following reasons:

- This project will provide a range of quality recreational spaces for its future residents.
- It will provide the opportunity to connect to the special use park/linear park that is envisioned along the Copper Basin Railroad corridor that runs through the site.

The proposed amendment is also consistent with the goals contained within the Economic Development Element of the General Plan for the following reasons:

- The commercial portion of the property would provide sales tax generating uses and future jobs.
- Should the North-South ADOT Freeway Conceptual Corridor and associated traffic interchange be constructed on or adjacent to this property, the commercial property planned in the northeastern portion of this site would contribute to a substantial commercial core that is envisioned at the future traffic interchange.

b. Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and

This proposed amendment proposes a wide range of land uses, including different densities of residential, and commercial. The residential densities for the property will be consistent with the density ranges in the General Plan and will be established during the future rezoning of the property.

As for intensity of uses, the project has located the more intense commercial areas in the northern and northeastern portions of the property. This area of the property lies adjacent to property at the southwest corner of Arizona Farms Road and Felix Road that is currently zoned B-2 (Highway Business Commercial). This area of the property is also adjacent to planned major arterials (Arizona Farms Road and Attaway Road) as well as near the planning corridor for the North-South ADOT Freeway Conceptual Corridor. As such, the development vision for the property respects the hierarchy of roadways that are shown in the Circulation Element of the General Plan.

c. Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?

This proposal places more dense and intense land uses along the future major transportation corridor of Arizona Farms Road. It also places these land uses such that

they are in the immediate vicinity of the North-South ADOT Freeway Conceptual Corridor.

The provision of commercial services within the project will provide community residents with goods and services that are needed on a daily basis.

3. *What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?*

The property is currently being farmed and has been for many years. As such, any natural features that may have been present have been removed from the property to make it suitable for farming. The property slopes generally from east to west at a slope of less than 1%. There are no significant physical features on the site that would prevent development.

The Copper Basin Railroad runs through the western portion of the site and the Future Land Use Map identifies this corridor for open space purposes. One down side of the railroad is that it poses challenges for vehicular connections within the site. Hence, no internal vehicular connections over the railroad are proposed. Its presence also means that appropriate buffering will need to occur between the railroad and adjacent residential properties. However, the upside of the railroad relates to the fact that the corridor occupied by the railroad is planned as an open space corridor and this project has the opportunity to make open space connections to this corridor.

4. *What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?*

The property is located within the Certificate of Convenience and Necessity (CC&N) of Johnson Utilities Company (JUC) for water and sewer.

Sewer

There are existing force mains in Heritage Road and Felix Road. There is an existing wastewater treatment plant (named the Section 11 Plant) located within the Oasis at Magic Ranch project. This plant currently has a permitted capacity of 2 mgd but is constructed with a capacity of 1.6 mgd. The current operational flows are in the range of 1.1 mgd to 1.4 mgd. JUC recently submitted an application to amend the Aquifer Protection Permit (APP) to allow for a plant expansion to 6.4 mgd. This plant expansion would facilitate the provision of wastewater services for the property. This plant is located approximately one mile west of the western boundary of the site.

Water

There are 12" water lines in Arizona Farms Road, Heritage Road and Felix Road.

The property owner/developer will work with JUC to conduct system modeling and negotiate line extension agreements to bring (or upgrade) the necessary infrastructure to the property.

5. *What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?*

Police and fire protection for the property would be served by the Town of Florence. Also, with annexation, this property would be subject to the Development Impact Fees of the Town, as negotiated in a pre-annexation development agreement. A portion of these fees goes toward police protection as well as fire/emergency medical services. The payment of these fees would assist in ensuring that proper services are available to this property.

6. *What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?*

The future development of this property will provide open space consistent with the Parks, Trails and Open Space Element of the General Plan. It will also provide open space consistent with the requirements of the Planned Unit Development Zoning District, the details of which will be outlined in a future application for rezoning. It is likely that any proposed park or open space on this property would be private and owned and operated by a homeowners association.

The property is located within the boundaries of the Florence Unified School District. Walker Butte K-8 School is located in Johnson Ranch and Anthem K-8 School is located within the Anthem project. Students would have the option of attending either Poston Butte High School or Florence High School. At the time of zoning, the property owner will meet with representatives from the Florence Unified School District to determine the future needs of the district and arrive at a preliminary understanding of how the future students residing within the subject property might have their educational needs met. It is possible that the developer of the project could provide a parcel of land for a future school site, could provide financial contributions on a rooftop basis or reach another form of agreement with the school district.

The future residents of this property would also enjoy the use of the public library system. With annexation, this property will be subject to the Development Impact Fees of the Town, as negotiated in a pre-annexation development agreement, and a portion of these fees goes toward the library. The payment of these fees will assist in ensuring that proper services are available to this property.

7. *What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population and development that could occur as a result of the General Plan amendment?*

First of all and as previously discussed, this property, once annexed, would be subject to the Development Impact Fees of the Town of Florence, as negotiated in a pre-annexation development agreement. With the future payment of these fees, the property would contribute to transportation, general government, police, fire/emergency medical services, parks and community facilities and the library.

Also, the proposed amendment anticipates approximately 50 acres of commercial. Based on this acreage, and based on an approximate floor area ratio (FAR) of .22 for commercial property, it may be reasonable to expect approximately 480,000 square feet of gross leasable area. This number of course is only a preliminary estimate and subject to prevailing market conditions. If the property is annexed, the Town of Florence would capture a 2% sales tax on transactions that occurred at this future commercial area, providing additional operating revenue for the Town.

8. *How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?*

This project will meet all local, State and Federal regulations that are applicable to the future uses as proposed by this application. The property will connect to the private water and wastewater system of Johnson Utilities Company, which is governed by the Arizona Corporation Commission and the Arizona Department of Environmental Quality. As such, the project will contribute to the protection of the water resources in the area.

The project also does not propose any uses that will emit extraordinary pollutants into the air. Energy needs, such as electric power and natural gas, may be provided by Arizona Public Service, Salt River Project, Southwest Gas or Magma Gas (or other private utility company). By planning the future land uses of the property today, these utility companies will also be able to plan and anticipate serving this property in the future. They will be able to estimate the number of future customers and develop preliminary

strategies to provide service to this new area without sacrificing service to existing customers.

And, as previously mentioned, this property, with annexation, would pay Development Impact Fees to the Town of Florence, as negotiated in a pre-annexation development agreement. These fees would be used in part by the Town to pay for services and amenities that are demanded by both its current and future residents. Also, the introduction of commercial uses would generate sales tax revenue that may provide additional financial resources required to meet the service and amenity demands of present and future residents of the Town of Florence.

9. *What changes, if any, in Federal or State laws or policies substantiate the proposed amendment?*

This requested General Plan amendment is consistent with the statutes of the State of Arizona as well as with the amendment procedures established by the Town of Florence for amendments to the General Plan. This application is being submitted in conformance with the procedures of the Town of Florence for a minor General Plan amendment that have been established in accordance with State statutes.

Section 3: Owner's Authorization Forms

OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is not the owner of the property.

I/we, the Undersigned, do hereby grant permission to: The WLB Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat on the following described property: Tax Parcels 200-31-007D, 200-31-007E, 200-31-007G, 200-24-001R, 200-24-001W, 200-31-007L, 200-24-001Q, 200-24-001Y, 200-24-001Z, 200-24-0930, 200-24-001S, 200-31-007B, 200-31-007F, 200-24-0920

Owner(s)

Linda Cheney
Vice President El Dorado Holdings, Inc.
Signature

As Agent for:

El Dorado Arizona Farms, L.L.C.

Print or Type Name

Address

426 N. 44th Street, Suite 100
Phoenix, AZ 85008

Telephone

602-955-2424

STATE OF ARIZONA)
County of Maricopa)

ss

On this 16 day of April, 20 14, before me, the undersigned Notary Public, personally appeared Linda Cheney, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that Linda Cheney executed the same.

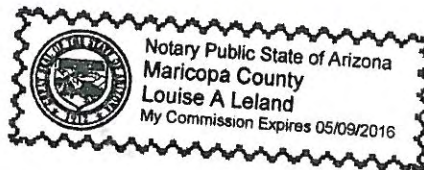
IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

5/9/2016

Louise A Leland

Notary Public



OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is not the owner of the property.

I/we, the Undersigned, do hereby grant permission to: The WLB Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, ~~Conditional Use Permit, Design Review and/or Preliminary/Final Plat~~ on the following described property:

JMH

Tax Parcel Number 200-24-001T

Owner(s)

By: John M. Hill, GEN PTR.
Signature (JOHN M. HILL GEN'L PTR.)

Superstition Springs R-14 Assoc.

Print or Type Name

Address

2453 N. Keystone Dr.
Flagstaff, AZ 86004

Telephone

602-469-6969

STATE OF ARIZONA)
County of Maricopa)

ss

On this 15th day of April, 2014, before me, the undersigned Notary Public, personally appeared John M. Hill, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that John M. Hill executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

5/30/17
Sharilyn Snyder
Notary Public

2013 General Plan Amendment Application



OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is not the owner of the property.

I/we, the Undersigned, do hereby grant permission to: The WLB Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, ~~Conditional Use Permit, Design Review and/or Preliminary/Final Plat~~ on the following described property:

Tax Parcel Number 200-24-001U

Owner(s)

By: John M. Hill MGR
Signature (JOHN M. HILL)

Wolfy's R E Holdings LLC

Print or Type Name

Address

2453 N. Keystone Dr.

Flagstaff, AZ 86004

Telephone

602-469-6969

STATE OF ARIZONA)

County of Maricopa)

ss

On this 15th day of April, 2014, before me, the undersigned Notary Public, personally appeared John M. Hill, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that John M. Hill executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

5/30/17

Sharilyn Snyder
Notary Public

2013 General Plan Amendment Application



OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is not the owner of the property.

I/we, the Undersigned, do hereby grant permission to: The WLB Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, ~~Conditional Use Permit, Design Review and/or Preliminary/Final Plat~~ on the following described property:

JMH

Tax Parcel Number 200-24-001V

Owner(s) BGH ASSOCIATES, LLC, MGR
BY: John M. Hill, MGR
Signature

David Phillips % BGH ASSOCIATES, LLC
Print or Type Name

Address 2453 N. KEYSTONE DR.
FLAGSTAFF, AZ. 86004 *JMH*

Telephone 602-469-6969

STATE OF ARIZONA)
County of Maricopa) ss

On this 15th day of April, 2014, before me, the undersigned Notary Public, personally appeared John M. Hill, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that John M. Hill executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires:

5/30/17 Sharilyn Snyder
Notary Public



April 5, 2013

To Whom It May Concern:

The undersigned, David C. Phillips, hereby appoints BGH Associates, LLC (John M. Hill, manager), as the manager for the property of approximately 10 acres southwest of Arizona Farms Road and Attaway Road in Pinal County, Arizona.

A handwritten signature in black ink, appearing to read 'D. Phillips', with a long horizontal line extending to the right.

David C. Phillips

OWNER'S AUTHORIZATION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is not the owner of the property.

I/we, the Undersigned, do hereby grant permission to: The WLB Group, Inc.

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat on the following described property:

Tax Parcel No. 200-31-007K

Owner(s)

[Signature]

Signature

Langley AZ Farms 150 LLC

Print or Type Name

Address

2738 E. Guadalupe Rd.

Gilbert, AZ 85234

Telephone

480-633-0999

STATE OF ARIZONA)

County of Maricopa)

ss

On this 17th day of April, 20 14, before me, the undersigned Notary Public, personally appeared Stacy J Brimhall, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that he executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

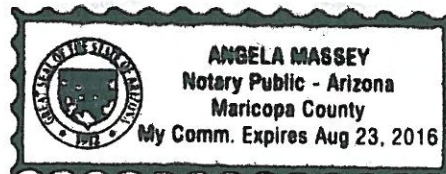
My commission expires:

Aug 23rd, 2016

[Signature]

Notary Public

2013 General Plan Amendment Application



Section 4: Legal Descriptions

**Deeds and Legal Descriptions
El Dorado Arizona Farms, LLC**



When Recorded Return To:

Junc Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622
FEE: \$11.00
PAGES: 4
FEE NUMBER: 2014-007661



132673-33
4/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, AZ Farm Investors 126, LLC, an Arizona limited liability company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7th, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

AZ Farm Investors 126, LLC, an Arizona limited liability company

By: SPAM, LLC, an Arizona limited liability company

Its: Member/Manager

By: DSA Partners, LLC, an Arizona limited liability company

Its: Manager

By: [Signature]
Carson Brown, as Manager

By: SB FBank, LLC, an Arizona limited liability company

Its: Member/Manager

By: Snowball Holdings, LLC, an Arizona limited liability company

Its: Manager

By: DSA Partners, LLC, an Arizona limited liability company

Its: Manager

By: [Signature]
Carson Brown, as Manager

By: Entitlements, LLC, an Arizona limited liability company

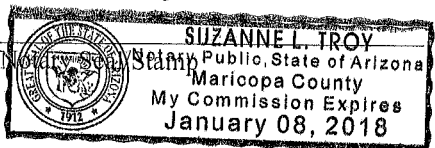
Its: Member/Manager

By: Zander Management Company, LLC, an Arizona limited liability company

By: [Signature]
Eric Kerbs, Its Manager

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February, 2014, by Carson L Brown as
manager of DSA Partners, LLC as manager of SPAM, LLC



[Signature]
Notary Public

STATE OF ARIZONA)
County of Maricopa)) ss.

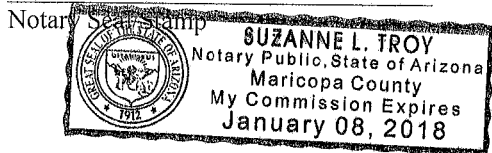
Acknowledged before me this 4th day of February, 2014, by Carson L Brown
as manager of ASA Partners, LLC as manager of SPAM, LLC



Suzanne L. Troy
Notary Public

STATE OF ARIZONA)
County of Maricopa)) ss.

Acknowledged before me this 4th day of February, 2014, by Eric Kerbsas
manager of Zander Management company, LLC as manager of Entitlements, LLC



Suzanne L. Troy
Notary Public

EXHIBIT A

That portion of the North half of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

COMMENCING at the Northwest corner of said Section 1, from which the North quarter corner bears North 88 degrees 32 minutes 15 seconds East, a distance of 2631.13 feet;

THENCE along said North section line, North 88 degrees 32 minutes 15 seconds East, a distance of 1437.27 feet to a point on the East right-of-way of the Southern Pacific Railroad and the POINT OF BEGINNING;

THENCE continuing along said Section line, North 88 degrees 32 minutes 15 seconds East, a distance of 1193.86 feet to the North quarter corner of said Section 1;

THENCE continuing along said North Section line, North 88 degrees 30 minutes 00 seconds East, a distance of 848.64 feet;

THENCE departing said Section line, South 01 degrees 15 minutes 30 seconds West, a distance of 1046.46 feet;

THENCE South 88 degrees 44 minutes 30 seconds East, a distance of 310.00 feet;

THENCE North 01 degrees 15 minutes 30 seconds East, a distance of 50.44 feet;

THENCE North 89 degrees 47 minutes 33 seconds East, a distance of 1499.06 feet to a point on the East section line of said Section 1;

THENCE along said Section line, South 00 degrees 11 minutes 46 seconds East, a distance of 1602.55 feet to the East quarter corner of said Section 1;

THENCE departing said Section line and along the midsection line of said Section 1, South 89 degrees 13 minutes 27 seconds West, a distance of 1760.45 feet to a point on the East right-of-way of the Southern Pacific Railroad;

THENCE along said right-of-way, North 38 degrees 53 minutes 46 seconds West a distance of 3303.21 feet to the POINT OF BEGINNING;

EXCEPT as to an undivided 1/2 interest in any and all minerals, as reserved in that certain deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007662



132673-33
5/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Entitlements, LLC, an Arizona limited liability company and FB1, LLC, an Arizona limited liability company ("Grantors"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: Feb 4, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTORS:

Entitlements, LLC, an Arizona limited liability company

By: Zander Management Company, LLC, an Arizona limited liability company

Its: Manager

By: [Signature]
Eric Kerbs as Manager

^{LLC}
FBI, an Arizona limited liability company

By: DSA Partners, LLC, an Arizona limited liability company

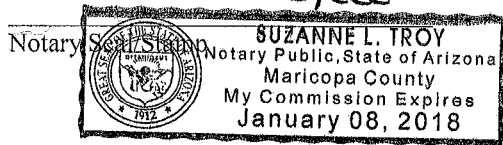
Its: Manager

By: [Signature]
Carson Brown, as Manager

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February, 2014, by Eric Kerbs as manager of Zander Management Company, LLC as manager of Entitlements, LLC

[Signature]
Notary Public



STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February, 2014, by Carson L Brown, as manager of DSA Partners, LLC as manager of FBI, LLC

[Signature]
Notary Public

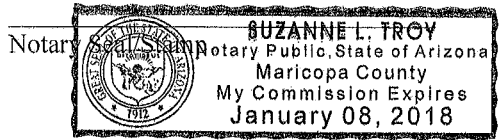
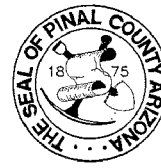


EXHIBIT A

The South half of the East half of the West half of the South half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided one-half interest in any oil and minerals as reserved in deed recorded in Docket 808, Page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

132673-33
6131

DATE/TIME: 02/07/2014 1622
FEE: \$11.00
PAGES: 4
FEE NUMBER: 2014-007663



SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, AZ Farm Investors, LLC, an Arizona limited liability company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 4, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

AZ Farm Investors, LLC, an Arizona limited liability company

By: STEPHEN EDWARD RICHARDSON
Stephen E. Richardson, Its Member

By: Vicki L Richardson
Vicki L. Richardson, Its Member

By: Entitlements, LLC, an Arizona limited liability company

By: Zander Management Company, LLC, an Arizona limited liability company
Its: Manager

By: [Signature]
Eric Kerbs as Manager

By: John Volken Foundation

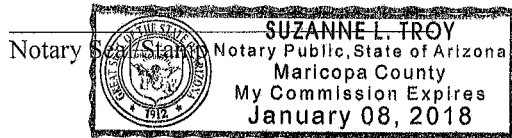
By: [Signature]

Its: President/CEO

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February 2014, by Stephen Edward Richardson as a member

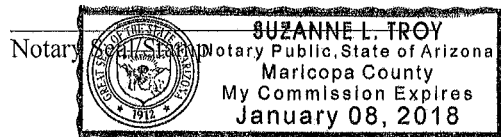
[Signature]
Notary Public



STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February 2014, by Vicki L Richardson as member

[Signature]
Notary Public



STATE OF ARIZONA)
County of Maricopa)) ss.

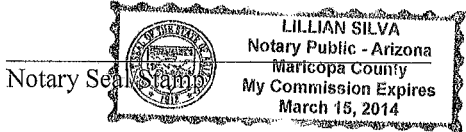
Acknowledged before me this 4th day of February 2014, by Eric Kerbs as
manager of Zander Management Company, LLC as manager of
Entitlements, LLC



Suzanne L. Troy
Notary Public

STATE OF ARIZONA)
County of Maricopa)) ss.

Acknowledged before me this 5th day of February 2014, by John Oscar Rollen

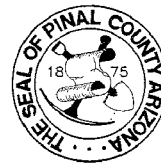


Lillian Silva
Notary Public

EXHIBIT A

The West 1991.74 Feet of the Northwest quarter of Section 6, Township 4 South, Range 9 East, of Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided half interest in any oil and minerals as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007664



132673-33
7/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Sunny Mesa Inc., an Arizona corporation, as to an undivided 58% interest, and Mark W. Killian and Nancy H. Killian, husband and wife, as to an undivided 42% interest ("Grantors"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: Feb. 3rd, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTORS:

Sunny Mesa Inc., an Arizona corporation

By: [Signature]

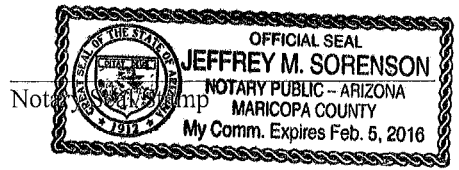
Its: Vice Pres

[Signature]
Mark W. Killian

[Signature]
Nancy H. Killian

STATE OF ARIZONA)
County of MARICOPA) ss.

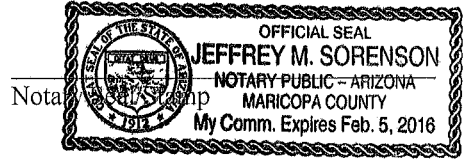
Acknowledged before me this 3RD day of FEBRUARY 2014, by MARK W. KILLIAN, AS VICE PRESIDENT.



[Signature]
Notary Public

STATE OF ARIZONA)
County of MARICOPA) ss.

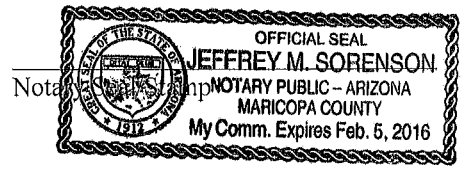
Acknowledged before me this 3RD day of FEBRUARY 2014, by MARK W. KILLIAN



[Signature]
Notary Public

STATE OF ARIZONA)
County of MARICOPA) ss.

Acknowledged before me this 3RD day of FEBRUARY 2014, by NANCY H. KILLIAN



[Signature]
Notary Public

EXHIBIT A

The East Half of the South half of Section 6, Township 4 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided half interest in any oil and minerals as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007665



132673-33
8/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, GO JO McPete, LLC, an Arizona Limited Liability Company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

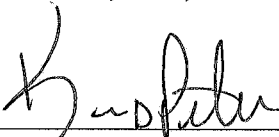
AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7th, 2014.

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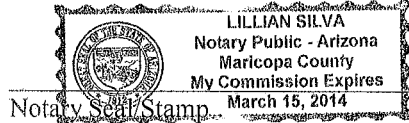
GRANTOR:

GO JO McPete, LLC, an Arizona limited liability company

By: 
Kevin D. Petersen, its Manager

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 5th day of February 2014, by Kevin D. Petersen




Notary Public

EXHIBIT A

That portion of the Southeast quarter of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying West of the Westerly right-of-way line of the Southern Pacific Railroad;

EXCEPT an undivided half interest in any oil and minerals as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007666



132673-33

9/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, GOJOMcPETE Two, LLC, an Arizona limited liability company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

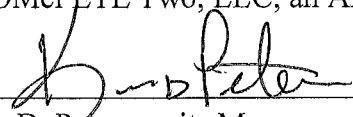
AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7th, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

GOJOMcPETE Two, LLC, an Arizona limited liability company

By: 
Kevin D. Petersen, its Manager

STATE OF ARIZONA)
) ss.
County of Maricopa)

Acknowledged before me this 5th day of February 2014, by Kevin D. Petersen

Notary Seal Stamp  LILLIAN SILVA
Notary Public - Arizona
Maricopa County
My Commission Expires
March 15, 2014

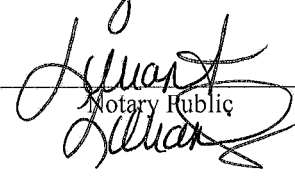
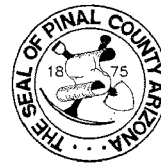

Notary Public

EXHIBIT A

That portion of the Southeast quarter of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying West of the Westerly right-of-way line of the Southern Pacific Railroad;

EXCEPT an undivided half interest in any oil and minerals as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007667



132673-33

10 | 31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, ABCDW, L.L.C., an Arizona Limited Liability Company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7th, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

ABCDW, LLC, an Arizona limited liability company

By: [Signature]

Its: manager

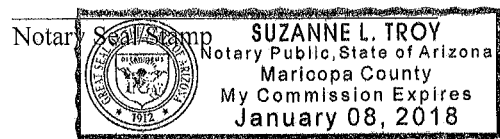
By: [Signature]

Its: Manager

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February 2014, by Ashton Wolfenknel as manager

[Signature]
Notary Public



STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 4th day of February 2014, by Brandon Hl Wolfenknel as manager

[Signature]
Notary Public

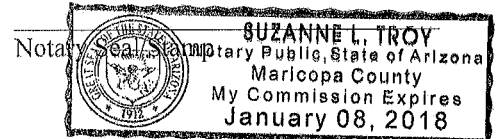


EXHIBIT A

PARCEL NO. 1:

The North half of the East half of the West half of the South half of Section 6, Township 4 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided 1/2 interest in any and all minerals, as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

PARCEL NO. 2:

The South half of the East half of the West half of the South half of Section 6, Township 4 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided 1/2 interest in any and all minerals, as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

PARCEL NO. 3:

The South half of the West half of the West half of the South half of Section 6, Township 4 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT any portion lying within the railroad right-of-way; and

EXCEPT an undivided 1/2 interest in any and all minerals, as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

PARCEL NO. 4:

The East half of the South half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT any portion lying within the railroad right-of-way; and

EXCEPT that portion of the Southeast quarter of Section 1, Township 4 South, Range 8 East, lying West of the Westerly right of way line of the Southern Pacific Railroad; and

EXCEPT an undivided 1/2 interest in any and all minerals, as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007668



132673-33

11/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Vanderbilt Farms, L.L.C., an Arizona limited liability company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7th, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

Vanderbilt Farms, L.L.C., an Arizona limited liability company

By: [Signature]

Its: manager

STATE OF ARIZONA)

County of Maricopa) ss.

Acknowledged before me this 4th day of February, 2014, by Brandon R Wolfswinkel as manager

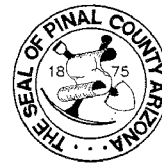
[Signature]
Notary Public



EXHIBIT A

The North half of the West half of the West half of the South half of Section 6, Township 4 South, Range 9 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

EXCEPT an undivided half interest in any and all minerals as reserved in Deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622
FEE: \$11.00
PAGES: 3
FEE NUMBER: 2014-007669



132673-33

12/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Barnes Arizona Road, LLC, an Arizona limited liability company ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.


DATED: February 7, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

GRANTOR:

Barnes Arizona Road, LLC, an Arizona limited liability company

By: Euell Lyle Barnes, Manager

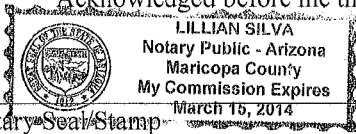
Its 

STATE OF ARIZONA)

) ss.

County of Maricopa)

Acknowledged before me this 5th day of February 2014, by Euell Lyle Barnes



Notary Seal/Stamp

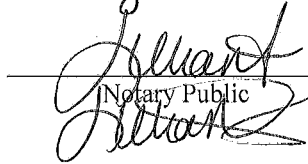

Notary Public

EXHIBIT A

That part of the North half of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, being more particularly described as follows:

COMMENCING at the North quarter corner of said Section 1, being marked by a brass cap in hand hole and from which point the Northeast corner of said Section 1, being marked by a brass cap in hand hole, bears North 88 degrees 30 minutes 00 second East, (basis of bearing), 2632.80 feet distant therefrom;

THENCE South 88 degrees 32 minutes 15 seconds West, along the Northerly line of the Northwest quarter of said Section 1, a distance of 1445.73 feet to a point on the Westerly right-of way line of the Southern Pacific Railroad, said point also being the TRUE POINT OF BEGINNING;

THENCE South 38 degrees 53 minutes 46 seconds East, along said Westerly right-of way line, 2176.38 feet to a point from which a point on the East-West mid-section line of said Section 1, bears South 38 degrees 53 minutes 46 seconds East, 1122.99 feet distant therefrom;

THENCE South 88 degrees 32 minutes 15 seconds West, being parallel with the Northerly line of the Northwest quarter of said Section 1 a distance of 2532.53 feet to a point on the Westerly line of the said Northwest quarter of Section 1, and from which point the West corner of said Section 1, bears South 00 degrees 39 minutes 32 seconds East, 853.13 feet distant therefrom;

THENCE North 00 degrees 39 minutes 32 seconds West, 1728.34 feet to the Northwest corner of said Section 1, being marked by a brass cap in hand hole;

THENCE North 88 degrees 32 minutes 15 seconds East, along the Northerly line of the Northwest quarter of said Section 1, a distance of 1185.40 feet to the TRUE POINT OF BEGINNING;

EXCEPT an undivided half interest in any and all minerals as reserved in Deed recorded in Docket 808, page 382, records of Pinal County, Arizona.



When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007670



132673-33

13/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Baba and Associates Limited Partnership, an Arizona Limited Partnership ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 3, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

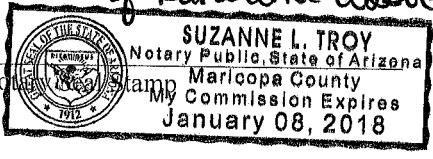
GRANTOR:

Baba and Associates Limited Partnership, an Arizona limited partnership

By: *Scott Liem*
Scott Liem, Its Agent

STATE OF ARIZONA)
County of Maricopa) ss.

Acknowledged before me this 3rd day of February 2014, by Scott Liem, agent
of Baba and Associates Limited Partnership



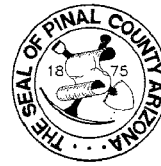
Suzanne L. Troy
Notary Public

EXHIBIT A

**The West half of the West half of the South half of Section 1, Township 4 South, Range 8
East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;**

**EXCEPT an undivided half interest in any and all minerals as reserved in Deed recorded in
Docket 808, page 382, records of Pinal County, Arizona.**

THOMAS TITLE & ESCROW



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
VIRGINIA ROSS

When Recorded Return To:

June Prinz
El Dorado Partners III, LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

DATE/TIME: 02/07/2014 1622

FEE: \$11.00

PAGES: 3

FEE NUMBER: 2014-007671



132673-33

14/31

SPECIAL WARRANTY DEED

For the consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration received, Euell L. Barnes, as Conservator for Vickie Lou Barnes, a protected person ("Grantor"), does hereby grant and convey to EL DORADO ARIZONA FARMS, LLC, an Arizona limited liability company ("Grantee"), the following described real property ("Property") situated in Pinal County, Arizona:

SEE EXHIBIT "A" ATTACHED HERETO AND BY THIS
REFERENCE MADE A PART HEREOF

TOGETHER WITH all (i) all buildings, structures and improvements located on the Property, including, without limitation, all irrigation ditches, gates, valves, pumps, tanks, and wells; (ii) all appurtenances, hereditaments, easements, rights-of-way, reversions, remainders, development rights, well rights, water rights, and air rights; (iii) all oil, gas, and mineral rights not previously reserved; (iv) all plans, specifications, plats, assessments, agreements, reports, studies, and surveys relating to the Property or improvements located thereon, and all warranties applicable thereto; (v) any rights of Grantor to any adjoining strips or gores of property and any land lying within the bed of any adjoining street, highway, or waterway; and (vi) any other rights or privileges appurtenant to such Property or used in connection therewith.

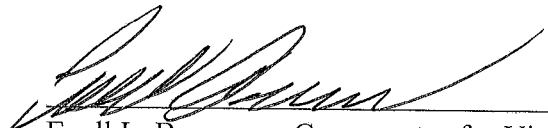
SUBJECT TO: all current taxes and assessments; reservations in patents; and all easements, rights-of-way, encumbrances, liens, covenants, conditions, restrictions, obligations, liabilities and other matters as may appear of record.

AND Grantor hereby binds itself and its successors to warrant and defend the title against all of the acts of Grantor and no other, subject to the matters above set forth.

DATED: February 7, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

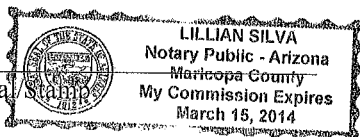
GRANTOR:

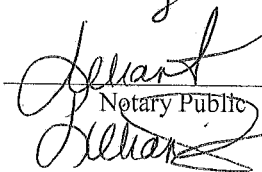


Euell L. Barnes, as Conservator for Vickie Lou Barnes, a protected person

STATE OF ARIZONA)
)) ss.
County of Maricopa)

Acknowledged before me this 5th day of February, 2014, by Euell L. Barnes.

Notary Seal/Stamp 



Notary Public
Lillian Silva

EXHIBIT A

That part of the North half of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, being more particularly described as follows:

COMMENCING at the North quarter corner of said Section 1, being marked by a brass cap in hand hole and from which point the Northeast corner of said Section 1, being marked by a brass cap in hand hole, bears North 88 degrees 30 minutes 00 second East, (basis of bearing), 2632.80 feet distant therefrom;

THENCE South 88 degrees 32 minutes 15 seconds West, along the Northerly line of the Northwest quarter of said Section 1, a distance of 1445.73 feet to a point on the Westerly right-of-way line of the Southern Pacific Railroad, and from which point the Northwest corner of said Section 1, being marked by a brass cap in hand hole, bears South 88 degrees 32 minutes 15 seconds West, 1185.40 feet distant therefrom;

THENCE South 38 degrees 53 minutes 46 seconds East, along the said Westerly right-of-way line of the Southern Pacific Railroad, 2176.38 feet to the TRUE POINT OF BEGINNING;

THENCE continuing South 38 degrees 53 minutes 46 seconds East, along said Westerly right-of-way line, 1122.99 feet to a point on the East-West mid-section line of said Section 1 and from which point, the East quarter corner of said Section 1, being marked by a 1" concrete filled pipe, bears North 89 degrees 13 minutes 27 seconds East, 2014.69 feet distant therefrom;

THENCE South 89 degrees 13 minutes 27 seconds West, 3227.33 feet to the West quarter corner of said Section 1 and from which point the SW corner said Section 1, being marked by a 2 ½ inch aluminum cap, bears South 00 degrees 39 minutes 32 seconds East, 2623.71 feet distant therefrom;

THENCE North 00 degrees 39 minutes 32 seconds West, along the Westerly line of the Northwest quarter of said Section 1, a distance of 853.13 feet to a point from which the Northwest corner of said Section 1 bears North 00 degrees 39 minutes 32 seconds West, 1728.34 feet distant therefrom;

THENCE North 88 degrees 32 minutes 15 seconds East, being parallel with the Northerly line of the Northwest quarter of said Section 1, a distance of 2532.53 feet to the TRUE POINT OF BEGINNING;

EXCEPT an undivided half interest in any and all minerals as reserved in Deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

THOMAS TITLE & ESCROW



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
VIRGINIA ROSS

WHEN RECORDED RETURN TO:

El Dorado Arizona Farms LLC
426 N. 44th Street, Suite 100
Phoenix, Arizona 85008

142900-33
2 OF 2

DATE/TIME: 02/28/2014 1233

FEE: \$11.00

PAGES: 4

FEE NUMBER: 2014-011880



SPECIAL WARRANTY DEED

For the consideration of Ten and No/100 U.S. Dollars (\$10.00), and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, RES-AZ APP, LLC, a Florida limited liability company ("**Grantor**"), conveys to El Dorado Arizona Farms LLC, an Arizona limited liability company, the following described real property situated in Pinal County, Arizona, together with all rights, privileges and easements appurtenant thereto:

See the legal description set forth in EXHIBIT A attached to and incorporated into this Special Warranty Deed by this reference (the "**Property**")

SUBJECT TO current taxes and other assessments, reservations in patents and all easements, rights-of-way, encumbrances, liens, covenants, ordinances, conditions, restrictions, obligations and liabilities and other matters that may appear of record or that a survey of the Property would reveal, Grantor hereby binds itself to warrant and defend the title as against all acts of Grantor and no other.

[Balance of the page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Grantor has executed this Special Warranty Deed as of February 28, 2014.

RES-AZ APP, LLC,
a Florida limited liability company

By: Multibank 2009-1 RES-ADC Venture, LLC, a
Delaware limited liability company, its sole
member

By: RL RES 2009-1 Investments, LLC, a
Delaware limited liability company, its
manager

By: see attached
Name: _____
Title: _____

STATE OF FLORIDA)
) SS.
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this 27th day of February, 2014, by Frank Lland & Kevin Borkenhagen Kevin Borkenhagen of RL RES 2009-1 Investments, LLC, a Delaware limited liability company, as manager of Multibank 2009-1 RES-ADC Venture, LLC, a Delaware limited liability company, as the sole member of RES-AZ APP, LLC, a Florida limited liability company, on behalf of the company. S/He X is personally known to me or has produced a driver's license as identification. As Authorized Signatories



M Shaffer
Notary Public
Print Name: Michelle Shaffer
Serial No. (if any): _____

SELLER:

RES-AZ APP, LLC, a Florida limited liability company

By: Multibank 2009-1 RES-ADC Venture, LLC, a Delaware limited liability company, its sole Member

By: RL RES 2009-1 Investments, LLC, a Delaware limited liability company, its Manager

By: Rialto Capital Advisors, LLC, a Delaware limited liability company, its attorney-in-fact

By: Frank Llano

Name: Frank Llano

Title: Authorized Signatory

By: [Signature]

Name: Kevin Borkenhagen

Title: Authorized Signatory

EXHIBIT "A"

PARCEL 1:

THE NORTH HALF OF THE EAST HALF OF THE WEST HALF OF THE SOUTH HALF OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

EXCEPT AN UNDIVIDED ONE-HALF INTEREST IN ANY OIL AND MINERALS AS RESERVED IN DEED RECORDED IN DOCKET 808, PAGE 382, RECORDS OF PINAL COUNTY, ARIZONA.

PARCEL 2:

AN EASEMENT FOR INGRESS AND EGRESS APPURTENANT TO PARCEL 1 ABOVE AS SET FORTH IN GRANT OF PERMANENT EASEMENT AND EASEMENT MAINTENANCE AGREEMENT RECORDED APRIL 18, 2012 AS 2012-031993, OVER THE FOLLOWING DESCRIBED PROPERTY:

THE WEST 24 FEET OF THE SOUTH HALF OF THE EAST HALF OF THE WEST HALF OF THE SOUTH HALF OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.



WHEN RECORDED
MAIL TO:

JUDY WINDISCH
W HOLDINGS
1121 W. WARNER ROAD, STE. 109
TEMPE, ARIZONA 85284

DATE/TIME: 02/06/2014 1613
FEE: \$9.00
PAGES: 4
FEE NUMBER: 2014-007321



SPECIAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable considerations, I or we,
GO JO McPETE, LLC, an Arizona Limited Liability Company
do hereby convey to
**GOJOMcPETE Two, LLC, an Arizona limited liability company as to an undivided
49.785% interest**
the following described property situated in the County of Pinal, State of Arizona, together with
all rights and privileges appurtenant thereto, to wit:

See Exhibit "A" attached hereto and made a part hereof.

SUBJECT TO: Current taxes, assessments, reservations in patents and all easements, rights of way,
encumbrances, liens, covenants, conditions, restrictions, obligations and liabilities as may appear of
record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, as against all
acts of the Grantor herein and no other, subject to the matters above set forth.

Dated this 6 day of February, 2014.

[Balance of the Page Intentionally Left Blank; Signature Page Follows]

This Transfer is Exempt
from the Affidavit
and Transfer Tax
under ARS 11-1134(B)(1)(B)

GO JO McPete, LLC, an Arizona limited liability company

By: Kevin D. Petersen
Kevin D. Petersen, its Manager

State of Arizona } ss
County of maricopa

This instrument was acknowledged before me this 5th day of February,
2014, by Kevin D. Petersen.

Lillian Silva
Notary Public

My commission will expire: 3/15/14

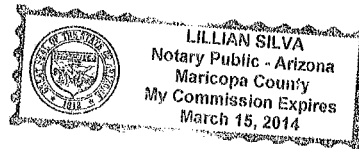


EXHIBIT "A"

That portion of the Southeast quarter of Section 1, Township 4 South, Range 8 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying West of the Westerly right-of-way line of the Southern Pacific Railroad;

EXCEPT an undivided half interest in any oil and minerals as reserved in deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

COURTESY RECORDING INSTRUCTIONS

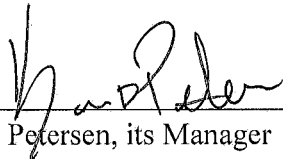
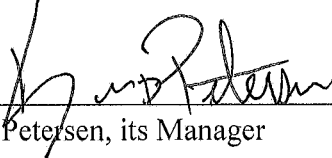
To: Thomas Title & Escrow, LLC

The following documents, along with the applicable recording fee, are handed to you for recording in the office of the Pinal County Recorder, as a courtesy only. The undersigned understands and acknowledges that **Thomas Title & Escrow, LLC** (the "Company") is acting in the capacity of messenger only, without consideration, and relieves the Company of any liability or responsibility regarding the validity, sufficiency and effect of the documents or the condition of title to the property. The undersigned further acknowledges that these Courtesy Recording Instructions will be attached to and recorded with each of the following documents:

| Document: | Recording Fees: |
|-----------------------|-----------------|
| Special Warranty Deed | _____ |

The undersigned hereby acknowledges that title insurance may be obtained by purchasing an owner's or lender's policy of title insurance, as may be appropriate, at the Company's regular rates for its policies or guarantees.

Date: 2/5/14

| |
|---|
| Grantor: GO JO McPete, LLC, an Arizona limited liability company By: <u></u> Kevin D. Petersen, its Manager |
| Grantee: GO JO McPete Two, LLC, an Arizona limited liability company By: <u></u> Kevin D. Petersen, its Manager |

Legal Description
Langley Arizona Farms 150, LLC

General Parcel Information Report

Disclaimer: Pinal County makes no warranty, expressed or implied, regarding the accuracy, completeness, or usefulness of the information provided on this document. Pinal County disclaims any responsibility or liability for any direct or indirect damages resulting from the use of the information represented on this document. This map and represented data is not intended to be used as a survey product or official record. It is the users responsibility to verify any information shown here with the proper authority.



Assessor Parcel Number: 20031007K

Parcel Size:156.92

Unit of Measure:A

Tax Area Code:0121

Legal Description:THE N1/2 OF SEC 6 4S 9E EXCEPT THE WEST 1991.74 AND ALSO EXCEPT THE FOLLOWING DESCRIBED PARCEL, COM @ NE COR SEC 6 TH S 33 TH W 33 TO POB TH S 1187 TH W 1127 TH N 190 TH W 509.39 TH N 997 TH E 1636.39 TO POB, 156.92 AC

Ownership

Name1:LANGLEY AZ FARMS 150 LLC

Name2:

C/O:

Mailing Address

Mail Address:2738 E GUADALUPE RD

City:GILBERT

State:AZ

Zip Code:85234

Province:

Country:

Postal Code:

Primary Property Address:

City:

State:

Zip Code:

(Note: additional addresses may exist on this property)

Improvement Values

[Click Here To View Assessor Parcel And Value Detail](#)

Legal Descriptions
Superstition Springs R-14 Association, Wolfy's R E Holdings LLC and David C. Phillips

AZ FARMS - "HILL MANAGED"

4-30-13
JMH

SITE PLAN OF ALL PARCELS
A PORTION OF SECTION 1
TOWNSHIP 4 SOUTH, RANGE 8 EAST
PINAL COUNTY

ENTR. ROAD
OFF AZ FARMS RD.

N.E. CORNER
SEC 1, T4S, R8E
PINAL COUNTY

ARIZONA FARMS ROAD

N.1/4 CORNER
SEC 1, T4S, R8E
PINAL COUNTY

PARCEL 1

7 LT.
INDUS. LOTS

HAWKINS
EXCEPTION
(OUT) COMMERCIAL

S.S.R.

13.5 AC PARCEL 2

W.R.E.:

7.5 AC

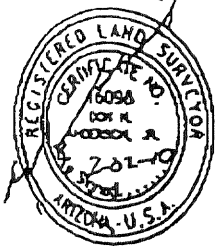
82 PATIO HOMES

PARCEL 3

10.64 AC SINGLE LEVEL

ATTAWAY ROAD

SOUTHERN PACIFIC RAIL ROAD



DPRES 03-31-11



OVER ALL
LAF,
01-27-10
PAGE 1 OF 1

E 1/4 CORNER
SEC 1, T4S, R8E
PINAL COUNTY

Anderson Nelson, Inc.
1143 N. 12TH ST. SUITE 200, PHOENIX, AZ 85014
(602) 273-1850 FAX (602) 273-0264

AZ FMS BREAK-OUT

PARCEL #2 - 13.5 AC.

TAX PARCEL # 200-24-001U

TO: COMMERCIAL (SHOPPING CTR.)
(OWNED BY W.R.E.)

PARCEL #3 - 10.64 AC.

TAX PARCEL # 200-24-001V

TO: MDR-8 UNITS PER ACRE

FOR 82 SINGLE LEVEL PATIO
HOMES -- BUILT AS 41
DUPLEXES (COMMON WALL

ON PROPERTY LINE). FRONT
GARAGES. 50' OVER AGE

RESTRICTED. (FOR WINTER
VISITORS + EMPTY NESTERS)

SEE 4/25/13 SITE PLAN
(OWNED BY D. PHILLIPS)

PARCEL 1 - 7.5 AC

TAX PARCEL # 200-24-001T

LEAVE AS "EMPLOYMENT/
LIGHT INDUSTRIAL"

7-8 LITE INDUSTRIAL LOTS

FOR SINGLE STORY OFFICE/
WAREHOUSE USAGE.

SINGLE STORY BLDGS ONLY

(OWNED BY S.S.R-14 ASSOC.)

Exhibit A

PARCEL # 3
10.64 Ac.

THAT PORTION OF THE NORTH HALF OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, TO WHICH THE NORTHEAST SECTION CORNER BEARS NORTH DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 2632.79 FEET;

THENCE ALONG SAID NORTH SECTION LINE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 1159.00 FEET;

THENCE DEPARTING SAID SECTION LINE SOUTH 01 DEGREES 15 MINUTES 30 SECONDS WEST, A DISTANCE OF 700.86 FEET TO THE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 47 MINUTES 33 SECONDS EAST, A DISTANCE OF 1491.19 FEET TO A POINT ON THE EAST SECTION LINE OF SAID SECTION 1;

THENCE ALONG SAID SECTION LINE SOUTH 00 DEGREES 11 MINUTES 46 SECONDS EAST, A DISTANCE OF 310.00 FEET;

THENCE DEPARTING SAID SECTION LINE SOUTH 89 DEGREES 47 MINUTES 33 SECONDS WEST, A DISTANCE OF 1499.08 FEET;

THENCE NORTH 01 DEGREES 15 MINUTES 30 SECONDS EAST, A DISTANCE OF 310.10 FEET TO THE POINT OF BEGINNING;

EXCEPT an undivided $\frac{1}{4}$ interest in and to any oil and minerals as reserved in Deed recorded in Docket 808, page 382, records of Pinal County, Arizona.

10.64 Ac
PARCEL # 3 ON MAP

PARCEL 2

13.5 ACRES

LEGAL DESCRIPTION

THAT PORTION OF THE NORTH HALF OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, TO WHICH THE NORTHEAST SECTION CORNER BEARS NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 2632.78 FEET;

THENCE ALONG SAID NORTH SECTION LINE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 1159.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 200.23 FEET;

THENCE DEPARTING SAID SECTION LINE SOUTH 01 DEGREES 15 MINUTES 30 SECONDS WEST, A DISTANCE OF 350.90 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 45 SECONDS EAST, A DISTANCE OF 822.07 FEET;

THENCE SOUTH 00 DEGREES 12 MINUTES 57 SECONDS EAST, A DISTANCE OF 13.44 FEET;

THENCE NORTH 89 DEGREES 47 MINUTES 33 SECONDS EAST, A DISTANCE OF 447.74 FEET;

THENCE NORTH 05 DEGREES 59 MINUTES 01 SECONDS EAST, A DISTANCE OF 22.81 FEET;

LN 1738
LAF
01-22-10
PAGE 1 OF 3

THENCE NORTH 18 DEGREES 50 MINUTES 15 SECONDS EAST, A DISTANCE OF 30.25 FEET TO A POINT ON THE EAST SECTION LINE OF SAID SECTION 1;

THENCE ALONG SAID SECTION 1 SOUTH 00 DEGREES 11 MINUTES 46 SECONDS EAST, A DISTANCE OF 389.27 FEET;

THENCE DEPARTING SAID SECTION LINE SOUTH 89 DEGREES 47 MINUTES 33 SECONDS WEST, A DISTANCE OF 1491.19 FEET;

THENCE NORTH 01 DEGREES 15 MINUTES 30 SECONDS EAST, A DISTANCE OF 700.86 FEET TO THE POINT OF BEGINNING;

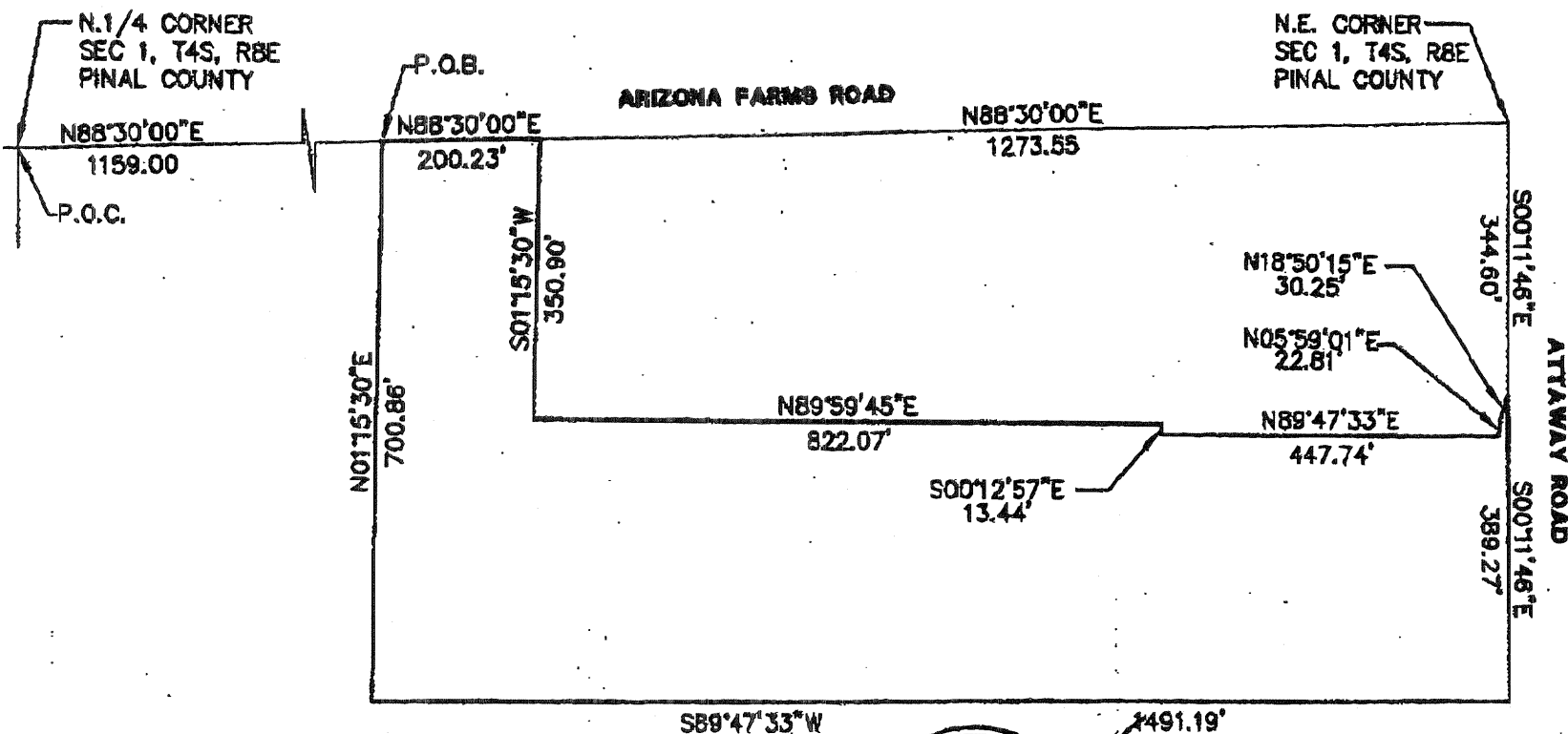
CONTAINING AN AREA OF 588,218 SQ. FT. OR 13.50 ACRES MORE OR LESS.

PARCEL
2

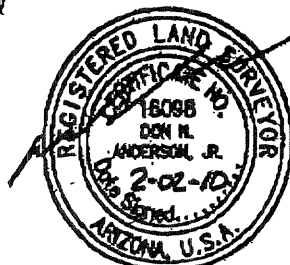
LN 1738
LAF
01-22-10
PAGE 2 OF 3

PARCEL TWO
A PORTION OF SECTION 1
TOWNSHIP 4 SOUTH, RANGE 8 EAST
PINAL COUNTY

#2



LN. 1738
LAF
01-22-10
PAGE 3 OF 3



EXPIRES 03-31-11

**Anderson
Nelson, Inc.**
4143 N. 12TH ST., SUITE 200, PHOENIX, AZ 85014
(602) 273-1850 FAX (602) 273-0264

HW 0201 01-22-10 2 PAF 821 N1 1000V1 6000D504/50715/1 North X:\7577\0\7577\050715\1

PARCEL 1

7.5 Ac

LEGAL DESCRIPTION

THAT PORTION OF THE NORTH HALF OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA;

COMMENCING AT THE NORTH QUARTER CORNER OF SECTION 1, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, TO WHICH THE NORTHEAST SECTION CORNER BEARS NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 2632.79 FEET;

THENCE ALONG SAID NORTH SECTION LINE NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 848.64 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 88 DEGREES 30 MINUTES 00 SECONDS EAST, A DISTANCE OF 310.36 FEET;

THENCE DEPARTING SAID SECTION LINE SOUTH 01 DEGREES 15 MINUTES 30 SECONDS WEST, A DISTANCE OF 1061.40 FEET;

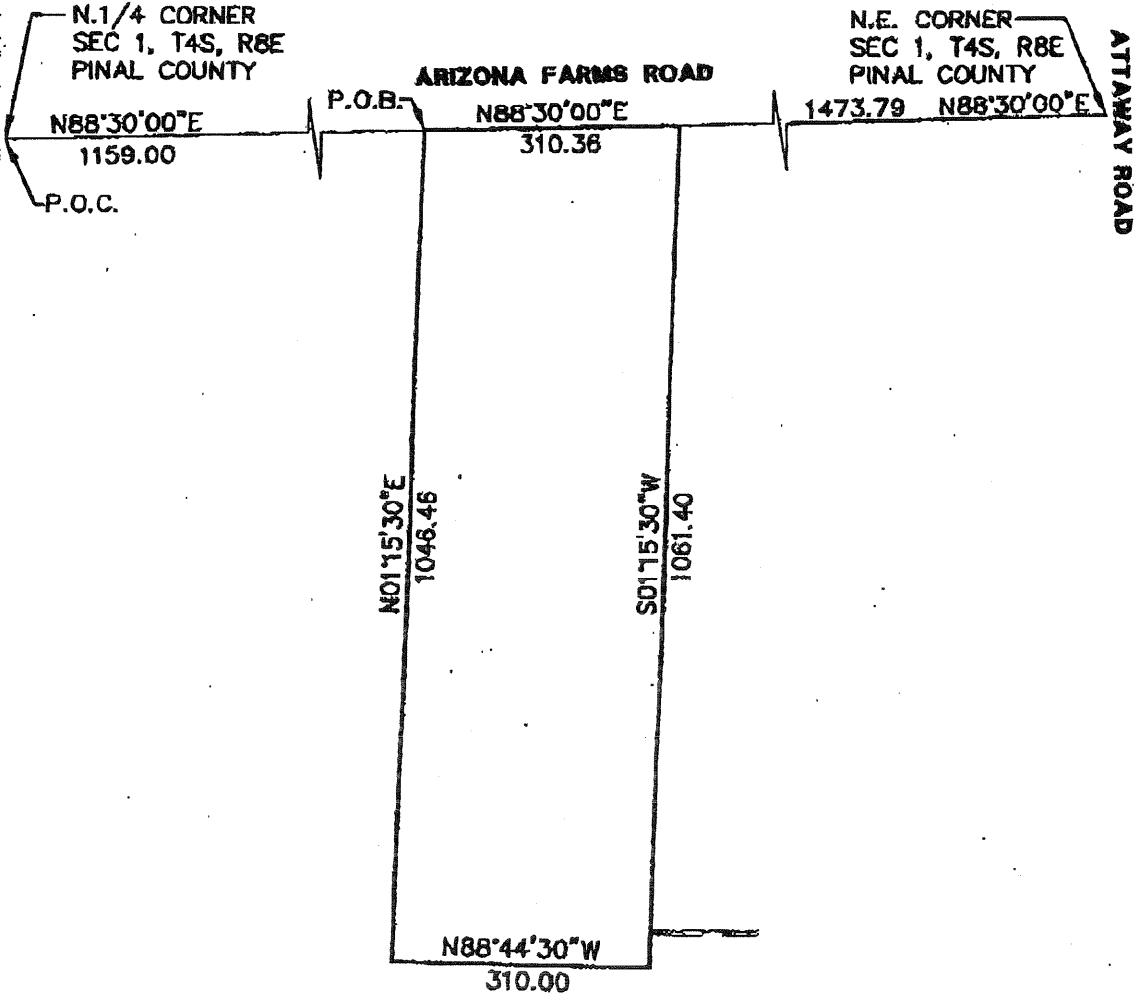
THENCE NORTH 88 DEGREES 44 MINUTES 30 SECONDS WEST, A DISTANCE OF 310.00 FEET;

THENCE NORTH 01 DEGREES 15 MINUTES 30 SECONDS EAST, A DISTANCE OF 1046.46 FEET TO THE POINT OF BEGINNING;

CONTAINING AN AREA OF 326,718 SQ. FT. OR 7.50 ACRES MORE OR LESS.

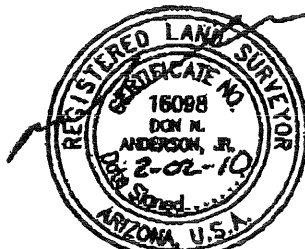
LN 1737
LAF
01-22-10
PAGE 1 OF 2

PARCEL ONE
 A PORTION OF SECTION 1
 TOWNSHIP 4 SOUTH, RANGE 8 EAST
 PINAL COUNTY



N.T.S.

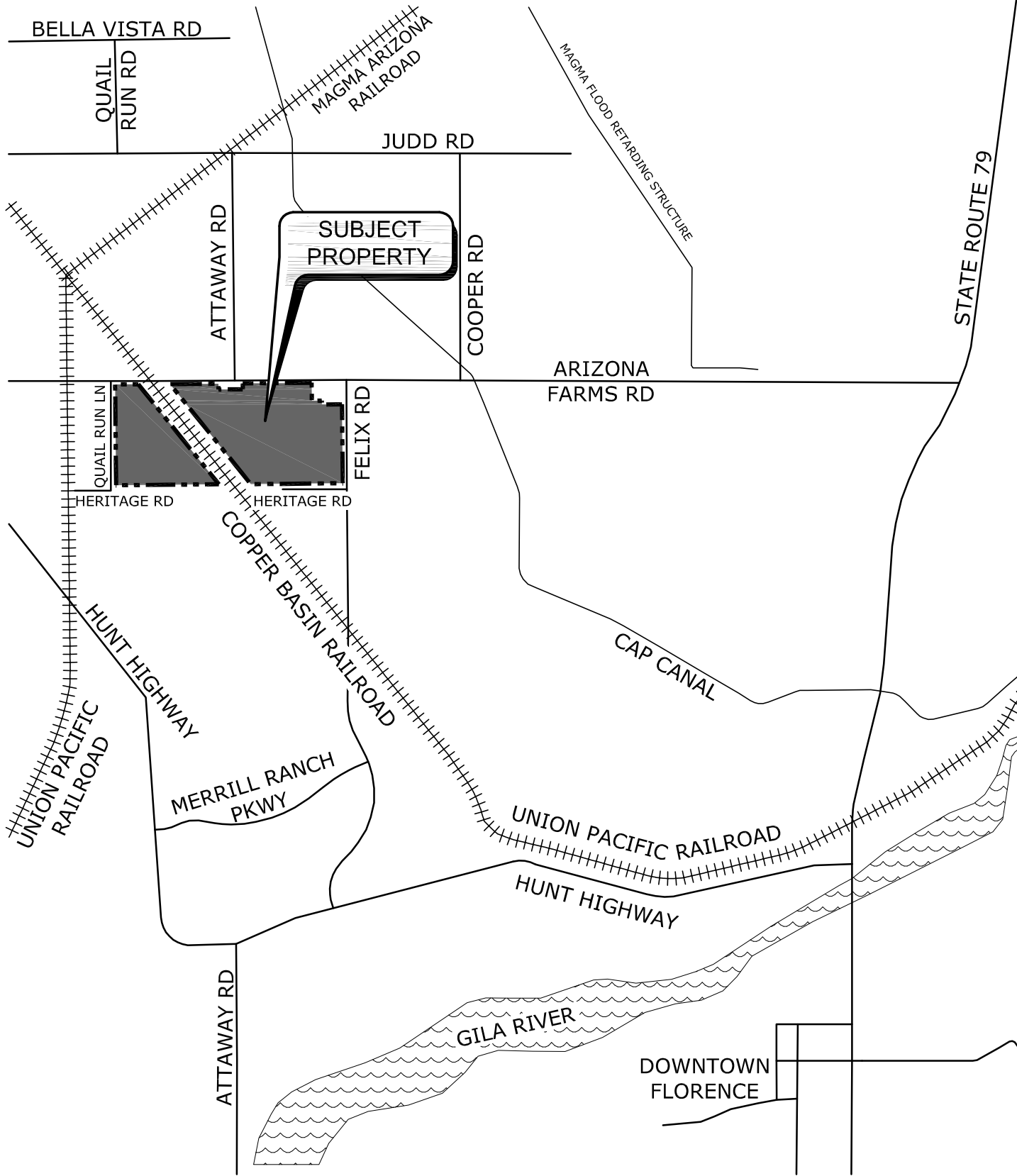
LN 1737
 01-22-10
 LAF
 PAGE 2 OF 2



EXPIRES 03-31-11

**Anderson
 Nelson, Inc.**
 4143 N. 12TH ST., SUITE 200, PHOENIX, AZ 85014
 (602) 273-1850 FAX (602) 273-0264

Section 5: Exhibits



35

36

31

32

Subject Property

Attaway Road

Arizona Farms Road

Quail Run Lane

Felix Road

Copper Basin Railroad

2

1

4

3

2

5

6

5

11

12

1

8

007J

007L

007K

007F

007E

007B

007G

007D

009F

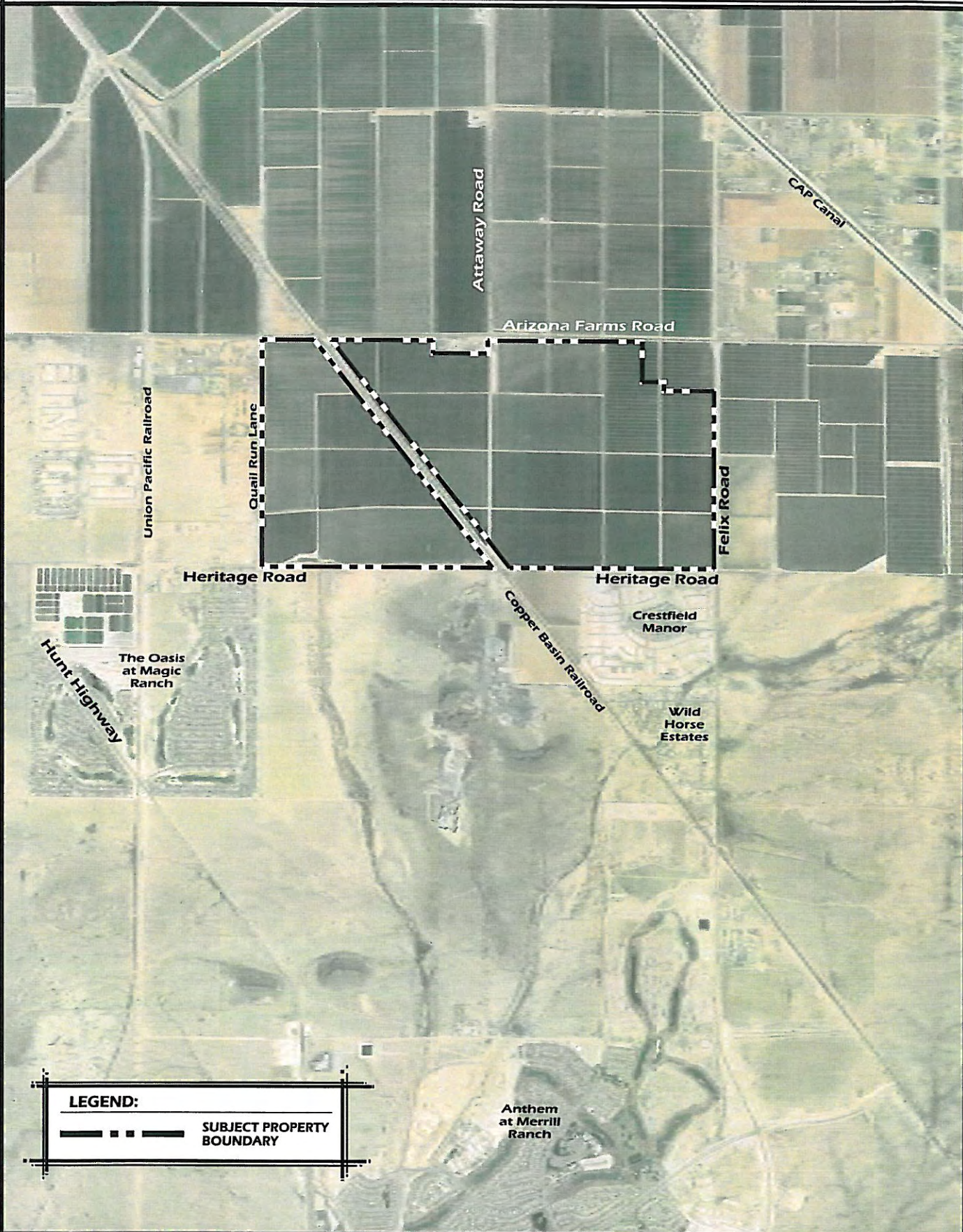
050

009D

009H

SEE MAPS
200-13_1 THRU 7
7





LEGEND:

 SUBJECT PROPERTY BOUNDARY



 **Town of Florence 2020 General Plan**
Future Land Use Map

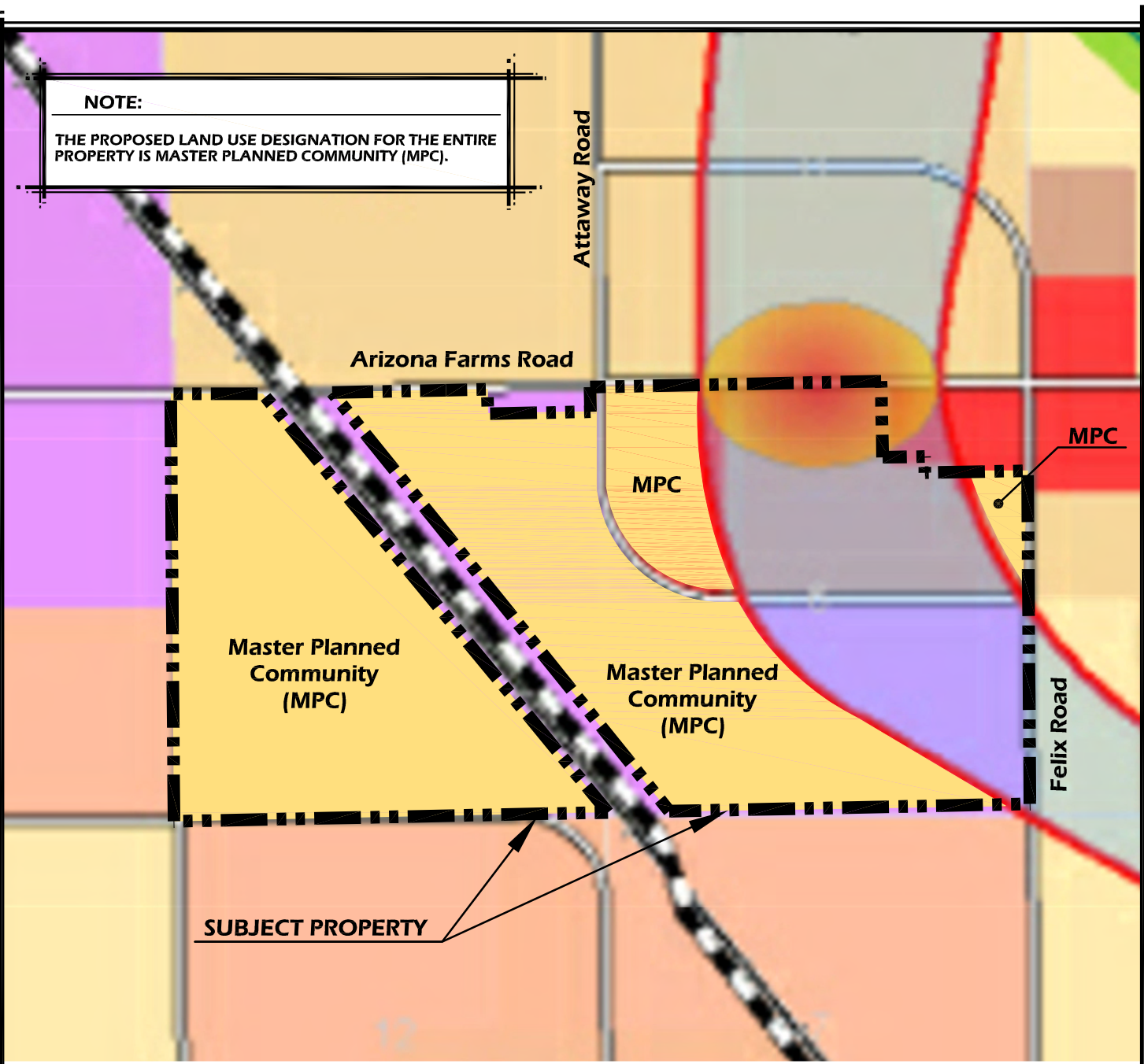
| | | | |
|--|---|--|---|
| Legend | | | |
| <ul style="list-style-type: none"> Canals CAP Canal Railroads Roads Highways Potential Utility/ Multi-Use Corridor Planning Area North-South ADOT Freeway Conceptual Corridor North-South ADOT Freeway Conceptual Interchanges | <p>Residential</p> <ul style="list-style-type: none"> Rural Ranchette Residential (RRR) (R10-18 DU/AO) Low Density Residential (LDR) (R2-46 DU/AO) Medium Density Residential 1 (MDR1) (R3-60 DU/AO) Medium Density Residential 2 (MDR2) (R4-120 DU/AO) High Density Residential 1 (HDR1) (R22-184 DU/AO) High Density Residential 2 (HDR2) (R20-240 DU/AO) <p>Commercial/Office/Industrial</p> <ul style="list-style-type: none"> Neighborhood Commercial (NC) Community Commercial (CC) Professional Office (PO) Employment/Light Industrial (E/LI) Heavy Industrial (HI) | <p>Mixed-Use</p> <ul style="list-style-type: none"> Master Planned Community (MPC) Downtown Mixed Use (DMU) Highway Mixed Use (HMU) Prison/Employment/Light Industrial (P/E/LI) <p>Community/Public</p> <ul style="list-style-type: none"> Public/Governmental (P/G) Prison (P) Military Reservation (MR) Parks and Recreation (P/R) Open Space (OS) | <p>Land Ownership</p> <ul style="list-style-type: none"> Bureau of Land Management Bureau of Reclamation Casa Grande National Monument Indian Community State Trust Land |

* Amended November 7, 2011 to reflect an updated North-South ADOT Freeway Conceptual Corridor



NOTE:

THE PROPOSED LAND USE DESIGNATION FOR THE ENTIRE PROPERTY IS MASTER PLANNED COMMUNITY (MPC).



 **Town of Florence 2020 General Plan**
Future Land Use Map

| | | | |
|--|--|---|---|
| Legend | | | |
| <ul style="list-style-type: none"> Canals CAP Canal Railroads Roads Highways Potential Utility/ Multi-Use Corridor Planning Area North-South ADOT Freeway Conceptual Corridor North-South ADOT Freeway Conceptual Interchanges | <ul style="list-style-type: none"> Residential Rural Ranchette Residential (RRR) <small>0.15 - 1.0 DU/AC</small> Low Density Residential (LDR) <small>0.2 - 4.0 DU/AC</small> Medium Density Residential 1 (MDR1) <small>4.5 - 8.0 DU/AC</small> Medium Density Residential 2 (MDR2) <small>8.5 - 12.0 DU/AC</small> High Density Residential 1 (HDR1) <small>12.5 - 18.0 DU/AC</small> High Density Residential 2 (HDR2) <small>18.5 - 24.0 DU/AC</small> Commercial/Office/Industrial Neighborhood Commercial (NC) Community Commercial (CC) Professional Office (PO) Employment/Light Industrial (E/LI) Heavy Industrial (HI) | <ul style="list-style-type: none"> Mixed-Use Master Planned Community (MPC) Downtown Mixed Use (DMU) Highway Mixed Use (HMU) Prison/Employment/Light Industrial (P/E/LI) Community/Public Public/Governmental (P/G) Prison (P) Military Reservation (MR) Parks and Recreation (P/R) Open Space (OS) | <ul style="list-style-type: none"> Land Ownership Bureau of Land Management Bureau of Reclamation Casa Grande National Monument Indian Community State Trust Land |

* Amended November 7, 2011 to reflect an updated North-South ADOT Freeway Conceptual Corridor.



ARIZONA FARMS PROJECT
EXHIBIT E: PROPOSED GENERAL PLAN LAND USE DESIGNATIONS

2014.03.03
 WLB No. 198026-C-001
 N.T.S.



LEGEND OF SYMBOLS:

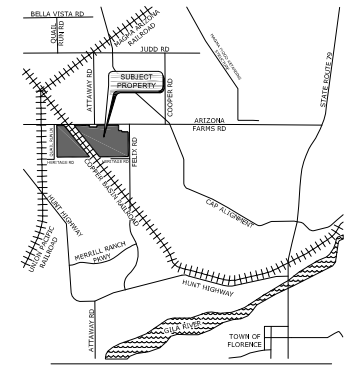
- Property Boundary
- Planning Parcel Boundary
- Vehicular Access
- Community Entry

PROPOSED ROADWAY CLASSIFICATIONS:

- Arizona Farms Road: Major Arterial
- Felix Road: Major Arterial
- Attaway Road: Major Arterial
- Heritage Road: Minor Arterial
- Internal Roads: Major Collector
- Quail Run Road: Local Street

PROJECT DATA TABLE:

- Gross Property Acreage: 1,183± Acres
- Commercial Area: 50.5± Acres
- Commercial Area (with alternate residential land use) : 48.1± Acres
- Residential Area: 1,084.4± Acres
- Current General Plan Land Use Designations:
 - Employment/Light Industrial (E/LI)
 - High Density Residential (HDR1)
 - Community Commercial (CC)
- Proposed General Plan Land Use Designation:
 - Master Planned Community (MPC)



LOCATION MAP
N.T.S.

PLANNING PARCEL TABLE

Parcels A, B, C, D, E and F
These planning parcels are anticipated for development in a manner consistent with the following Florence 2020 General Plan Land Use Designations:

- LDR (1-4 DU/AC)
- MDR 1 (4-8 DU/AC)

Parcels G, H, I and J
These planning parcels are anticipated for development in a manner consistent with the following Florence 2020 General Plan Land Use Designations:

- LDR (1-4 DU/AC)
- MDR 1 (4-8 DU/AC)
- MDR 2 (8-12 DU/AC)
- HDR 1 (12-18 DU/AC)

Parcels L and M
These planning parcels are anticipated for development in a manner consistent with the following Florence 2020 General Plan Land Use Designation:

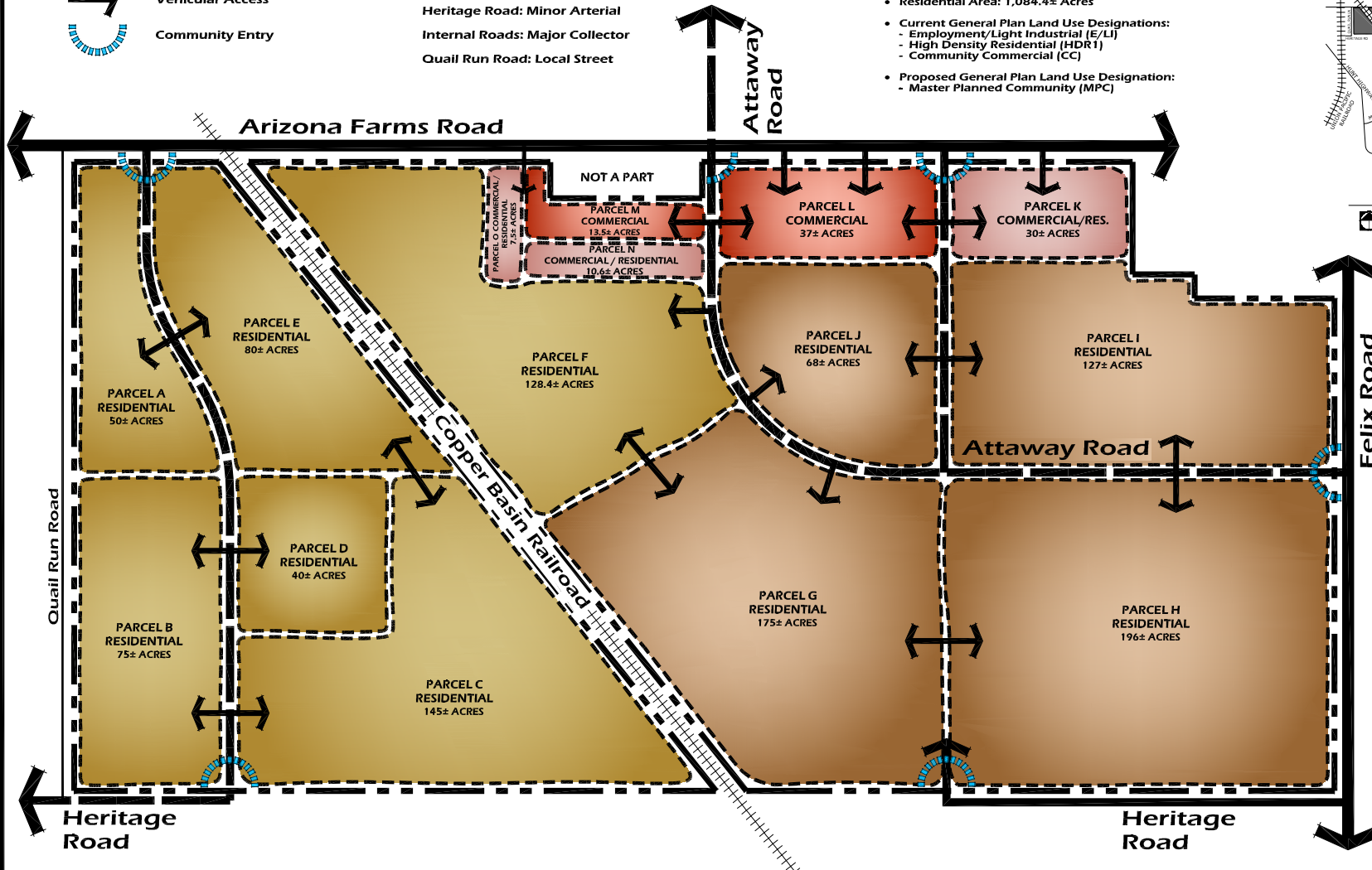
- Community Commercial (CC)


Parcel K
This planning parcel is anticipated for development in a manner consistent with the following Florence 2020 General Plan Land Use Designations:

- Community Commercial (CC)
- Or with an alternate residential land use consistent with LDR (1-4 DU/AC) or MDR 1 (4-8 DU/AC)

Parcels N and O
These planning parcels are anticipated for development in a manner consistent with the following Florence 2020 General Plan Land Use Designations:

- Community Commercial (CC)
- Or with an alternate residential land use consistent with MDR 2 (8-12 DU/AC)



| | | |
|--|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 12b. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: Resolution No. 1456-14: North-South Freeway Corridor Minor General Plan Amendment (PZC-22-14-GPA) | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Conduct public hearing, and motion to adopt Resolution No. 1456-14 for the North-South ADOT Freeway Corridor Minor General Plan Amendment.

REQUEST:

This is a request by the Town of Florence for approval of the following application:

A request for a Minor General Plan Amendment to the Town of Florence 2020 General Plan. More specifically, this application requests an amendment to the Town of Florence 2020 General Plan Future Land Use Map contained within the Land Use Element to adjust the Town’s conceptual alignment of the proposed North-South ADOT Freeway Corridor, as well as the proposed conceptual alignment of the ADOT Passenger Rail Corridor, based on information collected and analysis completed since the adoption of the 2020 General Plan in 2010 and subsequent amendments. This change may have some resultant changes to the supporting roadway network, including potential roadway changes.

BACKGROUND:

The intent of this General Plan Amendment application is to amend the 2020 General Plan Future Land Use Map contained within the Land Use Element to adjust the Town’s conceptual alignment of the proposed North-South ADOT Freeway Corridor, as well as the proposed conceptual alignment of the ADOT Passenger Rail Corridor, based on information collected and analysis completed since the adoption of the 2020 General Plan in 2010 and subsequent amendments.

North-South ADOT Corridor Minor
PZC-22-14-GPA
July 21, 2014

Over the past seven years, the Town has attended many ADOT agency meetings, ADOT public meetings and meetings with stakeholders, developers, builders and property owners in an effort to ultimately identify an appropriate North-South ADOT Freeway Corridor. The Town has also worked closely with Pinal County, the State Land Department and all municipalities impacted by the Corridor. Furthermore, the location of the Corridor was a critical consideration in the North End Framework Vision Plan. Once the Corridor is approved, the intent is then for ADOT to identify alternatives for actual centerlines or roadway alignments through the Corridor.

The Town was a regional leader in identifying a tentative corridor on our Future Land Use Map. Since the original designation, the Town has approved refinements to the conceptual corridor as ADOT studies progressed. The Town is once again in a position to refine the conceptual location of the North-South ADOT Freeway Corridor on the 2020 General Plan Future Land Use Map. The revised location is generally consistent with many of ADOT's findings to date and reflective of the following key guiding principles staff contends are critical to this project:

1. The North-South ADOT Freeway Corridor must be planned in a manner that enhances regional and local circulation and accessibility.
2. The North-South ADOT Freeway Corridor should be planned in a manner that considers the potential for this to be one of the first truly multi-modal transportation corridors in the State of Arizona.
3. The North-South ADOT Freeway Corridor can not be planned as a bypass for the Town of Florence.
4. The North-South ADOT Freeway Corridor must be planned in manner that enhances the long term sustainability of the historic core of Florence, while also not being too close as to damage the integrity and character of historic Florence.
5. The North-South ADOT Freeway Corridor must be planned in a manner that would offer substantial economic advantages to the Town of Florence.
6. The North-South ADOT Freeway Corridor should be planned in a manner that avoids existing development and limits the potential impacts to key natural or man-made features, such as, but not limited to, Magma Dam, Poston Butte, the Gila River, CAP canals and the Florence Retarding Structure.
7. The North-South ADOT Freeway Corridor must be planned in a manner that recognizes Florence as the County Seat and the heart and core of Pinal County.

Somewhat concurrent with the North-South Freeway Corridor project, ADOT is continuing a study of high capacity regional transportation to move passengers between the cities of Phoenix and Tucson. ADOT's Passenger Rail Corridor Study builds on previous work performed by ADOT and other agencies.

The Federal Railroad Administration (FRA) and Federal Transit Administration (FTA) are providing funds for this study. The agencies are designated as co-federal lead agencies for the study process. NEPA contains certain requirements that all federal agencies must follow; however, the specific process for moving a project from a universe of alternatives to a preferred alternative and implementation of the environmental evaluation somewhat differs for each agency.

Historically, Arizona metropolitan areas were served by many rail modes not unlike other American cities. As the automobile age gained momentum and influence, those passenger rail programs were derailed. Streetcar programs in Phoenix disappeared and only a historic trolley continued operation in Tucson. As connections to other metros in other states has waned, the final significant blow to passenger rail in Central and Southern Arizona was struck with the elimination of Amtrak service to Phoenix in 1996—when Union Pacific closed the connecting rail infrastructure between Yuma and Phoenix forcing Amtrak to resort to mainline services only.

Passenger Rail programs in Arizona have enjoyed a rebirth in the last decade, with three specific programs moving from planning into reality. METRO opened its program of light rail transit connecting the cities of Phoenix, Tempe and Mesa in 2008 after nearly two decades of planning, design, engineering, and construction. Tucson's Modern Street Car program is set for opening in 2014, after nearly a decade of preparations. The city of Tempe is currently planning a similar system and seeking Federal participation. Each of these programs highlights the need for high capacity urban and regional mobility solutions that can provide short, mid-range, and longer distance trips without the need for all things auto.

On a much grander scale, ADOT envisions that someday there will be passenger rail service between the State's two largest metropolitan areas. Concurrently, the two most viable options for this route passing through Pinal County go through Florence. One route proposes to parallel the existing UP Railroad corridor. The other proposes to coincide with the alignment of the North-South Freeway Corridor. Since the inception of this project, the Town has strongly advocated for a truly multi-modal approach of having the passenger rail service integrated with the Freeway. This would present phenomenal land planning and development scenarios, particularly if there are one to two rail stops in the Town of Florence.

The Town envisions that the rail stops, whether for commuter and or inter-city rail, should be located along Arizona Farms Road and on Butte Road, just west of downtown. These two stops would allow the greatest access to more highly developed areas of the Town, with highly desirable access to major employment centers.

ANALYSIS:

When the Planning and Zoning Commission and Town Council are considering an Amendment to the General Plan, the applicant must justify the need for a Minor Amendment to the General Plan through a series of questions:

1. Why is the current land use/circulation classification not suitable?

This Minor General Plan Amendment is intended to keep the 2020 General Plan up-to-date with the evolving ADOT North-South Freeway Corridor study and the ADOT Passenger Rail Corridor plans that will impact future plans for major roadway corridors in this region. The intent of this Minor General Plan Amendment is to adjust the proposed alignment of the conceptual North-South Freeway and Passenger Rail Corridors based on information collected and analysis completed since the adoption of the 2020 General Plan in 2010.

Working to refine the final alignment of the North-South Freeway and Passenger Rail Corridors will allow the Town, property owners and potential developers impacted by the subject Corridors to more effectively plan for future land uses and developments.

2. Does the proposal conform with land use goals? Will the proposed change in land use or circulation do the following:

- a. **Support the goals and policies of the General Plan;**
- b. **Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and**
- c. **Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?**

Yes, by comprehensively anticipating and planning for future development and major roadway and passenger rail corridors, the Town will be able to continue to fulfill the goals, objectives and strategies of the 2020 General Plan. The designation of the conceptual Corridors on the updated Future Land Use Map is based on a structured analysis of existing conditions, ongoing ADOT studies, planned developments, natural impediments, infrastructure planning and commonly accepted planning principles.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

Factors such as existing developments, planned developments, existing roadways, planned roadways, the Magma Dam, Gila River, Central Arizona Project canal, desert washes, irrigation canals, railroads, state highways, the

Florence Military Reservation, topography and other natural and human made features have been taken into consideration in this planning effort.

- 4. What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?**

The Water and Wastewater, Growth Areas and Cost of Development elements of the 2020 General Plan address the requirements for water and sewer extensions, in addition to the related costs and impacts of such as a result of new development. Other 2020 General Plan Elements also address these issues to ensure the Town's growth is sustainable and fiscally responsible. New developments are required to provide their share of infrastructure improvements and also contribute impact fees that go toward infrastructure development.

- 5. What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?**

The ability of Police and Fire Department personnel to provide adequate emergency services needs to be considered prior to the approval of any new developments. This consideration is routine when considering new developments, especially those furthest away from the Town core. New police and fire stations will be strategically placed around Town within new developments as growth occurs to provide adequate emergency services.

- 6. What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?**

The Parks, Trails, and Open Space Master Plan was approved and adopted by the Town Council on July 21, 2008 and the future demand for recreation centers, parks and open space was addressed through the Parks, Trails and Open Space Element of the 2020 General Plan. Larger developments that will directly influence school enrollment will continue to work with the Florence Unified School District and/or Coolidge Unified School District to ensure that there continues to be adequate educational facilities available for residents.

- 7. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population and development that could occur as a result of the General Plan amendment?**

Great efforts were made as part of the 2020 General Plan planning process to create a more sustainable mix and balance of land uses and to ensure adequate land is provided for employment centers, services and retail development. Such provision encourages a positive fiscal result; however, as with other jurisdictions, substantial residential growth will likely occur prior to rapid development of additional non-residential land uses. The future development of major transportation and passenger rail corridors, including the North-South ADOT Freeway, will facilitate appropriate development patterns and assist in the delivery of Town services and infrastructure planning. Passenger Rail service and other modes of future transportation will ultimately supplement automobile related improvements.

8. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

Specific goals, objectives and strategies in the 2020 General Plan address the protection of open space and resources. The 2020 General Plan has an Environmental Element that addresses the identification and conservation of natural resources and seeks to protect public health and prevent the destruction of significant natural areas. Topics covered include: climate, water quality and supply, air quality, soils, biological habitats, cultural resources, energy efficiency and other environmental factors. The 2020 General Plan also introduced an Energy Element that enhances the Town's commitment towards sustainability.

9. What changes, if any, in Federal or State laws or policies substantiate the proposed amendment?

This Amendment is not in response to any changes in Federal or State laws, but is proposed to take a pro-active stance in suggesting the proper updated alignment of the proposed ADOT North-South Freeway and the Passenger Rail Corridors in the Florence region.

FINDINGS:

The following findings have been made on this request and are provided for the consideration of the Planning and Zoning Commission and the Town Council:

- The proposed Major General Plan Amendment is in overall compliance with the goals, objectives and strategies of the Florence 2020 General Plan. Specifically, the Amendment is consistent with Goals One and Two of the Circulation Element that support a safe, efficient, balanced and comprehensive transportation system

and Goal One of the Economic Development Element that states “Develop a sustainable economy in order to maintain a vibrant and healthy community”;

- The proposed Amendment does not impact the overall balance and mixture of land uses within the Town’s Planning area;
- The proposed changes is consistent with the Town Council endorsed North End Framework Vision Plan; and
- The proposed Amendment is consistent with the guiding principles Town staff has followed with the ADOT North-South Freeway and Passenger Rail Corridor projects in order to protect the long-term vitality, sustainability and character of Florence.
- The Town’s General Plan does allow for modifications to these Freeway and Passenger Rail corridors to be made via the Minor General Plan Amendment process.

PUBLIC PARTICIPATION:

The Town has reached out to all Town citizens and other property owners through a public participation process that includes:

- Advertisements in the local Town paper;
- One public hearing for the Planning and Zoning Commission; and
- Town Council public hearing.

As of this writing, staff has had no public response. It is noted though, that staff has been working with all major stakeholders along these corridors to refine these alignments in a mutually beneficial manner.

No opposition has been expressed on this case as of this writing.

FINANCIAL IMPACT:

None directly applicable to this request.

RECOMMENDATION:

Conduct public hearing, and in accordance with the findings presented on this request, staff recommends adoption of Resolution No. 1456-14 for approval of this Minor General Plan Amendment as depicted in Exhibit A, subject to the following condition:

- Any conditions deemed necessary by the Town Council.

ATTACHMENTS:

Resolution No. 1456-14
Exhibit A
Application Materials

RESOLUTION NO. 1456-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE NORTH-SOUTH ADOT FREEWAY CORRIDOR MINOR GENERAL PLAN AMENDMENT (PZC-22-14-GPA).

WHEREAS, a Minor General Plan Amendment (Minor GPA) is requested for the Town of Florence 2020 General Plan Future Land Use Map contained within the Land Use Element to adjust the Town's conceptual alignment of the proposed North-South ADOT Freeway Corridor, as well as, the proposed conceptual alignment of the ADOT Passenger Rail Corridor; and

WHEREAS, the Town of Florence proactively worked to identify and support long term transportation needs for the Town; and

WHEREAS, the Town of Florence has been actively engaged with the ADOT North-South Freeway and Passenger Rail Corridor Studies to protect the long term needs of the Town; and

WHEREAS, a public participation process, including the holding of a public hearing of the Town of Florence Planning and Zoning Commission and public outreach to impacted stakeholders has been followed for the Minor GPA; and

WHEREAS, the Planning and Zoning Commission of the Town of Florence has considered all public comments made at the public hearing; and

WHEREAS, the Planning and Zoning Commission sent a unanimous favorable recommendation to the Town Council on the North-South ADOT Freeway Corridor Minor GPA; and

WHEREAS, said proposal has been considered by the Council and the Minor GPA has been found to: be appropriate; be consistent with the goals, objectives and strategies of the Florence 2020 General Plan; specifically, the amendment is consistent with Goals One and Two of the Circulation Element that support a safe, efficient, balanced and comprehensive transportation system and Goal One of the Economic Development Element that states, "Develop a sustainable economy in order to maintain a vibrant and healthy community". Thus, a determination has been made that the Minor GPA should be approved.

BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona as follows:

The Mayor and Council of the Town of Florence hereby approve the subject Minor General Plan Amendment as presented in Exhibit A.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Florence, Arizona, this 21st day of July, 2014.

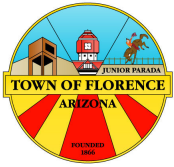
Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

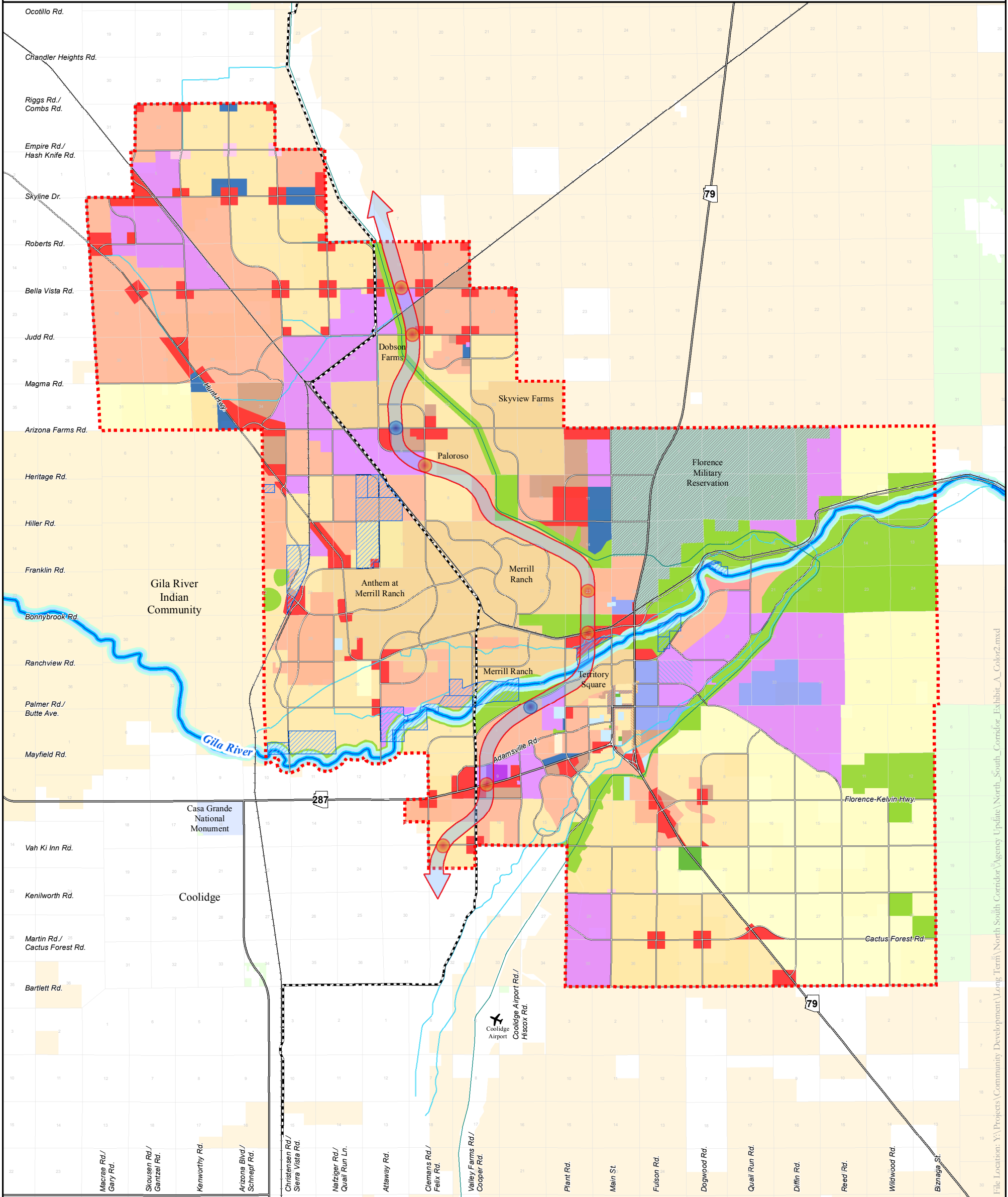
Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney



- | | | | |
|--|---|---|---|
| <ul style="list-style-type: none"> Canals CAP Canal Railroads Roads Highways Potential Utility/Multi-Use Corridor Aggregate Resources Overlay Planning Area North-South ADOT Freeway Conceptual Corridor and ADOT Passenger Rail Conceptual Corridor North-South ADOT Freeway Conceptual Interchanges North-South ADOT Freeway Conceptual Interchanges and ADOT Passenger Rail Conceptual Passenger Rail Stops | <p>Residential</p> <ul style="list-style-type: none"> Rural Ranchette Residential (RRR) Low Density Residential (LDR) Medium Density Residential 1 (MDR1) Medium Density Residential 2 (MDR2) High Density Residential 1 (HDR1) High Density Residential 2 (HDR2) <p>Commercial/Office/Industrial</p> <ul style="list-style-type: none"> Neighborhood Commercial (NC) Community Commercial (CC) Professional Office (PO) Employment/Light Industrial (E/LI) | <ul style="list-style-type: none"> Heavy Industrial (HI) <p>Mixed-Use</p> <ul style="list-style-type: none"> Master Planned Community (MPC) Downtown Mixed Use (DMU) Highway Mixed Use (HMU) <p>Community/Public</p> <ul style="list-style-type: none"> Public/Governmental (P/G) Prison (P) Military Reservation (MR) Parks and Recreation (P/R) Open Space (OS) | <p>Land Ownership</p> <ul style="list-style-type: none"> Bureau of Land Management National Forest Indian Community National Monument State Trust Land |
|--|---|---|---|

Date Created: 6/27/2014
Date Modified: 7/3/2014



Proposed Future Land Use

This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.

File Location: Y:\Projects\Community Development\Long Term\North South Corridor\Agency Update\North_South_Corridor_Updated_A_Color2.mxd

APPLICATION FOR GENERAL PLAN AMENDMENT

PROJECT NAME: North-South Corridor and ADOT Passenger Rail Corridor Minor GPA

APPLICATION TYPE: Major Minor Text (Major)

1. Property Owner: Name: _____
 Address: _____

 Phone: _____ Fax: _____
 Email: _____

2. Applicant/Developer: Name: Town of Florence
 Address: 600 North Main Street
 Florence, Arizona 85132
 Phone: 520-868-7542 Fax: _____
 Email: Gilbert.Olgin @Florenceaz.gov

3. Address or Location of Property: North-South and ADOT Passenger Rail Corridors

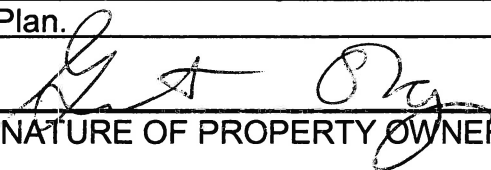
4. Legal Description of Property: If applicable, include Lot(s), Block(s), and Subdivision Name:

Tax Parcel Numbers: N/A

Gross Acres: N/A


5. Current Land Use Classification(s): _____

6. Proposed Land Use Classification(s): Moving the ADOT North-South Corridor location and adding ADOT Passenger Rail Corridors on the Town 2020 General Plan.

 June 5, 2014
 SIGNATURE OF PROPERTY OWNER or REPRESENTATIVE DATE

FOR STAFF USE ONLY:

| | |
|---------------------------------|-----------------------------------|
| CASE NO. <u>PZC-22-14-GPA</u> | APPLICATION DATE AND TIME _____ |
| PERMIT NO. _____ | FEE \$ _____ |
| PZ HEARING DATES <u>June 19</u> | |
| TC HEARING DATE <u>July 21</u> | REVIEWED BY: <u>Gilbert Olgin</u> |

| | | |
|--|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 12c. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: Resolution No. 1457-14: The Reserve at Lookout Mountain Minor General Plan Amendment (PZC-23-14-GPA) | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Conduct public hearing and motion to adopt Resolution No. 1457-14 for the Reserve at Lookout Mountain Minor General Plan Amendment.

REQUEST:

A request by United Engineering Group on behalf of RMG Lucky Hunt LLC for a Minor General Plan Amendment to the Town of Florence 2020 General Plan. More specifically, this application requests an amendment to the Florence 2020 General Plan Future Land Use Map for the removal of the Aggregate Resources (AR) Overlay from the proposed Reserve at Lookout Mountain planned community located at the southwest corner of Hunt Highway and the Heritage Road alignment due to the aggregate mining use being permanently eliminated from the subject site.

BACKGROUND:

The proposed project known as the Reserve at Lookout Mountain encompasses 65.07 acres of potential residential development; however, this application pertains to 30 acres located on the southwest corner of Hunt Highway and Heritage Road in Pinal County, Arizona. Owners RMG Lucky Hunt 65, LLC, an entity of the McRae Group of companies, control the entire project.

The purpose of this application is to remove an Aggregate Resources (AR) overlay that was a direct result from revisions to state statutes in 2011, specifically those enacted per Senate Bill 1598, that required General Plans to identify current sources of aggregate materials. The intent of the statutory revisions was to provide opportunities

for communities and current/future aggregate producers to avoid unnecessary land use conflicts, ensure long-term availability of construction materials and to achieve the highest and best land uses for these sites once aggregate mining ceases. The subject site is being considered for future residential development and the AR overlay is no longer necessary on this site.

ANALYSIS:

When Planning and Zoning Commission and Town Council are considering an amendment to the General Plan, the applicant must justify the need for Minor Amendment to the General Plan through a series of questions:

1. Why is the current land use/circulation classification not suitable?

This site has excellent characteristics that make it the ideal entry point along Hunt Highway into the future Town of Florence. With the site's topography and close proximity to the future commercial center located just south, this site has an opportunity as a highly desirable hillside community. The granite mine previously located on the property is no longer in use. Residential development within the AR overlay is not allowed therefore, we are requesting that it be removed.

The land use designations on surrounding properties are as follows:

North: Medium Density Residential 1 (MDR1) and Community Commercial (CC)

South: Medium Density Residential 1 (MDR1) and Community Commercial (CC)

East: Community Commercial (CC)

West: Gila River Indian Community (GRIC)

2. Does the proposal conform with land use goals?

a. Support the goals and policies of the 2020 General Plan; and

The proposed Minor GPA would support the overall policies and goals of the 2020 General Plan by removing the AR overlay to allow for residential uses in proximity to similar land uses.

This proposal does not suggest any changes to the overall circulation system of the Town of Florence 2020 General Plan.

This project will also conform to the 2008 Town of Florence Parks, Trails and Open Space Master Plan.

b. Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation systems; and

The request to remove the AR overlay designation will not have an affect on the proposed range of land uses, densities or intensity of uses because this area will be largely comprised of hillside recreational uses. The amendment will not conflict with the hierarchy of roadways previously proposed in the 2020 General Plan.

c. Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?

The proposed removal of the AR overlay is consistent with the surrounding designations. No incompatible or isolated land uses will be a direct result, nor will any additional burden on services and circulation systems be created.

3. What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

With the site's unique topography and location along Hunt Highway, the opportunity to develop a premier hillside residential community with amazing views of undisturbed desert far exceeds the need for a five acre granite mining operation.

4. What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extensions or improvements?

Water and Sewer services will be provided by Johnson Utilities, LLC (JUC). Johnson Utilities has a regional WWTP located directly across Hunt Highway for the project and has sufficient capacity to serve the site. Additionally, JUC has regional water lines in Hunt Highway that the project will be able to tie into.

5. What is the ability of existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?

Police and Fire protection for the Project will be served by the Town of Florence upon annexation. Anthem at Merrill Ranch Fire Station No. Two is located approximately 4.5 miles south of this site, however, it is understood that the Town is anticipating an additional fire station near the Magic Ranch Area in the coming years.

The main police station is located in downtown Florence, approximately 12 miles southeast. A police substation will be included within the Fire Station No. Two.

Ongoing conversations between the Town of Florence and the applicant will continue so that both the emergency and fire response needs can be satisfied as the property moves forward with development.

6. What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?

This application proposes the removal of the AR overlay to an already designated MDR1 area. This land use and the specific development proposed for this property will not increase the projected densities and thus the need for the public services. Schools or parks will also remain as projected.

7. What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decrease in population and development that could occur as a result of the General Plan amendment?

The fiscal impact is expected to be beneficial to the Town once development commences. The added rooftops/residents will bring added taxes and economic benefit to surrounding businesses.

As previously stated, the added demand on public facilities will be minimal as wet utilities will be provided by JUC.

8. How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?

This amendment and the proposed subdivision will be subject to and comply with all Town, County, State and Federal regulations as applicable.

The water and sewer systems will be regulated by the Arizona Department of Environmental Quality. Under the guidance of ADEQ, all water resource within this area will be held to the highest standards.

9. What changes, if any, in Federal or State Laws or policies substantiate the proposed amendment?

There are no changes in Federal or State Laws or Policies necessitated by this proposed Minor General Plan Amendment.

FINDINGS:

- The proposed Minor General Plan Amendment to remove the AG overlay will not change nor affect the existing Medium Density Residential 1 (MDR1) designation that has been identified for the subject area;
- The properties in the area may be affected in a positive way by this General Plan Amendment as the amendment promotes housing development and provides additional market base for employment and in retail goods and services; and
- The proposed Minor General Plan Amendment is in compliance with the goals, objectives and strategies of the Town's General Plan.

PUBLIC PARTICIPATION:

The Town has reached out to all Town residents and other property owners through a public participation process that includes:

- A notice for the Planning and Zoning Commission public hearings was mailed to all property owners within three hundred (300) feet of the site;
- Property Posting (Sign) - Notice of Public Hearing for a Minor General Plan Amendment was posted on one location on the site;
- Advertisements in the local Town paper;
- One public hearing for the Planning and Zoning Commission; and

- Town Council public hearing.

As of this writing, staff has received no public response on this case.

FICAL IMPACT

None directly applicable to this request.

RECOMMENDATION:

Conduct public hearing, and in accordance with the findings presented on this request, staff recommends adoption of Resolution No. 1457-14 for approval of this Minor General Plan Amendment, subject to the following conditions:

- Any conditions deemed necessary by the Town Council.

ATTACHMENTS:

Resolution No. 1457-14

Exhibit A

The Reserve at Lookout Mountain Minor General Plan Amendment Book

RESOLUTION NO. 1457-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE RESERVE AT LOOKOUT MOUNTAIN MINOR GENERAL PLAN AMENDMENT (PZC-23-14-GPA).

WHEREAS, a Minor General Plan Amendment (Minor GPA) is requested for property located at the southwest corner of Hunt Highway and the Heritage Road alignment due to the aggregate mining use being permanently eliminated from the subject site; and

WHEREAS, a significant public participation process, including the holding of a public hearing of the Town of Florence Planning and Zoning Commission, has been followed for the Minor GPA; and

WHEREAS, the Planning and Zoning Commission of the Town of Florence has considered all public comments made at the public hearing; and

WHEREAS, the Planning and Zoning Commission sent a unanimous favorable recommendation to the Town Council on the Reserve at Lookout Mountain Minor GPA; and

WHEREAS, said proposal has been considered by the Council and the Minor GPA has been found to: be appropriate; be consistent with the goals, objectives and strategies of the Town's General Plan; have a positive impact on the overall balance and mixture of land uses in the Town's General Plan; be consistent with good planning principles; be beneficial for the Town's orderly growth; and be favorable to the general welfare, health and safety of the public. Thus, a determination has been made that the Minor GPA should be approved.

BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

The Mayor and Council of the Town of Florence hereby approve the subject Minor General Plan Amendment as presented in Exhibit A.

PASSED AND ADOPTED by the Mayor and Common Council of the Town of Florence, Arizona, this 21st day of July, 2014.

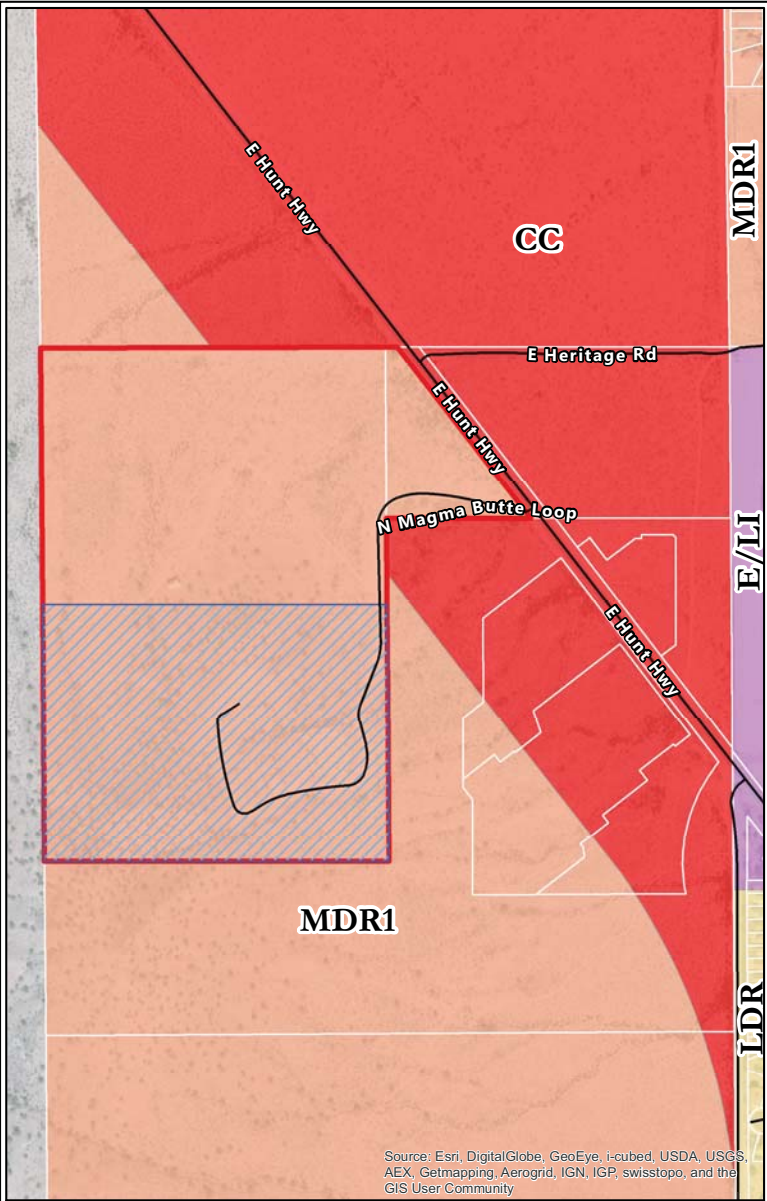
Tom J. Rankin, Mayor

ATTEST:

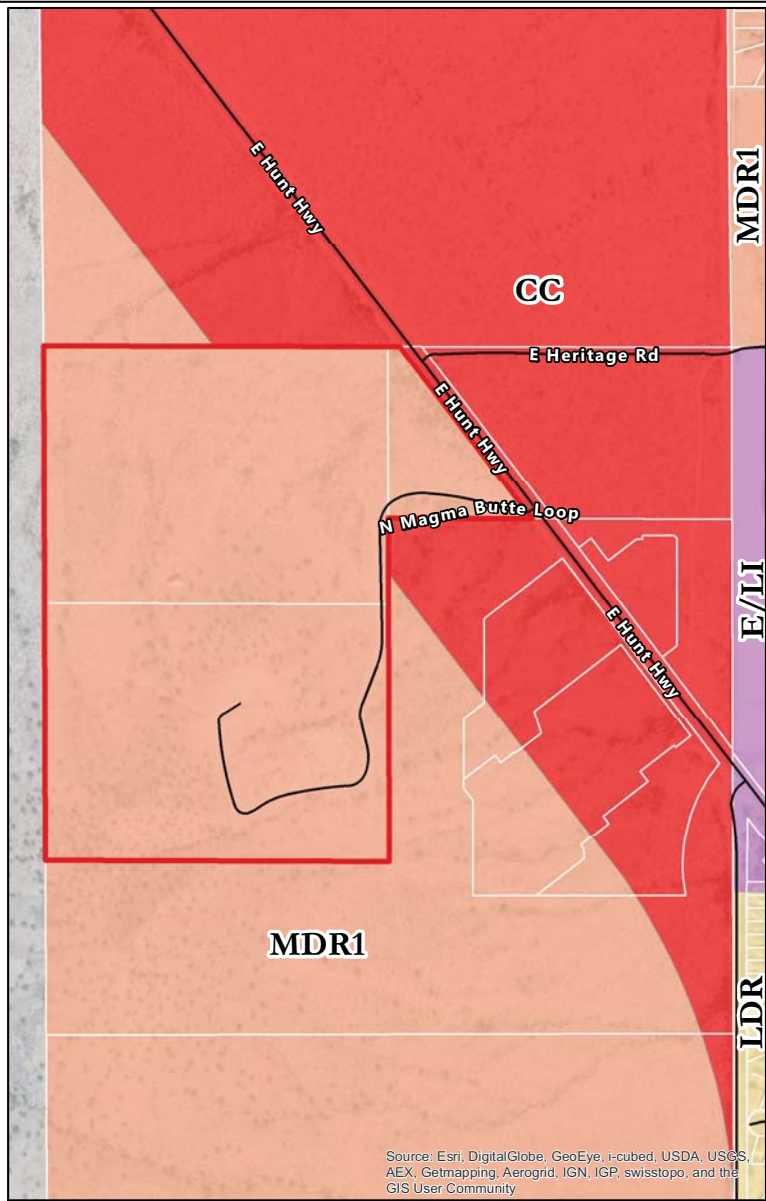
APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney



Existing 2020 General Plan









Proposed 2020 General Plan

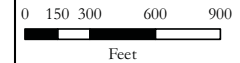
Town of Florence



Exhibit A

Reserve at Lookout Mountain

-  Site Location
-  Aggregate Resources
-  Low Density Residential (LDR)
-  Medium Density Residential 1 (MDR1)
-  Community Commercial (CC)
-  Employment/Light Industrial (E/LI)



Date Created: 6/27/2014
Date Modified: 6/27/2014

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UNITED ENGINEERING GROUP

Minor General Plan
Amendment
Narrative

Florence, Arizona

May 23, 2014



The Reserve

at Lookout Mountain

8800 N. Gainey Center Drive
Suite 255
Scottsdale, AZ 85258



Project Data Sheet

Project Location: A Portion of the Northeast Quarter of Section 10, Township 4 South, Ranch 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona

Parcel Number(s): 200-25-001F

Project Request: Minor General Plan Amendment to removed Aggregate Resources Overlay (AR)

Gross Acreage: 30 acres

Existing Use: None, Raw Desert

Proposed Use: Single Family Residential Subdivision

Existing General Plan: Medium Density Residential (MDR1) with Aggregate Resource Overlay (AR) Designation

Proposed General Plan: Medium Density Residential (MDR1) Designation

Existing Zoning: None, Property is located within County

Proposed Zoning: Planned Unit Development (PUD)

Flood Zone: Zone X

**APPLICATION FOR
MINOR GENERAL PLAN AMENDMENT
FOR
The Reserve
At Lookout Mountain**

**Submitted to
Town of Florence, Arizona
May 23, 2014**

PROPERTY OWNER

**RMG Lucky Hunt 65. LLC
8800 N. Gainey Center Drive
Suite 255
Scottsdale, AZ 85258
(480) 609-1200**

APPLICANT/DEVELOPER

**McRae Group of Companies
8800 N Gainey Center Dr.
Suite 255
Scottsdale, AZ 85258
(480) 609-1200**

AGENT/ENGINEER

**UNITED ENGINEERING GROUP, LLC
3205 W. Ray Road
Suite 1
Chandler, AZ 85226
(480) 705-5372**

UEG Project No. 15922

TABLE OF CONTENTS

| | |
|--------------------------------|----|
| 1. INTRODUCTION | 5 |
| 2. PROJECT JUSTIFICATION | 7 |
| 3. CONCLUSION | 10 |

FIGURES

| | |
|--|---|
| Figure 1 - Florence General Plan | 5 |
| Figure 2 - Hillside Photo | 8 |

EXHIBITS

- A. Vicinity Map
- B. Assessor Parcel Map
- C. General Plan Amendment Exhibit
- D. Surrounding Owners

1. INTRODUCTION

1.1 Purpose of Request

The purpose of this request is to allow for the development of a 65.07 acre residential project know as The Reserve at Lookout Mountain (the **Project**). The Project is located on the southwest corner of Hunt Hwy and Heritage Road in Pinal County, Arizona (**See Exhibit A – Vicinity Map**). The project has recently changed hands and is currently owned by RMG Lucky Hunt, LLC (**Owners**), an entity of the McRae Group of Companies (**MGC**). The tax parcel numbers making up this project are 200-25-001C, 200-25-001E & 200-25-001F (**See Exhibit B – Assessor Parcel Map**). Though the entire Project is comprised of 65.07 acres, this application is only requesting a Minor General Plan Amendment to the 30 acre parcel 200-25-001.

The Project is currently designated as Medium Density Residential 1 (**MRD1**) with an Aggregate Resources (**AR**) overlay per the Town of Florence (**Town**) 2020 General Plan. It is the intent of this General Plan Amendment to remove the 30 acre AR overlay. (**See Figure 1 & Exhibit C – Existing & Proposed Florence General Plan**). This designation is appropriate for the property today and in the future considering its surrounding designations.

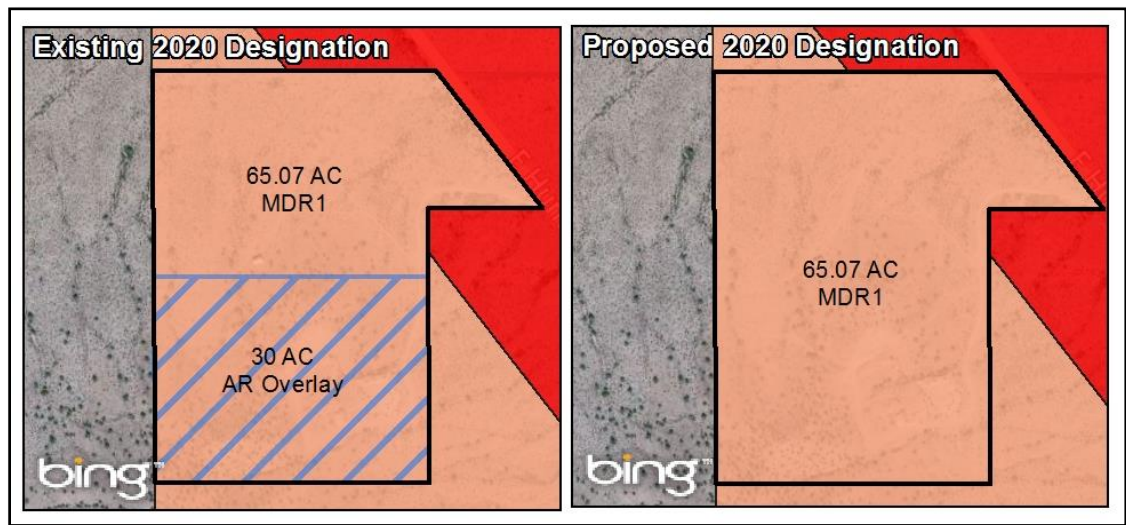


Figure 1 - Florence General Plan

This application, along with the attached exhibits, will provide the Town with the information and documents it needs to approve a Minor General Plan Amendment on the property. The Minor General Plan Amendment (**GPA**) Application can be found in **Appendix A**.

1.2 Property Description

The Project is located on the southwest corner of Hunt Highway and Heritage Road in Pinal County (Refer to **Exhibit A – Vicinity Map**). This site, with additional land to the south currently held by a separate MGC LLC will make up a premier hillside residential community as a focal point of entry into the Town of Florence. As mentioned, the property is currently within the jurisdiction of Pinal County and is part of the Florence Magic Ranch Annexation that is expected to be complete in 2014. The APN for the requested amendment area is 200-25-001F (Refer to **Exhibit B – Assessor Parcel Map**). A legal description for the 30 acre portion being amended can be found in **Appendix B**.

1.3 Proposed Minor General Plan Amendment

The proposed Minor GPA will removed the Aggregate Resource (**AR**) Overlay designation (*Refer to Exhibit C – Existing and Proposed General Plan Land Use Designation*). The Project is currently zoned GR within the County and carries no Town zoning. Concurrently with the annexation and GPA, a PUD will be requested on the subject property.

The removal of the AR designation proposed with this application is consistent with nearby land uses located in the vicinity of the property and is necessary to support the needs of this developing area.

1.4 Relationship to Surrounding Properties

The surrounding properties in the immediate area are mostly undeveloped raw desert, the Gila River Indian Community (**GRIC**) to the west, Arizona State Trust Land (**ASTL**) to the north, a private land owner to the east and another McRae Group entity, Magic Lake 80 LLC which carries an approved PAD within Pinal County. Other surrounding property owners in the area include, Magic Ranch Subdivision & Country Club, future Fry's grocery store within the Barclay Group Commercial Master Plan, and the Johnson Utilities WWTP and a refuse transfer station (See Exhibit D – Surrounding Owners Map).

The surrounding General Plan land use designations are as follows:

North: Medium Density Residential (MDR1) & Community Commercial (CC)

South: Medium Density Residential (MDR1)

East: Community Commercial (CC)

West: No Town GP Designation, Gila River Indian Community (GRIC)

The Site is currently within the County and is in the process of being annexed into the Town of Florence. There is no surrounding Town zoning at this time.

2. PROJECT JUSTIFICATION

2.1 Why is the current land use/circulation classification not suitable?

This site has excellent characteristics that make it the ideal entry point along Hunt Hwy into the Town of Florence. With the sites topography and close proximity to the future Fry's Grocery Store and Commercial Center located just south, this site has an excellent opportunity as a premiere hillside community with excellent views of the undisturbed desert of the surrounding GRIC and ASLD land. The granite mine previously located on the property is no longer in use nor needed. Residential development within the AR overlay is not allowed therefore it is being requested that it be removed.

2.1 Does the proposal conform with land use goals? Will the proposed change in land use or circulation do the following:

a) Support the goals and policies of the General Plan;

The proposed Minor GPA would support the overall policies and goals of the General Plan by removing the AR overlay to allow for residential uses in proximity to similar land uses.

This proposal does not suggest any changes to the overall circulation system of the Town of Florence 2020 General Plan.

This project will also conform to the park, trails and open space goal by providing ample hillside area to be used by local and regional residents.

b) Conform to the proposed range of land uses, densities, and intensity of uses, hierarchy of transportation system;

The request to remove the AR overlay land use will not have an affect on the proposed range of land uses, densities or intensity of uses because this are will be largely comprised of hillside recreational uses. The amendment will not conflict with the hierarchy of roadways previously proposed in the General Plan. Hunt Highway will remain designated as a Major Arterial.

c) Avoid creation of isolated uses that will cause incompatible community form and a burden on services and circulation systems?

The proposed removal of the AR overlay is consistent with the surrounding designations. No incompatible or isolated land uses will be created, nor will any additional burden on services and circulation systems be created as this surrounding land uses are MDR1 without the AR overlay.

2.2 What unique physical characteristics of the site present opportunities or constraints for the development under the existing classification?

With the sites unique topography and location along Hunt Hwy, the opportunity to develop a premier hillside residential community with amazing views of undisturbed desert, far exceeds the need for a small granite mining operation. (See **Figure 2 – Hillside Photo**)



Figure 2 - Hillside Photo

2.3 What is the ability and capacity of the water and sewer system to accommodate development that may occur as a result of the General Plan Amendment without system extension or improvements?

Water and Sewer services will be provided by Johnson Utilities, LLC (**JUC**). Johnson Utilities has a regional WWTP located directly across Hunt Hwy from the project and has sufficient capacity to serve the site. Additionally, JUC has regional water lines in Hunt Hwy that the project will be able to tie into.

2.4 What is the ability of the existing police and fire department personnel to provide adequate emergency services according to acceptable response standards set by the community?

Police and Fire protection for the Project will be served by the Town of Florence. Anthem at Merrill Ranch Fire Station is located approximately 4.5 miles south of this site. However, it is understood that the Town is anticipating an additional Magic Ranch Fire Station in the coming years.

The nearest police station is located in downtown Florence, approximately 12 miles southeast. With the pending Magic Ranch Annexation, it is anticipated that an additional police substation will be constructed in the vicinity of the project with the addition of the added rooftops.

Ongoing conversation between the Town of Florence and the applicant will continue so that both the emergency and fire response needs can be satisfied as the property moves forward with development.

2.5 *What is the ability of the proposed public and private open space, recreation, schools, and library facilities to meet the projected demand of future development without reducing services below community standards?*

This application proposes the removal of the AR overlay to an already designated MDR1 area. This land use and the specific development proposed for this property will not increase the projected densities and thus the need for public services such as schools or parks will also remain as projected.

2.6 *What is the proposed fiscal impact of future development based on evaluation of projected revenues and the additional cost of providing public facilities and services to accommodate projected increases or decreases in population and development that could occur as a result of the General Plan amendment?*

The proposed fiscal impact for the Project is expected to be beneficial to the Town once development commences. The added rooftops/residents will bring added tax revenue and economic benefit to surrounding businesses.

As previously stated, the added demand on public facilities will be minimal as wet utilities (i.e. water and sewer services) will be provided by JUC.

2.7 *How will the proposed amendment affect the ability of the community to sustain the physical and cultural resources, including air quality, water quality, energy, natural and human-made resources necessary to meet the demands of present and future residents?*

This amendment and the proposed subdivision will be subject to and shall comply with all Town, County, State, and Federal regulations as applicable.

The water and sewer systems will be regulated by the Arizona Department of Environmental Quality. Under the guidance of ADEQ, all water resources within this area will be held to the highest standards.

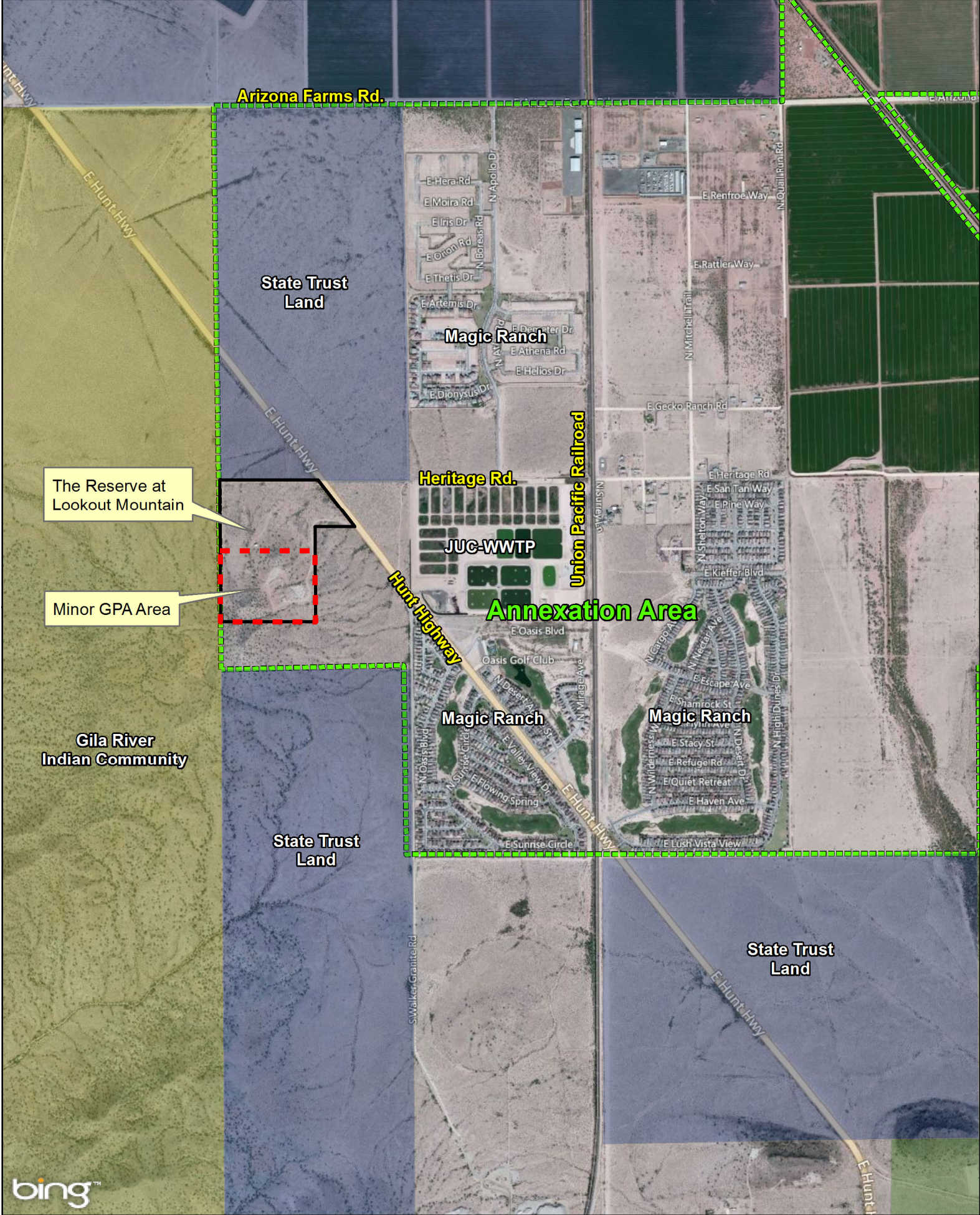
2.8 *What changes, if any, in Federal or State laws or policies substantiate the proposed amendment?*

There are no changes in Federal or State Laws or Policies necessitated by this proposed General Plan Amendment. This application is being submitted in conformance with the procedures of the Town of Florence Minor General Plan Amendment procedures.

3. CONCLUSION

In Conclusion, given the statement and justifications above, The Reserve at Lookout Mountain project will conform with the goals and policies set forth by the Town in its 2020 General Plan and is a development that will provide a high quality of life for its future residents. The vision of the premier hillside community in this location and the request to amend the General Plan would greatly benefit the town. The intent of this request is to remove the Aggregate Resources Overlay on 30 acres of the project.

EXHIBITS



The Reserve at Lookout Mountain

Florence, Arizona



Exhibit A - Vicinity Map

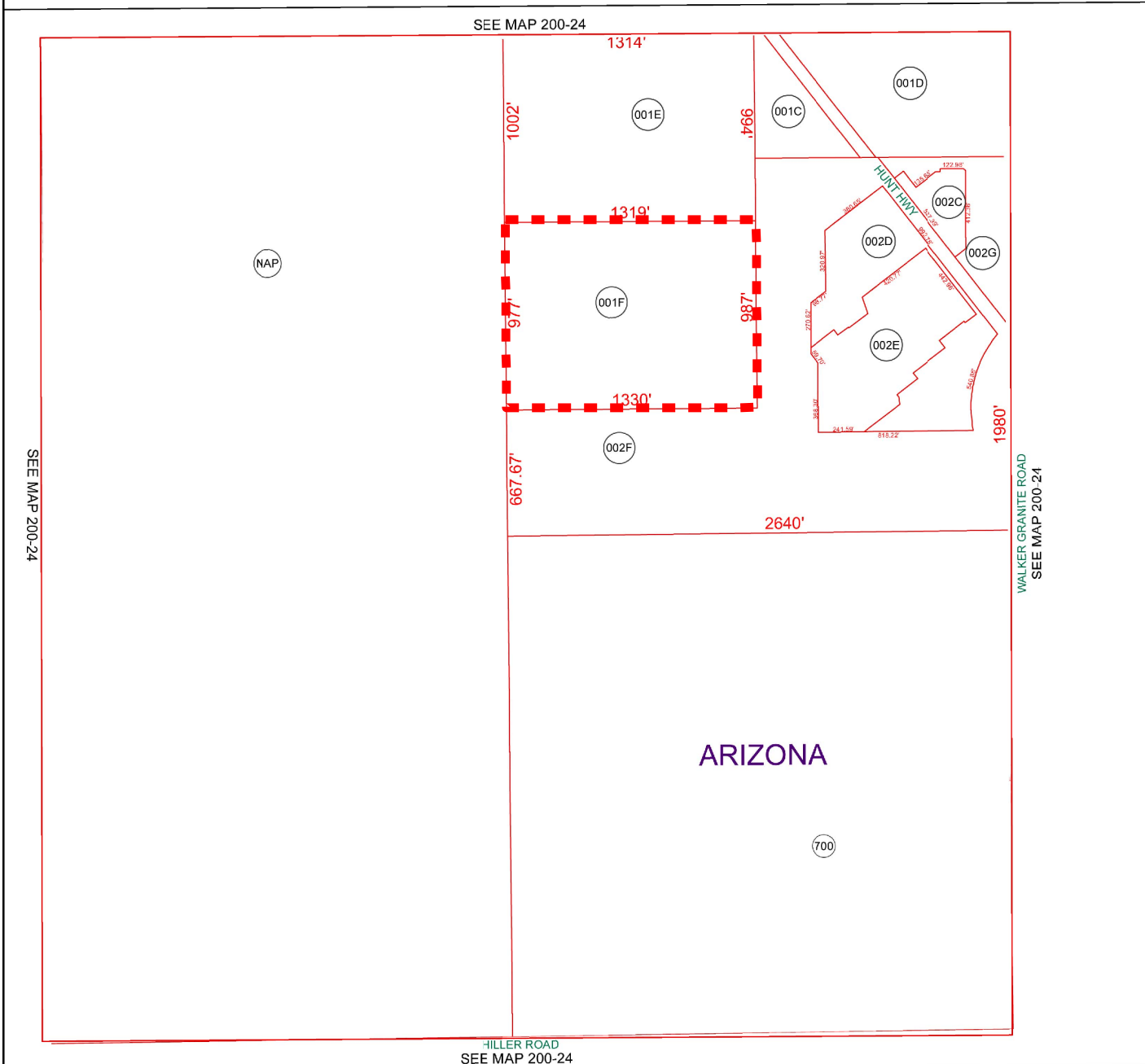
The Reserve at Lookout Mountain

Florence, Arizona



united
engineering
group

Exhibit B - Assessor Parcel Map

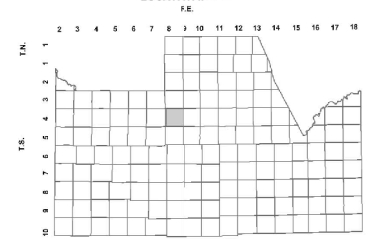


BOOK - MAP

200-25

SEC.10.T.04S.R.08E

LOCATION MAPS



TOWNSHIP

| | | | | | |
|---------|----|----|----|----|----|
| ARIZONA | | | | | |
| 6 | 5 | 4 | 3 | 2 | 1 |
| 7 | 8 | 9 | 10 | 11 | 12 |
| 18 | 17 | 16 | 15 | 14 | 13 |
| 19 | 20 | 21 | 22 | 23 | 24 |
| 30 | 29 | 28 | 27 | 26 | 25 |
| 31 | 32 | 33 | 34 | 35 | 36 |
| SECTION | | | | | |

WALKER GRANITE ROAD

HILLER ROAD

PALMER RD



Revised: 10/4/2012

By: *KG*



PINAL COUNTY
wide open opportunity

Pinal County Assessor


THIS MAP DOES NOT REPRESENT A SURVEY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA DELINEATED HEREIN, EITHER EXPRESSED OR IMPLIED BY PINAL COUNTY OR ITS EMPLOYEES. THIS MAP IS COMPILED FROM OFFICIAL RECORDS, INCLUDING PLATS, SURVEYS, RECORDED DEEDS AND CONTRACTS, AND ONLY CONTAINS INFORMATION REQUIRED FOR THE PINAL COUNTY ASSESSOR'S OFFICE PURPOSES.

Legend

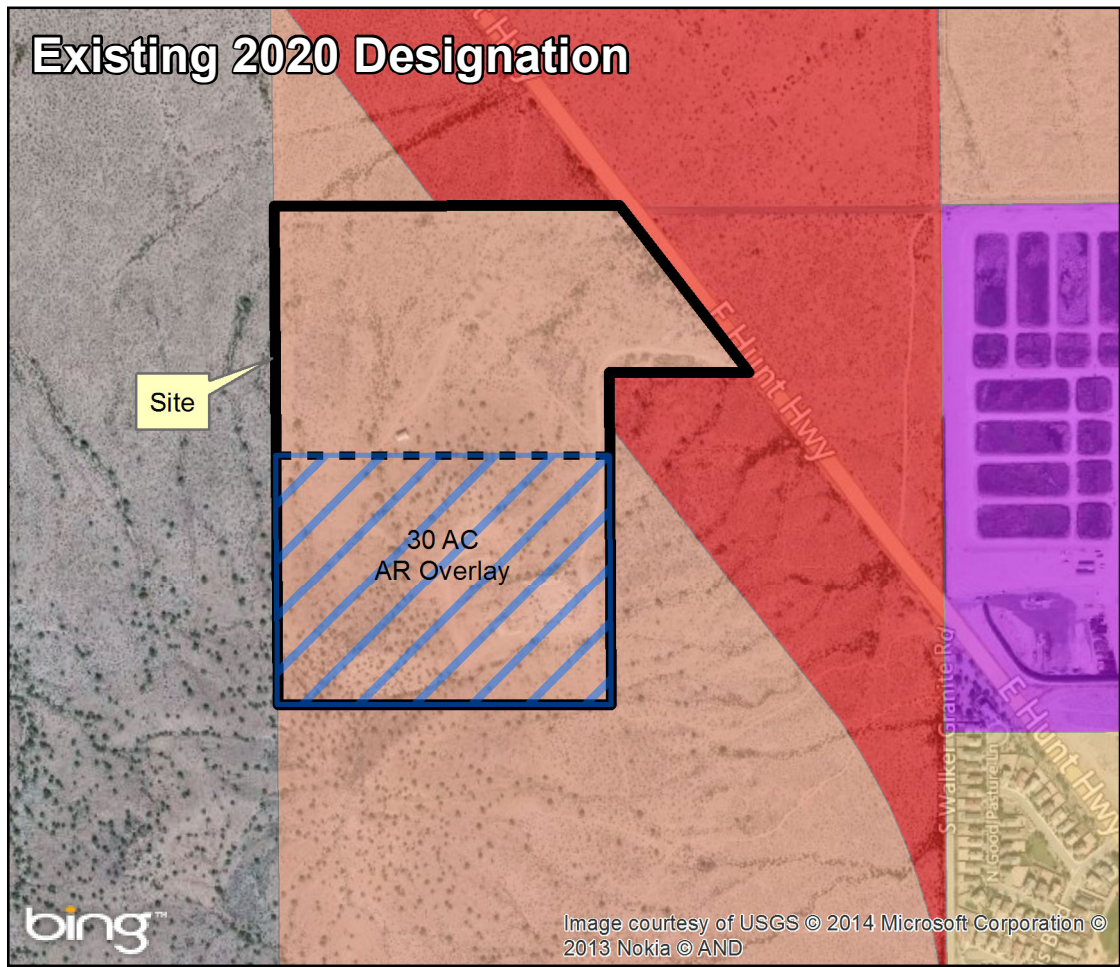
Florence 2020 General Plan

LandUseCod

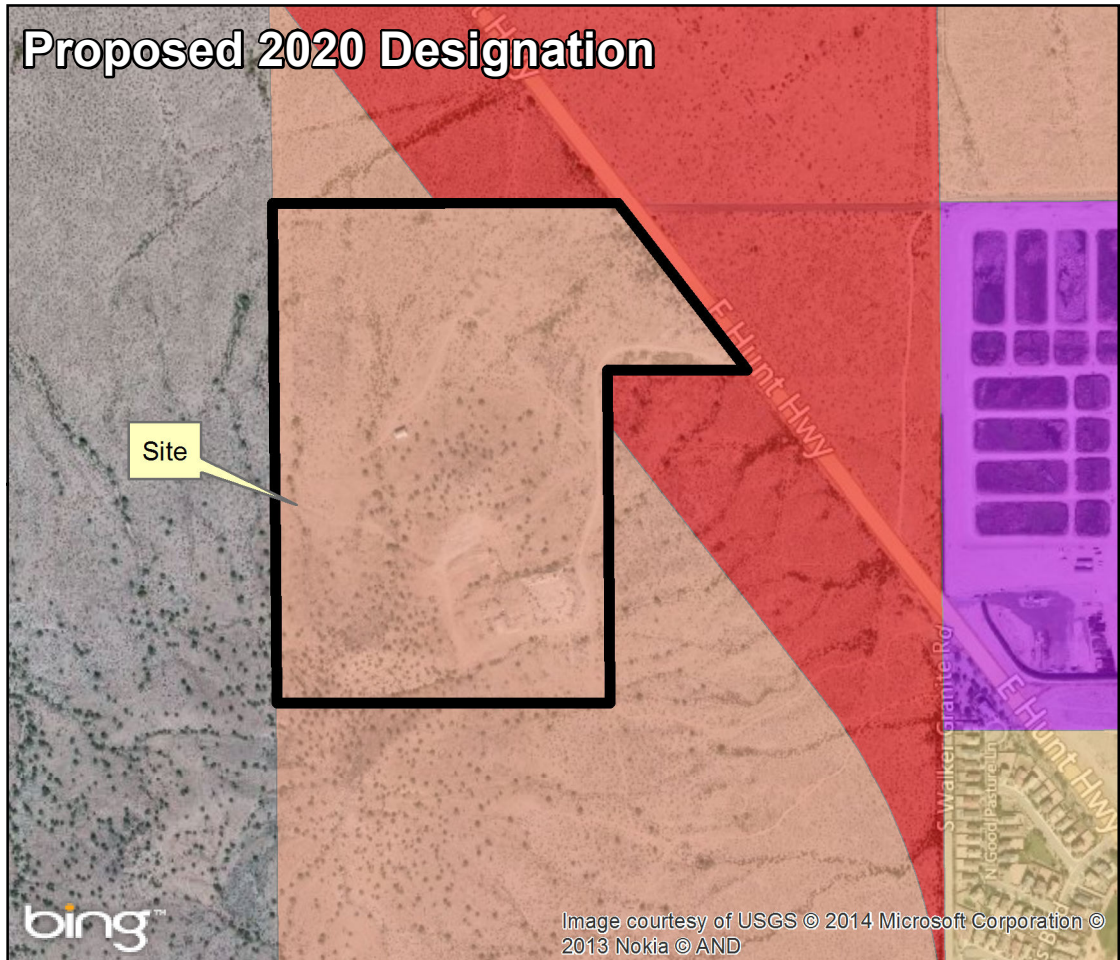
- CC
- E/LI
- LDR
- MDR1
- RRR
- Aggregate Resource Overlay

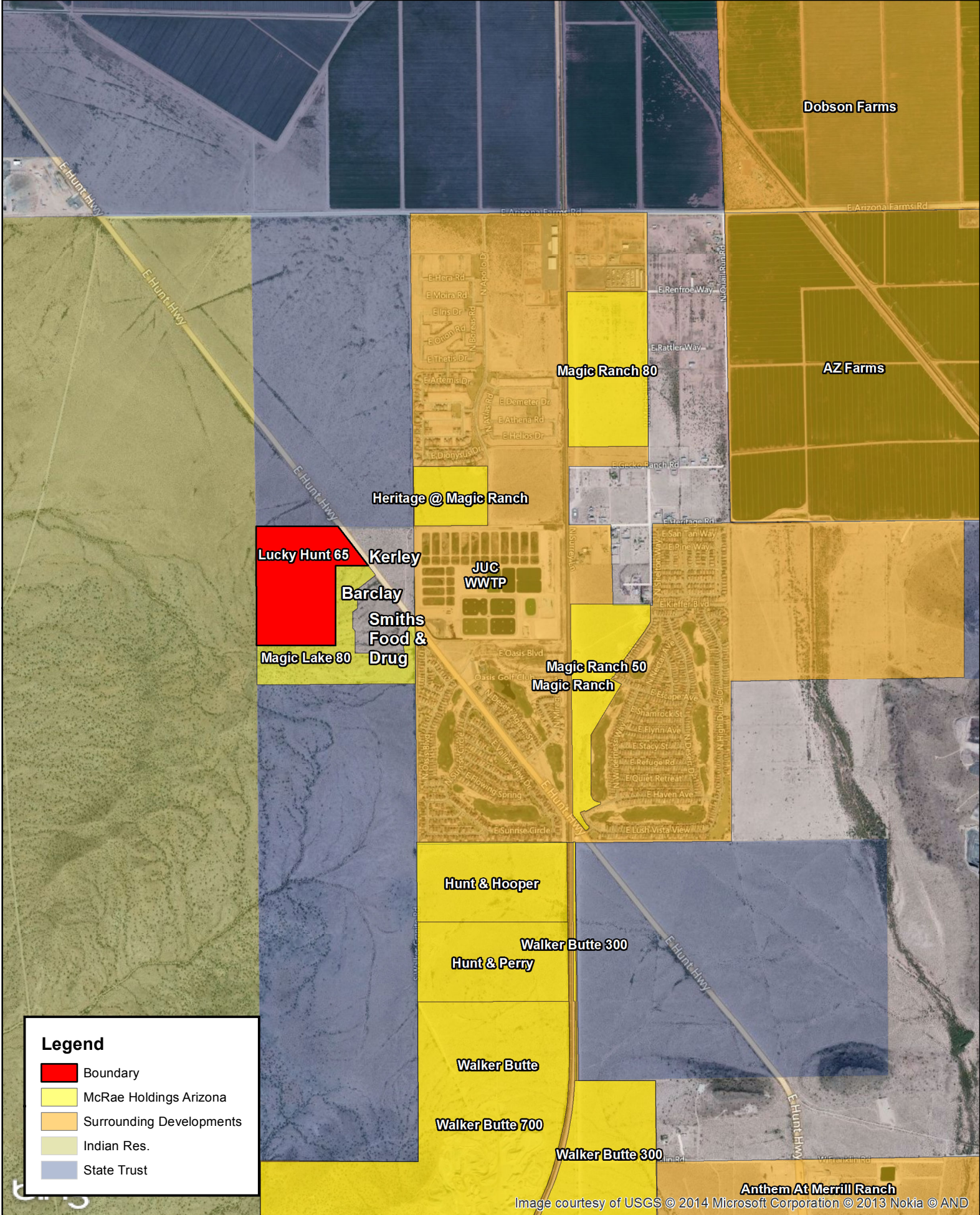



Existing 2020 Designation



Proposed 2020 Designation





The Reserve at Lookout Mountain

Florence, Arizona



Exhibit D - Surrounding Ownership Map

Appendix A

APPLICATION FOR GENERAL PLAN AMENDMENT

PROJECT NAME: The Reserve at Lookout Mountain

APPLICATION TYPE: Major Minor Text (Major)

1. Property Owner: Name: RMG Lucky Hunt LLC
Address: 8800 N Gateway Center Dr. Suite 255
Scottsdale AZ 85258
Phone: 480-609-1200 Fax: 480-609-1130
Email: RON@RomerRae.com

2. Applicant/Developer: Name: United Engineering Group
Address: 3205 W Ray Rd Ste 1
Chandler AZ 85226
Phone: 480-705-5372 Fax: 480-705-5376
Email: Shamill@unitedeng.com

3. Address or Location of Property: SWC Hunt Hwy & Herdage Rd

4. Legal Description of Property: If applicable, include Lot(s), Block(s), and Subdivision Name:

A portion of the northeast quarter of Section 10, Township 4 South
Range 8 East.

Tax Parcel Numbers: 200-25-001F

Gross Acres: 30.00

5. Current Land Use Classification(s): MDR1 w/ DR overlay

6. Proposed Land Use Classification(s): MDR1

[Signature] 5/22/14
SIGNATURE OF PROPERTY OWNER or REPRESENTATIVE DATE

FOR STAFF USE ONLY:

CASE NO. _____

APPLICATION DATE AND TIME _____

PERMIT NO. _____

FEE \$ _____

PZ HEARING DATES _____

TC HEARING DATE _____

REVIEWED BY: _____

OWNER'S PERMISSION FORM

This sheet must be completed if the applicant for an Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat, is **not** the owner of the property.

I/we, the Undersigned, do hereby grant permission to: United Engineering Group

to act on my/our behalf for the purpose of obtaining one or more of the following: Annexation, General Plan Amendment, Planned Unit Development, Zone Change, Conditional Use Permit, Design Review and/or Preliminary/Final Plat on the following described property:

+/-65 acres located at the SEC of Hunt Hwy & Arizona Farms Rd, referred to as RMG Lucky Hunt 65, LLC

Owner(s) RMG Lucky Hunt 65, LLC, an Arizona limited liability company
By: RMG Arizona Properties Holding LLC, an Arizona limited liability company
By: [Signature]
Its: Manager
Signature

Ronald H. McKee
Print or Type Name

Address 8800 N Gainey Center Dr unit 255
Scottsdale AZ, 85258

Telephone 480-609-1200

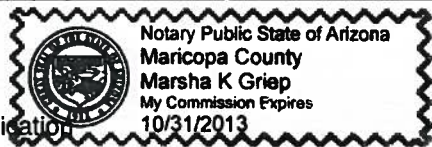
STATE OF ARIZONA)
County of MARICOPA) SS

On this 2nd day of October, 20 13, before me, the undersigned Notary Public, personally appeared R. H. McRAE, known to me to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged that R. H. McRAE executed the same.

IN WITNESS WHEREOF, I hereto set my hand and official seal.

My commission expires: 10/31/13

[Signature]
Notary Public




Appendix B

LEGAL DESCRIPTION

**A PORTION OF LUCKY HUNT 65-TOWN OF FLORENCE GENERAL PLAN
AMENDMENT**

THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF
THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST
QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4
SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND
MERIDIAN, PINAL COUNTY, ARIZONA



| | | |
|--|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 13a. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Fire STAFF PRESENTER: Peter Zick, Fire Chief SUBJECT: Superstition Fire Maintenance Agreement | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Fire Department is recommending approval of the agreement between the Town of Florence and the Superstition Fire and Medical Department for maintenance services for our fire apparatus.

BACKGROUND/DISCUSSION:

The Town of Florence does not have the capability to perform this type of service at this time. This agreement was amended to reflect the current rates and charges. Apache Junction Fire District has changed their name to Superstition Fire and Medical Department.

FINANCIAL IMPACT:

Under this agreement, the Florence Fire Department will be authorized to use the Superstition Fire and Medical Department for work and maintenance of our fire apparatus using funds budgeted in the Fiscal Year 2014-2015 budget.

STAFF RECOMMENDATION:

Staff recommends approval the agreement with Superstition Fire and Medical Department.

ATTACHMENTS:

Superstition Fire and Medical Service Agreement

INTERGOVERNMENTAL AGREEMENT

Repair and Maintenance of Fire Apparatus and Equipment

Between

The TOWN of FLORENCE, ARIZONA,
a municipal corporation of the State of Arizona

And

The SUPERSTITION FIRE & MEDICAL DISTRICT,
a political subdivision of the State of Arizona

DATE:

**INTERGOVERNMENTAL AGREEMENT
FOR
REPAIR AND MAINTENANCE OF
FIRE APPARATUS AND EQUIPMENT**

This Agreement is entered into this _____ day of _____, 2014, by and between the Town of Florence, a municipal corporation of the State of Arizona (“Town”), and the Superstition Fire & Medical District, a special taxing district existing pursuant to the authority of Title 48, Chapter 5 of the Arizona State Revised Statutes and a political subdivision of the State of Arizona (“District”).

1. **EFFECTIVE DATE:** This Agreement shall become effective upon execution of the agreement.
2. **DESCRIPTION OF AGREEMENT:** The District shall furnish the parts, supplies and labor services as listed below when and if requested by the Town or an authorized representative of the Town during the contract period.
3. **INDIVIDUALS AUTHORIZED TO PURCHASE UNDER THIS AGREEMENT:** The following individuals are authorized to make purchases under this agreement within their dollar limitations:
 - Town of Florence Fire Department Employees with proper identification with \$1,000 single purchase limit.
 - Purchasing Agent with \$2,000 single purchase limit.
4. **PURCHASE LIMITATION:** Individual purchases under this Agreement shall not exceed \$2,000. Purchases exceeding \$2,000 are subject to competition requirement and can only be made by the Contracting Specialists and Purchasing Agents within their delegated procurement authority.
5. **PRICING:**
 - Labor @ \$67.00 per hour per mechanic during the work week hours as follows: 7 a.m. through 4 p.m., Monday through Friday excluding holidays.
 - After hours and/or holidays @ \$100.00 per hour per mechanic.
 - Applicable parts, supplies, current sales tax and freight @ 100% reimbursable to the District.
 - Additional travel costs portal-to-portal for District Service Truck; under 30 miles, flat \$75; exceeding 30 miles, \$2.00 per mile portal-to-portal.
6. **TERM / RENEWAL / TERMINATION:** This Agreement shall remain in force and effect until June 30, 2017, and shall thereafter be automatically renewed for successive periods of one (1) year, unless either party shall give notice in writing to the other not less than one (1) month nor more than three (3) months prior to the initial expiration date, or of any renewal date hereof, canceling said Agreement. In the event of such notification and upon expiration of the term during which notice is given, this Agreement shall thereupon

become of no further force or effect. It is understood that this Agreement may be amended, or suspended by mutual consent in writing of the parties hereto at any time with all other conditions set forth remaining in effect. Notwithstanding anything above to the contrary, this Agreement shall not be construed so as to require Town to make any purchases hereunder.

7. **INVOICES AND BILLING PROCEDURES:** A summary invoice shall be submitted monthly on a 30-day billing cycle for all transactions made during the billing period. The summary invoice is to reflect total(s) for each work order and a total for the month's purchases. Submit invoices to:

Florence Fire Department
P.O. Box 2670
72 East 1st Street
Florence, AZ 85132
Attn: Fire Chief

8. **PAYMENT:** Payment is due within 30 days of the invoice date.
9. **LIABILITY:** The District and the Town agree to mutually hold each other harmless from any and all claims, demands, causes of action or damages, whatsoever, arising out of or in connection with services provided for in this Agreement.
10. **NOTICE:** All notices or demands required under this Agreement from either party to the other shall be in writing and shall be deemed to have been given when the notice is delivered in person or on the date deposited in the U.S. Mail addressed as follows:

TO DISTRICT:
Fire Chief
Superstition Fire & Medical District
565 N. Idaho Road
Apache Junction, AZ 85119
(480) 982-4440

TO TOWN:
Town Manager
Town of Florence
P.O. Box 2670
Florence, AZ 85132
(520) 868-7652

11. **MERGER:** This Agreement, together with any attachment(s) thereto, shall constitute the entire Agreement between the parties. No services except for those listed herein shall be covered by the terms of this Agreement. No statement, promises or inducements made by either party, or by an agent of either party, that is not contained in this written Agreement shall be valid or binding.

12. CONFLICT OF INTEREST: This Agreement is subject to the cancellation provisions of A.R.S. 38-511.

IN WITNESS WHEREOF, the parties hereto caused this Agreement to be executed this _____ day of _____, 2014.

TOWN OF FLORENCE

Charles Montoay, Town Manager

ATTEST:

Lisa Garcia, Town Clerk

APPROVED AS TO FORM and within the powers and authority granted under the laws of Arizona to the Town of Florence, Arizona

James E. Mannato, Town Attorney

SUPERSTITION FIRE & MEDICAL DISTRICT

Chair Person of the Board


Date

ATTEST:

APPROVED AS TO FORM and within the powers and authority granted under the laws of Arizona to the Superstition Fire & Medical District

Attorney for the Board

Date

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 13b. |
| MEETING DATE: July 7, 2014 DEPARTMENT: Fire STAFF PRESENTER: Peter Zick, Fire Chief SUBJECT: TOPAZ Agreement with City of Mesa | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Fire Department is recommending approval of the agreement between the City of Mesa, and the Town of Florence to become an associate member of TOPAZ.

BACKGROUND/DISCUSSION:

The Town of Florence Fire Department and all members of the TRWC (Mesa Fire, AJ Fire, Gilbert Fire, Queen Creek Fire) operate on two different radio networks for communications on emergency incidents. The TRWC operates on a 700/800mhz trunked radio system and the Town of Florence utilizes VHF communications. At the present time, we are unable to share radio frequencies or have access to use the TRWC radio network in the event we respond to emergencies with our mutual aid partners. This gap in radio communication was a factor that had to be overcome at the elections building fire. Staff would have access to the TRWC radio network and become associate members on the TRWC System, should the agreement be approved.

FINANCIAL IMPACT:

Under this agreement, the Florence Fire Department nor the Town of Florence will have no financial impact through this agreement.

STAFF RECOMMENDATION:

Staff recommends approval of signing this agreement between the City of Mesa and the Town of Florence to become an associate member of TOPAZ.

ATTACHMENTS:

TOPAZ Agreement

**AGREEMENT TO
PROVIDE FOR INTEROPERABILITY BETWEEN THE TOPAZ
REGIONAL WIRELESS COOPERATIVE NETWORK AND THE TOWN OF
FLORENCE, ARIZONA**

The Parties to this agreement (“Agreement”) are the City of Mesa, a municipal corporation duly organized and existing under the laws of the State of Arizona (“Mesa”) and the Town of Florence, Arizona (“Florence”). Mesa and Florence shall be referred to individually as a “Party” and collectively as “Parties”.

RECITALS.

WHEREAS, Mesa is the Administrative Manager of the Topaz Regional Wireless Cooperative Network (“TRWC”) and is entering into this Agreement in its capacity as Administrative Manager of the TRWC and with the authorization of the TRWC Board of Directors.

WHEREAS, Florence is an Arizona municipal corporation that provides emergency and non-emergency medical transportation services, fire protection and other safety-related services.

WHEREAS, when used in this Agreement, the “TRWC Network” shall mean the public safety/municipal communications system that includes, but is not limited to, the 700/800 MHz system originally procured and built by the City of Mesa and commonly referred to as “TOPAZ” or the Trunked Open Arizona Network.

WHEREAS, when used in this Agreement, “TRWC Member” shall include the City of Apache Junction, the Apache Junction Fire District, the City of Mesa, the Town of Gilbert, the Town of Queen Creek and any other entity that subsequently becomes a Member of the TRWC.

WHEREAS, subject to the terms and conditions of this Agreement, the Parties desire to enter into this Agreement to allow Florence to use the TRWC Network for intermittent interoperable situations or circumstances.

WHEREAS, this Agreement is entered into under the authority and pursuant to Section 4.1.5 of the TRWC Governance Agreement and subject to the terms and conditions of Section 4.1.5 of the TRWC Governance Agreement.

AGREEMENT.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants herein contained, and good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows

1. Term and Duration of Agreement; Termination

1.1. The initial term of this Agreement is one (1) year, commencing when the Agreement has been executed by all Parties (the “Effective Date”) unless otherwise terminated in accordance with this Agreement; thereafter, this Agreement will automatically renew for terms of one (1) year unless otherwise terminated in accordance with this Agreement.

1.2. The Parties shall have the right to terminate this Agreement at any time, with or without cause, during the term of this Agreement or any extended term by first providing not less than sixty (60) days prior written notice to the other Party.

2. Interoperability.

2.1. Use of TRWC Network. Subject to reasonable conditions imposed by the TRWC Board of Directors, Florence employees or contractors that will be using the TRWC Network (“Florence Interoperability Participants”) may use the TRWC Network to support TRWC Members and Florence with intermittent interoperable situations. The TRWC will develop policies, procedures and guidelines that govern how Florence Interoperability Participants obtain services, whether routine or emergency, establish Talkgroups, set priorities, determine roaming/site access, and operate on the TRWC Network. When using the TRWC, the Florence Interoperability Participants shall abide by all policies, procedures and guidelines established by the TRWC as a condition for using the TRWC Network.

2.2. No Interoperability Participant Voting Rights. Florence Interoperability Participants shall have no TRWC voting rights or representation on the TRWC Board of Directors or any TRWC committees.

2.3. No Interoperability Participant Fees and Costs. No fees and costs will be assessed to Florence Interoperability Participants for using the TRWC Network.

2.4. Restrictions on Interoperability Participant Use of Networks. Notwithstanding anything to the contrary in this Section 4, Mesa may restrict Florence Interoperability Participants from using the TRWC Network if the use by the Florence Interoperability Participants is adversely affecting the TRWC Network. In addition, notwithstanding anything to the contrary herein, Florence Interoperability Participants use of the TRWC Network is conditioned upon the TRWC Network at all times having sufficient capacity to serve TRWC Members.

2.5. Interoperability Defined. As used in this Agreement the word “Interoperability” shall mean: “an essential communication link within Public Safety and Public Service wireless communications systems which permits units from two or more different agencies to interact with one another and to exchange information according to a prescribed method in order to achieve predictable results.”

3. Records; Confidentiality. Florence shall treat any information about the TRWC’s Network (“Network Information”) as proprietary and confidential. Network Information includes, but is not limited to, technical data, engineering details, construction documents, equipment lists, programming configurations, and operational procedures. If Florence receives a request for information concerning the TRWC’s Network, Florence shall promptly forward the request to Mesa for consideration and response.

4. **Conflict of Interest.** The Parties understand and acknowledge that this Agreement may be subject to cancellation under A.R.S. § 38-511 (Arizona’s public employee conflict of interest law) in the event there is a conflict of interest of the type specified in A.R.S. § 38-511 by persons significantly involved in initiating, negotiating, securing, drafting or creating this Agreement.

5. **Compliance with Applicable Laws.** Each Party shall comply with all applicable laws, statutes, ordinances, executive orders, rules, regulations, standards, and codes of federal and state governments whether or not specifically referred to in this Agreement.

6. **Cooperation.** The Parties agree to make, sign and deliver all documents and to perform all acts that are necessary to fully carry out the terms of this Agreement.

7. **MESA AND TRWC DISCLAIMER OF WARRANTIES.** Florence ACKNOWLEDGES AND AGREES THAT NEITHER MESA NOR ANY OTHER TRWC MEMBER WARRANT THE RELIABILITY OR PERFORMANCE OF THE TRWC NETWORK. MESA DISCLAIMS ALL WARRANTIES WHETHER WRITTEN, ORAL, IMPLIED OR STATUTORY, APPLICABLE OR RELATING TO THE EQUIPMENT, SUPPLIES, MAINTENANCE OF THE EQUIPMENT, OR OTHER ITEMS PROVIDED UNDER THE AGREEMENT BY MESA OR ANY OTHER TRWC MEMBERS, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND FLORENCE ACKNOWLEDGES THAT NO SUCH WARRANTIES HAVE BEEN MADE BY MESA OR ANY OTHER TRWC MEMBER. FLORENCE ALSO HEREBY WAIVES ANY RIGHTS AND REMEDIES TO MAKE A CLAIM AGAINST MESA, THE TRWC OR ANY TRWC MEMBER INCLUDING, WITHOUT LIMITATION, ANY GENERAL, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES, FOR ANY REASON WHATSOEVER, BASED ON (1) FLORENCE’S USE OF THE TRWC NETWORK, OR (2) MESA OR ANY OTHER TRWC’S MEMBER’S OPERATION AND MAINTENANCE OF THE TRWC NETWORK. FLORENCE AGREES THAT THE TRWC NETWORK AND FLORENCE USE OF THE NETWORK IS PROVIDED ON AN “AS-IS” “WHERE IS” BASIS WITH ALL FAULTS.

8. **Indemnification.** Florence agrees to defend (with counsel reasonably acceptable to Mesa), indemnify and hold harmless Mesa and any other TRWC Member from all suits, legal or administrative proceeding liability, costs, attorney's fees, damages and penalties which may be incurred by or asserted against Mesa or any other TRWC Member arising from any accident, injury or damage resulting from Florence’s use of the TRWC Network. Florence shall advance and pay all expenses, including actual attorney’s fees, incurred by Mesa or any other TRWC Member in defending against any such claims, demands, liabilities and causes of action. The Florence agrees to notify Mesa promptly upon receiving any notice of any such asserted claim, liability, demand or cause of action.

9. **Amendment.** This Agreement may be amended only by a written document executed by a duly authorized representative of each of the Parties.

10. **Third Parties.** All TRWC Members are intended third party beneficiaries of this Agreement. Except as otherwise provided by the first sentence of this Section 10, this

Agreement is entered into for the sole and exclusive benefit of the Parties, and no other person shall claim any implied right, benefit or interest in this Agreement. The Parties do not intend to create rights in or remedies to any third party as a beneficiary of this Agreement or of any duty, obligation, or undertaking established under this Agreement.

11. Notice. Any notice, consent or other communication (“Notice”) required or permitted under this Agreement shall be in writing and either delivered in person, sent by facsimile transmission, deposited in the United States mail, return receipt requested, or deposited with any commercial air courier or express service addressed as follows:

If intended for Mesa:

TRWC Executive Director
City of Mesa
P.O. Box 968
Mesa, AZ 85211

If intended for Florence:

Attention: _____

Notice shall be deemed received at the time it is personally served, on the day it is sent by facsimile transmission, on the second day after its deposit with any commercial air courier or express service or, if mailed, five (5) days after the notice is deposited in the United States mail as above provided. Any time period stated in a notice shall be computed from the time the notice is deemed received. Either party may change its mailing address, telephone or FAX number, or the person to receive the notice, by notifying the other party as provided in this Section.

Notices sent by facsimile transmission shall also be deposited in the United States mail to the recipient at the above address on the same day the facsimile transmission is sent. This requirement for duplicate notice is not intended to change the effective date of the notice sent by facsimile transmission.

12. Dispute Resolution. If a complaint, dispute or controversy arises under this Agreement, the Parties agree to negotiate, in good faith, a mutually agreeable solution. In the event the Parties cannot agree on a solution, the Parties agree to use arbitration as provided in A.R.S. § 12-1518. Nothing in this Agreement will prohibit a Party from seeking injunctive relief after first pursuing arbitration under this Paragraph.

13. Waiver. The waiver by any Party of any breach of any term, covenant or condition of this Agreement shall not be deemed a waiver of such term, covenant or condition or any subsequent breach of the same or any other term, covenant or condition of this Agreement.

14. Uncontrollable Events. No Party shall be considered to be in default in the performance of any obligations under this Agreement (other than obligations of a Party to pay costs and expenses) if failure of performance is due to an uncontrollable event. The term “uncontrollable event” means any cause beyond the control of the Party affected, including but not limited to flood, earthquake, storm, fire, epidemic, war, riot, civil disturbance or disobedience, labor dispute, and action or non-action by or failure to obtain the necessary authorizations or approvals from any governmental agency or authority or the electorate, labor or material shortage, sabotage and restraint by court order or public authority, that by exercise of due diligence and foresight the Party reasonably could not have been expected to avoid and that by exercise of due diligence it will be unable to overcome. A Party that is rendered unable to fulfill any obligation by reason of an uncontrollable event shall exercise due diligence to remove such inability with all reasonable dispatch.

15. Assignment and Binding Effect. Florence may not assign its rights or obligations under this Agreement without the prior written consent of Mesa which consent may be granted or denied at Mesa’s sole and absolute discretion. Except as otherwise provided in the first sentence of this Section 14, this Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

16. Entire Agreement. This Agreement contains the entire agreement and understanding among the Parties regarding the subject matter herein and supersedes and replaces all related prior negotiations, agreements and proposed agreements, written or oral. Each Party acknowledges that no other Party, nor any agent or attorney of any Party, has made any promise, representation, or warranty whatsoever, expressed or implied, not contained in this Agreement and acknowledges that this Agreement has not been executed in reliance on any promise, representation or warranty not contained in this Agreement. This Agreement shall not be amended, modified or supplemented at any time unless in writing.

17. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona applicable to contracts executed and intended to be performed entirely within the State of Arizona by residents of the State of Arizona. Any action at law, suit in equity or judicial proceeding for the enforcement of this Agreement or any provision therefore shall be instituted only in the courts of Maricopa County, Arizona.

18. Severability. Except for each Party’s right to terminate this Agreement pursuant to Section 1.2, if any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, the provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the Parties to obtain the practical benefits of this Agreement. If any law or court of competent jurisdiction prohibits or excuses any Party from undertaking any contractual commitment to perform any act under this Agreement, this Agreement shall remain in full force and effect, but the provisions requiring such action shall be deemed to permit the Party to take such action at its discretion, if such a construction is permitted by law.

19. Attorneys Fees. The prevailing party in any litigation or arbitration arising out of this Agreement shall be entitled to the recovery of its reasonable attorneys' fees, court costs and other

litigation related costs and fees from the other party.

20. **Headings.** Section headings are inserted in this Agreement solely for convenience and the section headings shall not by themselves alter, modify, limit, expand or otherwise affect the meaning of any provision of this Agreement.

21. **Counterparts.** This Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

22. **Recitals Incorporated.** The Parties acknowledge that the Recitals to this Agreement are true, accurate and correct, and are hereby incorporated into and made a part of the operative provisions of this Agreement as if fully set forth therein without difference or distinction.

23. **Personnel.** This Agreement is not intended to and will not constitute, create, give rise to, or otherwise recognize a joint venture, partnership or formal business association or organization of any kind between the parties. No employee, agent, or servant of a Party shall be deemed to be an employee, agent or servant of the other Party. Except as otherwise provided by Sections 7 and 8 of this Agreement, each Party will be solely and entirely responsible for its acts and the acts of its employees, agents, servants, subcontractors, and volunteers during the performance of this Agreement. Each Party will have total responsibility for all salaries, wages, bonuses, retirement withholdings, worker's compensation, occupational disease compensation, unemployment compensation, other employment compensation, other employee benefits, and all employer's taxes and premiums concerning the persons who are supplied by that Party in the performance of this Agreement, and each Party agrees to hold the other Party harmless from any liability thereof.

24. **E-Verify Laws.** To the extent applicable under A.R.S. § 41-4401 and 23-214, Florence represents and warrants compliance with all federal immigration laws and regulations that relate to their employees and their compliance with the E-verify requirements of A.R.S. 23-214(A). Breach of the above-mentioned warranty shall be deemed a material breach of the Agreement and may result in the termination of the Agreement by Mesa. Mesa retains the legal right to randomly inspect the papers and records of any employee who works under this Agreement to ensure compliance with the above-mentioned laws.

25. **Authority to Execute.** The individuals executing this Agreement on behalf of the parties hereto represent that they have authority to execute this Agreement on behalf of such parties, and represent that upon execution, this Agreement shall be binding and no further action is or shall be necessary to make the Agreement enforceable in its entirety.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized officers.

CITY OF MESA

By: _____

Date: _____

Title: _____

The Town of Florence, Arizona
An Arizona municipal corporation

By: _____

Date: _____

Title: _____

ATTEST:


Lisa Garcia, Town Clerk

Date: _____

APPROVED AS TO FORM:

James E. Mannato, Town Attorney

Date: _____

| | | |
|--|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 13c. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Utilities Department STAFF PRESENTER: John V. Mitchell, Utilities Director SUBJECT: Approval to hire Ripple Industries for installation of SCADA equipment at well sites and reservoirs | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Motion to approve hiring Ripple Industries for the installation of SCADA equipment at well sites and reservoirs, in an amount not to exceed \$70,000.

BACKGROUND/DISCUSSION:

The Town has identified the need to install Supervisory Control and Data Acquisition (SCADA) equipment on Town well sites and reservoirs. SCADA allows operators to remotely monitor equipment and to make system adjustments by computer.

Ripple Industries has been selected to perform the work. Ripple Industries has an existing contract with the City of Tucson for services for instrumentation and controls. The Tucson contract has specific “cooperative purchasing” language, and is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. The Town of Florence has signed a Cooperative Purchase Agreement with the SAVE Association as of June 18, 2014.

FINANCIAL IMPACT:

The cost to install the SCADA will not exceed \$70,000; \$85,000 has been identified in the current FY 2014/2015 budget.

STAFF RECOMMENDATION:

Staff recommends approval to hire Ripple Industries to install SCADA equipment, in an amount not to exceed \$70,000.

ATTACHMENTS:

City of Tucson Contract Amendment

OFFER AND ACCEPTANCE

OFFER

TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Ripple Industries
Company Name

Name: Jeremy Peterson

355 S. Main Dr.
Address

Title: President, CEO

Apache Junction Az 85120
City State Zip

Phone: 480-442-8199


Signature of Person Authorized to Sign

Fax: 602-910-5543

Jeremy G. Peterson
Printed Name

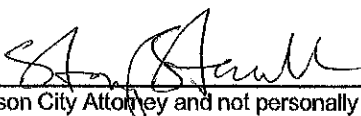
E-mail: peterson.jeramp@rippleind.com

President, CEO
Title

ACCEPTANCE OF OFFER

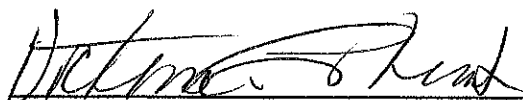
The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 130777-02.

Approved as to form this 4th day of Nov, 2013.


As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 4 day of November, 2013.


Marcheta Gillespie, C.P.M., CPPO, CPPB, CPM
As Interim Director of Procurement and not personally

From: Jeromy Peterson <peterson.jeromy@rippleind.com>
To: Kyle Pasewark <Kyle.Pasewark@tucsonaz.gov>
Date: 10/14/2013 5:03 PM
Subject: Re: City of Tucson, Intent to Negotiate
Attachments: 10141302.PDF; Part.002

Kyle,

I have attached our response to the questions regarding the acceptance of credit cards. Please feel free to call me if you have any questions.

Thanks

Jeromy Peterson
Ripple Industries
President, CEO
Cell: 480.442.8199
Fax: 602.910.5543

EVALUATION CRITERIA

Price Proposal

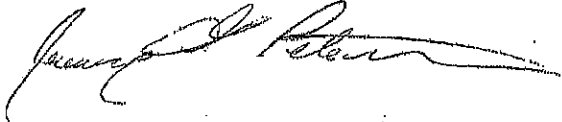
4. Will payment be accepted via commercial credit card?
 Yes No

a. If yes, can commercial payment(s) be made online?
 Yes No

b. Will a third party be processing the commercial credit card payment(s)? Yes No

c. If yes, indicate the flat fee per transaction
\$ N/A
(as allowable, per Section 5.2.E of Visa Operating Regulations).

d. If "no" to above, will consideration be given to accept the card? N/A Yes N/A No



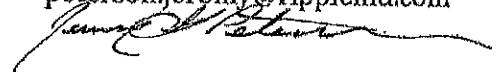
Attn: Kyle Pasewark
Contract Officer
City of Tucson
(520) 837 - 4103

Response to Notice of Intent to Negotiate

1. Best and Final Offer -- Price Page
 - a. Please provide your best pricing offer to the City in accordance with the Best and Final Price Pages attached.
 - b. **Response: See attached "Pricing Page"**
2. Method of Approach -- Response Time
 - a. Please provide detailed response time for the following:
 - i. Remote Login
 - ii. Emergency-after hours
 - iii. Standard Jobs
 - b. **Response:**
 - i. **In the event of a service call that can be investigated and/or remedied through remote SCADA system access, a Ripple Industries' employee will be available within no more time than 30 minutes.**
 - ii. **In the event of an emergency or after hours call, a representative from Ripple Industries will be on site addressing the problem within 2 hours of receiving contact from the City. An emergency phone number will be provided to the City that is tied to the phones of multiple employees. As well, we will provide the cell phone numbers of all employees assigned to provide service to the City. We will often be able to arrive more quickly than two hours, however we can guarantee service within that time period.**
 - iii. **Standard jobs will be scheduled with the City. Ripple Industries will work with the affected staff from the City of Tucson to develop a schedule that meets needs and expectations. At Ripple Industries, we utilize Gantt charts to manage project scheduling, however we are flexible and willing to work within any organizational system that the City prefers.**
3. Emergency Travel Pay -- Time Charge
 - a. The City will pay a flat rate trip charge of \$50 per job, please confirm that your firm accepts the \$50 Trip Charge and are aware no other fees or travel pay will be authorized for payment by the City of Tucson
 - a. **Response: We confirm that we are willing to accept the \$50 Trip Charge as it has been explained.**
 - b. **Emergency Hours: Weekends, Holidays, any other time frame that falls outside of the City's standard hours of operation. (Current hours of operations can found online at the City of Tucson official website.)**
 - b. **Response: We accept the City's definition of Emergency Hours as it has been explained.**

If the City of Tucson has any questions regarding this Response to Notice of Intent to Negotiate, please feel free to contact Jeromy Peterson with Ripple Industries using the information provided below.

Jeromy Peterson
480.442.8199
peterson.jeromy@ripplelnd.com



| | PRICE |
|--|-----------------------------|
| <p>Administration/Office Labor</p> <p>Description of Position: <u>This is an employee with administrative skill pertinent to the needs of our customer.</u></p> | <p>\$ <u>60</u> per hr.</p> |
| <p>Electrician</p> <p>Description of Position: <u>This is a skilled electrician working at a journeyman level.</u></p> | <p>\$ <u>75</u> per hr.</p> |
| <p>Field Labor</p> <p>Description of Position: <u>This is an employee w/ basic skills in a specific area.</u></p> | <p>\$ <u>60</u> per hr.</p> |

BEST AND FINAL OFFER

PRICE PAGE

RFP NO. 130777: SERVICES FOR INSTRUMENTATION AND CONTROLS

| DESCRIPTION | PRICE |
|---|-----------------------------|
| <p>Offeror shall provide hourly rates for all positions that may be used to complete work under the resulting contract (i.e., Project Manager, Electrician, Field Labor vs. Office Labor, ect.)</p> | |
| <p>Manager</p> <p>Description of Position: <u>This is an employee w/ both technical & management skills & experience working in a position of management.</u></p> | <p>\$ <u>85</u> per hr.</p> |
| <p>Engineer</p> <p>Description of Position: <u>This is a member of our team w/ education, training and/or experience equivalent to a bachelor's degree in a technical field.</u></p> | <p>\$ <u>85</u> per hr.</p> |
| <p>Design/Cad</p> <p>Description of Position: <u>This is an employee w/ skills and training in a specific area such as CAD design.</u></p> | <p>\$ <u>60</u> per hr.</p> |
| DESCRIPTION | |

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
(520) 837-4103
ISSUE DATE: JULY 24, 2013

REQUEST FOR PROPOSAL NO.: 130777
RFP AMENDMENT NO.: ONE (1)
PAGE NO. 1 OF 5
RFP DUE DATE: AUGUST 6, 2013 @ 4:00 P.M., LOCAL AZ TIME
CONTRACT OFFICER: KYLE PASEWARK

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

SERVICES FOR INSTRUMENTATION AND CONTROLS

ITEM 1: SCOPE OF WORK:

Section 9

Q. What brand are the Spread-Spectrum Data Transceivers?

A. FreeWave Wireless Data Transceiver

Section 11

Low voltage commercial electrical license L-67, or equivalent, **will be the minimum requirement.**

(Add) Section 12

An estimated 60% of the work performed under the subsequent contract will be software related; the other 40% will be hardware/other related work.

ITEM 2: SPECIAL TERMS AND CONDITIONS:

Add the following language as Number 5 under the Special Terms and Conditions.

5. **USAGE REPORT:** The Contractor shall provide an electronic copy of a usage report to the Department of Procurement. The report shall be sent after eleven (11) months of the Contract term or earlier upon request. The report shall provide complete information by City Department on the quantity, description and total sales of items purchased under this Contract for the most recent contract period.

ITEM 3: PRE-PROPOSAL CONFERENCE ATTENDIES:

1. INTEGRITY CONTROLS (1 representative)
2. VERIZON (3 representatives)
3. SOUTHWEST UNISOURCE (1 representative)
4. B3 CONTROLS (2 representatives)
5. RIPPLE INDUSTRIES (1 representative)
6. CRA (1 representative)
7. QUANTUM (1 representative)
8. DELTA SYSTEMS ENGINEERING (2 representatives)

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 (520) 837-4103
 ISSUE DATE: JULY 24, 2013

REQUEST FOR PROPOSAL NO.: 130777
 RFP AMENDMENT NO.: ONE (1)
 PAGE NO. 2 OF 5
 RFP DUE DATE: AUGUST 6, 2013 @ 4:00 P.M., LOCAL AZ TIME
 CONTRACT OFFICER: KYLE PASEWARK

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
 THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

ITEM 4: REVISED PRICE PAGE:

REVISED PRICE PAGE

RFP NO. 130777: SERVICES FOR INSTRUMENTATION AND CONTROLS

| ITEM | DESCRIPTION | PRICE |
|---|--|---|
| SAMPLE JOBS (for evaluation purposes only) | | |
| 1. | <p>Sample Job #1: The City has purchased a replacement pressure transducer designed to monitor water levels in an extraction well. Since it is a replacement, all infrastructures are already in place. The new transducer has pressure ranges of 0-30 feet of water as measured directly in gage pressure. The old transducers had ranges of 0-120 feet of water as measured in atmospheric pressure corrected at the PLC. Please provide hours and pricing to install the transducer and change the coefficient factors within the PLC and HMI software to correctly read the water level. The Allen Bradley PLC is a MicroLogix 1200. The new transducer is a Global Water WL300. The HMI software is WonderWare® 2000. Assume that there is already power in the box for the transducer. The new transducer will be located 225 feet below ground surface in an existing sounding tube. Assume the ladder logic is fully documented and that manuals are available for all hardware. Assume all wells are accessible by a standard automobile (four wheel drives are not required).</p> | <p>\$ 1,280.00</p> <hr style="width: 80%; margin: auto;"/> |
| 2. | <p>Sample Job #2: The City has replaced a 3/4 Hp pump and 3/4 Hp VFD with a new 2.0 Hp pump and 2.0 Hp GS-2 AC VFD at a groundwater extraction well. Please provide hours and pricing to install and program the new VFD. Assume the City has already installed the new pump. The old VFD is still in the well vault and needs to be replaced with the new VFD that the City purchased (assume a straightforward physical installation). The new VFD also needs to be programmed. The Allen Bradley PLC is a MicroLogix 1200. Assume the ladder Logic is fully documented and that manuals are available for all hardware. Assume all wells are accessible by a standard automobile (four wheel drives are not required).</p> | <p>\$ 2,560.00</p> <hr style="width: 80%; margin: auto;"/> |
| | | |

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 (520) 837-4103
 ISSUE DATE: JULY 24, 2013

REQUEST FOR PROPOSAL NO.: 130777
 RFP AMENDMENT NO.: ONE (1)
 PAGE NO. 3 OF 5
 RFP DUE DATE: AUGUST 6, 2013 @ 4:00 P.M., LOCAL AZ TIME
 CONTRACT OFFICER: KYLE PASEWARK

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.
 THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

| ITEM | DESCRIPTION | PRICE |
|------|---|---|
| 3. | <p>Sample Job #3: A new groundwater treatment system consists of two extraction and two injection wells. The injection wells are fitted with valves controlled by the PLC that open to allow flow based on pressure readings at the treatment plant. The original PLC programming was fully automated to start the extraction wells and the injection wells at the same time, which did not allow enough time for the valves in the injection wells to open fully before extracted water was delivered to them. The result was a pressure imbalance (high water pressure at the plant that shut off both the extraction and injection wells) which made it difficult to restart the system. Describe how you would correct the programming to allow for a smooth restart. Provide the number of hours for that will be required for your strategy. Assume the ladder Logic is fully documented and that manuals are available for all hardware. Assume all wells are accessible by a standard automobile (four wheel drives are not required).</p> <p>(The PLC is manufactured by GE Fanuc and carries VersaPro software Version 2.0. The HMI software is WonderWare® 2000. The VFDs are Square D ALTIVAR 66 and the valves at the injection wells are manufactured by Baski. The manuals, wiring and logic diagrams are available in the Operations and Maintenance Manual inside the treatment plant.)</p> | <p>\$ 1360.00</p> <hr style="width: 100%;"/> |
| | | |

REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT
 255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
 P.O. BOX 27210, TUCSON, AZ 85726
 (520) 837-4103
 ISSUE DATE: JULY 24, 2013

REQUEST FOR PROPOSAL NO.: 130777
 RFP AMENDMENT NO.: ONE (1)
 PAGE NO. 4 OF 5
 RFP DUE DATE: AUGUST 6, 2013 @ 4:00 P.M., LOCAL AZ TIME
 CONTRACT OFFICER: KYLE PASEWARK

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 THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

| ITEM | DESCRIPTION | PRICE |
|--|--|-------------------------|
| HOURLY RATES: | | |
| Offeror shall provide hourly rates for all positions that may be used to complete work under the resulting contract (i.e., Project Manager, Electrician, Field Labor vs. Office Labor, ect.) | | |
| 4. | MANAGER Description of Position: <u>This is an employee with both</u> <u>tech</u> <u>that has</u> <u>been</u> | \$ <u>90.00</u> per hr. |
| See BAFO for Pricing | | |
| 5. | ENGI Descr <u>with</u> <u>educa</u> <u>achelor's</u> <u>degree</u> | \$ <u>85.00</u> per hr. |
| 6. | DESIG Description of Position: <u>This is an employee with skills and</u> <u>training in a specific area such as a CAD Designer</u> | \$ <u>60.00</u> per hr. |

| ITEM | DESCRIPTION | PRICE |
|------|-------------|-------|
|------|-------------|-------|

REQUEST FOR PROPOSAL AMENDMENT

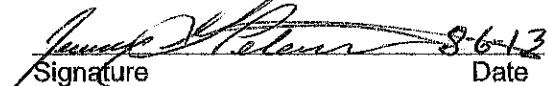
CITY OF TUCSON DEPARTMENT OF PROCUREMENT
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701
P.O. BOX 27210, TUCSON, AZ 85726
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THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

| | | |
|----|--|-------------------------|
| 7. | ADMINISTRATION/OFFICE LABOR Description of Position: <u>This is an employee with administrative skill pertinent to the needs of our customer and employees.</u> | \$ <u>60.00</u> per hr. |
| 8. | ELECTRICIAN Description of Position: <u>This is a skilled electrician operating at a journeyman level. This employee has at least five years of experience working primarily unsupervised.</u> | \$ <u>75.00</u> per hr. |
| 9. | FIELD LABOR Description of Position: <u>This is an employee with basic skills in a specific area (ie. electrical crew, rough crew members, etc...).</u> | \$ <u>60.00</u> per hr. |

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.


Signature

8-6-13
Date

Ripple Industries, LLC
Company Name

Jeremy Peterson
Typed Name and Title

1917 S. Signal Butte #101-175
Address

Mesa
City

AZ
State

85209
Zip

A. Qualifications and Experience.

1. Ripple Industries is a superior instrumentation and controls contractor specializing in the construction, installation, programming, calibration, documentation, and operation of monitoring equipment and other such instrumentation. Ripple Industries is a growing small business with fifteen employees, with a complete electrician's department, software development and integration department, and engineering department. Ripple Industries is six years old with experience developing, repairing, and trouble shooting various SCADA systems, PLC units, HMI software, VFD, and relay systems. Ripple Industries has the reputation of getting the job done right quickly, and efficiently the first time.

2. Point by point response to all items in Scope of Work

Ripple Industries has been building and maintaining SCADA system in Arizona for more than six years. We currently maintain a programming staff of eight employees and a five man electrical team. Cumulatively our staff brings more than 75 years of industry relevant experience to the table.

Ripple Industries has a unique history of successfully completing very difficult projects integrating SCADA systems to control, monitor and report the operation of water pumps, temperature and heat sensors, blowers and other equipment used in environmental remediation. We have been primary integrators for US EPA funded projects to extract, filter and re-inject ground water. As well, we have built and commissioned countless water and wastewater treatment projects.

We maintain a staff of very talented programmers well versed with PLCs from all of the major manufactures including Allen Bradley, GE Fanuc, Modicon, SCADAPak, Siemens and Automation Direct.

Ripple Industries is a registered Wonderware Integrator with a history of building very successful projects in both standalone InTouch and System Platform. We are intimately familiar with the Wonderware historian software InSQL as well as the Wonderware historical interface software Active Factory. Besides this though, we also have staff members skilled in SQL and familiar with numerous other industry standard HMI and historian software packages.

Ripple Industries' electrical team has installed, configured and commissioned numerous variable speed drives. We have worked on drives as small 10 horsepower and as large as 1500 horsepower.

We have found that the best way to maintain the confidence of our long-standing customers and to gain the confidence of new customers is by making sure that our technicians are highly talented troubleshooters. We pride ourselves on being able to solve problems quickly and save our customers money. We are highly skilled at troubleshooting VFDs, pumps, pressure transducers, blowers and other process equipment.

We have members of our team that have extensive experience troubleshooting relay systems. As PLCs become more and more dominant in the controls world, many company's lack team member with experience working on simple relay systems. This is not the case with Ripple Industries. We boast of a very versatile team that can work with a broad spectrum of control system technology including, in this case, relay systems.

Our team has standards in place for providing concise, affective documentation of all our ladder logic, wiring diagrams, logic diagrams, process diagrams, data flow charts, network structure, change management and countless other areas. We appreciate and would be happy to comply with and documentation requirements imposed by COT-ES.

Ripple Industries builds the most stable wireless networks in our industry. Our radio path survey abilities are unparalleled and we have extensive experience in the controls industry. We are familiar with all of the major radio manufacturers include MDS, Datalink, Ubiquity, Badger, Phoenix Contact, Esteem, and countless others.

Members of the Ripple Industries team have experience with some of the chart recording equipment made by Honeywell and Yokogawa including the Honeywell DR45AT and DR4300 circular recorders and the Yokogawa DR230 strip recorder. As well, we have extensive experience with chart recording equipment in general.

Ripple Industries currently maintains two contracting licenses. They are both listed below:

- a. K67 Low Voltage Electrical Arizona - ROC No. 279863

3. Ripple Industries owns all of the equipment, tools and software necessary to perform the scope of work as has been indicated within request for proposal. Below, we have provided a listing of company assets that will be used to meet the scope of work:

- a. Laptops
- b. Rockwell 10-Seat Integration Partnership
- c. SchneiderElectric Integration Partnership
- d. GE Integration Partnership
- e. Wonderware Integration Partnership
- f. Work Trucks
- g. Conduit Benders
- h. Trenching Equipment
- i. Multi Meters
- j. Process Meters
- k. Standard Tool Sets (Screwdrivers, Wrenches, etc.)
- l. PPE (Steel Toe Boots, Hard Hats, Eye Protection, Ear Protection, Reflective Vests, Atmospheric Monitoring Equipment, SCBAs, etc...)
- m. Ladders
- n. Generators
- o. Power Tools
- p. 400 MHz Radios for Testing
- q. 900 MHz Radios for Testing
- r. 2.4 GHz Radios for Testing
- s. 5 GHz Radios for Testing
- t. 900 MHz Spread Spectrum Analyzer
- u. 2.4 GHz Spread Spectrum Analyzer
- v. Portable Radio Towers

4. Please see attached, low voltage commercial electrical license L-67.

5. Key Staff Members:

Jeromy Peterson and Cliff Hall will be the leaders our team in the software related portions of the presented projects. Jeromy Peterson is the C.E.O. of Ripple Industries and has eleven years of experience in the instrumentation and control systems industry. With a Masters of Science in Computer Information Systems. Jeromy has certifications including: Wonderware System Platform Integrator, AZDEQ water/wastewater Collection Grade III, AZDEQ Water/wastewater Treatment Grade III, registered integration specialist with Allen-Bradley/ Rockwell. Please see attached resume.

Cliff Hall has eight years of experience in software integration and control system design. Cliff Hall is a Project Manager at Ripple. Cliff is certified Wonderware System Platform Integrator, and has vast experience with radio telemetry using MDS, Data-link, Ubiquiti, and Esttem radio networks. With over five years of experience in designing, building, troubleshooting, and programing control systems specifically for water/wastewater industry.

Eric Bastel is a Construction Manager. Eric has twenty years of experience in the construction industry. As a Master Electrician Eric oversees much of the electrical duties and hardware installation and termination.

6. All the work performed shall be done by Ripple Industries, LLC.

7. **Three Customer References:**

Ken Bartley
PLC Administrator
Tuscon Electric Power
Springerville Generating Station
12 miles north of Springerville
Country Road #4162
Springerville, AZ 85928
Tel: 928.337.7333
kbarley@tep.com

Darron Anglin
Manager of Operations
Superstition Mountains Community Facilities District No. 1
5661 South Ironwood Drive
Apache Junction, AZ 85120
Tel: 480.941.6760
danglin@smcfd.org

James Taylor
Operations Consultant – GHD Environmental Services Inc
GHD
7600 North 16th Street – Suite 205
Phoenix, AZ 85020
Tel: 602.216.7223
james.taylor@ghd.com

B. Proposed Approach to Sample Jobs.

1. Attached are documents relative to this requirement, including price point for each example job. Below also includes our strategies for completing each proposed example job.

Sample Job #1:

8 Hours at \$75/Hour for and Electrician = \$600
8 Hours at \$85/Hour for a Programmer/Engineer = \$680

Final Price = \$1,280

The project that has been described in the RFP is relatively simple. The City's representatives have performed the largest part of the time consuming labor. In this scenario, Ripple Industries will need to provide an electrician to install the new transducer and a programmer to make relatively simple modifications to documented PLC code. So long as no unforeseeable circumstances arise, we have allocated 8 hours for an electrician and 8 hours for a programmer to accomplish this task. We have

billed them at the rates described in our response to this RFP. In truth, there is a potential that they would finish much quicker. If this happened, we would be willing to bill the City for the actual time required.

Sample Job #2:

16 Hours at \$75/Hour for and Electrician = \$1,200
16 Hours at \$85/Hour for a Programmer/Engineer = \$1,360
Final Price = **\$2,560**

Again, like in the previously described project, the City has made our jobs relatively easy by performing all of the prep-work and by providing thorough documentation. To accomplish the installation and programming of the VFD, Ripple Industries will need to provide an electrician and a programmer. We have allocated one day (8 hours for each employee) for installation and programming and we have allocated another day (8 hours for each employee) for testing and commissioning. As in the case with the previous scenario, if less time were required, less time would be billed.

Sample Job #3:

16 Hours at \$85/Hour for a Programmer/Engineer = \$1,360
Final Price = **\$1,360**

Modifications need to be made to the GE Fanuc PLC code to insure that the injection well valves are opened prior to activation of the extraction well pumps. If valve status signals are available, then programming should be added that prohibits the extraction well pumps from being called into service until and unless the injection well valves are open. If the extraction well pumps are ever activated and the injection well valves are not opened, then an alarm should be generated in the SCADA system.

If the injection well valve status signals are not available, then the possibility of adding them should be considered. If they are not available and if adding them is not an option, then a timer could be added to the PLC code to slow the activation of the extraction well pumps. In this event, an operator configurable time entry field should added to the Wonderware HMI that would allow operators to control the time delay period for activation of the extraction well pumps. Truly, this option should only be considered secondarily to the actual monitoring of the injection well valve statuses.

If no additional equipment is to be added to incorporate signals from the injection well valves, then the programming involved would require less than 16 hours to accomplish.

C. Price.

1. Please see attached Price Paged.
2. Scheduled rates are discounted and located on price page.
3. See Price page, and please see below



RIPPLE INDUSTRIES

Jeremy Peterson
Chief Operating Officer
www.rippleind.com
info@rippleind.com
Phone: 480.442.8199
Fax: 602.910.5543

CAREER EXPERTISE NARRATIVE

Jeremy Peterson has 13 years of progressively responsible experience designing, building and programming instrumentation and control systems in the water, wastewater, mining, agricultural and power industries. Jeremy is a licensed water operator in the state of Arizona. Jeremy has 10 years of project management experience in the controls industry. Jeremy has been responsible for managing the design and deployment of monitoring and control systems that have received regional and national recognition for Ripple Industries.

KEY EDUCATION, CERTIFICATIONS AND PROFESSIONAL LICENSURE

University of Phoenix - M.S. Computer Information Systems

Arizona State University - B.A. Religious Studies

AZDEQ - Water Treat III; Water Dist IV; Wastewater Col III; Wastewater Treat III

PROFESSIONAL EXPERIENCE

Ripple Industries

Position: Chief Operating Officer

Term of Employment: August 2007 to Present

Responsibilities: Business Development; Operations & Controls; Human Resources; Sales & Marketing; Project Estimating; Project Management; PLC Programming; HMI Programming; Technical Training

Salt River Project

Position: Water Information Systems Instrumentation and Controls Specialist

Term of Employment: January 2007 to August 2007

Responsibilities: Electronic Control System Engineering, Construction and Design; Project Estimating; Project Management; Radio System Design, Construction and Configuration; Software Design and Programming; PLC Programming; HMI Programming

DL Engineering

Position: Control Systems Integrator & Project Manager

Term of Employment: August 2004 to January 2007

Responsibilities: Electronic Control System Design, Project Management; Telemetry Design, and Configuration; PLC Programming; HMI Programming; Technical Training

Superstition Mountains Community Facility District No. 1

Position: Operator, Instrumentation Technician, Laboratory Technician

Term of Employment: December 2000 to August 2004

Responsibilities: Operations & Maintenance; Instrumentation Installation, Maintenance & Calibration; PLC Programming; HMI Programming; Laboratory Management



RIPPLE INDUSTRIES

Jeromy Peterson
Chief Operating Officer
www.rippleind.com
info@rippleind.com
Phone: 480.442.8199
Fax: 602.910.5543

ADDITIONAL TRAINING SKILLS AND CERTIFICATIONS

Rockwell Software / Allen Bradley Hardware

RSLogix5000; RSLogix500; RSLogix5; RSView32; FactoryTalk View Studio Edition;
FactoryTalk View Machine Edition; FactoryTalk Historian; FactoryTalk Vantage Point;
PanelBuilder32; PanelBuilder 1400e; ControlLogix; CompactLogix; SLC; MicroLogix; PLC5;
PanelView; PanelView Plus; Asset Center

Wonderware

Archestra System Platform; Information Server; Active Factory; SCADAAlarm;
Longwatch; InSQL; HMI Reports; InTouch; Remote Response Object; SCADAAlarm

GE Fanuc

Series 90-30 PLCs; VersaMax Micro PLCs; QuickPanel View OITs; iFix HMI Software; Fix32
HMI Software; Cimplicity HMI Software

SCADAPak

Telepace Studio

Siemens

Simatic S7 PLCs; Simatic S5 PLCs;

Sixnet

Isagraph Open Programming Environment

RTW

Activated Sludge Process Control Training

Workplace Safety Specialist

Confined Spaced Training
Fall Protection Training

Spectrum Instruments

Win 911 Emergency Callout Software

Caterpillar

Integrated Tool Carrier Training

AZROC

Qualifying Party for K67 Contractors License

Microsoft

Windows Server 2000; Windows Server 2003; Windows Server 2008; Visual Studio .Net
Programming Environment; SQL Server 2000; SQL Server 2005; SQL Server 2008; Office 2003;
Office 2007; Office 2010; Visio; Project; Windows NT; Windows 2000; Windows XP; Windows
Vista; Windows 7; SQL Database Programming

Automation Direct

Lookout Direct; DirectSoft5; C-More OITs

Bilingual

Portuguese; Spanish

Radio Set Familiarities

MDS iNet900 Radios; MDS iNetII900 Radios; MDS Transnet Radios; DataLink Radios; Esteem
Radios; Prosoft Radios;



RIPPLE INDUSTRIES

Cliff Hall
Project Manager
www.rippleind.com
info@rippleind.com
Phone: 602.525.6417
Fax: 602.910.5543

CAREER EXPERTISE NARRATIVE

Cliff Hall has 8 years of progressively responsible experience designing, building and programming instrumentation and control systems in the water, wastewater, agricultural and power industries. Cliff is a Wonderware certified integrator. He has 4 years of project management experience in the controls industry. Cliff has been responsible for managing the design and deployment of monitoring and control systems for countless projects.

KEY EDUCATION, CERTIFICATIONS AND PROFESSIONAL LICENSURE

Arizona State University - More than 70 Credit Hours Towards a B.I.S. in Business Administration

AZDEQ - Water Dist. I

PROFESSIONAL EXPERIENCE

Ripple Industries

Position: Project Manager / Control Systems Integrator

Term of Employment: August 2012 to Present

Responsibilities: Electronic Control System Engineering, Construction and Design; Project Estimating; Project Management; Radio System Design, Construction and Configuration; Software Design and Programming; PLC Programming; HMI Programming

Maverick Technologies

Position: Control System Specialist

Term of Employment: July 2011 to August 2012

Responsibilities: Electronic Control System Engineering, Construction and Design; Project Estimating; Project Management; Radio System Design, Construction and Configuration; Software Design and Programming; PLC Programming; HMI Programming

Ripple Industries

Position: Project Manager / Control Systems Integrator

Term of Employment: August 2008 to July 2011

Responsibilities: Electronic Control System Engineering, Construction and Design; Project Estimating; Project Management; Radio System Design, Construction and Configuration; Software Design and Programming; PLC Programming; HMI Programming

DL Engineering

Position: PLC Programmer III

Term of Employment: January 2005 to August 2008

Responsibilities: PLC Programming; HMI Programming; Radio System Configuration and Commissioning; Technical Training



RIPPLE INDUSTRIES

Cliff Hall
Project Manager
www.rippleind.com
info@rippleind.com
Phone: 602.525.6417
Fax: 602.910.5543

ADDITIONAL TRAINING SKILLS AND CERTIFICATIONS

Rockwell Software / Allen Bradley Hardware

RSLogix5000; RSLogix500; RSLogix5; RSView32; FactoryTalk View Studio Edition;
FactoryTalk View Machine Edition; FactoryTalk Historian; FactoryTalk Vantage Point;
PanelBuilder32; PanelBuilder 1400e; ControlLogix; CompactLogix; SLC; MicroLogix; PLC5;
PanelView; PanelView Plus; Asset Center

Wonderware

Archestra System Platform; Information Server; Active Factory; SCADAAlarm;
Longwatch; InSQL; HMI Reports; InTouch; Remote Response Object; SCADAAlarm

Siemens

Simatic S7 PLCs; Simatic S5 PLCs;

Spectrum Instruments

Win 911 Emergency Callout Software

Microsoft

Windows Server 2000; Windows Server 2003; Windows Server 2008; Visual Studio .Net
Programming Environment; SQL Server 2000; SQL Server 2005; SQL Server 2008; Office 2003;
Office 2007; Office 2010; Visio; Project; Windows NT; Windows 2000; Windows XP; Windows
Vista; Windows 7;

Automation Direct

Lookout Direct; DirectSoft5; C-More OITs

Radio Set Familiarities

MDS iNet900 Radios; MDS iNetII900 Radios; MDS Transnet Radios; DataLink Radios; Esteem
Radios; Prosoft Radios;



RIPPLE INDUSTRIES

Erich Bastel
Electrical Department Manager
www.rippleind.com
info@rippleind.com
Phone: 480.203.9157
Fax: 602.910.5543

CAREER EXPERTISE NARRATIVE

Erich Bastel has 21 years of progressively responsible experience as a controls electrician in the water, wastewater, mining, agricultural and power industries. Erich is a highly motivated individual with a wealth of knowledge and experience as an electrician and as a leader. Erich has personally managed countless controls construction projects and has worked as a department manager for more than 8 years.

PROFESSIONAL EXPERIENCE

Ripple Industries

Position: Electrical Department Manager
Term of Employment: September 2012 to Present
Responsibilities: Business Development; Operations & Controls; Human Resources; Sales & Marketing; Hiring; Team Management; Project Estimating; Project Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training

Horine Electrical Service

Position: Electrical Service Department Manager
Term of Employment: June 2005 to September 2012
Responsibilities: Business Development; Operations & Controls; Human Resources; Sales & Marketing; Hiring; Team Management; Project Estimating; Project Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training

Jamison Electric Company

Position: Electrician
Term of Employment: May 2003 to June 2005
Responsibilities: Controls Electrical Construction; Electrical Troubleshooting; Technical Training

Keystone Electric

Position: Electrical Foremen
Term of Employment: April 2002 to May 2003
Responsibilities: Team Management; Project Estimating; Project Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training

AR Utility Specialists

Position: Lead Electrician
Term of Employment: February 2001 to April 2002
Responsibilities: Team Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training

Delta Diversified

Position: Lead Electrician
Term of Employment: January 2000 to February 2001
Responsibilities: Team Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training



RIPPLE INDUSTRIES

Erich Bastel
Electrical Department Manager
www.rippleind.com
info@rippleind.com
Phone: 480.203.9157
Fax: 602.910.5543

Keystone Electric

Position: Electrician

Term of Employment: March 1999 to January 2000

Responsibilities: Controls Electrical Construction; Electrical Troubleshooting; Technical Training

Hidden Valley Electric

Position: Lead Electrician

Term of Employment: October 1997 to March 1999


Responsibilities: Team Management; Controls Electrical Construction; Electrical Troubleshooting; Technical Training

SJ Electric

Position: Electrician

Term of Employment: March 1992 to October 1997

Responsibilities: Controls Electrical Construction; Electrical Troubleshooting; Technical Training

| | | |
|--|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 13d. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Administration STAFF PRESENTER: Jennifer Evans Management Analyst SUBJECT: Silver King Marketplace Lease Agreement renewal with Carol Johnson (Silver King Hair Co.) for Suite 201 | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

A motion to approve a lease agreement with Carol Johnson, owner of the Silver King Hair Co., for Suite 201, in the Silver King Market Place.

BACKGROUND/DISCUSSION:

Carol Johnson seeks to renew a lease for Suite 201, which is the south suite on the second floor. Silver King Hair Co. is a hair salon. Ms. Johnson has over 25 years of experience owning and operating hair salons in the cities of Bisbee, Sierra Vista, and Page, Arizona. She is a 4th generation hairstylist.

FINANCIAL IMPACT:

The term of the lease is from August 1, 2014 to July 31, 2015. The monthly rent will be \$121.33. The tenant will pay the Town \$444.08 per month for utilities. The utilities payment may be adjusted twice a year to better reflect the total cost.

STAFF RECOMMENDATION:

Staff recommends approval of the lease with Carol Johnson, owner of the Silver King Hair Co.

ATTACHMENTS:

Lease Agreement

SILVER KING MARKET PLACE LEASE AGREEMENT

TOWN OF FLORENCE, ARIZONA,
an Arizona municipal corporation

AND

Carol Johnson
a single woman, on her own behalf

(Silver King Hair Co.)

DATE: August 1, 2014

SILVER KING MARKET PLACE LEASE AGREEMENT

This Commercial Lease Agreement ("Lease") is made and entered into on the ____ day of _____, 2014 by TOWN OF FLORENCE, ARIZONA, a municipal corporation, hereinafter called "Landlord" and CAROL JOHNSON, a single woman, on her own behalf, hereinafter called "Tenant".

1. LEASED PREMISES

For and in consideration of the rent to be paid and of the covenants and agreements of the Tenant as hereinafter set forth, Landlord does hereby lease 728 square feet to Tenant of the premises located at 440 N. Main Street, Suite 201, Florence, Arizona, also known as the Silver King Market Place, and hereinafter referred to as the "Premises", or, the "Leased Premises". The Leased Premises are also described as Suite 201, which is located at the South end of the Premises on the 2nd floor.

2. TERM

The Lease term shall begin on the **1st day of August, 2014**, and end on the **31st day of July, 2015** (the "Term").

3. EXTENSIONS

The parties hereto may elect to extend the Term upon such terms and conditions as may be agreed upon in writing and signed by the parties at the time of any such election, provided that Tenant gives notice of its request to extend the Term no later than sixty (60) days prior to the expiration of the Term. If Tenant does not elect to extend the Term in accordance with this paragraph, this Lease shall end on the **31st day of July, 2015** (the "Expiration Date") and thereafter Tenant may only occupy the Premises on a month-to-month basis. Such month-to-month tenancy may be terminated by Landlord upon thirty (30) days notice to Tenant. Landlord's acceptance of rent payments after the Expiration Date shall not constitute a renewal of this Lease Agreement.

4. RENTS

Rent shall be paid at the rate of **one hundred twenty-one dollars, thirty-three cents (\$121.33)** per month for the duration of the lease. In addition to the rent, the tenant is responsible for their portion of the commercial property lease transaction privilege tax and government property lease excise tax. Each monthly payment of rent due thereafter shall be payable on the first day of each calendar month for the balance of the Term. Payment of rent shall be made to Landlord at Town of Florence, P.O. Box 2670, 775 North Main Street, Florence, Arizona 85132, or at such other place designated by written notice from Landlord. The rental payment amount for any partial calendar months included in the lease term shall be prorated on a daily basis. If rent is not received by the close of the 5th business day then the late fee of \$25.00 will be added to the Tenant's account.

5. SECURITY DEPOSIT

The Tenant has deposited with the Landlord the sum of **eight hundred dollars (\$800.00)** as security for the full and faithful performance by the Tenant of all the terms of this lease required to be performed by the Tenant. Such sum shall be returned to the Tenant after the expiration of this lease, provided the Tenant has fully and faithfully carried out all of its terms. At the expiration of this Lease or such other time as Tenant may request the return of the Security Deposit, Landlord shall make an inspection of the Leased Premises and deduct from the Security Deposit such sums as are necessary to repair and refurbish the Leased Premises to the condition which existed prior to Tenant's occupancy thereof. In the event of a bona fide sale of the property of which the Leased Premises are a part, the Landlord shall have the right to transfer the security to the purchaser to be held under the terms of this lease, and the Landlord shall be released from all liability for the return of such security to the Tenant.

6. PURPOSE

A. The Landlord is maintaining the Silver King Market Place for the development of new businesses within the Downtown area of the Town of Florence. It is the Landlord's desire to help in the creation of successful businesses by providing the necessary environment to help businesses survive.

B. Tenant shall use the Leased Premises for the purpose of conducting the business of a Hair Salon known as the **"Silver King Hair Co."**. In the event Tenant desires to use the Leased Premises for a different business purpose not described above, Tenant shall first apply, in writing, for approval for such use to the Town of Florence and the Redevelopment Commission. As a further condition of the lease, Tenant must also maintain regular business hours and be open for at least thirty five (35) hours per week with exception of holidays. When business enhancement classes are offered by the Town of Florence, Florence Main Street Program, and/or Florence Chamber of Commerce, free of charge, the Tenant shall make every effort to attend these programs.

C. If Tenant fails to meet any of these requirements, then Landlord may terminate the lease after providing the Tenant no less than thirty (30) days written notice of Landlord's intent to terminate the lease. If Tenant does not satisfy the above conditions or otherwise cure the deficiencies indicated in the notice within thirty (30) days, Landlord may terminate the lease as provided in section 17 below.

The Premises shall not be used in violation of this Lease, any zoning laws applicable to the Premises, or in violation of any federal, state or local laws or regulations.

7. PROHIBITED USES

Notwithstanding the forgoing, Tenant shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device. All uses must conform to the zoning code of the Town of Florence and the Silver King Market Place Reuse and Leasing Policy.

8. SUBLEASE AND ASSIGNMENT

A. Tenant shall not sublet or assign the lease without Landlord's consent. To assign this Lease to a business with which Tenant may merge or consolidate, to any subsidiary of Tenant, to any corporation under common control with Tenant, or to a purchaser of substantially all of Tenant's assets the Tenant must receive either written consent from the Landlord or enter into a new lease agreement.

B. Except as set forth above, neither Tenant nor any assignee may sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Landlord's written consent.

9. REPAIRS

During the Lease term, Tenant shall make, at Tenant's expense, all necessary repairs and refurbishment of the Leased Premises. Repair and refurbishment shall include, but is not limited to, the repair and refurbishment of normal wear and tear to floors, walls, ceilings, and other parts of the Leased Premises caused by Tenant's use and enjoyment of the Leased Premises, except for major mechanical systems, vandalism, or the roof, subject to the obligations of the parties as may otherwise be set forth in this Lease.

10. TENANT IMPROVEMENTS

A. Tenant, at Tenant's expense, shall have the right to remodel, redecorate, or make additions, improvements and replacements to all or any part of the Leased Premises from time-to-time as Tenant may deem desirable (the "Tenant Modifications"), provided the same are made in a workmanlike manner and utilizing good quality materials. Tenant must obtain the written consent of Landlord prior to undertaking any such Tenant Modifications. Tenant shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Tenant at the commencement of the Lease term or placed or installed on the Leased Premises by Tenant thereafter, shall remain Tenant's property free and clear of any claim by Landlord. Tenant shall have the right to remove the same at any time during the term of this Lease but not after the expiration thereof, provided that such removal does not cause any damage to the Premises. Any damage caused by the removal of Tenant's personal property shall be repaired by Tenant at Tenant's expense. If Tenant fails to repair any such damage Landlord may repair the damage and deduct the costs thereof from Tenant's security deposit.

B. Tenant may have prepared plans and specifications for the construction of the Tenant Modifications, and, if so, such plans and specifications are attached hereto as **Exhibit "A"** and incorporated herein by reference. Tenant shall obtain all certificates, permits, licenses and other authorizations of governmental bodies or authorities which are necessary to permit the construction of the improvements on the Leased Premises and shall keep the same in full force and effect at Tenant's cost.

C. Tenant shall negotiate, let and supervise all contracts for the furnishing of services, labor, and materials for the construction of the Tenant Modifications on the Leased Premises at its sole cost and expense. All such contracts shall require the contracting party to guarantee performance and all workmanship and materials installed by it for a period of one year following the date of completion of construction. Tenant shall cause all contracts to be fully and completely performed in a good and workmanlike manner, all to the effect that the improvements shall be fully and completely constructed and installed in accordance with good engineering and construction practice. Tenant shall include in any contract for the construction of Tenant Modifications a requirement that bonds in the full amount of the contract sum be furnished guaranteeing the faithful performance of the contract requirements and the payment of any and all subcontractors.

D. During the course of the Tenant Modifications, Tenant shall, at its cost, keep in full force and effect a policy of builder's risk and liability insurance in a sum equal to three times the amount expended for construction of the improvements. All risk of loss or damage to the improvements during the course of construction shall be on Tenant with the proceeds from insurance thereon payable to Landlord.

E. If the Tenant seeks improvements that are permanent in nature (e.g. flooring, lighting, HVAC, etc.), and such improvements add value to the Leased Premise, the Town may consider extending a lease credit to the Tenant. Any improvements that receive a lease credit will then become the property of the Town. The Tenant is solely responsible for repairing any damage and all costs associated with maintenance of the improvement for the duration of the Lease.

F. Nothing herein shall alter the intent of the parties that Tenant shall be fully and completely responsible for all aspects pertaining to the construction of the Tenant Modifications to Leased Premises and for the payment of all costs associated therewith. Landlord shall be under no duty to investigate or verify Tenant's compliance with the provisions contained herein. Moreover, neither Tenant nor any third party may construe the permission granted Tenant hereunder to create any responsibility on the part of the Landlord to pay for any improvements, alterations or repairs occasioned by the Tenant.

11. UTILITIES

The Leased Premises are not separately metered, therefore, Landlord shall pay the amount due for charges for water, sewer, gas, electricity and separately invoice Tenant for Tenant's pro rata share of the charges. Tenant shall pay **four hundred forty-four dollars, eight cents (\$444.08)** upon the due date for the monthly payment of the lease or the first of the month, which ever comes first. The Landlord, from time-to-time, may adjust the above amount to accurately reflect the utilities being consumed but may not adjust the amount more than two (2) times per year. Tenant acknowledges that the Leased Premises are designed to provide standard office or retail use electrical facilities and standard office lighting. Tenant shall not use any equipment or devices that utilize excessive electrical energy or which may, in Landlord's reasonable opinion, overload the wiring or interfere with electrical services to other tenants.

12. SIGNAGE

A. Exterior Signs. Landlord will provide one exterior sign located on the east side of the building. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect and thereafter, to repair or replace, if it shall so elect, signs on any portion of the Leased Premises, providing that Tenant shall remove any such signs upon termination of this lease, and repair all damage occasioned thereby to the Leased Premises at its sole cost and expense.

B. Interior Signs. Tenant shall have the right, at its sole risk and expense and in conformity with applicable laws and ordinances, to erect, maintain, place and install its usual and customary signs and fixtures in the interior of the Leased Premises.

13. ENTRY

Landlord shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Landlord shall not thereby unreasonably interfere with Tenant's business on the Leased Premises.

14. PARKING

During the term of this Lease, Tenant shall have the non-exclusive use in common with Landlord, other tenants of the Building, their guests and invitees, of the non-reserved common automobile parking areas, driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time-to-time by Landlord. Landlord reserves the right to designate parking areas within the Building or in reasonable proximity thereto, for Tenant and Tenant's agents and employees.

15. MECHANIC'S LIENS

Tenant shall pay before delinquent all sums of money which, if unpaid, would entitle any person to a mechanic's or material man's or laborer's lien against the Leased Premises, or on Lessee's interest under this Lease. Tenant agrees that it will neither do any act, nor fail to do any act, which would result in the recordation of any lien against the Leased Premises or the Silver King Market Place as a whole.

16. INSURANCE AND INDEMNIFICATION

A. INDEMNIFICATION

(i) To the fullest extent permitted by law, Tenant shall defend, indemnify and hold harmless the Town of Florence, its agents, officers, officials and employees from and against all tort claims, damages, losses and expenses (including but not limited to attorney fees, court costs, and the cost of appellate proceedings), relating to, arising out of, or alleged to have resulted either wholly or in part from the acts, errors, mistakes, omissions, work or services of the Tenant, its agents, employees, contractors or subcontractors in the performance of this Agreement, and regardless of whether or not such claim, damages, loss or expenses are caused in part by Landlord.

(ii) Tenant's duty to defend, hold harmless and indemnify the Town of Florence, its agents, officers, officials and employees shall arise in connection with any tort claims, damages, losses or expenses that are attributable to bodily injury, sickness, disease, death, or injury to, impairment, or destruction of property including loss of use resulting therefrom, caused either wholly or in part by Tenant's acts, errors, mistakes, omissions, work or services in the performance of this Agreement including any employee of the Tenant or any other person for whose acts, errors, mistakes, omissions, work or services the Tenant may be legally liable, and regardless of whether or not such claim, damages, losses or expenses are caused in part by Landlord.

(iii) The amount and type of insurance coverage requirements set forth herein will in no way be construed as limiting the scope of the indemnity in this paragraph.

B. INSURANCE REQUIREMENTS

(i) The Tenant, at Tenant's own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Landlord/Town of Florence.

(ii) All insurance required herein shall be maintained in full force and effect during any term of this Lease; failure to do so may, at the sole discretion of the Town of Florence, constitute a material breach of this Lease.

(iii) The Tenant's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town of Florence shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town of Florence.

(iv) The insurance policies required by this Agreement shall name the Town of Florence, its agents, officers, officials, and employees as Additional Insured.

C. REQUIRED COVERAGES

(i) General Liability

(a) Tenant shall, at Tenant's expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 General Aggregate Limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc. Policy Form CG 000211093(October 2001 version). The coverage shall not exclude X, C, U.

(b) Such policy shall contain a severability of interest provision, and shall not contain a

sunset provision or commutation clause, nor any provision, which would serve to limit third party action over claims.

(c) The Commercial General Liability additional insured endorsement shall be at least as broad as the Insurance Service Office, Inc.'s, Additional Insured, Form B, CG2O101185 (October 2001 version).

(ii) Property Insurance

(a) Landlord shall obtain and keep in force during any term of this Lease, a policy or policies of insurance covering loss or damage to the Leased Premises, in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, flood, extended coverage, vandalism, malicious mischief and special extended perils.

(b) Tenant shall obtain and keep in force during any term of this Lease, a policy or policies of insurance covering loss or damage to the contents of the Leased premises. Tenant agrees that Landlord shall not be liable for injury to Tenant's business or any loss of income there from, or for loss or damage to goods, wares, merchandise or other property in or on the Leased premises owned or belonging to Tenant, Tenant's employees, invitees, customers, or any other person in or about the Leased Premises; nor shall Landlord be liable for injury to the person of Tenant, Tenant's employees, agents or contractors, whether such damage or injury to persons or property is caused by or results from fire, steam, electricity, gas, water or rain, or from the breakage, leakage, obstruction, or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning, or light fixtures or from any other cause; or whether the said damage or injury to person or property results from conditions arising upon the Leased Premises or from other sources or places, and regardless of whether the cause of such damage or injury or the means of repairing the same is inaccessible to Tenant.

(iii) Certificates of Insurance

(a) Prior to delivery of possession of the Leased Premises to Tenant, Tenant shall furnish the Landlord/Town of Florence with Certificates of Insurance, or formal endorsements as required by this Lease, issued by Tenant's insurer(s), as evidence that policies providing the required coverage, conditions and limits required by this Lease are in full force and effect.

(b) In the event any insurance policy (ies) required by this Lease is (are) written on a "claims made" basis, coverage shall extend for two years past the expiration of any term of this Lease as evidenced by annual Certificates of Insurance.

(c) If a policy does expire during any term of this Lease, a renewal certificate must be sent to the Town of Florence fifteen (15) days prior to the expiration date.

17. DEFAULTS AND REMEDIES

A. DEFAULTS

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant:

- (i) The vacating or abandonment of the Leased Premises by Tenant;
- (ii) The failure by Tenant to make any payment of rent or any other payment required to be made by Tenant hereunder, as and when due;
- (iii) The failure by Tenant to observe or perform any of the covenants, conditions, or provisions of this Lease to be observed or performed by Tenant, other than described in subsection (A) above, where such failure shall continue for a period of fifteen (15) days after written notice hereof from Landlord to Tenant; provided, however, that if the nature of Tenant's default is such that more than fifteen (15) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant commenced such cure within said fifteen (15) day period and thereafter diligently prosecutes such cure to completion.
- (iv) The making by Tenant of any general arrangement for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenants' assets, located at the Leased Premises, or, of Tenant's interest in this Lease, where possession is not restored to Tenant within thirty (30) days; or, the attachment, execution, or other judicial seizure of substantially all of Tenants' assets located at the Leased Premises or of Tenants' interest in this Lease where such seizure is not discharged within thirty (30) days.
- (v) The filing or recordation of a lien against the Leased Premises or the Silver King Market Place as a whole due to any action or inaction of Tenant.

B. REMEDIES

- (i) In the event of any such material default or breach by Tenant, Landlord may at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy which Landlord may have by reason of such default or breach:
- (ii) Terminate Tenants' right to possession of the Leased Premises by any lawful means in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Leased Premises to Landlord. In such event Landlord shall be entitled to recover from Tenants all damages incurred by Landlord by reason of Tenants' default, including but not limited to, the cost or recovering possession of the Premises; expenses of reletting, including necessary renovation and alteration of the Premises; reasonable attorney's fees; and any real estate commission actually paid; the worth at the time of award by the court having jurisdiction thereof of the amount by which the unpaid rent for the balance of the term after the time of such award exceeds the amount of such rental loss for the same period that Tenant provides could be

reasonably avoided. In the event Tenant shall have abandoned the Premises, Landlord shall have the option of 1) retaking possession of the Premises and recovering from Tenant the amount specified in this paragraph, or 2) proceeding under subsection 18 below.

(iii) Maintain Tenant's right to possession in which case this Lease shall remain in effect whether or not Tenant shall have abandoned the Premises. In such event, Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease, including the right to recover the rent as it becomes due hereunder.

(iv) Pursue any other remedy now or hereafter available to Landlord under the laws or judicial decisions of the State of Arizona, including the right to declare a landlord's lien on Tenant's personal property located on the Leased Premises. Where a landlord's lien is declared by Landlord, Landlord may, without notice or demand to Tenants, terminate Tenant's right to possession of the premises until Landlord has secured sufficient personal property or full payment of rent to satisfy the amount of rent owed. Should Landlord declare a landlord's lien on the Leased Premises pursuant to this paragraph, the Lease shall not be considered terminated, and Landlord shall have a right to recover rent as it becomes due.

C. DEFAULT BY LANDLORD

(i) Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than fifteen (15) days after written notice by Tenant to Landlord and to the holder of any first mortgage or deed of trust covering the Premises whose name and address shall have theretofore been furnished to Tenant in writing, specifying wherein Landlord has failed to perform such obligations; provided however, that if the nature of Landlord's obligation is such that more than fifteen (15) days are required for performance, then Landlord shall not be in default if Landlord commences performance within such thirty day period and thereafter diligently prosecutes the same to completion. If Landlord does not perform, the holder of any first mortgage may perform in Landlord's place and Tenant must accept such performance.

D. HOLDOVER BY TENANT

(i) If Lessee shall hold over after expiration of the Initial Term, or any extension of the Initial Term, such tenancy shall be from month-to-month only upon such terms, covenants, and conditions as set forth herein except for those relating to the term of the Lease. Any such month-to-month tenancy may be terminated by Landlord upon thirty (30) days notice to Tenant. However, nothing herein shall be construed as or deemed a waiver of any rights of Landlord to take such action in law or equity as Landlord may have under the provisions of this Lease or otherwise.

E. BANKRUPTCY OF TENANT

(i) If Lessee should make a general assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or be adjudicated bankrupt or insolvent, or permit a receiver to be appointed to take possession of a substantial portion of the Lessee's assets or of this

leasehold, and such bankruptcy, insolvency or receivership proceedings not be dismissed within thirty days, then Lessor may, without notice or demand, terminate this Lease and forthwith re-enter and repossess the demised premises and remove all persons, and under no circumstances shall this Lease be assigned or transferred by operation of law.

18. DAMAGE AND DESTRUCTION

Subject to the Insurance provisions contained herein, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Tenant's purposes, then Tenant shall have the right within ninety (90) days following damage to elect by notice to Landlord to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Tenant's purposes, Landlord shall promptly repair such damage at the cost of the Landlord. In making the repairs called for in this paragraph, Landlord shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Landlord. Tenant shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Tenant's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Tenant subject to the provisions of this Lease which may permit Landlord to retain such payments. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Tenant's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Tenant's purposes.

19. TITLE

A. Subordination. Tenant shall, upon the request of Landlord in writing, subordinate this Lease to the lien of any present or future institutional mortgage upon the Leased Premises irrespective of the time of execution or the time of recording of any such mortgage. Provided, however, that as a condition to such subordination, the holder of any such mortgage shall enter first into a written agreement with Tenant in form suitable for recording to the effect that:

(i) Foreclosure. In the event of foreclosure or other action taken under the mortgage by the holder thereof, this Lease and the rights of Tenant hereunder shall not be disturbed but shall continue in full force and effect so long as Tenant shall not be in default hereunder; and

(ii) Such holder shall permit insurance proceeds and condemnation proceeds to be used for any restoration and repair required by the Damage and Insurance provisions of this Lease. Tenant agrees that if the mortgagee or any person claiming under the mortgagee shall succeed to the interest of Landlord in this lease, Tenant will attorn to and recognize said mortgagee or person as its Landlord under the terms of this Lease, provided that said mortgagee or person for the period during which said mortgagee or person respectively shall be in possession of the Leased Premises and thereafter their respective successors in interest shall assume all of the obligations of Landlord hereunder. The word "mortgage", as used herein includes mortgages,

deeds of trust or other similar instruments, and modifications, and extensions thereof. The term "institutional mortgage" means a mortgage securing a loan from a bank (commercial or savings) or trust company, insurance company or pension trust or any other lender institutional in nature and constituting a lien upon the Leased Premises.

C. Quiet Enjoyment. Landlord covenants and agrees that upon Tenant paying the rent and observing and performing all of the terms, covenants and conditions on Tenant's part to be observed and performed hereunder, that Tenant may peaceably and quietly have, hold, occupy and enjoy the Leased Premises in accordance with the terms of this Lease without hindrance or molestation from Landlord or any persons lawfully claiming through Landlord.

20. ATTORNEY'S FEES

In the event of any legal action between Landlord and Tenant to enforce any of the provisions and/or rights hereunder, the unsuccessful party to such action agrees to pay to the other party all costs and expenses, including reasonable attorney's fees incurred in prosecuting or defending such action, and if judgment is recovered in such action or proceeding, such costs, expenses and attorney's fees shall be included in and as a part of such judgment.

21. NOTICES

Any notice required to be given by or to either Landlord or Tenant pursuant to this Lease, shall be in writing and shall be forwarded by certified mail, postage prepaid, addressed as follows:

For Landlord:

Town of Florence
Town Manager
PO Box 2670
775 North Main Street
Florence, AZ 85132
520-868-7500

For Tenant:

Carol Johnson
PO Box 2173
60 S. Orlando Street
Florence, AZ 85132
520-868-1876

22. WAIVER

A waiver of any breach of this Lease, or of any of the terms or conditions by either party hereto, shall not be deemed a waiver of any repetition of such breach or in any way affect any other terms or conditions hereof. No waiver shall be valid or binding unless it shall be in writing and signed by the parties.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first written above.

LANDLORD: TOWN OF FLORENCE, an Arizona municipal corporation

Tom J. Rankin, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

TENANT: CAROL JOHNSON, a single woman, on her own behalf

By: _____

Its: Owner

Date: _____

STATE OF ARIZONA)
) ss.
County of Pinal)

On this ____ day of _____, 2014, before me, the undersigned Notary Public, personally appeared Carol Johnson, and that as such, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

(Seal and Expiration Date)

Notary Public

My Commission Expires:

EXHIBIT A

Tenant Modifications

[PLACE HOLDER FOR ALL PERMANENT TENANT IMPROVEMENTS]

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON WEDNESDAY, JUNE 18, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Mayor Rankin called the meeting to order at 6:00 pm.

ROLL CALL:

Present: Rankin, Smith, Celaya, Hawkins, Walter, Woolridge

Absent: Montañó

PLEDGE OF ALLEGIANCE

WORK SESSION REGARDING CONSTRUCTION OF MUNICIPAL FACILITIES CONSISTING OF A LIBRARY, OUTDOOR AQUATIC COMPLEX, RECREATION SPACE, PROGRAMMING OFFICES, OUTDOOR FIELDS, AND OTHER GOVERNMENT FACILITIES.

Mr. Charles A. Montoya, Town Manager, stated that they have met with the Library Advisory Board and the Parks and Recreation Advisory Board in a joint meeting to discuss the project and get input on the project.

Mr. Montoya provided a presentation in which he discussed the following:

- Long term vision of the downtown area and for services that the Town provides
- Expansion of existing services
- Future planning on services for library and recreation
- Establish core level of service for the entire Town of Florence, including the core area itself

Mr. Montoya explained that the Florence Unified School District (FUSD) notified the Town that it would no longer be able to allow the Town to share the use of the library as of May 2015. The Town is able to utilize the school's building until that time. The Town also shares a joint use with their two pools and the pools will be gone as of next summer. This does not leave much for the families to do in the core area with regards to facilities, recreation, or aquatics. The residents in the downtown area cannot use the facilities in Anthem because those facilities are private.

Mr. Montoya explained that the new facility will expand on the needed services and will allow all residents to enjoy the same amenities as others. It will also allow for summer and seasonal job opportunities for high school students. The facility will also be considered a regional facility, which will help pay for the facility, will generate foot traffic in the downtown area and will help spur growth in the downtown area.

Mr. Montoya stated that staff has considered the most conservative approach when considering the facility. He explained that the impact fees only have a ten year life and if they are not utilized, they will be lost. He said the library and recreation center are expected to open in May/June 2015, and the aquatic center is expected to open in August/September 2015.

Mr. Montoya stated the drawing is conceptual only and will evolve based on feedback. He described what the conceptual drawing entails. He stated that a combined facility saves in construction costs, requires less staff, and saves in operational costs. It also allows for additional facilities within the 40 acres. He had discussions with Pinal County regarding them donating their lot on Main Street for land north of Town Hall, and said the discussions are ongoing.

Mr. Montoya stated that there is also opportunity for private and public buildings along the Main Street corridor on the remaining 125 acres. The property is more affordable since the Town owns the property. He explained the benefits of having this new facility.

Mr. Bryan Hughes, Parks and Recreation Director, stated there are numerous recreational opportunities with a new facility such as:

- Various type of classes such as Pinterest, fitness, dance, exercise, cooking, language
- Teen programs
- Health and wellness festivals
- Art festivals
- Partnership programs
- Rental options to help reduce the cost of the facility
- Various party events
- HOA and civic meetings
- Seminars and workshops
- Staff retreats

Mr. Hughes explained the possible set up of the building and how the different spaces can be utilized. He explained their current challenge is lack of dedicated space for some of the programs that they would like to do. The current facilities are too small, and at times, they are not able to utilize the school facilities.

Mr. Hughes provided a description of what the aquatics center would entail, such as:

- Eight lane 25 yard pool
- Diving well
- Zero depth entry
- Play structure that drops water on you to a depth of three feet
- Leisure pools with shade
- Two water slides
- Main pool is heated
- Bath house has multi-purpose room

Mr. Hughes stated some of things that can be offered at the new aquatics facility could include:

- Start lessons for kids much younger with the new pool because of the depth
- Water exercise classes could be expanded
- Teen nights
- Dive-in movies
- Competitive swim meets
- Partnership for physical therapy

Mr. Hughes stated that the facility would also include multi-purpose fields, sports courts, tennis courts, and pickle ball courts. He said the new fields could offer soccer tournaments, flag football, sports camps, tennis lessons, and will have a nice open space for events. Currently the Town is limited on field space and it is not cohesive for the programming that they would like to do.

Ms. Rosemary Bebris, Library Director, stated that the library has all the traditional library resources such as books, DVDs and audio; however, due to the limited space, the collection has decreased over the years. As technology has become more prevalent, they have reduced the collection size to add more opportunities for the technology that the public needs. She said the new library will allow for the expansion that is much needed and they will be able to provide more information on local history, as we well as expand the current collections.

Ms. Bebris stated libraries are massive technology power houses that many patrons rely on. Many people do not have high speed broadband internet access and use the library for the internet to complete various types of applications, etc. The library currently has the following:

- 21 public access computers, 30 laptops and 3 early literacy stations
- 35 plus data bases such as ancestry.com
- Several testing programs such as those who are studying for their GED or GRE
- Approximately 5000 e-books, in which they partner with Pinal County and the State
- Streaming media and digital services
- Approximately 179 online magazines
- Approximately 1000 audio books
- Approximately 187 DVD movies
- Approximately 3650 National Geographic and documentaries

Ms. Bebris stated that they also provide several other programs for both adults and youth, which are well attended. She stated that the library allows the community to connect and the new library will eliminate the need to borrow facilities. Staff also can teach patrons how to use their electronic equipment such as Kindles, and will offer a demonstration on 3D printing. She provided the total of users for each of the services and programs offered at the library.

Ms. Bebris stated that the new library will eliminate a lot of the current deficiencies. They will have a permanent place and can offer better programs such as having national exhibits, dedicated areas for children, youth, and adults, proctor of exams, Skype interviewing, storage space, collection growth, and new programs due to appropriate size meeting spaces.

Vice-Mayor Smith inquired if the new facility is affordable.

Mr. Montoya explained how the project will be funded. He explained that a portion of the funding will come from restricted funds and if not utilized will be lost. He said they estimate approximately \$5 million will be funded through bonds. He said Council has authorized staff to hire a project manager which will assist in working through the contract with Low Mountain. If Council chooses not to do the bond, the Town has the funding available. He recommends that the Town do bonding for \$5 million for the project. He said doing a bond is the most conservative approach and fiscally responsible. He said they are working on the bond rating to ensure the best interest rate.

Vice-Mayor Smith inquired about staffing.

Mr. Montoya stated that additional staffing will be necessary; however, they will be part-time staff only and will be minimal and seasonal.

Vice-Mayor Smith inquired if they can build the library now and the rest at a later time.

Mr. Montoya stated if they do that, the funding will go away. They would not be able to utilize the food tax money or park impact money, and will have to utilize millions out of the Town's money. Staff looked at the most conservative value to use the funds.

Mr. Montoya stated if Council wishes to build the library now and build the aquatic and recreation center later, it will be more costly.

Councilmember Hawkins inquired if the Town will lose the food tax.

Mr. Montoya stated that the food tax can only be utilized for recreational use and they would not be able to utilize it for the library.

Councilmember Walter inquired if the existing surveys are being utilized for this project, or if the Town has to pay for new surveys.

Mr. Montoya stated that the Town is not paying for additional surveys and explained that there is cost savings due to partnering with others, such as Swan Architects and Swaback, who have worked on the Territory Square.

Mr. Mark Eckhoff, Community Development Director, stated they are following the same plans. He said they have piggybacked on the engineering and floodplain work that has already been done. They are using the same engineering firm who has invested

several years on the project and who is also currently working on the LOMR process for engineering of the site.

Councilmember Celaya stated that in previous discussions, the ball fields were to be located in the lower areas in case of flooding. The ball fields are now being located closer to the Town. He inquired how this fits in with the original design.

Mr. Eckhoff explained that the immediate needs are being met with the soccer fields and facilities that are to be added. He said it is a marginal cost compared to the library and aquatic center. More work is needed with the floodplain mitigation and with land development before the Town obtains additional land along the river bed.

Councilmember Celaya inquired if the Town is anticipating any expansion on the planned facility.

Mr. Hughes stated that discussions have occurred on reconfiguring the layout of the buildings to allow for future expansion; however, the the expansion may not take advantage of the locker room or bath house, but would create a recreation complex.

Councilmember Celaya inquired if the Town sought out partnership with Central Arizona College (CAC) with regards to the library for a conference area or a training center area. He also inquired if there is any interest in participation.

Ms. Bebris stated that staff hasn't explored that option. She said there will not be space available within the library; however, there is general meeting space within the plan. She said there are several opportunities for partnership. CAC has a new campus coming on in the near future and they will be doing a lot more at the new campus.

Councilmember Celaya stated that he is concerned that the Town is putting all of their financial resources into this project and other entities may want to utilize the facility.

Mr. Montoya stated that the FUSD is not at a point where they could do any funding. The Town does partner with FUSD with the pool and library and the Town assists them with the use of the Town's fields. The Town also does the before and after school programs at both K-8 schools. He said CAC and the Town have an agreement to do generalized training for the Fire Department so that they can get their credit and training that they need. CAC just built a brand new facility so he is not sure if they are willing to offer funding. He said the Town would be developing IGAs with entities wishing to utilize the facility and the IGAs would be brought to Council for consideration.

Councilmember Celaya inquired about the aesthetics of the building.

Mr. Montoya explained that the Arts Program will be utilized for art inside and outside of the building.

Councilmember Celaya inquired about internal services that may take away from outside businesses, such as a coffee or snack shop.

Mr. Montoya stated that there is a potential for a coffee kiosk, which may be a vending machine or a private vendor.

Councilmember Celaya stated that he would like to see the IDA do the bonding for this project.

Mr. Montoya stated they are currently working on the credit rating and he will make the recommendation to Mr. Reeder to see if the IDA can do the bonds.

Councilmember Walter inquired what the square footage is for the proposed offices in the new facility and the existing fitness center.

Mr. Montoya stated that he estimates the proposed office space to be approximately 3,000 to 4,000 square feet and the existing fitness center to be approximately 5,500 square feet.

Councilmember Walter stated that the existing facility may be in need of repairs and she was wondering if that much office space is needed or if they could fit the exercise facility in the new location.

Mr. Montoya explained what the office spaces will be used for and explained that they not only build for the current capacity but also for the near future use. He explained how the impact fees must be utilized as well with regards to what must be incorporated in the construction.

Councilmember Woolridge is glad that they are at this point and are moving forward on a new library.

Councilmember Hawkins inquired if the Town will only have to finance \$5 million for the project.

Mr. Montoya stated that \$5 million will be the maximum that they will need to fund, but expect the cost to be less.

Mayor Rankin inquired if the weight equipment can be moved into the new facility.

Mr. Hughes stated that the weight equipment will not be moved into the facility. He said staff is focusing on the multi-purpose rooms, classrooms, meeting space, and exercise classes. He said they will be able to add more equipment and do more in the facility if staff offices are moved out of the facility and minor renovations are done. The current plan is to leave the fitness center where it is.

Discussion occurred on the existing fitness center and the recreation center.

Discussion occurred on various layouts of the new facility with regards to opportunities for expansion.

Mayor Rankin inquired about roadways into the new facility.

Mr. Montoya stated they will expand 1st Street up to the 40 acres and create an entrance into the plaza from 1st Street. They are working with San Carlos Irrigation District (SCID) regarding water.

Mr. Eckhoff explained what the discussions with SCID pertain to their canal and placement alternatives. He explained that staff has been working on the options of 1st Street and Main Street and the extension of Main Street to come together. The goal is for a smooth transition. He said this project is running concurrent with the library project.

Mr. Wayne Costa, Public Works Director, stated that \$500,000 has been budgeted for the project and explained what the project will entail. He explained what the project with SCID will entail.

Mayor Rankin stated that there are no baseball or softball fields for practicing. He inquired if the soccer fields can be utilized for practice fields by adding backstops.

Mr. Hughes stated that the soccer fields could be utilized for practice fields. He said lights have been budgeted for ball field # 3 for next year, which will allow for more practice time and the ball field can be utilized for another field for games.

Mayor Rankin stated that there will not be any pools available for the public next year, except for the canals, which is a problem. He said the pool project needs to be pushed forward.

Mr. Montoya stated that they will work with the school and with the contractor to come up with an arrangement so there is no loss of that pool for the kids.

Mayor Rankin wanted to ensure that there is sufficient parking.

Mr. Montoya stated that parking is included in the plan, and explained where the parking will be located.

Mr. Eckhoff stated a parking calculation will be done to ensure there is sufficient parking for the facility. He said there may be overflow parking for certain events and in those cases; the overflow may park in the overflow area, which will be a gravel parking area. The parking lot that is included will be pavement. He added that the Town must also comply with Pinal County's dust control requirements during construction and in the gravel area.

Mayor Rankin said the maintenance cost for the aquatic area will be substantial because there is nothing to protect the pool.

Mr. Hughes stated that would do their best to mitigate the issues as much as possible in the design phase. The pool is being turned to allow for the bath house to be on the west end, which will help mitigate the dust. He said the fence around the pool will also have a foot which will help keep some of the dust out as well.

Mayor Ranking inquired about signage.

Mr. Eckhoff stated that a uniform sign package will be developed for all of the parks so the signage will be consistent. Additional signs will be placed throughout the Town to direct people to the various destinations.

Discussion occurred on the aesthetics of the building including plants, shrubs, etc. and maintenance of the grounds, inclusive of utilizing reclaimed water.

Mr. Montoya stated that reclaimed water may be used at Padilla Park should it become available. He said they will plan for reclaimed water at the new facility should the reclaimed water become available. Currently, there is not enough reclaimed water for Florence Gardens.

Mr. Costa stated there are plans for installing reclaimed water lines at Padilla Park and Heritage Park. He said an agreement for reclaimed water for the farms west of the Southwest Water Treatment Plant that will be coming up in the near future.

Councilmember Celaya inquired if a new location is being proposed for the free dump day, which is currently held at Heritage Park.

Mr. Montoya stated that they can look for an alternate location.

Councilmember Celaya requested that a dirt amphitheater be left where they are removing the dirt and add some type of low cost grass.

Mr. Eckhoff explained that there may be extra dirt left after the pad is completed and approved by FEMA and the LOMR. They may be able to store the remaining dirt and do something with it at a later time.

Mayor Rankin inquired how the bid process was done.

Mr. Montoya explained the bid process and how the vendor was selected.

Discussion occurred on what would occur if the project was altered.

Mr. Jess Knudson, Assistant Town Manager, explained the procurement and legal processes. He stated that modifications can be done within the scope of work; however, there are some things that the Town is tied to with regards to use of funds and the way the State dictates the Town's procurement process.

Ms. Bebris explained how the library will expand within the facility.

Mr. Lyle Gilbertson, Florence Resident, stated that the location for the new facility is a great place to put it. He said there is an assumption that if Main Street is extended, people will come downtown to shop. He proposed that the library be placed downtown with a parking lot, which will anchor downtown; otherwise there is nothing downtown.

Mr. Art Buckley, Florence Resident, inquired how many square feet is the library, including parking. He said there was discussion that the library would be approximately 12,000 square feet and questioned if that would be big enough.

Mr. Montoya stated that building itself is approximately 30,000 square feet.

Mr. Eckhoff stated that the parking count is still being determined.

Mr. Buckley stated that the rule of thumb would be double the square footage for parking, landscaping and open space. He said if he could show the Council a parcel of 100,000 square foot at \$6.00 per square foot, would they consider it.

Ms. Ruth Harrison, Florence Resident, stated that her idea is to put the library where Padilla Park grass lawn is going to go. She suggested the following:

- Shade structures be installed in the parking area,
- The parking area be in close proximity to the library
- Parking lot to be of a permeable surface
- Trees to be included to provide shade
- Fitness center be at the new facility
- Walking and bicycle access should be included at new facility

Ms. Denise Kollert, Florence Resident, inquired why people think that the proposed location for the new facility not be considered downtown. She said if the only place that Florence can expand is the small area on Main Street, Florence will go no place, and will go away. She said there is not place downtown for the library. She said parking will be limited around Padilla Park. She doesn't understand why people are against the location of the new facility for the library.

Councilmember Hawkins stated that location of the library has already been determined and the project is moving forward.

Ms. Jaclyn Revis, Parks and Recreation Boardmember, stated that she supports moving forward with the new facilities, and they are much needed. She said the project needs to move forward as planned.

Ms. Chris Reid, Historic District Advisory Commissioner, asked that parking be in close proximity to the library.

Councilmember Walter inquired if the CART program will go to the facility, and if those in Anthem can utilize CART to come to the facilities as well. She inquired if solar structures are considered.

Mr. Knudson stated that the Town is one seat within the CART Board, but they can identify locations. He said in the long term there will be one stop in Florence and then they will have intercity bus stops.

Mr. Eckhoff stated that the building will be built to the 2006 Energy Code. He said there are no solar canopies in the scope of work but they can include them in the design to add them later.

Mayor Rankin stated that FUSD is working with the San Tan YMCA for programs. He inquired if it will conflict with them.

Mr. Hughes said he does not foresee it being a conflict as the YMCA will serve those in the north part of Florence.

Mr. Montoya explained the timeline for the next steps in the process. He said the contract will be done in two pieces; with the first portion being a design contract. It will take approximately six to ten weeks to get the dirt moved which will allow for the public participation and the design contract to be executed. They will then come back to Council with a contract for construction.

ADJOURNMENT

On motion of Councilmember Walter, seconded by Vice-Mayor Smith, and carried to adjourn the meeting at 7:34 pm.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on June 18, 2014, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

MINUTES OF THE FLORENCE TOWN COUNCIL MEETING HELD ON MONDAY, JUNE 23, 2014, AT 6:00 P.M., IN THE CHAMBERS OF TOWN HALL, LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER:

Mayor Rankin called the meeting to order at 6:03 pm.

ROLL CALL:

Present: Rankin, Smith, Hawkins, Montañaño, Woolridge

Absent: Celaya, Walter

CALL TO THE PUBLIC

Call to the Public for public comment on issues within the jurisdiction of the Town Council. Council rules limit public comment to three minutes. Individual Councilmembers may respond to criticism made by those commenting, may ask staff to review a matter raised or may ask that a matter be put on a future agenda. However, members of the Council shall not discuss or take action on any matter during an open call to the public unless the matters are properly noticed for discussion and legal action.

Mr. John Anderson, Florence Resident, stated that he is in favor of the project; however, he is concerned about the maintenance costs. He was unable to find anything on the operational costs of the pool. He said the park in Anthem's park is open on a limited basis due to operational costs.

NEW BUSINESS

Discussion/Approval/Disapproval of authorizing the Town Manager to negotiate and enter into a contract for design-build construction services for the proposed Library/Recreation Center/Aquatic Complex with Low Mountain Construction for a cumulative amount not to exceed \$390,000 for pre-construction and Schematic Design Services.

Mr. Charles Montoya, Town Manager, stated that Council was provided information on the proposed facility in a worksession along with the timeline for the project up to this point. The project is broken up into sections to allow for the design work of the facility so the Town doesn't lose any time and to allow Low Mountain to begin working more in detail with the Council, Boards, Commissions, and the public for the design of the facilities.

Councilmember Hawkins inquired who was on the selection committee.

Mr. Montoya stated that the following individuals were part of the selection committee:

Town Manager Charles Montoya, Assistant Town Manager Jess Knudson, Finance Director Mike Farina, Public Works Director Wayne Costa, Community Development Director Mark Eckhoff, Parks and Recreation Director Bryan Hughes, Library Director Rosemary Bebris, and Dan Bonow from Pulte.

Councilmember Hawkins inquired if anyone from the community was included.

Mr. Montoya stated that there were no members from the public on the committee.

Councilmember Hawkins inquired if staff has sought out estimates on maintenance costs from others with a like facility.

Mr. Montoya responded that staff has not sought out estimates on maintenance costs. They will not know what the costs will be until they have a definitive design. Part-time and seasonal staff will also be used to minimize the cost as well.

Councilmember Hawkins inquired if they will have several options to choose from.

Discussion occurred on the design process. Council, Boards, and Commissions will be provided each rendition of the project as it evolves to ensure that staff is going in the direction of the Council.

Discussion occurred on cost of the project, inclusive of costs for architects, and detailed documents of the project.

Councilmember Hawkins inquired if the project must be done in its entirety or can they choose different parts of the project to be done and do the remaining at a later time.

Mr. Montoya stated that there can be some modifications; however, it is staff's recommendation to use the impact fees and include them in the facility as a whole.

Councilmember Hawkins inquired if they could do the project without having to do a bond.

Mr. Montoya stated that the Town has the cash available; however, it is not his recommendation to do so because funding is inexpensive; and the Town is doing the project as a regional attraction, so people, other than the Town of Florence, will pay for it.

Councilmember Hawkins inquired what the interest and time frame would be for the bond.

Mr. Mark Reeder, Stifel, Nicolaus, and Co. Inc., stated that he is the Town's financial advisor with regards to the possible sale of bonds. He anticipates coming before the Council on July 21, 2014, for the sale of revenue bonds issued by the Town of Florence for approximately \$5,000,000. The debt will be amortized for 20 years. He anticipates

selling bonds with approximately 3% interest. He said it is a good time to borrow money at an attractive rate, which will keep the debt service payment as low as possible. He said they are currently working on the Town's credit rating.

Mayor Rankin inquired how the credit rating is established.

Mr. Reeder stated that four things are considered: budget, debt load, economy, and legal conveyance. He said the payment would be approximately \$390,000 annually.

Mayor Rankin inquired if the General Fund would be paying the annual payment.

Mr. Montoya explained funding. He said the Town currently does not have a bond rating, nor has it had one in 15+ years.

Mr. Reeder explained that they will have more information in the next few weeks.

Discussion occurred on the WIFA loan, which has an approximate balance of \$4.8 million remaining and Florence Gardens bond has a remaining balance of approximately \$337,000. He said there is an additional \$1.3 WIFA loan, which the Town has not drawn down from that money yet.

Discussion occurred on the South Wastewater Plant, capacity, design stage when you reach 80% capacity, which is where the plant currently is, and construction when you reach 90% capacity. The Town is approximately 150,000 – 200,000 gallons, or 800 homes, away from being at 90% capacity.

Mr. Wayne Costa, Public Works Director, stated that the Town would not change the infrastructure, but would change the process from a SBR plant to a MBR plant if they needed to extend the capacity, and explained the process.

Vice-Mayor Smith inquired what the cost is to move the dirt.

Mr. Montoya responded that the cost to move the dirt is approximately \$1,050,000.

Vice-Mayor Smith inquired if everything in the facility is needed within one year or if they can phase the project for a few years. He is concerned about the cost for the entire project.

Mr. Montoya explained the funding and explained that there is additional \$15 million if Council chooses to access those funds.

Mr. Mike Farina, Finance Director, stated that the Town has the funds to complete the projects, and they are budgeted for. There are also reserves available.

Councilmember Montaña inquired why the Town is looking at a design-build and not siemens (inaudible) or general contract.

Mr. Montoya explained why the Town chose to go with a design-build for the project, and stated that it is the most affordable.

Councilmember Montaña inquired if there will be Town staff working with the general contractor or a project manager.

Mr. Montoya explained that Jeff Swan, Swan Architects, will be the Project Manager, for the Town along with Town staff, which includes Wayne Costa, Bryan Hughes, Mark Eckhoff, and Rose Bebris.

Councilmember Montaña inquired if there will be a reduction in cost if they contractor falls behind schedule.

Mr. Montoya stated that would be a negotiated item that Mr. Swan is working on along with other savings within the proposal submitted by Low Mountain.

Mr. Mark Eckhoff, Community Development Director, explained items that need to be considered when considering scheduling.

Councilmember Montaña explained that there is sand in the area, and settling needs to be considered in the design-build.

Discussion occurred on the the multiple levels of protection with regards to this project with regards to compaction and the build- up.

Vice-Mayor Smith inquired if the Town Hall has had any issues with regards to compaction.

Mr. Costa explained that the he soil was put in place without any compaction on the site where the Town is planning to place the fuel facility. He said the Town will be doing five to six soil borings to test the loading of where the tanks are and where the road is going to be. A geotechnical report addressing the building loadings will be required, as identified in the contract.

Councilmember Hawkins stated that inquired about the tiling the ditch or canal between Heritage Park and the project.

Mr. Montoya stated there are several options including abandonment of the canal, including tile pipe.

Mr. Eckhoff stated that if the canal were to stay in place, they would consider putting the canal in a pipe underground in certain areas. He stated that they are considering different scenarios, including relocation of the canal as well.

Mr. Montoya explained the process to reach the 30% of the project.

Mayor Rankin stated that he would prefer to do the project in its entirety at one time.

Councilmember Hawkins requested that staff research the maintenance costs for the pool including water and electrical cost and provide the estimates to the Council.

Councilmember Woolridge stated that she would prefer the project be done in it's entirety and utilize bonding. She inquired if there is a penalty for early payoff of the bonds.

Mr. Montoya stated that Mr. Reeder is researching the cost for an earlier maturity.

Councilmember Hawkins inquired if they can utilize the Florence IDA for the bonds.

Mr. Montoya stated the Mr. Reeder, is researching the possibility of utilizing the Florence IDA and it is dependent on how the bonds are issued.

On motion of Councilmember Montaña, seconded by Councilmember Woolridge, and carried to authorize the Town Manager to negotiate and enter into a contract for design-build construction services for the proposed Library/Recreation Center/Aquatic Complex with Low Mountain Construction, for a cumulative amount not to exceed \$390,000 for pre-construction and Schematic Design Services.

CALL TO THE PUBLIC

Ms. Denise Kollert, Florence Resident, thanked the Council for the first good step to a great project.

CALL TO THE COUNCIL

Mayor Rankin stated that the Council is moving the community forward.

ADJOURNMENT

On motion of Councilmember Montaña, seconded by Vice-Mayor Smith, and carried to adjourn the meeting at 6:42 pm.

Tom J. Rankin, Mayor

ATTEST:

Lisa Garcia, Town Clerk

I certify that the following is a true and correct copy of the minutes of the Florence Town Council meeting held on June 23, 2014, and that the meeting was duly called to order and that a quorum was present.

Lisa Garcia, Town Clerk

**TOWN OF FLORENCE
PLANNING AND ZONING COMMISSION
MEETING MINUTES**

REGULAR MEETING OF THE TOWN OF FLORENCE PLANNING AND ZONING COMMISSION HELD THURSDAY, APRIL 17, 2014 AT 6:00 PM AT TOWN HALL COUNCIL CHAMBERS LOCATED AT 775 NORTH MAIN STREET, FLORENCE, ARIZONA.

CALL TO ORDER

Chairman Wooley called the meeting to order at 6:00 P.M.

ROLL CALL:

Present: Wooley , Putrick, and Petty

PLEDGE OF ALLEGIANCE

Chairman Wooley led the Pledge of Allegiance.

DISCUSSION/APPROVAL/DISAPPROVAL of the minutes of the special meeting conducted February 12, 2014 and the regular meeting conducted February 20, 2014.

On motion of Vice-Chair Putrick, seconded by Commissioner Petty and carried to approve the minutes of the special meeting conducted February 12, 2014 and the regular meeting conducted February 20, 2014.

PUBLIC HEARING

A. CASE PZC-13-14-ZC (TOWN UTILITY BUILDING ZONE CHANGE)

PRESENTATION/DISCUSSION/RECOMMENDATION of a Zone Change request by the Town of Florence to change the zoning on approximately .83 acres located at the southeast corner of 20th and Quartz Streets from Single-Family Residential (R1-6) to Public/Institutional (P/I). (APNs 202-09-006A, 202-09-0050 and 202-09-0040).

Gilbert Olgin, Senior Planner stated that this request was to obtain zoning for a Town property known as the water tower site, which consists of approximately .83 acres located at the southeast corner of 20th and Quartz Streets. This property includes a Town water tower, water tank and a vacant lot. The existing zoning for this site is Single-Family Residential (R1-6). The Town of Florence is

requesting a zone change for the entire site from Single-Family Residential (R1-6) to Public/Institutional (P/I) zoning.

In the past, a portion of the site was occupied by a residential structure. Since the Town acquired the property, the home was removed to help the Town meet the Town's increasing space needs. More specifically, this site will help the Town's Utility Department grow and meet the increasing needs of the public as the utility system expands.

Staff contends that infrastructure for water and sewer is in place for the subject site. Potable water and sewer service for this site will be provided by the Town of Florence.

Main access to this site has been established via 20th Street and Quartz Street.

| Surrounding Land Uses and Zoning Districts: | | |
|--|----------------------------------|------------------------------------|
| | Zoning Classification | Existing Use |
| North | Single-Family Residential (R1-6) | Residential Use |
| East | Single-Family Residential (R1-6) | Residential Use and Commercial Use |
| South | Single-Family Residential (R1-6) | Residential Use |
| West | Single-Family Residential (R1-6) | Residential Use |
| On-Site | Single-Family Residential (R1-6) | Public/Governmental Use |

The current Town Future Land Use Map designates the site for Public/Governmental (P/G). The proposed zoning conforms to the 2020 Florence General Plan. The proposed zoning district of Public/Institutional (P/I) is consistent with this land use designation and provides the foundation for future growth that is consistent with the General Plan. This site will be consistent with the goals and policies of the Town of Florence 2020 General Plan and as described in the Florence Town Code.

Staff offers the following findings for the consideration of the Planning and Zoning Commission and Town Council:

1. The proposed zoning is consistent with the Town of Florence 2020 General Plan.
2. The Town's 2020 General Plan has Public/Governmental (P/G) designation on the site that supports the proposed land use.

Staff found that the proposed Zone Change as described in Exhibit A, is in compliance with the Town's General Plan and is in the interest of general welfare, health and safety of the public and therefore recommended that the Planning and Zoning Commission forward to the Town Council a favorable recommendation for this Zone Change.

Chairman Wooley opened the public hearing.

Alford Celaya at 515 Willow stated that his property to the west is a residential rental property and to the east side is a commercial property adjacent to the proposed zone change. He spoke with the staff members in the Public Works Department as they were leveling the dirt on the north side of the subject site and they said that the Town was going to build an office for the Water Department.

According to Mr. Celaya, Public Works staff said it will be the pre-fab building that was the former fire station in Anthem. He doesn't think this kind of building is a good idea for the neighborhood, especially if it is going to create a lot of traffic, particularly trucks and machinery. On the east side of his property, when the Town placed the water tanks, he was never notified. The Town went ahead without asking or speaking to public about a zone change or what was intended for the site. At least today, the Town has given the public a voice to see if we protest or agree with the potential change to the subject site. All he wants is to know what kind of building this will be and look like.

Michael Zelinka, 130/131 W. 20th Street stated that unfortunately his bedroom windows face this property and what concerns him the most is the noise. He is also concerned with the increase of Town vehicle traffic that will be generated. His second question is about his property value and how will this building affect his property value. He randomly inquired with a real estate agent about this issue with placing a Town building in a residential neighborhood. The agent responded that depending on what they are doing, most likely the property value would go down. He is very concerned about the noise and value because he and his wife are sick and have back issues. He wants to know what the Town would do to limit the noise and traffic level if this Town property is placed in this location.

Jerry Allen at 100 West 20th Street stated his property is north of the site and he faces the vacant lot and water tanks. He knows the water tanks have been there for a long time. He just wants to know what kind of building the Town wants to

place here and he is not too interested in a pre-fab building, since he will be looking at it from his front window.

Jacklyn Zelinka at 130/131 West 20th Street stated her concern is not just during business hours, but the added traffic from the employees who come early along with the Town work trucks. This is going to add more traffic noise to their neighborhood and this would be a stress on her due to the fact she is sick.

Chairman Wooley closed the public hearing.

Mark Eckhoff, Community Development Director responded to the public's concerns about the potential building. The pre-fab building from the Anthem community is no longer an option due to cost and other factors. The Town prides itself in doing top notch landscaping, parking and buildings in an established neighborhood. At this time, there are no concrete plans on what the Town is going to do on the subject site. Other than the Town desires to build a new office for the Town water customers. Since there is no urgency in this Zone Change, staff suggest to continue this case to a future date when a more concrete plan comes forward and staff can work with the community to figure out what the Town will do with the property.

On motion by Commissioner Petty, second by Vice-Chair Putrick to continue the case to a future date after Town staff has meet with the public about concerns with the case.

CALL TO THE PUBLIC/ COMMISSION RESPONSE:


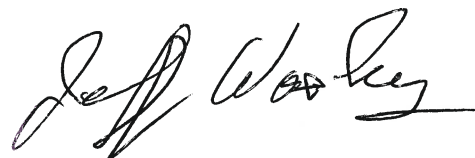
Call to the Public for public comment on issues within the jurisdiction of the Planning and Zoning Commission. Individual Commission members may respond to criticisms made, may ask staff to review a matter raised or may ask that a matter be put on a future agenda.


CALL TO THE COMMISSION

No Commission response.

ADJOURNMENT

The meeting was adjourned at 6:21 pm.

x  for 
Chairman Jeff Wooley
LARRY DUTBECK

| | | |
|--|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 14a. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Finance STAFF PRESENTER: Mike Farina, Finance Director SUBJECT: Adoption of Ordinance No. 612-14: Property tax levy for Fiscal Year 2014-2015 | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Adopt Ordinance No. 612-14, adopting a property tax levy in the amount of \$1.1182 per \$100 of Net Assessed Valuation (“NAV”) for Fiscal Year 2014-2015. A roll call vote must be taken.

BACKGROUND/DISCUSSION:

The Town of Florence levies a primary property tax annually. The rate that was levied last year was \$1.0963 per \$100 of NAV. The current property tax rate is \$1.1182 per \$100 of NAV. The recommended budget does not propose an increase in the property tax rate, leaving it at \$1.1182 per \$100 of NAV.

As calculated by the Arizona Department of Revenue, the Truth-in-Taxation rate is \$1.1016, which is the maximum rate the Town can have without having to hold a Truth-in-Taxation (“TNT”) hearing; therefore, the Town must hold a TNT hearing.

With no change to the current rate, which is \$1.1182, the proposed property tax levy for the 2014-2015 Fiscal Year is \$852,740.

The Town levies an ad valorem or secondary property tax for the Merrill Ranch Streetlight Improvement Districts No. 1, No. 2, and No. 3. This year, due to adequate fund balance, there will be no property tax levy.

A ¾ vote of the Town Council is required to pass the levy.

FINANCIAL IMPACT:

Primary taxes are calculated using Limited Property Value (LPV), and are used to pay for basic maintenance and operation of the Town.

At a rate of \$1.1182 per \$100 of NAV, a \$100,000 LPV home would be \$111.82. Again, this is not an increase in the rate. This is the same rate that was adopted for Fiscal Year 2013-2014.

The levy would add to the General Fund revenue base and is essential to funding all of the departments within the General Fund that are necessary to maintain Town services.

District Levies are as follows:

Merrill Ranch Street Lighting District No. 1 - \$0 or \$0 per \$100/FCV

Merrill Ranch Street Lighting District No. 2 - \$0 or \$0 per \$100/FCV

Merrill Ranch Street Lighting District No. 3 - \$0 or \$0 per \$100/FCV

STAFF RECOMMENDATION:

Adopt Ordinance No. 612-14, adopting a property tax levy in the amount of \$1.1182 per \$100 of Net Assessed Valuation for Fiscal Year 2014-2015.

ATTACHMENTS:

Ordinance No. 612-14

ADOR Truth-in-Taxation Levy Limit Worksheet

Truth-in-Taxation Analysis

ORDINANCE NO. 612-14

AN ORDINANCE OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, LEVYING THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF FLORENCE SUBJECT TO TAXATION OF CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE RECEIVED FROM FUNDS FOR GENERAL MUNICIPAL EXPENSES FOR THE FISCAL YEAR ENDING THE 30th DAY OF JUNE 2015.

WHEREAS, pursuant to A.R.S. §42-17151, the Ordinance levying a primary property tax rate for the Fiscal Year 2014-2015 is required to be adopted no later than the third Monday in August; and

WHEREAS, the County of Pinal, is now the assessing and collecting authority for the Town of Florence. The Town Clerk is hereby directed to transmit a certified copy of the Ordinance to the Assessor and Board of Supervisors of Pinal County, Arizona.

NOW, THEREFORE, BE IT ORDAINED by the Mayor and Council of the Town of Florence, Arizona, as follows:

Section 1: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Town of Florence, except such property as may by law be exempt from taxation, a primary property tax rate sufficient to raise the sum of **\$852,740** for the purpose of providing a General Fund of the Town of Florence, for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 2: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No.1, Town of Florence, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Anthem at Merrill Ranch Street Light Improvement District No. 1 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 3: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No. 2, Town of Florence,

except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Street Light Improvement District No. 2 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 4: There is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the Anthem at Merrill Ranch Street Lighting District No. 3, Town of Florence, except such property as may by law be exempt from taxation, a secondary property tax rate of **\$0** per \$100 of NAV for the purpose of providing operations and maintenance for the Street Light Improvement District No. 3 for the fiscal year ending on the 30th day of June 2015, but if the said sum exceeds the maximum levy allowed by law, the Board of Supervisors of Pinal County, is hereby authorized to reduce the said sum to the maximum which is allowed by law.

Section 5: No failure by the officials of Pinal County, Arizona, to properly return the delinquent list and no irregularity in the assessment or commission in the same, or irregularity of any kind in any proceeding will invalidate such proceeding or invalidate any title conveyed by tax deed; nor will any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified work an invalidation of any proceedings or of any such deed or sale or affect the validity of the assessment of a levy of taxes or of the judgment of sale by which the collection of the same may be enforced or in any manner affect the lien of the Town upon such property for the delinquent unpaid taxes; thereon, and no overcharge as to part of the taxes or of costs will invalidate any of the proceeding upon the lien, therefore, or a sale of the property under such foreclosure; and all acts of officers de facto will be valid as if performed by officer de jure.

Section 6: All Ordinances and parts of Ordinances in conflict herewith are hereby repealed.

Section 7: The immediate operation of the Ordinance is necessary for the preservation of the public peace, health, and safety of the Town of Florence, and an emergency is hereby declared to exist; and this Ordinance shall be in full force and effect from its passage and approval by the Mayor and Council of the Town of Florence, and publication as required by the laws of the State of Arizona, and is hereby exempt from the referendum provisions of the constitution and laws of the State of Arizona.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, the 21st day of July 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

PROPERTY TAX OVERSIGHT COMMISSION

Arizona Department of Revenue Building



March 21, 2014

Janice K. Brewer
Governor

David Raber
Chairman

Charles A. Montoya, Town Manager
Town of Florence
P.O. Box 2670
Florence, AZ 85132

| | |
|------------------------|--------------------------|
| Jim Brodnax Member | Kevin McCarthy Member |
| Jeff Lindsey Member | Fred Stiles Member |

RE: Truth in Taxation Hearing

Dear Mr. Montoya:

Attached is the 2014 levy limit worksheet with net assessed values certified by the County Assessor. Per A.R.S. § 42-17052(A), these values cannot be changed after February 10 without the approval of the Property Tax Oversight Commission. Therefore, the total net assessed values of \$76,260,032 noted in Section C must be used when adopting a primary property tax levy and tax rate. Please note the maximum allowable tax rate and levy limit in Section D of the levy limit worksheet.

Per A.R.S. § 42-17107(A), if the proposed tax levy, excluding amounts that are attributable to new construction, is greater than the amount levied in the preceding tax year, a truth in taxation hearing must be held. If the Town of Florence intends to levy a tax rate greater than \$1.1016, a truth in taxation hearing must be held. *Truth in taxation rate = prior year actual levy of \$814,526 (per line F.1 of the 2013 worksheet) ÷ current year values excluding new construction ÷ 100 or \$739,406 (per line B.5 of the 2014 worksheet).*

If a truth in taxation hearing is required, forward to my attention a copy of the published truth in taxation notice, the affidavit of publication, and the result of the governing body's roll call to consider a motion to levy the increased property taxes.

If you have any questions regarding the 2014 Levy Limit Worksheet or the Truth in Taxation hearing requirements, please feel free to contact me at (602) 716-6436 or dteller@azdor.gov. Thank you for your cooperation with the Commission.

Sincerely,

Darlene Teller
PTOC Staff

cc: Levi Gibson, Finance Director, Pinal County
Jason Konrad, Interim Budget Director, Pinal County
Michael Farina, Finance Director, Town of Florence

2014 LEVY LIMIT WORKSHEET

| |
|--|
| PINAL COUNTY - TOWN OF FLORENCE |
|--|

| MAXIMUM LEVY | 2013 |
|---|-------------|
| A.1. Maximum Allowable Primary Tax Levy | \$814,526 |
| A.2. A.1 multiplied by 1.02 | \$830,817 |

| CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR | 2014 |
|--|--------------|
| B.1. Centrally Assessed | \$4,358,577 |
| B.2. Locally Assessed Real Property | \$66,471,294 |
| B.3. Locally Assessed Personal Property | \$3,110,778 |
| B.4. Total Assessed Value (B.1 through B.3) | \$73,940,649 |
| B.5. B.4. divided by 100 | \$739,406 |

| CURRENT YEAR NET ASSESSED VALUES | 2014 |
|---|---------------------|
| C.1. Centrally Assessed | \$4,302,127 |
| C.2. Locally Assessed Real Property | \$68,847,127 |
| C.3. Locally Assessed Personal Property | \$3,110,778 |
| C.4. Total Assessed Value (C.1 through C.3) | \$76,260,032 |
| C.5. C.4. divided by 100 | \$762,600 |

| LEVY LIMIT CALCULATION | 2014 |
|--|------------------|
| D.1. LINE A.2 | \$830,817 |
| D.2. LINE B.5 | \$739,406 |
| D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE) | 1.1236 |
| D.4. LINE C.5 | \$762,600 |
| D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT | \$856,858 |
| D.6. Excess Collections/Excess Levy | |
| D.7. Amount in Excess of Expenditure Limit | |
| D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7) | \$856,858 |

| | |
|--|---------------|
| <i>Prior year actual levy (from line F.1 of the 2013 worksheet)</i> | \$814,526 |
| <i>Divided by current values excluding new construction per line B.5</i> | \$739,406 |
| Truth in Taxation Rate | 1.1016 |


If the proposed tax rate is greater than the Truth in Taxation Rate noted above, a truth in taxation hearing must be held. (see A.R.S. § 42-17107)

Note: Per A.R.S. § 42-17051.A, the values certified by the County Assessor cannot be changed after February 10 without the approval of the Property Tax Oversight Commission. Therefore, the total net assessed values per line C.4 must be used when adopting a primary property tax levy and tax rate.

If you have any questions regarding the Levy Limit Worksheet or the Truth in Taxation hearing requirements, contact Darlene Teller at (602) 716-6436 or dteller@azdor.gov.

Truth in Taxation Analysis for current year Proposed Levy

| | |
|--|---------------------|
| Prior Year's Primary property tax levy:(Last year's primary property tax levy) | \$814,526 |
| Current Year Estimate of net assessed valuation:(Current year net assessed values) - C4 | \$76,260,032 |
| Current Year ESTIMATE OF VALUE OF NEW CONSTRUCTION: | \$2,319,383 |
| Current year Net assessed value minus new construction: - B4 (Current year net assessed value subject to taxation in prior year) | \$73,940,649 |
| MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING: | \$ 1.1016 |
| GROWTH IN PROPERTY TAX LEVY CAPACITY ASSOCIATED WITH NEW CONSTRUCTION: | \$25,550 |
| MAXIMUM PRIMARY PROPERTY TAX LEVY FOR current year WITHOUT A TRUTH IN TAXATION HEARING: | \$840,076 |
| Proposed current year primary property tax levy: (This year's proposed primary property tax levy) | \$852,740 |
| PROPOSED current year INCREASE IN PRIMARY PROPERTY TAX LEVY OVER TNT LEVY, EXCLUSIVE OF NEW CONSTRUCTION: | \$12,664 |
| PROPOSED % INCREASE IN current year PRIMARY PROPERTY TAX LEVY OVER TNT LEVY: | 1.51% |
| PROPOSED current year PRIMARY PROPERTY TAX RATE: | \$1.1182 |
| PROPOSED INCREASE IN PRIMARY PROPERTY TAX RATE OVER THE TNT RATE: | \$ 0.0166 |
| PROPOSED current year PRIMARY PROPERTY TAX LEVY ON A HOME VALUED AT \$100,000: | 111.82 |
| current year PRIMARY PROPERTY TAX LEVY ON A HOME VALUED AT \$100,000 IF THE TAX LEVY WAS NOT RAISED: | 110.16 |
| | 1.66 |

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 15a. |
| <p>MEETING DATE: July 21, 2014</p> <p>DEPARTMENT: Community Development</p> <p>STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director</p> <p>SUBJECT: Resolution No. 1461-14: Pre-Annexation and Development Agreement with SUPERSTITION SPRINGS R-14 ASSOCIATES, An Arizona Limited Partnership; WOLFY'S R.E. HOLDINGS, LLC, An Arizona Limited Liability Company; and DAVID C. PHILLIPS, a married man dealing with his sole and separate property.</p> | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Motion to adopt Resolution No. 1461-14, entering into a Pre-Annexation and Development Agreement with SUPERSTITION SPRINGS R-14 ASSOCIATES, An Arizona Limited Partnership; WOLFY'S R.E. HOLDINGS, LLC, An Arizona Limited Liability Company; and DAVID C. PHILLIPS, A married man dealing with his sole and separate property.

BACKGROUND/DISCUSSION:

The proposed Arizona Farms annexation area encompasses a land area of approximately 1,171 acres or 1.89 square miles. The annexation area is generally bound by the Copper Basin Railroad to the west, Felix Road to the east, Arizona Farms Road to the north, and the Anthem at Merrill Ranch community to the south.

Owner has approximately 31.6 acres within the subject annexation area, all of which are contained within proposed Arizona Farms East PUD. Owners plans to go forward with plans to development a residential subdivision on a portion of the site in the near future. The remainder of the land is anticipated to develop with commercial land uses over time.

FINANCIAL IMPACT:

Overall positive, entering into this PADA facilitates the successful completion of the Arizona Farms annexation and promotes new development and population growth within the Town of Florence. It is noted that the PADA commits to not increase

Development Impact Fees for the proposed residential development on the site for the first seven years of the term of the PADA. As commercial development is expected to follow roof-tops, the reduced impact fee period for the planned commercial development on the site was extended to ten years.

RECOMMENDATION:

Motion to adopt Resolution No. 1461-14, entering into a Pre-Annexation and Development Agreement with SUPERSTITION SPRINGS R-14 ASSOCIATES, An Arizona Limited Partnership; WOLFY'S R.E. HOLDINGS, LLC, An Arizona Limited Liability Company; and DAVID C. PHILLIPS, a married man dealing with his sole and separate property.

ATTACHMENTS:

Resolution No. 1461-14
Commercial/Employment and Parklinks at Arizona Farms PADA

When recorded, return to:

Town Clerk
Town of Florence
PO Box 2670
775 North Main Street
Florence, AZ 85132

RESOLUTION NO. 1461-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH SUPERSTITION SPRINGS R-14 ASSOCIATES, AN ARIZONA LIMITED PARTNERSHIP; WOLFY'S R.E. HOLDINGS, LLC, AN ARIZONA LIMITED LIABILITY COMPANY; AND DAVID C. PHILLIPS, A MARRIED MAN DEALING WITH HIS SOLE AND SEPARATE PROPERTY, HEREAFTER CUMULATIVELY REFERRED TO AS "OWNER", AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-02 – "COMMERCIAL/EMPLOYMENT AND PARKLINKS AT ARIZONA FARMS" PROPERTY).

WHEREAS, the Town of Florence is authorized, pursuant to A.R.S. § 9-500.05, to enter into development agreements and generally is authorized to enter into contracts; and

WHEREAS, the "Owner" plans to develop approximately 31.6 acres located as legally described on Exhibits "A-1", "A-2" and "A-3" attached hereto (the "Property"), and desires to annex the Property into the town limits of Florence; and

WHEREAS, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

WHEREAS, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of approximately 31.6 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this Resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 21st day of July, 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

Exhibit A-1

Parcel C- (as depicted on Exhibits F.1 and F.2 of the Arizona Farms East PUD; PZC-25-14-PUD)

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.79 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 848.64 feet to the POINT OF BEGINNING;

THENCE continuing North 88 degrees 30 minutes 00 seconds East, a distance of 310.36 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 1061.40 feet;

THENCE North 88 degrees 44 minutes 30 seconds West, a distance of 310 feet;

Thence North 01 degrees 15 minutes 30 seconds East, a distance of 1046.46 feet to the POINT OF BEGINNING.

Containing an area of 326,718 sq ft or 7.50 acres, more or less

Also known as tax parcel #200-24-001T

Exhibit A-2

Parcel D- (as depicted on Exhibits F.1 and F.2 of the Arizona Farms East PUD; PZC-25-14-PUD)

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.78 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 1159.00 feet to the POINT OF BEGINNING;

THENCE continuing North 88 degrees 30 minutes 00 seconds East, a distance of 200.23 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 350.90 feet;

THENCE North 89 degrees 59 minutes 45 seconds East, a distance of 822.07 feet;

THENCE South 00 degrees 12 minutes 57 seconds East, a distance of 13.44 feet;

THENCE North 89 degrees 47 minutes 33 seconds East, a distance of 447.74 feet;

THENCE North 05 degrees 59 minutes 01 seconds East, a distance of 22.81 feet;

THENCE North 18 degrees 50 minutes 15 seconds East, a distance of 30.25 feet to a point on the East section line of said Section 1;

THENCE along said Section 1 South 00 degrees 11 minutes 46 seconds East, a distance of 389.27 feet;

THENCE departing said section line South 89 degrees 47 minutes 33 seconds West, a distance of 1491.19 feet;

THENCE North 01 degrees 15 minutes 30 seconds East, a distance of 700.86 feet to the POINT OF BEGINNING.

Containing an area of 588,218 sq ft or 13.50 acres, more or less

Also known as tax parcel #200-24-001U

Exhibit A-3

Parcel E:

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.79 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 1159.00 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 700.86 feet to the POINT OF BEGINNING;

THENCE North 89 degrees 47 minutes 33 seconds East, a distance of 1491.19 feet to a point on the East section line of said Section 1;

THENCE along said Section 1 South 00 degrees 11 minutes 46 seconds East, a distance of 310.00 feet;

THENCE departing said section line South 89 degrees 47 minutes 33 seconds West, a distance of 1499.06 feet;

THENCE North 01 degrees 15 minutes 30 seconds East, a distance of 310.10 feet to the POINT OF BEGINNING.

Containing an area of 463,490 sq. ft. or 10.64 acres, more or less.

Also known as tax parcel #200-24-001V

WHEN RECORDED, RETURN TO:

Town of Florence
Attn: Town Clerk
PO Box 2670
775 North Main Street
Florence, AZ 85132

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR
ARIZONA FARMS ANNEXATION: ANNEXATION 2013-02
“COMMERCIAL/EMPLOYMENT AND PARKLINKS AT ARIZONA FARMS”
PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

SUPERSTITION SPRINGS R-14 ASSOCIATES, An Arizona Limited Partnership (“SS R-14”),
WOLFY’S R.E. HOLDINGS, LLC, An Arizona Limited Liability Company (“Wolfy”), and
DAVID C. PHILLIPS, A Married Man Dealing with his Sole and Separate Property (“Phillips”)

DATE: July _____, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT
FOR
ARIZONA FARMS ANNEXATION: ANNEXATION 2013-02
“COMMERCIAL/EMPLOYMENT AND PARKLINKS AT ARIZONA FARMS”
PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this ____ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and SUPERSTITION SPRINGS R-14 ASSOCIATES, An Arizona Limited Partnership as to Parcel C (“SS R-14”), WOLFY’S R.E. HOLDINGS, LLC, An Arizona Limited Liability Company as to Parcel D (“Wolfy”), and DAVID C. PHILLIPS, A Married Man Dealing with his Sole and Separate Property as to Parcel E (“Phillips”), (“Owner or Owners” as the context may require).

RECITALS

A. The Owners own certain property located in Pinal County, Arizona consisting of three (3) separate tax parcels all as legally described on Exhibits A-1, A-2 and A-3 attached hereto and incorporated herein by reference (the “Property” or “Properties”).

B. Owners and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the “Commercial/Employment” and “Residential High” zoning designations as defined in the Arizona Farms East PUD (Case #PZC-24-14-PUD) and incorporated herein by this reference, is acknowledged by the parties hereto to be consistent with the Town’s General Plan. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owners and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Commercial/Employment designation for Parcels C and D and the Residential High land use zoning designation for Parcel E as described in the Arizona Farms East Planned Unit Development zoning (“PUD”) are appropriate designations for the Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD.

G. Among other things, development of the Property in accordance with this Agreement and the PUD will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Subsequently or concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior to or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by the Owner and satisfying the applicable statutory requirements (the "Annexation Petition"). Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the Property comparable zoning, which shall be a Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with the Commercial/Employment and Residential High designations in the PUD zoning case. The Commercial/Employment designations on Parcels C and D shall include the additional allowed use of a temporary model home site for sales of the twin home villas on Parcel E. Such temporary use shall not exceed three (3) years from the date of the Certificate of Occupancy for such model homes. The site design and configuration of the model home area shall be approved by the Town’s Planning Director and all construction and occupancy of the model home structures shall be approved by the Town’s building official. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the PUD zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the “Act”) resulting from this Agreement, the comparable zoning, the underlying land use as identified in the PUD “land use law” (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner’s successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town’s Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any material alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density in excess of ten percent;
- (c) Any material change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional material circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c) and 6(g) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
 - (i) rules that the Owner may agree in writing apply to the development of the Property;
 - (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, 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 required level of compliance with such mandatory requirement;

- (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
 - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's Development Impact Fees that shall be imposed upon the Property for commercial/employment development for a period of ten (10) years and for residential development for a period of seven (7) years commencing from the effective date of the annexation, shall be the fees in the schedule which is attached as Exhibit "B", unless a lesser fee is applicable at the time a building permit is issued by the Town. The twin/patio home project on Parcel E shall be assessed impact fees under the multi-family category. After the applicable seven (7) and ten (10) year periods and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the fees then in effect and applicable at the time of permitting. Any fees which are due on residential dwelling units shall be payable when construction permits for the dwelling units are issued and on commercial/employment buildings when construction permits are issued.
- (d) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of issuance of any filing, review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.

- (e) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement.
- (f) Flood Control. Flood control measures for the property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District.
- (g) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two years, with possible extensions as permitted by Town codes.

8. Vested Rights. The types of land uses, together with the densities of such uses on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation

of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as may be required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Town agrees that the entrance to the twin home villa project on Parcel E shall be provided on a private easement approximately 40 feet in width extending approximately 800 feet south from Arizona Farms Road on the west end of Parcel E. The Owner of Parcel E represents that he shall be responsible for obtaining the necessary permanent recorded private easement to provide access to Parcel E. This private easement area shall be designed as a permanent improved access roadway according to Town standards. At the time this private easement access is improved to Arizona Farms Road, the Owner of Parcel E shall have no obligation to dedicate or improve Arizona Farms Road. If Parcel E is developed prior to Attaway Road being improved on the east end of Parcel E, the Owner shall dedicate the required one-half (1/2) street right-of-way on Attaway Road adjacent to Parcel E and install an emergency fire and public safety access gate at the east end of Parcel E according to Town standards. This gate shall not be used by residents of the patio home project for ingress or egress until such access is approved by the Town. The Owner shall, at

Owner's expense, also improve Attaway Road within the existing right-of-way or dedication from the emergency access point on Parcel E to Arizona Farms Road to an interim standard approved by the Town's Fire and Engineering Department and subject to approval by Pinal County's air quality requirements. If it is determined by the Town that no right-of-way or dedication exists on Attaway or that such right-of-way or dedication is not sufficiently wide to accommodate this interim access roadway, Owner shall be responsible to obtain the necessary right-of-way or dedication from adjoining owners so that the interim roadway can be constructed. When Parcels C and D develop, the Owners of such parcels shall, at that time, dedicate the one-half (1/2) street widths on Arizona Farms Road and Attaway Road adjacent to the parcels. Owner shall also, at the time of construction of buildings on Parcels C and D, pay for the improvement of such one-half (1/2) street dedications or make a cash-in-lieu payment to the Town or Master Developer of the Arizona Farms East PUD, as determined by the Town, for such improvements. If Parcels C, D or E develop as a twin/patio home project, the private streets within such development shall be 24 feet in width with no parking allowed on the street. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town.

- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 10(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 10(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.

- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.
- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way on the Property by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners' associations ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.
- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances that are reasonable to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed ("Infrastructure Assurance"). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town's Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County

shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:

- (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
- (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender's requirements; or
- (iii) Letter of financial assurance from Owner's lender or the lender of Owner's assignees, designees, grantees and purchasers under contract; or
- (iv) Contractor's performance bond; or
- (v) Dual beneficiary declining letter of credit; or
- (vi) Performance deed of trust; or
- (vii) Third party trust; or
- (viii) Any other method approved by the Town and Owner consistent with State statutes and Town's subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing

contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).

- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Oversized Infrastructure. The Town agrees not to impose upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements to facilitate the ultimate development of a larger land area in the vicinity of the Property.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. ("JUC"), or another entity under the common control of JUC (collectively, the "Water Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Water Service Approvals") to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC (collectively, the "Wastewater Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Wastewater Service Approvals") to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of

any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.

- (c) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town.
- (d) Reclaimed Water. Owner shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner (of the affected parcel) and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

- (a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the “Town Representative”) shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the “Owner Representative”). The representatives shall be available at all

reasonable times to discuss and review the performance of the Parties and the development of the Property.

- (b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.
15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the “Rules”) of the Center for Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.
- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
 - (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
 - (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
 - (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within

ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.

- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.

- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the “Cure Period”) after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner’s rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner’s rights or obligations within 15 days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner’s liability hereunder shall terminate effective upon the assumption by Owner’s assignee. Nothing in this Agreement shall operate to restrict the Owner’s ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties that is not an individual person and their assigns represents (and will represent) and warrants to the other that: (i) it is duly formed and validly existing under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

21. 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 the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

22. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

23. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

24. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

25. Notice. Any notice, (delivered by mail, hand or federal express) assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town: Town Manager
 Town of Florence
 775 N. Main Street
 PO Box 2670
 Florence, Arizona 85132

With Copy To: Town Attorney
 Town of Florence
 775 N. Main Street
 PO Box 2670
 Florence, Arizona 85132

The Owner: Superstition Springs R-14 Associates
c/o John Hill
2453 North Keystone Drive
Flagstaff, AZ 86004

Wolfy's R. E. Holdings, LLC
c/o John Hill
2453 North Keystone Drive
Flagstaff, AZ 86004

David C. Phillips
c/o John Hill
2453 North Keystone Drive
Flagstaff, AZ 86004

With Copy To:

W. Ralph Pew
Pew & Lake, PLC
1744 South Val Vista Drive
Suite 217
Mesa, AZ 85204

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

26. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) fifteen (15) years from the date of recordation of this Agreement.

27. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

28. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an

insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial / business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The

Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence by the Town, its Council members, agents, officers, officials and employees.

- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

29. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town or any portion of the Property that has been subdivided in a final plat or has final site plan approval for Commercial/Employment development uses.

30. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

31. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to

comply with all applicable provisions of Arizona Revised Statutes (“A.R.S.”) § 34 - 301 “Employment of Aliens on Public Works Prohibited”, A.R.S. § 34 - 302 “Residence Requirements for Employees”, and A.R.S. § 41-4401 “Government Procurement” (hereinafter referred to as the “Immigration Laws”). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner’s, contractor’s or any subcontractor’s employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors’ contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

TOWN OF FLORENCE, an Arizona municipal corporation

Tom J. Rankin, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James Mannato, Town Attorney

PARCEL C

SUPERSTITION SPRINGS R-14 ASSOCIATES,
An Arizona Limited Partnership

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing Development Agreement for _____ was acknowledged before me this day of _____, 2014, by _____, the _____ of Superstition Springs R-14 Associates, an Arizona limited partnership, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth, on behalf of the limited partnership.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

PARCEL D

WOLFY’S R.E. HOLDINGS, LLC,
An Arizona Limited Liability Company

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing Development Agreement for _____ was acknowledged before me this day of _____, 2014, by _____, the _____ of Wolfy’s R.E. Holdings, LLC, an Arizona limited liability company, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth, on behalf of the limited liability company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

PARCEL E

David C. Phillips

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing Development Agreement for _____ was acknowledged before me this day of _____, 2014, by David C. Phillips, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same and acknowledged, signed and delivered the instrument as his free and voluntary act, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBITS

| | |
|-------------|------------------------------------|
| Exhibit A-1 | Parcel C Legal Description and APN |
| Exhibit A-2 | Parcel D Legal Description and APN |
| Exhibit A-3 | Parcel E Legal Description and APN |
| Exhibit B | Development Impact Fee Schedule |

Exhibit A-1

Parcel C- (as depicted on Exhibits F.1 and F.2 of the Arizona Farms East PUD; PZC-25-14-PUD)

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.79 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 848.64 feet to the POINT OF BEGINNING;

THENCE continuing North 88 degrees 30 minutes 00 seconds East, a distance of 310.36 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 1061.40 feet;

THENCE North 88 degrees 44 minutes 30 seconds West, a distance of 310 feet;

Thence North 01 degrees 15 minutes 30 seconds East, a distance of 1046.46 feet to the POINT OF BEGINNING.

Containing an area of 326,718 sq ft or 7.50 acres, more or less

Also known as tax parcel #200-24-001T

Exhibit A-2

Parcel D- (as depicted on Exhibits F.1 and F.2 of the Arizona Farms East PUD; PZC-25-14-PUD)

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.78 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 1159.00 feet to the POINT OF BEGINNING;

THENCE continuing North 88 degrees 30 minutes 00 seconds East, a distance of 200.23 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 350.90 feet;

THENCE North 89 degrees 59 minutes 45 seconds East, a distance of 822.07 feet;

THENCE South 00 degrees 12 minutes 57 seconds East, a distance of 13.44 feet;

THENCE North 89 degrees 47 minutes 33 seconds East, a distance of 447.74 feet;

THENCE North 05 degrees 59 minutes 01 seconds East, a distance of 22.81 feet;

THENCE North 18 degrees 50 minutes 15 seconds East, a distance of 30.25 feet to a point on the East section line of said Section 1;

THENCE along said Section 1 South 00 degrees 11 minutes 46 seconds East, a distance of 389.27 feet;

THENCE departing said section line South 89 degrees 47 minutes 33 seconds West, a distance of 1491.19 feet;

THENCE North 01 degrees 15 minutes 30 seconds East, a distance of 700.86 feet to the POINT OF BEGINNING.

Containing an area of 588,218 sq ft or 13.50 acres, more or less

Also known as tax parcel #200-24-001U

Exhibit A-3

Parcel E:

Legal Description:

That portion of the North half of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

COMMENCING at the North quarter corner of Section 1, Township 4 South, Range 8 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, to which the Northeast section corner bears North 88 degrees 30 minutes 00 seconds East, a distance of 2632.79 feet;

THENCE along said North section line North 88 degrees 30 minutes 00 seconds East, a distance of 1159.00 feet;

THENCE departing said section line South 01 degrees 15 minutes 30 seconds West, a distance of 700.86 feet to the POINT OF BEGINNING;

THENCE North 89 degrees 47 minutes 33 seconds East, a distance of 1491.19 feet to a point on the East section line of said Section 1;

THENCE along said Section 1 South 00 degrees 11 minutes 46 seconds East, a distance of 310.00 feet;

THENCE departing said section line South 89 degrees 47 minutes 33 seconds West, a distance of 1499.06 feet;

THENCE North 01 degrees 15 minutes 30 seconds East, a distance of 310.10 feet to the POINT OF BEGINNING.

Containing an area of 463,490 sq. ft. or 10.64 acres, more or less.

Also known as tax parcel #200-24-001V

EXHIBIT B

UTILITY DEVELOPMENT IMPACT FEES

WATER

| Meter Size | Fee |
|-------------|-----------|
| 5/8" - 3/4" | \$3,330 |
| 1" | \$5,550 |
| 1 1/2" | \$11,101 |
| 2" | \$22,201 |
| 3" | \$35,522 |
| 4" | \$55,503 |
| 6" | \$111,007 |
| 8" | \$266,415 |
| 10" | \$421,825 |
| 12" | \$555,031 |

WASTEWATER

| Meter Size | Fee |
|-------------|-----------|
| 5/8" - 3/4" | \$4,105 |
| 1" | \$6,841 |
| 1 1/2" | \$13,684 |
| 2" | \$27,369 |
| 3" | \$43,789 |
| 4" | \$68,422 |
| 6" | \$136,843 |
| 8" | \$328,422 |
| 10" | \$522,154 |
| 12" | \$684,213 |

Single family: Attached and detached one-family dwelling units, modular, and manufactured homes;

Multi-family: All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

Commercial: All commercial, office, retail, institutional, and hotel/motel development;

Industrial: All manufacturing and warehouse development.

Ordinance # 568-11, November 21, 2011

NON-UTILITY DEVELOPMENT IMPACT FEES

TRANSPORTATION

| Land Use Category | Unit | Fee Per Unit |
|-------------------|---------------|--------------|
| Single Family | Housing Unit | \$583 |
| Multi-Family | Housing Unit | \$410 |
| Commercial | 1,000 sq. ft. | \$2,618 |
| Industrial | 1,000 sq. ft. | \$425 |

POLICE

| Land Use Category | Unit | Fee Per Unit |
|-------------------|---------------|--------------|
| Single Family | Housing Unit | \$913 |
| Multi-Family | Housing Unit | \$657 |
| Commercial | 1,000 sq. ft. | \$171 |
| Industrial | 1,000 sq. ft. | \$98 |

FIRE / EMERGENCY MEDICAL SERVICES

| Land Use Category | Unit | Fee Per Unit |
|-------------------|---------------|--------------|
| Single Family | Housing Unit | \$1,096 |
| Multi-Family | Housing Unit | \$788 |
| Commercial | 1,000 sq. ft. | \$629 |
| Industrial | 1,000 sq. ft. | \$362 |

PARKS AND OPEN SPACE

| Land Use Category | Unit | Fee Per Unit |
|-------------------|---------------|--------------|
| Single Family | Housing Unit | \$857 |
| Multi-Family | Housing Unit | \$617 |
| Commercial | 1,000 sq. ft. | \$162 |
| Industrial | 1,000 sq. ft. | \$92 |

LIBRARY

| Land Use Category | Unit | Fee Per Unit |
|-------------------|---------------|--------------|
| Single Family | Housing Unit | \$0 |
| Multi-Family | Housing Unit | \$0 |
| Commercial | 1,000 sq. ft. | \$0 |
| Industrial | 1,000 sq. ft. | \$0 |


Single family: Attached and detached one-family dwelling units, modular, and manufactured homes;

Multi-family: All attached dwelling units such as duplexes and condominiums, mobile homes, apartments, and dormitories;

Commercial: All commercial, office, retail, institutional, and hotel/motel development;

Industrial: All manufacturing and warehouse development.

Ordinance # 568-11, November 21, 2011

| | | |
|--|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 15b. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Community Development STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director SUBJECT: Resolution No. 1462-14. Pre-Annexation and Development Agreement with RES-AZ CRESTVIEW, LLC. | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Motion to adopt Resolution No. 1462-14, entering into a Pre-Annexation and Development Agreement with RES-AZ CRESTVIEW, LLC.

BACKGROUND/DISCUSSION:

The proposed Arizona Farms annexation area encompasses a land area of approximately 1,171 acres or 1.89 square miles. The annexation area is generally bound by the Copper Basin Railroad to the west, Felix Road to the east, Arizona Farms Road to the north, and the Anthem at Merrill Ranch community to the south.

RES-AZ CRESTVIEW, LLC, owns approximately 11.4 acres within the subject annexation area, all of which are contained within the platted Crestfield Manor subdivision. Within the 11.4 acres, the owner has 57 lots that are ready for new home development. The owner expects to commence development on these lots within the next one to three years, depending upon market conditions.

FINANCIAL IMPACT:

Overall positive, entering into this PADA facilitates the successful completion of the Arizona Farms annexation and promotes new development and population growth within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject lots for the first seven years of the term of the PADA.

RECOMMENDATION:

Motion to adopt Resolution No. 1462-14, entering into a Pre-Annexation and Development Agreement with RES-AZ CRESTVIEW, LLC.

ATTACHMENTS:

Resolution No. 1462-14
PADA with RES-AZ CRESTVIEW, LLC.

When recorded, return to:

Town Clerk
Town of Florence
PO Box 2670
775 North Main Street
Florence, AZ 85132

RESOLUTION NO. 1462-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RES-AZ CRESTVIEW, LLC., A FLORIDA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-02 – CRESTFIELD MANOR “RIALTO” PROPERTY).

WHEREAS, the Town of Florence is authorized pursuant, to A.R.S. § 9-500.05, to enter into development agreements and generally is authorized to enter into contracts; and

WHEREAS, RES-AZ CRESTVIEW, LLC., the “Owner” plans to develop 57 residential lots located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

WHEREAS, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

WHEREAS, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of 57 residential lots is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does not annex the

Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 21st day of July, 2014.

Tom J. Rankin, Mayor

ATTEST:

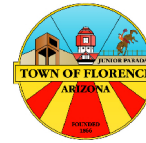
APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

EXHIBIT "A"

LOTS 4 THROUGH 18, INCLUSIVE, 20, 24, 28 THROUGH 30, INCLUSIVE, 39, 42 THROUGH 77, INCLUSIVE, OF CRESTFIELD MANOR AT ARIZONA FARMS VILLAGE PARCEL 1, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, RECORDED IN CABINET F, SLIDE 7.



Town of Florence

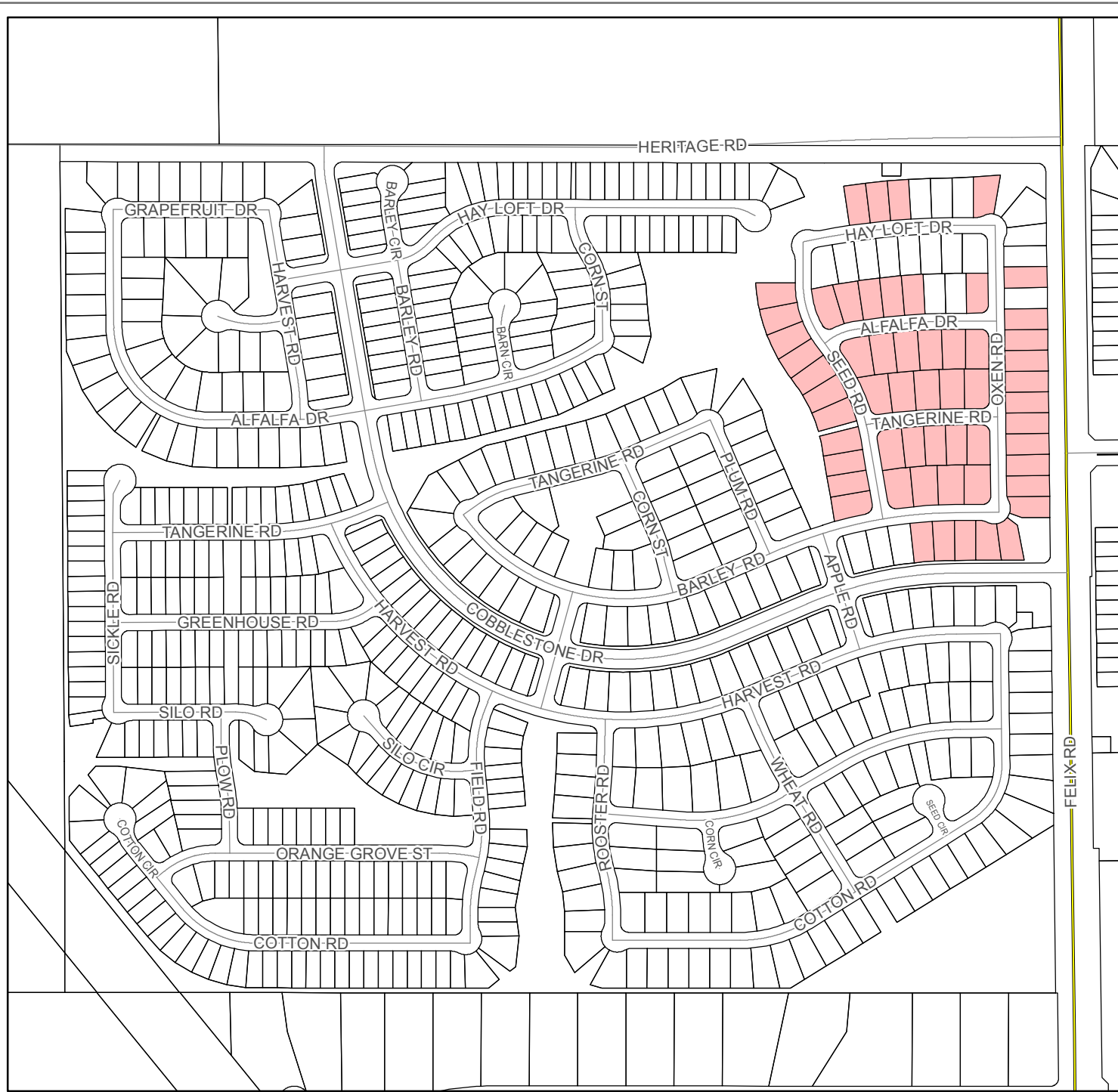
Exhibit B: Legal Description Map

Parcel Owners

-  Others
-  RES-AZ CRESTVIEW LLC



This map is created for reference purposes only and is to be used at your own risk. The Town of Florence makes no warranty as to the accuracy or completeness of the information contained in this map and assumes no liability for any errors or omissions contained therein, nor for any direct, indirect, or consequential damages which may be caused by its use. It is the user's responsibility to verify all information contained herein.



WHEN RECORDED, RETURN TO:

Town of Florence
Attn: Town Clerk
PO Box 2670
775 North Main Street
Florence, AZ 85132

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR
ARIZONA FARMS ANNEXATION: ANNEXATION 2013-02
CRESTFIELD MANOR "RIALTO" PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

RES-AZ CRESTVIEW, LLC, a Florida limited liability company

DATE: _____, 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT
FOR
ARIZONA FARMS ANNEXATION 2013-02
CRESTFIELD MANOR “RIALTO” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this ____ day of _____, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and RES-AZ CRESTVIEW, LLC, a Florida limited liability company, its successors and assigns (the “Owner”).

RECITALS

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of 57 vacant, finished and developed lots, as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property, which consists of vacant, finished and developed lots, be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Arizona Farms Planned Area Development Narrative (“PAD Narrative”) approved by Pinal County, is acknowledged by the parties hereto to be consistent with the Town’s General Plan. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as modified per the PAD Narrative, is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the PUD plan before it will expend substantial efforts and costs in the development of the Property,

and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

I. Town acknowledges that the Property has been entitled and developed within unincorporated Pinal County and Town will apply comparable zoning on the Property and accept existing recorded plats and all infrastructure improvements relating to the Property in their current as-is, where-is condition, with no extended warranty period upon annexation.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Subsequently or concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior to or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by

the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the “Annexation Ordinance”). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town’s annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development (“PUD”) zoning designation allowing underlying land usage consistent with Town of Florence R1-6 Zoning District, as modified per the PAD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the “Act”) resulting from this Agreement, the comparable zoning, the underlying land uses or from any “land use law” (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner’s successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town’s Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of

applicable law. The exercise by Owner of such option and any approval by the Town shall not be deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as reasonably deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6 (c) and 6 (f) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
 - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including decisions of courts having competent jurisdiction, and other similar superior external authorities beyond the control of the Town, 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 required level of compliance with such mandatory requirement;
 - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
 - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the “MAG”) provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town’s Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation shall be in an amount equal to Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period, and for the duration of this Agreement, the Town’s Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town or accepted by the Town pursuant to Section 7 for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.
- (f) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (g) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place and/or subdivision

improvements are completed and accepted by the Town. The Town acknowledges that the Property currently consists of vacant, finished and developed lots within a recorded subdivision. The Town agrees that the existing Final Plat for the Property is vested and accepts all infrastructure improvements relating to the Property in their current as-is, where-is condition, with no extended warranty period upon annexation.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. ("JUC"), or another entity under the common control of JUC (collectively, the "Water Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Water Service Approvals") to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the "Wastewater Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Wastewater Service Approvals") to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.
- (c) Assured Water Supply. If Owner expends funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider expends funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.

- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

10. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

11. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

12. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

13. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

- (a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the “Town Representative”) shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the “Owner Representative”). The representatives shall be available at all

reasonable times to discuss and review the performance of the Parties and the development of the Property.

- (b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

14. Arbitration. If the mediation procedure set forth in Paragraph 13(b) above does not resolve a dispute within a reasonable time, as determined in either party's reasonable discretion, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 14. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "Rules") of the Center for Public Resources (the "CPR") currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, reasonably believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 14 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 14(e) and 14(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed

arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.

- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 14(b), 14(g) and 14(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 14 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services

hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.

- (j) The dispute resolution process set forth in this Paragraph 14 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the “Cure Period”) after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 13 and 14 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

15. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

16. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner’s rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner’s rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner’s liability hereunder shall terminate effective upon the assumption by Owner’s assignee. Nothing in this Agreement shall operate to restrict the Owner’s ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

17. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

18. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

19. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona corporation or municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. 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 the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice, (delivered by mail, hand or federal express) assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town: Town Manager
 Town of Florence
 775 N. Main Street
 PO Box 2670
 Florence, Arizona 85132

With Copy To: Town Attorney
Town of Florence
775 N. Main Street
PO Box 2670
Florence, Arizona 85132

The Owner: RES-AZ Crestview, LLC
c/o Rialto Capital Management, LLC
1725 West Greentree Drive, Suite 114
Tempe, Arizona 85284
Attention: James Mullany
Fax: (480) 777-4698
Email: james.mullany@rialtocapital.com

With Copy to: Anthony Grafitti
Berry Riddell & Rosensteel LLC
6750 East Camelback Road, Suite 100
Scottsdale, Arizona 85251
Fax: 866.263.1627
Email: ag@brrlawaz.com

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the “Term”) shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) fifteen (15) years from the date of recordation of this Agreement.

26. Attorneys’ Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys’ fees.

27. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of “A”, or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner’s insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the

Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial / business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts

of active negligence by the Town, its Council members, agents, officers, officials and employees.

- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

30. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter

referred to as the “Immigration Laws”). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner’s, contractor’s or any subcontractor’s employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors’ contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

31. Estoppel Certificate. Either party may request of the other party, and the requested party shall, within twenty-one (21) calendar days, respond and certify by written instrument to the requesting party that (a) this Agreement is unmodified and in full force and effect, or if there have been modifications, that this Agreement is in full force and effect as modified, stating the nature and date of such modification; (b) the existence of any default under this Agreement and the scope and nature of the default; (c) the existence of any counterclaims, which the requested party has against the other party; and (d) any other matters that may reasonably be requested in connection with the development of land, development of the Property, or any material aspect of this Agreement. In the event the requesting party has not received the foregoing within such twenty-one (21) day period, then in such event, the requesting party shall be entitled to prepare a certificate attesting to the foregoing and deliver the same to the other party, which certificate shall be binding upon the requested party.

32. Lien Financing. Owner shall have the right at any time, and as often as it desires, to finance the Property and to secure the financing with a lien or liens against the Property.

33. Anti-Moratorium. The parties hereby acknowledge and agree that the for the term of this Agreement, no moratorium, or future ordinance, resolution or other land use rule or regulation imposing a limitation on the conditioning, rate, timing or sequencing of development of property within the Town and affecting the Property or any portion thereof shall apply to or govern the development of the Property during the term hereof, whether affecting parcel or subdivision maps, building permits, occupancy permits or other entitlements to use issued or granted by the Town, except as otherwise expressly provided in this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

TOWN OF FLORENCE, an Arizona municipal corporation

Tom J. Rankin, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James Mannato, Town Attorney

RES-AZ CRESTVIEW, LLC, a Florida limited liability company

By: Multibank 2009-1 RES-ADC Venture, LLC, a Delaware limited liability company, its sole member

By: RL RES 2009-1 Investments, LLC, a Delaware limited liability company, its manager

By: _____
Name: _____
Title: _____

STATE OF FLORIDA)
) §.
COUNTY OF MIAMI-DADE)

The foregoing instrument was acknowledged before me this ____ day of June, 2014, by _____ as _____ of RL RES 2009-1 Investments, LLC, a Delaware limited liability company, as manager of Multibank 2009-1 RES-ADC Venture, LLC, a Delaware limited liability company, as the sole member of RES-AZ CRESTVIEW, LLC, a Florida limited liability company, on behalf of the company. S/He ___ is personally known to me or ___ has produced a driver’s license as identification.

Notary Public
Print Name: _____
Serial No. (if any): _____

EXHIBITS

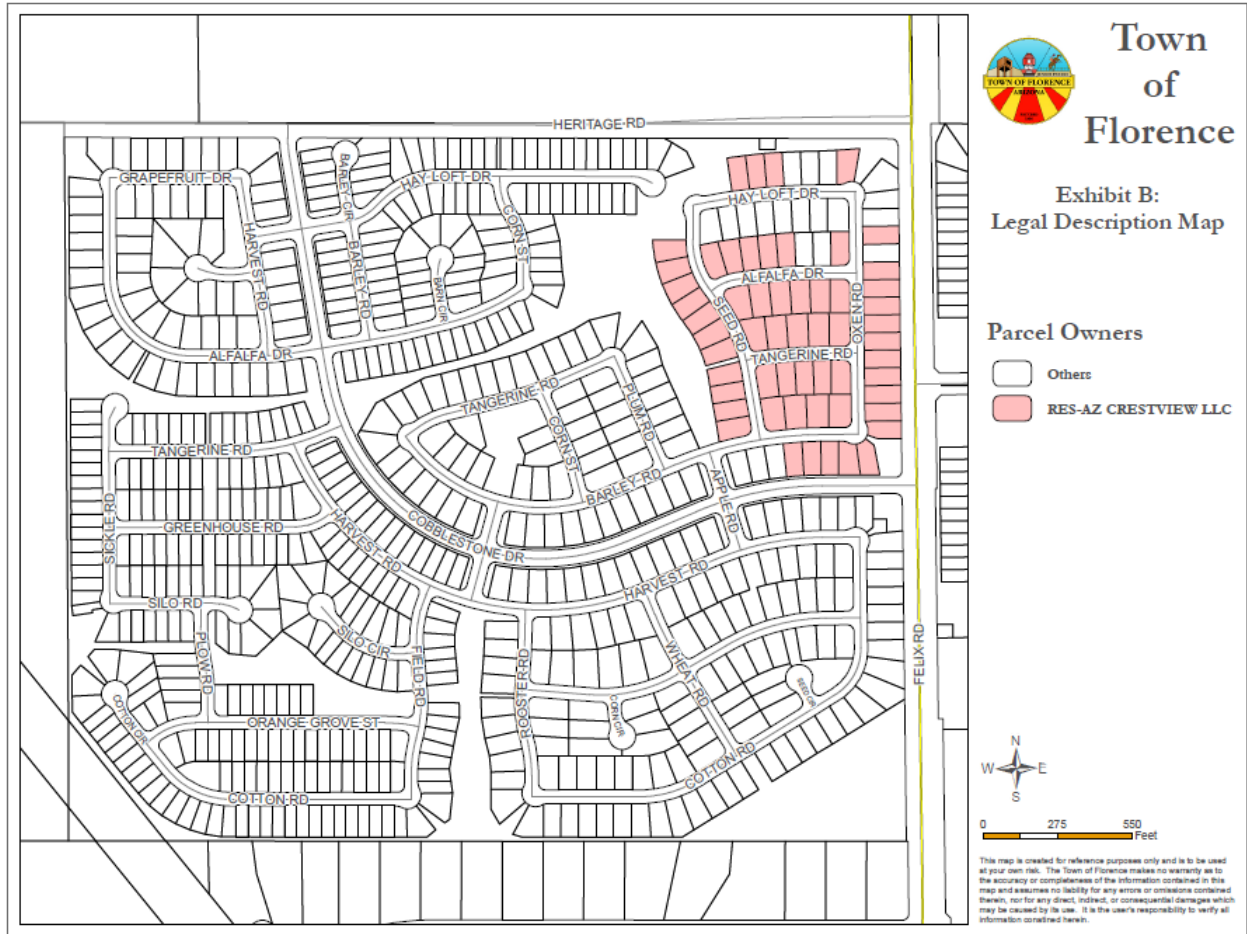
Exhibit A - Legal Description

Exhibit B – Legal Description Map

EXHIBIT "A"

LOTS 4 THROUGH 18, INCLUSIVE, 20, 24, 28 THROUGH 30, INCLUSIVE, 39, 42 THROUGH 77, INCLUSIVE, OF CRESTFIELD MANOR AT ARIZONA FARMS VILLAGE PARCEL 1, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF PINAL COUNTY, ARIZONA, RECORDED IN CABINET F, SLIDE 7.

EXHIBIT "B"





TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 15c.

MEETING DATE: July 21, 2014

DEPARTMENT: Community Development

STAFF PRESENTER: Mark Eckhoff, AICP
Community Development Director

SUBJECT: Resolution No. 1463-14. Pre-Annexation and
Development Agreement with RMG LUCKY
HUNT 65, LLC, an Arizona Limited Liability
Company

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

Motion to adopt Resolution No. 1463-14, entering into a Pre-Annexation and Development Agreement with RMG LUCKY HUNT 65, LLC., an Arizona Limited Liability Company.

BACKGROUND/DISCUSSION:

The subject site encompasses a land area of approximately 65 acres located within the pending Magic Ranch annexation. The site is located west of Hunt Highway, north and east of the Magic Ranch community. According to the Preliminary Development Plan for this parcel, 260 single-family residential lots are planned for this project.

FINANCIAL IMPACT:

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

RECOMMENDATION:

Motion to adopt Resolution No. 1463-14, entering into a Pre-Annexation and Development Agreement with RMG LUCKY HUNT 65, LLC, an Arizona Limited Liability Company.

ATTACHMENTS:

Resolution No. 1463-14
LUCKY HUNT PADA

When recorded, return to:

Town Clerk
Town of Florence
PO Box 2670
775 North Main Street
Florence, AZ 85132

RESOLUTION NO. 1463-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH RMG LUCKY HUNT 65, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “LUCKY HUNT” PROPERTY).

WHEREAS, the Town of Florence is authorized, pursuant to A.R.S. § 9-500.05, to enter into development agreements and generally is authorized to enter into contracts; and

WHEREAS, RMG LUCKY HUNT 65, LLC., the “Owner” plans to develop approximately 65 acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

WHEREAS, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

WHEREAS, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of approximately 65 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does

not annex the Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 21st day of July, 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

Exhibit A

LEGAL DESCRIPTOINS:

PARCEL NO. 1

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

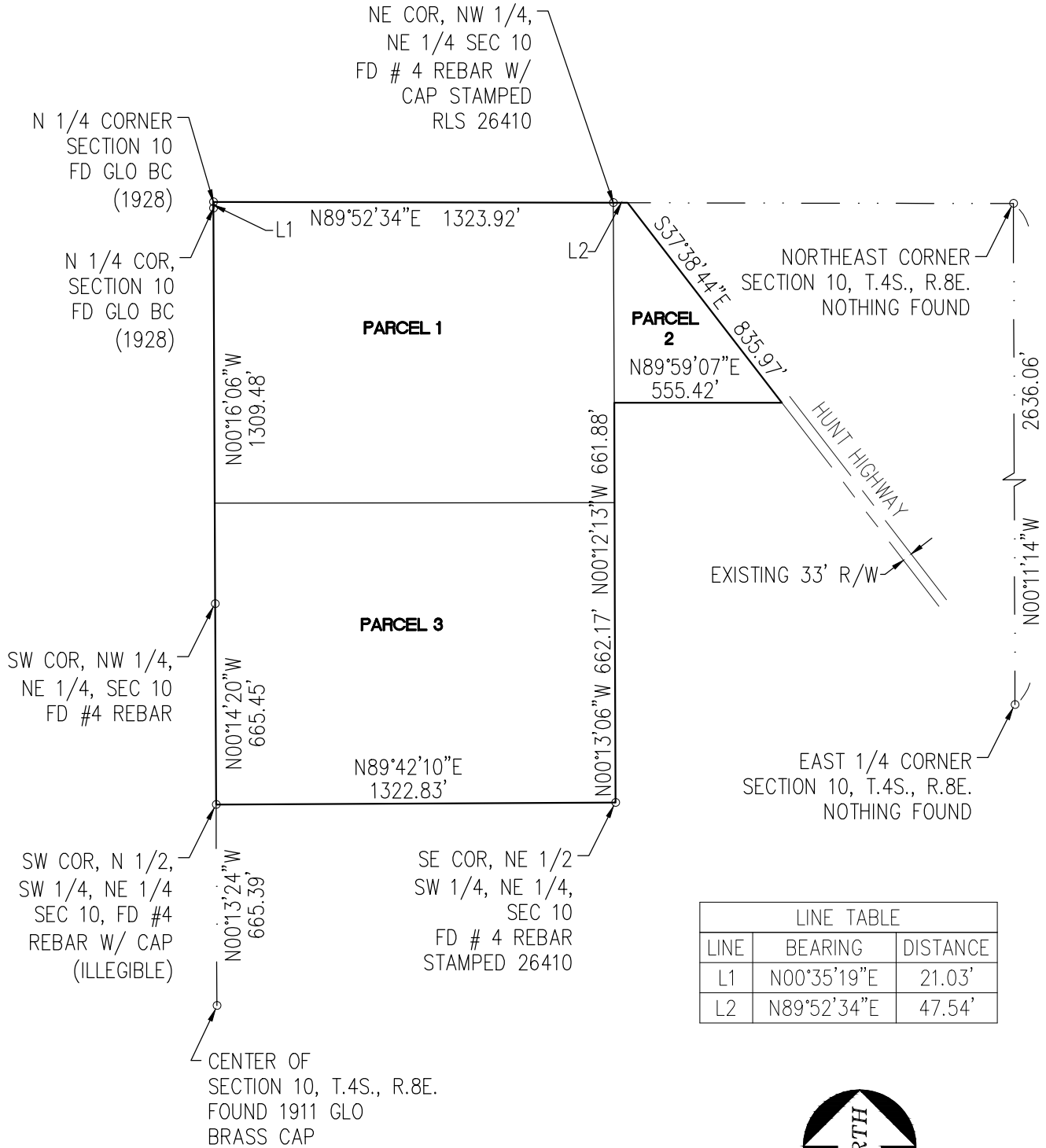
PARCEL NO. 2

THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING WEST OF HUNT HIGHWAY RIGHT OF WAY LINE.

PARCEL NO. 3

THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

EXHIBIT B



| LINE TABLE | | |
|------------|-------------|----------|
| LINE | BEARING | DISTANCE |
| L1 | N00°35'19"E | 21.03' |
| L2 | N89°52'34"E | 47.54' |



SCALE: 1 inch = 500 ft.

EXHIBIT B

LUCKY HUNT 65
PINAL COUNTY, ARIZONA



3205 W. Ray Road
Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com

united engineering group

WHEN RECORDED, RETURN TO:

Town of Florence
Attn: Town Clerk
PO Box 2670
775 North Main Street
Florence, AZ 85132

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01
“LUCKY HUNT 65” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

RMG LUCKY HUNT 65, L.L.C., an Arizona limited liability company

DATE: July , 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT
FOR
MAGIC RANCH ANNEXATION 20013-01
“LUCKY HUNT 65” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this ____ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and RMG LUCKY HUNT 65, L.L.C., an Arizona limited liability company (the “Owner”).

RECITALS

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 65 acres all as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Land Use Plan, which is attached as Exhibit “C” and Planned Unit Development Narrative (“PUD Narrative”), which is acknowledged by the parties hereto to be generally consistent with the Town’s General Plan, which may be amended prior to or concurrent with this annexation. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the

PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) the Town does not, at the same Town Council meeting

in which the Annexation Petition is adopted, approve the PUD plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development ("PUD") zoning designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit "C" and the PUD Narrative or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be

deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c), 6(h), 6(i), 6(j), and 6(k) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
 - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, 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 required level of compliance with such mandatory requirement;
 - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
 - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's existing or future Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation, shall be in an amount equal to Three Thousand Five Hundred and 00/00 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.
- (f) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with: (i) any suit, claim, referendum or legal challenge however described which challenges the validity of this Agreement or the PUD; (ii) any suit, claim, referendum or legal challenge however described which challenges any council action approving this Agreement, the PUD or other council actions relating to the development described in the PUD; and (iii) the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement. Prior to instigation of any such action or decision to settle or not to settle any such action as described in this subparagraph, Town shall consult with Owner. Town shall not deny Owner the opportunity to intervene in such action.
- (g) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (h) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

- (i) Roadway Design Criteria. For local residential streets located within the Property, the Town Engineer has the discretion and authority to waive the requirement of the minimum horizontal curve length of one hundred (100) feet.
- (j) Slope Line. The Town agrees that the Owner may construct improvements on the Property up to and including the eighteen percent 18% slope line, including but not limited to residential lots, roads, recreational parks and trails, provided such improvements comply with the requirements of the Americans with Disabilities Act.
- (k) Access. Subject to design specifications approved by the Town Engineer, the Property shall have permanent legal and physical access to Hunt Highway by either public right-of-way and/or private right-of-way.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformance with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two (2) years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per Paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter

defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.
- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the "Infrastructure") shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.
- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town's warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair

obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.

- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 9(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 9(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town's acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.
- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town's staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town's staff. Any other deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.
- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on any arterial or collector

streets on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners (“HOA”) provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.

- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances which are appropriate and necessary to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed (“Infrastructure Assurance”). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town’s Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:
- (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
 - (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender’s requirements; or
 - (iii) Letter of financial assurance from Owner’s lender or the lender of Owner’s assignees, designees, grantees and purchasers under contract; or
 - (iv) Contractor’s performance bond; or
 - (v) Dual beneficiary declining letter of credit; or
 - (vi) Performance deed of trust; or
 - (vii) Third party trust; or
 - (viii) Any other method approved by the Town and Owner consistent with State statutes and Town’s subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).
- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.
- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements ("Additional Improvements"), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner's ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town's imposition of such a requirement.
 - (i) Upon completion of the Additional Improvements, Owner's project engineer will provide the Town with the actual costs of the

land and construction of such improvements, together with a diagram of any benefited properties other than Owner's property, and a statement of the proportionate share attributable to each of the benefited properties ("Proportionate Share"). The Town shall have the right to review and approve the project engineer's submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.

(ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:

1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:

a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and

b. the ENR-CCI or ENR-BCI for the same month of the previous year.

2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and

3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.

(iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(e)(i) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or offset to which Owner is entitled to pursuant to this Paragraph 9(f) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

(a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. ("JUC"), or another entity under the common control of JUC, its successors and assigns (collectively, the "Water Service Provider") has, or is in the process of obtaining the necessary governmental approvals (collectively, the "Water Service Approvals") to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the

Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.

- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.
- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.
- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

(a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the "Town Representative") shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the "Owner Representative"). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.

(b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the "Rules") of the Center for Public Resources (the "CPR") currently in effect, except as provided herein and except where modified by the provisions hereof.

- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
- (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
- (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
- (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.
- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the

arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.

- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default. In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.
- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing limited liability company under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s) executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. 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 the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice (delivered by mail, hand or federal express), assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town: Town Manager
Town of Florence
775 N. Main Street
PO Box 2670
Florence, Arizona 85132

With Copy To: Town Attorney
Town of Florence
775 N. Main Street
PO Box 2670
Florence, Arizona 85132

The Owner: Robert L. Shaw
RMG Lucky Hunt 65, L.L.C.
c/o McRae Group
8800 N. Gainy Center Drive, Suite 255
Scottsdale, Arizona 85258

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) twenty (20) years from the date of recordation of this Agreement.

26. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in

addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

27. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

- (a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG2O101185 (October 2001 version).
- (b) Automobile Liability. The Owner shall, at its expense, maintain a commercial/business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.
- (c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions

of any kind, together with expenses (including but not limited to reasonable attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.

- (i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.
- (ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions of this Agreement.
- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

30. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes (“A.R.S.”) § 34 - 301 “Employment of Aliens on Public Works Prohibited”, A.R.S. § 34 - 302 “Residence Requirements for Employees”, and A.R.S. § 41-4401 “Government Procurement” (hereinafter referred to as the “Immigration Laws”). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner’s, contractor’s or any subcontractor’s employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors’ contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. “Services”, as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. “Services” also includes construction or maintenance of any structure, building, transportation facility or improvement of real property.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

TOWN OF FLORENCE, an Arizona municipal corporation

Tom J. Rankin, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James Mannato, Town Attorney

**RMG LUCKY HUNT 65, L.L.C.,
an Arizona limited liability company**

By: RMG Real Estate Services XXIII, L.L.C.,
an Arizona limited liability company
Its: Administrator

By: _____

Its: Authorized Officer

Date: July ____, 2014

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing Development Agreement for _____ was acknowledged before me this ____ day of July, 2014, by _____, Authorized Officer of RMG Real Estate Services XXIII, L.L.C., an Arizona limited liability company, Administrator of RMG LUCKY HUNT 65, L.L.C., an Arizona limited liability company, and being authorized to do so executed the forgoing instrument on behalf of the company for the purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBITS

Exhibit A - Legal Description

Exhibit B – Legal Description Map

Exhibit C - Land Use Plan

Exhibit A

LEGAL DESCRIPTOINS:

PARCEL NO. 1

THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

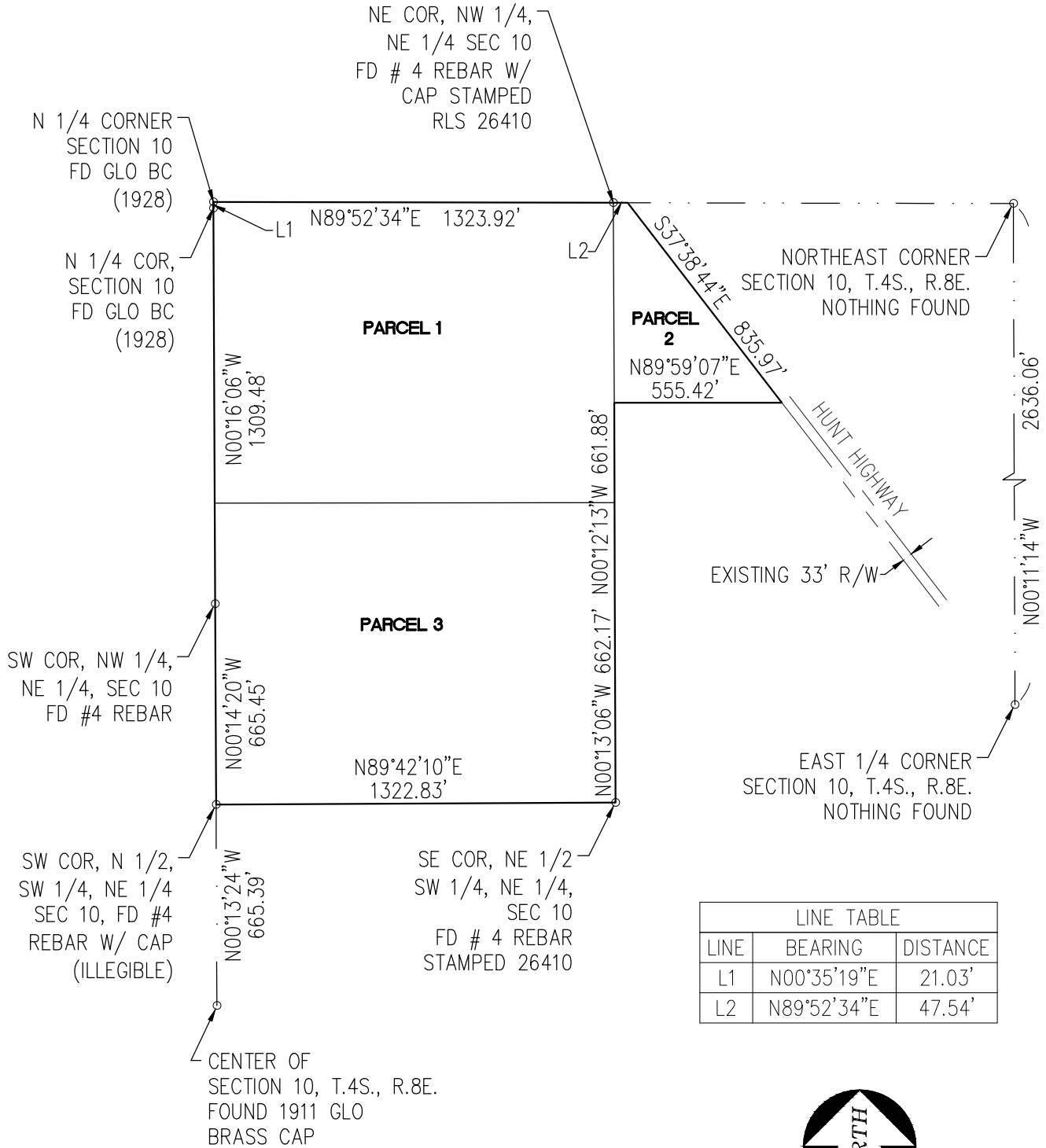
PARCEL NO. 2

THE NORTH HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, LYING WEST OF HUNT HIGHWAY RIGHT OF WAY LINE.

PARCEL NO. 3

THE SOUTH HALF OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 4 SOUTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA.

EXHIBIT B



| LINE TABLE | | |
|------------|-------------|----------|
| LINE | BEARING | DISTANCE |
| L1 | N00°35'19"E | 21.03' |
| L2 | N89°52'34"E | 47.54' |



SCALE: 1 inch = 500 ft.

EXHIBIT B

LUCKY HUNT 65
PINAL COUNTY, ARIZONA



3205 W. Ray Road
Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com

united engineering group

Exhibit C

State Land



Gila River Indian Community

E. Hunt Hwy

Hunt Highway

Street "G"

Street "H"

Street "A"

Street "B"

Street "C"

Street "D"

Street "G"

Street "E"

Street "F"

Street "I"

Street "J"

Tract

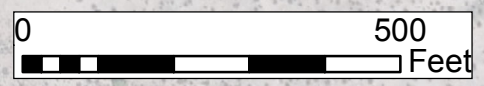
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TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 15d.

MEETING DATE: July 21, 2014

DEPARTMENT: Community Development

STAFF PRESENTER: Mark Eckhoff, AICP
Community Development Director

SUBJECT: Resolution 1464-14. Pre-Annexation and
Development Agreement with MAGIC LAKE 80,
LLC, an Arizona Limited Liability Company

- Action
- Information Only
- Public Hearing
- Resolution
- Ordinance
 - Regulatory
 - 1st Reading
 - 2nd Reading
- Other

RECOMMENDED MOTION/ACTION:

Motion to adopt Resolution No. 1464-14, entering into a Pre-Annexation and Development Agreement with MAGIC LAKE 80, LLC, an Arizona Limited Liability Company.

BACKGROUND/DISCUSSION:

The subject site encompasses a land area of approximately 80 acres located within the pending Magic Ranch annexation. The site is located west of Hunt Highway, north and east of the Magic Ranch community. According to the Preliminary Development Plan for this parcel, 124 single-family residential lots are planned for this project.

FINANCIAL IMPACT:

Overall positive, entering into this PADA facilitates the successful completion of the Magic Ranch annexation and promotes future rooftop development within the Town of Florence. It is noted that the PADA commits to not increase Development Impact Fees for the subject site for the first seven years of the term of the PADA.

RECOMMENDATION:

Motion to adopt Resolution No. 1464-14, entering into a Pre-Annexation and Development Agreement with MAGIC LAKE 80, LLC, an Arizona Limited Liability Company.

ATTACHMENTS:

Resolution No. 1464-14
Lookout Mountain PADA

When recorded, return to:

Town Clerk
Town of Florence
PO Box 2670
775 North Main Street
Florence, AZ 85132

RESOLUTION NO. 1464-14

A RESOLUTION OF THE TOWN OF FLORENCE, PINAL COUNTY, ARIZONA, APPROVING THE PRE-ANNEXATION AND DEVELOPMENT AGREEMENT WITH MAGIC LAKE 80, LLC., AN ARIZONA LIMITED LIABILITY COMPANY, AND AUTHORIZING EXECUTION OF SUCH PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (ANNEXATION NO. 2013-01 – “LOOKOUT MOUNTAIN” PROPERTY).

WHEREAS, the Town of Florence is authorized pursuant, to A.R.S. § 9-500.05, to enter into development agreements and generally is authorized to enter into contracts; and

WHEREAS, MAGIC LAKE 80, LLC., the “Owner” plans to develop approximately 80 acres located as legally described on Exhibit “A” and shown on Exhibit “B” attached hereto (the “Property”), and desires to annex the Property into the town limits of Florence; and

WHEREAS, the proposed development of the Property and the Pre-Annexation and Development Agreement are consistent with the Town of Florence General Plan applicable to the Property as of the date of this Resolution; and

WHEREAS, the Pre-Annexation and Development Agreement provides for various matters relating to the development of the Property, including the approval of a development plan, duration of the Pre-Annexation and Development Agreement, the conditions, terms and requirements applicable to public services and infrastructure and the financing of same, the permitted uses of the Property and the density and intensity of such uses, the phasing over time of construction and development on the Property and other matters related to the development of the Property.

THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Florence, Arizona, as follows:

1. The Pre-Annexation and Development Agreement between the Town of Florence and the Owner, which sets forth a development plan and the terms and conditions for the annexation and development of approximately 80 acres is hereby approved, adopted, and made a part hereof as if fully set out in this Resolution. If the Town does

not annex the Property in a timely manner following adoption of the Pre-Annexation and Development Agreement, or if the Town rescinds the Resolution annexing the Property, the Town promptly and within thirty days of the adoption of this Resolution shall rescind this resolution.

2. The Mayor of the Town of Florence is authorized to and shall execute the Pre-Annexation and Development Agreement.

PASSED AND ADOPTED by the Mayor and Council of the Town of Florence, Arizona, this 21st day of July, 2014.

Tom J. Rankin, Mayor

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James E. Mannato, Town Attorney

EXHIBIT A

LOOKOUT MOUNTAIN LEGAL DESCRIPTION

A portion of the Northeast Quarter of Section 10, Township 4 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the East Quarter corner of said Section 10 from which the Northeast corner of said Section 10 bears N00°11'14"W a distance of 2,636.06 feet;

THENCE S89°34'14"W along the East-West Mid-Section line of said Section 10, a distance of 2,645.47 to the center of said Section;

THENCE N00°13'24"W along the North-South Mid-Section line of said Section, a distance of 665.53 feet to a point;

THENCE N89°42'10"E, a distance of 1,322.83 feet to a point;

THENCE N00°13'06"W, a distance of 662.17 feet to a point;

THENCE N00°12'13"W, a distance of 661.88 feet to a point;

THENCE N89°59'07"E, a distance of 555.42 feet to a point on the Southwesterly right-of-way line of Hunt Highway as recorded in Docket 974, Page 739 of Pinal County Records;

THENCE S37°38'44"E along said right-of-way line, a distance of 194.78 feet to a point;

THENCE S52°21'16"W, a distance of 380.64 feet;

THENCE S00°25'46"E, a distance of 320.97 feet;

THENCE S52°21'16"W, a distance of 98.77 feet;

THENCE S00°01'34"E, a distance of 270.62 feet;

THENCE S37°38'44"E, a distance of 59.70 feet;

THENCE S00°12'59"E, a distance of 368.30 feet;

THENCE N89°34'14"E, a distance of 818.22 feet to a point of curvature of a non tangent curve to the right, of which the radius point bears N78°48'29"E, a radial distance of 613.00 feet;

THENCE Northerly along said arc, through a central angle of 50°30'08", a distance of 540.32 feet, to a point on the Southwesterly right-of-way line of Hunt Highway;

THENCE S37°38'53"E along said right-of-way line, a distance of 76.05 feet, to a point on the East line of the Northeast Quarter of said Section 10;

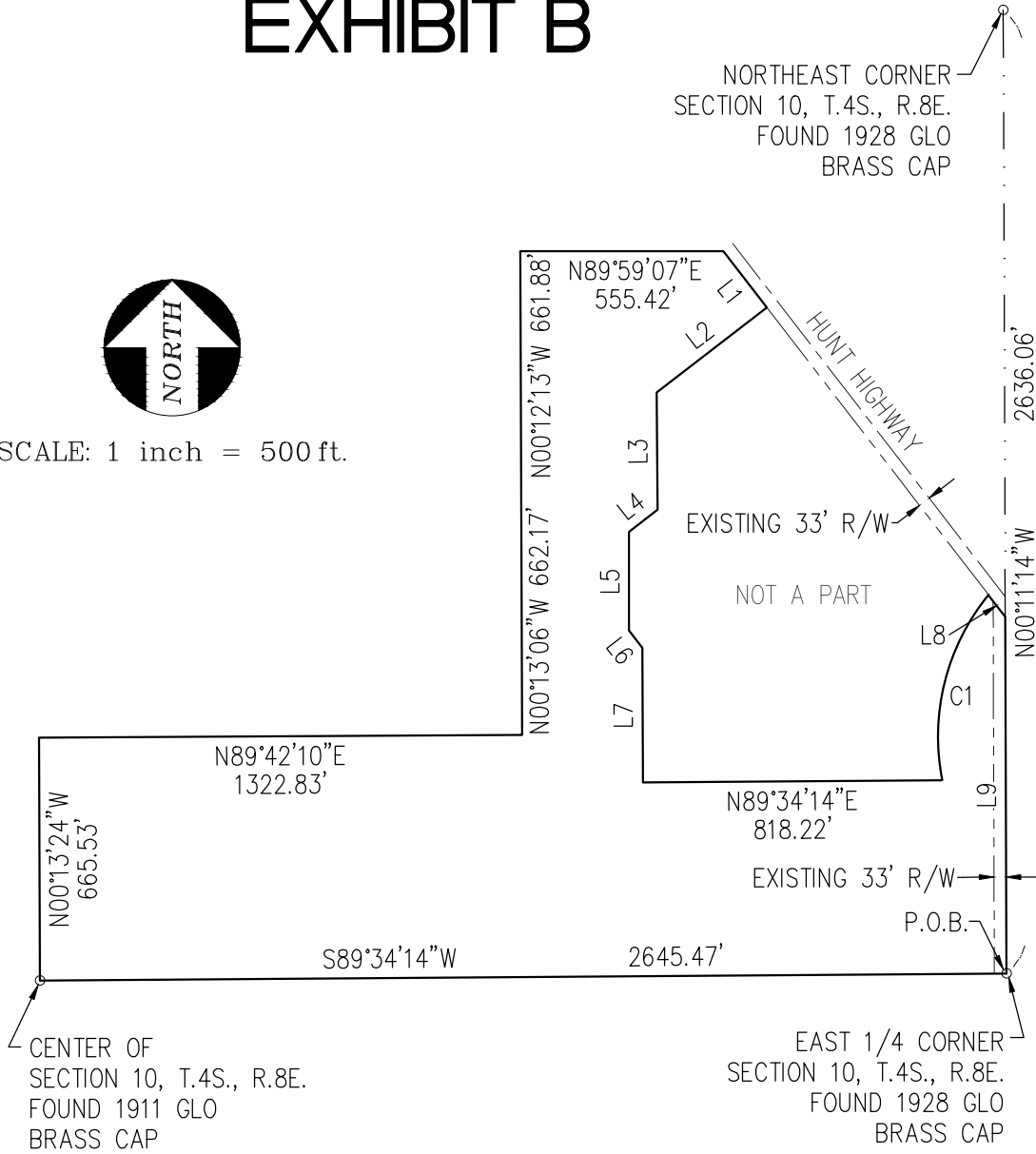
THENCE S00°11'14"E along said East line, a distance of 975.81 feet, to the POINT OF BEGINNING.

Containing 2,226,732.75 square feet or 51.1188 acres, more or less.

EXHIBIT B



SCALE: 1 inch = 500 ft.



| LINE TABLE | | |
|------------|-------------|----------|
| LINE | BEARING | DISTANCE |
| L1 | S37°38'44"E | 194.78' |
| L2 | S52°21'16"W | 380.64' |
| L3 | S00°25'46"E | 320.97' |
| L4 | S52°21'16"W | 98.77' |
| L5 | S00°01'34"E | 270.62' |
| L6 | S37°38'44"E | 59.70' |
| L7 | S00°12'59"E | 368.30' |
| L8 | S37°38'53"E | 76.05' |
| L9 | S00°11'14"E | 975.81' |

| CURVE TABLE | | | |
|-------------|-----------|---------|---------|
| CURVE | DELTA | RADIUS | LENGTH |
| C1 | 50°30'08" | 613.00' | 540.32' |

EXHIBIT B

LOOKOUT MOUNTAIN
PINAL COUNTY, ARIZONA



3205 W. Ray Road
Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com

united engineering group

WHEN RECORDED, RETURN TO:

Town of Florence
Attn: Town Clerk
PO Box 2670
775 North Main Street
Florence, AZ 85132

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT FOR
MAGIC RANCH ANNEXATION: ANNEXATION 2013-01
“LOOKOUT MOUNTAIN” PROPERTY**

TOWN OF FLORENCE, ARIZONA, an Arizona municipal corporation

AND

MAGIC LAKE 80, L.L.C., an Arizona limited liability company

DATE: July , 2014

**PRE-ANNEXATION AND DEVELOPMENT AGREEMENT
FOR
MAGIC RANCH ANNEXATION 20013-01
“LOOKOUT MOUNTAIN” PROPERTY**

THIS PRE-ANNEXATION AND DEVELOPMENT AGREEMENT (the “Agreement”) is entered into this ____ day of July, 2014 (the “Effective Date”) by and between the TOWN OF FLORENCE, an Arizona municipal corporation (the “Town”), and MAGIC LAKE 80, L.L.C., an Arizona limited liability company (the “Owner”).

RECITALS

A. The Owner is the owner of certain property, or has received the necessary consent to include certain property located in Pinal County, Arizona consisting of approximately 80 acres all as legally described in Exhibit “A” and depicted on Exhibit “B” attached hereto and incorporated herein by reference (the “Property”).

B. Owner and the Town desire that the Property be annexed into the corporate limits of the Town and be developed as an integral part of the Town. The annexation and development of the Property pursuant to this Agreement and the Land Use Plan, which is attached as Exhibit “C” and Planned Unit Development Narrative (“PUD Narrative”), which is acknowledged by the parties hereto to be generally consistent with the Town’s General Plan, which may be amended prior to or concurrent with this annexation. The annexation of the Property would allow the Town to provide for high-quality development in the area and ensure orderly, controlled and quality growth in the Town.

C. Owner and the Town are entering into this Agreement pursuant to the provisions of Arizona Revised Statutes (“A.R.S.”) § 9-500.05 in order to facilitate the annexation, proper municipal zoning designation and development of the Property by providing for, among other things: (i) conditions, terms, restrictions and requirements for the annexation of the Property by the Town; (ii) the permitted uses for the Property; (iii) the density and intensity of such uses; and (iv) other matters related directly or indirectly to the development of the Property.

D. A blank annexation petition has been filed with Pinal County and meetings and hearings have been held in connection with the annexation of the Property into the Town. The Town agrees that the Planned Unit Development zoning (“PUD”) designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative is an appropriate designation for this Property and that the PUD zoning is designed to establish proper and beneficial land use designations and regulations, densities, provisions for public facilities, design regulations, procedures for administration and implementation and other matters related to the development of the Property in accordance with the PUD zoning designation.

E. Owner and the Town acknowledge that the ultimate development of the Property within the Town is a project of such magnitude that Owner requires assurances from the Town that Owner has the right to complete the development of the Property pursuant to, amongst other things, the

PUD plan before it will expend substantial efforts and costs in the development of the Property, and the Town requires assurances from Owner that development of the Property will be in accordance with the Plan and the terms and conditions of this Agreement.

F. Without limiting the foregoing, the Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant planning and economic benefits to the Town by: (i) encouraging investment in and commitment to comprehensive planning, which will result in efficient utilization of municipal and other public resources; (ii) requiring development of the Property to be consistent with the Town's General Plan and the approved PUD plan; (iii) providing for the planning, design, engineering, construction, acquisition, and/or installation of public infrastructure in order to support anticipated development of the Property and the larger land area that includes the Property; (iv) increasing tax and other revenues to the Town based on improvements to be constructed on the Property; (v) creating employment through development of the Property consistent with this Agreement; and/or (vi) creating quality housing and other uses for citizens of the Town. The Town and Owner acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to Owner, including present and future assurances to Owner that it will have the ability to develop the Property in accordance with this Agreement and the PUD plan.

G. Among other things, development of the Property in accordance with this Agreement and the PUD plan will result in the planning, design, engineering, construction, acquisition, installation, and/or provision of public services/infrastructure improvements that will support development of the Property.

H. The public services/infrastructure improvements to be provided by Owner, while necessary to serve development within the Property, may also be needed in certain instances to facilitate and support the ultimate development of a larger land area that includes the Property.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT

1. Incorporation of Recitals. The foregoing Recitals are hereby incorporated into this Agreement as though fully restated.

2. Annexation. Concurrently with its approval of this Agreement, the Town, having held public meetings thereon, will duly consider final approval of the annexation of the Property into the Town. Prior or concurrently with the execution of this Agreement by the Town and Owner, Owner will deliver to the Town an appropriate Petition for Annexation duly executed by all necessary property owners and satisfying the applicable statutory requirements (the "Annexation Petition"). The Annexation Petition shall contain a provision requiring, upon Owner's written request, the immediate rescission and termination of the Annexation Petition by the Town if: (a) any person or entity files any protest, appeal, referendum, litigation or other petition (including but not limited to, any petition filed pursuant to A.R.S. § 9-471(C)) challenging the validity or approval of the Annexation Petition; (b) the Town does not, at the same Town Council meeting

in which the Annexation Petition is adopted, approve the PUD plan; (c) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of the PUD plan; or (d) any person or entity files any protest, appeal, referendum, litigation or other petition challenging the validity or approval of this Agreement. Upon receipt of the Annexation Petition, the Town shall comply with the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the Town, adopt a final ordinance annexing the Property into the corporate limits of the Town (the "Annexation Ordinance"). The Town and Owner hereby acknowledge and agree that this Agreement shall automatically terminate and be of no force or effect if the Town's annexation of the Property does not become effective and final pursuant to A.R.S. § 9-471(D).

3. Zoning. Upon annexation, the Town shall follow the legally prescribed procedures under State and Town statutes and ordinances to give the property comparable zoning, which shall be a Planned Unit Development ("PUD") zoning designation allowing underlying land usage consistent with Town of Florence R1-6 and R-2 Zoning Districts as modified per Exhibit "C" and the PUD Narrative. The Owner on behalf of itself and all other parties having an interest in the Property intends to encumber the Property with the following agreements and waivers. Owner agrees and consents to all the conditions imposed by this Agreement and the comparable zoning, and by signing this Agreement waives any and all claims, suits, damages, compensation and causes of action for diminution in value of the Property the owner of the Property may have now or in the future under the provisions of the Private Property Rights Protection Act, A.R.S. 12-1131 et seq., (the "Act") resulting from this Agreement, the comparable zoning, the underlying land use as identified in Exhibit "C" and the PUD Narrative or from any "land use law" (as such term is defined in the Act) enacted, adopted or applied by the Town during the term of this Agreement. Owner acknowledges and agrees the terms and conditions set forth in this Agreement and the comparable zoning cause an increase in the fair market value of the Property and such increase exceeds any possible reduction in the fair market value of the Property caused by any future land use laws, rules, ordinances, resolutions or actions permitted by this Agreement and adopted or applied by the Town to the Property. Owner and the Town understand and agree that the waivers contained in this Paragraph 3 are binding upon Owner's successors in interest and assigns pursuant to the provisions of A.R.S. 9-500.05(D). The Town agrees to cooperate reasonably in processing, in a timely manner, any approvals of issuance of permits, plans, plats, or otherwise as may be necessary in order to allow for the development to be constructed in general conformance with the PUD.

4. PUD Amendment. The Town and the Owner acknowledge that amendments to the PUD may be necessary from time to time, including but not limited to the location of rights-of-way and easements. When the parties agree that changes or adjustments are necessary or appropriate from time to time they shall, unless otherwise required by Town ordinance, by state or federal statute, effectuate minor changes or adjustments through administrative amendments which may be approved by the Town's Community Development Director, and which, after execution, shall be attached to the PUD as an addendum and become a part thereof. If, in the future, the Town amends one or more of its zoning designations and/or districts, Owner shall have the option to convert the zoning designation(s) under the PUD to the equivalent zoning designations under such amended development ordinance(s), subject to notice and hearing requirements of applicable law. The exercise by Owner of such option and any approval by the Town shall not be

deemed to constitute or to require an amendment of this Agreement, and, unless otherwise required by law, no such minor amendments shall require prior notice or hearing. All major changes or amendments shall be reviewed by the Planning Commission and approved by the Town Council. The following are major changes:

- (a) Any substantial alteration to the list of permitted uses of the Property or locations of planned land uses set forth in the PUD as deemed to be substantial by the Community Development Director;
- (b) Any increase in the overall residential density set forth in the PUD;
- (c) Any substantial change in the development standards except as otherwise allowed by the PUD; and/or
- (d) Additional circumstances as described in the PUD Narrative and PUD Ordinance.

5. Additional Property. The Town hereby agrees to consider, and, if determined in its sole discretion to be in the best interest of the Town, amend this Agreement, from time to time and in accordance with typically applicable notice and hearing requirements solely at the request of Owner, to incorporate into this Agreement the whole or any portion of additional properties adjacent to or proximate to the Property (the “Additional Property”). The Town and Owner agree that if Owner elects to request from Town the incorporation of such Additional Property or portions thereof: (1) thereafter, such Additional Property may be included in the Property and shall be subject to and shall benefit from all provisions of the Agreement applicable thereto and any reference herein to the Property shall include such Additional Property, which may increase the maximum density of the Property; (2) the Town and Owner shall cooperate in order for the Additional Property to receive the necessary land use approvals, including any necessary amendment to the PUD; and (3) the plans and land use designations approved for any Additional Property shall thereafter apply to the applicable Additional Property.

6. Regulation of Development.

- (a) The Applicable Rules. Except as provided in Paragraphs 6(c) and 6(h) through 6(m) below, all exactions, fees, ordinances, rules and regulations of the Town applicable to and governing the development of the Property, shall be those ordinances, rules, regulations, permit requirements, development fees, impact fees, other exactions and requirements and/or official policies that are existing and in force for the Town as of the execution of this Agreement.
- (b) The Permissible Additions to the Applicable Rules. Notwithstanding the provisions of subparagraph (a) above and the provisions enumerated below, the Town may enact the following provisions, and take the following actions, which shall be applicable to and binding on the development of the Property:
 - (i) rules that the Owner may agree in writing apply to the development of the Property;

- (ii) rules of the Town enacted as necessary to comply with mandatory requirements imposed on the Town by the state or federal governments, including court decisions, and other similar superior external authorities beyond the control of the Town, 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 required level of compliance with such mandatory requirement;
 - (iii) rules of the Town reasonably necessary to alleviate legitimate severe threats to public health and safety, including, but not limited to, fire, flood, periodic inundation and acts of war or terrorism, in which event any rules, imposed in an effort to contain or alleviate such a legitimate severe threat to public health and safety shall be the most minimal and the least intrusive alternative practicable and, except in a bona fide emergency, may be imposed only after public hearing and shall not, in any event, be imposed arbitrarily; and
 - (iv) technical codes adopted by the Town pursuant to the Florence Development Code, as well as future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety related codes, such as the International Building Code, which updates and amendments are generated by a nationally recognized construction or safety organization, such as the International Conference of Building Officials, or by the county, state or federal governments or by the Maricopa Association of Governments (the "MAG") provided that such code updates and amendments shall be applied uniformly and not arbitrarily.
- (c) Development Impact Fees. The Town's existing or future Development Impact Fees that shall be imposed upon the Property for a period of seven (7) years commencing from the effective date of the Annexation, shall be in an amount equal to Three Thousand Five Hundred and 00/00 Dollars (\$3,500.00) per single-family residential dwelling unit, unless a lesser Development Impact Fee is applicable at the time a building permit is issued by the Town. After the seven (7) year period and for the duration of this Agreement, the Town's Development Impact Fees that will be imposed upon the Property shall be the Development Impact Fees then in effect and applicable at the time of permitting. Any Development Impact Fees which are due on residential dwelling units shall be payable when construction permits for the residential dwelling units are issued by the Town. The Town can allocate the Development Impact Fee, in the amount of Three Thousand Five Hundred and 00/100 Dollars (\$3,500.00), among any eligible Development Impact Fee categories provided such allocation does not negatively impact or adversely affect any Development Impact Fee credits due to Owner.

- (d) Development Impact Fee Credits. To the extent permitted by Arizona Revised Statutes ("A.R.S.") and the Florence Development Code, Owner shall be entitled to a credit against the category of Development Impact Fees that are assessed (or that are to be assessed) against the Property (or any portion thereof) for any land, improvements or other contributions provided by Owner to the Town for any land, capital facility improvements or contributions required to provide public services and which is related to the existing or future category of Development Impact Fees for which such credit is sought. Such credits may be assignable by Owner to entities constructing single-family residential dwelling units on the Property. Any credits for which Owner may be entitled under this Paragraph shall not exceed the maximum Development Impact Fee applicable in any particular category.
- (e) Filing, Review and Permit Fees. Notwithstanding anything to the contrary in this Agreement, Owner will be required to pay the then applicable filing fees, plan review fees, permit fees and building fees in effect at the time of any filing, plan review or permit issuance. Development Impact Fees shall be paid in accordance with Paragraph 6(c) above.
- (f) Reimbursements. Promptly after the Town submits invoices to Owner, Owner shall pay the Town's costs and expenses incurred in connection with: (i) any suit, claim, referendum or legal challenge however described which challenges the validity of this Agreement or the PUD; (ii) any suit, claim, referendum or legal challenge however described which challenges any council action approving this Agreement, the PUD or other council actions relating to the development described in the PUD; and (iii) the exercise of the Town's powers of condemnation or eminent domain at the request of the Owner or as required by the terms of this Agreement. Prior to instigation of any such action or decision to settle or not to settle any such action as described in this subparagraph, Town shall consult with Owner. Town shall not deny Owner the opportunity to intervene in such action.
- (g) Flood Control. Flood control measures for the Property shall comply with the requirements of the United States Army Corp of Engineers and all applicable state and local laws, regulations and ordinances; and, to the extent they are not superseded by the requirements of the United States Army Corp of Engineers or state and local laws, regulations and ordinances, the requirements of the Pinal County Flood Control District to the extent the Property is within the Pinal County Flood Control District.
- (h) Building Codes. For development in progress at the time this Agreement becomes effective, the Town will grandfather construction plans, including standard production home plans within active recorded subdivisions, approved by Pinal County. New subdivisions and plans introduced after annexation shall comply with minimum applicable Town standards and codes.

- (i) Setback Requirements. Except to the extent required by federal or state law, the Town shall not impose additional requirements upon the Property as a result of the proximity of the Property to the Johnson Utilities Section 11 Wastewater Treatment Plant and the Central Arizona Solid Waste Transfer Station.
- (j) Roadway Design Criteria. For local residential streets located within the Property, the Town Engineer has the discretion and authority to waive the requirement of the minimum horizontal curve length of one hundred (100) feet.
- (k) Slope Line. The Town agrees that the Owner may construct improvements on the Property up to and including the eighteen percent (18%) slope line, including but not limited to residential lots, roads, recreational parks and trails, provided such improvements comply with the requirements of the Americans with Disabilities Act.
- (l) Walker Butte Parkway. Owner shall have the right at any time following annexation to dedicate Walker Butte Parkway substantially in the location and alignment depicted on Exhibit “D” (“Parkway”) to the Town. In addition, the Town Engineer has the discretion and authority to reduce the minimum centerline radius without super elevation for Minor Arterial/Couplet roads from one thousand eight hundred (1,800) feet to five hundred fifty-eight (558) feet and the design speed from forty-five (45) miles per hour to thirty (30) miles per hour.
- (m) Reciprocal Easement. The Town agrees that the reciprocal easement area substantially in the location and the dimensions depicted on Exhibit “D” (“Reciprocal Easement Area”) may either be a public right-of-way or a private-right-of-way. In addition, the Town agrees that the Reciprocal Easement Area shall be deemed a permanent access point for ingress and egress from the Property to an existing public road for purposes of the Town’s public access requirements.

7. Plat and Plan Approval. The Town hereby agrees to take in a timely manner all action necessary, including but not limited to processing plats which are in conformation with the PUD, so that the Owner is not unreasonably delayed in the development of the Property as provided in the PUD. In taking such actions, the Town may exercise its discretion in the manner provided by law. Town further agrees that Preliminary Plat approvals shall be valid for a period of two (2) years, with two (2) one-year extensions. Preliminary/Tentative Plats and Final Plats, as well as accompanying civil improvement plans, approved by Pinal County and consistent with the PUD shall be transferable to the Town so long as approvals are current at the time of annexation, approved plans are provided to the Town and any applicable public safety concerns are adequately addressed. Transferred approved plans and plats shall be valid for two (2) years from the effective date of annexation, with two (2) one-year extensions, except in the case of recorded Final Plats, which shall remain valid if infrastructure assurances are in place per Paragraph 9 (c) and/or subdivision improvements are completed and accepted by the Town.

8. Vested Rights. The types of land uses, together with the densities of such uses for each development parcel on the Property, as shown in the PUD are hereby established. The Town

agrees that, for the term of this Agreement, Owner shall have an immediate right to develop the Property in accordance with this Agreement, the PUD, the land uses established within the PUD and the Town's General Plan.

9. Infrastructure.

- (a) Infrastructure Plan. Except as otherwise provided in this Agreement, so long as Owner proceeds with the development of the Property, Owner may implement and phase the infrastructure improvements to the Property in conformance with an infrastructure plan jointly approved by the Town and Owner (the "Infrastructure Plan"), which Infrastructure Plan may be modified from time to time with the Town's approval, which approval shall not unreasonably be withheld, conditioned or delayed. Town hereby agrees that the Infrastructure Plan shall exclude, and the Owner shall not be required to obtain the approval by the Town, of water infrastructure improvements or wastewater infrastructure improvements, which improvements shall be the responsibility of the Owner and/or the Water Service Provider (as hereinafter defined) and Wastewater Service Provider (as hereinafter defined) to construct pursuant to Paragraphs 10(a) and 10(b). Owner agrees to construct the water infrastructure improvements and wastewater infrastructure improvements in accordance with all other applicable regulations, laws and ordinances. The Town agrees to consider Owner's request for the condemnation of sewer, utility, and drainage easements and rights-of-way if such easements and rights-of-way are determined by the Town to be necessary to complete the infrastructure anticipated by this Agreement, but in any event the use of eminent domain or condemnation is in the sole discretion of the Town. Owner agrees to reimburse Town for the costs of any such condemnation, including, but not limited to, land and property rights acquisition costs, attorneys' fees and costs of suit. Town agrees to consult with Owner regarding offers of settlement in the event of eminent domain or condemnation actions.

- (b) Construction. The parties hereto acknowledge and agree that to the extent the Owner develops the Property, the Owner shall have the right and the obligation, at any time after the execution of this Agreement, to construct or cause to be constructed and installed, in accordance with all applicable rules, regulations, construction standards, and governmental review processes, all portions of the Infrastructure Plan that relate to the phase or portion of the Property to be developed by Owner at any given time. All such construction performed by Owner shall be performed in a good and workmanlike manner and in compliance with all applicable requirements, standards, codes, rules or regulations of the Town. The parties hereto acknowledge and agree that the Town, as necessary to implement the Infrastructure Plan, shall cooperate reasonably in facilitating construction of the infrastructure, including, but not limited to, the abandonment of any unnecessary public rights-of-way or easements currently located on the Property at such time as such rights-of-way or easements are demonstrated to be unnecessary by the final plat.

- (i) The construction and installation of public or private streets, curbs, gutters, sidewalks, traffic control, directional signs and other public infrastructure and public facilities on the Property as required by the PUD and any applicable state and local regulations, laws and ordinances (collectively, the “Infrastructure”) shall be subject to and in compliance with applicable state and local regulations, laws and ordinances. Owner shall cause all Infrastructure required by the PUD to be constructed and installed at no cost to the Town. Such Infrastructure may be constructed in segments that correspond to the phases, if any, set forth in the PUD. All Infrastructure shall be installed in a workmanlike manner in conformity with the plans and specifications that are submitted to and approved by the Town in connection with the PUD or each phase.
- (ii) Dedication of Infrastructure by Owner shall not constitute acceptance of the Infrastructure for purposes of transferring the obligation to maintain and repair the Infrastructure to the Town or for purposes of starting the Town’s warranty period. Acceptance of any and all Infrastructure by the Town for purposes of the Town assuming any maintenance and repair obligations and for purposes of commencing the warranty period shall be expressly evidenced in writing by the Town as provided herein.
- (iii) Upon completion by Owner of any Infrastructure pursuant to Paragraph 9(a), Owner shall notify the Town in writing of the presumptive completion of such Infrastructure. So long as such Infrastructure is constructed in accordance with the approved plans and the requirements of Paragraph 9(a), as verified by the inspection of the completed improvements by the Town Engineer including the completion of all punch list items, the Town shall accept the Infrastructure, unless such Infrastructure is to be owned or accepted by some other governmental entity. The Town shall notify Owner, in writing, of the Town’s acceptance of the Infrastructure as of the day of the final inspection. Acceptance of any Infrastructure is expressly conditioned upon the usual and customary Town warranty for such Infrastructure. Owner, at no cost to Town, shall dedicate rights-of-way or convey public easements necessary for the construction, installation, operation and maintenance of the Infrastructure as required by Town, which rights-of-way or easements may be located adjacent to or in other public and private rights-of-way or easements.
- (iv) Owner shall give to Town a one (1) year warranty for all Infrastructure, which warranty shall begin on the date that Town accepts the Infrastructure as provided in this section or such other date as set forth in a service agreement. Any deficiencies in material or workmanship identified by Town’s staff during the warranty period that would adversely impact the public health and safety of residents shall be brought to the attention of Owner, who shall promptly remedy or cause to be remedied such deficiencies to the reasonable satisfaction of Town’s staff. Any other

deficiencies in material or workmanship identified by Town's staff during the warranty period shall be remedied collectively to the reasonable satisfaction of Town's staff at the conclusion of the warranty period. Continuing material deficiencies in a particular portion of the Infrastructure shall be sufficient grounds for Town to require (1) an extension of the warranty for an additional period, or (2) the proper repair of, or (3) the removal and reinstallation of that portion of the Infrastructure that is subject to such continuing deficiencies. Regardless of whether the warranty period has expired, the Owner agrees to repair any damage to the Infrastructure caused by Owner's construction activities on the Property. Nothing contained herein shall prevent the Town or Owner from seeking recourse against any other third party for damage to the Infrastructure caused by such third party.

- (v) The Owner agrees to forever maintain all (i) rights-of-way designated as private rights-of-way by the PUD, unless such rights-of-way are dedicated by Owner and accepted by the Town; and (ii) landscaping located within the public easements and rights-of-way located on any arterial or collector streets on the Property and such obligations shall survive the termination or expiration of this Agreement; provided, however, Owner may assign these obligations to one or more home owners ("HOA") provided such HOA is legally bound to such rights-of-way and landscaping maintenance obligations and has adequate financial ability, acceptable to the Town, to bear such obligations. Once the Town has consented to the assignment of these obligations to an HOA, Owner shall be relieved of any further obligation to maintain the rights-of-way and landscaping.

- (c) Infrastructure Assurance. The parties hereto acknowledge and agree that the Town, prior to the recording of the final plat for each phase of the subdivision within the Property, shall require the Owner and/or its designees, successors, assigns, grantees or buyers under contract, to provide assurances which are appropriate and necessary to assure that the installation of Infrastructure within that subdivision, or other subdivision improvements directly related to such building permit or permits, will be completed ("Infrastructure Assurance"). In such case, the Owner may elect, with the approval of the Town, which approval shall not be unreasonably withheld, any one or a combination of the following methods of Infrastructure Assurance. All Infrastructure Assurances provided by the Owner shall comply with the applicable provisions of the Town's Subdivision Ordinance relating to such Infrastructure Assurances. Final Plats recorded in Pinal County shall have their Infrastructure Assurances transferred to the Town immediately upon annexation. The options are as follows:

- (i) Owner and/or its assignees, designees, grantees and purchasers under contract is required to file with the Town a performance bond; or
- (ii) Owner and/or its assignees, designees, grantees and purchasers under contract is required to deliver to the Town an irrevocable and

unconditional declining letter of credit which, if necessary, will be acknowledged by the Town in accordance with the appropriate Lender's requirements; or

- (iii) Letter of financial assurance from Owner's lender or the lender of Owner's assignees, designees, grantees and purchasers under contract; or
- (iv) Contractor's performance bond; or
- (v) Dual beneficiary declining letter of credit; or
- (vi) Performance deed of trust; or
- (vii) Third party trust; or
- (viii) Any other method approved by the Town and Owner consistent with State statutes and Town's subdivision ordinance.

Once the required Infrastructure Assurance has been complied with, the Owner (or, as applicable, the Owner's assignees, designees, grantees and purchasers under contract) shall have the right, with the approval of the Town, which approval shall not be unreasonably withheld, to replace such initial method of Infrastructure Assurance, either in whole or in part, with any of the other above methods of Infrastructure Assurance. The Town agrees that within ten (10) working days from the Town's approval of the particular completed Infrastructure for which the Town has required and the Owner has provided Infrastructure Assurance, the Town shall release such Infrastructure Assurance, in whole or in part, as may be appropriate under the circumstances, in the manner provided in the applicable Subdivision Ordinance.

- (d) Infrastructure and Improvement Financing. The Parties acknowledge that a primary purpose of this Agreement is to provide for the coordinated planning, design, engineering, construction and/or provision of the range of public services/infrastructure improvements necessary to serve new development of the Property. The Town acknowledges and agrees that such infrastructure improvements may be constructed, at Owner's request, through the formation of a Community Facilities District (the "CFD") pursuant to Arizona law, including, but not limited to, A.R.S. § 48-701 et seq. In the event Owner requests the Town to form any CFD, the Town will consider such request in accordance with the Town's adopted CFD Policies and Procedures, and if approved, shall adopt the necessary resolution of intention, and conduct such procedures as are necessary to form the applicable CFDs as required by Arizona law. However, nothing contained herein shall be construed to compel the Town to form a CFD or for the CFD, if formed, to finance any Infrastructure. Owner shall provide all necessary information and shall pay all reasonable and customary Town costs, including costs of legal review by Town counsel, as specified in the Town's CFD Policies and Procedures and the Town's Schedule of Fees, as such may be amended from time to time, in connection with its request for any CFD formation. The Parties agree that the Town must act in accordance with its CFD Policies and Procedures as to the formation of any CFD contemplated under this Paragraph 9(d).

- (e) Street Lights. There will be no Street Lighting Improvement District (SLID) on the Property excepted as mutually agreed upon, however, streetlights will be required within the Property and will be constructed according to either of: 1) Town standards; 2) as grandfathered by existing development; or 3) as may be approved in the PUD.

- (f) Infrastructure Payback Agreement. In the event that the Town imposes upon Owner the obligation to oversize its infrastructure improvements or to provide additional public improvements (“Additional Improvements”), the Town agrees not to impose said obligation on Owner in such a manner that will impede or delay the Owner’s ability to complete the development of its Property on the schedule or in the manner originally planned by Owner prior to the Town’s imposition of such a requirement.
 - (i) Upon completion of the Additional Improvements, Owner’s project engineer will provide the Town with the actual costs of the land and construction of such improvements, together with a diagram of any benefited properties other than Owner’s property, and a statement of the proportionate share attributable to each of the benefited properties (“Proportionate Share”). The Town shall have the right to review and approve the project engineer’s submittal for a period of thirty (30) days, said approval to be commercially reasonable. The Town shall thereafter require each owner of a benefited property, prior to the issuance of a building permit for the benefited property, to pay to the Town its Proportionate Share plus an additional five percent (5%) to pay for the administrative fee retained by the Town as provided below.

 - (ii) At the time of payment calculation for benefited properties, the payment due shall be adjusted as follows:
 1. Calculate the percent increase in either the Engineering News Record (ENR) – Construction Cost Index (CCI) or Building Cost Index (BCI) between:
 - a. the most recently published ENR-CCI or ENR-BCI at the time of the adjustment; and
 - b. the ENR-CCI or ENR-BCI for the same month of the previous year.
 2. Multiply the development impact fee in effect in the year immediately prior to the Adjustment; and
 3. Add the resulting amount to the development impact fee in effect in the year immediately prior to the adjustment.

 - (iii) Within thirty (30) days of receiving payment pursuant to Paragraph 9(e)(i) above, Town will reimburse Owner in the amount of such payment, less an administrative fee equal to five percent (5%) of each payment which shall be retained by Town. Any credit or

offset to which Owner is entitled to pursuant to this Paragraph 9(f) shall be credited to Owner pursuant to a written amendment to this Agreement, which the Town and Owner agree to negotiate at such time as the costs of such Additional Improvements have been determined and the benefited properties have been identified.

10. Utility Services.

- (a) Potable Water Service. The Town acknowledges and agrees that Johnson Utilities, L.L.C. (“JUC”), or another entity under the common control of JUC, its successors and assigns (collectively, the “Water Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Water Service Approvals”) to become the potable water service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Water Service Provider in obtaining the Water Service Approvals if necessary. Upon the Water Service Provider demonstrating that it has the Water Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to water service and Owner shall have no responsibility to the Town to construct water infrastructure improvements of any kind or to pay water hook-up fees, water impact fees or other similar fees to the Town.
- (b) Wastewater Service. The Town acknowledges and agrees that JUC, or another entity under the common control of JUC, its successors and assigns (collectively, the “Wastewater Service Provider”) has, or is in the process of obtaining the necessary governmental approvals (collectively, the “Wastewater Service Approvals”) to become the wastewater service provider to the Property. At no cost or expense to the Town, the Town agrees to cooperate with and support the Wastewater Service Provider in obtaining the Wastewater Service Approvals if necessary. Upon the Wastewater Service Provider demonstrating that it has the Wastewater Service Approvals, the Property will no longer be considered within the municipal service area of the Town with respect to wastewater service and Owner shall have no responsibility to the Town to construct wastewater infrastructure improvements of any kind or to pay wastewater hook-up fees, wastewater impact fees or other similar fees to the Town.
- (c) Assured Water Supply. If Owner is forced to expend funds to obtain a Certificate of Assured Water Supply to the Property or the Water Service Provider is forced to expend funds to receive a Designation of Assured Water Supply, Town agrees to consider formation of a CFD to permit reimbursement of additional costs incurred to provide water to the Property through public financing.
- (d) Other Services. The Town, or an entity designated by Town, shall provide trash collection services to the Property. The Town shall provide police and fire protection services to the same extent and upon the same terms, conditions and timeliness as those services are being provided to other properties throughout the Town. Owner, or an entity designated by Owner, shall provide cable television

service to the Property, provided that any such cable television service provider has obtained a franchise agreement with the Town.

- (e) Reclaimed Water. Owner, or an entity designated by Owner, shall supply reclaimed water or effluent to the Property as needed by Owner, any successor to Owner, or to any HOA.

11. Plans Submittal. Owner shall submit all plats and plans to Town Staff. Development of the Property cannot occur until the Town has concurred that the plans comply with the PUD and Town standards. Town shall review said plans and provide Owner with its comments on these submittals in a timely manner. The Town may retain the services of a private company or individual (“Outside Review Agency”) to provide expedited development review processes only upon the request of Owner. The Town and Owner shall mutually agree on the Outside Review Agency selected from the Town’s list and the fee for such expedited review.

12. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations, and understanding of the parties, oral or written, are hereby superseded and merged herein.

13. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the Owner and the Town. Within ten (10) days after any amendment to this Agreement has been executed, such amendment shall be recorded in the official records of Pinal County, Arizona.

14. Default; Remedies. Failure or unreasonable delay by any Party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another Party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any Party, the non-defaulting Party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance.

- (a) Dispute Resolution. To further the cooperation of the parties in implementing this Agreement, the Town and the Owner each shall designate and appoint a representative to act as a liaison between the Town and its various departments and the Owner. The initial representative for the Town (the “Town Representative”) shall be the Town Manager and the initial representative for the Owner shall be its project manager, as identified by the Owner from time to time (the “Owner Representative”). The representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.
- (b) Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration,

litigation or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

15. Arbitration. If the mediation procedure set forth in Paragraph 14(b) above does not resolve a dispute, either party may submit, by demand letter, correspondence or notice, to the other party, such dispute to arbitration pursuant to this Paragraph 15. In such event, the dispute shall be subject to and decided by arbitration in accordance with the Rules for Non-Administered Arbitration of Business Disputes (the “Rules”) of the Center for Public Resources (the “CPR”) currently in effect, except as provided herein and except where modified by the provisions hereof.
- (a) Any arbitration arising out of this Agreement may include, by consolidation or joinder, or in any other manner, at the discretion of either the Owner or the Town, any other entities or persons whom the Owner of the Town, as the case may be, believes to be substantially involved in a common question of law or fact and who consent to jurisdiction of the arbitrator.
 - (b) The parties agree that the remedies available for the award by the arbitrator(s) under this Paragraph 15 in a dispute arising out of or relating to this Agreement or breach thereof shall be limited to specific performance and declaratory relief and the arbitrator may not issue an award of monetary damages, whether characterized as actual, consequential or otherwise, except as provided in Sub-paragraphs 15(e) and 15(h), and provided, however, that the arbitrator(s) may award the payment of an amount owed or may enjoin the withholding of amounts due under this Agreement.
 - (c) Demand for arbitration shall be filed with the other party in accordance with the Rules and the notice provisions of the Agreement. A demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen. In no event shall the demand for arbitration be made after the date when institution of legal or equitable proceedings based upon such claim, dispute or other matter in question could be barred by the applicable statute of limitations.
 - (d) In the event the amount in controversy is less than \$100,000, a sole arbitrator shall be appointed in accordance with the Rules. In the event the amount in controversy is \$100,000 or more, the demanding party shall appoint one party-appointed arbitrator in its notice demand for arbitration. The responding party may within ten (10) days, appoint a second party-appointed arbitrator. The party-arbitrators shall appoint a third arbitrator in accordance with the Rules. If the party-arbitrators fail to appoint a third arbitrator, the third arbitrator shall be appointed in accordance with the Rules. If the responding party fails to appoint a second party-arbitrator within the time so provided, selection of the second arbitrator shall be in accordance with the Rules.

- (e) The decision of the arbitrator(s) shall be in accordance with the laws of the State of Arizona and the United States. The arbitrator(s) shall prepare written findings of fact and conclusions of law upon which the decision and award shall be based. The arbitrator(s) may award compensatory damages pursuant to Paragraphs 15(b), 15(g) and 15(h) and reasonable attorneys' fees and reasonable costs to the prevailing party.
- (f) The arbitration shall occur within the municipal limits of the Town unless the parties agree otherwise in writing.
- (g) This agreement to arbitrate shall be specifically enforceable by either party under the prevailing laws of the State of Arizona and the United States. Any award rendered by the arbitrator(s) shall be final and enforceable by any party to the arbitration, and judgment shall be made upon it in accordance with the applicable laws of any court having jurisdiction thereof. The arbitrator(s) decision shall be final and conclusive as to the facts. Either party may appeal manifest errors of law to a court of competent jurisdiction within fifteen (15) days of the award. Notwithstanding anything in this Agreement to the contrary, if either party fails to take action consistent with the arbitrator(s) award within fifteen (15) days after demand, then the other party may either utilize the arbitration process set forth in this Paragraph 15 (but without limitation on remedy) or pursue in court any remedy available to it at law or in equity, including, without limitation, monetary damages, resulting from the failure to take action consistent with the arbitrator(s) award and/or the underlying dispute that was the subject of the arbitration.
- (h) Notwithstanding anything in this Agreement to the contrary, if either party believes the other party is exercising the rights under this Agreement in bad faith, the aggrieved party must notify the other party of the facts forming the basis of the aggrieved party's assertion of bad faith. If the other party fails to cure the facts forming the basis of the aggrieved party's assertion of bad faith within fifteen (15) days after notice thereof, then such dispute shall be submitted to arbitration. If the arbitrator finds that a party has acted in bad faith, then the aggrieved party may request, and the arbitrator may award, any remedy available to the aggrieved party, at law or in equity, including without limitation, monetary damages.
- (i) Unless otherwise agreed in writing, and notwithstanding any other rights or obligations of either party under the Agreement, the Owner and the Town shall carry on with the performance of their respective duties, obligations and services hereunder during the pendency of any claim, dispute, or other matter in question giving rise to arbitration or mediation, as the case may be.
- (j) The dispute resolution process set forth in this Paragraph 15 shall not apply to an action by the Town to condemn or acquire by inverse condemnation all or any portion of the Property or to claims for injunctive relief or mandamus by either party. The failure by either party to perform or otherwise act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party shall constitute a default.

In the event such default is not cured within the Cure Period, the non-defaulting party shall have the right to seek injunctive relief or mandamus in a court of competent jurisdiction.

- (k) Notwithstanding anything in this Agreement to the contrary, the provisions of Paragraphs 14 and 15 shall not be construed or applied so as to prevent Owner or Town from seeking injunctive relief on an emergency basis to prevent immediate or irreparable harm.

16. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the Town or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

17. Future Effect. Time is of the essence of this Agreement. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the parties hereof including, without limitation, to third party builders; provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof and only by a written instrument, recorded in the Official Records of Pinal County, Arizona, expressly assigning such rights and obligations.

Notwithstanding the foregoing, the Town agrees that the ongoing ownership, operation and maintenance obligations provided by this Agreement, other than those pertaining to construction of public infrastructure improvements, may be assigned to one or more HOAs to be established by the Owner. The Owner agrees to provide the Town with written notice of any assignment of the Owner's rights or obligations within fifteen (15) days after such assignment. In the event of a complete assignment by Owner of all rights and obligations of Owner hereunder, Owner's liability hereunder shall terminate effective upon the assumption by Owner's assignee. Nothing in this Agreement shall operate to restrict the Owner's ability to assign any of its rights and obligations under this Agreement to those entities that acquire all or any portion of the Property.

18. Names and Plans. The Owner shall be the sole owner of all names, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property; provided, however, that in connection with any conveyance of portions of the Property to the Town such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable to the Town.

19. No Owner Representations. Nothing contained herein or in the PUD shall be deemed obligate the Town or the Owner to complete any part or all of the development of the Property.

20. Good Standing; Authority. Each of the parties and their assigns represents and warrants (and will represent and warrant) to the other that: (i) it is duly formed and validly existing limited liability company under the laws of Arizona, with respect to the Owner, or a municipal corporation within the State of Arizona, with respect to the Town; (ii) that it is an Arizona municipal corporation or limited liability company duly qualified to do business in the State of Arizona and is in good standing under applicable state laws, and (iii) that the individual(s)

executing this Agreement (or who will execute this Agreement) on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

20. 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 the Town from undertaking any contractual commitment to perform any act hereunder, this Agreement shall remain in full force and effect, but the provision requiring such action shall be deemed to permit the Town to take such action at its discretion, if such a construction is permitted by law.

21. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona.

22. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Town and Owner.

23. Recordation. This Agreement shall be recorded in its entirety in the official records of Pinal County, Arizona, not later than ten (10) days after this Agreement is executed by the Town and the Owner.

24. Notice. Any notice (delivered by mail, hand or federal express), assignment, payment or other communication provided for or required by this Agreement shall be in writing and shall be deemed to have been given when delivered by hand or when deposited in the United States Postal Service, certified or registered, return receipt requested, postage prepaid, properly addressed to the person to whom such notice is intended to be given at its respective addresses as follows:

The Town: Town Manager
 Town of Florence
 775 N. Main Street
 PO Box 2670
 Florence, Arizona 85132

With Copy To: Town Attorney
 Town of Florence
 775 N. Main Street
 PO Box 2670
 Florence, Arizona 85132

The Owner: Robert L. Shaw
 Magic Lake 80, L.L.C.
 c/o McRae Group
 8800 N. Gainy Center Drive, Suite 255
 Scottsdale, Arizona 85258

The parties entitled to notice, including any assignees of this Agreement, may be changed by sending notice to the other parties of the name and address of the individual thereafter entitled to notice under this Agreement.

25. Effective Date and Term. This Agreement shall become effective and shall be binding upon and enforceable by all parties hereto, their successors and assigns, immediately upon the approval by the Town Council of this document. The term of this Agreement (the "Term") shall be for a period of the earlier of: (i) complete build-out of the Property, (ii) mutual termination by the parties, or (iii) twenty (20) years from the date of recordation of this Agreement.

26. Attorneys' Fees. If any legal proceeding is initiated by any party hereto (or their successor(s)) with respect to this Agreement, the prevailing party shall be entitled to recover, in addition to any other relief to which it is entitled, its cost of suit incurred in connection with such legal proceeding, and its reasonable attorneys' fees.

27. Insurance Requirements. The Owner, at its own expense, shall purchase and maintain the herein stipulated minimum insurance with companies duly licensed, possessing a current A.M. Best, Inc. rating of "A", or approved and licensed to do business in the State of Arizona with policies and forms satisfactory to the Town. All insurance required herein shall be maintained in full force and effect during the time that construction improvements are being made during the term of this Agreement; failure to do so may, at the sole discretion of the Town, constitute an event of default by the Owner under this Agreement. The Owner's insurance shall be primary insurance, and any insurance or self-insurance maintained by the Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of an insurance policy warranty shall not affect coverage afforded under the policy to protect the Town. The insurance policies required by this Agreement shall name the Town, its agents, officers, officials and employees as additional Insureds.

(a) General Liability. The Owner shall, at its expense, maintain a policy of comprehensive public liability insurance with a limit of not less than \$1,000,000 for each occurrence and with a \$1,000,000 general aggregate limit. The policy shall include coverage for bodily injury, broad form property damage, personal injury, and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement, which coverage will be at least as broad as Insurance Service Office, Inc., Policy Form CG 000211093 (October 2001 version). The coverage shall not exclude X, C, and U. Such policy shall contain a severability of interest provision, and shall not contain a sunset provision or commutation clause, or any provision which would serve to limit third party action over claims. The Commercial General Liability additional insured endorsement shall be at least as broad as Insurance Service Office, Inc., Additional Insured, Form B, CG20101185 (October 2001 version).

(b) Automobile Liability. The Owner shall, at its expense, maintain a commercial/business automobile liability insurance policy with a combined single limit for bodily injury and property damage of not less than \$1,000,000.00 each occurrence

with respect to any of the Owner's owned, hired and non-owned vehicles assigned to or used in performance of this Agreement. Coverage will be at least as broad as coverage code I, "any auto", Insurance Service Office, Inc., Policy Form CA 00011293, or any replacements thereof. Such insurance shall include coverage for loading and off loading hazards. If hazardous substances, materials or wastes are to be transported, MCS 90 endorsement shall be included and \$5,000,000.00 per accident limits for bodily injury and property shall apply.

(c) Indemnification. Except as otherwise specifically provided in this Agreement, to the fullest extent permitted by law, the Owner shall protect, defend, indemnify and hold harmless the Town, its Council members, agents, officers, officials and employees from and against all suits, claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings and orders, judgments, remedial actions of any kind, and all costs and cleanup actions of any kind, together with expenses (including but not limited to reasonable attorneys' fees, court costs, the cost of appellate proceedings, and all claim adjusting and handling expenses), relating to, arising out of, resulting from or alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors, subcontractors or anyone for whose acts they or the Owner may be liable in the performance of this Agreement, and regardless of whether or not such claims, demands, damages, losses, liabilities, fines, charges, penalties, administrative and judicial proceedings, orders, judgments, remedial actions, costs, cleanup actions and expenses are caused in part by the passive negligence of the Town, its Council members, agents, officers, officials and employees. The Town shall remain responsible to the fullest extent permitted by law for any acts of active negligence or intentional misconduct by the Town, its Council members, agents, officers, officials and employees.

(i) The Owner's duty to defend, hold harmless and indemnify the Town, its Council members, agents, officers, officials and employees shall arise in connection with any suits, claims, damages, losses or expenses that are attributable to or otherwise relate to, result from, or are alleged to have resulted from the Owner's acts, errors, mistakes or omissions relating to any action or inaction of the Owner under this Agreement, including but not limited to the acts, errors, mistakes, omissions, work or services of the Owner's agents, employees, contractors or anyone for whose acts they or Owner may be liable in the performance of this Agreement, regardless of the legal or equitable grounds upon which such suits, claims, damages, losses and expenses are based.

(ii) The amount and type of insurance coverage requirements set forth herein are separate and independent from the indemnity provisions of this Agreement and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions of this Agreement. The indemnity provisions of this Agreement shall not be construed in any way to limit the

scope, magnitude and applicability of the insurance provisions of this Agreement.

- (iii) The indemnity provisions of this Agreement shall survive the termination of this Agreement.

28. Lot Sale. It is the intention of the parties that although recorded, this Agreement shall not create conditions or exceptions to title or covenants running with any individual lots into which the Property is subdivided. Any title insurer can rely on this section when issuing any commitment to insure title to any individual lot or when issuing a title insurance policy for any individual lot. So long as not prohibited by law, this Agreement shall automatically terminate as to any individual lot (and not in bulk), without the necessity of any notice, agreement or recording by or between the parties, upon conveyance of the lot to a homebuyer by a recorded deed. For this section, "lot" shall be any lot upon which a home has been approved by the Town.

29. No Partnership; Third Parties. This Agreement is not intended to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Owner and the Town or between any parties comprising Owner.

30. Compliance With Certain Federal and State Laws. The Owner hereby agrees to comply with all applicable provisions of the American with Disabilities Act, the Immigration Reform and Control Act of 1986 and the Drug Free Workplace Act of 1989. If the Agreement contains provisions relating to the construction of public infrastructure improvements or the formation of a Community Facilities District pursuant to A.R.S. § 48 - 701 et seq., the Owner hereby agrees to comply with all applicable provisions of Arizona Revised Statutes ("A.R.S.") § 34 - 301 "Employment of Aliens on Public Works Prohibited", A.R.S. § 34 - 302 "Residence Requirements for Employees", and A.R.S. § 41-4401 "Government Procurement" (hereinafter referred to as the "Immigration Laws"). A breach of the Immigration Laws shall constitute a default of this Agreement and, if uncured, may subject the Owner to additional penalties including termination of the Agreement at the sole discretion of the Town. Notwithstanding anything contained in this Agreement to the contrary, Town retains the legal right to inspect the immigration papers or other residency documents of the Owner's, contractor's or any subcontractor's employees who perform work under this Agreement, to ensure that Owner, contractor and any subcontractors are complying with the Immigration Laws. Owner agrees not to hinder the Town in regard to any such inspections. The Town may, in its sole discretion, conduct random verification of the employment records of the Owner, contractor and any subcontractors to ensure compliance with the Immigration Laws. Owner shall not be deemed to have materially breached the Immigration Laws if the Owner establishes that it has complied with the employment verification requirements of the federal Immigration and Nationality Act, 8 U.S.C.A. §1324(a) and 8 U.S.C.A. §1324 (b)(1)(A), et seq., the E-Verify requirements of A.R.S. § 23 - 214(A) and if Owner includes the provisions of this section in any contract the Owner enters into with any and all of its contractors, which contracts shall contain provisions which require such contractors to include the provisions of this section in such contractors' contracts with any subcontractors who provide services relating to the construction of public infrastructure improvements. "Services", as used herein, are defined as the furnishing of labor, time or effort in the State of Arizona by Owner, a contractor or any subcontractor. "Services" also includes

construction or maintenance of any structure, building, transportation facility or improvement of real property.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates written below.

TOWN OF FLORENCE, an Arizona municipal corporation

Tom J. Rankin, Mayor

Date

ATTEST:

APPROVED AS TO FORM:

Lisa Garcia, Town Clerk

James Mannato, Town Attorney

**MAGIC LAKE 80, L.L.C.,
an Arizona limited liability company**

By: KT/RMG Manager, L.L.C., an Arizona
limited liability company
Its: Manager

By: _____

Its: Authorized Officer

Date: July ____, 2014

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing Development Agreement for _____ was acknowledged before me this ____ day of July, 2014, by _____, as Authorized Officer of KT/RMG Manager, L.L.C., an Arizona limited liability company, Manager of MAGIC LAKE 80, L.L.C., an Arizona limited liability company, and being authorized to do so executed the forgoing instrument on behalf of the company for the purposes therein stated.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBITS

Exhibit A - Legal Description

Exhibit B – Legal Description Map

Exhibit C - Land Use Plan

Exhibit D – Access Depictions

EXHIBIT A

LOOKOUT MOUNTAIN LEGAL DESCRIPTION

A portion of the Northeast Quarter of Section 10, Township 4 South, Range 8 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

BEGINNING at the East Quarter corner of said Section 10 from which the Northeast corner of said Section 10 bears N00°11'14"W a distance of 2,636.06 feet;

THENCE S89°34'14"W along the East-West Mid-Section line of said Section 10, a distance of 2,645.47 to the center of said Section;

THENCE N00°13'24"W along the North-South Mid-Section line of said Section, a distance of 665.53 feet to a point;

THENCE N89°42'10"E, a distance of 1,322.83 feet to a point;

THENCE N00°13'06"W, a distance of 662.17 feet to a point;

THENCE N00°12'13"W, a distance of 661.88 feet to a point;

THENCE N89°59'07"E, a distance of 555.42 feet to a point on the Southwesterly right-of-way line of Hunt Highway as recorded in Docket 974, Page 739 of Pinal County Records;

THENCE S37°38'44"E along said right-of-way line, a distance of 194.78 feet to a point;

THENCE S52°21'16"W, a distance of 380.64 feet;

THENCE S00°25'46"E, a distance of 320.97 feet;

THENCE S52°21'16"W, a distance of 98.77 feet;

THENCE S00°01'34"E, a distance of 270.62 feet;

THENCE S37°38'44"E, a distance of 59.70 feet;

THENCE S00°12'59"E, a distance of 368.30 feet;

THENCE N89°34'14"E, a distance of 818.22 feet to a point of curvature of a non tangent curve to the right, of which the radius point bears N78°48'29"E, a radial distance of 613.00 feet;

THENCE Northerly along said arc, through a central angle of 50°30'08", a distance of 540.32 feet, to a point on the Southwesterly right-of-way line of Hunt Highway;

THENCE S37°38'53"E along said right-of-way line, a distance of 76.05 feet, to a point on the East line of the Northeast Quarter of said Section 10;

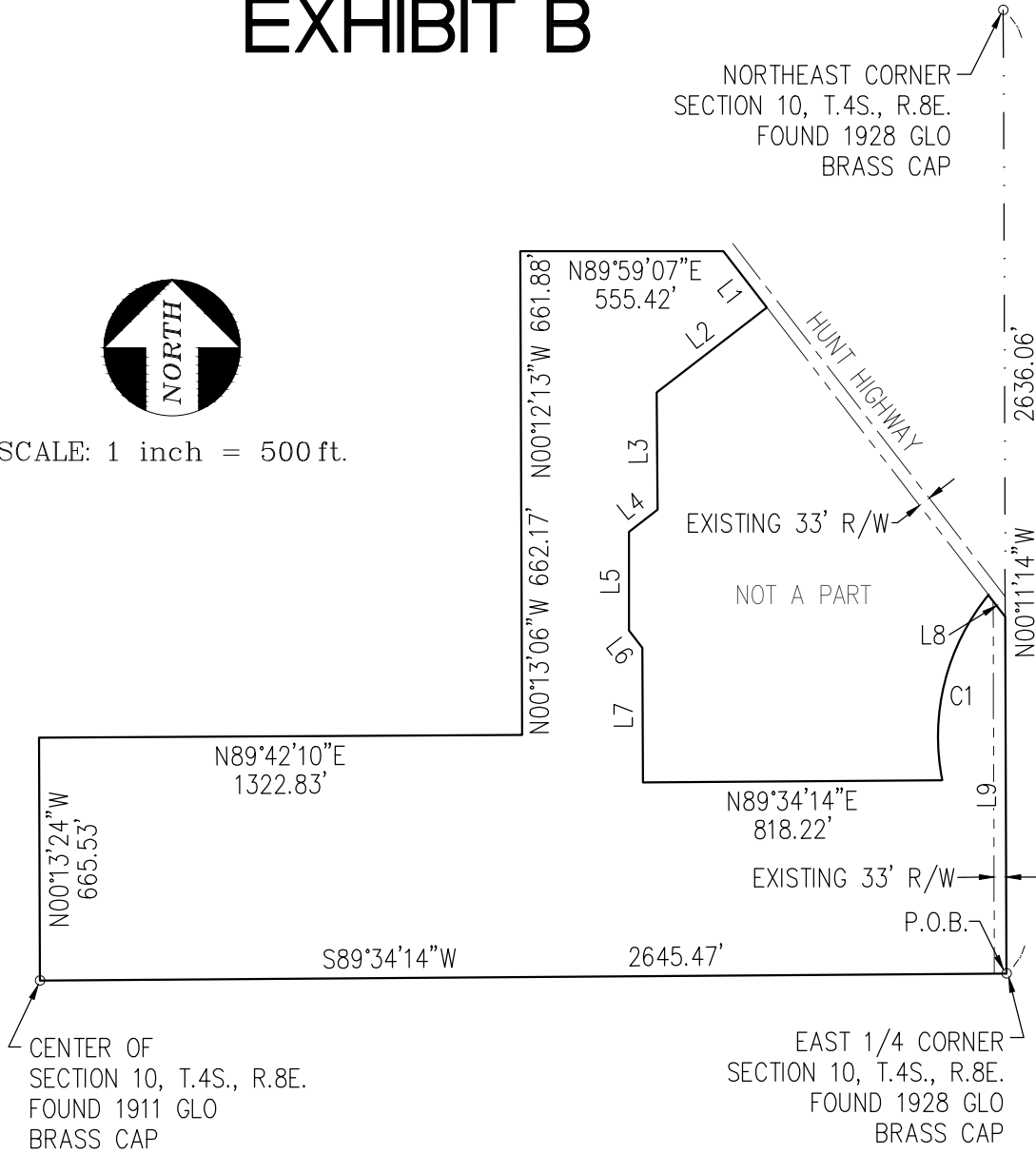
THENCE S00°11'14"E along said East line, a distance of 975.81 feet, to the POINT OF BEGINNING.

Containing 2,226,732.75 square feet or 51.1188 acres, more or less.

EXHIBIT B



SCALE: 1 inch = 500 ft.



| LINE TABLE | | |
|------------|-------------|----------|
| LINE | BEARING | DISTANCE |
| L1 | S37°38'44"E | 194.78' |
| L2 | S52°21'16"W | 380.64' |
| L3 | S00°25'46"E | 320.97' |
| L4 | S52°21'16"W | 98.77' |
| L5 | S00°01'34"E | 270.62' |
| L6 | S37°38'44"E | 59.70' |
| L7 | S00°12'59"E | 368.30' |
| L8 | S37°38'53"E | 76.05' |
| L9 | S00°11'14"E | 975.81' |

| CURVE TABLE | | | |
|-------------|-----------|---------|---------|
| CURVE | DELTA | RADIUS | LENGTH |
| C1 | 50°30'08" | 613.00' | 540.32' |

EXHIBIT B

LOOKOUT MOUNTAIN
PINAL COUNTY, ARIZONA



3205 W. Ray Road
Chandler, AZ 85226
Phone: 480.705.5372
Fax: 480.705.5376
www.unitedeng.com

united engineering group

Exhibit C

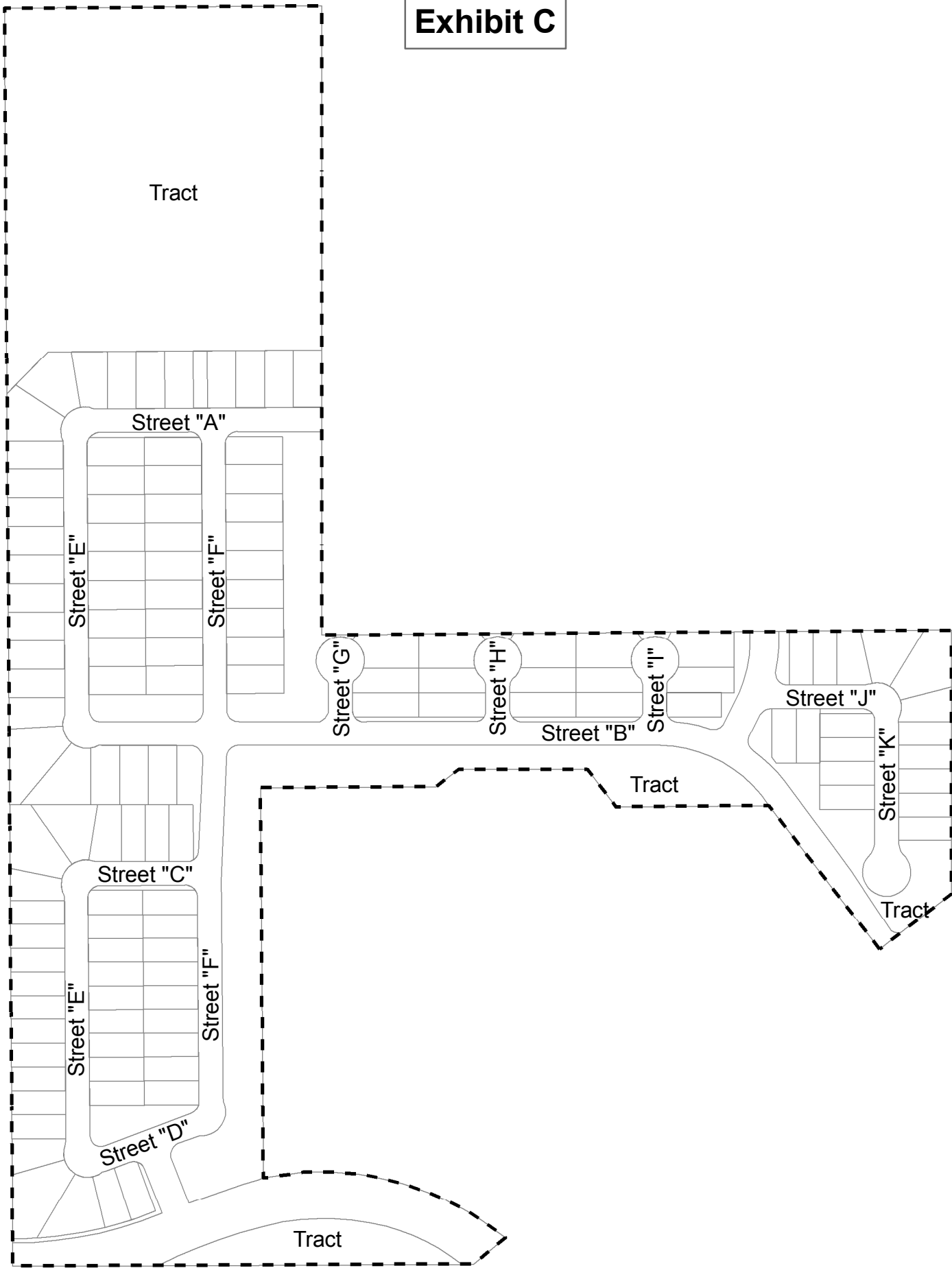
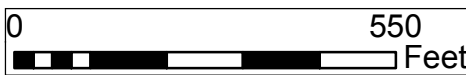
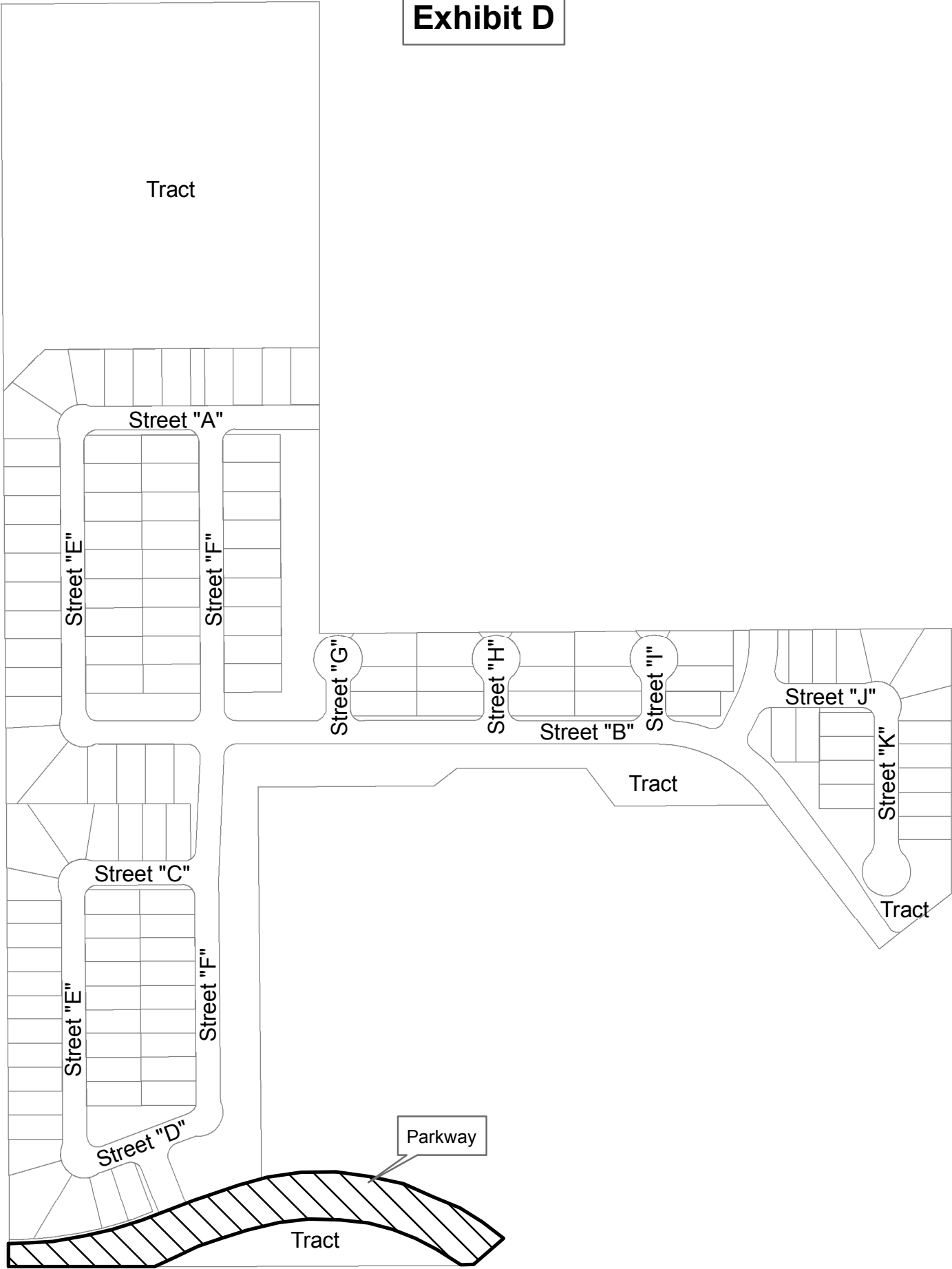



Exhibit D



| | | |
|---|---|--|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 15e. |
| <p>MEETING DATE: July 21, 2014</p> <p>DEPARTMENT: Community Development</p> <p>STAFF PRESENTER: Mark Eckhoff, AICP Community Development Director</p> <p>SUBJECT: Contract amendment with Haydon Building Corp., for currently contracted design-build construction services for Padilla Park at Silver King Plaza.</p> | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <ul style="list-style-type: none"> <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Motion to authorize the Town Manager to approve an amendment to the Town’s current contract with Haydon Building Corp., in an amount not to exceed \$172,000, for additional design-build construction services required to complete the proposed Padilla Park at Silver King Plaza project.

BACKGROUND/DISCUSSION:

In 2008, the Town began to aggressively complete restoration efforts on one of the finest examples of Victorian architecture in Florence. The Silver King Hotel rehabilitation project allowed this significant building to be occupied and leased for commercial purposes.

Soon after the rehabilitation was completed, funding to finish the rest of the exterior lot behind the Silver King Hotel diminished. The rebounding economy and recent acquisition of the adjacent lot from the Padilla family created an opportunity to complete this restoration project with complementary site improvements.

By assessing current amenities and needs in downtown, staff (Parks and Recreation, Community Development, Administration, Public Works and others) came up with a variety of creative ideas to enhance the subject space and ways to attract and keep people in downtown. Staff was unified in creating a public space that is flexible and could accommodate different activities that are not currently offered in or around the downtown area.

These general ideas were then conveyed to generous business partners who donated their time, talents and funding to the Town for the creation of the proposed public space. The WLB Group, Inc. created the final plat for the expanded subject site that was approved by the Town Council on August 19, 2013. Swaback Partners and the Londen Company graciously contributed their time and funds to the conceptual design of the Padilla Park at the Silver King Plaza. All parties desired to give back to the Town and appreciated how this quality project would benefit the Town as a whole.

The concept design for the park, which was presented at a Town Council work session on October 21, 2013, incorporated many beneficial and welcoming design elements. Due to the large size of the acquired property and the connection to an existing historic building, the design focus was to create an open space that was multi-functioning; thus the Park has three main zones:

1. The park has a passive patio area for dining and socializing. This area can be an extension of the indoor restaurant spaces. This zone also includes new restrooms to benefit the park and future restaurants.
2. The park has an active component with the splash pad feature and adjacent sloped turf areas.
3. The park has a special event and structured activity component with the sloped turf field and stage area.

On March 17, 2014, the Mayor and Town Council authorized the Town Manager to enter into a contract with Haydon Building Corp., to complete the design and construction of the subject park. The Haydon team and the Town's project team worked hard to finalize construction plans for the site, all while keeping various Commissions, Boards and the State Historic Preservation Office (SHPO) involved in the project. During the first week of site exaction on the site in June, Haydon came across a historical find on the site, largely consisting of likely hundreds of historic bottles neatly arranged about one foot under the surface of what was the Padilla property. Construction work was immediately halted and consultations with SHPO and the Arizona State Museum (ASM) commenced. ASM provided the Town and Haydon guidance under the Arizona Antiquities Act and Logan Simpson was hired to perform a site evaluation and report to the ASM.

ASM and SHPO have provided the Town and Haydon with the direction needed to ensure that the project team is taking all steps necessary to appropriately document and preserve the historical findings on the site, while concurrently working to complete the park that has been planned for the site. Logan Simpson has been included on the project team and will provide the Town and Haydon with ongoing support, direction and an additional direct line of communication with ASM and SHPO. With the updated approach to completing this park, some

additional excavation for preservation purposes will be done on site, the Town will modify some elements of the park design to assist in our preservation efforts and historical interpretative signs will be added to highlight the new historical find (as well as other historical highlights). Furthermore, with the consent from ASM, the Town would like to have some bottles retained locally in the Pinal County Historical Society and Museum. A preservation easement will be applied over the site to avoid future disturbances. Project completion now expected this October.

FINANCIAL IMPACT:

The additional financial impact of completing the proposed work is \$172,000. This is additional to the \$500,000 attributed to the original contract; thus, the total cost of this project is now at \$672,000.

The project is still largely broken up into the following core components:

- General landscape and hardscape improvements*
- Fencing
- Electrical improvements
- Bathrooms
- Project management, final design, plans and overhead

*Includes significant number of plants that will be graciously donated to the Town by Harold and Katie Christ.

With this amendment, there are additional costs directly attributed to the archeological find, particularly with an archeologist being added to the project team. Staff and Haydon would also like to use this opportunity to add planned (and budgeted) future signs to the site now to avoid any non-essential additional ground construction/excavation work any time in the near future. With this contract amendment, we have also allowed for a \$10,155 contingency.

Staff has consulted with the Town Manager and the Finance Director and confirmed the availability of funds in the current fiscal year budget for these contract changes.

RECOMMENDATION:

Motion to authorize the Town Manager to approve an amendment to the Town's current contract with Haydon Building Corp., in an amount not to exceed \$172,000, for additional design-build construction services required to complete the proposed Padilla Park at Silver King Plaza project.

ATTACHMENT:

Contract Amendment from Haydon Building Corp.

Logan Simpson Report

Florence Padilla Park

Antiquities delay change order proposal

| | | | | |
|---|----|-----|--------------|-------------------|
| Archaeologist | ls | 1 | \$ 75,868.00 | \$ 75,868 |
| Allowance for extra days | ea | 10 | \$ 496.00 | \$ 4,960 |
| LSD Initial Report | ls | 1 | \$ 1,500.00 | \$ 1,500 |
| Design fees | ls | 1 | \$ 3,950.00 | \$ 3,950 |
| Remobilize earthwork contractor | ls | 1 | \$ 1,200.00 | \$ 1,200 |
| Superintendent during shut down | wk | 1 | \$ 2,200.00 | \$ 2,200 |
| Superintendent for added work duration | wk | 3 | \$ 2,200.00 | \$ 6,600 |
| Project Management | wk | 3 | \$ 2,700.00 | \$ 8,100 |
| Site fence rental | wk | 6 | \$ 250.00 | \$ 1,500 |
| Barricade rental | wk | 6 | \$ 95.00 | \$ 570 |
| Toilets rental | wk | 6 | \$ 150.00 | \$ 900 |
| Added survey costs | ls | 1 | \$ 2,320.00 | \$ 2,320 |
| Park monument sign | ls | 1 | \$ 7,000.00 | \$ 7,000 |
| Monument sign - Sign | ea | 1 | \$ 9,160.00 | \$ 9,160 |
| Monument Sign - Piers | ea | 2 | \$ 1,470.00 | \$ 2,940 |
| Interpretive signage allowance | ls | 1 | \$ 4,000.00 | \$ 4,000 |
| Placement of fill material provided by the Town | cy | 400 | \$ 5.00 | \$ 2,000 |
| Removal and replacement of charcoal material | cy | 80 | \$ 35.00 | \$ 2,800 |
| Bike rack | ea | 1 | \$ 400.00 | \$ 400 |
| Subtotal of Cost | | | | \$ 137,968 |
| Contingency | | | | \$ 10,155 |
| Bond | | | | \$ 1,629 |
| Builders Risk Insurance | | | | \$ 749 |
| Liability Insurance | | | | \$ 1,204 |
| Contractor Fee | | | | \$ 9,102 |
| Sales Tax | | | | \$ 11,192 |
| TOTAL PROPOSED CHANGE ORDER | | | | \$ 172,000 |

Clarifications and Assumptions:

-This proposal is to cover the added costs due to the delay resulting from the discovery of antiquities during the work.

The following considerations are included:

- Delay due to shutdown of the project.
- Added General Conditions cost due to shutdown.
- Added General Conditions cost due to work slow down during archaeological investigation and monitoring.
- Remobilization costs.
- Costs of the archaeological investigation and monitoring.
- Design costs to modify the design to accommodate the archaeological features.
- Cost of a monument sign for the park (\$7,000)
- Costs of the "Down Town Florence" monument sign
- Cost of 4 interpretive signs for the project.
- Placement of additional fill material, supplied to the site by the town, as required to raise the site grades in order to preserve the artifacts in place.
- Removal and disposal of non hazardous charcoal discovered buried at the old hotel foundation and replacement with clean fill soil supplied by the Town.
- The scope of the archaeological services is defined and limited by the attached scope document prepared by Logan Simpson Design dated 7/9/2014 (LSD). Haydon has made allowances for items 5,6,7,8 of LSD Assumptions

The following items are excluded:

- Archaeological work beyond the scope defined by LSD.
- Delays or costs due to discovery of additional antiquities or human remains.
- Testing, handling or removal of hazardous materials.
- Cost of additional soil material to raise site grades.



LOGAN SIMPSON
DESIGN INC.

July 9, 2014

Mr. Arthur Oldham
Haydon Building Corporation
4640 East Cotton Gin Loop
Phoenix, Arizona 85040

RE: Proposal for Archaeological Data Recovery and Monitoring
Padilla Park at Silver King Plaza
Florence, Pinal County, Arizona

Dear Mr. Oldham,

Logan Simpson Design Inc. (LSD) is pleased to provide this proposal for archaeological investigations for Padilla Park at Silver King Plaza (Park) within the Town of Florence, Pinal County, Arizona. LSD's recent site evaluation of the Park identified eight archaeological features and recommended additional data recovery investigations. The Arizona State Museum has agreed that additional archaeological investigations are warranted to treat the discoveries and record other archaeological resources that may be present within the Park.

LSD proposes a multi-staged monitoring and excavation program in response to the Town's desire to preserve cultural resources in the Park, while at the same time expeditiously completing this important project. We propose a plan to conduct limited Phase I archaeological investigations and archaeological monitoring to efficiently complete the investigations to accommodate the construction schedule. LSD proposes a combined monitoring and excavation project approach as discussed in a meeting July 8, 2014 at Haydon Building Corporation's office. LSD believes the plan is both acceptable to the ASM and will provide a unique opportunity to engage the public in learning about the history of Florence.

We understand the time constraints for this project and are immediately available to begin work with a written notice to proceed.

Attached, please find our scope of work and cost estimate for this project. As always, if you have any questions or concerns, please feel free to contact me directly at 480-967-1343 or by email at MHackbarth@logansimpson.com.

Sincerely,

Mark Hackbarth, MA. RPA
Senior Archaeologist

SCOPE OF WORK AND FEE ESTIMATE

Archaeological Investigations within the Padilla Park at Silver King Plaza Florence, Pinal County, Arizona

Logan Simpson Design Inc.
51 West Third Street, Suite 450
Tempe, Arizona 85281
July 9, 2014

LSD's evaluation of archaeological discoveries in the project area identified eight archaeological features. In addition, the Sanborn maps depict dozens of historic structures within the project area. The Padilla Park at Silver King Plaza (Park) project has significant cultural resources that the Town of Florence (Town) wishes to preserve in place (in situ), recover archaeological information from those elements that cannot be preserved in situ, and interpret as a component of the Park for the public's enjoyment.

The proposed data recovery project will require close coordination with the Town and its design and construction contractors to preserve archaeological resources in place. LSD proposes a multi-staged work strategy including data recovery excavations of selected resources, archaeological monitoring of construction activities in locations with few archaeological resources, laboratory analyses, and report preparation. In addition, LSD will assist the Town and Haydon Building Corporation (HBC) to develop materials that will interpret the Park's historic significance for the public.

For purposes of this proposal, LSD assumes that revised plans for the Park development will include the addition of clean fill to cover archaeological resources. Archaeological investigations are not planned for locations covered with clean fill if landscaping or other activities are largely confined to the added soil layer. Data recovery excavations and archaeological monitoring are planned for portions of the Park that cannot be avoided during construction.

Scope of Work

LSD, in coordination with the Town and HBC will establish the location, schedule, and sequence for archaeological monitoring and excavations. LSD anticipates the work will involve archaeological monitoring and excavation to facilitate preservation of known resources and recover information from resources likely to be found during construction activities. LSD anticipates archaeological monitoring will be used judiciously at locations where the Sanborn maps indicate a low potential for the discovery of archaeological resources. Archaeological excavation will be used at locations with cultural resources exposed during the initial construction activities and locations where in situ preservation is not possible. The goal of the planned work is to preserve archaeological resources in place, document and record where archaeological resources are present, and document and preserve the archaeological features exposed during the initial construction activities.

At least 7 structures within Block 78 are depicted on the Sanborn maps made between 1890 and 1941. Planned developments on Block 78 are a performance stage in the northwest corner and landscaping and a fence around the block's perimeter. The stage is in the location of two

pre-1890s structures and will be the location of data recovery using hand and mechanical excavations. In addition, hand excavations will be conducted at six archaeological features in the north half of Block 78 identified during the initial construction activities. Archaeological monitoring on Block 78 will be conducted where tree plantings and piers for a perimeter fence are planned.

On Block 79 the historic Sanborn maps depict a perimeter of structures surrounding a central courtyard from 1890 to 1941. Various configurations of buildings are evident through time, but the structures largely cover the same portion of the block. Planned developments on Block 79 are a splash pad, planter, service access/parking, restrooms, tree plantings, and underground utilities.

LSD will use a mix of archaeological excavation and monitoring within Block 79. Mechanical stripping and hand excavations will explore the splash pad, service access/parking, restrooms, and tree planting locations. The tree locations will be excavated by machine as 5 ft by 5 ft squares to the top cultural resources or until a sterile soil is encountered. Hand excavation will be used within the tree locations if archaeological resources are present. A judgmental sample of the resources in the tree locations may be excavated.

Mechanical excavation of the service access/parking and restrooms will use 5-ft-wide stripping units oriented north-south and placed so as to encounter structures depicted on the Sanborn maps. The units will be excavated to the top of features or until sterile soil is encountered, but will not exceed a maximum of 18 inches deep (the planned depth of construction activities) within the footprint of the service access/parking and restrooms. A judgmental sample of the archaeological resources encountered during stripping may be excavated.

Mechanical and hand excavations will investigate the splash pad. Two 5-ft-wide stripping units will cross trench the pad's location, which generally corresponds to the 1915 Silver King Hotel rooms that were burned in 1995. A 1 m by 2 m hand excavated unit may be placed to sample the floor of the structure. Additional hand excavations may be needed if a preserved floor assemblage is present.

Archaeological monitoring is planned for construction of the underground utilities in Block 79. The utility excavations extend from the existing Silver King Hotel and planned restrooms to Ruggles Street.

LSD understands that the project area is an active construction site and LSD's archaeologists will comply with all OSHA safety requirements. LSD will minimize fugitive dust emissions during excavations with the use of water provided by HBC.

Archaeological Tasks

- 1. Project Initiation and Coordination.** Development of the Park is sponsored by the Town and involves construction of a city park on municipal land. A project specific permit from the ASM is needed for monitoring and data recovery excavations on municipal land.

LSD will coordinate with the Town and its design and construction contractors to determine areas to be set aside for preservation in place of archaeological resources and areas that cannot be avoided by construction activities. LSD will use the historic Sanborn maps to identify locations where archaeological excavations may encounter features. Coordination with the Town and HBC will establish a schedule for monitoring and excavations.

2. **Archaeological Monitoring.**

Archaeological monitoring is mainly proposed at locations where historic structures are depicted on the Sanborn maps. Thirteen tree planting locations and the proposed fence piers around the perimeter of Block 78 will be monitored during construction. Most of Block 78 will remain undisturbed and in place preservation is likely to conserve the resources that are present. Clean fill may be added to portions of Block 78 to raise the current surface and protect buried archaeological features. Monitoring will not be needed for shallow irrigation lines that will be excavated into the clean fill added to the Park.

Archaeological monitoring of utility lines on Block 79 will be conducted. The utility lines will be placed in narrow trenches and no further construction activity associated with the utilities is planned. Therefore, archaeological monitoring will be an efficient way to recover information about resources in the block with minimal disturbances to the resources.

Archaeological monitors will record soil conditions at archaeological features and native soil and will document the depth, extent, and composition of features exposed during monitoring. Photographs, scale drawings, and verbal description will be collected during monitoring. Features will be enumerated in a Feature Log and scale profile or plan drawing will be made to document size, composition, and extent of features.

3. **Archaeological Excavations.** Archaeological investigations on Block 78 will be restricted to areas that cannot be preserved in situ (such as the planned stage) or have already been exposed by construction activities (Features 1–5 and Feature 8). LSD will conduct mechanical excavations within the construction footprint of the stage and may use hand excavations if cultural resources are present at the stage. A historic structure is depicted near the planned stage on the 1890 Sanborn map and the floor or walls of the historic structure may be encountered. Excavation will sample the floor or walls within the stage's footprint to recover information about historic activities along Ruggles Street.

Hand excavations on Block 78 will be conducted at Features 1–5 and Feature 8 to recover information about historic activities along Ruggles Street. The excavations to expose portions of the glass bottle sidewalk/paths (Features 1, 2, 4, and 8), occupational surface (Feature 3), and adobe foundation (Feature 5) will identify the degree of preservation within the features, but are not designed to expose their full extent. Judgmental excavations will be conducted near the glass-bottle features to identify their extent and to assist in the addition of clean fill for in situ preservation. The excavations will recover a sample of artifacts from the features and determine their age and construction methods as well as assess their preservation.

Excavations on Block 78 will use a backhoe to rapidly expose buried features that will be carefully exposed by hand excavation. Hand excavation will be completed using ¼-inch mesh screening to recover a sample of artifacts. Excavation records will be created using standard forms, photographs, scale maps and profiles, and daily records of work.

Excavations on Block 79 are anticipated at Feature 6 (the vicinity of the splash pad), and possibly other historic structures depicted on the Sanborn maps within the service access/parking and restrooms. Privies and other structures that are depicted on the maps along Granite Street may be encountered during mechanical excavation. If such features are identified they will be sampled with hand excavation. Hand excavation will use ¼-inch

mesh screening to recover a sample of artifacts. Excavation records will be created using standard forms, photographs, scale maps and profiles, and daily work records.

Tree plantings on Block 79 are located within the footprint of historic structures and in open space adjacent to historic structures. Mechanical excavation of the proposed tree planting locations may provide information about historic activities in the courtyard formed by the hotel rooms. Mechanical excavations will stop if an archaeological feature is encountered and hand excavation will sample the exposed deposit.

LSD will conduct archaeological excavations at Feature 6 (the vicinity of the 1915 Silver King Hotel rooms burned in 1995) to assess preservation and collect a sample of artifacts associated with the structure. A backhoe will bisect the feature with 2 trenches to expose a feature profile. Hand excavation will be conducted within a 1 x 2 m unit using ¼-inch mesh screening to sample the feature fill and floor artifacts. Additional excavation may be needed if a floor assemblage is present within Feature 6.

Upon completion of the excavations LSD will provide a tour of the excavations for the interested public. Minimally, the Town Council and members of the Pinal County Historical Society and Museum will be invited to view the excavations.

- 4. Laboratory Investigations.** LSD will prepare the collected artifacts for analysis and create a database for tracking artifacts throughout the laboratory investigations. LSD will conduct analysis of artifacts collected from excavated contexts and enter the information into a database. The artifacts will be analyzed in terms of chronology, function, and manufacturing methods. Results of the analysis will be presented in the report of data recovery investigations.

Upon completion of the analyses the artifacts will be prepared for curation at an ASM-certified repository. Artifacts and project records will be prepared for curation using ASM standards.

- 5. Report Preparation**

LSD will prepare two reports for the Park project. A preliminary report will be submitted to HBC for submission to ASM. The preliminary report will be an end-of-fieldwork compliance document that will indicate the field methods used during the investigations and provide a brief summary of findings. The preliminary report will provide sufficient information to inform the ASM of field methods used and the extent of excavations and monitoring during the investigations. The report will be provided to HBC within two weeks of the completion of excavation and monitoring fieldwork.

The second report will be a detailed technical report that will summarize all excavations, artifact analyses, biological sample analyses, and specialized artifact analysis. The report will be professional quality and include maps, photographs, tables and charts to illustrate results of the field work and analyses. A draft report will be submitted for review and LSD will respond one (1) time to requests for revisions.

LSD will provide the Town and HBC with text describing the excavation methods along with photographs and maps. These items may be used to assist the preparation of signboards for interpretation of the excavation to the public. The Town and HBC staff will review the

information, photographs and maps for appropriateness to the signboards. LSD will revise the text describing the excavation one time in response to comments from the Town and HBC staff. LSD will provide text, photographs and maps for use with the interpretative signboards.

The Town and HBC will be responsible for selection of the materials to be used with the interpretative sign boards. LSD will assist HBC in selecting a location for the signboards, but is not responsible for their manufacture, installation, or post/bracket design and attachment.

Three bound paper copies and one Adobe PDF file copy of the final technical report document will be provided to HBC upon completion for submission to ASM.

6. **Schedule.** LSD understands that time is of the essence and is able to start immediately upon receipt of a notice to proceed.

Schedule

LSD understands the time constraints for this project and we are available to begin work immediately upon a written notice to proceed. Project permits will be applied for before start of the excavations. Archaeological excavations are anticipated to be completed within one week using a crew of 5 archaeologists. Archaeological monitoring of construction and landscaping activities is anticipated to require up to 20 days after completion of the excavations. LSD will complete the preliminary report within two weeks of the end of all excavation and monitoring field work. Artifact preparation and analyses is anticipated to be completed within two months following the end of all excavation and monitoring field work. However, special analyses may be needed and will require additional time. Preparation of the final draft report is anticipated to be completed within six months of the end of all field work.

Assumptions

Logan Simpson Design's cost proposal and scope of work is based on these assumptions:

1. ASM fees are anticipated for project registration, site registration, and curation of project artifacts and records.
2. The Town may facilitate curation of some artifacts at the Pinal County Historical Society and Museum or McFarland Historic State Park. However, artifacts curated at the Pinal County Historical Society and Museum or McFarland Historic State Park will be considered a long-term loan from ASM. LSD is not responsible for selecting or preparing artifacts for a long-term loan.
3. This scope of work assumes that human remains will not be encountered and a Burial Agreement from ASM is not required. If human remains are encountered, a modification to the fee will be necessary for the recovery, analysis, reporting, and repatriation of the remains and associated funerary goods.
4. LSD assumes the archaeological monitoring of utility line construction, placement of trees on the west half of the Park, and fence pier construction will require no more than 20 days of monitoring. If more than 20 days are needed for monitoring then the additional monitoring will be billed at a daily rate of \$495.60, inclusive of travel time.

5. No fee has been included for water meter, water backflow preventer, street sweeping for track out, dust abatement, SWPPP or other ground disturbing activities. LSD assumes our investigations will be covered under the existing SWPPP and dust control measures provided by HBC for the Park.
6. LSD's work will require water for dust control. Water will be provided by HBC.
7. LSD will not be responsible for backfilling or compaction of soil excavated during the archaeological investigations.
8. LSD is not responsible for removing broken glass, metal, ceramics or other potentially dangerous or hazardous artifacts from the soil. LSD will place dirt spoils with broken glass, metal, ceramics or other potentially dangerous or hazardous artifacts in a central location for removal by HBC.

| Tasks | Direct Expenses | | | | | | | | | | | | | | | | Total Labor and Exp. | | |
|---|------------------------|---------------------|-------------------|-------------------------------------|-----------------|----------------|---------------------|------------------|-------------------------------|--------------------|--------------------|---------------------|--------------------------|--------------------|-------------------|----------------------------|----------------------|---------------------|-------------|
| | Principal Investigator | Laboratory Director | Field Director | Field/Lab Archaeological Technician | Graphics/GIS | Subtotal Hours | Subtotal Costs | Mileage 0.55 | ASM site registration fee 100 | Backhoe 50 | Water Truck 70 | Report printing 200 | ASM repository fee 3,000 | ASM box fee 787 | Total station 125 | Field and lab supplies 250 | | | |
| Task 1 Project Initiation and Coordination | | | | | | | | | | | | | | | | | | | |
| Project Administration and Permitting | 2 | | | | 2 | 4 | \$ 337.32 | | 1 | | | | | | | | \$ 100.00 | \$ 432.32 | |
| Client Coordination | 4 | | | | | 4 | \$ 466.40 | | | | | | | | | | | \$ 466.40 | |
| Agency Coordination | 2 | | | | | 2 | \$ 233.20 | | | | | | | | | | | \$ 233.20 | |
| Architect/Contractor Coordination | 12 | | | | | 12 | \$ 1,399.20 | | | | | | | | | | | \$ 1,399.20 | |
| ASM Site Form and Records | | | | | 2 | 2 | \$ 99.12 | | | | | | | | | | | \$ 99.12 | |
| Project Closeout | | | | | 4 | 4 | \$ 193.24 | | | | | | | | | | | \$ 193.24 | |
| S&C Tour | 2 | | | | | 2 | \$ 233.20 | | | | | | | | | | | \$ 233.20 | |
| Subtotal Task 1 Labor | 22 | 0 | 0 | 0 | 6 | 30 | \$ 2,961.68 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ 100.00 | \$ 3,061.68 | |
| Task 2 Archaeological Monitoring | | | | | | | | | | | | | | | | | | | |
| Monitor LSD Backhoe | | | | | 11 | 11 | \$ 545.16 | | | 20 | 20 | | | | | | | \$ 3,450.00 | \$ 3,995.16 |
| Monitor HBC Block 78 | | | | | 80 | 80 | \$ 3,964.80 | | 600 | | | | | | | | | \$ 335.00 | \$ 4,300.80 |
| Monitor HBC Block 79 | | | | | 80 | 80 | \$ 3,964.80 | | 600 | | | | | | | | | \$ 335.00 | \$ 4,300.80 |
| Subtotal Task 2 Labor | 0 | 0 | 0 | 0 | 171 | 171 | \$ 8,474.76 | 1,200 | 0 | 20 | 20 | 0 | 0 | 0 | 0 | 0 | \$ 335.00 | \$ 12,586.76 | |
| Task 3 Archaeological Excavations | | | | | | | | | | | | | | | | | | | |
| Hand Excavations (splash pad) | 2 | | | | 30 | 34 | \$ 1,892.98 | | | | | | | | | | | \$ - | \$ 1,892.98 |
| Hand Excavations (privy) | 2 | | | | 18 | 20 | \$ 1,199.14 | | | | | | | | | | | \$ - | \$ 1,199.14 |
| PI Excavation (4) | 2 | | | | 24 | 26 | \$ 1,585.62 | | | | | | | | | | | \$ - | \$ 1,585.62 |
| Test Unit Excavation (2) | 2 | | | | 12 | 14 | \$ 1,000.90 | | | | | | | | | | | \$ - | \$ 1,000.90 |
| Sidewalk/Path (3) | 2 | | | | 21 | 23 | \$ 1,213.74 | | | | | | | | | | | \$ - | \$ 1,213.74 |
| Mapping | 2 | | | | 4 | 6 | \$ 1,350.66 | | | | | | | | | | | \$ 125.00 | \$ 1,475.66 |
| Transportation (4 days @ people) | 8 | | | | 32 | 40 | \$ 3,210.54 | | 480 | | | | | | | | | \$ 268.80 | \$ 3,479.34 |
| Subtotal Task 3 Labor | 18 | 0 | 20 | 0 | 139 | 155 | \$ 11,483.63 | 480 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | \$ 125.00 | \$ 11,608.63 | |
| Task 4 Laboratory Investigations | | | | | | | | | | | | | | | | | | | |
| Artifact/Sample Preparation | | 20 | | | 40 | 60 | \$ 3,556.60 | | | | | | | | | | | \$ 250.00 | \$ 3,806.60 |
| Class Analysis and report | | | | | 40 | 40 | \$ 3,459.60 | | | | | | | | | | | \$ 3 | \$ 3,462.60 |
| Metal Analysis and report | | | | | 15 | 15 | \$ 1,297.35 | | | | | | | | | | | \$ 787.00 | \$ 2,084.35 |
| Ceramic Analysis and report | | | | | 18 | 18 | \$ 1,556.82 | | | | | | | | | | | \$ 1,574.00 | \$ 3,130.82 |
| Miscellaneous Analysis and report | | | | | 16 | 16 | \$ 1,353.84 | | | | | | | | | | | \$ 787.00 | \$ 2,140.84 |
| Curator | | | | | 36 | 36 | \$ 1,784.16 | | | | | | | | | | | \$ 3,250.00 | \$ 5,034.16 |
| Subtotal Task 4 Labor | 0 | 20 | 0 | 0 | 89 | 165 | \$ 13,038.37 | 0 | 0 | 0 | 0 | 0 | 1 | 7 | 0 | 0 | \$ 9,006.00 | \$ 22,044.37 | |
| Task 5 Report Preparation | | | | | | | | | | | | | | | | | | | |
| Archival Research | | | | | 40 | 40 | \$ 3,459.60 | | | | | | | | | | | \$ 787.00 | \$ 4,246.60 |
| Diagnostic Text | | | | | 110 | 110 | \$ 9,513.50 | | | | | | | | | | | \$ - | \$ 9,513.50 |
| Synthetic Text | | 30 | | | | 30 | \$ 3,498.00 | | | | | | | | | | | \$ - | \$ 3,498.00 |
| Report Graphics | | | | | 32 | 32 | \$ 2,984.96 | | | | | | | | | | | \$ - | \$ 2,984.96 |
| EdR/QC/Revisions | | | | | 16 | 32 | \$ 3,249.44 | | | | | | | | | | | \$ - | \$ 3,249.44 |
| Signboard Text and Graphics | | | | | 15 | 24 | \$ 2,611.84 | | | | | | | | | | | \$ 200.00 | \$ 2,811.84 |
| Subtotal Task 5 Labor | 0 | 0 | 0 | 0 | 166 | 401 | \$ 25,317.94 | 0 | 0 | 0 | 0 | 1 | 0 | 1 | 0 | 0 | \$ 987.00 | \$ 26,304.94 | |
| Subtotal Labor Hours | 102 | 20 | 20 | 275 | 894 | 48 | \$ 61,256.23 | 1,680 | 1 | 20 | 20 | 1 | 11 | 8 | 1 | 0 | \$ 14,611.80 | \$ 75,868.03 | |
| Subtotal Labor Costs | \$ 511,809 | \$ 1,974 | \$ 223,785 | \$ 19,527 | \$ 4,477 | \$ 839 | \$ 61,256.23 | \$ 940.80 | \$ 100.00 | \$ 1,800.00 | \$ 1,400.00 | \$ 200.00 | \$ 3,000.00 | \$ 6,295.00 | \$ 125.00 | \$ 750.00 | \$ 14,611.80 | \$ 75,868.03 | |
| Salary Rate | \$ 119.60 | \$ 78.71 | \$ 86.49 | \$ 49.56 | \$ 93.26 | | | | | | | | | | | | | | |
| | | | | | | | \$ 61,256.23 | | | | | | | | | | | | |
| | | | | | | | \$ 14,611.80 | | | | | | | | | | | | |
| | | | | | | | \$ 75,868.03 | | | | | | | | | | | | |

July 9, 2014

Mr. Fritz Behrhorst
Haydon Building Corp
4640 E. Cotton Gin loop
Phoenix, Az. 85040

Re: Site plan changes at Padilla Park

Dear Fritz

This proposal addresses the site plan adjustments needed at Padilla Park due to the discovery of numerous antiquities. The adjustments needed were discussed in your office on 7-8-14 and primarily include the relocation of the stage, and some reconfiguration of the turf area. The adjustments also impact the grading plan which is being addressed by RPA and the electrical/lighting plan which will be addressed by Wright Engineering.

The plan adjustments and work activities required by EPG will include:

- Adjust the Site Plan to show the new stage location and the associated changes to the gates, walks, turf header and the corresponding coordinate points.
- Adjust the gate details to ensure the west gate accommodates both pedestrian and mower access. This gate should reflect the decorative treatment and brick columns originally shown on the north gate. Eliminate the north gate.
- Adjust the Landscape Plan to reflect the hardscape changes and the adjustments to the tree and shrub plantings along with the reconfigured lawn area.
- Adjust the irrigation Plan to reflect the adjustments to the plant locations and revise the irrigation spray head locations and lateral lines for the new lawn configuration. Arrange lateral lines to minimize trenching in the areas of the known antiquities.
- Develop a sign detail to support a 2x2 panel that will have interpretive information. The sign detail is intended to be used in 4 separate locations, each with varied text. The text and images will be provided by others. The graphic display panels will be laid out and produced by a signage fabricator.
- Coordinate with EPG's sub-consultants and Haydon Building Corp to expedite the development of the revised plans.

Fee Estimate:

| | |
|-----------------------------------|-------------------|
| • EPG, LLC..... | \$2,650.00 |
| • Ritoch Powell & Associates..... | \$1,000.00 |
| • Wright Engineering..... | \$300.00 |
| TOTAL..... | <u>\$3,950.00</u> |

Sincerely,



David Wilson, RLA
Director of Landscape Architecture.

**Evaluation of Archaeological Resources within Blocks 78 and 79 of the Town of Florence,
Padilla Park at Silver King Plaza Project, Florence, Pinal County, Arizona**

Prepared for:

Haydon Building Corporation

Prepared by:

Mark R. Hackbarth, M.A., RPA

Helana Ruter, M.A.



Logan Simpson Design Inc.
51 West Third Street, Suite 450
Tempe, AZ 85281

June 26, 2014

LSD Technical Report No. 145367

ABSTRACT AND MANAGEMENT SUMMARY

| | |
|-------------------------------|---|
| Report Title | Evaluation of Archaeological Resources within Blocks 78 and 79 of the Town of Florence, Padilla Park at Silver King Plaza Project, Florence, Pinal County, Arizona |
| Sponsoring Agency | Town of Florence Haydon Building Corporation |
| ASM Permit No. | 2014-007bl |
| LSD Project No. | 145367 |
| Disposition of Remains | All project-related notes, records, photographs, artifacts, and samples collected or produced during testing/data recovery will be curated at the Arizona State Museum or a local repository. |
| Project Location | Logan Simpson Design (LSD) conducted an archaeological evaluation of discoveries made within the proposed Padilla Park at Silver King Plaza (Park) project on Blocks 78 and 79 of the Town of Florence, Pinal County, Arizona. The two blocks include the historic Silver King Hotel, a historic adobe structure, and open space. The Park project is within the E½ of the NE¼ of the SE¼, Section 35, T4S, R9E, Gila and Salt River Baseline and Meridian (USGS Florence, Ariz. 7.5' 1965/1981). |
| Methods | Hand removal of construction disturbance spoils and surface inspection of exposed archaeological resources. |

Summary

LSD conducted an evaluation of archaeological resources exposed during construction activities related to the Park development within the historic Florence Town site, a historic district listed in the National Register of Historic Places (NRHP) in 1982 (#82001623). The Park is situated within Blocks 78 and 79 of the historic Florence town site and located less than 60 feet (18.3 m) south of the McFarland State Park. The historic Silver King Hotel, a building eligible for listing in the NRHP, is situated along the eastern edge of Block 79. During archaeological resources evaluation eight archaeological features were identified and recorded. A review of the historic Sanborn maps indicates architectural structures were present within the blocks as early as 1890, including two buildings identified as “vacant” and “roof falling in” suggesting considerable antiquity before the 1890 map was produced.

LSD recommends the Park APE be recorded as an archaeological site and additional archaeological investigations are recommended. Archaeological monitoring is not considered an option due to physical constraints of the APE and construction schedule (Arthur Oldham [Haydon Building Corporation] and Town of Florence Staff, personal communications 2014). However, the current construction plans for the Park may be modified to preserve portions of archaeological resources in place within the park (Mayor Tom Rankin, Arthur Oldham, and Jeffry Swan [Swan Architects], personal communications 2014). Therefore, LSD makes the following comments and recommendations:

- Evaluation of features exposed during construction indicates historic archaeological resources are present.
- Archaeological resources within Park are recommended as eligible for listing in the NRHP.
- Archival research indicates locations within the park that may contain additional preserved resources.
- Excavations are recommended within park locations identified by the archival evidence, with the caveat that if redesign of the proposed park facilities can preserve the resources in situ then excavations may not be needed.

- Archaeological excavations should sample a variety of locations on Block 79, e.g. the burned hotel (Feature 6), the courtyard behind the hotel, privies along Granite Street, and former buildings along Ruggles Street.
- Archaeological excavations should sample a variety of locations on Block 78, e.g. features exposed during construction activities (Features 1–5, and 7), and other selected locations within the block.
- Additional archival research is recommended to contextualize the archaeological discoveries. Topics of potential significance include the founding of Florence, the impact of the Economic Panic of 1873, the role of mining, farming, and ranching within the growth and development of Florence, and social history of Florence.

Phase II data recovery are recommended in locations where archival research and the current evaluation indicate the proposed investigations have good potential for making additional discoveries. Redesign of the park may provide opportunities to avoid some archaeological resources at the same time as highlighting where archaeological investigations could be conducted within the park that would be impacted by construction activities. Preservation in place is recommended for locations that will remain unaffected by the redesigned park. Depending on the depth of disturbance and potential impact to buried cultural resources, it may be possible to cover the site or leave areas untouched by construction activities.

LSD also recommends that the Town of Florence include a public education project as part of the Park improvements. Signage in the park and/or in the adjacent Silver King Market Place that describes the result of the archaeological investigations would provide opportunities for the public to learn about the town's past. Likewise, a cooperative venture with the Pinal County Historical Society and Museum would be an appropriate venue to display artifacts recovered from the park and develop a narrative of Florence's history as exemplified in the Park.

Table of Contents

| | |
|--|----|
| Introduction | 1 |
| Project Description..... | 1 |
| Project Background | 4 |
| Results of Evaluation | 6 |
| Feature Descriptions..... | 7 |
| Artifact Discussion | 12 |
| Recommendations..... | 13 |
| References Cited..... | 16 |
| Appendix A. Park Conceptual Plan | 17 |

List of Figures

| | |
|---|----|
| Figure 1. General project location. | 2 |
| Figure 2. Location of the Park. | 3 |
| Figure 3. The original Silver King Hotel, renamed the Florence Hotel ca. 1890. | 4 |
| Figure 4. 1890 Sanborn map..... | 5 |
| Figure 5. 1915 Sanborn map..... | 5 |
| Figure 6. The Silver King Hotel in 1991 showing the rear adobe sections. Photo by Robert Stryker..... | 6 |
| Figure 7. Overview of the proposed Park, view to southeast..... | 7 |
| Figure 8. Park discoveries. | 9 |
| Figure 9. Feature 1, view to north..... | 10 |
| Figure 10. Feature 2, view to west. | 10 |
| Figure 11. Feature 4, view to south..... | 11 |
| Figure 12. Footer (Feature 6) and burned layer situated to the left of the footer, view to south..... | 11 |
| Figure 13. Feature 7, view to west. | 12 |
| Figure 14. Cartridge on occupation surface, north side of Feature 2..... | 14 |
| Figure 15. Earthenware sherds at northeast end of Feature 2, on occupational surface. | 14 |

List of Tables

| | |
|----------------------------|---|
| Table 1. Feature list..... | 8 |
|----------------------------|---|

INTRODUCTION

Haydon Building Corporation (HBC) requested Logan Simpson Design Inc. (LSD) conduct an archaeological evaluation of construction disturbances that exposed glass bottles within the Padilla Park at Silver King Plaza (Park) project area (Figure 1). The Park project (Appendix A) is funded with general funds of the Town of Florence and is located within the Florence Historic Town Site, a district listed in the National Register of Historic Places (NRHP). The Town of Florence is also a Certified Local Government and the Park is within a locally-defined historic district. The Park is adjacent to the historic building currently known as Silver King Market Place, which received Heritage Funds in 2000 for stabilization. The park is bounded on the north by Ruggles Street (formerly Fifth Street), Sixth Street on the south, Main Street on the east, and Quartz Street on the west (Figure 2). The former alignment of Granite Street divides the proposed park into two equal-sized east and west units, each 165 ft by 165 ft (50 m by 50 m).

Archaeological evaluation of the discoveries was undertaken within Blocks 78 and 79, an approximate 1.2-acre parcel that includes the historic Silver King Market Place and one adobe outbuilding. The Silver King Market Place is the current name for the historic Silver King Hotel, which replaced the Florence Hotel after it burned in 1894. The park is located within the E½ of the NE¼ of the SE¼ of Section 35, T4S, R9E Gila and Salt Rivers Baseline and Meridian (USGS Florence, Ariz. 7.5' 1965/1981).

Construction activities started on June 19, 2014 but were suspended the same day following the discovery of large numbers of bottles at three separate locations within Block 78 of the Park project. HBC did an initial assessment of the extent of the bottles that indicated the three locations of the bottles were over a 50–65 foot (15–20 m) location in the northern portion of Block 78. In addition, HBC identified two separate foundations along Sixth Street—one on Block 78 and the other on Block 79—both appear to be historic.

PROJECT DESCRIPTION

The Town of Florence requested HBC evaluate the discoveries and determine appropriate action for the Park discoveries. HBC contacted the Arizona State Historic Preservation Office (SHPO), which referred HBC to the Arizona State Museum (ASM). Dr. Todd Pietzel, Curator at the ASM, requested that HBC hire an accredited archaeological firm to conduct an evaluation of the discoveries. HBC contracted with LSD to conduct an evaluation, which was completed on June 23, 2014. The evaluation of archaeological resources and inspection of the APE was conducted by Mark R. Hackbarth, M.A., RPA.

The evaluation consisted of mapping the perimeter of the Park project, a judgmental survey of the area of potential effects (APE); inspecting trench profiles; cleaning and removing loose fill at the bottle discoveries; photographing the bottle discoveries; sample in-field analysis of maker's marks; and mapping the location of features exposure during construction. A review of historic Sanborn maps was completed for the APE and compared to the location of the archaeological discoveries. LSD also consulted the National Register Information System database.

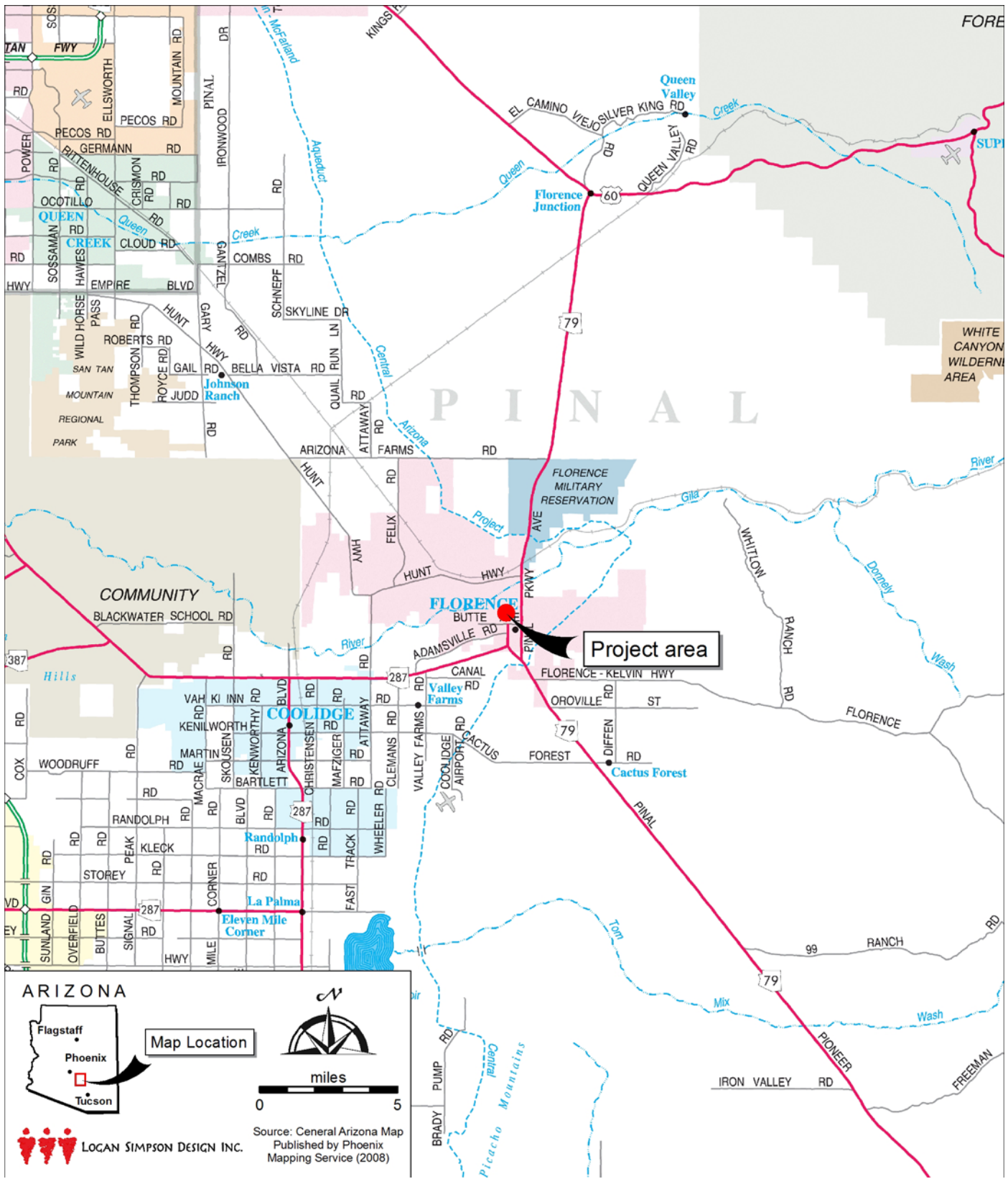
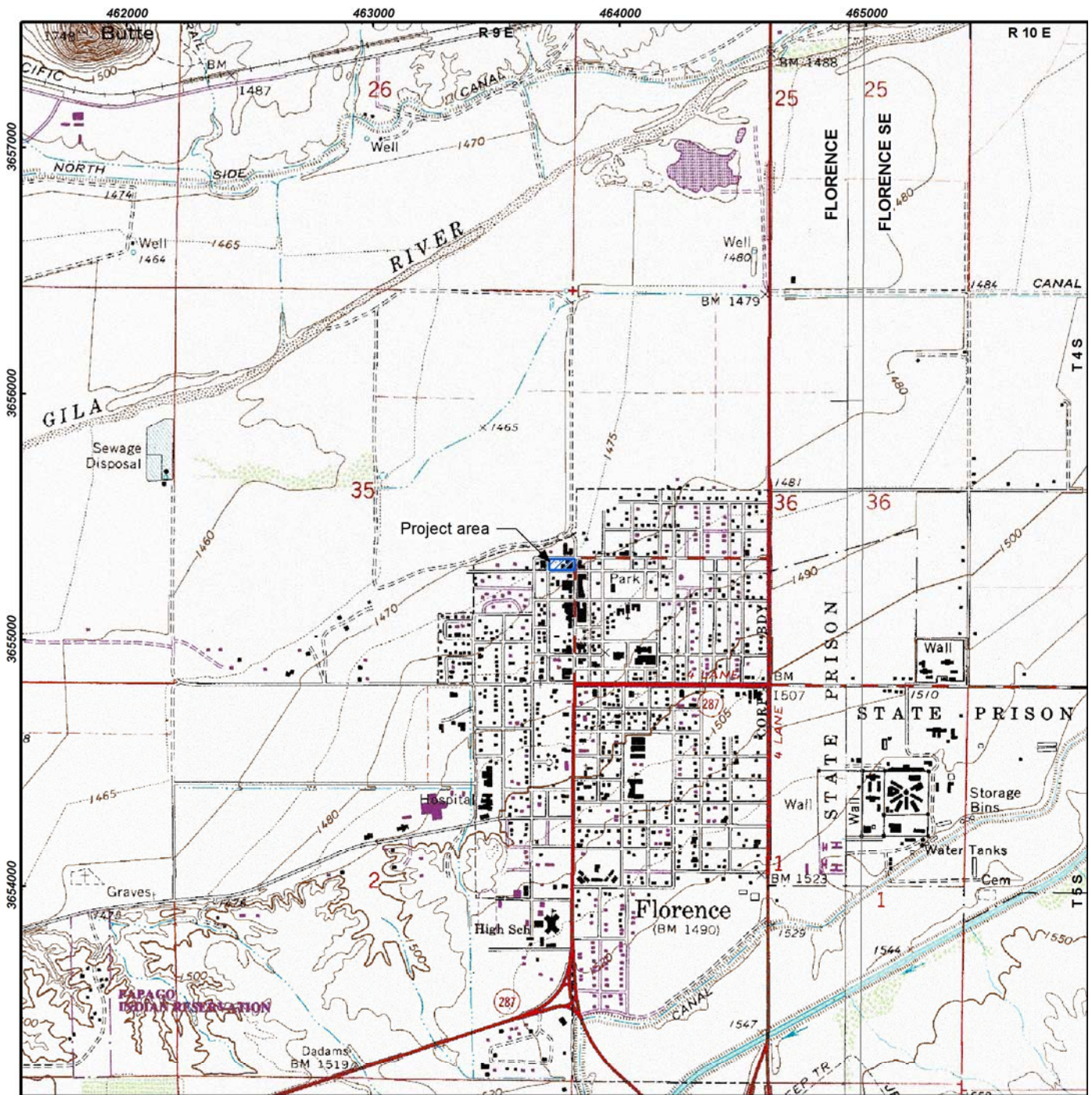


Figure 1. General project location.



Source: USGS 7.5' Quadrangles:
 Florence, Ariz. (1982) and
 Florence SE, Ariz. (1991);
 NAD 1983, UTM Zone 12

Key
 Project area

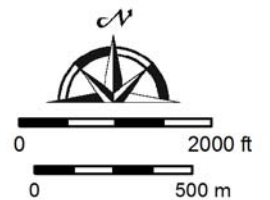


Figure 2. Location of the Park.

LSD discussed the Park construction activity with HBC's Senior Project Manager, Arthur Oldham, Jeffrey Swan, Principal of Swan Architects, and Florence's Mayor, Tom Rankin. Mayor Rankin is a long-time resident of Florence and provided information about buildings that were formerly within the APE.

PROJECT BACKGROUND

The Park project area is adjacent to the currently named Silver King Market Place, a historic structure located on Block 79 of the Florence town site. The market place previously was named the Silver King Hotel, constructed ca. 1876 by William Long, a co-owner of the Silver King Mine near Globe. With the decline of the mine and ultimate closure in 1890, the hotel was re-branded the Florence Hotel (Figure 3).



Figure 3. The original Silver King Hotel, renamed the Florence Hotel ca. 1890.

The 1890 Sanborn map illustrates the Florence Hotel as an L-shaped adobe "Hotel" that wrapped the southeast corner of Block 79 from Main Street to 6th Street (Figure 4). The building was noted as having a kitchen, dining room, bar, and office with rooms on the 6th Street side of the block. The building in its entirety was one story. Unnamed buildings/structures lined Fifth Street from the northwest corner of the lot. Privies are located along the northeastern portion of Granite Street.

The adjacent Block 78 possessed buildings/structures located on the northwest, northeast, and southwest corners of the block. The building at the northeast is noted as "Tailor" and "dwg" and there is a note on the northwest corner that a building/structure has a "roof falling in" as well as a building listed as vacant, indicating that early use on the block was followed by abandonment by 1890.

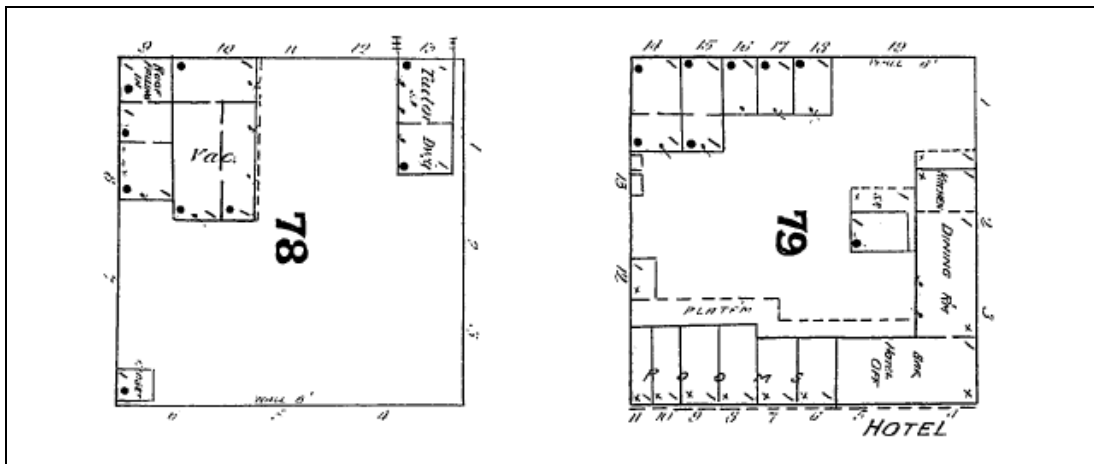


Figure 4. 1890 Sanborn map.

In 1894, a fire struck the hotel destroying the eastern portion of the hotel containing the dining room and bar. The western portion of the building was severely damaged leaving only the walls. Between 1898 and 1911 the western portions of the hotel fronting Sixth Street were re-constructed with adobe walls and a second story was added to the westernmost portion of the building by 1915.

The 1898 Sanborn map of Block 78 shows the former Tailor/dwelling as "rooms" with a building and attached corral at the northwest corner of the block as well as structures listed as having "no roofs." By 1911, these buildings and structures had been demolished and replaced with hay warehouses. The 1915 Sanborn map indicates considerable development on Block 79, but much less on Block 78 (Figure 5). By 1941, the block was vacant of buildings and structures.

The hotel fell into disrepair and caught fire in 1995 destroying the roof. The Florence Preservation Foundation raised the funds to purchase and rehabilitate the building which re-opened as a multi-use commercial space in 2009 (Figure 6).

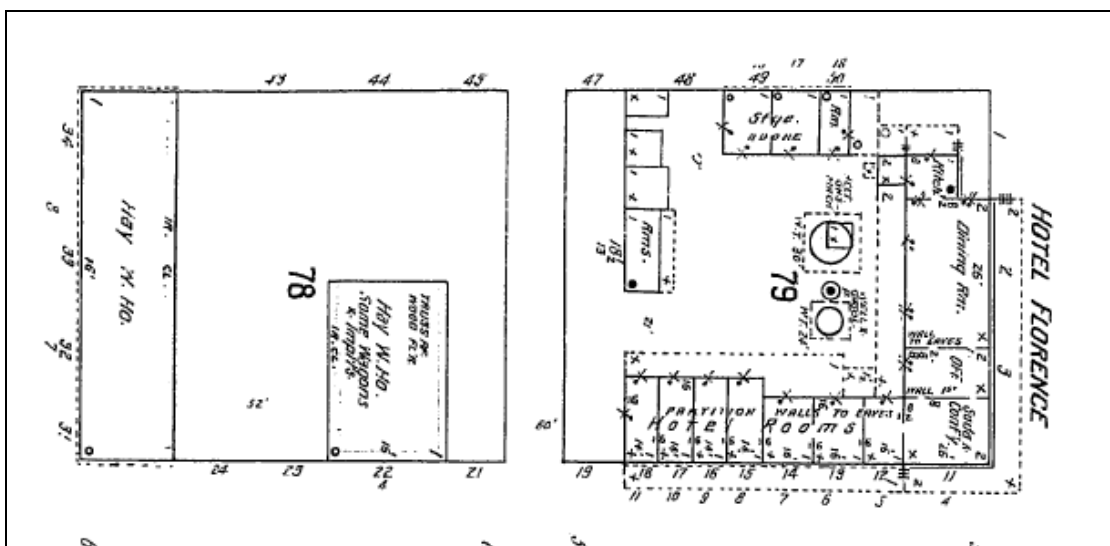


Figure 5. 1915 Sanborn map.



Figure 6. The Silver King Hotel in 1991 showing the rear adobe sections. Photo by Robert Stryker.

RESULTS OF EVALUATION

Inspection of the APE began with examining the elevation and slope of the parcel. The highest point of the ground surface is in the southeast corner, adjacent to the Silver King Market Place's foundation, on Block 79. The ground level slopes away from the structure and is estimated to be 50 cm lower on the north side of Block 79 than the high point along Sixth Street (Figure 7). Block 78 has a level surface and generally has a lower elevation than Block 79. The condition of the APE gives the appearance of a natural terrace sloping towards the Gila River, to the north.

Construction activities in the park include removal of Granite Street's pavement and sidewalks. In addition, two small trenches were excavated on Block 79 for new utilities. A small trench was previously excavated near the intersection of Sixth and Granite streets, east of Granite Street. A second trench was excavated near the Ruggles and Granite streets intersection for an underground telephone line installation.

Construction within Block 78 started with the removal of up to 40 cm of soil in a narrow 2-m wide band that parallels Ruggles and Quartz streets from the north half of Block 78. Soil from this disturbance was added to the south half of the block. The excavations in Block 78 affected an area measuring less than 2 m by 50 m before artifacts were encountered and work activities were stopped.



Figure 7. Overview of the proposed Park, view to southeast.

An inspection completed on June 23, 2014 identified eight features (Table 1; Figure 8). Dozens of artifacts, mainly glass bottles, were part of the features on Blocks 78 and 79.

FEATURE DESCRIPTIONS

Eight historic archaeological features were identified within construction disturbances to Blocks 78 and 79 of the Florence town site (see Table 1). The documented features include three sidewalks or paths constructed of multiple materials.

Feature 1 consists of a north-to-south alignment of glass bottles oriented vertically and up-side-down in a sandy matrix (Figure 9). The bottles were placed contiguous to each other and create a level surface with a variable width. The feature extends to the south an unknown distance into an undisturbed portion of the APE, but the north end has been truncated by construction activities.

Feature 2 is a sidewalk or path constructed with two parallel rows of bottles placed up-side-down and canted outward towards the top. The space between the rows of bottles consisted of an adobe surface (Figure 10). The east end of the feature is truncated by construction activities and the west end extends an unknown distance into an undisturbed portion of the APE.

Table 1. Feature list.

| Feature | Feature type | Exposed dimensions (approximate) | Age | Comment |
|---------|--|----------------------------------|------------------------|--|
| 1 | Sidewalk/path, bottles | 3-4 m by 1.2 m | Post 1870 ^a | Curving alignment, generally north-to-south, ca. 20 cm below the modern ground surface. |
| 2 | Sidewalk/path, bottles and adobe | 2 m by 0.9 m | Post 1870 ^a | Straight alignment oriented east-to-west |
| 3 | Occupational surface | 3 m by 3 m | Post 1870 ^a | Earthenware fragment and cartridge on surface that surrounds Feature 2. |
| 4 | Bottle concentration, possible sidewalk/path | 2 m by 0.8 m | Post 1870 ^a | Glass and stoneware artifacts crushed during construction activities. |
| 5 | Adobe wall/footer and floor | 0.3 m by 1 m | Unknown | Possibly the east wall of a structure on 1890 Sanborn identified as Vacant (10 East Fifth Street). |
| 6 | Concrete and malpais footer | 42 by 0.5 m | Ca. 1876 | L-shaped footer along Sixth and Granite streets composed of concrete and malpais rock. Within excavation next to concrete footer is burned and charred wood and metal. Concrete footer along Granite Street is badly weathered cement matrix with variable size aggregate. Malpais rock used as footer exposed along Sixth Street is probably a foundation for the Florence Hotel, which burned in 1894. |
| 7 | Concrete footer | 6.7 m by 0.3 m | Pre-1911 ^b | Stem wall is badly weathered and consisted of aggregate of variable size in a weakly-cemented matrix. |
| 8 | Bottle base, possible sidewalk/path | 0.3 m diameter | Post 1870 ^a | Possible continuation of Feature 4. No exploration was completed at the feature, which was identified as 7 bottle bases less than 1 cm below the current ground level. |

^a Date based on artifact analysis and most likely age of deposition.

^b Date based on Sanborn map.

North and south of Feature 2 is an occupation surface (Feature 3) that is at the same level as the upper elevation of the bottles. The feature is represented by a thin, discontinuous layer of charcoal-stained soil with some sand. Three earthenware sherds and one cartridge were found on the historic surface.

Feature 4 is a massive deposit of broken glass exposed during mechanical excavation (Figure 11). Fragments of bottles in the north and south sides of the trench are oriented up-side-down and appear to form a sidewalk or path similar to Feature 1. The disturbed back dirt of Feature 4 also included fragments of adobe; an adobe footer (Feature 5) is present in the north profile of the construction trench just west of the glass. The adobe footer extends south into the construction disturbance an unknown distance and may be associated with a floor or wall melt found while clearing loose soil from the excavation.

Feature 6 is a footer made of two materials. The section along Granite Street is concrete with a worn surface (Figure 12). An excavation for a modern utility next to Feature 6 exposed a 35-cm-thick layer of burned wood, daub, and metal. The footer along Sixth Street includes malpais rock set in concrete. Both materials are close to the modern sidewalk or street and are probably associated with the historic Silver King Hotel.

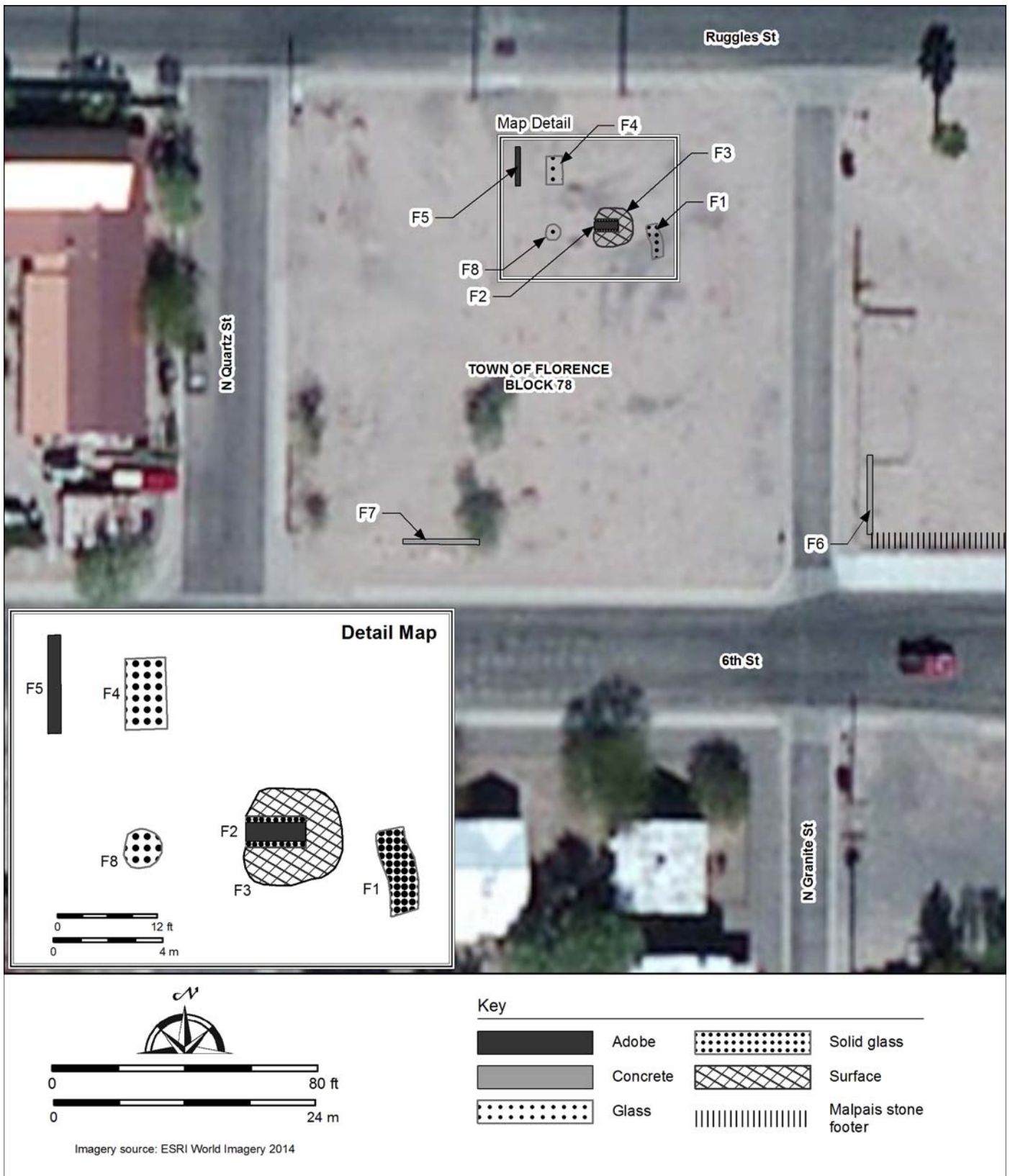


Figure 8. Park discoveries.



Figure 9. Feature 1, view to north.



Figure 10. Feature 2, view to west.



Figure 11. Feature 4, view to south.



Figure 12. Footer (Feature 6) and burned layer situated to the left of the footer, view to south.

Feature 7 is a weathered concrete footer in the southwest corner of the park near the intersection of Quartz and Sixth Street (Figure 13). A cross section of the footer exhibits aggregate of various sizes in a weakly cemented matrix. The footer is likely related to a “Hay Warehouse” depicted on the 1911 Sanborn map. During the field assessment, Mayor Rankin related that he remembered a structure being present when he was younger. The structure is not depicted on the 1941 Sanborn map.



Figure 13. Feature 7, view to west.

Feature 8 is an isolated group of seven or more bottle bases located south of Feature 4. The intervening ground surface between Features 4 and 8 has not been excavated and it is unknown whether the bottles are a continuation of the same feature.

ARTIFACT DISCUSSION

In-field analysis was conducted on a judgmental sample of glass bottles. All artifacts were left at the work site and no collections were made. In general, the artifacts suggest a mid- to late-nineteenth century date of manufacture.

Maker's marks were recorded from the base of 15 bottles in Feature 1 without removing the bottles from the soil. The most common maker's mark was found on six vessels: "A/DeSGCo," which is probably from the DeSteiger Glass Company (1878–1882) (Lindsey 2014). Three maker's marks were "H" and although

there are multiple manufacturers that used this symbol, all of their dates of business are later than the expected age of the feature, therefore the manufacturer is unidentifiable. One bottle had a mark of "+/MGCo" and another "MGCo," both are likely used by the Mississippi Glass Co. and represent a manufacturing age of 1878–1884. One vessel had an "A" as a mark that possibly represents John Agnew & Sons (1872–1876) or Agnew & Co (1876–1893) or Adams & Co (1865–1875). One recorded mark of "I/MIL" likely represents a manufacture in Milwaukee. Two bottles have "41/DS," which is an unknown bottle manufacturer. Other marks were present, but the condition of the glass made it difficult to conclusively identify the mark. All but three bottles were dark brown and likely represent beer or whiskey containers. One vessel is dark green glass and has a kick up, a common feature of wine bottles. One aqua-colored bottle fragment was found displaced on the surface and one finish from a medicine bottle was present.

Five nearly complete bottles that were from previously removed from Feature 1 were examined for evidence of manufacturing methods. The inspected vessels indicate the bottles were manufactured using turn paste molds, a finishing tool, and most often had either a base mold or post bottom mold. Turn paste molding began as early as 1865, but improvements to the method were patented in the 1870s and 1880s and contributed to its wide-spread use. Turn paste molds continued in use to the 1920s (Jones and Sullivan 1989:30–31). The lip and finish of the vessels were worked with wooden tools to form a smooth surface, which was a common method used from the 1820s to the 1920s (Jones and Sullivan 1989:42–43).

All but five of the artifacts identified during the evaluation were glass bottles likely used as beer or whiskey containers. The exceptions are one gun cartridge (Figure 14), one stoneware bottle finish (probably an ale or stout container), one glass medicine bottle finish, one metal can, and three fragments of earthenware, possibly representing an olla (Figure 15).

RECOMMENDATIONS

LSD completed an evaluation of cultural resources exposed during construction activities within the proposed 1.2-acre Park development in Florence, Pinal County, Arizona. The Park is located within the NRHP-listed Florence Town Site district, within Blocks 78 and 79 of the town site. The discoveries likely date to the mid- to late-nineteenth century, based on the manufacturing date of artifacts and archival records. The 1890 Sanborn map for the park area indicate Block 78 was used as a warehouse or vacant land except for four building, two of which were vacant or dilapidated. Sanborn maps of Block 79 indicate a hotel and small rooms; archival information suggests the hotel was constructed ca. 1876. The Sanborn maps provide evidence for intensive commercial use of Block 79 from 1898 to 1941; Block 78 has evidence of small structures and vacant land from 1890 to 1941.

Eight archaeological features identified during the evaluation are within the Park and have good- to excellent preservation. Damage to Block 78 from construction activities is minimal and covers less than 0.08 acre, whereas the existing hotel and outbuilding on Block 79 cover less than 0.2 acre. Therefore, nearly 0.9 acres of the Park APE is relatively undisturbed.



Figure 14. Cartridge on occupation surface, north side of Feature 2.

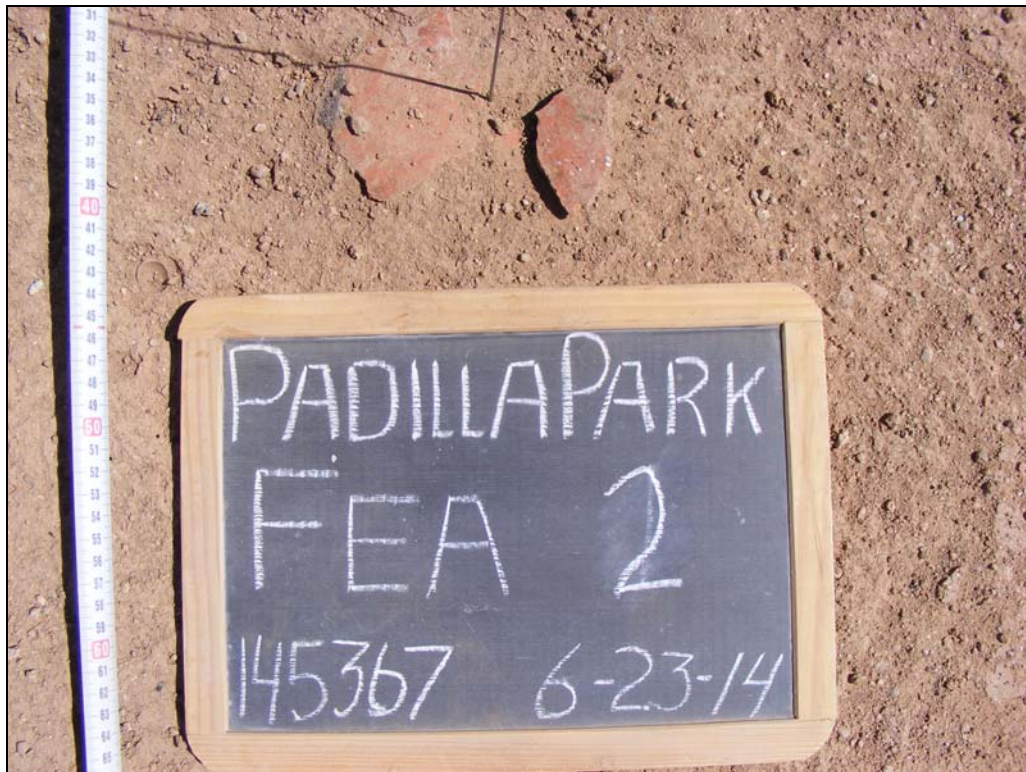


Figure 15. Earthenware sherds at northeast end of Feature 2, on occupational surface.

LSD recommends the Park APE be recorded as an archaeological site and additional archaeological investigations should be conducted within the site. Archaeological monitoring is not considered an option due to physical constraints of the APE and construction schedule (Arthur Oldham and Town of Florence staff, personal communication 2014). However, the current construction plans for the Park may be modified to preserve portions of archaeological resources in place within the park (Mayor Tom Rankin, Arthur Oldham, and Jeffrey Swan, personal communications 2014). Therefore, LSD makes the following comments and recommendations:

- Evaluation of features exposed during construction indicates historic archaeological resources are present.
- Archaeological resources within the Park are recommended as eligible for listing in the NRHP.
- Archival research indicates locations within the park that may contain additional preserved resources.
- Excavations are recommended within the Park locations identified by the archival evidence, with the caveat that if redesign of the proposed park facilities can preserve the resources in situ then excavations may not be needed.
- Archaeological excavations should sample a variety of locations on Block 79, e.g. the burned hotel (Feature 6), the courtyard behind the hotel, privies along Granite Street, and former buildings along Ruggles Street.
- Archaeological excavations should sample a variety of locations on Block 78, e.g. features exposed during construction activities (Features 1–5, and 7), and other selected locations within the block.
- Additional archival research is recommended to contextualize the archaeological discoveries. Topics of potential significance include the founding of Florence, the impact of the Economic Panic of 1873, the role of mining, farming, and ranching within the growth and development of Florence, and social history of Florence.

Phase II data recovery are recommended in locations where archival research and the current evaluation indicate the proposed investigations have good potential for making additional discoveries. Redesign of the park may provide opportunities to avoid some archaeological resources at the same time as highlighting where archaeological investigations could be conducted within the park that would be impacted by construction activities. Preservation in place is recommended for locations that will remain unaffected by the redesigned park. Depending on the depth of disturbance and potential impact to buried cultural resources, it may be possible to cover the site or leave areas untouched by construction activities.

LSD also recommends that the Town of Florence include a public education project as part of the Park improvements. Signage in the park and/or in the adjacent Silver King Market Place that describes the result of the archaeological investigations would provide opportunities for the public to learn about the town's past. Likewise, a cooperative venture with the Pinal County Historical Society and Museum would be an appropriate venue to display artifacts recovered from the park and develop a narrative of Florence's history as exemplified in the Park.

REFERENCES CITED

Jones, O. and C. Sullivan

1989 *The Parks Canada Glass Glossary for the Description of Containers, Tableware, Closures, and Flat Glass*. National Historic Parks and Sites, Canadian Park Service, Ottawa.

Lindsey, B.

2014 *Glassmaking and Glassmakers: Bottle and Glass Makers Markings*. Electronic document at <http://www.sha.org/bottle/makersmarks.htm> accessed June 24, 2014.

APPENDIX A. PARK CONCEPTUAL PLAN

edg

PADILLA PARK
at Silver King Marketplace

4500 West
Florence, AZ 85002

Site:
Town of
Florence

4500 West
Florence, AZ 85002

CONTACT:
Mike Deane, AIA
202-898-7846
mdeane@edg.com

OWNER:
Hayden
Building Corp.

ARCHITECT:
Curtis J. Saxe
CONTACT:
Phil Saxe
202-898-7846
psaxe@edg.com

DATE:
March 2011

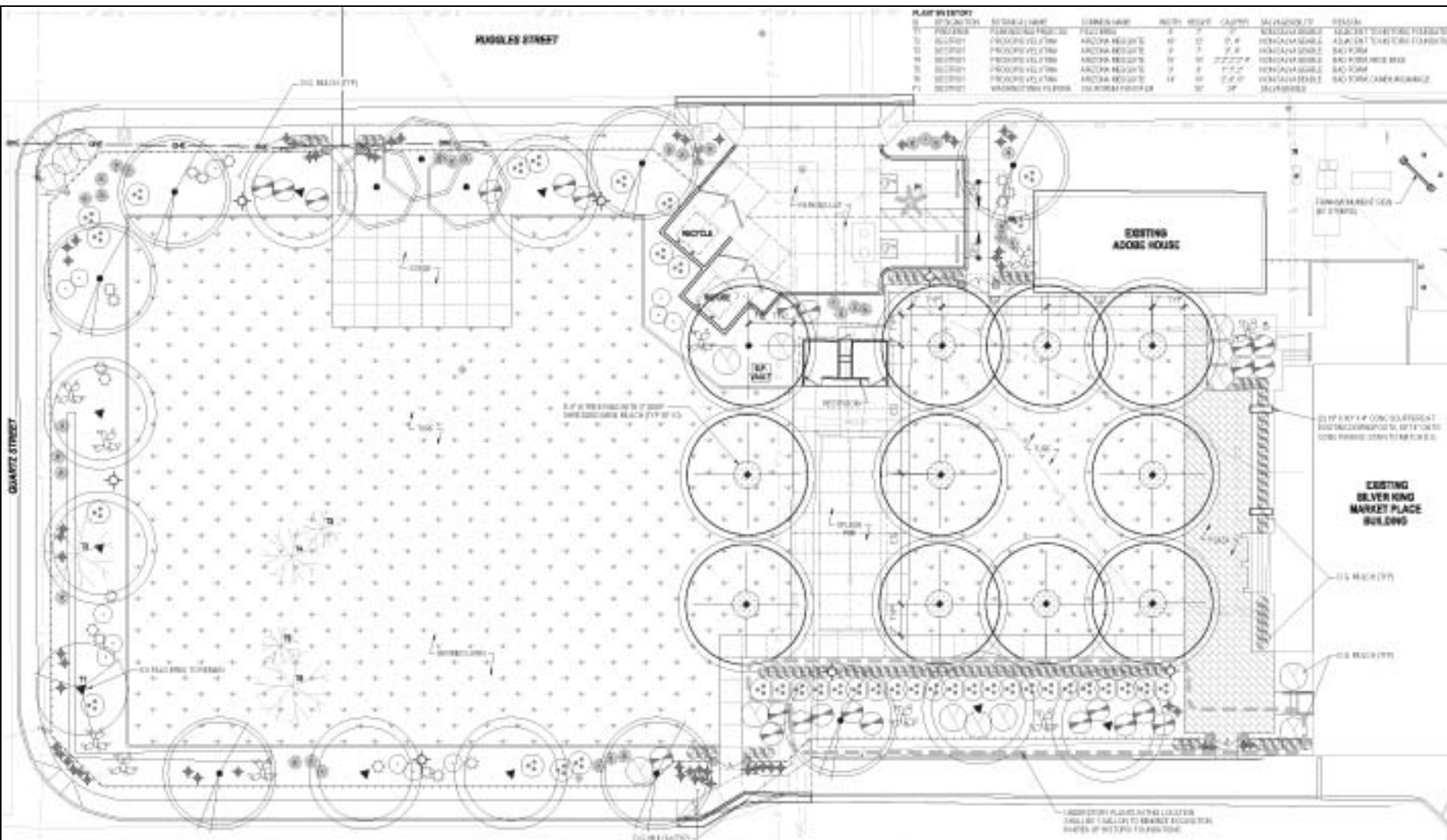
SCALE:
1" = 10'

LANDSCAPE PLAN

Sheet No.
11-UP-18

PLANT SCHEDULE

| NO. | SYMBOLOGY | PLANT NAME | COMMON NAME | HEIGHT | WIDTH | DEPTH | PLANTING NOTES |
|-----|-----------|------------|-------------|--------|-------|-------|----------------|
| 1 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 2 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 3 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 4 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 5 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 6 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 7 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 8 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 9 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 10 | | PROPOSED | PROPOSED | | | | SEE NOTES |
| 11 | | PROPOSED | PROPOSED | | | | SEE NOTES |



NEST MATERIAL

RECOMMENDED QUANTITY IS BASED ON THE SUPPLIER'S RECOMMENDATION FROM QUANTITY TAKE OFF. SEE THE SUPPLIER'S WEBSITE FOR THE LATEST RECOMMENDATIONS. QUANTITIES MAY VARY DUE TO CHANGES IN MATERIALS AND/OR QUANTITIES. QUANTITIES SHOWN ARE APPROXIMATE AND SHOULD BE VERIFIED BY THE CONTRACTOR.

| SYMBOL | PLANT NAME | COMMON NAME | SIZE | QTY |
|----------|------------|-------------|---------|-----|
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |

LEGEND

| SYMBOL | DESCRIPTION |
|----------|-------------|
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |
| (Symbol) | PROPOSED |

SHRUBS & SPECIES

| SYMBOL | PLANT NAME | COMMON NAME | SIZE | QTY |
|----------|------------|-------------|---------|-----|
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |
| (Symbol) | PROPOSED | PROPOSED | 12" DIA | 1 |

NOTES

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TOWN OF FLORENCE COUNCIL ACTION FORM

AGENDA ITEM 15f.

MEETING DATE: July 21, 2014

DEPARTMENT: Administration

STAFF PRESENTER: Lisa Garcia
Deputy Town Manager/Town Clerk

SUBJECT: Town Manager Employment Agreement

- Action
 Information Only
 Public Hearing
 Resolution
 Ordinance
 Regulatory
 1st Reading
 2nd Reading
 Other

RECOMMENDED MOTION/ACTION:

Motion to approve the employment agreement between the Town of Florence and the Town Manager.

BACKGROUND/DISCUSSION:

An executive session was held on July 7, 2014, pursuant to A.R.S. § 38-432.03(A)(1), to discuss the employment agreement of the Town Manager, Charles A. Montoya.

Some of the points of the agreement include:

- Three year agreement commencing on July 21, 2014 through June 30, 2017
- Thirty day notice for voluntary resignation, unless otherwise agreed to by the parties in writing
- Four month severance package
- Removal of vehicle allowance and provides a Town vehicle
- Sick and vacation leave accrual same as other employees
- Medical, dental, life, and vision benefits same as other employees

FINANCIAL IMPACT:

The Town agrees to compensate the Town Manager, pursuant to the agreement, an annual salary of \$130,000.

STAFF RECOMMENDATION:

Staff recommends approval of the employment agreement.

ATTACHMENTS:

Town Manager Employment Agreement

EMPLOYMENT AGREEMENT TOWN MANAGER

THIS AGREEMENT is made and entered into this 21st day of July, 2014, by and between the **Town of Florence**, an Arizona municipal corporation, hereinafter referred to as the "Town" or as "Employer", and **Charles A. Montoya**, hereinafter referred to as "Employee" or the "Town Manager", both of whom understand and agree as follows:

Whereas, Arizona Revised Statutes ("A.R.S."), § 9-303(A), allows the Town to create the office of Town Manager; and

Whereas, A.R.S. § 9-303(B) allows the Town to specify the powers and duties relating to the affairs of the Town Manager; and

Whereas, the Town has established the office of the Town Manager pursuant to Florence Town Code § 31.065; and

Whereas, the Town desires to hire Employee as Town Manager; and

Whereas, Employee desires to serve as Town Manager; and

Whereas, it is the intention of the parties hereto to provide for the terms and conditions by which the Town shall receive the services of Employee and to provide for him to remain in such employment; to make possible full work productivity by assuring his morale and peace of mind with respect to future security; to deter against malfeasance or dishonesty for personal gain on his part; and to provide for terminating his services at such time as he may be unable to fully discharge his duties or when the Town may otherwise desire his separation from service.

NOW THEREFORE, in consideration of the mutual consideration and covenants herein contained, the receipt and sufficiency of which is acknowledged by the Town and Employee, the parties hereto agree as follows:

Section 1: Term

A. The initial term of this Agreement shall be from July 1, 2014 until June 30, 2017.

Section 2: Duties and Authority

Employer agrees to employ Charles A. Montoya as Florence Town Manager to assume the powers and perform the functions and duties specified in Florence Town Code §§ 31.065 and 31.071 and to perform other legally permissible and proper functions, including but not limited to, budgetary and fiscal responsibility for the Town, departmental oversight and supervision, and community relations. Employee further

agrees to discharge such responsibilities according to the standards and in the manner customary to the profession of municipal management. Employee agrees that he will, at all times, exercise the appropriate degree of professional care in the discharge of his duties, that he will keep the Mayor and Florence Town Council fully informed as to matters which are of concern to the Council, and will endeavor to effectively manage the Town's municipal departments and employees.

Section 3: Compensation

- A. Base Salary: Employer agrees to pay Employee an annual base salary of \$130,000.00 [One Hundred Thirty Thousand Dollars], payable in installments at the same time and in the same manner that other management employees of the Town are paid.
- B. This Agreement shall be automatically amended to reflect any salary adjustments, cost of living increases, or other payments which are provided in the Town's discretion or required by the Town's compensation policies to be paid to the classified employees of the Town.
- C. Notwithstanding anything in this Agreement to the contrary, consideration shall be given on an annual basis to an increase in Employee's compensation if so requested by Employee.

Section 4: Health, Disability and Life Insurance Benefits

- A. Employer agrees to provide and to pay the premiums for health, hospitalization, surgical, dental, vision and comprehensive medical insurance for Employee and his dependents in the same amounts and in the same manner as provided to all other employees of the Town.
- B. Employer agrees to put into force and to make the required premium payments for long term disability coverage for Employee in the same amounts and in the same manner as provided to all other employees of the Town.
- C. Employer shall pay the amount of premium due for life insurance in the same amounts and in the same manner as provided to all other employees of the Town.
- D. Employee may elect to submit to any medical examinations which are provided without application of a deductible under the Town's health insurance plan in the same manner as any other employee of the Town.

Section 5: Vacation, Sick, and Military Leave

- A. Employee shall accrue vacation leave in the amount of 13.34 hours per month and sick leave in the amount of 8 hours per month.
- B. The Employee is entitled to accrue unused vacation leave in the maximum amount and in the same manner as all other employees of the Town. In the event Employee is terminated from employment, either voluntarily or involuntarily, Employee shall be compensated for all unused vacation leave to date.
- C. The Employee shall be entitled to military reserve leave time pursuant to state law and Town policy.

Section 6: Town Vehicle

In lieu of a vehicle allowance, Employer agrees to provide Employee with a suitable Town vehicle for the use of Employee in the course and scope of his employment.

Section 7: Retirement

Employer agrees to enroll Employee in the Arizona State Retirement System (“ASRS”) and to make all appropriate contributions of the Employer’s share as required by state law and Town policy. Employer shall deduct Employee’s share from Employee’s salary and make the required contribution of Employee’s share to ASRS in the same manner as all other employees of the Town.

Section 8: General Business Expenses

A. Employer agrees to budget for and to pay for professional dues and subscriptions of the Employee necessary for continuation and full participation in national, regional, state and local associations or other organizations necessary and desirable for the Employee’s continued professional participation, growth and advancement, and for the good of Employer.

B. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for professional and official travel, meetings and other occasions to adequately continue the professional development of Employee and to pursue necessary official functions for Employer, including but not limited to the Arizona League of Cities and Towns, and such other national, regional, state and local governmental groups and committees in which Employee serves as a member.

C. Employer agrees to budget for and to pay for travel and subsistence expenses of Employee for short courses, institutes and seminars that are necessary for Employee’s professional development and for the good of the Employer.

D. Employer recognizes that certain expenses of a non-personal but job related nature are incurred by Employee, and agrees to reimburse or to pay said general expenses. The Town Finance Director is authorized to disburse such moneys upon receipt of duly executed expense or petty cash vouchers, receipts, statements or personal affidavits.

E. The Employer acknowledges the value of having Employee participate and be directly involved in local civic clubs or organizations. Accordingly, Employer shall pay for the reasonable membership fees and/or dues to enable Employee to become an active member in local civic clubs or organizations for the good of the Employer.

Section 9: Termination

A. Employee acknowledges and agrees that the Town may terminate Employee at any time during the term of this Agreement, without any cause whatsoever.

Therefore, for the purposes of this Agreement, termination shall occur when:

- B. At least four (4) members of the Florence Town Council vote to terminate the Employee at a duly authorized public meeting.
- C. The Employer, citizens, or state legislature act to amend any provisions of the Town Code or state law pertaining to the role, powers, duties, authority or responsibilities of the Employee's position that substantially changes the form of government.
- D. The Employer reduces the base salary, compensation or any other financial benefit of the Employee, unless such reduction is applied in no greater percentage than the average reduction of all department heads of the Town.
- E. If Employee voluntarily resigns his position as Town Manager before the expiration of any term of this Agreement, then Employee shall give the Town at least thirty (30) days notice in advance of such resignation, unless otherwise agreed to by the parties in writing. In such case, Employee shall not be entitled to the payment of any severance pay whatsoever and the provisions of Section 10 below shall be inapplicable.

Section 10: Severance

- A. Severance shall be paid to Employee when his employment is terminated as defined in Section 9 above and at such time he is willing and able to perform his duties under this Agreement.
- B. If the Employee is so terminated, the Employer shall provide a minimum severance payment equal to four months salary at the current rate of pay. This severance pay shall be payable in the same periodic manner as the Employee was paid prior to termination. Severance pay shall include the payment of health insurance, life insurance and retirement benefits. However, payment of these emoluments shall cease at such time that Employee becomes re-employed. "Re-employment" is defined for purposes of this section as the date as of which Employee has received an offer of employment which has been accepted by employee.
- C. Notwithstanding the above, if Employee is terminated because of conviction of any felony or a misdemeanor offense involving moral turpitude, Employer shall have no obligation to pay any severance pay to Employee whatsoever.
- D. As a condition precedent to receiving any severance payment described above, Employee agrees to execute a severance agreement acceptable to both parties, which shall contain at minimum the following: 1) Employee's covenant not to sue or otherwise make claim against the Town, its agents, employees or elected officials, with such covenant to be evidenced by a signed release of any and all claims, including demands for damages, causes of action however denominated, whether at law or in equity,

arising out of Employee's employment or termination by the Town; and 2) Employee's agreement to forbear from initiating any suit, claim, grievance, proceeding or investigation of any kind or character, under any contract, agreement, statute or regulation pertaining to his employment with the Town.

Section 11: Performance Evaluation

Employer shall conduct a performance and merit evaluation for Employee in May, 2015 and in May, 2016 for the purpose of reviewing Employee's performance and discussing requests for increased compensation. In May of 2017 Employer and Employee shall renegotiate the terms of this Agreement.

Section 12: Hours of Work

A. It is recognized that the Employee must devote a great deal of time outside the normal office hours on business for the Employer, and to that end Employee shall be allowed to establish an appropriate work schedule.

Section 13: Outside Activities

The employment provided for by this Agreement shall be the Employee's sole employment. Employee shall not engage in any other employment or occupation for compensation without the prior written consent of the Town Council. Employee shall not directly or indirectly render services which are similar in nature to the duties to be performed by Employee as Town Manager, whether compensated or not. Employee may devote a reasonable amount of time to civic and community activities and participation in professional organizations related to the profession of town management.

Section 14: Residency

A. Employee agrees to reside within the Town of Florence during the term of this Agreement.

Section 15: Indemnification

A. The Employer shall maintain a comprehensive general liability, errors and omissions policy which protects the Employee from any and all claims associated with the reasonable performance of the Town Manager's duties.

B. The Employer shall defend, indemnify and save harmless Employee against any tort, professional liability claim, or other demand or legal action, groundless or otherwise, whether arising at law or in equity, from any alleged act or omission occurring in the performance of Employee's duties as Town Manager. The Council may compromise and settle any such claim or suit in its sole discretion.

Section 16: Bonding

Employer shall bear the full cost of any fidelity or other bonds required of the Employee under any law, ordinance or the policy of the Town.

Section 17: Notices

Any notices required hereunder shall be given by depositing in the custody of the United States Postal Service, first class postage prepaid, and addressed as follows:

If to the Employer:

Lisa Garcia
Town Clerk
Town of Florence
P.O. Box 2670, Florence, AZ 85132

If to the Employee:

Charles Montoya
3079 N. Princeton Dr.
Florence, AZ 85132

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as described in the Arizona Rules of Civil Procedure. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

Section 18: Miscellaneous Provisions

A. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of the state of Arizona.

B. Choice of Forum. Notwithstanding A.R.S. § 12-408, any suit or action brought under this Agreement shall be commenced in Superior Court of the State of Arizona in and for the County of Pinal and may be removed therefrom only upon the mutual agreement of the Employer and Employee.

C. Integration. This Agreement sets forth and establishes the entire understanding between Employer and Employee relating to the employment of the Employee by the Employer. Any prior discussions, negotiations or representations by or between the parties are merged into and rendered null and void by this Agreement. The parties by mutual written agreement may amend any provision of this Agreement during the term of the Agreement. Such amendments, if any, shall be incorporated and made a part of this Agreement.

D. Binding Affect. This Agreement shall be binding on the Employer and the Employee as well as their heirs, assigns, executors, personal representatives and successors in interest. However, this Agreement may not be assigned by either the Employer or the Employee.

E. Effective Date. The Affective Date of this Agreement shall be the date last executed by either of the parties hereto.

F. Severability. The invalidity or partial invalidity of any portion of this Agreement will not affect the validity of any other provision. In the event that any provision of this Agreement is held to be invalid, the remaining provisions shall be deemed to be in full force and effect as if they have been executed by both parties subsequent to the expungement or judicial modification of the invalid provision.

G. Breach of Agreement. In the event of a breach of this Agreement by either the Employer or Employee which results in damages to either party, that party may recover from the party breaching this Agreement any and all damages sustained thereby. In the event that legal action is necessary for either party to enforce any term of the Agreement, the parties agree that the prevailing party shall be entitled to its reasonable attorney fees and all costs and expenses of suit.

IN WITNESS HEREOF, the parties have entered into this Agreement the day and year mentioned above.

CHARLES A. MONTOYA

By: _____
Charles A. Montoya

TOWN OF FLORENCE, an Arizona municipal corporation


By: _____
Tom J. Rankin, Mayor

ATTEST:

By: _____
Lisa Garcia - Town Clerk

APPROVED AS TO FORM:

By: _____
James E. Mannato - Town Attorney

| | | |
|---|---|---|
|  | TOWN OF FLORENCE COUNCIL ACTION FORM | <u>AGENDA ITEM</u> 15g. |
| MEETING DATE: July 21, 2014 DEPARTMENT: Town Attorney STAFF PRESENTER: Charles A. Montoya, Town Manager SUBJECT: FY 2014-2015 Town Attorney Employment Contract | | <input checked="" type="checkbox"/> Action <input type="checkbox"/> Information Only <input type="checkbox"/> Public Hearing <input type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Regulatory <input type="checkbox"/> 1st Reading <input type="checkbox"/> 2nd Reading <input type="checkbox"/> Other |

RECOMMENDED MOTION/ACTION:

Motion to approve employment contract with Town Attorney James E. Mannato for Fiscal Year 2014 - 2015.

BACKGROUND/DISCUSSION:

Attorney James E. Mannato graduated from California Western School of Law, an ABA accredited law school chartered in 1924, on May 5, 1991; and after passing the California bar exam was admitted to the practice of law December 20, 1991 at San Diego, CA. He has been continuously engaged in the practice of law since that time. He was admitted to the practice of law in the State of Arizona on August 14, 1997, and has practiced law exclusively within the State of Arizona since then. On December 20, 2014, he will have 23 years of experience as an attorney and counselor of law.

Mr. Mannato is entitled to practice in all state courts of Arizona and California, as well as the United States District Court for the District of Arizona and the United States District Court for the District of Southern California. Prior to working for the Town, he served 2 ½ years as the Pinal County Superior Court – Family Law Commissioner and then became Judge of the Coolidge Municipal Court.

James “Jim” Mannato was engaged by the Town of Florence to act as the Florence Town Attorney in January of 2003, and has provided the Town with all of its legal services since that time. The Town elected to hire Mr. Mannato as an employee of the Town in 2005, under a contract of employment.

Among other things, as Town Attorney he is required to act as legal advisor to the Florence Town Council; prepare legal opinions in writing when requested; advise all Town departments, boards and commissions on legal matters affecting each department; review all Town contracts; negotiate and draft real estate development agreements; draft all Town transactional legal documents for the purchase, sale and rental of real property; prepare and record easements and licenses for the use of real

property; draft indemnification and confidentiality agreements; review public record requests; draft and record liens and other legal instruments for the Finance and Community Development Departments; assist the Finance Department in the collection of unpaid local taxes and utility user fees; represent the Town in all legal proceedings involving the Town which are not transferred to the Town's insurer (AMRRP); review and approve the bi-weekly Council Agenda and Council Packets prior to issuance; and represent the Town in employee disciplinary grievances under the Town's merit system.

In addition, the Town attorney also acts as District Attorney for Florence Community Facilities Districts #1 and #2, where he is required to negotiate and draft agreements for creation of CFD districts; review district taxes and assessments, and ensure the legality of all District operations, including the issuance of general obligation and assessment lien bonds.

The Town Attorney also supervises the activities of the Assistant Town Attorney, whose duties include acting as the Florence Town Prosecutor for the Town of Florence. The Florence Town Prosecutor is required to prosecute all misdemeanor and petty offenses occurring within the Town limits. The Prosecutor is required to appear in the Florence Municipal Court each Thursday. Other prosecution duties include charging reviews and the issuance of criminal complaints; providing legal advice to the Florence Police Department and its officers - both as to general matters and case-specific legal issues; provide victim notification under the Arizona Victim's Rights Law; and appear before the court for bench and jury trials when necessary.

ANALYSIS

The employment contract of the Town Attorney for Fiscal Year 2013 – 2014 provided for a salary of \$110,041.05 plus benefits.

For Fiscal Year 2014 – 2015, the Town Attorney is requesting a contract increase of 4%, for a contract salary amount of \$114,442.69.

ATTACHMENTS:

Draft contract for Town Attorney FY 2014 – 2015

TOWN ATTORNEY EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT is made and entered into this 1st day of July, 2014 by and between the **TOWN OF FLORENCE**, an Arizona municipal corporation, hereinafter referred to as “TOWN” or “TOWN COUNCIL” or “COUNCIL”, and **JAMES E. MANNATO**, hereinafter referred to as “EMPLOYEE” or “ATTORNEY”, both of whom understand as follows:

WITNESSETH:

WHEREAS, the Town and Employee entered into that certain Employment Contract for Legal Services (the “Agreement”) on July 1, 2013; and

WHEREAS, Town and Employee now wish to replace and supersede the Agreement as more fully set forth below.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for such other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

SECTION 1. DUTIES

A. Council hereby agrees to employ Employee as Town Attorney and Employee agrees to assume the powers and perform the function and duties specified in Florence Town Code Title III, Chapter 31, §31.045 et seq., including but not limited to:

i. The drafting and/or review and certification of all ordinances and contracts or other legal documents enacted by the Mayor and Council as required by Arizona law and the Florence Town Code.

ii. Legal advice to the Council, Town Manager and Departments on an as needed basis or as requested by the Council, Town Manager or Department supervisors.

iii. Prosecution of all criminal complaints filed in Florence Magistrate Court except in the event of a conflict as defined by Rule 42 of the Rules of the Arizona Supreme Court – Rules of Professional Conduct.

iv. Attendance at all regular council meetings, and other meetings as requested by the Council or Manager.

v. The defense or prosecution of all civil actions involving the Town and its various departments as directed by the Council and Manager, except in the event of a conflict as defined by Rule 42 of the Rules of the Arizona Supreme Court – Rules of Professional Conduct.

vi. Such other legal services as required by the Town other than those which the Council and Attorney agree require special expertise and should be referred to another attorney; and

Employee further agrees that he will discharge such responsibilities in a manner which is customary to the profession of attorneys and practice of law. Employee agrees that he will at all times exercise the appropriate degree of professional care in the discharge of his duties, that he will keep the Mayor and Council fully informed as to legal matters which are of concern to the Town or the Council, and will endeavor to effectively advise the Town's departments and employees.

B. Employee will devote his full time, efforts and attention to his employment as Town Attorney. During his employment, the Town Attorney shall not, without the prior consent of the Town Manager, directly or indirectly render services which are similar in nature to the duties to be performed by Town Attorney under this Agreement to or for any other person, firm or entity. The Town Attorney may devote a reasonable amount of time to civic and community activities and to participating in professional organizations related to the profession of attorneys and practice of law.

SECTION 2. TERM

A. The term of this Agreement shall be one (1) year, commencing from July 1, 2014. Thirty (30) days prior to the expiration of the Agreement, the Council shall again review the Agreement for renewal of a second term of one (1) year, and shall so review the Agreement for renewal each successive term thereafter.

B. Nothing in this Agreement, subject to Section 3 below, shall prevent, limit or otherwise interfere with the right of the Council to terminate the services of Employee at any time.

C. Nothing in this Agreement, subject to Section 3 below, shall prevent, limit or otherwise interfere with the right of Employee to resign at any time from his position as Town Attorney.

SECTION 3. SEPARATION FROM SERVICE

A. An affirmative vote of at least four (4) members of the Council may suspend the Employee from his duties as Town Attorney with full pay and benefits at any time during the term of this Agreement.

B. The Council may terminate Employee at any time during the term of this Agreement, without any cause whatsoever, by an affirmative vote of at least four (4) members of the Council.

C. In the event that Employee is involuntarily terminated by the Council before the expiration of any term of this Agreement, and at such time is willing and able to perform

his duties under this Agreement, then Council shall give Employee thirty (30) days written notice prior to the effective date of termination, subject to subparagraph (D) below. During such thirty (30) day period, Employee shall be responsible for performing all his duties as Town Attorney under this Agreement, if so requested by the Council.

i. At the end of such thirty (30) day period, Council agrees to pay Employee four (4) months aggregate salary plus emoluments (payment of health insurance, life insurance and retirement benefits), with such payments to be made periodically in the same manner as during the term of this Agreement. The payment of such health insurance, life insurance and retirement benefits shall cease at such time as Employee becomes re-employed. For purposes of this paragraph, "re-employment" is defined as the date as of which Employee has received compensation for legal services which is substantially equivalent to that required under this Agreement.

ii. If Employee is terminated because of conviction of a felony or misdemeanor offense involving moral turpitude, then in such case, Town shall have no obligation to pay any severance sum(s) to Employee whatsoever.

D. If Employee voluntarily resigns his position as Town Attorney before the expiration of any term of this Agreement, then Employee shall give the Town thirty (30) days notice in advance of such resignation, unless the Employee and Council otherwise agree. In such case, Employee is not entitled to the payment of any severance sum whatsoever.

E. As a condition precedent to receiving any severance payment described above, Employee agrees to execute a severance agreement acceptable to both parties, which shall contain at minimum 1) Employee's full release of the Town, Town Council, and all of its agents and employees from any and all claims, including but not limited to demands, damages, causes of action or liability, whether at law or in equity, arising out of Employee's employment or termination by Town, including employment or age discrimination actions, and 2) Employee's agreement not to initiate or cause to be initiated any suit, claim, grievance, proceeding or investigation of any kind, under any contract, Agreement, statute or regulation pertaining to his employment with Town.

SECTION 4. SALARY AND COMPENSATION

A. Town agrees to pay Employee for his services rendered pursuant to this Agreement, an annual salary of \$114,442.69 plus all benefits payable to classified employees of the Town per any Town personnel policies or regulations in force at the time the Agreement is executed.

B. Any Cost of Living ("COLA") adjustment provided to classified employees shall be equally awarded to Employee.

SECTION 5. HOURS OF WORK

A. It is recognized that Employee must devote a certain amount of time outside normal office hours to the business of the Town. Therefore, Town agrees that Employee may be allowed to adjust his hours as deemed appropriate by Employee so long as he is available and the legal affairs of the Town are not harmed.

SECTION 6. PROFESSIONAL DEVELOPMENT

A. Town shall compensate Employee for all reasonable travel and business expenditures of Town Attorney in accordance with the general personnel policies of the Town, including but not limited to the payment of professional association dues, membership fees and expenses in civic organizations, subscriptions to professional periodicals and educational materials, and appropriate professional conferences.

SECTION 7. VACATION AND SICK LEAVE

A. Employee shall earn four (4) weeks vacation per year beginning with the date this Agreement is executed. Any such vacation time taken shall be coordinated with the Town's departments and staff to ensure effective management of the Town during the Town Attorney's vacation(s).

B. Employee shall accrue sick leave in the same manner provided to other Town employees.

SECTION 8. INSURANCE AND INDEMNIFICATION

A. The Town shall maintain a comprehensive general liability, errors and omissions policy which protects the Employee from any and all claims associated with the reasonable performance of the Town Attorney's duties.

B. The Town shall defend, save harmless and indemnify Employee against any tort, professional liability claim, or other demand or legal action, groundless or otherwise, whether arising at law or in equity, from any alleged act or omission occurring in the performance of Employee's duties as Town Attorney. The Council may compromise and settle any such claim or suit in its sole discretion.

SECTION 9. NOTICES

A. Any notices required to be given pursuant to this Agreement shall be given by deposit in the custody of the United States Postal Service, postage prepaid, or through overnight carrier service, addressed as follows or as such address(es) may be changed from time to time upon notice to the other:

Town: Town of Florence
Town Clerk
775 N. Main Street
P.O. Box 2670
Florence, AZ 85132

Employee: James E. Mannato
6773 W. Olberg Rd.
Queen Creek, AZ 85142

**SECTION 10. BREACH OF AGREEMENT; ATTORNEY FEES;
VENUE**

A. In the event of a breach of this Agreement by either the Town or Employee resulting in damages to either party, that party may recover from the party breaching this Agreement all damages that may be sustained.

B. In the event it becomes necessary for either party to bring legal action or suit to enforce any provision of this Agreement, the parties agree that the prevailing party shall be entitled to reasonable attorney fees and all costs of suit.

C. The venue for any suit, claim, arbitration or other legal action pertaining to this Agreement shall be in Pinal County, Arizona.

SECTION 11. ENTIRE AGREEMENT

A. This Agreement contains the entire Agreement between Town and Employee. No other promises, representations, warranties or covenants have been relied upon by either Town or Employee in executing this Agreement.

SECTION 12 . ASSIGNMENT

A. This Agreement is not assignable, either in whole or in part, by either Town or Employee.

SECTION 13. INTERESTS OF HEIRS AND EXECUTORS

A. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of Employee, if any.

SECTION 14. GENERAL PROVISIONS

A. This Agreement shall become effective as of the date of its execution by both the Town and Employee and shall replace and supersede any prior Agreements between the Town and Employee as of the effective date.

B. If any provision or portion thereof of this Agreement is held unenforceable, invalid, unlawful or unconstitutional, the remainder of this Agreement shall be deemed severable, shall not be affected, and shall remain in full force and effect.

IN WITNESS WHEREOF, the Town of Florence has caused this Agreement to be signed and executed by and on its behalf by its Mayor, and duly attested by its Town Clerk, and Employee has signed and executed this Agreement the day and year first above written.

TOWN OF FLORENCE:

**APPROVED AND ACCEPTED AS TO
FORM:**

Tom J. Rankin, Mayor

James E. Mannato, Town Attorney

ATTEST:

Lisa Garcia, Town Clerk