



PRESCOTT CITY COUNCIL COMBINED STUDY SESSION/ VOTING MEETING AGENDA

**PRESCOTT CITY COUNCIL
COMBINED S.S./REGULAR VOTING MEETING
TUESDAY, DECEMBER 16, 2008
3:00 P.M.**

**Council Chambers
201 S. Cortez Street
Prescott, AZ 86303
(928) 777-1100**

The following Agenda will be considered by the Prescott City Council at its Combined Study Session/Regular Voting Meeting pursuant to the Prescott City Charter, Article II, Section 13. Notice of this meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02.

- ◆ **CALL TO ORDER**
- ◆ **INTRODUCTIONS**
- ◆ **INVOCATION:** Reverend Julia McKenna, Spiritual Architect
- ◆ **PLEDGE OF ALLEGIANCE:** Councilman Roecker
- ◆ **ROLL CALL:**

MAYOR AND CITY COUNCIL:

Mayor Wilson	
Councilman Bell	Councilman Luzius
Councilman Lamerson	Councilman Roecker
Councilwoman Lopas	Councilwoman Suttles

◆ **SUMMARY OF CURRENT OR RECENT EVENTS**

I. PRESENTATIONS

- A. Presentation by Bronzesmith.
- B. Status of Stormwater Management Program activities.

II. REGULAR AGENDA

- A. [Public Hearing and consideration of liquor license application from David Wayne Bennett, applicant for Bennett's Oil Co., for a Series 10, Beer & Wine Store, license for Classic Gas located at 1310 Iron Springs Road.](#)

- B. Discussion of structure for the May 2009 one-cent sales tax extension election.
- C. Approval of Amendment Three to Contract No. 07-235, Big Chino Water Ranch Hydrologic Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,484.78.
- D. Adoption of Resolution No. 3925-0931 - A resolution granting final approval to the issuance of Education Facilities Revenue Bonds (Mingus Mountain Estate Residential Center, Inc., Project), Series 2008 by the Industrial Development Authority of the City of Prescott, in an aggregate principal amount not to exceed \$5,000,000 to finance or refinance the renovation, improvement, expansion, construction, equipping and operation of Mingus Mountain Academy; and declaring an emergency.
- E. Approval of Real Estate Purchase Agreement with Granite Haven, LLC, for 5.62 acres of real property in the Granite Dells, for open space purposes, in the amount of \$865,000.00.
- F. Approval of Real Estate Purchase Agreement with Benjamin C. Green, Successor Trustee of the Survivors Trust of Melvin A. Green and Bernice C. Green Revocable Living Trust, for 6.02 acres of real property in the Granite Dells, for open space purposes, in the amount of \$361,000.00.
- G. Finalization of Harold James Family Trust Property:
 - 1. Adoption of Ordinance No. 4674-0917 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, accepting title to real property known as the Harold James Family Trust Property located in the Granite Dells, and authorizing the Mayor and staff to execute any and all documents to effectuate said purchase.
 - 2. Adoption of Resolution No. 3926-0932 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving the transfer of unencumbered appropriations from the Capital Projects Fund to the 1% Streets and Open Space Fund.
- H. Adoption of Resolution No. 3923-0929 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona establishing the City of Prescott, Arizona Centennial Committee.
- I. Approval to purchase communication equipment through a State of Arizona contract from Harris Stratex for \$274,981.00 plus tax and shipping for the public safety communication project.
- J. Approval to purchase two wildland vehicles through State contract for a total of \$109,307.96, tax included.

- K. Approval of a grant application to Arizona Department of Transportation (ADOT), in partnership with Prescott Alternative Transportation, for funding of infrastructure improvements under the Safe Routes to School Program.
- L. Adoption of Resolution No. 3924-0930 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Amendment of the Development Agreement, Contract No. 2008-012, with CSW Prescott, L.L.C. and approving an assignment to Stratford Land Fund III – AZ Storm Ranch, LLC, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- M. Authorization to apply with the Department of Homeland Security Transportation Security Administration for a four-year Law Enforcement Officer Reimbursement Program Cooperative Agreement grant in the amount of \$658,869.12.
- N. Resolution No. 3927-0933 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, repealing Resolution Numbers 1606, 1851, 1877, 1890, 2033, 2074, 2294, 2296, 2439, 2456, 3032, 3047, and 3401, and adopting new Rules of Procedure for the Prescott City Council.

III. ADJOURNMENT

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on _____ at _____ .m. in accordance with the statement filed by the Prescott City Council with the City Clerk.

Elizabeth A. Burke, City Clerk, MMC

COUNCIL AGENDA MEMO – (December 16, 2008)

DEPARTMENT: City Clerk

AGENDA ITEM: Public Hearing and consideration of a liquor license application from David Wayne Bennett, Applicant for Bennett's Oil Co., for a Series 10, Beer & Wine Store, license for Classic Gas located at 1310 Iron Springs Road.

Approved By:

Date:

Department Head: Elizabeth A. Burke

Finance Director:

City Manager: Steve Norwood



12/04/08

A Liquor License Application, City No. 09-026 State No. 10133201, has been received from David Wayne Bennett, Applicant for Bennett's Oil Co., for a Series 10, Beer & Wine Store, License for **Classic Gas** located at 1310 Iron Springs Road.

The public hearing will be held at the Combined Study Session/Regular Council Meeting of Tuesday, December 16, 2008. The applicant has been requested to attend this meeting to answer any questions Council may have.

This license application is a new license due to Bennett Oil Co. resuming possession of the property located at 1310 Iron Springs Road where they intend to operate a gas station/convenience store and have applied for a Series 10, Beer & Wine Store License.

A copy of the application is available for Council's review in the City Clerk's Office.

Recommended Action: (1) **MOVE** to close the Public Hearing. (2) **MOVE** to approve/deny State Liquor License Application No. 10133201, for a new Series 10, Beer & Wine Store, Liquor License for David Wayne Bennett, Applicant for Bennett Oil Co., for Classic Gas located at 1310 Iron Springs Road.

**ARIZONA STATE LIQUOR LICENSES
TYPES / PURPOSES
AS OF 04/07**

License Types: Series 01 In-State Producer's License

Allows an in-state producer to produce or manufacture spirituous liquor and sell the product to a licensed wholesaler.

License Types: Series 02 Out-of-State Producer's License

Allows an out-of-state producer, exporter, importer or rectifier to ship spirituous liquor into the state to a licensed Arizona wholesaler.

License Types: Series 03 Domestic Microbrewery License

Allows the licensee of a microbrewery to manufacture or produce not less than 5,000 gallons of beer in each calendar year following the first year of operation and not more than 620,000 gallons of beer in a calendar year.

License Types: Series 04 Wholesaler's License

Allows a wholesaler to warehouse and distribute for sale, spirituous liquor to a licensed retailer.

License Types: Series 05 Government License

Allows the holder of a government license to sell and serve spirituous liquor solely for consumption on the premises for which the license is issued. The license is issued in the name of a county, city, town or state university whose governing body has authorized its use.

License Types: Series 06 Bar License – Transferable

Allows a bar retailer to sell and serve spirituous liquors, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

License Types: Series 07 Beer and Wine Bar License - Transferable

Allows a beer and wine bar retailer to sell and serve beer and wine, primarily by individual portions, to be consumed on the premises and in the original container for consumption on or off the premises.

License Types: Series 08 Conveyance License (Airplanes, Trains, and Boats)

Allows the owner or lessee of an operating airline, railroad or boat to sell all spirituous liquors in individual portions or in original containers for consumption *only* on the plane, train or boat.

License Types: Series 09 Liquor Store License (All spirituous liquors) - Transferable

Allows a spirituous liquor store retailer to sell all spirituous liquors, only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

License Types: Series 10 Beer and Wine Store License (Beer and wine only)

Allows a retail store to sell beer and wine (no other spirituous liquors), only in the original unbroken package, to be taken away from the premises of the retailer and consumed off the premises.

License Types: Series 11 Hotel/Motel License (with Restaurant)

Allows the holder of a hotel/motel license to sell and serve spirituous liquor solely for consumption on the premises of a hotel or motel that has a restaurant where food is served on the premises.

License Types: Series 12 Restaurant License

Allows the holder of a restaurant license to sell and serve spirituous liquor solely for consumption on the premises of an establishment which derives at least forty percent (40%) of its gross revenue from the sale of food.

License Types: Series 13 Domestic Farm Winery License

Allows a domestic farm winery licensee to manufacture or produce more than two hundred (200) gallons, but less than seventy-five thousand (75,000) gallons of wine annually, from grapes or other agricultural products, of which at least seventy-five percent (75%) are grown in this state.

License Types: Series 14 Club License

Allows the holder of a club license to sell and serve spirituous liquor for consumption only on the premises owned, leased or occupied by the club, and only to bona fide members of the club and their guests.

License Types: Series 15 Special Event License

Allows a charitable, civic, fraternal, political or religious organization to sell and serve spirituous liquor for consumption only on the premises where the spirituous liquor is sold, and only for the period authorized on the license. This is a temporary license.

Non-transferable License Types: Series 16 Wine Festival/Wine Fair License (Temporary)

1. Wine festival license: Allows a licensed domestic farm winery to serve samples of its products on the wine festival premises and the sale of such products in original containers for consumption off the wine festival premises.
2. Wine fair license: Allows a licensed domestic farm winery to serve samples of its products at a sanctioned county or state fair, and the sale of such products in original containers for consumption off the fair premises.

License Types: Series 17 Direct Shipment License

Allows an out-of-state producer, exporter, importer, or rectifier to take orders from retail customers by telephone, mail, catalog or the Internet. The orders must be shipped into the state to a licensed Arizona wholesaler. The wholesaler must sell the product to a licensed retailer. The retailer will deliver the spirituous liquor to the customer.

R19-1-102. Granting a License for a Certain Location

Local governing authorities and the Department may consider the following criteria in determining whether public convenience requires and that the best interest of the community will be substantially served by the issuance or transfer of a liquor license at a particular unlicensed location:

1. Petitions and testimony from persons in favor of or opposed to the issuance of a license who reside in, own or lease property in close proximity.
2. The number and series of licenses in close proximity.
3. Evidence that all necessary licenses and permits have been obtained from the state and all other governing bodies.
4. The residential and commercial population of the community and its likelihood of increasing, decreasing or remaining static.
5. Residential and commercial population density in close proximity.
6. Evidence concerning the nature of the proposed business, its potential market, and its likely customers.
7. Effect on vehicular traffic in close proximity.
8. The compatibility of the proposed business with other activity in close proximity.
9. The effect or impact of the proposed premises on businesses or the residential neighborhood whose activities might be affected by granting the license.
10. The history for the past five years of liquor violations and reported criminal activity at the proposed premises provided that the applicant has received a detailed report(s) of such activity at least 20 days before the hearing by the Board.
11. Comparison of the hours of operation of the proposed premises to the existing businesses in close proximity.
12. Proximity to licensed childcare facilities as defined by A.R.S. § 36-881.

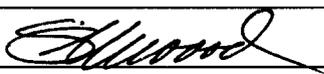
Historical Note

Former Rule 2; Former Section R4-15-02 renumbered as Section R4-15-102 without change effective October 8, 1982 (Supp. 82-5). Repealed effective July 11, 1983 (Supp. 83-4). New Section adopted effective March 3, 1993 (Supp. 93-1). R19-1-102 recodified from R4-15-102 (Supp. 95-1). Amended by final rulemaking at 11 A.A.R. 5119, effective January 9, 2006 (Supp. 05-4).

Editor's Note: The following Section was amended under an exemption from the Arizona Administrative Procedure Act (A.R.S. Title 41, Chapter 6) pursuant to Laws 1996, Ch. 307 § 18. Although exempt from certain provisions of the rulemaking process, the Department was required to provide for reasonable notice and hearing. This Section was not reviewed by the Governor's Regulatory Review Council; and the Department did not submit notice of proposed rulemaking to the Secretary of State for publication in the Arizona Administrative Register (Supp

II-B

COUNCIL AGENDA MEMO – December 16, 2008
DEPARTMENT: City Manager and Council
AGENDA ITEM: Discussion of structure for the May, 2009 one-cent sales tax extension election.

Approved By:	Date:
Department Head: Laurie Hadley	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	December 16, '08

BACKGROUND:

The City of Prescott has had a one-cent sales tax in effect since January 1996. This initial tax was set to expire December 31, 2005. In 2000, the Council put forth an initiative to change the structure of the one-cent tax to include the provision of the purchase of open space. Voters approved the change, with the cap on the open space purchase of an not to exceed \$40.7 million dollars. This current tax will sunset December 31, 2015. The one-cent fund provides revenue for street improvements, new streets, reconstructions, street operations and open space.

In a November 2008 workshop, the City Council reviewed the one-cent fund, and determined to move forward with an election in May 2009, for the purpose of extending the tax. No decision was made on whether to keep streets and open space together or to separate the two issues. Council directed staff to work with members of the Prescott Capital Needs Committee, Open Space Committee, and the Citizens Tax Coalition. This committee met on Thursday December 4, 2008.

COMMITTEE DISCUSSION:

The committee focused on needs – immediate and long term, and the different timing of the needs for both open space and streets. The Prescott community has come to expect a certain level of service on its streets. New construction, reconstruction, paving of dirt roads and alleys, regular maintenance, and drainage improvements, are all projects accomplished through the one-cent program, and it's believed the community wants to see these types of projects continued. In addition to the operation and maintenance of existing city streets, there are also contractual obligations for implementing certain street projects. The committee recognizes these obligations and believes it is imperative the sales tax be extended as soon as possible so that bonding for major projects can occur. The "pay as you go" philosophy is no longer financially feasible. If an extension was approved from 2015 to 2040, long-term debt can be obtained. Near and long-term Street projects have been identified and prioritized. The case for approving the extension for streets can be made and presented before the May election.

The cash requirements for Open Space purchases beyond 2015 cannot be determined at this time nor, before the May Election. With the failure of the State Trust Lands measure to make the November ballot, the fate of two major Open Space acquisitions, Badger "P" Mountain and Glassford Hill remains in question. Even if the Governor were successful in persuading the legislature to place the measure on the ballot in the short time remaining, the outcome would not be resolved until the November election. Work needs to be done to establish further open space purchases and open space maintenance management requirements and how to best fund these needs. The City cannot expect positive election results without adequate answers to these questions.

The committee also recognizes that street projects require 25 years for best financing options. The need for street funds will not disappear anytime soon.

RECOMMENDATION

While not unanimous, the majority of the committee believes that the number of people who would not vote for a combined measure has grown since the last open space/streets election in 2000. It is the committee's recommendation that the two items are separated and that only a one-cent for continued street projects be on the May 2009 ballot. The suggestion is that an election take place in May 2009 for a 25-year tax extension for street projects with currently allowed funding also providing for ancillary operations, maintenance, and drainage and sewer modification needs. The tax would become effective immediately with funds continuing to accrue for open-space until 2015, then at that time, the entire one-cent would be dedicated to streets until its sunset in 2040.

The committee believes there will be adequate time to construct a separate proposal for Open Space before 2015, after we have answers on the "P" Mountain and Glassford Hill sites, a comprehensive plan for Open Space Management; and can provide the public presentations on successful recently acquired purchases.

Should Council agree to move forward in this direction, the election would need to be called no later than the January 13, 2009 Council meeting with ballot language due by February 20, 2009.

Recommended Action: The committee recommends the Council move forward with the process of calling a May 2009 election.

II-C

COUNCIL AGENDA MEMO – December 16, 2008

DEPARTMENT: Water Resource Management

AGENDA ITEM: Approval of Amendment Three to Contract No. 07-235, Big Chino Water Ranch Hydrologic Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,484.78

Approved By:

Date:

Deputy City Manager: Craig McConnell	<i>Craig McConnell</i>	12-10-08
Finance Director: Mark Woodfill		
City Manager: Steve Norwood	<i>SNorwood</i>	12/10/08

Item Summary

Amendment Three to professional services Contract No. 07-235 with Southwest Ground-water Consultants, Inc., consists of additional work necessary to respond to requests of the Arizona Department of Water Resources (ADWR) made during review of the City's Application for Modification of Designation of Assured Water Supply (ADWR No. 86-401501.0001). Timely completion of this work directly contributed to ADWR issuance of a draft decision and order on November 12, 2008.

Background

Original Contract

In April 2007 the City entered into Contract No. 07-235 with Southwest Ground-water Consultants (SGC) to analyze the physical availability of groundwater in the Upper Big Chino Sub-basin, an essential element supporting the City's Application for Modification of Designation of Assured Water Supply (AWS). The contract amount was \$9,960.00.

Contract Amendment One

During AWS pre-application meetings, ADWR requested additional hydrologic data; the SGC contract was amended in August 2007 in the amount of \$3,157.50 for this work. Subsequently, the AWS application was formally submitted to ADWR in October 2007.

Contract Amendment Two

On January 3, 2008, the City received correspondence from ADWR requesting further hydrological data and analysis, identifying nine (9) specific items requiring a response and/or clarification. Amendment Two was approved by Council for this work in the amount of \$19,950.00. SGC produced a 22 page supplemental report and digital groundwater flow model data, and submitted these to ADWR on March 3, 2008.

Agenda Item: Approval of Amendment Three to Contract No. 07-235, Big Chino Water Ranch Hydrologic Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,484.78

Contract Amendment Three

On May 9, 2008, ADWR issued a second letter requesting additional data and clarification of information previously supplied. This ADWR request listed 17 items requiring a response and/or clarification. To preclude delaying the City's application, SGC was directed to immediately respond to the ADWR requests which involved the following:

1. Four (4) meetings with ADWR hydrology staff
2. Telephone and email communications
3. Analysis of recently published USGS reports
4. Multiple model runs and sensitivity analyses
5. Preparation of additional narrative and maps regarding transmissivity and distribution of natural recharge
6. Preparation of a formal response letter and revised numerical model files

Following SGC submittal of this information, ADWR finally determined the hydrological data supporting the City's application to be complete and correct.

The work listed above required 201 hours of professional and support staff time to complete, at a cost of \$19,484.78, bringing the total contract amount through Amendment Three to \$52,552.28. Approval of this amendment is necessary to compensate SGC for the additional work required by ADWR.

Budget

Funding is available in the Alternate Water - Water Ranch budget in the amount of \$19,484.78 for Amendment Three. Pursuant to Agreement No. 04-255 (December 7, 2004), Intergovernmental Agreement for the Sale of Water and Cost Participation, the City share of this project cost will be \$10,541.27 (54.1%) and the Town of Prescott Valley share will be \$8,943.51 (45.9%).

Attachment - SGC scope/fee for Amendment Three

Recommended Action: MOVE to approve Amendment Three to Contract No.07-235, Big Chino Water Ranch Hydrologic Physical Availability Demonstration, with Southwest Ground-water Consultants, Inc., in the amount of \$19,484.78.

September 3, 2008

Jim Holt
Big Chino Water Ranch Project Manager
City of Prescott
433 N. Virginia Street
Prescott, AZ 86301

**SUBJECT: SUPPLEMENTAL AGREEMENT THREE,
PROFESSIONAL SERVICES AGREEMENT (PSA) 2007-235
BCWR PHYSICAL AVAILABILITY DEMONSTRATION**

Dear Mr. Holt:

Southwest Ground-water Consultants, Inc. (SGC) submits this amendment to Professional Services Agreement 2007-235, dated April 27, 2007. Work to be performed under PSA 2007-235 was detailed in our proposal dated February 16, 2007 and included tasks associated with a Physical Availability Demonstration (PAD) as part of the City's application for modification of its Designation of Assured Water Supply with the Arizona Department of Water Resources (ADWR).

As you are aware, the PAD was submitted, along with other required data, in Attachment 2, "Hydrology Report Big Chino Water Ranch (BCWR)" dated September 2007 to the City's modification of its Designation of Assured Water Supply. On January 3, 2008 the City received a letter from ADWR requesting additional data and analyses. SGC submitted a response to this letter on March 3, 2008 under Supplemental Agreement Two.

ADWR issued a second letter, dated May 9, 2008 requesting still further data and clarification of the information supplied in the above referenced documents. A copy of this letter is attached.

At your request and in order to not to unnecessarily delay the processing of the modification application, SGC proceeded immediately to respond to ADWR's letter. The May 9th ADWR letter lists 17 items requiring a response, 15 of which are related to SGC's work scope. Work accomplished in responding to these items is summarized below:

- Four (4) meetings with ADWR hydrology staff
- Telephone and email communications
- Analysis of just published USGS reports

- Multiple model runs and sensitivity analyses
- Preparation of additional narrative and maps regarding transmissivity and natural recharge distributions
- Preparation of a formal response letter and revised numerical model files.

The above work required 201 hours of professional and support staff time to complete. The corresponding cost was \$19,484.78. This additional cost brings the total PSA to \$52,552.78. An invoice for the work is enclosed.

It should be noted that while we understand ADWR has no further questions on the PAD analysis at this time, the modification to the Designation has not been approved by the Director. If questions arise prior to final approval that require further analysis or response by SGC, additional costs will be incurred.

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We appreciate the opportunity to be of service to you and the City of Prescott. If you have any questions, do not hesitate to call us at 602-995-5547.

Sincerely,
Southwest Ground-water Consultants, Inc.

William M. Greenslade, P.E., R.G.
Principal/Senior Hydrogeologist

Attachment: ADWR May 9, 2008 letter

INVOICE

TO: **City of Prescott**
Attn: Jim Holt, Sr. Project Mgr
Public Works Department
433 N. Virginia Street
P.O. Box 2059
Prescott, AZ 86302

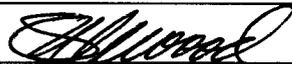
PROJECT NAME: Proposal – BCWR Physical Availability Demonstration
Contract No. 07-235
Account: 4-90504-410
PO No.: A 29498
Agreement No. One, August 10, 2007
Agreement No. Two, May 21, 2008

INVOICE: B.1458-7

Senior Hydrogeologist (WMG)	24.5 hrs @ \$140/hr	\$ 3430.00
Project Hydrogeologist (NM)	25 hrs @ \$105/hr	\$ 2,625.00
Staff Geologist (GRE)	141 hrs @ \$90/hr	\$12,690.00
Staff Geologist (AD)	2.0 hrs @ \$85/hr	\$ 170.00
Clerical Support (TD)	8.5 hrs @ \$50/hr	\$ 425.00
Expenses		
Reproduction and Delivery		\$ 134.78
TOTAL AMOUNT DUE		\$ 19,484.78

II-D

COUNCIL AGENDA MEMO – (12/16/2008)	
DEPARTMENT:	Barry Cline of Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C.
AGENDA ITEM:	Adoption of Resolution No. 3925-0931 granting final approval to the issuance of Education Facilities Revenue Bonds by the Industrial Development Authority of the City of Prescott.

Approved By:	Date:
Department Head:	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	12/11/08

Background

On September 10, 2008, the Board of Directors of the Industrial Development Authority held a special meeting, at which time preliminary approval was given to the above referenced bond issue. It is anticipated that final approval will be given at a special meeting to be held on December 5, 2008.

The net proceeds generated by the bond issue will be used to finance the renovation, improvement, expansion and construction of the existing behavioral health residential treatment and educational facilities and also financing of expansion and construction of new behavioral health residential treatment and educational facilities, known as Mingus Mountain Academy, located at 10576 East U.S. Highway 89A in Prescott Valley, together with the financing of renovation, improvement, expansion and construction of two existing outlying group homes known as the Emily House, located at 3801 North Robert Road in Prescott Valley, and Farrington House, located at 120 South Dewey Road in Dewey-Humboldt, together with funding any necessary reserve and paying certain costs of issuance of the bonds.

The bonds are being purchased by Wells Fargo Brokerage Services, LLC, in a private placement.

The bonds, when issued, will not be an obligation of the City of Prescott or the State of Arizona, and will be paid entirely from loan repayments made by Mingus Mountain Estate Residential Center, Inc.

If the Mayor and Council would like additional information concerning the bond issue or the use of the funds from the bond issue, I will be glad to answer any questions you may have and provide any additional information you may require. Thank you for your attention to this matter.

Recommended Action: MOVE to adopt Resolution No. 3925-0931.

RESOLUTION NO. 3925-0931

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, GRANTING FINAL APPROVAL TO THE ISSUANCE OF EDUCATIONAL FACILITIES REVENUE BONDS (MINGUS MOUNTAIN ESTATE RESIDENTIAL CENTER, INC. PROJECT), SERIES 2008 BY THE INDUSTRIAL DEVELOPMENT AUTHORITY OF THE CITY OF PRESCOTT, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$5,000,000 TO FINANCE OR REFINANCE THE RENOVATION, IMPROVEMENT, EXPANSION, CONSTRUCTION, EQUIPPING AND OPERATION OF MINGUS MOUNTAIN ACADEMY; AND DECLARING AN EMERGENCY

RECITALS:

WHEREAS, the Industrial Development Authority of the City of Prescott ("Authority") is an Arizona nonprofit corporation designated as a political subdivision of the State of Arizona, incorporated with the approval of the City of Prescott, Arizona (the "City"), pursuant to the provisions of the Constitution of the State and under the Industrial Development Financing Act, A.R.S. §35-701 *et sec.* (the "Act"), to issue revenue bonds for the purposes set forth in the Act, including the making of secured or unsecured loans for the purpose of financing or refinancing the acquisition, construction, improvement or equipping of a "project" (as defined in the Act) whenever the Board of Directors of the Authority finds such loans to be in furtherance of the purposes of the Authority or in the public interest; and

WHEREAS, the term "project" includes within its meaning any land, any building, or other improvement, and all real and personal properties which are suitable for facilities owned or operated by a nonprofit organization described in Section 501(c)(3) of the United States Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, Mingus Mountain Estate Residential Center, Inc. (the "Borrower"), an Arizona nonprofit corporation, exempt under Section 501(c)(3) of the Code, has requested that the Authority issue its Educational Facilities Revenue Bonds (Mingus Mountain Estate Residential Center, Inc. Project), Series 2008 (the "Bonds"), in an aggregate principal amount not to exceed \$5,000,000, and loan the proceeds thereof to the Borrower for the purpose of (i) financing or refinancing the renovation, improvement, expansion, construction, equipping and operation of new and existing behavioral health residential treatment and educational facilities, including, but not limited to, those facilities known as Mingus Mountain Academy, which is located at 10576 East U.S. Highway 89A in Prescott Valley, Arizona; (ii) financing or refinancing the renovation, improvement, expansion, construction, equipping and operation of two existing, outlying group homes known as (1) Emily House, located at 3801 North Robert Road in Prescott Valley, Arizona, and (2) Farrington House, located at 120 South Dewey Road in Dewey, Arizona (collectively, the "Project"); and (iii) paying certain costs and expenses incident thereto, all as permitted by the Act; and

WHEREAS, after reasonable public notice, the Authority held the public hearing contemplated by Section 147(f) of the Internal Revenue Code of 1986, as amended, on September 29, 2008, and no comments were received in connection therewith; and

WHEREAS, the Authority by a Resolution duly adopted by its Board of Directors at a lawful meeting called and held on December 5, 2008, granted final approval to the issuance and sale of the Bonds in an aggregate principal amount not to exceed \$5,000,000; and

WHEREAS, pursuant to §35-721.B of the Act the proceedings of the Board of Directors of the Authority under which the Bonds are to be issued shall require the approval of this Mayor and Council of the issuance of the Bonds; and

WHEREAS, approval of the Bonds is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign; and

WHEREAS, this Mayor and Council has had presented to it information regarding the Bonds and is informed and advised regarding the Project and the Bonds.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT, ARIZONA, as follows:

SECTION I. APPROVAL OF BONDS. The issuance and sale by the Authority of the Bonds in one or more series pursuant to a plan of financing in an aggregate principal amount not to exceed \$5,000,000 is hereby approved, subject, however, to all terms and conditions as contained in the Authority's Resolution, other than the requirement for approval by this Mayor and Council.

SECTION II. APPROVAL OF PROCEEDINGS. The proceedings of the Authority under which the Bonds are to be issued are hereby approved.

SECTION III. CERTIFICATION. It is hereby CERTIFIED under penalty of perjury that the approval of the Bonds is not made in consideration of any bribe, gift, gratuity, or direct or indirect contribution to any political campaign.

SECTION IV. CANCELLATION OF CONTRACTS. Notice of A.R.S §38-511 is hereby given. The provisions of that statute are by this reference incorporated herein to the extent of their applicability to matters contained herein under the laws of the State of Arizona.

SECTION V. EMERGENCY. The immediate operation of the provisions of this resolution is necessary for the preservation of the public peace, health, and safety, an EMERGENCY is hereby declared to exist, and this resolution shall be in full force and

effect from and after its passage by this Mayor and Council as required by the City Charter, and is hereby exempted from the referendum clause of said Charter.

PASSED AND ADOPTED this 16th day of December, 2008, by the Council of the City of Prescott, Arizona.

JACK D. WILSON, Mayor

ATTEST:

ELIZABETH A. BURKE, City Clerk

APPROVED AS TO FORM:

GARY D. KIDD, City Attorney

II-E

COUNCIL AGENDA MEMO – December 16, 2008

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DEPARTMENT: Parks, Recreation & Library

AGENDA ITEM: Approval of Real Estate Purchase Agreement with Granite Haven, LLC, for 5.62 acres of real property in the Granite Dells, for Open Space purposes

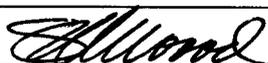
Approved By:

Date:

Department Head: Debbie Horton

Finance Director: Mark Woodfill

City Manager: Steve Norwood



12/09/08

BACKGROUND:

The Open Space Acquisition Advisory Committee and Councilwoman Lora Lopas have been engaged in active, ongoing efforts to accomplish City acquisition of real property in the Granite Dells area recommended by the Committee. This proposed acquisition consists of two parcels of land totaling 5.62 acres west of Highway 89, currently owned by Granite Haven, LLC.

The attached draft agreement is the product of recent negotiations, and is subject to review by the Seller. Staff is requesting authorization to proceed with Council's approval of the purchase in a form substantially similar to the draft presented, recognizing that there may be some technical revisions prior to opening escrow and that the City retains the right to cancel the agreement for any reason during the escrow period. Key points of the purchase agreement include:

- Total appraised value of all parcels is \$865,000.
- 1.95 acres, appraised at \$355,000 will be donated to the City of Prescott.
- 2.00 acres, appraised at \$450,000 will be sold to the City for \$440,000.
- 1.67 acres with an appraised value of \$60,000 will be sold to the City for \$60,000
- Total purchased price for all parcels is \$500,000, total donation to the City will be \$355,000

The City gratefully acknowledges the generosity of this contribution from the Granite Haven, LLC:

BUDGET:

The amount of \$5,457,450 is available in current Fiscal Year 2009 budget for open space acquisition.

Recommended Action: Recommended Action: **MOVE** to approve a Real Estate Purchase Agreement with Granite Haven, LLC, for 5.62 acres of real property in the Granite Dells, for Open Space purposes; and authorize the Mayor and City staff to take all steps necessary to complete the purchase.

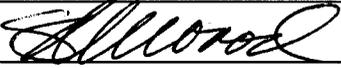
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COUNCIL AGENDA MEMO – December 16, 2008

DEPARTMENT: Parks, Recreation & Library

AGENDA ITEM: Approval of Real Estate Purchase Agreement with Benjamin C. Green, Successor Trustee of the Survivors Trust of Melvin A. Green and Bernice C. Green Revocable Living Trust, for 6.02 acres of real property in the Granite Dells, for Open Space purposes

Approved By:	Date:
Department Head: Debbie Horton	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	<i>12/10/08</i>

BACKGROUND:

The Open Space Acquisition Advisory Committee and Councilwoman Lora Lopas have been engaged in active, ongoing efforts to accomplish City acquisition of real property in the Granite Dells area recommended by the Committee. This proposed acquisition consists of 6.02 acres west of Highway 89, currently owned by Benjamin C. Green as Successor Trustee of the Survivor Trust of Melvin A. & Bernice C. Green, or, more commonly called, the "Green property."

The attached draft agreement is the product of recent negotiations, and is subject to review by the Seller. Staff is requesting authorization to proceed with Council's approval of the purchase in a form substantially similar to the draft presented, recognizing that there may be some technical revisions prior to opening escrow and that the City retains the right to cancel the agreement for any reason during the escrow period. Key points of the purchase agreement include:

- An appraised value of \$361,000. This is the agreed-upon purchase price.
- An earnest money deposit of \$10,000, refundable during a 60-day examination period.
- The remaining \$351,000 to be paid during the current Fiscal Year 2008-2009 at close of escrow.
- Upon conclusion of escrow and payment by the City of purchase price, the Seller has elected to voluntarily gift the sum of \$60,000 to an IRS 501 C (3) foundation or to the city, in the event that no 501 C 3 is extant, for purposes of providing funds for maintenance and other activities benefiting public open space.
- In the event that such 501 C (3) foundation is not established as of the close of escrow, \$60,000 will be donated to the City for maintenance of public open space.

BUDGET:

The amount on \$5,457,450 is available in current Fiscal Year 2009 budget for open space acquisition.

Recommended Action: MOVE to approve a Real Estate Purchase Agreement with Benjamin C. Green, Successor Trustee of the Survivors Trust of Melvin A. Green and Bernice C. Green Revocable Living Trust, for 6.02 acres of real property in the Granite Dells, for Open Space purposes; and authorize the Mayor and City staff to take all steps necessary to complete the purchase.

I-G

COUNCIL AGENDA MEMO – (December 16, 2008)

DEPARTMENT: Legal Department

AGENDA ITEM: Formal acceptance of deed for property commonly referred to as the Harold James Family Trust property, located in the Granite Dells, for open space and approval of transfer of funds for budget purposes.

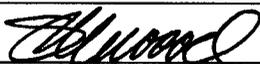
Approved By:

Date:

Department Head: Gary D. Kidd

Finance Director: Mark Woodfill

City Manager: Steve Norwood



12/16/08

Item Summary

Council authorized staff to purchase 79.90 acres of the Harold James Family Trust property in the Granite Dells for open space purposes. Escrow was established and the necessary conditions to complete the transaction were accomplished on October 21, 2008, including the acceptance of a donation of property valued at \$1.2 million from the Seller. An ordinance completing the sale and accepting the deed to the real property is needed to comply with our City Charter. Additionally, our Finance Director has reminded me that we need to account for the transfer between accounts for budget purposes. The attached Resolution does this.

Background

Council by motion agreed to purchase the Harold James Family Trust property and authorized staff to take the necessary steps to complete the purchase of this open space property. As a result, we were able to successfully close escrow and complete the purchase. The sole remaining steps, as required by our City Charter and budget laws, are to accept the deed to the property by ordinance and approve the transfer of funds by Resolution.

Attachments

- 1) Deed to 79.90 acres of property in the Granite Dells
- 2) Ordinance No. 4674-0917
- 3) Resolution No. 3926-0932

Recommended Action: (1) **MOVE** to adopt Ordinance No. 4674-0917; and (2) **MOVE** to adopt Resolution No. 3926-0932.

ORDINANCE NO. 4674-0917

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ACCEPTING TITLE TO REAL PROPERTY KNOWN AS THE HAROLD JAMES FAMILY TRUST PROPERTY LOCATED IN THE GRANITE DELLS, AND AUTHORIZING THE MAYOR AND STAFF TO EXECUTE ANY AND ALL DOCUMENTS TO EFFECTUATE SAID PURCHASE

RECITALS:

WHEREAS, on August 26, 2008, the City Council authorized the purchase of approximately 80 acres of real property commonly known as the Harold James Family Trust property located in the Granite Dells, for open space purposes and whereas the conditions of sale have been examined by staff and determined to be satisfactory and the completion of sale is warranted; and

WHEREAS, on October 21, 2008, the City Council accepted a donation of property valued at \$1.2 million from the Harold James Family Trust; and

WHEREAS, the real property is unique in nature; and

WHEREAS, the purchase and donation of the property more particularly described in Exhibit "A" to the Warranty Deed attached thereto have been deemed to be fair and equitable and in the public interest.

ENACTMENTS:

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the City Council hereby accepts the warranty deed to the real property being purchased by the City and donated by the Seller more particularly identified in Exhibit "A" thereto and commonly referred to as the Harold James Family Trust property, from the Harold James Family Trust.

SECTION 2. THAT the Mayor and staff are hereby authorized and directed to execute any and all documents in order to effectuate recordation, and acceptance of the foregoing described property.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 16th day of December, 2008.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

RESOLUTION NO. 3926-0932

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING THE TRANSFER OF UNENCUMBERED APPROPRIATIONS FROM THE CAPITAL PROJECTS FUND TO THE 1% STREETS AND OPEN SPACE FUND

RECITALS:

WHEREAS, Article VI, Section 10 of the Prescott City Charter allows the City Council to transfer appropriations among various City departments; and

WHEREAS, there are unencumbered appropriations allocated to the Capital Projects Fund that were not expended during fiscal year 2008-09; and

WHEREAS, the budgeted amount for the 1% Streets and Open Space Fund will be insufficient to meet the fiscal needs for fiscal year 2008-09.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, the Mayor and staff are authorized to transfer from unencumbered funds allocated to the Capital Projects Fund for fiscal year 2008-09 to the 1% Streets and Open Space Fund in the sum of Two Million Dollars (\$2,000,000.00).

SECTION 2. THAT, the Mayor and staff are hereby authorized and directed to execute any and all documents in order to effectuate the foregoing.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 16th day of December, 2008.

JACK D WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A BURKE, City Clerk

GARY D KIDD, City Attorney

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II-H

COUNCIL AGENDA MEMO – December 16, 2008
DEPARTMENT: ADMINISTRATIVE SERVICES
AGENDA ITEM: THE ADOPTION OF RESOLUTION NO. 3923-0929 ESTABLISHING THE CITY OF PRESCOTT ARIZONA CENTENNIAL COMMITTEE

Approved By:	Date:
Department Head: MIC FENECH	12/04/2008
Finance Director: MARK WOODFILL	
City Manager: STEVEN NORWOOD <i>SNorwood</i>	<i>12/10/08</i>

BACKGROUND:

The Arizona Centennial will be a year-long celebration beginning February 2011 and culminating on the 100th birthday of our state on February 14, 2012. This celebration will include identifying the rich history which exists in Yavapai County, identifying Centennial events by local governments, community organizations and individuals throughout the County, and encouraging legacy projects throughout Arizona and specifically Yavapai County which can be completed for this celebration. The resolution also petitions Governor Janet Napolitano to designate Prescott as "Arizona's Centennial City".

The resolution identifies the mission of the City of Prescott Arizona Centennial Committee, which includes:

- (a) Identifying one or more legacy projects as approved by the City Council.
- (b) Assisting with the development of said projects.
- (c) Facilitating the community efforts by providing meeting space and hosting a web page to serve as a central location for City of Prescott networking & resource information.
- (d) Making recommendations to the City Council on requests for City funding for state Centennial projects or events and on requests for official City support of any state Centennial projects.

Additionally, the resolution calls for the committee to be subject to Arizona Open Meeting Law, public records, conclusions through consensus, regularly scheduled meetings of the ten-member committee appointed by City Council, funding through Prescott Bed Tax Revenue (subject to availability of funds), and staffing also subject to the availability of funds, with the duration of the committee to expire on February 14, 2013 or until dissolved by City Council.

Recommended Action: Move to adopt Resolution No. 3923-0929.
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RESOLUTION NO. 3923-0929

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA ESTABLISHING THE CITY OF PRESCOTT, ARIZONA CENTENNIAL COMMITTEE

RECITALS:

WHEREAS, the City Council ("Council") is authorized under the general powers found in A.R.S. §11-251 to establish advisory committees; and

WHEREAS, a need exists to prepare for the celebration of Arizona's Centennial in the City of Prescott and for the development of one or more legacy projects to bring attention to the rich history of the City of Prescott during the Centennial celebration; and

WHEREAS, the Council has a unique opportunity to encourage the development of legacy projects and other Centennial events by community organizations and individuals throughout the City.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Prescott, Arizona as follows:

SECTION 1. THAT, the City of Prescott will immediately request a Proclamation from the Arizona Governor's Office designating Prescott as "Arizona's Centennial City".

SECTION 2. THAT the City of Prescott Arizona Centennial Committee ("Committee") is hereby established, with the mission of the Committee to be:

- (a) Identifying one or more legacy projects that will bring attention to all parts of the City of Prescott, with such project or projects to be approved by the City Council.
- (b) Assisting with the development of approved projects.
- (c) Facilitating the efforts of local and Yavapai County government and community-based Centennial organizations by providing meeting space whenever possible and by hosting a page on the City of Prescott's website that can serve as a central location for networking and resource information.
- (d) Providing on the website a master calendar that will include all Centennial-related events on a City-wide basis.
- (e) Providing to the Arizona Centennial Commission information as may be deemed appropriate regarding Centennial celebration activities in the City of Prescott.
- (f) Review and make recommendations to the City Council on requests for City funding for state Centennial projects or events, and on requests for official City

support of any state Centennial projects. Any such approved funds are to come from the Prescott Bed Tax.

- (g) Appointing a liaison from the City of Prescott Arizona Centennial Committee to coordinate and communicate with a designated member of the Yavapai County Arizona Centennial Committee on a regular basis.

SECTION 3. THAT the Committee shall meet on a regular basis in order to identify one or more legacy projects for the City of Prescott and shall continue to meet in order to assist in the development of the projects. Any conclusions reached by the Committee regarding such projects shall be accomplished by consensus rather than voting. Consensus will be reached when no members present at the meeting have an objection. The Committee shall recommend a project or projects to the City Council for approval. The Committee shall be subject to the provisions of the Arizona Open Meeting Law, and all records received by or generated from the Committee shall be public except to the extent that such records may be deemed confidential pursuant to applicable statutes.

SECTION 4. THAT membership on the Committee shall be in three categories:

- (a) Advisors would include representatives from Prescott's education institutions (Prescott College, Yavapai College and Embry-Riddle Aeronautical University).
- (b) Agency representatives would include representatives of agencies such as the City of Prescott, Prescott Chamber of Commerce and Sharlot Hall Museum.
- (c) Professionals representatives would include Elisabeth Ruffner, someone from the archaeological community (or the Prescott Yavapai Tribe), someone from the media.

SECTION 5. THAT membership on the Committee shall consist of ten persons appointed by the City Council. Each individual member is to have a genuine interest in the history of the City of Prescott. Members shall serve for the duration of the Committee, with any vacancies on the Committee to be filled by appointment by the Prescott City Council. Initial appointees are listed in Attachment A – Initial Committee Members.

SECTION 6. THAT the Committee may establish policies and procedures for positions of Committee Chairman and Vice-Chairman.

SECTION 7. THAT the Committee shall have the authority to establish subcommittees, as it deems appropriate, and may use such technical and legal resources as may be necessary subject to available funds. Subcommittees established by the Committee shall be subject to the provisions of the Arizona Open Meeting Law, and all records received by or generated from the Committee shall be public except to the extent that such records may be deemed confidential pursuant to applicable statutes.

SECTION 8. THAT funding to support the activities of the Committee will be provided by the City of Prescott, subject to the availability of funds, and will come exclusively from Prescott Bed Tax revenue.

SECTION 9. THAT staffing for the Committee shall be provided by the City, subject to the availability of funds.

SECTION 10. THAT the duration of the Committee shall be from the date of its establishment by the City Council through February 14, 2013, except that the City Council shall have the authority to suspend or dissolve the Committee if it deems such action to be appropriate.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 16th day of December, 2008.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

Attachment A – Potential Initial Committee Members

Category: Advisors (Non-voting)

Name	Affiliation	Address	Phone/E-mail
Dennis Garvey Dean, Division of Lifelong Learning	Yavapai College	1100 E. Sheldon Prescott, AZ 86301	(928) 445-7300 dennis.garvey@yc.edu
Ann Reynolds	????		(928) 776-9976 anninwoods@cableone.net
Jill Hewins, Director, Center for Extended Studies and Lifelong Learning	Prescott College	220 Grove Avenue Prescott, AZ 86301	?????
Steven Walker Vice President	Yavapai College Foundation	1100 E. Sheldon St. Prescott, AZ 86301	(928) 776-2025 Steve.walker@yc.edu
Dan Carrell Chancellor	Embry-Riddle Aeronautical University	3700 Willow Creek Rd Prescott, AZ 86301	(928) 777-3728 carrel@erau.edu

Category: Agency Representatives

Nancy Burgess Preservation Specialist	City of Prescott	P.O. Box 2059 Prescott, AZ 86302	(928) 777-1318 nancy.burgess@cityofprescott.net
Councilman Bob Bell (Council liaison)	City of Prescott	P.O. Box 2059 Prescott, AZ 86302	(928) 777-1352 bob.bell@cityofprescott.net
Debra Thurston	Phippen Museum	4701 Hwy 89 North Prescott, AZ 86301	(928) 778-1385 echodesinz@gmail.com
Dave Maurer CEO	Prescott Chamber of Commerce	117 W. Goodwin Prescott, AZ 86303	(928) 445-2000
Dr. Barbara Gillis, board member	Sharlot Hall Museum		(928) 717-0680
John Langellier, Ph.D., Director	Sharlot Hall Museum	415 W. Gurley St Prescott, AZ 86301	(928) 445-3122 ext 12 john@sharlot.org

Category: Professionals

Elisabeth Ruffner	Historian	1403 Barranca Drive Prescott, AZ 86303	(928) Elisabethf19@aol.com
Patti Ezell	Prescott Newspapers Inc.	PO Box 25907 Prescott Valley, AZ 86312	(928) 420-0525 Highlandsmarketing2000@yahoo.com
Lindsey Mills	PACT Independent production	P.O. Box 2274 Chino Valley, AZ 86323	(928) 636-0695 Lindseym68@gmail.com
To be named	Representative from the archaeological community (or the Prescott Yavapai Tribe)		

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COUNCIL AGENDA MEMO – 12/16/2008

DEPARTMENT: Prescott Regional Communications Center

AGENDA ITEM: Recommendation for Council to purchase Communication Equipment using account number 24-85101-712.

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Approved By:

Date:

Department Head: Darrell Willis, Emergency Services Director

Finance Director: Mark Woodfill

City Manager: Steve Norwood



12/08/08

BACKGROUND

The City of Prescott is working on a major Public Safety Communications upgrade project to improve voice communications in the Prescott area as well as the infrastructure required to use mobile data computers and automatic vehicle locators. Phase I of this project is near completion which included the design and construction of towers, communication buildings and emergency generators at five sites throughout the Prescott area. Preparations have begun on the phase II upgrade which will include the infrastructure required to operate MDC's, AVL's and the microwave and VHF radio equipment needed for the improved public safety voice radio system. The current schedule concludes that MDC's and AVL's will be operational for Prescott Police by the end of January 2009; the new radio voice system will be operational for both Police and Fire by December 2009. To date, the project is still running under budget.

This current request is for the microwave system to provide direct connectivity between each of the five communication sites, the PRCC and YCSO. This is required for the operation of the new VHF radio system which will transmit/receive public safety communications from the above sites.

Harris Stratex is the leader in microwave technology with 50 plus years of history of high quality microwave equipment. Equipment purchase shall be through the State of Arizona, contract #EPS050051-1-A4. The attached worksheet provides the breakdown of the equipment required for the Prescott microwave system with a total price of \$274,981 excluding tax and shipping.

FINANCIAL

Council has approved funding for the purchase of this equipment via the communications infrastructure budget in the fiscal year 2008/2009. The purchase price of \$274,981 plus tax and shipping will be paid out of account 24-85101-712.

ITEM SUMMARY

With the completion of phase I of the public safety radio upgrade project, we are ready to purchase the needed equipment for the microwave system which will provide required connectivity to each communication site in support of the new public safety voice radio system.

Recommended Action: MOVE to award the purchase of required microwave equipment through the State of Arizona, contract #EPS050051-1-A4, to Harris Stratex for \$274,981.00 plus tax and shipping for the public safety communication project.



Harris Stratex Networks, Inc.
 120 Rose Orchard Way
 San Jose, CA 95134

Company City of Prescott
 Attn Tad Coyner

SEIBEL ID :
 Proposal Number : NA H09289
 Proposal Date : 11.24.2008
 Issue No : 2
 Proposal Manager : R Prasad
 System Engineer : C Dionne
 Territory Manager : S Verrando
 Terms : WSCA 02702
 Delivery : 8-10 weeks ARO
 Expiration : 60 days
 Freight : EX-WORKS

Harris Stratex Networks Confidential and Proprietary Information

City Microwave System

ITEM	EQUIPMENT LIST DESCRIPTION	PRODUCT CODE PART NUMBER	SYSTEM		
			UNIT Price	QTY	PRICE
1.000 Harris Stratex Networks Equipment					
1.100 TRuepoint 5200 11GHz Digital Microwave Radios					
1.101	NP Terminal - equipped with 3xDS3+3DS1 wayside. Outdoor mount RFU and wideband modem (3.75 - 56MHz BW)	HT15211AA1SD##00 ST15NNWN200B###1A	\$15,714	12	\$188,568
1.200 TRuepoint 5200 19GHz Digital Microwave Radios					
1.201	NP Terminal - equipped with 3xDS3+3DS1 wayside. Outdoor mount RFU and wideband modem (3.75 - 56MHz BW)	HT15218AA1SD##00 ST15NNWN200B###1A	\$12,960	2	\$25,920
1.300 Racks, Cables, Jackfields and Accessories					
1.301	7 ft. relay rack, aluminum, 19 in. mounting, 48VDC	KJAAA112	\$550		
1.302	Cable DC power with screw on connector double shielded 8ft (1 per modem)	087-903466-008	\$50	14	\$700
1.303	SPU to RFU coax cable, C2FP, 150ft-45.7m	098-903616-003	\$172	14	\$2,408
1.304	Cable DB15M to Stub 60ft for controller alarm wire wrap connections	087-903879-006	\$205	7	\$1,435
1.305	Cable, TRuepoint alarm and relay card, SCSI-2 to Stub 50ft	087-903452-005	\$198	7	\$1,386
1.306	Tributary cable - BNC to BNC, 25ft	087-102106-250	\$75	84	\$6,300
1.307	TRuepoint to TRuepoint RJ45-RJ45 Repeater Cable, 7ft	087-020193-702	\$25	7	\$175
1.308	TRuepoint Accessories - Orderwire Card	10x-902530-501	\$324	14	\$4,536
1.309	TRuepoint Accessories - Orderwire Handset	091-020085-107	\$33	7	\$231
1.310	TRuepoint Accessories - Keypad	098-903030-002	\$230	7	\$1,610
1.311	TRuepoint Accessories - Alarm Card	101-902525-501	\$270	7	\$1,890
1.400 Network Management					
1.401	FarScan for Windows	472-109999-xxx	\$13,000	1	no charge
1.402	PCR software	501-113022-xxx	\$5,000	1	no charge
1.403	FarScan Craft PC - Dell Notebook Latitude D610 --- Craft workstation for Field Technician (LAPTOP)	D610	\$2,050		
Subtotal - HSTX Equipment:					\$235,159
2.000 Vendor Drop-Ship Equipment					
2.100 Direct Mount Antennas					
2.101	3' (0.9m) HP Antenna, 10.7-11.7 GHz	HP3-11TR	\$2,099	12	\$25,188
2.102	2' (0.6m) HP Antenna, 17.7-19.7 GHz	HP2-18TR	\$1,017	2	\$2,034
Subtotal - Vendor Drop-Ship Equipment:					\$27,222
3.000 Services					
3.100 System Factory Services (price per hop in number of man days)					
3.101	Application Engineering - Factory System Integration	SVC-SFS-01	\$900	7	\$6,300
3.102	Application Engineering - Documentation / Drafting	SVC-SFS-02	\$900	7	\$6,300
Subtotal - Services:					\$12,600
Grand Total (Excluding Applicable Taxes and Freight)					\$274,981

REV#	DESCRIPTION	DATE
C		09-09-2008

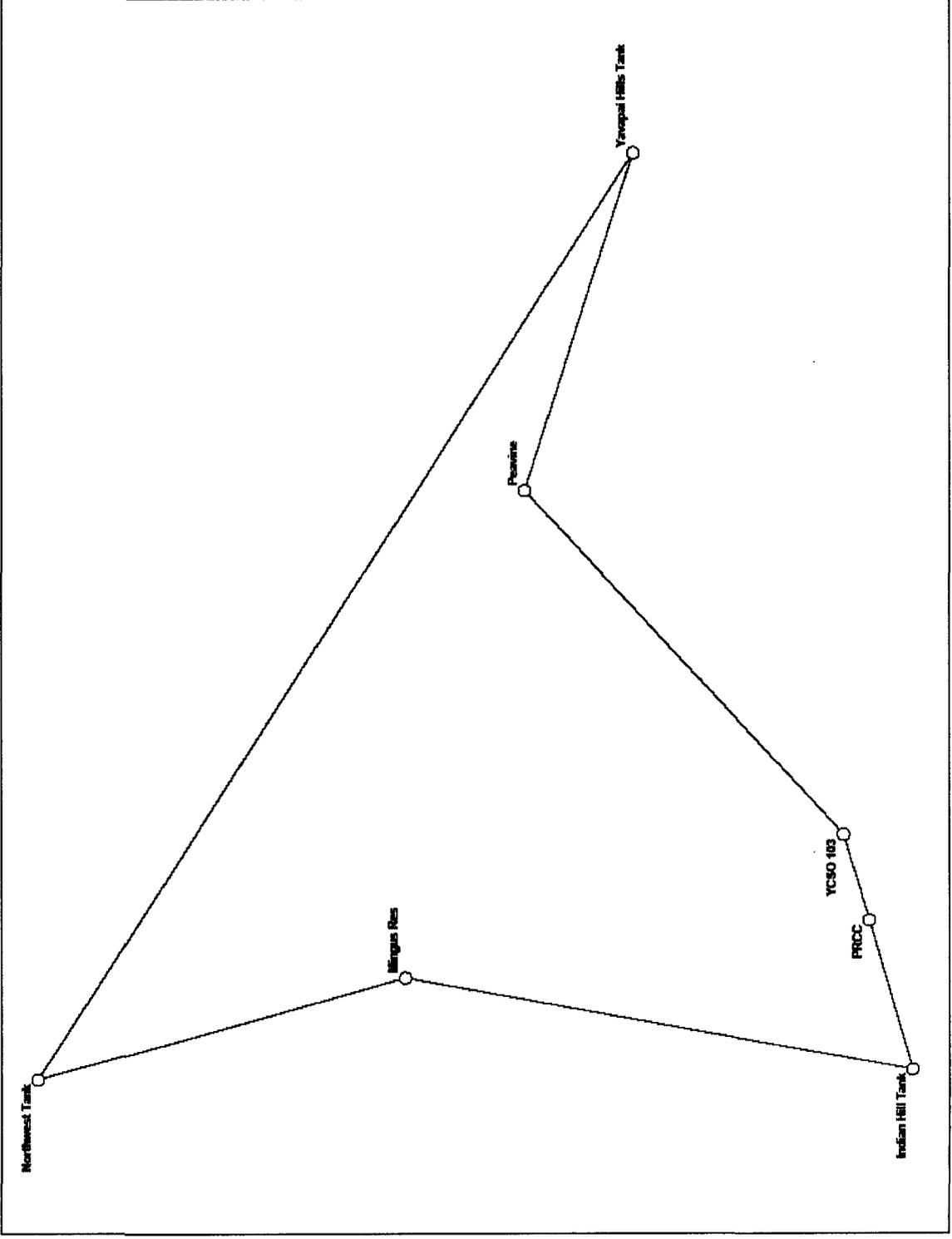
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harris stratex
 10000 Harris Boulevard, Inc.
 City of Prescott
 City of Prescott
 System Layout

DATE: 09/09/08
 DRAWN BY: [unclear]
 CHECKED BY: [unclear]
 PROJECT NO.: 08-0000000
 SHEET NO.: 11
 TOTAL SHEETS: 11



Northwest Tank, Pleasant, YCSO 163, PRCC, Indian Hill Tank, Mingus Res, Yavapai Hills Tank

COUNCIL AGENDA MEMO – 12/16/2008

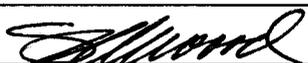
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DEPARTMENT: Fire

AGENDA ITEM: Replacement of Two Wildland Vehicles

Approved By:

Date:

Department Head: Darrell Willis	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	12/09/08

Background

Prescott Fire Department's Patrol 73, a 1983 Type 6 wildland vehicle is the oldest front-line vehicle in our fleet and is due for replacement. A Type 6, commonly referred to as a patrol or brush truck, is typically a 4-wheel drive heavy duty pickup cab and chassis, with a utility box, a pump, hose, wildland equipment, and a 100 to 300 gallon water tank. These smaller vehicles are designed for maneuverability and quick attack capabilities in the wildland fire arena - off district or here in the City's wildland urban interface.

The Granite Mountain Hot Shot Crew Superintendent's vehicle is a 2005 standard cab with a utility style bed and has 60,527 miles. The vehicle carries two personnel, all of their safety equipment, a large 4x4 ATV, all of the fuel storage cans, a portable pump, and a pump kit. The large amount of equipment on the current vehicle pushes its Gross Vehicle Weight (GVW) limit. In addition, the allowable amount of fuel storage cans that can be transported in this type of vehicle is not in accordance with ADOT requirements. This is diesel and regular fuel for gasoline powered equipment such as chain saws, drip torches, portable pumps, and the ATV. The standard cab provides minimum storage space for the amount of gear and equipment the two supervisors must carry with them for the thousands of miles the crew travels each year.

Status

In an effort to save money, we have a way to purchase two new wildland vehicles for less than the \$115,000 budgeted replacement amount for Patrol 73.

Vehicle #1 replaces Patrol 73. The "skid unit" or pump and tank system from the current Type 6 which is still very functional will be re-installed on vehicle #1. The work to change over that specialized part of the vehicle will be performed by our Central Garage mechanics at an estimated labor cost of \$2,000. Patrol 73's cab and chassis will go to auction.

Vehicle #2 will replace the Granite Mountain Hot Shot Crew Superintendent's vehicle. The requested vehicle, with its quad cab and dual wheels, will safely carry the

Agenda Item: Replacement of Two Wildland Vehicles.

necessary equipment for the Hot Shot team to function properly without exceeding the GVW limit of the vehicle. It will also have two 50 gallon fuel storage cells, one diesel and one regular, with a fuel transfer pump, to replace the loose five gallon fuel storage cans. The current Superintendent's vehicle will become the chase vehicle for the fuels management program and the current chase vehicle will go to auction.

Through State contract we are able to stay under budget and afford these two vehicles. As much as we would like to buy locally, the Dodge dealerships in this area told us they have a difficult time competing with the State contract bids due to their lower sales volume. Any dealership has the opportunity to bid on the State contract. Our research, as current as last week, showed local pricing is 6% higher than the State contract.

After thorough review of available vehicles, we feel the Dodge models would be the most suitable and cost effective for our needs. The Dodge due to its size and shorter wheelbase has a better turning radius and ground clearance for greater maneuverability compared to the other two manufacturers. Our mechanics have also recommended the Dodge product for maintenance and performance reasons. Warranties for the Dodge engine and transmission are also better.

The service body and all emergency accessory equipment such as lights, siren, communication console, etc. are installed at an additional cost. Bill Luke Dodge contracts with Arizona Emergency Products to provide and install this equipment prior to the vehicles being delivered to us.

Financial

Vehicle #469 (Patrol 73) has a budgeted replacement value of \$115,000.00.

New Vehicle #1 Bill Luke Phx AZ Dodge 5500 Quad Cab 4X4 with tax = \$42,487.84 + Arizona Emergency Products \$9,084.69 = **\$51,572.53**

New Vehicle # 2 Bill Luke Phx AZ Dodge 4500 Quad Cab 4X4 with tax + \$41,126.51+ Arizona Emergency Products \$16,608.93 = **\$57,735.44**

Total two new vehicles = **\$109,307.96**, tax included.

Recommendation: MOVE to approve the purchase of two wildland vehicles through State Contract for a total of \$109,307.96, tax included.

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COUNCIL AGENDA MEMO – December 16, 2008

DEPARTMENT: Public Works
AGENDA ITEM: Approval of a grant application to ADOT, in partnership with Prescott Alternative Transportation, for funding of infrastructure improvements under the Safe Routes to School Program

Approved By:	Date:
Department Head: Mark Nietupski	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood <i>SNorwood</i>	<i>12/09/08</i>

Item Summary

This item is to authorize the City to submit two grant applications to ADOT, in partnership with Prescott Alternative Transportation (PAT), for infrastructure improvements under the Safe Routes to School program. These grants are for up to \$250,000 each and provide funding for design and construction of sidewalks, striping, signing, and crosswalks, etc., to enhance pedestrian and bicycle access to and from four local schools. Miller Valley School and Taylor Hicks School are combined on one grant application with Mile High Middle School and Mountain Oaks Charter School on the other.

Prior to submittal of the grants, the City and PAT will identify specific improvements with their corresponding costs. The City is required to be a party to the grant applications since many of the improvements will be within City right-of-way. The grant applications must be submitted by December 31, 2008, to qualify.

Budget

No matching funds are required on the part of the City. Pending ADOT award of a grant, the funding would be budgeted for expenditure in FY10.

Recommended Action: MOVE to approve a City grant application to ADOT, in partnership with Prescott Alternative Transportation, for funding of infrastructure improvements under the Safe Routes to School Program.

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COUNCIL AGENDA MEMO – December 16, 2008	
DEPARTMENT: Public Works	
AGENDA ITEM: Adoption of Resolution No. 3924-0930 for Assignment and Amendment of the Development Agreement for Storm Ranch	

Approved By:	Date:
Department Head: Mark Nietupski	
Finance Director: Mark Woodfill	
City Manager: Steve Norwood <i>SNorwood</i>	<i>12/10/08</i>

Item Summary

This item is an Assignment and Amendment of the Storm Ranch Development Agreement (DA) which was originally approved by Council on July 10, 2007, under Resolution 3827-0801. The DA included approval of the Preliminary Plat for 227 lots on 291.85 acres with SF-9 and SF-12 Zoning and an Agreement for Potable Water WSA07-015.

Background

Community Southwest (CSW) has had the Storm Ranch "middle parcel" Property under contract with the fee owner of the property, RHP Development L.L.C., for several years and has been actively pursuing development of the property. Earlier this year CSW opted to terminate the purchase contract with the owner. Stratford Land Fund III, L.P. (SLF) is now under contract with RPH Development L.L.C. to purchase the property and it is the desire of the City and SLF to assign the DA to SLF with certain amendments as described below.

Under the current DA the developer was responsible to construct the Roundabout located at the intersection Prescott Lakes Parkway and Sundog Connector (SDC) and the City was to reimburse the developer for 50% of the cost. However, now that Yavapai County is in the planning stages of the new Justice Complex, the amended DA allows the City or Yavapai County the option to construct the Roundabout and be reimbursed for 50% the cost of the Roundabout by the SLF. The payment schedule is based on the execution of the construction contract and commencement of the roundabout work. Under the IGA between the City and Yavapai County for City acquisition of the Rodeo Grounds the City is obligated to reimburse Yavapai County for the full cost of the roundabout should the County construct it.

The dedication and infrastructure improvements to certain segments of SDC and Storm Ranch Parkway (SRP) are triggered by planning and construction of specified internal streets to provide access the residential lots. Under the current DA, the dedication and improvements were required, however there was no schedule or milestone dates.

Agenda Item: Assignment and Amendment of Development Agreement for the Storm Ranch Project.

Under the current DA the City and developer are each responsible for 50% the costs of Road and Utility Improvements to SDC. The shared costs are a result of the oversizing required of both the roadway and utilities because the SDC is a regional facility and will ultimately benefit much more than just the Storm Ranch Project. The amended DA will allow the City to review the Cost Estimates for both the roadway and utility improvements. The City can then decide to require SLF to construct the SDC to ultimate design capacity and reimburse SLF for 50% of the cost or require SLF to construct only the roadway and utility improvements required to serve the Storm Ranch Project. The Cost Estimates must be submitted to the City no later than March 1 of a given year and the City will then notify SLF by July 1 of that year if the City has or has not budgeted the 50% estimated costs the following fiscal year.

The Assignment and Amendment of Development Agreement, Preliminary Plat, Water Service Agreement and all other obligations from the original Development Agreement that were not amended are effectively united and under this Resolution to remain in force until July 10, 2017.

- Attachments**
- Development Agreement (Storm Ranch / CSW)
 - Assignment and Amendment of Development Agreement (Storm Ranch / SLF)
 - Resolution

Recommended Action: MOVE to adopt Resolution No. 3924-0930.

RESOLUTION NO. 3924-0930

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE CITY OF PRESCOTT TO ENTER INTO AN AMENDMENT OF THE DEVELOPMENT AGREEMENT, CONTRACT NO. 2008-012 WITH CSW PRESCOTT, L.L.C. AND APPROVING AN ASSIGNMENT TO STRATFORD LAND FUND III - AZ STORM RANCH, LLC, AND AUTHORIZING THE MAYOR AND STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE

RECITALS:

WHEREAS, the City of Prescott originally entered into a Development Agreement ("D.A.") with CSW Prescott, L.L.C. ("CSW"), which was approved by Council on July 10, 2007, under Resolution 3827-0801; and

WHEREAS, the City has determined that CSW is no longer a qualified party to the Development Agreement as CSW no longer has the property under contract to purchase; and therefore, has no interest in said property; and

WHEREAS, CSW previously had the Storm Ranch "middle Parcel" property under contract with the fee owner of the property, RHP Development LLC, for several years and had been actively pursuing development of the property. Earlier this year, CSW opted to terminate the purchase contract with the owner and Stratford Land Fund III ("SLF") is now under contract with RPH Development LLC to purchase the property and it is the desire of the City and SLF to allow the assignment of the Development Agreement to SLF, with certain amendments thereto as described in Exhibit "A"; and

WHEREAS, the parties wish to amend the Development Agreement to effectively unite all other obligations from the original Development Agreement and to amend the agreement as set forth herein.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT the City of Prescott hereby approves the attached Assignment and Amendment of that certain Development Agreement (between the City of Prescott and SLF III – AZ Storm Ranch, LLC, recorded as Instrument No. 4164723, in Book 4531 at Page 529, Records of the Yavapai County Recorder), and approves the Amendment thereto and Assignment thereof as set forth in Exhibit "A" hereto.

SECTION 2. THAT the Mayor and staff are hereby authorized to execute the attached Assignment and Amendment of Development Agreement and to take any and all steps deemed necessary to accomplish the foregoing.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 16th day of December, 2008.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

When recorded, return to:

City of Prescott
221 S. Cortez
Prescott, Arizona 86302
Attn: City Clerk

**ASSIGNMENT AND AMENDMENT OF
DEVELOPMENT AGREEMENT**

This Assignment and Amendment of Development Agreement (this "Agreement") is entered into effective as of _____, 2008, by City of Prescott, Arizona, an Arizona municipal corporation ("City"), and SLF III – AZ Storm Ranch, LLC, a Texas limited liability company ("SLF").

RECITALS:

- A. City previously entered into that certain Development Agreement (the "Development Agreement") recorded as Instrument No. 4164723, in Book 4531, at Page 529 in the records of Yavapai County, Arizona, a copy of which is attached hereto as Exhibit A, with CSW Prescott L.L.C., an Arizona limited liability company ("CSW"). All capitalized terms used herein but not otherwise defined herein shall have the meaning given to such terms in the Development Agreement.
- B. City has determined that CSW is no longer a party to the Development Agreement as CSW no longer has the Property under contract to purchase.
- C. SLF (by assignment from its affiliate, Stratford Land Fund III, L.P.) is now under contract with Fee Owner to acquire the Property, and with City's consent and approval, SLF desires to adopt the Development Agreement as the new Developer thereunder and to assume all rights and obligations of Developer thereunder.
- D. City and SLF also desire to amend certain of the terms and provisions of the Development Agreement as set forth herein.

AGREEMENT:

IN CONSIDERATION of the foregoing recitals and the mutual covenants and agreements set forth herein, the parties hereto agree as follows:

1. SLF and City hereby acknowledge and agree that the Development Agreement attached hereto as Exhibit A is hereby assigned to and adopted (as amended hereby) by SLF and City as an agreement between SLF and City, with SLF substituted as "Developer" thereunder for all purposes, and SLF assumes all rights and obligations of

Developer thereunder. SLF and City further acknowledge and confirm that the Development Agreement, as so assigned and adopted, and as amended hereby, is valid, existing and in full force and effect as between City and SLF, and that no breach or default exists thereunder.

2. City hereby acknowledges and confirms that the Development Agreement and the Preliminary Plat covering the Property (and described by City's City Council as "comprising 227 lots on 291.85 acres located at the southeast corner of Prescott Lakes Parkway and Highway 89, Zoning SF-9 and SF-18, Applicant CSW Prescott, LLC; Owner RHP Development (SP04-021)") (the "Preliminary Plat"), both run with the land, and, subject to Section 8.12 of the Development Agreement, shall be binding upon successors in interest and assigns, for a period of ten (10) years, beginning on July 10, 2007 (the date on which the City Council approved same) and terminating or expiring on July 10, 2017. City hereby further acknowledges and confirms that the ten (10) year period referenced in Section 2.c. of that certain Agreement for Potable Water #WSA07-015 Storm Ranch Middle Parcel, recorded as Instrument No. 4164724, in Book 4531, at Page 530 in the records of Yavapai County, Arizona (the "Water Agreement"), shall be deemed to mean and refer to the ten (10) year term of the Development Agreement and the Preliminary Plat, such that all three (3) documents shall be effective for the same time periods and shall terminate or expire at the same time on July 10, 2017 (except as otherwise expressly provided in the Development Agreement or in the Water Agreement).

3. Section 3.3A(vi) of the Development Agreement is hereby deleted in its entirety and a new Section 3.3G is added, as follows:

G. Traffic Roundabout at Sun Dog Connector and Prescott Lakes Parkway. City's required Improvements for the Sun Dog Connector shall be the installation of a traffic roundabout at the intersection of Sun Dog Connector and Prescott Lakes Parkway. City or Yavapai County will construct (or cause to be constructed) such roundabout in accordance with City Standards, and Developer shall pay to City an amount equal to fifty percent (50%) of the original construction contract price based on the award of a bid therefore ("Developer's Roundabout Share"), upon (or within thirty [30] days after) Developer's receipt of written notice of City's or Yavapai County's execution of its construction contract for such improvements. If construction on the roundabout, pursuant to the executed construction contract, is not commenced within one hundred twenty (120) days of Developer's payment to City of Developer's Roundabout Share, City shall promptly return Developer's Roundabout Share to Developer, and Developer shall have no obligation to pay such amount to City until construction is actually commenced, pursuant to the executed construction contract. At such time, and upon Developer's receipt of written notice from City of such commencement of construction, Developer shall promptly tender Developer's Roundabout Share to City.

4. Section 3.3.C (iii) of the Development Agreement is hereby replaced in its entirety with the following:

(iii) Segment C, Segment D. Developer shall dedicate Segment C and Segment D to City for use as a public street concurrent with the platting and construction of SDC Phase One and in accordance with Section 7.4.3(J) of the Land Development Code.

5. Section 3.3E of the Development Agreement is hereby replaced in its entirety with the following:

E. SDC Phase Two, Improvements. SDC Phase Two shall consist of Segment D. Developer will construct the SDC Road Improvements and SDC Utility Improvements for SDC Phase Two in accordance with City Standards, or fund such Improvements in accordance with Section 7.7.2 of the Land Development Code, concurrent with the construction of Mystic Ridge Loop, Bow Echo Court, and Arcus Court roadways, which provide access to Lots 151 through 227 as shown on the approved Preliminary Plat.

City acknowledges and agrees that the provisions of this Section 3.3.E satisfy the requirements of Article 7.4.3.B. of the Land Development Code.

6. Section 3.6D of the Development Agreement is hereby replaced in its entirety with the following:

D. SRP Phase Two Improvements. SRP Phase Two shall consist of the portion of the SRP ROW depicted as SRP Phase Two on **Exhibit H-2**. The SRP Improvements for Phase Two include a cul de sac that will be located on a portion of the ASLD Parcel as depicted on **Exhibit H-2**. City shall use its best efforts to acquire such portion of the ASLD Parcel, as part of the ASLD Application, provided, however, that Developer satisfy all ASLD requirements for the acquisition. Developer shall pay all costs associated with such acquisition. Following acquisition, Developer will construct and install the SRP Improvements for SRP Phase Two in accordance with City Standards, or fund such Improvements in accordance with Article 7.4.3. of the Land Development Code, concurrent with the construction of Shady Gate Drive and Triple Point Court roadways, which provide access to Lots 1 through 68 as shown on the approved Preliminary Plat.

City acknowledges and agrees that the provisions of this Section 3.6D satisfy the requirements of Article 7.4.3.B. of the Land Development Code.

7. Section 4.4B of the Development Agreement is hereby replaced in its entirety with the following:

B. Reimbursement of SDC Road Improvements. City and Developer acknowledge and agree that the Sun Dog Connector is a road of regional significance and the City has required that the Sun Dog Connector be fully built as a minor arterial (with a median, and curb, gutter and sidewalks on both sides) to meet future needs. Notwithstanding the foregoing, City acknowledges that the Traffic Impact Analysis for the Project requires the construction of two lanes (with a median) to serve the Project. Accordingly, City shall reimburse Developer an amount that equals fifty percent (50%) of the Improvement Construction Costs for the SDC Road Improvements (the "SDC Roadway Costs") as follows:

- (i) Developer shall submit, no later than March 1 of a given calendar year, to City a preliminary design for the SDC Road Improvements, along with the engineer's estimation of the costs of such improvements (collectively, the "Road Design and Cost Estimate"). City shall review and either approve or disapprove of same, by confirming to Developer by July 1 following Developer's submittal of the Road Design and Cost Estimate, that City has (or has not) included in its budget for the following fiscal year fifty percent (50%) of the estimated SDC Roadway Costs (based on the Road Design and Cost Estimate).
- (ii) If City does not approve the Road Design and Cost Estimate, as evidenced by City not including in its budget for the following fiscal year fifty percent (50%) of the estimated SDC Roadway Costs, then Developer may continue with the SDC Road Improvements but will only be required to pay for and construct the relevant Improvements to the extent necessary to serve the Project only (being construction of two lanes with a median).
- (iii) If City does approve the Road Design and Cost Estimate, as evidenced by City including in its budget for the following fiscal year fifty percent (50%) of the estimated SDC Roadway Costs, then Developer may move forward with the SDC Road Improvements, and Developer shall be entitled to submit draw requests to City on a monthly basis to pay all SDC Roadway Costs billed as of the date that the draw request is submitted by Developer, less any applicable retention (each a "Draw Request"). The Draw Request shall (i) set forth the total amount to be paid, (ii) allocate that total amount between City and Developer, and (iii) be accompanied by (A) statutory conditional lien waivers and releases from all of the contractors that are statutorily permitted to impose a lien under Arizona Revised Statutes § 33-981, *et seq.* ("Lien Claimants"), and are to be paid from the payment resulting from the current Draw Request, and (B) statutory unconditional waivers and releases from all Lien Claimants in the full amount shown on all conditional waivers and releases submitted in connection with prior Draw Requests for which payment has been made. City shall pay its share of the SDC Roadway Costs within thirty (30) days

following receipt of a Draw Request. City shall pay such costs from City's One Cent Sales Tax for Streets and Open Space Fund (the "Fund").

8. Section 4.4C of the Development Agreement is hereby replaced in its entirety with the following:

C. Reimbursement of Utility Improvements.

- (i) City requires Developer to oversize the existing waterline in the SDRR ROW through the construction of the SDRR Waterline. City shall reimburse Developer fifty percent (50%) of the Improvement Construction Costs for the SDRR Waterline (the "Waterline Costs"). If City requires Developer to oversize the SDC Utility Improvements, as described in Section 3.3F, City shall reimburse Developer the difference between the cost to construct the oversized SDC Utility Improvements and the cost to construct the SDC Utility Improvements without oversizing (the "SDC Oversizing Costs") based on bids for each scope of work.
- (ii) Developer shall submit, no later than March 1 of a given calendar year, to City a preliminary design for the SDRR Waterline and, if applicable, the oversized SDC Utility Improvements, along with the engineer's estimation of the costs thereof (collectively, the "Waterline/SDC Utility Design and Cost Estimate"). City shall review and either approve or disapprove of same, by confirming to Developer by July 1 following Developer's submittal of the Waterline/SDC Utility Design and Cost Estimate, that City has (or has not) included in its budget for the following fiscal year fifty percent (50%) of the estimated Waterline Costs and, if applicable, 100% of the estimated SDC Oversizing Costs (based on the Waterline/SDC Utility Design and Cost Estimate).
- (iii) If City does not approve the Waterline/SDC Utility Design and Cost Estimate, as evidenced by City not including in its budget for the following fiscal year fifty percent (50%) of the estimated Waterline Costs and, if applicable, 100% of the estimated SDC Oversizing Costs, then Developer may continue with the utility Improvements but will only be required to pay for and construct the relevant Improvements to the extent necessary to serve the Project only.
- (iv) If City does approve the Waterline/SDC Utility Design and Cost Estimate, as evidenced by City including in its budget for the following fiscal year fifty percent (50%) of the estimated Waterline Costs and, if applicable, 100% of the estimated SDC Oversizing Costs, then Developer may move forward with the utility improvements, and Developer shall be entitled to submit Draw Requests to City on a monthly basis to pay fifty percent (50%) of all Waterline Costs and/or one hundred percent (100%) of the SDC Oversizing Costs billed as of the date that the draw request is

submitted by Developer, less any applicable retention. City shall pay the Waterline Costs and/or SDC Oversizing Costs within thirty (30) days following receipt of a Draw Request. City shall pay such costs from the Fund.

9. Section 4.4D of the Development Agreement is hereby amended by deleting the last clause thereof, which reads “as more specifically described in Section 4.2(A) and (B)” and replacing it with “as more specifically described in Section 4.4B and C”.

10. Sections 7.2A and B of the Development Agreement are hereby amended to reflect that SLF is a Texas limited liability company, duly formed and validly existing under Texas law, and to the extent necessary, qualified to transact business in the State of Arizona, and that SLF has provided City with a copy of its filed Certificate of Formation and, to the extent necessary, evidence of qualification to transact business in the State of Arizona.

11. Section 8.1(B) of the Development Agreement is hereby replaced in its entirety with the following:

B. Notwithstanding any provisions of this Agreement to the contrary, Developer may terminate this Agreement by providing written notice thereof to City in the event that Developer’s purchase contract with Fee Owner is terminated or it otherwise fails to purchase the Property from Fee Owner pursuant thereto. Developer represents that (i) it has the authority under its purchase contract with Fee Owner to execute this Agreement and to have this Agreement recorded in the Official Records of Yavapai County, Arizona, (ii) that it is duly authorized to execute this Agreement, and (iii) that it will furnish to City proof of such authority and authorization. Developer agrees to sign, and will request that Fee Owner sign, the requisite waiver referred to in Section 8.21 of the Development Agreement.

12. Section 8.2 of the Development Agreement is hereby amended by replacing Developer’s address (and that of Snell & Wilmer, L.L.P.) for notice purposes with the following:

To Developer: SLF III – AZ Storm Ranch, LLC
5090 North 40th Street, Suite 260
Phoenix, Arizona 85018
Attention: Diane Belcher
Phone: 602-889-2662
Facsimile: 602-510-3872

With a copy to: Hudnall P.C.
 5949 Sherry Lane, Suite 1750
 Dallas, Texas 75225
 Attention: Matt Hudnall, Esq.
 Phone: 214-239-2358
 Facsimile: 214-368-9192

13. The Development Agreement shall continue in full force and effect, as amended hereby.

14. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

[This space intentionally left blank; signature and exhibit pages attached hereto.]

IN WITNESS WHEREOF, City has caused this Agreement to be duly executed in its name and behalf by its City Manager, and Developer has signed the same, on or as of the day and year first above written.

CITY:

CITY OF PRESCOTT, ARIZONA,
an Arizona municipal corporation

ATTEST:

By: _____
Its: _____

CITY CLERK

APPROVED AS TO FORM:

PRESCOTT CITY ATTORNEY

STATE OF ARIZONA §
 §
COUNTY OF YAVAPAI §

The foregoing Agreement was acknowledged before me this ___ day of _____, 2008, by _____, _____ of City of Prescott, Arizona, an Arizona municipal corporation, on behalf of the corporation.

Notary Stamp/Seal

Notary Public

SLF:

SLF III – AZ STORM RANCH, LLC,
a Texas limited liability company

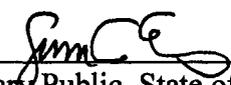
By: Stratford Land Fund III, L.P.,
a Delaware limited partnership,
its sole member

By: Stratford Fund III GP, LLC,
a Texas limited liability company,
its general partner

By: 
Phillip F. Wiggins
Manager

STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on December 3, 2008, by Phillip F. Wiggins, Manager of Stratford Fund III GP, LLC, a Texas limited liability company, the general partner of Stratford Land Fund III, L.P., a Delaware limited partnership, the sole member of SLF III – AZ Storm Ranch, LLC, a Texas limited liability company, on behalf of said limited liability company.



Notary Public, State of Texas

SUSAN C. EVANS

(Printed name)

My Commission Expires:

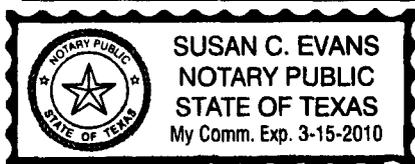


EXHIBIT A

DEVELOPMENT AGREEMENT



When recorded, return to:

City of Prescott
201 South Cortez
Prescott, Arizona 86303
Attn: City Clerk

FEE
\$23
\$8
\$5
\$1
\$33

DEVELOPMENT AGREEMENT
CITY OF PRESCOTT, ARIZONA,
an Arizona municipal corporation

and

CSW PRESCOTT, L.L.C.,
an Arizona limited liability company

JULY 10, 2007



DEVELOPMENT AGREEMENT

This Development Agreement ("Agreement") is made as of the 10 day of July, 2007 ("Effective Date"), by and between City of Prescott, Arizona, an Arizona municipal corporation ("City"), and CSW Prescott L.L.C., an Arizona limited liability company ("Developer") with the consent of RHP Development, L.L.C., an Arizona limited liability company (the "Fee Owner"). City and Developer shall be referred to in this Agreement, collectively as "Parties," and individually as "Party."

RECITALS:

A. Fee Owner is the owner of approximately two hundred ninety two (292) acres of land, commonly referred to as the Storm Ranch Middle Parcel and legally described on **Exhibit A**. (the "Property").

B. Developer has entered into a contract to purchase the Property from Fee Owner.

C. Developer intends to develop the Property as a residential development in accordance with the designated zoning for the Property, SF-09 and SF-18 having approximately 227 residences (the "Project"). This Agreement is intended to set forth certain obligations of the Parties with respect to the contemplated development of the Property and provide a framework for the implementation of the Project, as permitted by Arizona law. The Parties intend for this Agreement to be a "Development Agreement" within the meaning of A.R.S. § 9-500.05.

D. This Agreement provides for the construction, in and around the Property, of certain public improvements to serve the Project and certain additional public improvements to serve regional needs. The Parties intend to provide for the acquisition of property required for certain of these public improvements, including the acquisition of right-of-way for the Sundog Connector, as described on **Exhibit B**, and the Ranch Emergency Road, as described on **Exhibit C**. The Parties further intend to provide for the construction and dedication of the public improvements in accordance with the terms and conditions of this Agreement.

E. City has determined that the development of the Property in accordance with this Agreement is consistent with City's General Plan.

AGREEMENT:

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

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

1.1 "Applicable Laws" means the federal, state, county and local laws (statutory and common law), ordinances, rules, regulations, permit requirements, development fees (in accordance with A.R.S. § 9-463.05), and other requirements and official policies of City which apply to the development of all or any part of the Property or any Improvements.



1.2 "A.R.S." means the Arizona Revised Statutes as now or hereafter enacted or amended.

1.3 "Land Development Code" means the Land Development Code of City of Prescott, Arizona adopted on December 31, 2004 and amended on January 11, 2005 and April 26, 2006.

1.4 "Person" means and includes natural persons, corporations, limited partnerships, general partnerships, joint stock companies, joint ventures associations, limited liability companies, limited liability partnerships, trusts, land trusts, business trusts or other organizations, whether or not legal entities.

1.5 "Production Builder" means a Person regularly engaged in the trade or business of building and selling residences to purchasers who will use such residences for their individual use or for rental to another Person for such other Person's individual use.

1.6 "Retail Purchaser" means a Person who purchases a lot improved with a residential dwelling unit or a lot for investment or for the purpose of constructing a residential dwelling unit thereon primarily for that Person's individual use or for rental to another Person for such other Person's individual use. In no event shall a Production Builder be treated as a Retail Purchaser.

2. DEVELOPMENT OF PROPERTY.

2.1 Development of Property. City agrees that the Property may be developed for land uses authorized by the Zoning Ordinance in accordance with its current land use designations, as described on **Exhibit D** ("Zoning Designations"), subject to Developer's compliance with the terms of this Agreement and all Applicable Laws.

2.2 Development Plans.

A. Zoning Designations and Subdivision Plats. City agrees that, Developer, or any owner of all or any portion of the Property, shall have the right to undertake and complete the development of the Project in accordance with the Zoning Designations and any subdivision plats for the Property approved by City through its normal and customary subdivision plat approval process (the "Subdivision Plats") for a period of ten (10) years after the Effective Date (the "Vested Period"), and such right is hereby vested for the Vested Period. During the Vested Period, City shall not initiate any changes or modifications to the Zoning Designations and/or any Subdivision Plats applicable to all or any portion of the Property, except at the request of the then-owner of the Property, or any portion thereof. Notwithstanding the foregoing, the City may enact development standards and technical specifications relating to development of the Property that do not result in a change or modification of the Zoning Designations, Subdivision Plats, or terms of this Agreement.

B. Designated Growth Area. City hereby acknowledges and agrees that the Property is in an area of City that City has determined to be appropriate for immediate growth and the extension of public services. City shall include the Property within any growth boundary, urban boundary, urban service boundary or other similar purpose land use regulatory device



(collectively, "Growth Boundary") that may be established by City in the future, and City shall undertake reasonable actions to support the inclusion of the Property within any Growth Boundary that may be established by other local laws, state laws, referendums, or initiatives in the future. Except as required by law, City shall not take any affirmative action or position that would have the effect of subjecting the timing or development of the Property to procedures and limitations that may be a part of any Growth Boundary.

C. Phasing of Development and Moratoriums. Developer reserves the right to develop the Property in phases as described and depicted on **Exhibit E**. In the event of any moratorium that is instituted pursuant to A.R.S. § 9-463.06, Developer or any owner of all or any portion of the Property may apply for a waiver of the applicability of such moratorium to develop the Property in accordance with the provisions of this Agreement, as described in A.R.S. § 9-463.06D.

2.3 Hillside Development Standards. City acknowledges that it has reviewed the plot plans, included in the Property's preliminary plat submittal package dated June 20, 2006, for the lots within the Property which have a predominate slope of twenty percent (20%) or greater and are affected by Section 6.8 of the Land Development Code, Hillside Development Standards (the "Plot Plans").

2.4 Prescott East Area Plan. City acknowledges that Developer has submitted an amendment to the Prescott East Area Plan ("PEAP") to change the commercial land use designations for the Property on the PEAP's land use map to residential designations ("PEAP Amendment"). City hereby confirms that the PEAP has not been incorporated into the City's General Plan, and agrees to use its best efforts to process the amendment for consideration by City Council.

2.5 Processing of Development Plans. Subject to Applicable Laws, City and Developer will cooperate reasonably in processing the approval or issuance of any permits, site plans, plats or other development approvals requested in connection with development of the Project.

3. **INFRASTRUCTURE IMPROVEMENTS**. Except for Developer's obligations with respect to the acquisition of Segment B of the SDC ROW as provided in Section 3.3.C(ii) below, any actions to be taken by Developer under this Section shall occur following Developer's acquisition of the Property.

3.1 Infrastructure Improvements. As a condition of development of the Property, imposed by City and as authorized by A.R.S. § 9-462.01, Developer shall design, construct or cause to be constructed and dedicated to City, the improvements described in this Section 3 (the "Improvements"). Each individual improvement within the Improvements shall be referred to as an "Improvement."

3.2 Payment of Improvement Construction Costs. The Developer shall pay all Improvement Construction Costs as the same become due, provided that City shall be obligated to provide the reimbursement concerning the regional and/or oversized Improvements as described in Section 4.4. As used in this Agreement, "Improvement Construction Costs" means



all costs, expenses, fees and charges actually incurred and paid to contractors, architects, engineers, surveyors, governmental agencies, third-party construction managers, and other third parties for materials, labor, engineering, surveying, site excavation and preparation, governmental permits, payment and performance bonds, and other costs and expenses reasonably necessary for the construction or installation of the Improvements or an individual Improvement. The term "Improvement Construction Costs" shall not include any property acquisition costs or costs related to the design of the Improvements.

3.3 Sun Dog Connector. The "Sun Dog Connector" will be a minor arterial road with a maximum grade of six percent (6%) from Prescott Lakes Parkway to the eastern boundary of the Property, within the right of way as depicted on **Exhibit B** ("SDC ROW"). The SDC ROW consists of four (4) segments, "Segment A," "Segment B," "Segment C," and "Segment D," with such segments being depicted on **Exhibit B-1**. The Sun Dog Connector will be constructed in two (2) phases, "SDC Phase One" and "SDC Phase Two" along the alignment depicted on **Exhibit B-2** and in accordance with the following.

A. SDC Road Improvements. Developer's required Improvements for the Sun Dog Connector ("SDC Road Improvements") shall be those improvements required by City Standards for a minor arterial road in an urban section configuration (except as otherwise agreed by City), including:

- (i) the installation of a median with landscaping, in accordance with the landscaping standards set forth in Section 6.5.5 of the Land Development Code;
- (ii) the installation of four through lanes, two motor-vehicle lanes and one bike lane for each direction, including paving and striping (14' per each lane);
- (iii) the installation of curb and gutter and two (2) five-foot wide sidewalks (one on each side of the road);
- (iv) the installation of right-in/right-out access to Segment A from both the northbound and southbound lanes;
- (v) the installation of a traffic roundabout at the intersection of Sun Dog Connector, Storm Ranch Parkway, and the Mystic Ridge Loop (as designated on the Preliminary Plat, as defined in Section 5.1(A)); and
- (vi) the installation of a traffic roundabout at the intersection of Sun Dog Connector and Prescott Lakes Parkway.

B. SDC Utility Improvements. Developer's required Improvements for utilities within the SDC ROW ("SDC Utility Improvements") shall be limited to:

- (i) the installation of a twelve inch (12") water line connecting to City's twelve inch (12") water line at the intersection with Prescott Lakes Parkway and ending at the eastern boundary of the Property as depicted on **Exhibit B-3**;



(ii) the installation of a twelve inch (12”) gravity sewer line and force main facilities connecting to City’s eighteen inch (“18”) sewer line at the intersection with Prescott Lakes Parkway and ending at the eastern boundary of the Property as depicted on **Exhibit B-3**; and

(iii) the installation of electric, phone and cable utilities as may be required by the City to serve the Property.

C. SDC ROW, Public Dedication. SDC ROW consists of Segment A, Segment B, Segment C, and Segment D with the SDC ROW to be dedicated as follows:

(i) Segment A. Segment A is currently owned by City, and the County of Yavapai, Arizona, a political subdivision of the State of Arizona. City shall cause title to Segment A to be held by City for benefit of the public, for uses contemplated in public street dedication in the same manner and to the same extent as if dedicated by filing a subdivision map or plat reserving the property for such purposes, within one hundred eighty (180) days after the Effective Date. City shall pay all costs associated with the acquisition and public dedication of Segment A subject to Yavapai County agreeing to sell their interest.

(ii) Segment B. Segment B is currently owned by the State of Arizona. City shall use its best efforts to acquire title to Segment B for benefit of the public, for uses contemplated in public street dedication in the same manner and to the same extent as if dedicated by filing a subdivision map or plat reserving the property for such purposes, provided, however, that Developer will be responsible for satisfying all Arizona State Land Department (ASLD) requirements for the acquisition. Without limiting the foregoing, within ten (10) days following preliminary plat approval for the Project, the City shall sign the application to acquire Segment B and submit the same to the ASLD (the “ASLD Application”), provided, however, that the ASLD Application does not obligate the City to provide City utility services to, or public infrastructure for the property, owned by the State of Arizona, located to the east of the Property, as depicted on **Exhibit F** (the “ASLD Parcel”). Developer will reasonably assist City in City’s acquisition of Segment B, including, paying all costs and preparing all documentation associated with the acquisition and public dedication of Segment B.

(iii) Segment C, Segment D. Following Developer’s acquisition of the Property, Developer shall dedicate Segment C and Segment D to City for use as a public street in accordance with Section 7.4.3(J) of the Land Development Code.

D. SDC Phase One, Improvements. SDC Phase One shall consist of Segment A, Segment B, and Segment C. Developer will construct the SDC Road Improvements and the SDC Utility Improvements for SDC Phase One in accordance with City Standards, as part of the Phase I Construction, provided, however, that Segment A and Segment B have been dedicated to City to be held for benefit of the public as described in Sections 3.3.C(i) and C(ii) above.

E. SDC Phase Two, Improvements. SDC Phase Two shall consist of Segment D. Developer will construct the SDC Road Improvements and SDC Utility Improvements for SDC Phase Two in accordance with City Standards, or fund such Improvements in accordance



with Section 7.7.2 of the Land Development Code, within one hundred twenty (120) days after the earlier of:

(i) the occurrence of both (a) the submission to City of a preliminary plat application for the ASLD Parcel east of the Property, and (b) City providing written notice of such submission to Developer; and

(ii) the closing and transfer of fee simple title to two hundred (200) lots in the Project to a Production Builder or Retail Purchaser.

City acknowledges and agrees that the provisions of this Section 3.3.E satisfies the requirements of Article 7 of the Land Development Code.

F. Sun Dog Connector, Oversize of Utility Improvements. City reserves the right to require the Developer to oversize the SDC Utility Improvements to provide water and sewer service to the ASLD Parcel, provided, however, that City shall reimburse Developer the cost of the oversize as described in Section 4.4C.

3.4 Ranch Emergency Road. The "Ranch Emergency Road" will be an emergency access road aligned in the vicinity of the existing termination point of Sun Dog Ranch Road to the northwestern boundary of the Property, over, under, and across the land as depicted on Exhibit C ("Ranch Emergency Road Easement Area"). The Ranch Emergency Road will be constructed along the alignment depicted on Exhibit C-1 in accordance with the following.

A. Ranch Emergency Road Improvements. Developer's required Improvements for the Ranch Emergency Road ("Ranch Emergency Road Improvements") shall be limited to the installation of a twenty-four foot (24') wide road at a 12% grade, including paving and striping (12' per lane).

B. Ranch Emergency Road, Access Easement. The Ranch Emergency Road Easement Area is currently owned by City. At no cost to Developer, City shall grant a permanent easement over, under, and across the Ranch Emergency Road Easement Area solely for ingress and egress to and from adjoining properties for emergency services and public and private utilities for benefit of the Property. Without limiting the foregoing, Developer will have the right to construct a gate to limit access to the Ranch Emergency Road Easement Area to emergency and utilities maintenance vehicles.

3.5 Sun Dog Ranch Road. The "Sun Dog Ranch Road" is an existing local street, within the right-of-way depicted on Exhibit G ("SDRR ROW"). Developer's required Improvements within the SDRR ROW shall be limited to the installation of a twelve inch (12") water line connecting to City's twelve inch (12") water line at the intersection with Prescott Lakes Parkway and ending at the northwestern boundary of the Property as depicted on Exhibit G-1 (the "SDRR Waterline"). Developer shall not be required to construct any additional improvements or remove the existing water line in the SDRR ROW.

3.6 Storm Ranch Parkway. The "Storm Ranch Parkway" will be a residential collector from the Sun Dog Connector to the eastern boundary of the Property, with the right of way depicted on Exhibit H ("SRP ROW"). The Storm Ranch Parkway will be constructed in



two (2) phases, "SRP Phase One" and "SRP Phase Two" along the alignment depicted on **Exhibit H-1** and in accordance with the following.

A. Storm Ranch Parkway Improvements. Developer's required Improvements for the Storm Ranch Parkway ("SRP Improvements") are described on **Exhibit H-1**. The Storm Ranch Parkway shall not exceed the maximum slope allowed under the Land Development Code.

B. Storm Ranch Parkway, Dedication. The land comprising the SRP ROW is owned or under contract to be owned by Developer. Developer shall dedicate the SRP ROW to City for use as a public street in accordance with Section 7.4.3(J) of the Land Development Code.

C. SRP Phase One, Improvements. SRP Phase One shall consist of the portion of the SRP ROW, depicted as SRP Phase One on **Exhibit H-2**. Developer shall construct and install the SRP Improvements for SRP Phase One in accordance with City Standards.

D. SRP Phase Two Improvements. SRP Phase Two shall consist of the portion of the SRP ROW, depicted as SRP Phase Two on **Exhibit H-2**. The SRP Improvements for Phase Two include a cul de sac that will be located on a portion of the ASLD Parcel as depicted on **Exhibit H-2**. City shall use its best efforts to acquire such portion of the ASLD Parcel, as part of the ASLD Application, provided, however, that Developer satisfy all ASLD requirements for the acquisition. Developer shall pay all costs associated with such acquisition. Following acquisition, Developer will construct and install the SRP Improvements for SRP Phase Two in accordance with City Standards, or fund such Improvements in accordance with Article 7.7.2 of the Land Development Code, within one hundred twenty (120) days after the earlier of:

(i) the occurrence of both (a) the submission to City of a preliminary plat application for the ASLD Parcel, and (b) City providing written notice of such submission to Developer; and

(ii) the closing and transfer of fee simple title to two hundred (200) lots in the Project to a Production Builder or Retail Purchasers.

City acknowledges and agrees that the provisions of this Section 3.4.D satisfy the requirements of Article 7 of the Land Development Code.

4. CONSTRUCTION AND DEDICATION OF INFRASTRUCTURE IMPROVEMENTS, CITY REIMBURSEMENT OF CERTAIN IMPROVEMENT CONSTRUCTION COSTS.

4.1 City Standards. The design, construction and installation of the Improvements shall be according to specifications, standards, and engineering practices ("City Standards") regularly applied by City to such Improvements within City in effect at the time of City design review and approval.

4.2 Design and Construction. The Improvements shall be designed, constructed and dedicated in accordance with then Applicable Laws, including, without limitation, City's normal and customary plan submittal, review and approval processes, day-to-day inspection requirements, and insurance requirements. City agrees that Developer will satisfy the financial



assurance requirements, described in Section 7.6.1 of the Land Development Code, by providing the following financial assurance:

Prior to recording of each final plat for the Project, Developer shall post security pursuant to Section 7.6.1 of the Land Development Code, provided, however, that City reimburses Developer, in accordance with the provisions of Section 4.4(C), for the portion of the cost of obtaining such security which is attributable to coverage for (i) the Improvement Construction Costs for any oversize of the SDC Utility Improvements for SDC Phase One requested by the City, (ii) the Waterline Costs (as defined in Section 4.4(C)), (iii) the SDC Roadway Costs (as defined in Section 4.4(B)) for the SDC Phase One, (iv) the Improvement Construction Costs for any oversize of the SDC Utility Improvements for SDC Phase Two, and (iv) the SDC Roadway Costs for the SDC Phase Two.

City will grant to Developer all rights, licenses, easements, and rights of entry in, over, and through all existing public rights-of-way, easements, and City-owned land necessary for Developer to construct the Improvements, provided, however that access to the Property shall be provided from Sun Dog Ranch Road until the SDC Improvements for SDC Phase One have been accepted by the City.

4.3 Dedication and Acceptance. When the Improvements, or a discrete portion thereof, are completed, the Developer shall dedicate (at no cost to City) and City shall accept such Improvements in accordance with Applicable Laws, and upon the condition that such Improvements be covered for two (2) years from the date of City acceptance by a workmanship and materials contractor's warranty in form and content reasonably acceptable to City. At the time title to an Improvement is transferred to City by dedication deed, plat recordation or otherwise, Developer will, to the extent allowed by law, assign to City any unexpired warranties relating to the design, construction and/or composition of the Improvement. Upon acceptance by City, the Improvements shall become public facilities and property of City.

4.4 Reimbursement of Certain Improvement Construction Costs.

A. Condition Precedent. As a condition to receiving the reimbursement set forth in Sections 4.4.B and C below, Developer shall cause each Improvement, subject to such reimbursement, to be publicly bid in accordance with Applicable Laws, including the City of Prescott Procurement Code, dated April 12, 1994, as adopted, amended and incorporated into Chapter 1-27 of the Prescott City Code.

B. Reimbursement of SDC Road Improvements. City and Developer acknowledge and agree that the Sun Dog Connector is a road of regional significance and the City has required that the Sun Dog Connector be fully built as a minor arterial (with a median, and curb, gutter and sidewalks on both sides) to meet future needs. Notwithstanding the foregoing, the City acknowledges that the Traffic Impact Analysis for the Project requires the construction of two lanes (with a median) to serve the Project. Accordingly, City shall reimburse Developer an amount that equals fifty percent (50%) of the Improvement Construction Costs for the SDC Road Improvements (the "SDC Roadway Costs"). Developer shall be entitled to submit draw requests to City on a monthly basis to pay all SDC Roadway Costs billed as of the date that the draw request is submitted by Developer, less any applicable retention (each a "Draw Request"). The



Draw Request shall (i) set forth the total amount to be paid, (ii) allocate that total amount between City and Developer, and (iii) be accompanied by (A) statutory conditional lien waivers and releases from all of the contractors that are statutorily permitted to impose a lien under Arizona Revised Statutes § 33-981, *et seq.* ("Lien Claimants"), and are to be paid from the payment resulting from the current Draw Request, and (B) statutory unconditional waivers and releases from all Lien Claimants in the full amount shown on all conditional waivers and releases submitted in connection with prior Draw Requests for which payment has been made. City shall pay its share of the SDC Roadway Costs within thirty (30) days following receipt of a Draw Request. City shall pay such costs from City's One Cent Sales Tax for Streets and Open Space Fund ("the Fund"). To the extent City believes in its reasonable discretion that the monies in the Fund are not adequate to pay for the entire amounts payable to Developer as set forth herein, City shall notify Developer as soon as possible of such inadequacy, and thereafter, Developer shall be only required to pay for and construct the relevant Improvements to the extent necessary to serve the Project only.

C. Reimbursement of Utility Improvements.

(i) City requires Developer to oversize the existing waterline in the SDRR ROW through the construction of the SDRR Waterline. City shall reimburse Developer fifty percent (50%) of the Improvement Construction Costs for the SDRR Waterline (the "Waterline Costs").

(ii) If City requires Developer to oversize the SDC Utility Improvements, as described in Section 3.3F, City shall reimburse Developer the difference between the cost to construct the oversized SDC Utility Improvements and the cost to construct the SDC Utility Improvements without oversizing ("the SDC Oversizing Costs") determined based on bids for each scope of work.

(iii) Developer shall be entitled to submit Draw Requests to City on a monthly basis to pay all Waterline Costs, and/or SDC Oversizing Costs billed as of the date that the draw request is submitted by Developer, less any applicable retention. City shall pay the Waterline Costs and/or SDC Oversizing Costs within thirty (30) days following receipt of a Draw Request. City shall pay such costs from City's Fund. To the extent City believes in its reasonable discretion that the monies in the Fund are not adequate to pay for the entire amounts payable to Developer as set forth herein, City shall notify Developer as soon as possible of such inadequacy, and thereafter, Developer shall be only required to pay for and construct the relevant Improvements to the extent necessary to serve the Project only.

D. Reimbursement of Security Costs. City requires Developer to post security, as described in Section 4.2, to cover the cost of construction of certain regional and oversized Improvements. Developer shall be entitled to submit Draw Requests to City on a monthly basis to pay the portion of the cost of Developer obtaining such security which is attributable to the cost of coverage for the Improvements that are City's responsibility, as more specifically described in Section 4.2(A) and (B).

5. UTILITIES.

5.1 Lift Station, Tract "Q."

A. Reservation of Tract "Q." Developer will reserve Tract "Q" as depicted on the Preliminary Plat, located adjacent to and south of the SDC ROW within the Property for a period commencing on the date the Subdivision Plat for the Property or any portion thereof is recorded and ending on the fifth anniversary of such recording date ("Reservation Period") for use as a lift station to provide future sewer service for the ASLD Parcel. The term "Preliminary Plat" means the preliminary plat for the Project, prepared by Shephard Wesnitzer, Inc., originally certified on June 19, 2006, by Arthur H. Beckwith, Arizona Registered Professional Engineer, and revised on December 13, 2006.

B. Option to Purchase Tract "Q." Closing. Developer hereby grants to City the option to purchase Tract "Q" during the Reservation Period, for the Sales Price and under the terms and conditions set forth in this Agreement and the Escrow Agent's standard form escrow instructions (the "Option"). City may exercise the Option by delivering written notice of such exercise to Developer during the Reservation Period and depositing with Escrow Agent the Sales Price in immediately available funds. The closing for Tract "Q" shall occur within thirty (30) days after exercise of the Option (the "Closing"). If City fails to exercise the Option prior to the expiration of the Reservation Period pursuant to this Agreement, the Option shall automatically terminate and be of no further force and effect. For purposes of this Agreement, the Escrow Agent shall be First American Title Insurance Company, 2425 East Camelback Road, Suite 300, Phoenix, AZ 85016, Attention: Carol Peterson, Escrow Officer.

C. Sales Price. The "Sales Price" for Tract "Q" shall be Fifteen Thousand Dollars (\$15,000).

D. Conveyance. Developer will deliver fee simple title to Tract "Q" at the Closing, under a special warranty deed (the "Deed"), subject to the condition that Tract "Q" be used by City solely for the purpose of a sewer lift station. The Deed shall restrict the use of Tract "Q" to a sewer lift station.

5.2 Water and Sewer Master Plans.

A. Water Distribution System Master Plan. City acknowledges receipt of the Water Distribution System Master Plan prepared by Shephard Wesnitzer, Inc., and certified on December 13, 2006, by Arthur H. Beckwith, Arizona Registered Professional Engineer. City shall review and approve such Plan through the City's customary design review process.

B. Sewer Collection System Master Plan. City acknowledges receipt of the Sewer Collection System Master Plan prepared by Shephard Wesnitzer, Inc., and certified on December 13, 2006, by Arthur H. Beckwith, Arizona Registered Professional Engineer. City shall review and approve such Plan through the City's customary design review process.



5.3 Provision of Water/Sewer Service.

A. Provision of Water Service. City shall provide potable water service in the quantity of eighty (80) acre feet per year to serve the Project. City shall initiate potable water service for a lot on which a residential dwelling unit is located as soon as reasonably practicable after request from the Developer, including construction water uses, or any Production Builder or unit owner for service. City acknowledges and agrees that City's agreement to provide water service under this Section meets the requirements of City's Water Management Policy, approved October 25, 2005, by City Council Resolution #3712, as amended by City Council Resolution #3807 approved March 27, 2007, for a water allocation agreement approved by City and the requirements of Section 7.4.8(a) of the Land Development Code for an Assured Water Supply from City.

B. Provision of Sewer Service. City shall provide sewage collection for the Project and provide for the treatment of sewage collected therefrom. City shall initiate sewer collection service for a lot on which a residential dwelling unit is located as soon as reasonably practicable after it receives notice that the Developer or residential dwelling unit owner has connected the residential sewer line for such lot to City's sewer system.

C. Federal/State Water Service Moratoriums. City and Developer further acknowledge that the Arizona Department of Environmental Quality, the United States Bureau of Reclamation, or any other federal, state, or local agency (other than City) may have the authority under Applicable Laws to impose a moratorium on water service connections or hook-ups within City. City, however, agrees to act in good faith, with respect to the Developer's right to complete its development of the Project, and not request that any of such agencies impose a moratorium during the Vested Period.

6. DEFAULTS.

6.1 Events of Default by City. City shall be deemed to be in default under this Agreement if City breaches any obligations required to be performed by City hereunder, subject to the provisions of Section 6.4.

6.2 Events of Default by Developer. Developer shall be deemed to be in default under this Agreement if Developer breaches any obligations required to be performed by Developer hereunder, subject to the provisions of Section 6.4.

6.3 Remedies. The parties hereto expressly covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys' fees, either pursuant to this Agreement, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute. The parties further agree that there shall be no damage remedy for breach of any provisions of this Agreement and that the sole remedy for any breach shall be specific performance; provided, however, Developer shall be entitled to recover all monies due Developer from City as specifically set forth herein. The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit any such litigation to the Court and that the parties agree that this Agreement shall be



deemed to have been created in Yavapai County, Arizona and to be subject to the jurisdiction of the Yavapai County Superior Court, and that any claims to alternative jurisdiction based on diversity of citizenship, corporate location, etc., are waived by the parties pursuant to this Agreement.

6.4 Grace Periods; Notice and Cure. Upon the occurrence of an event of default by any Party, such Party shall, upon receipt of written notice from the non-defaulting Party, proceed promptly to cure or remedy such default and, in any event, such default shall be cured within thirty (30) days after receipt of such notice, or, if such default is of a nature that is not capable of being cured within thirty (30) days, the cure shall be commenced within such period and diligently pursued to completion in not to exceed ninety (90) days. The non-defaulting Party shall not exercise any remedies pursuant to Section 6.3 until and unless the applicable cure period described in this Section 6.4 has expired and the default remains uncured at such time.

6.5 Delays; Waivers. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any default by the other Party shall not be considered as a waiver of rights with respect to any other default by the non-defaulting Party or with respect to the particular default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the default involved.

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

7. REPRESENTATIONS.

7.1 City Representations. City represents and warrants to Developer that:

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

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

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

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



7.2 Developer Representations. Developer represents and warrants to City that:

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

B. Developer has the full right, power and authorization to enter into and perform this Agreement and each of the obligations and undertakings of Developer under this Agreement, and the execution, delivery and performance of this Agreement has been duly authorized and agreed to in compliance with its organizational documents and Arizona law. Developer has provided City with a copy of its filed Articles of Organization and satisfactory evidence of the authority of the persons executing this Agreement to enter into this Agreement on behalf of Developer.

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

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

8. MISCELLANEOUS.

8.1 Term.

A. Subject to Sections 8.1.B and 8.1.C below, the Term of this Agreement shall commence on the Effective Date and end on the tenth anniversary of the Effective Date.

B. Notwithstanding any provisions of this Agreement to the contrary, this Agreement shall terminate and be of no further force and effect on the date which is three (3) years following approval of the preliminary plat for the Project if Developer, its Affiliate (as defined in Section 8.15), successor or assign does not acquire the Property by such date, or on such earlier date if Developer notifies City that its agreement to acquire the Property has terminated. Upon such termination, any water reservation shall revert to the City.

C. Notwithstanding any provisions of this Agreement to the contrary, City and Developer hereby acknowledge and agree that this Agreement is not intended to and shall not create conditions or exceptions to title or covenants running with the Property for any portion of the Property that is a lot which has been finally subdivided and individually (and not in "bulk") leased (for a period of longer than one year) or sold to a Retail Purchaser (a "Public Lot"). Therefore, in order to alleviate any concern as to the effect of this Agreement on the status of title to any of the Property, this Agreement shall terminate without the execution or recordation of any further document or instrument as to any Public Lot and thereupon such Public Lot shall be released from and no longer be subject to or burdened by the provisions of this Agreement. This Section shall not apply to Sections 2.2, 2.3, and 5.3 of this Agreement.



8.2 Notices. Except as otherwise required by law, any notice, demand or other communication given hereunder, shall be in writing and shall be given by personal delivery or be sent by certified or registered U.S. Mail, return receipt requested, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this paragraph, or by telecopy, facsimile machine or by any nationally recognized express or overnight delivery service (e.g., Federal Express or UPS), with all postage and other delivery charges prepaid:

To Developer:

CSW Prescott, L.L.C.
7001 North Scottsdale Road, Suite 1015
Phoenix, AZ 85253
Attention: Jami Schulman and Jay Pennypacker
Phone: 480-315-2600
Facsimile: 480-315-2699

With a copy to:

Snell & Wilmer L.L.P.
One Arizona Center
Phoenix, Arizona 85004
Attention: Jody Pokorski, Esq.
Phone: 602-382-6000
Facsimile: 602-382-6070

To City:

City of Prescott
201 South Cortez
Prescott, Arizona 86303
Attention: City Attorney
Phone: 928-777-1274
Facsimile: 928-777-1325

8.3 Effective Date of Notices. All such notices, demands or other communications will (i) if delivered personally or delivered through a same day delivery/courier service be deemed effective upon delivery or refusal to accept delivery by the addressee, and (ii) if delivered by U.S. mail in the manner described above be deemed effective upon the earlier of receipt or three (3) business days after deposit in a post office operated by the United States or with a United States postal officer (in each case regardless of whether such notice, demand or other communication is received by any other person to whom a copy of such notice, demand or other communication is to be delivered pursuant to this paragraph). Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice sent by telecopy or facsimile machine shall be deemed effective upon confirmation of the successful transmission by the sender's telecopy or facsimile machine. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee.



8.4 Payments, Interest. All amounts required to be paid hereunder shall be due and payable thirty (30) days following receipt of a Draw Request, or other request for payment. Any amounts not paid thirty (30) days after such due date shall bear interest at the rate of ten percent (10%) per annum from the due date until paid in full.

8.5 Amendment. No change or addition is to be made to this Agreement except by written amendment executed by City and Developer. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Yavapai County, Arizona.

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

8.7 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 City from undertaking any contractual commitment to perform under any provision hereunder, the remaining portions of this Agreement shall remain in full force and effect, and the Parties will negotiate diligently in good faith for such amendments of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.

8.8 Amendment. No change or addition is to be made to this Agreement except by a written agreement executed by City and Developer. Within ten (10) days after execution of any amendment of this Agreement, such amendment shall be recorded in the Official Records of Yavapai County, Arizona.

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

8.10 Recordation. This Agreement shall be recorded in its entirety in the Official Records of Yavapai County, Arizona not later than ten (10) days after execution of the Agreement by the Parties. If this Agreement terminates in accordance with its terms, each Party shall, at the request of the other Party, execute a document in recordable form evidencing such termination.

8.11 Challenges to this Agreement. In the event that this Agreement or any approvals given by City related to this Agreement are ever challenged, Developer reserves the right to intervene in such action at the Developer's sole cost and expense.

8.12 Time is of the Essence and Successors. Time is of the essence in implementing the terms of this Agreement. Subject to Section 8.1.C, all of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties pursuant to A.R.S. § 9-500.05D, and will run with the land. Developer may assign all or any portion of its rights hereunder to any one or more Persons, on such terms and conditions as Developer may deem appropriate, provided, however, that Developer may not convey all or any portion of its rights



hereunder unless either (i) the corresponding obligations of the Developer are completely assumed by the assignee of Developer's rights, the assignee accepts such obligations and has the financial ability and experience, as reasonably determined by City, to perform them, and the obligations are specifically listed in the assignment, or (ii) Developer assigns to an Affiliate of Developer, or (ii) City provides its prior written consent to the assignment, which shall not be unreasonably withheld or delayed. Notice of the assignment and assumption of Developer's obligations and City's approval of same shall be reflected in a document that shall be executed by City and Developer and recorded by Developer in the land records of Yavapai County, Arizona. An "Affiliate" as applied to Developer, means any natural person, corporation, limited partnership, general partnership, joint stock company, joint venture association, limited liability company, limited liability partnership, trust, land trust, business trust or other organization, whether or not legal entities, directly or indirectly controlling, controlled by, or under common control with, Developer. For the purposes of this definition, "control" (including with correlative meaning, the terms "controlling," "controlled by" and "under common control"), as applied to any person or legal entity means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of that person or legal entity, whether through the ownership of voting securities, by contract or otherwise.

8.13 Developer. The term "Developer" as used in this Agreement shall include Developer's successors or assigns who are designated as the Developer in an instrument executed and recorded by the immediately preceding Developer. The Fee Owner shall not be entitled to exercise any of the rights of Developer unless such Fee Owner is designated as the Developer under the preceding sentence.

8.14 Further Assurances. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of (i) this Agreement as in full force and effect, and (ii) the performance of the obligations hereunder at any time during its Term. In addition, the Developer hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of the Developer's negligence under this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of the undersigned or his/her agents. The Developer further releases and discharges the City, its departments and divisions, its agents and employees, and any and all persons legally responsible for the acts or omissions of the City, from any and all claims which the Developer has or may have against the City, its agents or employees, arising out of or in any way connected with the Developer activities as set forth below, other than those acts which occur due to the negligence of the City, its employees or agents.

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



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

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

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

8.19 Nonliability of City Officials, Etc. No City Council member, City official, representative, agent, attorney or employee shall be personally liable to any of the other Parties hereto, or to any successor in interest to any of the other Parties, in the event of any default or breach by City or for any amount which may become due to any of the other Parties or their successors, or with respect to any obligation of City under the terms of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the liability of Developer under this Agreement shall be limited solely to the assets of Developer and shall not extend to or be enforceable against: (i) the individual assets of any of the individuals or entities who are shareholders, members, managers constituent partners, officers or directors of the general partners or members of Developer; (ii) the shareholders, members or managers or constituent partners of Developer; or (iii) officers of Developer.

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

8.21 Additional Provisions. The Fee Owner specifically acknowledges that the attached Exhibit I. Entitled "CONSENT TO CONDITIONS/WAIVER FOR DIMINUTION OF VALUE, is knowingly and voluntarily executed pursuant to this Agreement, and that such waiver shall be a condition of this Agreement and is specifically incorporated herein.

IN WITNESS WHEREOF, City has caused this Agreement to be duly executed in its name and behalf by its City Manager, and Developer has signed the same, on or as of the day and year first above written.



SEAL

CITY:

CITY OF PRESCOTT, ARIZONA
an Arizona municipal corporation

ATTEST:

Elysebeth Spruce
CITY CLERK

By: *Paul P. [Signature]*
Its: Mayor

APPROVED AS TO FORM:

Thomas A. [Signature]
PRESCOTT CITY ATTORNEY

APPROVED BY CITY COUNCIL

RES # 3827-0801 ORD # —
DATE: 7/10/07 EFF: 8/9/07



DEVELOPER:

CSW PRESCOTT L.L.C., an Arizona limited liability company

By: Communities Southwest Management, Inc., an Arizona corporation, Its Manager

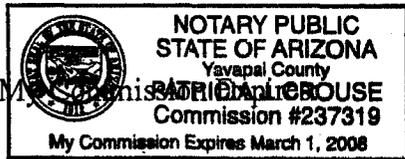
By: Brian Hayward
Its: President

By: [Signature]
Its: [Signature]

STATE OF ARIZONA)
) SS
County of Yavapai)

The foregoing Agreement was acknowledged before me this 18 day of July, 2007, by Rowle Simmons, Mayor of City of Prescott, Arizona, an Arizona municipal corporation, on behalf of the corporation.

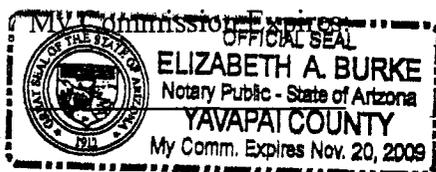
Patricia Jerosse
Notary Public



STATE OF ARIZONA)
) SS
County of Maricopa)

The foregoing instrument was acknowledged before me this 10 day of July, 2007 by Brian Hegart, the President of Communities Southwest Management, Inc., an Arizona corporation and manager of CSW Prescott L.L.C, an Arizona limited liability company, on behalf of the company.

Elizabeth A. Burke
Notary Public

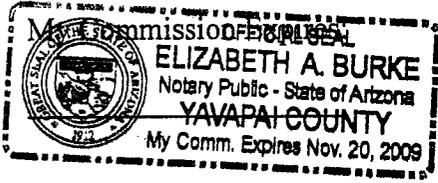




STATE OF ARIZONA)
) ss
County of Maricopa)

The foregoing instrument was acknowledged before me this 10 day of July, 2007 by John E. Pennypacker, the Vice President of Communities Southwest Management, Inc., an Arizona corporation and manager of CSW Prescott L.L.C, an Arizona limited liability company, on behalf of the company.

Elizabeth A. Burke
Notary Public





EXHIBITS

- A Property
- B Sun Dog Connector
- B-1 Sun Dog Connector Segments
- B-2 Sun Dog Connector Phases
- B-3 Sun Dog Connector Utility Improvements
- C Ranch Emergency Road
- C-1 Ranch Emergency Road Alignment
- D Zoning Designations
- E Construction Phases
- F ASLD Parcel
- G Sun Dog Ranch Road
- G-1 Sun Dog Ranch Road Waterline
- H Storm Ranch Parkway
- H-1 Storm Ranch Parkway Required Improvements
- H-2 Storm Ranch Parkway Phases
- I Consent to Conditions/Waiver for Diminution of Value
- J Proximity to Police Training Center/Shooting Range



EXHIBIT A

Property



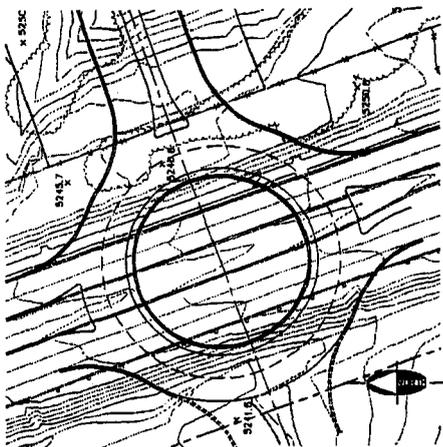
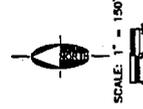
B-4531 P-529
Page: 26 of 85
AG 4164723

EXHIBIT B

Sun Dog Connector



RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION



CITY OF PHOENIX ARIZONA	
STORM RANCH	SUNDOG CONNECTOR EXHIBIT 'B'
SHEPHERD'S WEISZELER, INC. 75 SOUTH BUCKLE AVENUE, SUITE 100 PHOENIX, ARIZONA 85004 www.swi-arizona.com	SWI Shepherd's Weiszele, Inc.
SHEPHERD'S WEISZELE, INC. 75 SOUTH BUCKLE AVENUE, SUITE 100 PHOENIX, ARIZONA 85004 www.swi-arizona.com	REDUCED COPY NOT TO SCALE
1-800-STAKE-IT	1-800-STAKE-IT

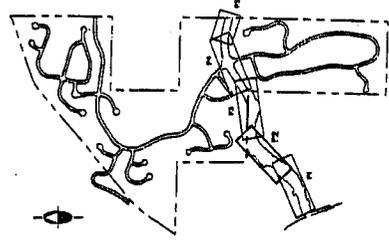


EXHIBIT B-1

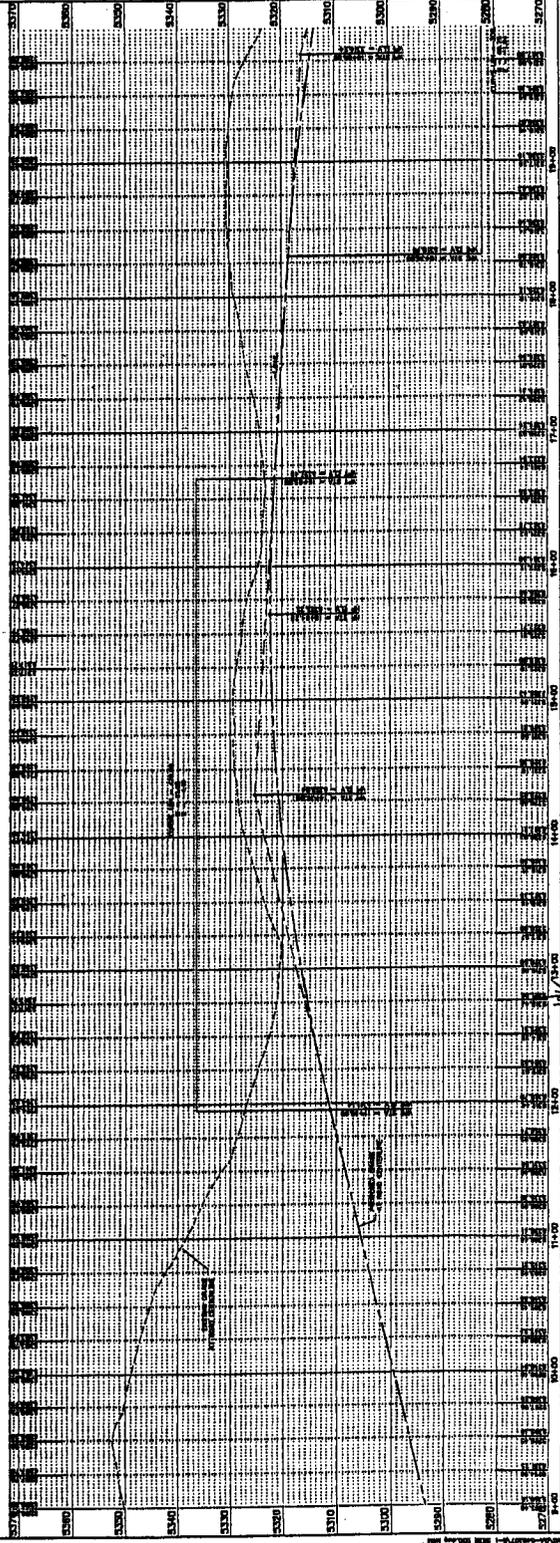
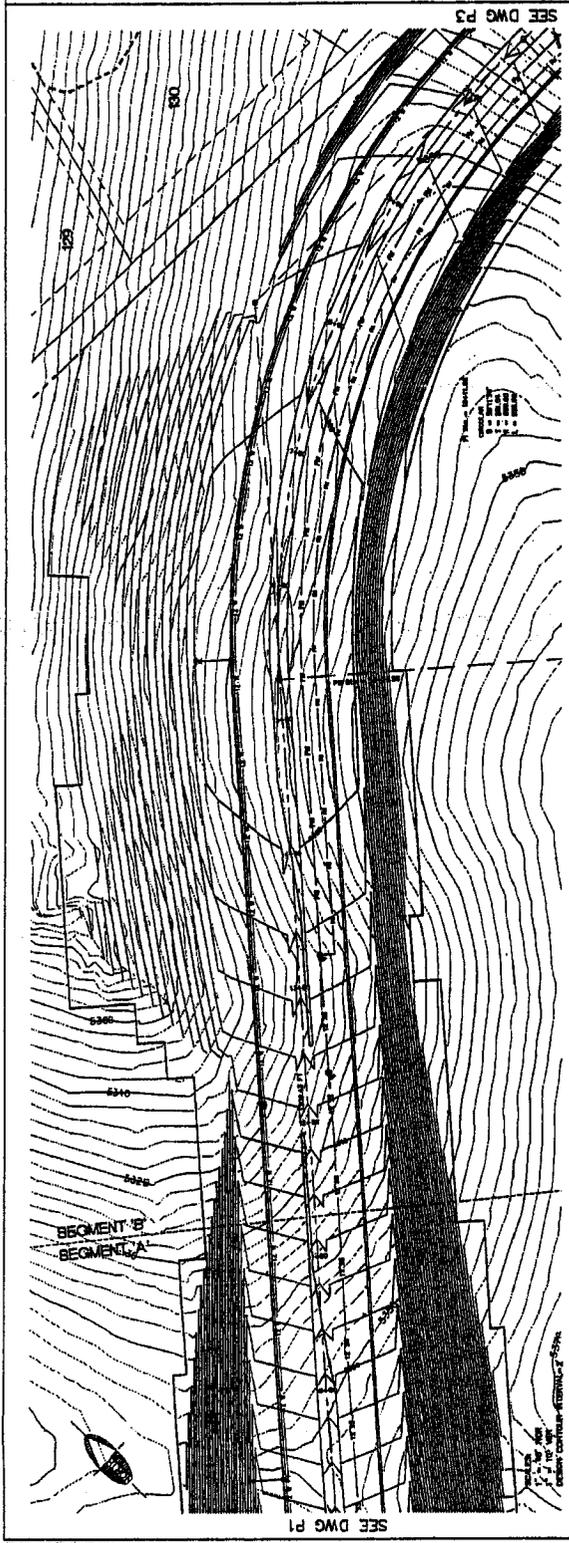
Sun Dog Connector Segments



NOTES:
 1. ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE NOTED.
 2. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 4. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.
 5. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 6. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 7. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.
 8. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 9. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 10. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.



GENERAL NOTES:
 1. ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE NOTED.
 2. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 3. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 4. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.
 5. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 6. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 7. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.
 8. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 9. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 10. ALL DIMENSIONS ARE TO SURFACE UNLESS OTHERWISE NOTED.



STORM RANCH
 SUNDOG CONNECTOR SEGMENTS
 STA 81+00 TO 84+00
 SHEPARD & WESITZER, INC.
 78 South Park
 Phoenix, AZ 85033
 602.953.3333
 www.swi-inc.com

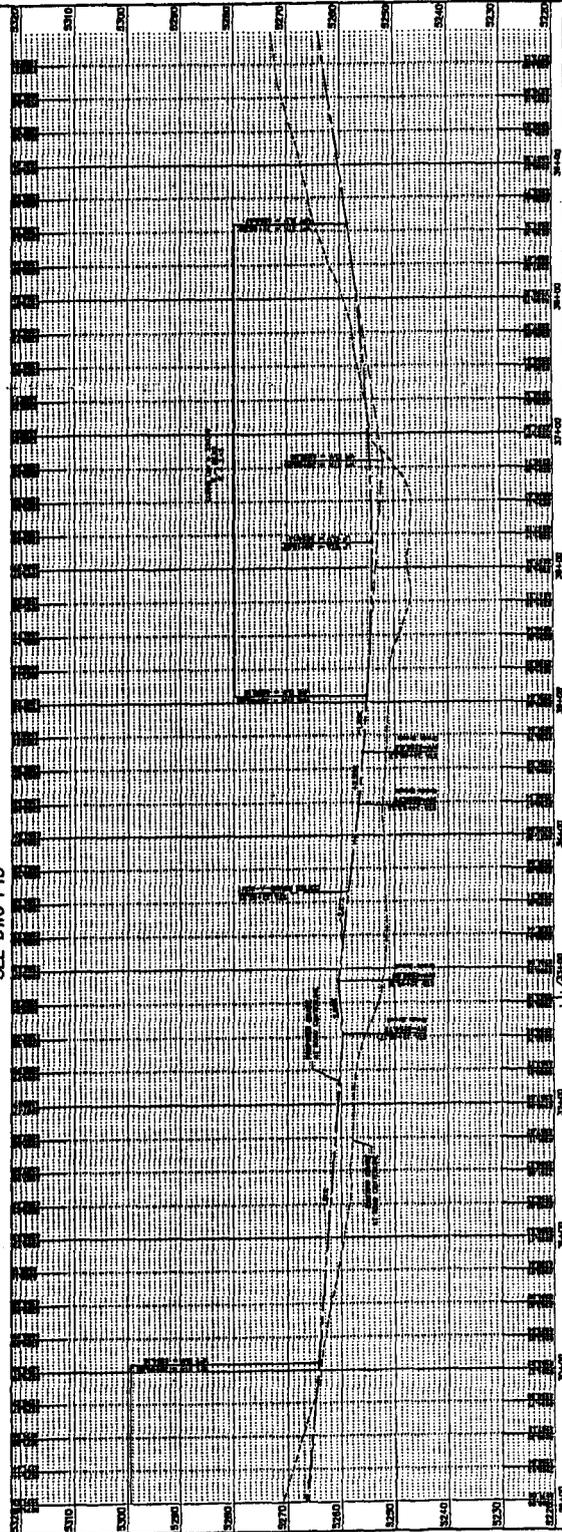
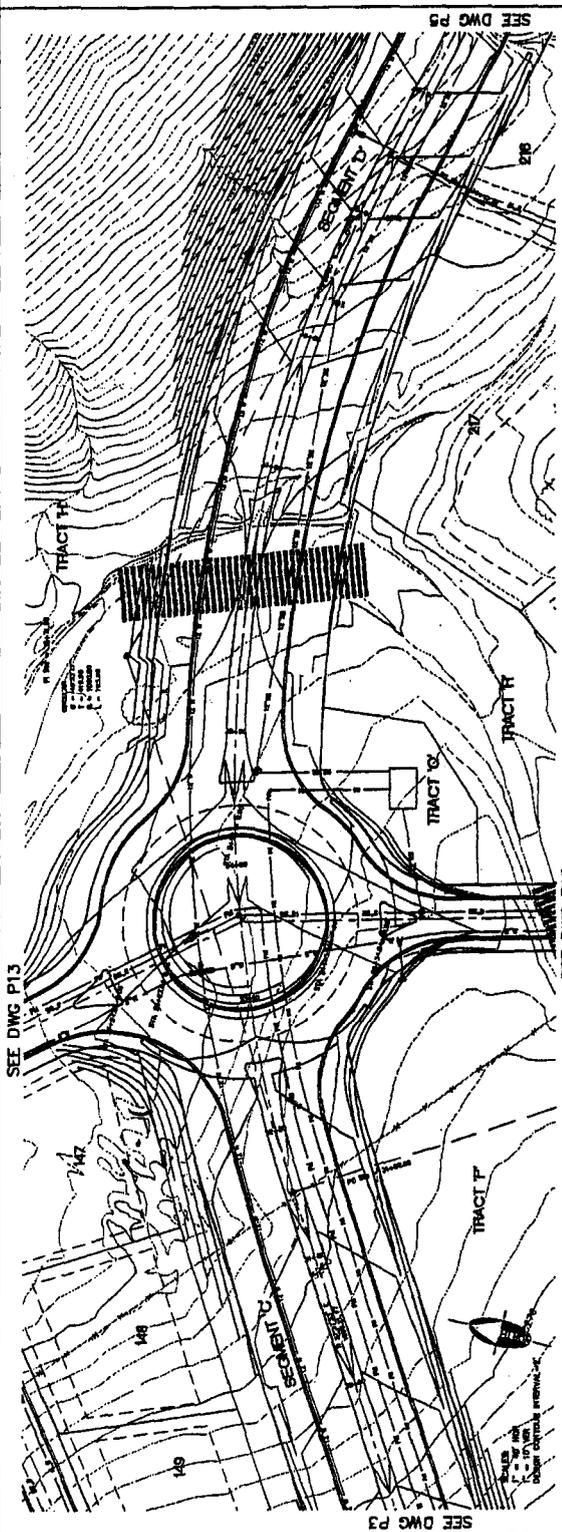
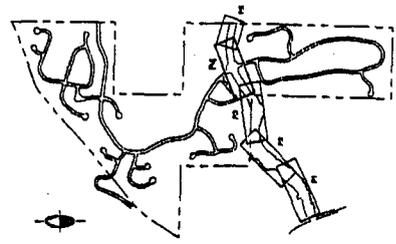
DATE: 11/10/10
 BY: [Signature]
 CHECKED: [Signature]
 APPROVED: [Signature]

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 NOT TO SCALE

1-800-STAKE-IT



- REVISIONS**
- 1. DATE: 10/15/03
 - 2. BY: [Signature]
 - 3. DESCRIPTION: [Text]
- GENERAL NOTES**
1. ALL DIMENSIONS ARE IN FEET AND DECIMALS THEREOF.
 2. ALL DIMENSIONS ARE TO FACE UNLESS OTHERWISE NOTED.
 3. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 4. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 5. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 6. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 7. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 8. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 9. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
 10. ALL DIMENSIONS ARE TO CENTERLINE UNLESS OTHERWISE NOTED.
- LEGEND**
- 1. [Symbol] [Description]
 - 2. [Symbol] [Description]
 - 3. [Symbol] [Description]
 - 4. [Symbol] [Description]
 - 5. [Symbol] [Description]
 - 6. [Symbol] [Description]
 - 7. [Symbol] [Description]
 - 8. [Symbol] [Description]
 - 9. [Symbol] [Description]
 - 10. [Symbol] [Description]



STORM RANCH
BUNDOG CONNECTOR BEGMENTS
STA 28+50 TO 30+50
EXHIBIT B-1

SWI
Shepherd & Washburn, Inc.

PILOTARY
1-800-STAKE-IT

REDUCED COPY
NOT TO SCALE

DATE: 10/15/03
BY: [Signature]

PROJECT: [Text]

SCALE: 1" = 40'

DATE: 10/15/03
BY: [Signature]

PROJECT: [Text]

SCALE: 1" = 40'



EXHIBIT B-2

Sun Dog Connector Phases

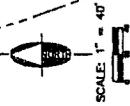
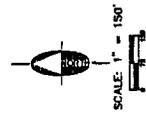
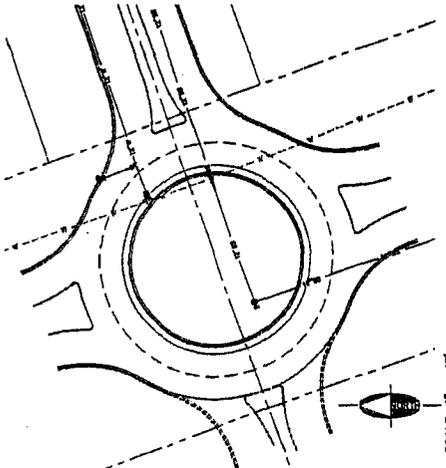
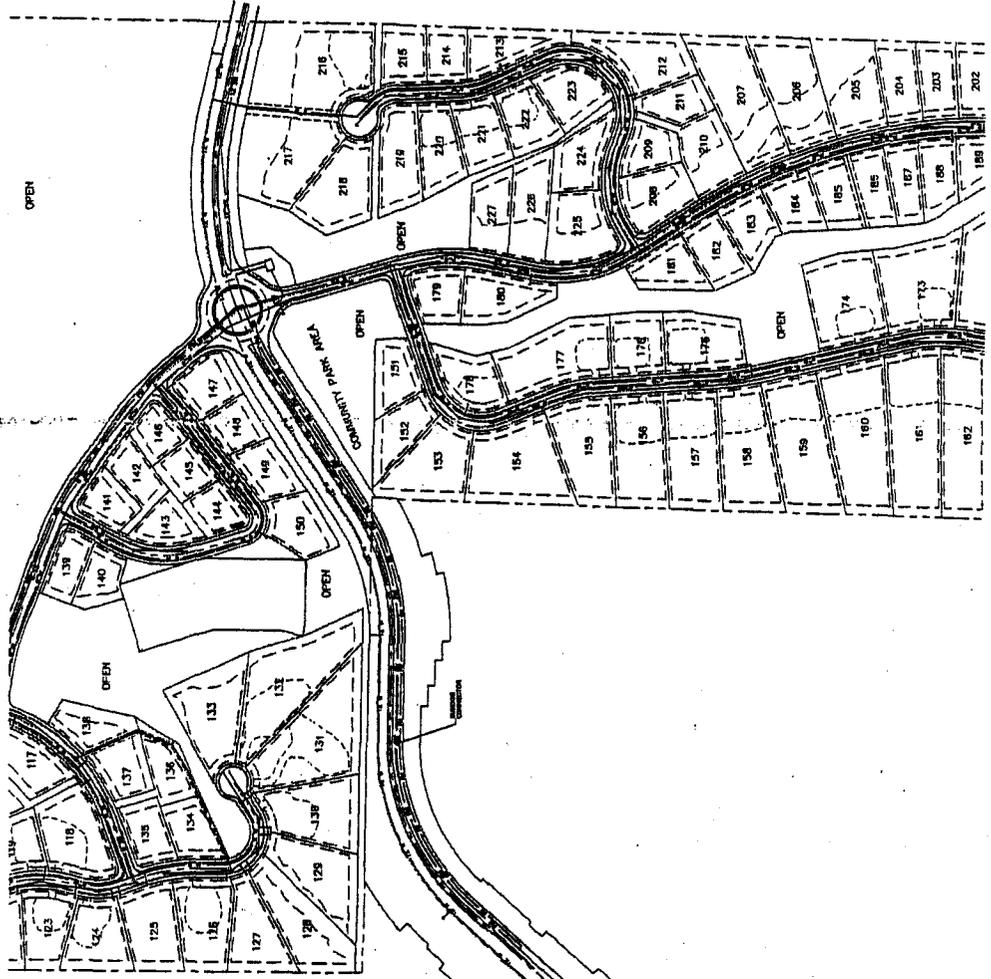


EXHIBIT B-3

Sun Dog Connector Utility Improvements



RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION



PROJECT NO. _____ DATE _____ DRAWN BY _____ CHECKED BY _____		75 North Park Suite 100, AZ 85338 602.833.2500 Fax 602.833.2500	
CITY OF PHOENIX STORM RANCH		SWI Shephard Associates, Inc.	
EXHIBIT B-3 SUNDGOG CONNECTOR UTILITY IMPROVEMENTS		SHEET NO. 1 TOTAL SHEETS 1	

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1-800-STAKE-IT



EXHIBIT C

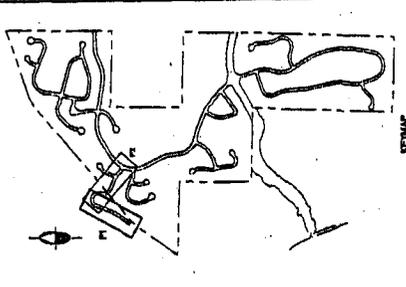
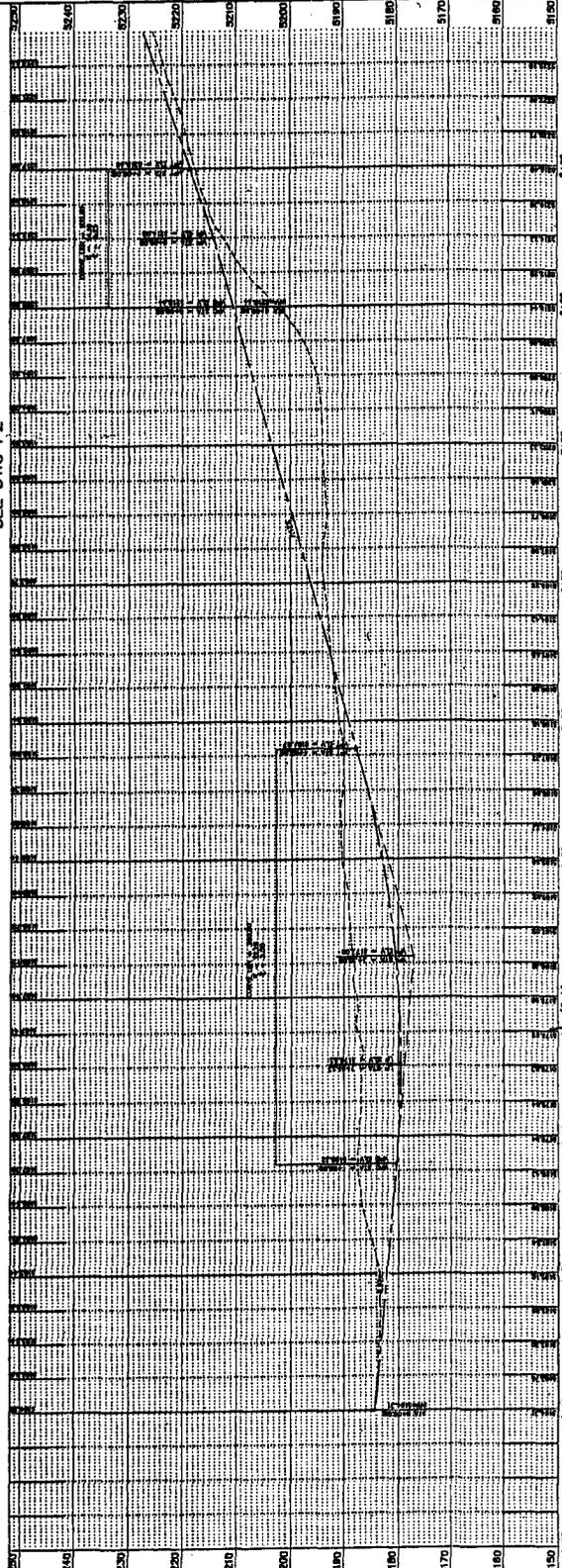
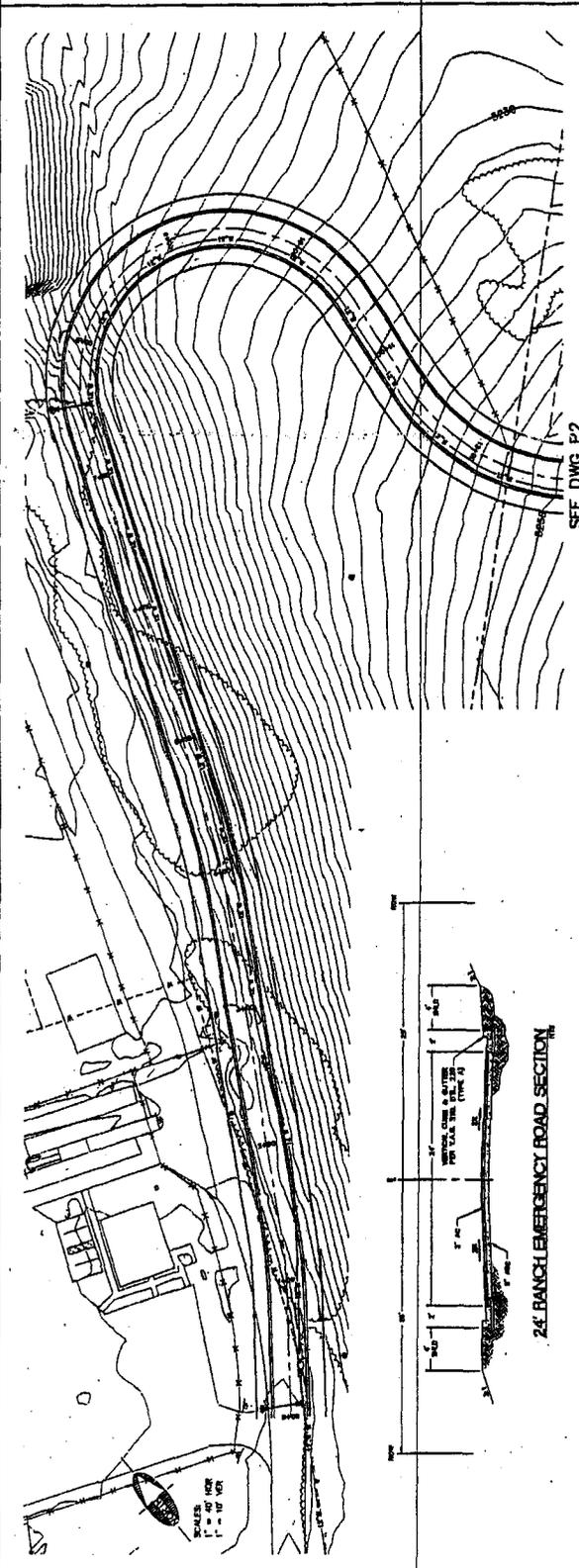
Ranch Emergency Road



EXHIBIT C-1

Ranch Emergency Road Alignment

- GENERAL NOTES**
- 1. ALL DIMENSIONS ARE IN FEET UNLESS OTHERWISE NOTED.
 - 2. THE CENTERLINE OF THE ROAD SHALL BE AT THE CENTER OF THE ROADWAY.
 - 3. THE ROADWAY SHALL BE 24 FEET WIDE AT THE TOP OF THE CURB.
 - 4. THE ROADWAY SHALL BE 12 FEET WIDE AT THE BOTTOM OF THE CURB.
 - 5. THE ROADWAY SHALL BE 12 FEET WIDE AT THE TOP OF THE CURB.
 - 6. THE ROADWAY SHALL BE 12 FEET WIDE AT THE BOTTOM OF THE CURB.
 - 7. THE ROADWAY SHALL BE 12 FEET WIDE AT THE TOP OF THE CURB.
 - 8. THE ROADWAY SHALL BE 12 FEET WIDE AT THE BOTTOM OF THE CURB.
 - 9. THE ROADWAY SHALL BE 12 FEET WIDE AT THE TOP OF THE CURB.
 - 10. THE ROADWAY SHALL BE 12 FEET WIDE AT THE BOTTOM OF THE CURB.



STORM RANCH
RANCH EMERGENCY ROAD ALIGNMENT
STA. 0+00 TO 9+00
EXHIBIT 'C-1'

SWI
 Shephard & Wessitzel, Inc.

75 N. 4th St.
 Suite 200
 P.O. Box 302, 7000
 www.swi.com

DATE: _____
 BY: _____

PROJ. NO. _____
 DRAWING NO. _____

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1-800-STAKE-IT

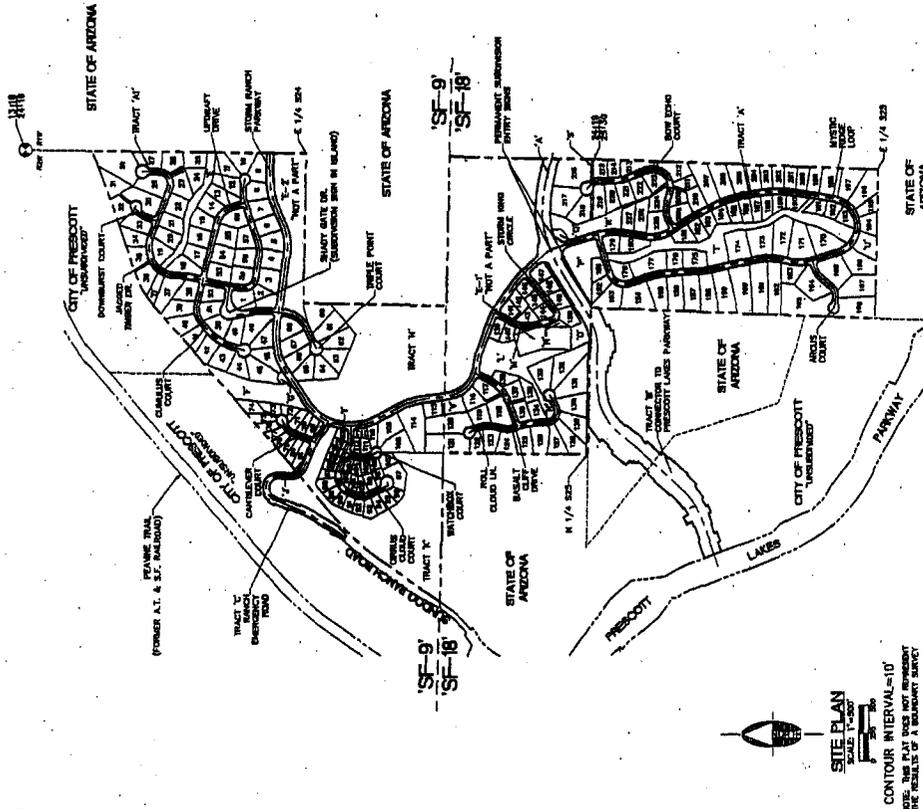
RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION



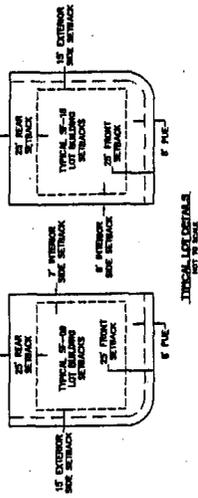
EXHIBIT D

Zoning Designations

RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION



NOTES:
SEE OFF-SITE TRACTS FOR MORE INFORMATION.
SEE OFF-SITE TRACTS FOR MORE INFORMATION.



SITE PLAN
SCALE: 1" = 100'
DATE: 11/11/03

CONTOUR INTERVAL=10'
NOTE: THIS PLAN DOES NOT REPRESENT
THE RESULTS OF A SURVEY.

		<p>7A Richard Pines Suite 101, AZ 85338 Phone: 602.972.2000 www.swi.com</p>	<p>CITY OF PRESCOTT ARIZONA</p>
<p>DATE: 11/11/03</p>	<p>BY: [Signature]</p>	<p>PROJECT NO.: 03-001</p>	<p>STORM RANCH</p>
<p>SCALE: 1" = 100'</p>	<p>DATE: 11/11/03</p>	<p>PROJECT NO.: 03-001</p>	<p>ZONING DESIGNATIONS EXHIBIT 'D'</p>
<p>1-800-STAKE-IT</p>	<p>REDUCED COPY NOT TO SCALE</p>	<p>RECORDERS MEMO: LEGIBILITY QUESTIONABLE FOR GOOD REPRODUCTION</p>	<p>RECORDING NO. 1 SHEET 1 OF 1</p>



EXHIBIT E

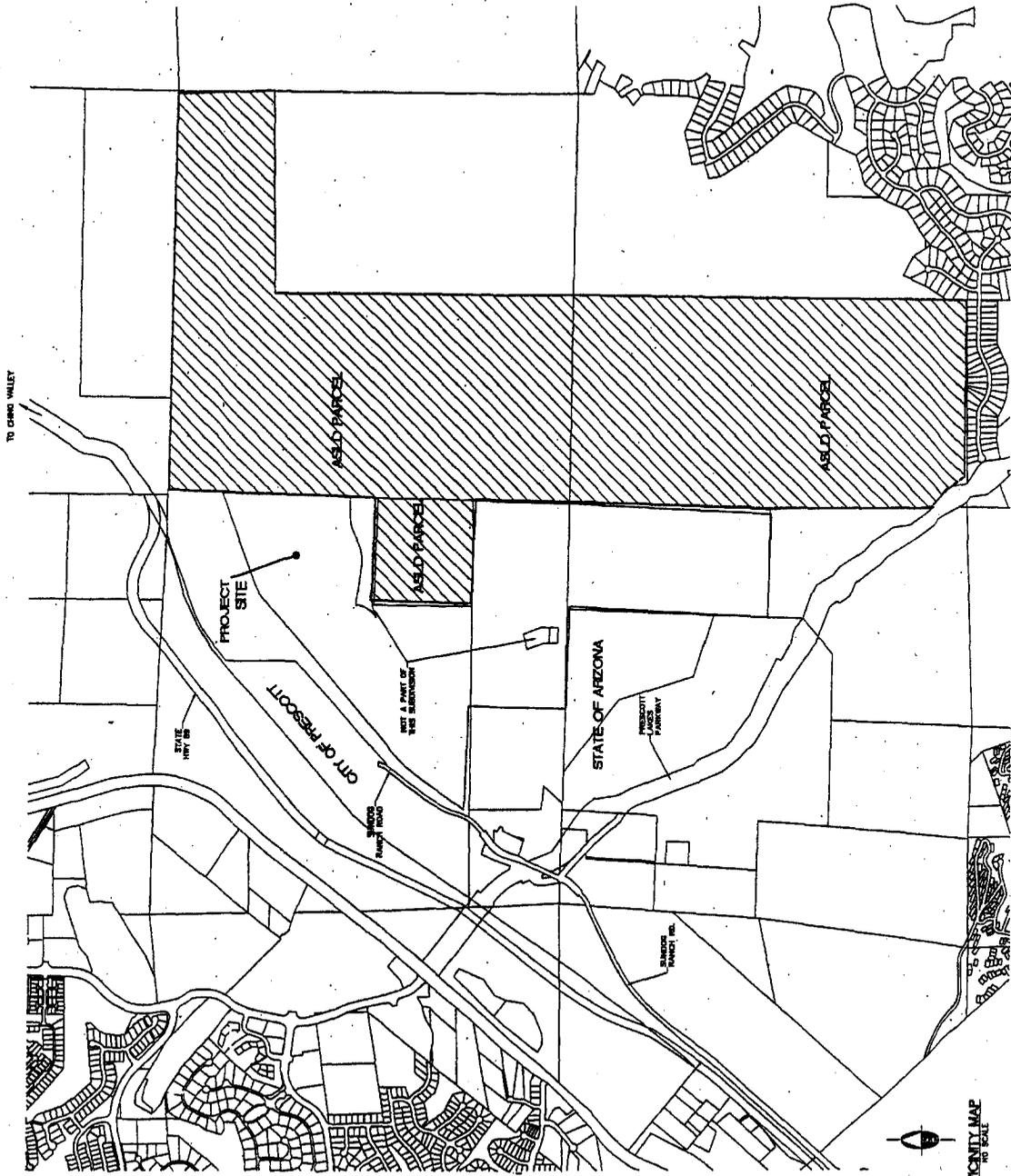
Construction Phases



EXHIBIT F

ASLD Parcel

RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION



DRAWING NO. 1		SHEET NO. 1	
CITY OF PRESIDENT, ARIZONA			
STORM RANCH			
ASLD PARCEL EXHIBIT F			
DATE	SCALE	BY	CHKD.
75 Mountain View Prescott, AZ 86302-1001 928.233.2200 Fax www.swi.biz.com			
SWI Shepherd & Westitzel, Inc.			
NO.	DATE	BY	
REDUCED COPY NOT TO SCALE			
1-800-STAKE-IT			



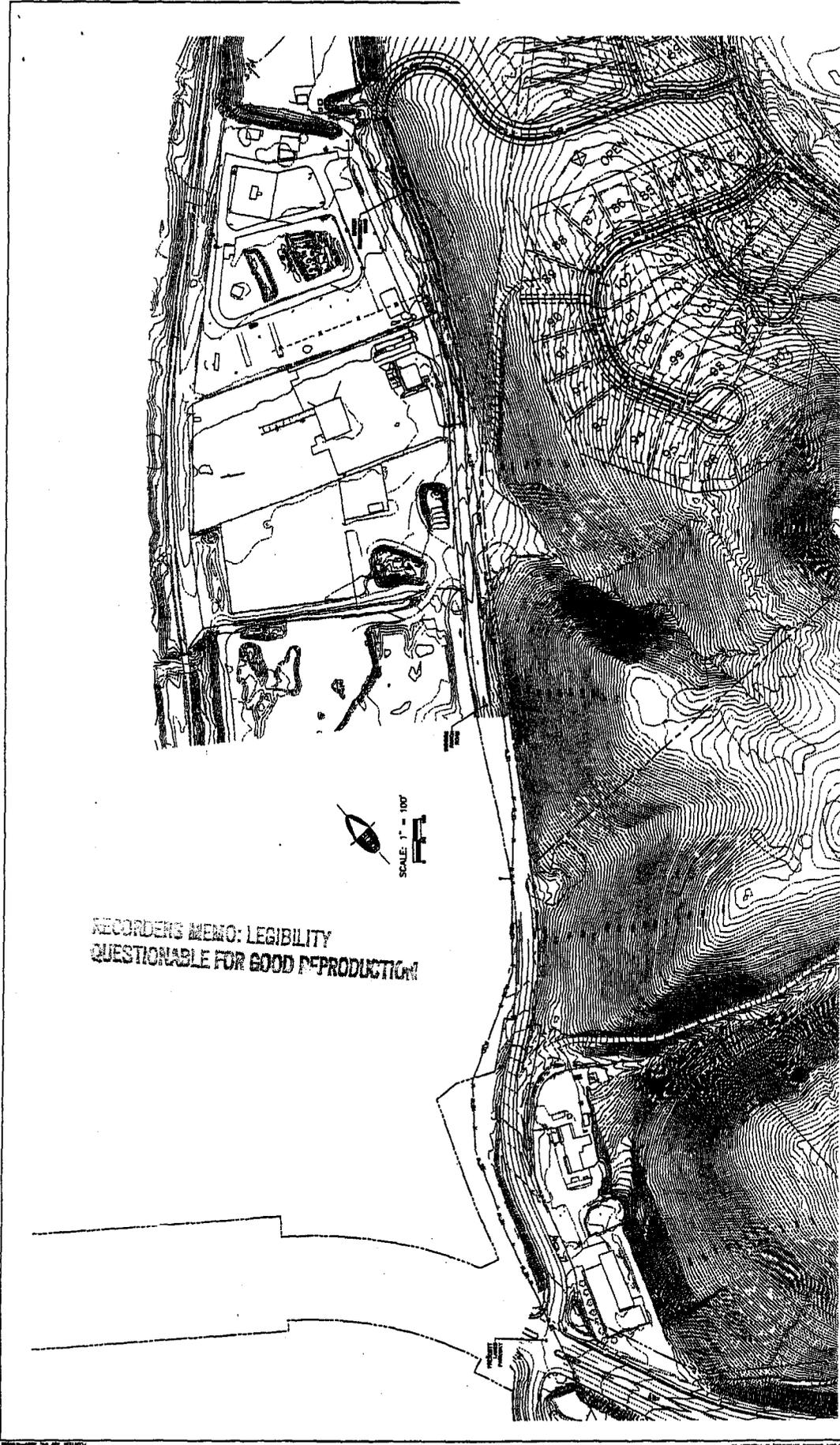
EXHIBIT G

Sun Dog Ranch Road



EXHIBIT G-1

Sun Dog Ranch Road Waterline



RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

		SWI Shepherd & Westphal, Inc.		75 BUCKINGHAM SUITE 200, ALBUQUERQUE, NM 87102-2028 Tel: (505) 263-1234 www.swi-engineers.com		CITY OF PRECINCT ARIZONA	WATER No. 1
PROJECT NO. _____	DATE _____	SHEET NO. _____	SHEET TOTAL _____	PROJECT TITLE SUNDOG RANCH ROAD WATERLINE EXHIBIT 'C'-1	SHEET TOTAL 1	SHEET NO. 1	SHEET TOTAL 1

REDUCED COPY
 NOT TO SCALE

CALL FOR THE LATEST
 1-800-SWINE-IT

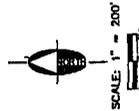


EXHIBIT H

Storm Ranch Parkway



RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION



REDUCED COPY
 NOT TO SCALE

SWI
 Shephard Associates, Inc.

75 Lakeland Plaza
 Suite 100, AZ 85118
 Phoenix, AZ 85008
 602.293.2700 Fax
 www.swiassoc.com

JOB NO.	DATE
DATE	REV. BY

STORM RANCH

STORM RANCH PARKWAY
 EXHIBIT 'H'

CITY OF PHOENIX	DATE
PROJECT	DATE
DATE	DATE

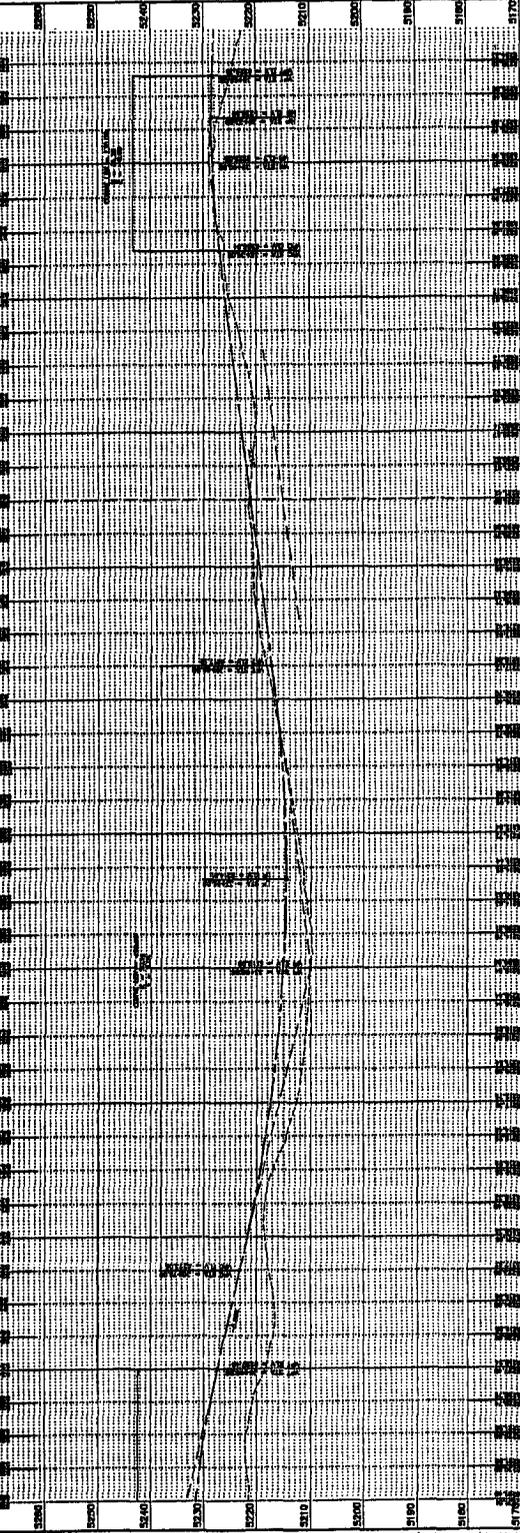
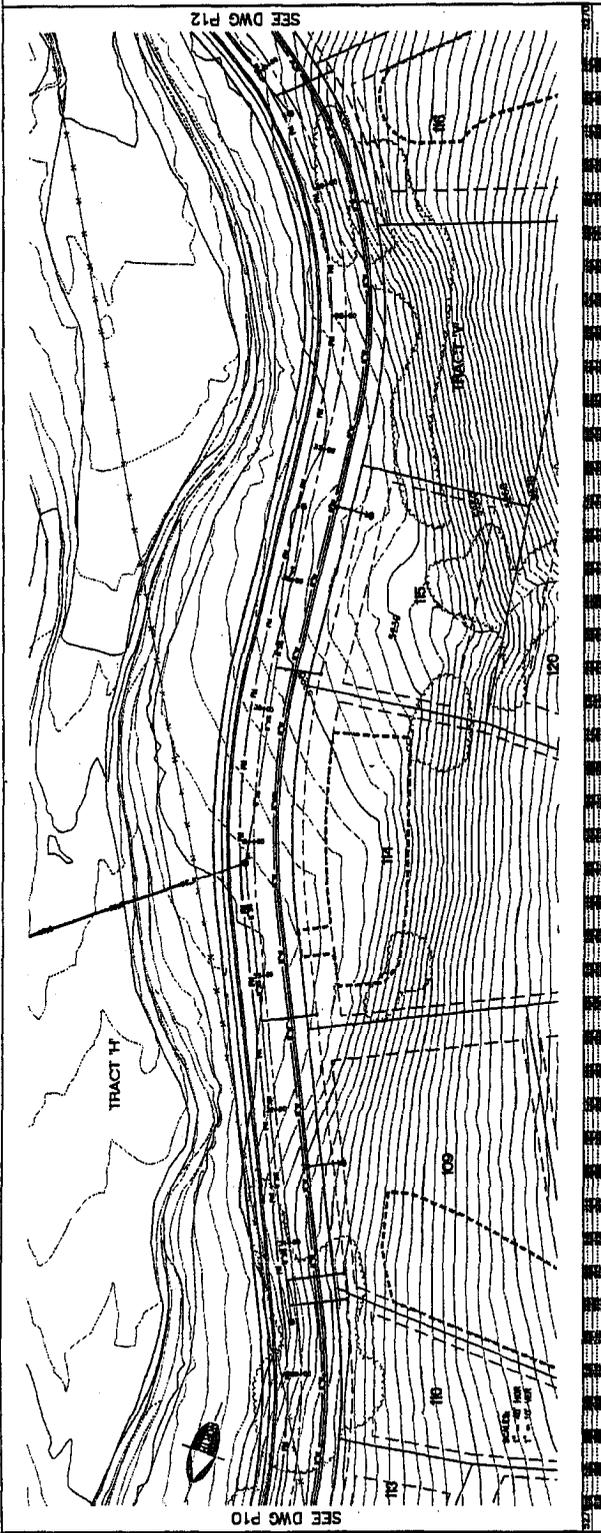
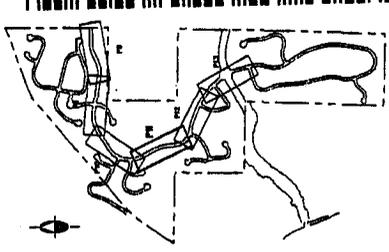
1-800-SWAVE-IT



EXHIBIT H-1

Storm Ranch Parkway Required Improvements

- GENERAL NOTES**
- 1. ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE STANDARD SPECIFICATIONS FOR HIGHWAY CONSTRUCTION, AS APPLICABLE.
 - 2. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.
 - 3. THE CONTRACTOR SHALL MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
 - 4. THE CONTRACTOR SHALL BE RESPONSIBLE FOR PROTECTING ALL EXISTING UTILITIES AND STRUCTURES.
 - 5. THE CONTRACTOR SHALL MAINTAIN ADEQUATE DRAINAGE THROUGHOUT THE PROJECT.
 - 6. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND RESTORATION OF ALL ENVIRONMENTAL FEATURES.
 - 7. THE CONTRACTOR SHALL MAINTAIN ADEQUATE EROSION CONTROL MEASURES THROUGHOUT THE PROJECT.
 - 8. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PROTECTION AND RESTORATION OF ALL CULTURAL RESOURCES.
 - 9. THE CONTRACTOR SHALL MAINTAIN ADEQUATE ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
 - 10. THE CONTRACTOR SHALL BE RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND APPROVALS FROM THE APPROPRIATE AGENCIES.



STORM RANCH
STORM RANCH PARKWAY REQUIRED IMPROVEMENTS
EXHIBIT 14-1 (SEGMENT 4)

79 Maple Park
 10000 SW 10th St
 Fort Lauderdale, FL 33334
 Phone: (954) 571-1111
 Fax: (954) 571-1112
 www.swi.com

SWI
 Shepherd & Wenzinger, Inc.

DATE: 11/15/05
 DRAWN BY: J. WENZINGER
 CHECKED BY: J. WENZINGER
 PROJECT NO.: 05-0000000000

SEE DWG P10
 SEE DWG P12

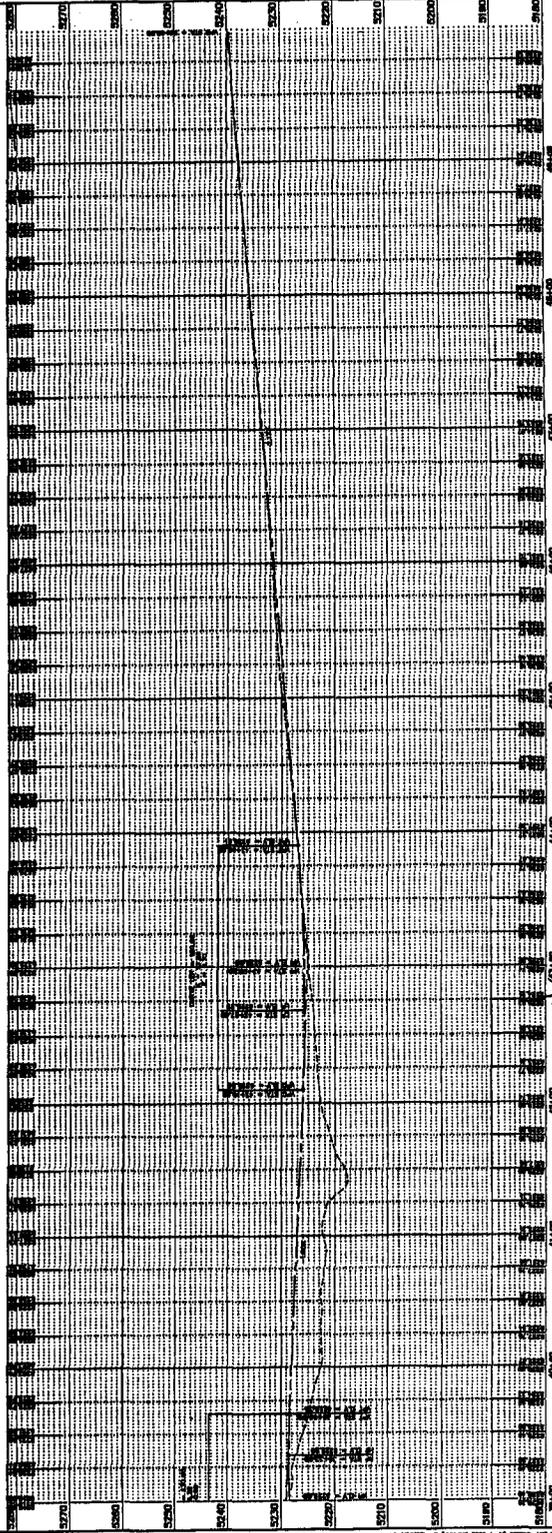
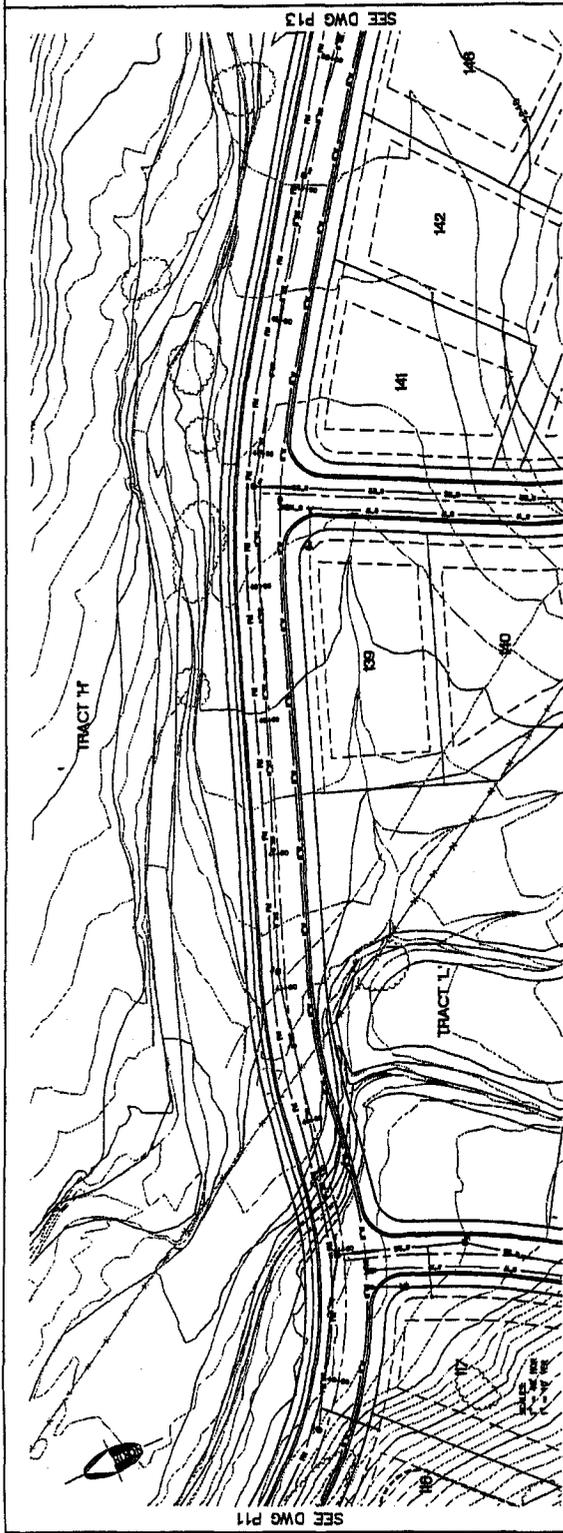
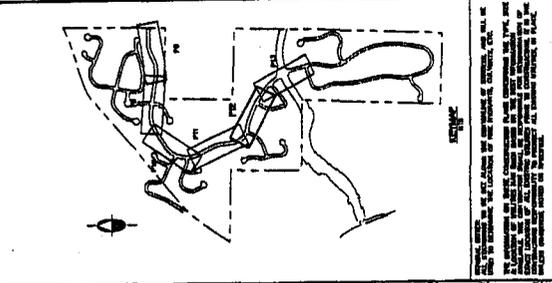
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REVISIONS

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STORM RANCH
STORM RANCH PARKWAY REQUIRED IMPROVEMENTS
EXHIBIT 11-1 (SEGMENT 5)

75 South Pacific
 Suite 200
 12121 South Pacific
 Dallas, TX 75244
 www.swi.com

SWI
 Shephard & Associates, Inc.

DATE: 08/11/11
 DRAWN BY: [Name]
 CHECKED BY: [Name]
 PROJECT NO.: [Number]

PI 11
 PI 12

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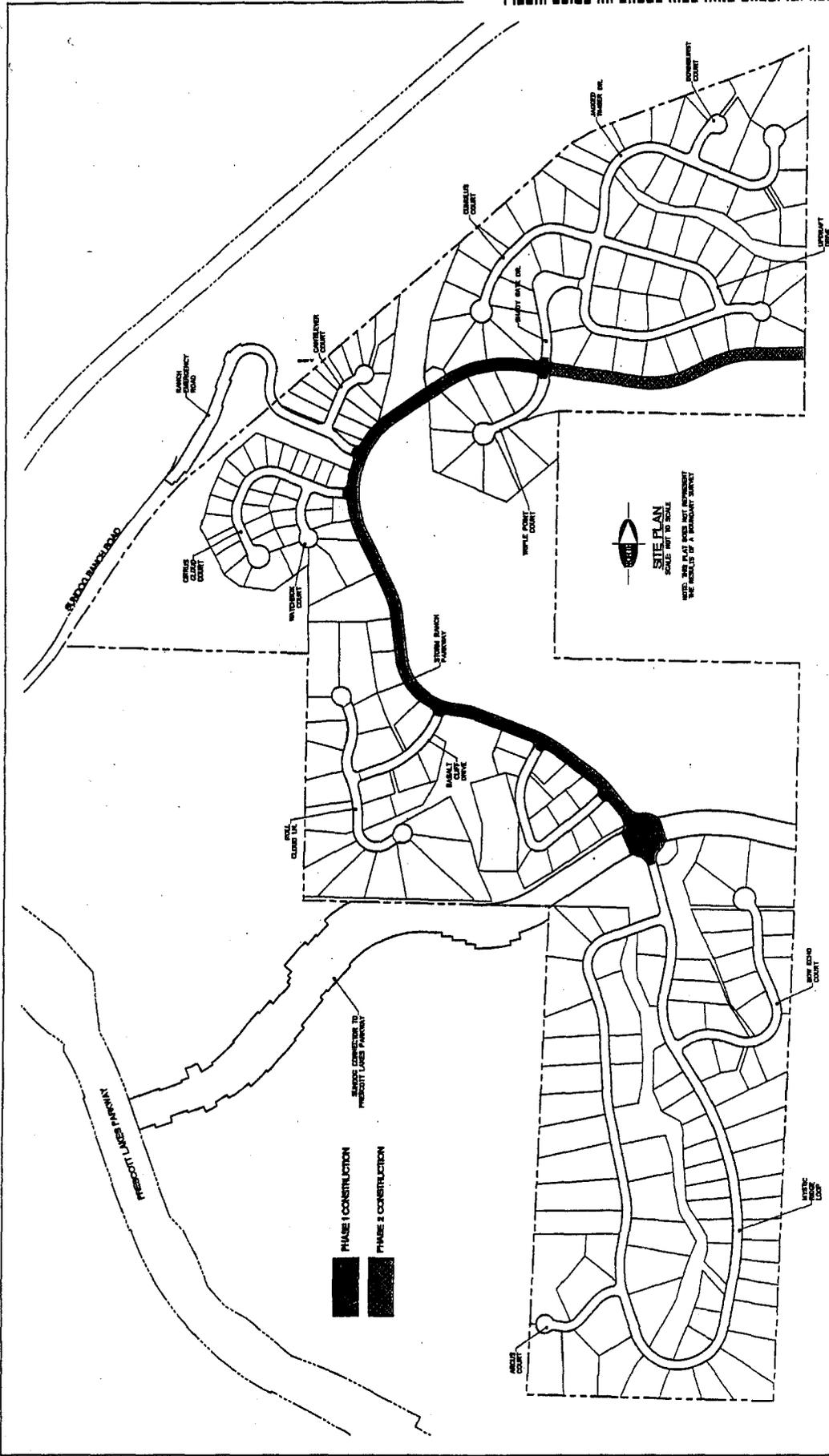
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EXHIBIT H-2

Storm Ranch Parkway Phases



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 CITY OF PHOENIX, ARIZONA
 STORM RANCH
 STORM RANCH PARKWAY PHASES
 EXHIBIT H-2
 SHEPPARD & WENZELER, INC.

RECORDING AGENCY: LIABILITY
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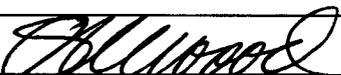
EXHIBIT J
Proximity to Police Training Center/Range

The Parties acknowledge that the City of Prescott owns and operates a police training center and police range and a refuse transfer center in the near vicinity to the Project described herein. The Parties further acknowledge and agree that the police training center and shooting range is not a "sporting range," but instead is designed for and utilized solely for firearms training, firearms qualifications required in order for law enforcement officers to maintain their Arizona police officer certifications, required weapons and firearms proficiency and related training conducted solely for law enforcement purposes. It is therefore the belief of the Parties based upon existing law that noise regulations do apply to the law enforcement range, since it is clearly not a sporting use. However, in the event that it is determined that any such current or future regulations may be applicable, the Parties agree that Developer shall construct, on the nine (9) lots closest to the range a perimeter back yard wall of six (6) feet in height. Lastly, Developer agrees that in conformity with the approval conditions set forth in the City planning commissions' recommendations that it shall, as a condition of sale, disclose the proximity of the range, potential noise issues, as well as issues pertaining to the proximity of the City's adjacent uses, including the City training facilities, animal control center, wastewater treatment and refuse transfer station. Residents shall be notified in a form similar in form to the aviation easements presently utilized by the City to provide for noise issues in the vicinity of the airport, and the Parties agree to work together so that such form ensures that residents are made aware of and accept the long term uses in the vicinity of the Project, since such a form protects the City and Developer of Developer's successor from possible claims of non-disclosure or unfounded claims of lack of awareness on the part of adjacent residents.

COUNCIL AGENDA MEMO – DECEMBER 16, 2008

DEPARTMENT: Airport

AGENDA ITEM: Request to apply with the Department of Homeland Security Transportation Security Administration for a four-year Law Enforcement Officer (LEO) Reimbursement Program Cooperative Agreement (CA) grant in the amount of \$658,869.12 to provide a Law Enforcement presence at the Airline Terminal to comply with Federal security requirements.

Approved By:	Date:
Department Head: Benjamin Vardiman, Airport Manager	12-09-08
Finance Director: Mark Woodfill	
City Manager: Steve Norwood 	12/11/08

Item Summary

This item is a request to apply with the Department of Homeland Security Transportation Security Administration for a four year Law Enforcement Officer (LEO) Reimbursement Program Cooperative Agreement (CA) grant in the amount of \$658,869.12 to provide a Law Enforcement presence at the Airline Terminal during scheduled airline activities to comply with Federal security requirements. The period of this agreement is from October 01, 2008 through September 30, 2012.

Background

The events of September 11, 2001 resulted in a significant impact in the commercial airline industry. This impact has had far reaching consequences to all aspects of aviation from the Airline, to the Federal Government, to passengers and to those who own and operate commercial airports. While the larger airports through out the nation did feel the effects of some changes; their size, political importance, and budgets allowed them to absorb most of the impacts resulting from the changes. The same cannot be said for small rural airports which serve commercial aircraft. The City of Prescott Airport, Ernest A. Love Field, is one of those small airports. Neither the Airport budget nor the Police department budget allow for the dedicated police officer presence at the airport.

Currently, temporary alternate procedures are in place in accordance with the temporary permission of the Transportation Security Administration Federal Security Director in Phoenix. The use of these procedures has had a significant impact to the operation and management of the Airport. Due to the use of Airport staff members in these alternate procedures, other fuel service and safety operations are curtailed to meet the security requirements. As of September 08, 2008, there are 42 weekly flights which depart from Prescott Airport starting at 6:00 a.m. and ending at 11:30 p.m.

If a full-time police officer should be assigned to support the Airport and the Transportation Security Administration, the fully burdened cost for the City would be approximately \$313,746 per year. Instead, the City of Prescott is requesting

Agenda Item: Request to apply with the Department of Homeland Security Transportation Security Administration for a four year Law Enforcement Officer (LEO) Reimbursement Program Cooperative Agreement (CA) grant in the amount of \$658,869.12 to provide a Law Enforcement presence at the Airline Terminal to comply with Federal security requirements.

reimbursement for a LEO for each of the scheduled 42 weekly flights. This request is for funding a LEO at the Prescott Airport for 84 hours/week at \$164,717.28 per year for the four (4) years of the Agreement.

The City of Prescott is requesting reimbursement of a LEO for each of the scheduled 42 weekly flights. Each flight requires two hours of presence in the terminal for a total of 84 weekly hours. Under this project a duly authorized police officer from the Prescott Police Department would arrive 1 hour prior to scheduled departure time and remain at the airport until 1 hour after the scheduled departure time or until the aircraft has departed, whichever occurs later. All officers assigned to the airport security detail will be provided the appropriate training by the Airport in cooperation with the TSA.

The City of Prescott applied for this program in the fall of last year but was turned down for the funding opportunity. The current funding opportunity was made available on November 26, 2008 and the closing date for applications is January 05, 2009.

Recommended Action: MOVE to authorize the application with the Department of Homeland Security Transportation Security Administration for a four-year Law Enforcement Officer (LEO) Reimbursement Program Cooperative Agreement (CA) grant in the amount of \$658,869.12 and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

COUNCIL AGENDA MEMO – (12/16/2008)
DEPARTMENT: City Clerk
AGENDA ITEM: Adoption of Resolution No. 3927-0933 - New Rules of Procedure for the Prescott City Council

Approved By:	Date:
Department Head: Elizabeth A. Burke, City Clerk <i>E.A.B.</i>	12/11/2008
Finance Director: Mark Woodfill	
City Manager: Steve Norwood <i>S. Norwood</i>	<i>12/11/08</i>

Background

On March 10, 1980, the Prescott City Council, through Resolution No. 1606, adopted its first Rules of Procedures. Since that time this resolution has been amended several times.

While attending the League of Arizona Cities and Towns' Annual Conference this last year, Mayor Wilson obtained a copy of the City of Phoenix rules and suggested that we provide a similar document for the public.

Before printing such a document, we felt the time was right to review the Rules of Procedure and make any changes needed to reflect the procedures that are actually being followed. Suggested changes have been indicated on the attached draft resolution for your consideration.

Once the Resolution has been adopted, we will prepare a pamphlet for use by the public.

Financial Impact

None, other than printing costs of pamphlets which will be done in house.

Recommended Action: Once the wording of the final document is agreed to, MOVE to adopt Resolution No. 3927-0933.
--

RESOLUTION NO. 3927-0933

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, REPEALING RESOLUTION NUMBERS 1606, 1851, 1877, 1890, 2033, 2074, 2294, 2296, 2439, 2456, 3032, 3047, AND 3401 AND ADOPTING NEW RULES OF PROCEDURE FOR THE PRESCOTT CITY COUNCIL

RECITALS:

WHEREAS, Resolution Number 1606, adopted March 10, 1980, first adopted Rules of Procedure for the Prescott City Council; and

WHEREAS, since that time several amendments have been adopted through Resolution Numbers 1851, 1877, 1890, 2033, 2074, 2294, 2296, 2439, 2456, 3032, 3047 and 3401; and

WHEREAS, the Prescott City Council wishes to adopt new Rules of Procedure for the Prescott City Council.

ENACTMENTS:

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, Resolution Numbers 1606, 1851, 1877, 1890, 2033, 2074, 2294, 2296, 2439, 2456, 3032, 3047 and 3401 are hereby repealed.

SECTION 2. THAT, Exhibit A, attached hereto and made a part hereof, shall be the new Rules of Procedure for the Prescott City Council.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 16th day of December, 2008.

JACK D WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A BURKE, City Clerk

GARY D KIDD, City Attorney

EXHIBIT 'A'

RULES OF PROCEDURE

for the

PRESCOTT CITY COUNCIL



DECEMBER 2008

RULES OF PROCEDURE FOR THE PRESCOTT CITY COUNCIL

RULE 1 GENERAL RULES

- A. Rules of Journal (Article II, Section 15, City Charter): The Council shall determine its own rules and order of business subject to the provisions of this Charter. It shall keep a journal of its proceedings and the journal shall be open to public inspection during regular office hours.
- B. Written Rules of Procedure: The rules of procedure of the Council shall be in writing and be available to all interested citizens.
- C. Rules of Parliamentary Practice: The rules of parliamentary practice, comprised in Robert's Rules of Order, latest edition, shall govern the Council in all cases to which they are applicable, provided they are not in conflict with these rules or with the Charter of the City of Prescott.
- ~~D. Reading of Titles for Resolutions and Ordinances: The City Clerk or designee, shall read abbreviated titles of resolutions and ordinances one time as they are presented for consideration, excluding those resolutions listed on a Consent Agenda.~~

RULE 2 COUNCIL CODE OF ETHICS

City Council members and officials occupy positions of public trust. Council members and all City officials shall strictly adhere to both the spirit and the letter of the laws of the State of Arizona pertaining to conflicts of interest.

In addition to matters of pecuniary interest, Council members shall refrain from making use of special knowledge or information before it is made available to the general public; shall refrain from violation of Council rules; shall refrain from appointing immediate family members, business associates, or employees to municipal boards and commissions; shall refrain from influencing the employment of municipal employees; and shall refrain from using their influence as members of the governing body in attempts to secure contracts, zoning, or other favorable municipal action for friends, immediate family members, or business associates.

RULE 3 CITY OFFICIALS

- A. City Manager, City Clerk, City Treasurer and City Attorney: The City Manager, Clerk, Treasurer and Attorney shall perform their respective duties as set forth in the Charter of

the City of Prescott. Whenever there may be any questions concerning the interpretation of the powers and duties of the aforementioned City officials as enumerated in the City Charter, the City Council shall be the final arbitrator of any such dispute and, by a majority vote of its members, shall settle any such issue as a matter of Council policy.

- B. Chief of Police: The Chief of Police or such members of the Police Department as he may designate, shall be Sergeant-at-Arms of the Council meetings.
- C. Officials and Employees to Attend: The head of any department, or officer or employee of the City, when requested by the Council or City Manager, shall attend any regular, adjourned or special meeting and confer with the Council on all matters relating to City business.

RULE 4
COUNCIL MEETINGS
(from Resolution No. 2456, the "previous policy")

- A. Regular and Special Meetings: The City Council shall hold regular and special meetings according to the provisions of the City Charter. Council meetings shall be conducted in accordance with the procedures set forth in these rules unless a motion to suspend the rules (as hereinafter provided) is first passed by the Council. Regular meetings of the Council shall begin at 3:00 P.M. on the second and fourth Tuesday of each month, unless a different day or time is determined by a majority of the Council.

At regular meetings of the Council, members of the public may be permitted to speak on an item not otherwise listed on the agenda, if they have requested to do so by giving notice to the City Clerk of their name, address, phone number, and topic. Said notice is to be given no later than 5:00 p.m. on the Wednesday preceding the regular meeting at which time has been confirmed to be available; and the member of the public and their topic shall appear on the regular meeting agenda. In this event, members of the public shall be permitted to speak for a period not to exceed five (5) minutes provided, however, that a member of the public may not speak on the same topic more frequently than at a six-month interval. Copies of all documents and/or other materials proposed to be exhibited by a member of the public for an item not otherwise listed on the agenda shall be provided to the City Clerk by said deadline. Exhibition of any documents and/or other materials deemed to be offensive or otherwise inappropriate shall not be permitted.

- B. Executive Sessions: The Council may meet in executive session in accordance with the procedures and purposes set forth in State law and not otherwise.
- C. Study Sessions: Study sessions are public meetings of the Council for the purposes of briefing Council members on the items included on the regular meeting agenda. The rules of procedure shall be:
 - 1. The Council shall meet in study session at 3:00 P.M. on the first and third Tuesday of each month, unless a different day or time is determined by a majority vote of the Council.

2. The study session shall be devoted primarily to any matters regarding which the interchange of information preliminary to public discussion is deemed to be essential.
 3. No formal vote shall be taken on any matter under discussion nor shall any Council member enter into a commitment with another respecting a vote to be taken subsequently in a public meeting of the Council provided that nothing herein shall prevent a polling of the Council or the taking of an informal consensus on any matter under discussion.
 4. At study sessions, members of the public shall be permitted to speak with permission of the Chair, when invited to do so by the Council, or when they have information pertinent to the issue under discussion, for a period not to exceed five (5) minutes.
 5. ~~At regular meetings of the Council, members of the public shall may be permitted to speak on an item not otherwise listed on the agenda, if they have requested to do so by giving notice to the City Clerk of their name, address, phone number and topic. Said notice is to be given no later than 5:00 p.m. on the Wednesday preceding the regular meeting, and the member of the public and his topic shall appear on the regular meeting agenda. In this event, members of the public shall be permitted to speak for a period not to exceed five (5) minutes.~~
- D. Scheduling Agenda Items. The Mayor may place any item on an agenda for consideration or discussion by the Council. Any two (2) councilmen may place an item on an agenda for consideration or discussion by the Council
- E. Withdrawing Agenda Items. When an item is initially placed on an agenda, it may only be withdrawn by the individual (Mayor or Councilmembers) who placed that item on the agenda.

RULE 5 PRESIDING OFFICER

The Mayor or, in his absence, the Mayor Pro Tempore, shall take the chair at the hour appointed for the Council to meet and shall immediately call the members to order. In the case of ~~the~~ absence of both the Mayor and the Mayor Pro Tempore, the City Clerk shall call the Council to order. If a quorum is found to be present, the Council shall proceed to elect, by a majority vote of those present, a chairman of the meeting.

RULE 6 CONDUCT OF MEETINGS

The presiding officer shall serve as Council Parliamentarian. He shall preserve decorum and decide all questions of order, subject to appeal to the Council.

- A. During Council meetings, Council members shall preserve order and decorum and shall not delay or interrupt the proceedings or refuse to obey the orders of the

presiding officer or the rules of the Council. Every Council member desiring to speak shall address the chair and, upon recognition by the presiding officer, shall confine himself to the question under debate and shall avoid all offensive or indecorous language. A Council member once recognized shall not be interrupted while speaking unless called to order by the presiding officer or unless a point of order or other privileged motion is raised by another Council member. If a Council member is called to order while he is speaking, he shall cease speaking immediately until the question of order is determined. If ruled to be in order, he shall be permitted to proceed. If ruled not to be in order, he shall remain silent or shall alter his remarks so as to comply with the rules of the Council. A Council member, with permission of the presiding officer, may address questions to the City Manager or staff or members of the audience, but he shall confine his questions to the particular issue before the Council. If a point of order is raised and the presiding officer fails to act, any member of the Council may move to require him to enforce the rules and the affirmative vote of the majority of the Council shall be required to require the presiding officer to act.

- B. The presiding officer shall have the authority to preserve decorum in meetings as far as the audience, staff members, and City employees are concerned. The City Manager shall also be responsible for the orderly conduct and decorum of all City employees under his direction and control. Any remarks shall be addressed to the Chair and to any or all members of the Council. No member of the staff or audience shall enter into any discussion, either directly or indirectly, without first having obtained the floor by permission of the presiding officer,
- C. Citizens of the City and any other members of the public attending Council meetings shall also observe the same rules of propriety, decorum and good conduct applicable to members of the Council. Any person making personal, impertinent, and slanderous remarks or who becomes boisterous while addressing the Council, or while attending the Council meeting, shall be removed from the room if the Sergeant-at-Arms is so directed by the presiding officer, and such person shall be barred from further attendance at that particular Council meeting. Unauthorized remarks from the audience, stamping of feet, whistles, yells, and similar demonstrations shall not be permitted by the presiding officer, who shall direct the Sergeant-at-Arms to remove such offenders from the room.

Should the presiding officer fail to act, any member of the Council may move to require him to enforce the rules, and the affirmative vote of the majority of the Council shall require the presiding officer to act.

Any member of the public desiring to address the Council must first be recognized by the Chair, shall state his name and address in an audible tone for the record, and shall limit his remarks to the question under discussion. Any remarks shall be addressed to the Chair and to any members of the Council.

RULE 7 RIGHT OF APPEAL

Any Council member may appeal to the Council from a ruling of the presiding officer. If the appeal is seconded, the member making the appeal may briefly state his reason for the same,

and the presiding officer may briefly explain his ruling, but there shall be no debate on the appeal, and no other member shall participate in the discussion. The presiding officer shall then put the question, "Shall the decision of the Chair be sustained?" If the majority of the members present vote "Aye", the ruling of the Chair is sustained, otherwise it is overruled.

RULE 8 LIMITATION OF DEBATE

No member of the Council or public shall be allowed to speak more than once upon any one subject until all the Council members have had an opportunity to speak. No member of the Council or of the public shall be allowed to speak for a period longer than five minutes, without the leave of the presiding officer. Citizens groups shall identify themselves and shall be represented in presentation to the Council by one of the members of the group and cumulative or redundant speeches to the Council on the same issue shall be terminated at the discretion of the presiding officer.

RULE 9 VOTING

The vote on any question shall be taken by Ayes and Nays to be electronically tabulated, and the results thereof shall be disclosed simultaneously. In the event that the vote is unable to be electronically recorded, there shall be a roll call vote. It shall be out of order for members to explain their vote during the voting process. There shall be no additional debate or speaking after the vote is taken.

RULE 10 MOTIONS TO BE STATED BY CHAIR

When a motion is made and seconded, it shall be so stated by the Chair or, at his direction, by the City Clerk, before debate commences.

RULE 11 CITY COUNCIL AGENDA FORMAT

NORMAL BUSINESS

- I. CALL TO ORDER
- II. INTRODUCTIONS
- III. INVOCATION
- IV. PLEDGE OF ALLEGIANCE
- V. ROLL CALL
- VI. SUMMARY OF CURRENT OR RECENT EVENTS BY PRESIDING OFFICER AND/OR CITY MANAGER
- ~~VI~~.VII. APPROVAL OF MINUTES

~~VII-VIII.~~ CANVASS ELECTION RETURNS, SPECIAL AWARD PRESENTATIONS,
SPECIAL GUESTS, RESOLUTIONS OR COMMENDATION, PROCLAMATIONS, ETC.

AGENDA ITEMS

- I. CONSENT AGENDA
- II. PUBLIC HEARINGS
- III. PUBLIC (10-minute time limit)
- IV. COMMUNICATIONS AND/OR PETITIONS
- V. MAYOR AND COUNCIL ITEMS
- VI. CITY MANAGER ITEMS
- VII. SCHEDULED AGENDA BUSINESS
- VIII. RESOLUTIONS
- IX. ORDINANCES
- X. ADJOURNMENT

~~Resolution No. 2850—Allowing for Flexibility in the Format of City Council Agendas. "THAT, the Council Agenda formats, as adopted pursuant to Resolution Number 1606 (Rule 11) ... are forthwith~~ considered to be general guidelines for the published agenda. The Mayor is hereby authorized to deviate from the arrangement as set forth therein, or to delete a specific category from a particular agenda, at his or her discretion."

RULE 12

MOTION TO ADJOURN – WHEN NOT IN ORDER – NOT DEBATABLE

A motion to adjourn shall be in order at any time, except as follows: (A) When repeated without intervening business or discussion; (B) When made as an interruption of a member while speaking; (C) When the previous question has been ordered; and (D) While a vote is being taken. A motion to adjourn is debatable only as to the time to which the meeting is adjourned.

RULE 13

CONSIDERATION OF PETITIONS

Only those petitions submitted in writing at a regular Council meeting by a citizen of the City shall require Council action within thirty (30) days thereafter. (Article II, Section 18, City Charter).

All other petitions submitted to the Mayor and/or Council members or other agencies of the City in the regular course of business, shall be considered in accordance with the laws of the State of Arizona, the City Charter or the City Code of the City of Prescott. (Examples: Annexation, improvement district, protests, elections, etc.)

Unsigned communications or petitions, including newspaper articles or clippings, shall not be introduced in the minutes of Council meetings.

RULE 14
MOTION TO SUSPEND THE RULES

A motion to suspend the rules set forth herein shall be in order unless it pertains to rules mandated by the Charter of the City of Prescott or the laws of the State of Arizona. A motion to suspend the rules must be seconded, it is not debatable (except that the reason for the motion may be briefly explained by the mover) and requires at least a two-thirds vote of the members of the Council present at the meeting.