



PRESCOTT CITY COUNCIL JOINT REGULAR VOTING/ SPECIAL MEETING AGENDA *A M E N D E D

**PRESCOTT CITY COUNCIL
JOINT REGULAR VOTING/SPECIAL MEETING
TUESDAY, JULY 28, 2009
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 Joint Regular Voting/Special 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:** Lee Wiggins, The Heights Church
- ◆ **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*

*participating telephonically

- ◆ **SUMMARY OF CURRENT OR RECENT EVENTS**
 - I. **PUBLIC COMMENT**
 - A. Frank Creelman re issues related to the Fourth of July Parade.
 - B. Richard Mansbach re *Boys to Men Mentoring Network*, Prescott Area Center.
 - II. **PRESENTATIONS**
 - A. Presentation of G.E.M. (**G**oing the **E**xtra **M**ile) Award.

- B. Introduction of new businesses.

III. CONSENT AGENDA

CONSENT ITEMS A THROUGH H LISTED BELOW MAY BE ENACTED BY ONE MOTION. ANY ITEM MAY BE REMOVED AND DISCUSSED IF A COUNCILMEMBER SO REQUESTS.

- A. Approve purchase of six 2010 Ford Crown Victoria Police Interceptor (CVPI) vehicles from Five Star Ford in the amount of \$155,875.32.
- B. Adopt Resolution No. 3981-1008 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona authorizing the application and acceptance of a Water Infrastructure Finance Authority of Arizona Project Technical Assistance Grant in the amount of \$34,500.00, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- C. Adopt Resolution No. 3982-1009 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott Public Library to enter into a Participating Library Agreement with the Camp Verde Unified School District and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- D. Adopt Resolution No. 3980-1007 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott Fire Department to enter into a Base Hospital Agreement with the Yavapai Regional Medical Center for medical control, direction and administrative oversight of all providers relating to paramedic level care (advanced life support) and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.
- E. Approve renewal of Turf Paradise Off-track Pari-mutuel Wagering Permit for Matt's Saloon, located at 112 S. Montezuma Street.
- F. Authorize a Thru-the-Fence Access Permit for Yavapai College at Ernest A. Love Field, in the amount of \$900.00 per year, subject to annual increases.
- G. [Water Infrastructure Finance Authority of Arizona \(WIFA\) Funding:](#)
 - 1. [Adopt Ordinance No. 4709-1004 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving loan funds from the Water Infrastructure Finance Authority of Arizona \(WIFA\) for the Airport Water Mains Project, through the Drinking Water Program with ARRA Funding #92A154-10,](#)

authorizing the Mayor and staff to sign any and all WIFA funding documents pertinent to said project, and declaring an emergency. (\$3,591,880 with \$2,155,128 forgivable principal)

2. Adopt Ordinance No. 4711-1006 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving loan funds from the Water Infrastructure Finance Authority of Arizona (WIFA) for the Wastewater Improvements Project, through the Clean Water (Wastewater) Program #910122-10, authorizing the Mayor and staff to sign any and all WIFA funding documents pertinent to said project and declaring an emergency. (\$6,573,506)
- H. Approve minutes of the Prescott City Council Joint Voting/Special Meeting of June 23, 2009, the Study Session of July 7, 2009, the Regular Voting Meeting of July 14, 2009 and the Study Session of July 21, 2009.

IV. REGULAR AGENDA

- A. Public Hearing and consideration of a liquor license application for a Series 12, Restaurant, license for Taj Mahal located at 124 North Montezuma.
- B. Appointment of member to the Prescott Preservation Commission.
- C. Appointment of member to the Prescott: Arizona's Centennial City Committee.
- D. Award of \$85,299.51 to Fann Contracting, Inc. for the purchase of one new Mac transfer trailer per Fann Contracting specifications, for replacement of trailer destroyed in fire of June 23, 2009. (Pulled from the Consent Agenda due to a potential conflict of interest declared by Councilman Bell)
- E. Adoption of Resolution No. 3979-1006 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into an Intergovernmental Agreement (“IGA”) with Chino Valley Fire District and Central Yavapai Fire District for the utilization of each party’s emergency dispatch resource procedures and policies in an automatic-aid capacity for the tri-city area and authority the Mayor and staff to take any and all steps necessary to accomplish the above. (Pulled from the Consent Agenda by Councilman Luzius)
- F. Award of a three-party Construction Manager at Risk construction phase services contract with the City of Prescott, Haley Construction and the Elks Opera House Foundation for Historic Restorations and Renovations to the Elks Opera House in the amount of \$1,151,323.00. (Pulled from the Consent Agenda by Councilwoman Suttles)

- G. Authorization to purchase new radio-read water meters from Mountain States Pipe and Supply Company, in an amount not to exceed \$1,186,112.43. (Pulled from the Consent Agenda by Councilwoman Suttles)

- H. Adoption of Resolution No. 3983-1010 - A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to submit an application to apply for a Transportation Enhancement Program Sponsorship to the Federal Highway Administration through submittal to the Arizona Department of Transportation (ADOT) on behalf of Prescott Alternative Transportation for a proposed Gurley Street Roadway Project and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above. (Pulled from the Consent Agenda by Councilman Luzius)

- I. Award of bid and contract to Fann Contracting, Inc. for the Zone 39 Phase II and III Project in an amount not to exceed \$2,959,209.00. (Pulled from the Consent Agenda due to a potential conflict of interest declared by Councilman Bell and amount of project)

- J. Adoption of Ordinance No. 4710-1005 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, approving loan funds from the Water Infrastructure Finance Authority of Arizona (WIFA) for the Zone 39 Water Improvements Project, through the Drinking Water Program with ARRA Funding #92A166-09, and authorizing the Mayor and staff to sign any and all WIFA funding documents pertinent to said project and declaring an emergency. (\$8,998,096 with \$4,000,000 forgivable principal) (Pulled from the Consent Agenda due to a potential conflict of interest declared by Councilman Bell)

- K. Approval of Change Order No. 1 in the amount of \$50,000.00 with Jones, Skelton and Hochuli for outside counsel in Asphalt Paving and Supply v. Granite Dells Estates Properties, Inc. (Pulled from the Consent Agenda due to a potential conflict of interest declared by Councilman Bell)

- L. Granite Dells Ranch Holdings (Cavan):
 - 1. Adoption of Resolution No. 3969-1014 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, authorizing the City of Prescott to enter into a Development Agreement with Granite Dells Ranch Holdings, and authorizing the Mayor and staff to take any and all steps necessary to accomplish the above.

2. Adoption of Ordinance No. 4704-1008 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, extending and increasing the corporate limits of the City of Prescott by annexing property generally located in the proximity of the Side Road/Hwy 89A Interchange.
3. Adoption of Resolution No. 3970-1015 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the General Plan Land Use Map to that certain property located in proximity of the Side Road/Highway 89A Interchange and east of the Peavine Trail described as parcel numbers: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E and totaling ±165 acres and adjusting the existing configuration of the Open Space, Very-Low Density Residential, Commercial and Commercial/Employment designations to allow for an overall increase in Commercial Land Use (Open Space to Commercial/Employment, Commercial to Open Space, Very-Low Density Residential to Commercial and Commercial/Employment to Commercial).
4. Adoption of Resolution No. 3971-1016 – A resolution of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the Airport specific Area Plan (“ASAP”) Map to that certain property located in proximity of the Side Road / Highway 89A Interchange and east of the Peavine Trail described as parcel numbers: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E and totaling ±165 acres by amending the ASAP Map to change the Open Space to Mixed Commercial Employment, Low Density Residential to Commercial, Mixed Commercial Employment to Commercial, and Commercial to Open Space designations located within the north project area.
5. Approval of the Master Development Plan.

V.* ~~ADJOURNMENT~~ RECESS INTO SPECIAL MEETING

SPECIAL MEETING

1. Call to Order.
2. Granite Dells Ranch Holdings (Cavan):
 - A. Public Hearing.

B. Adoption of Ordinance No. 4705-1009 – An ordinance of the Mayor and Council of the City of Prescott, Yavapai County, Arizona, amending the Zoning Map pertaining to that certain property located in the proximity of the Side Road/Highway 89A Interchange and East of the Peavine Trail.

C.* Adjournment of Special Meeting

VI.* RECONVENE REGULAR VOTING MEETING

A.* Discussion and direction to Information Technology Department re Employee “Speak Up” function to internal web site.

3B.* Recess into Executive Session.

4VII.* EXECUTIVE SESSION

A. Discussion or consultation for legal advice with the attorney or attorneys of the public body, pursuant to ARS §38-431.03(A)(3), and discussion or consultation with the attorneys of the public body in order to consider its position and instruct its attorneys regarding the public body's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation or in settlement discussions conducted in order to avoid or resolve litigation, pursuant to ARS §38-431.03(A)(4).

1. Bennett v. City of Prescott
2. City of Prescott v. Mayer Fire District
3. Black Canyon Fire District v. City of Prescott

5VIII*. 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, MMC, City Clerk

ORDINANCE NO. 4709-1004

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING LOAN FUNDS FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA) FOR THE AIRPORT WATER MAINS PROJECT, THROUGH THE DRINKING WATER PROGRAM WITH ARRA FUNDING #92A154-10, AUTHORIZING THE MAYOR AND STAFF TO SIGN ANY AND ALL WIFA FUNDING DOCUMENTS PERTINENT TO SAID PROJECT AND DECLARING AN EMERGENCY

RECITALS:

WHEREAS, the Clean Water and Drinking Water Programs are sponsored by the Water Infrastructure Finance Authority of Arizona (WIFA) to provide financial assistance to enhance and improve water and wastewater infrastructure throughout Arizona communities; and

WHEREAS, WIFA has received America Recovery and Reinvestment Act of 2009 (ARRA) funds from the federal government and has made these funds available to Arizona communities for eligible projects; and

WHEREAS, the City of Prescott submitted the Airport Water Mains project to WIFA for possible ARRA funding, of which said project is deemed "shovel-ready" and is included in the City of Prescott's Capital Improvements Program; and

WHEREAS, the Airport Water Mains project has been approved by WIFA for loan funding; and

WHEREAS, said adopted procedures established by the WIFA Board require the applicant to certify by resolution signature authorization of such funding documents, the availability of local funds for loan repayment and a population of less than 50,000; and

WHEREAS, the City of Prescott is requesting \$3,591,880 from WIFA for construction costs and commits to repayment of WIFA loan funds for project assistance, with \$2,155,128 in forgivable principal.

ENACTMENTS:

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

Section 1. THAT the Mayor and Council of the City of Prescott, Arizona hereby approve accepting \$3,591,880 in loan funds from the Water Infrastructure

Finance Authority of Arizona (WIFA) to cover construction costs for the Airport Water Mains project, with \$2,155,128 in forgivable principal.

Section 2. THAT the Mayor and Council of the City of Prescott hereby certify that the population of the City of Prescott is less than 50,000.

Section 3. THAT the Mayor and staff are hereby authorized to execute the loan documents, and to take any and all steps deemed necessary to accomplish the above.

Section 4. THAT, an EMERGENCY is hereby declared to exist and THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, ADOPTION AND APPROVAL BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

ORDINANCE NO. 4711-1006

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING LOAN FUNDS FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA) FOR THE WASTEWATER IMPROVEMENTS PROJECT, THROUGH THE CLEAN WATER (WASTEWATER) PROGRAM #910122-10, AUTHORIZING THE MAYOR AND STAFF TO SIGN ANY AND ALL WIFA FUNDING DOCUMENTS PERTINENT TO SAID PROJECT AND DECLARING AN EMERGENCY

RECITALS:

WHEREAS, the Clean Water and Drinking Water Programs are sponsored by the Water Infrastructure Finance Authority of Arizona (WIFA) to provide financial assistance to enhance and improve water and wastewater infrastructure throughout Arizona communities; and

WHEREAS, WIFA has received America Recovery and Reinvestment Act of 2009 (ARRA) funds from the federal government and has made these funds available to Arizona communities for eligible projects; and

WHEREAS, the City of Prescott submitted the Wastewater Improvements project to WIFA for possible ARRA funding, of which said project is deemed "shovel-ready" and is included in the City of Prescott's Capital Improvements Program; and

WHEREAS, the Wastewater Improvements project has been approved by WIFA for loan funding; and

WHEREAS, said adopted procedures established by the WIFA Board require the applicant to certify by resolution signature authorization of such funding documents, the availability of local funds for loan repayment and a population of less than 50,000; and

WHEREAS, the City of Prescott is requesting \$6,573,506 from WIFA for construction costs and commits to repayment of WIFA loan funds for project assistance.

ENACTMENTS:

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

Section 1. THAT the Mayor and Council of the City of Prescott, Arizona hereby approve accepting \$6,573,506 in loan funds from the Water Infrastructure

Finance Authority of Arizona (WIFA) to cover construction costs for the Wastewater Improvements project.

Section 2. THAT the Mayor and Council of the City of Prescott hereby certify that the population of the City of Prescott is less than 50,000.

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PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

COUNCIL AGENDA MEMO – 07/28/09

IV-B

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DEPARTMENT: City Council

AGENDA ITEM: Appointment of a member to the Prescott Preservation Commission

Approved By:

Date:

Department Head: Elizabeth A. Burke, City Clerk

07/24/2009

Finance Director: Mark Woodfill

City Manager: Steve Norwood *Stanley*

Summary

Appointment of a member to the Prescott Preservation Commission.

Background

The term of Marvin Wright expires this month on the Prescott Preservation Commission and Mr. Wright does not wish to be reappointed. As you may recall, a few months ago another vacancy on this Commission existed, and at that time the Council Appointment Committee interviewed several applicants. At the conclusion of those interviews it was agreed that Mr. Adams would be appointed when Mr. Wright's term expired.

The Prescott Preservation Commission was originally established in 1976 under the name of Townscape Conservation Commission and renamed by Ordinance No. 1461 in August 1980. The Commission consists of nine members serving three-year terms. Whenever possible, three positions on the Commission shall be filled by an architect and/or a landscape architect, or other persons qualified by design background, such as training or experience, to advise on design aspects. There shall be no more than one person from any one business or profession on the Commission. The purpose of the Commission is to take recommendations on the establishment of Prescott Preservation Districts and to review all plans to construct any new building, structure or sign, or remodel, demolish, move or change the exterior appearance of any existing building or sign within an established district.

Recommended Action: **MOVE** to accept the Council Appointment Committee's recommendation to appoint Steven C. Adams to the Prescott Preservation Commission, term to expire July 2012.

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COUNCIL AGENDA MEMO – 07/28/09

IV-C

DEPARTMENT: City Council

AGENDA ITEM: Appointment of a member to the Prescott: Arizona's Centennial City Committee

Approved By:	Date:
Department Head: Elizabeth A. Burke, City Clerk	07/24/2009
Finance Director: Mark Woodfill	
City Manager: Steve Norwood <i>[Signature]</i>	

Summary

Appointment of a member to the Prescott: Arizona's Centennial City Committee, replacing Mr. Langellier.

Background

As was mentioned by Chairman Gilliss at this week's report to the Council, John Langellier has had to resign from this newly-formed committee. In his place, the recommendation was made, and the Council Appointment Committee agrees, that Karen Churchill should be appointed to fill his term. Ms. Churchill also works at the Sharlot Hall Museum.

The Prescott: Arizona's Centennial City Committee was established and amended this year by Resolution No. 3947-0953 to prepare for the celebration of Arizona's Centennial in the City of Prescott. The resolution provides for a Committee consisting of eleven members, although currently there are only ten members. The Committee has chosen to not appoint another member at this time.

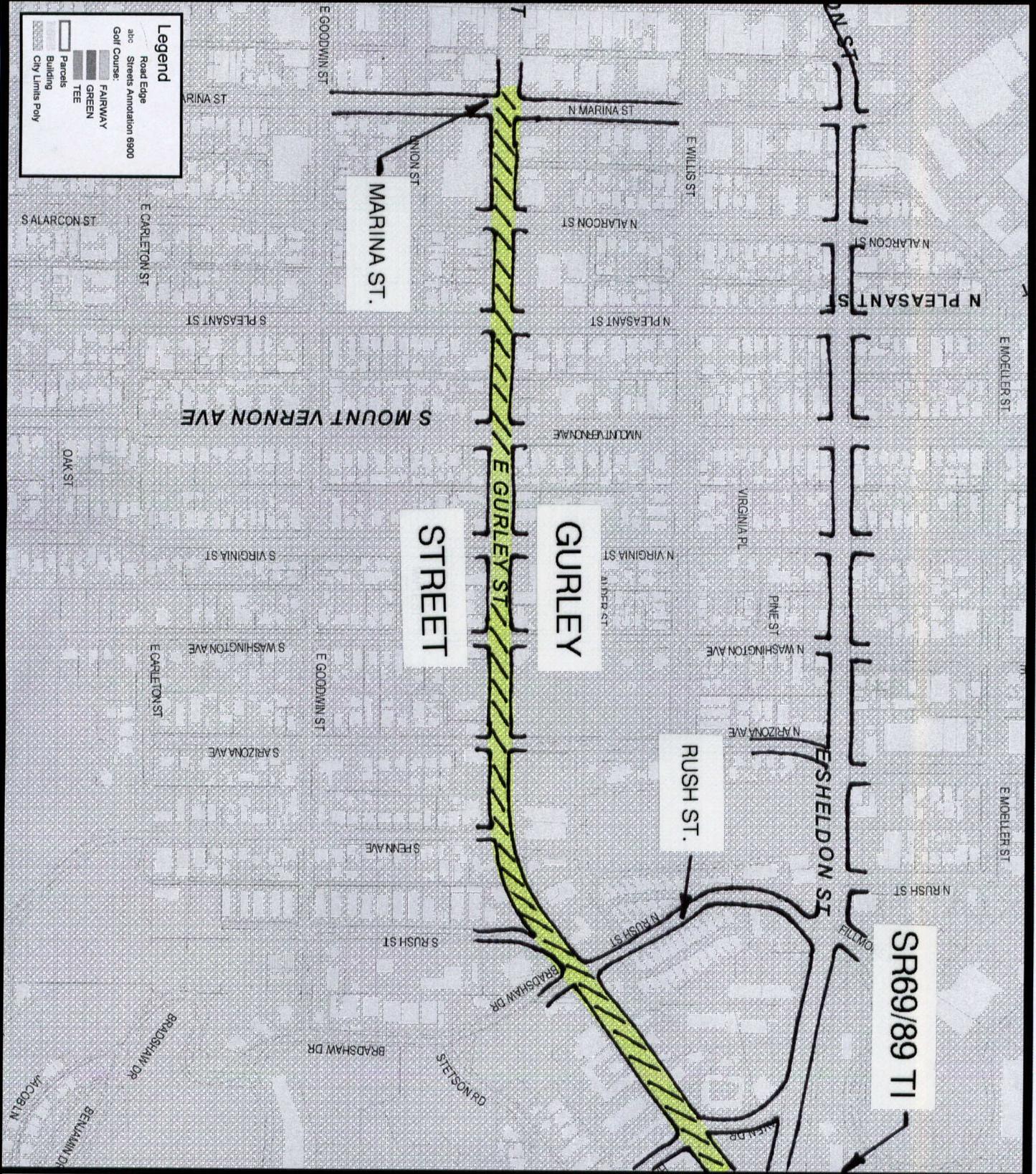
The Committee has been established for members to serve the duration of the Committee, with any vacancies to be filled by appointment by the Prescott City Council.

Recommended Action: MOVE to accept the Council Appointment Committee's recommendation to appoint Karen Churchill to the Prescott: Arizona's Centennial City Committee.

Legend

also: Road Edge
Streets Annotation 6900

- FAIRWAY
- GREEN
- TEE
- Parcels
- Building
- City Limits Poly



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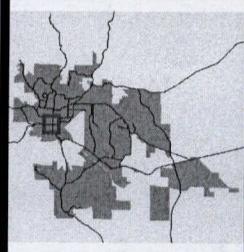
This document is a graphic representation only of best available source. The City of Prescott assumes no responsibility for any errors.



This map is a product of the City of Prescott GIS

GURLEY STREET TE PROJECT

LOCATION MAP



ORDINANCE NO. 4710-1005

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, APPROVING LOAN FUNDS FROM THE WATER INFRASTRUCTURE FINANCE AUTHORITY OF ARIZONA (WIFA) FOR THE ZONE 39 WATER IMPROVEMENTS PROJECT, THROUGH THE DRINKING WATER PROGRAM WITH ARRA FUNDING #92A166-09, AUTHORIZING THE MAYOR AND STAFF TO SIGN ANY AND ALL WIFA FUNDING DOCUMENTS PERTINENT TO SAID PROJECT AND DECLARING AN EMERGENCY

RECITALS:

WHEREAS, the Clean Water and Drinking Water Programs are sponsored by the Water Infrastructure Finance Authority of Arizona (WIFA) to provide financial assistance to enhance and improve water and wastewater infrastructure throughout Arizona communities; and

WHEREAS, WIFA has received America Recovery and Reinvestment Act of 2009 (ARRA) funds from the federal government and has made these funds available to Arizona communities for eligible projects; and

WHEREAS, the City of Prescott submitted the Zone 39 Water Improvements project to WIFA for possible ARRA funding, of which said project is deemed "shovel-ready" and is included in the City of Prescott's Capital Improvements Program; and

WHEREAS, the Zone 39 Water Improvements project has been approved by WIFA for loan funding; and

WHEREAS, said adopted procedures established by the WIFA Board require the applicant to certify by resolution signature authorization of such funding documents, the availability of local funds for loan repayment and a population of less than 50,000; and

WHEREAS, the City of Prescott is requesting \$8,998,096 from WIFA for construction costs and commits to repayment of WIFA loan funds for project assistance, with \$4,000,000 in forgivable principal.

ENACTMENTS:

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

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Finance Authority of Arizona (WIFA) to cover construction costs for the Zone 39 Water Improvements project, with \$4,000,000 in forgivable principal.

Section 2. THAT the Mayor and Council of the City of Prescott hereby certify that the population of the City of Prescott is less than 50,000.

Section 3. THAT the Mayor and staff are hereby authorized to execute the loan documents, and to take any and all steps deemed necessary to accomplish the above.

Section 4. THAT, an EMERGENCY is hereby declared to exist and THIS ORDINANCE SHALL BE IN FULL FORCE AND EFFECT FROM AND AFTER ITS PASSAGE, ADOPTION AND APPROVAL BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

COUNCIL AGENDA MEMO – July 28, 2009 (Item originally heard on June 16, 2009)	
DEPARTMENT: Community Development - Planning	
AGENDA ITEM: Annexation of a portion of the Granite Dells Ranch, with associated Development Agreement, General Plan Amendment and Airport Specific Area Plan Amendment Owner: Granite Dells Ranch Holdings (Cavan Real Estate Investments) Agent: Mark Reddie, LVA Urban Design Studio, Tempe, Arizona	
Approved By:	Date:
Department Head: Tom Guice / Craig McConnell	
Finance Director:	
City Manager: Steve Norwood <i>Craig McConnell for</i>	7-21-09

REQUEST

The applicant is proposing a Proposition 400 Annexation, minor General Plan Land Use Map amendment, Airport Specific Area Plan (ASAP) Map Amendment, Rezoning and Master Plan approval. The project encompasses various properties totaling 498 acres located in proximity to Side Road/Highway 89A, of which 387 acres comprise the Proposition 400 annexation. The balance of the project is already within the City boundary, upon which the existing Hanson aggregate plant is situated. The applicant is proposing a commercial and industrial subdivision only; no residential uses are planned.

Per ARS, upon annexation the area will be zoned similar to the existing zoning within the County. Should the annexation application be approved, a change of zoning within 450 acres is requested from residential to open space, commercial and industrial zoning designations (SF-9 & RE-2 to NOS, BR & IL). These zoning districts allow for the proposed commercial uses while protecting the reach of Granite Creek that runs through the project. Additionally, the City is proposing to rezone the Peavine Trail adjacent to the project to Natural Open Space (NOS).

A minor General Plan Land Use Map amendment of 165 acres is proposed from residential to commercial in the northeast portion of the project. An ASAP Land Use Map amendment is also requested for 165 acres from residential to commercial in this same area.

A Master Development Plan has been provided outlining the commercial/industrial subdivision. The applicants do not wish to apply for a preliminary plat at this time. The applicants must eventually go through the City of Prescott commercial subdivision plat and site plan review processes which will specifically address infrastructure, parking, lighting, landscaping, trails and other attributes before building permits may be issued. Traffic and utilities (water and wastewater) analyses and a cost/benefit study have been completed.

Agenda Item: Granite Dells Ranch Annexation, Development Agreement, General Plan Minor Amendment and Airport Specific Area Plan Amendment

TIMETABLE

May 5, 2009	<u>Council Public Hearing Held</u> - Annexation - General Plan Minor Amendment - Airport Specific Area Plan Amendment <u>Development Agreement Introduced</u>
May 26, 2009	<u>Peavine Trail Workshop</u>
June 16, 2009	<u>Council Study Session - Discussion</u> - Annexation Ordinance - Development Agreement - General Plan Minor Amendment - Rezoning - Airport Specific Area Plan Amendment
June 23, 2009	<u>Council Public Hearing Held</u> Item postponed to a date certain of July 14, 2009 pending State Legislature
July 14, 2009	<u>Council Public Hearing Held</u> Item postponed to a date certain of July 28, 2009 pending State Legislature
July 28, 2009	<u>Council Voting Session - Meeting 1</u> Approval of all June 16, 2009 items except Rezoning <u>Council Voting Session - Meeting 2</u> Approval of Rezoning (a separate Council Memo for the rezoning will be prepared for this meeting)
August 27, 2009	<u>Implementing Ordinances Become Effective</u> (30 days after approval)

CONSISTENCY WITH THE GENERAL PLAN

Certain aspects of the proposed project vary from the City's adopted 2003 General Plan. The area is presently designated as Open Space, Residential, Commercial and Commercial/Employment on the General Plan Land Use Map. Therefore, the configuration of the Open Space, Commercial and Commercial/Employment designations are proposed to be adjusted.

The open space area shown in the General Plan follows the FEMA 100 year flood plain. The applicant desires to reduce the open space/100 year flood plain area to match a Letter of Map Revision (LOMR - an engineering study used to modify the FEMA flood plain). The balance of the open space area is proposed as Commercial/Employment.

EXISTING SITE AND AREA CONDITIONS

This relatively flat site is currently vacant with the exception of the industrial aggregate plant operating in Granite Creek, which is identified as a FEMA 100 year flood plain. There is a small pond for watering cattle east of the Peavine Trail.

Agenda Item: Granite Dells Ranch Annexation, Development Agreement, General Plan Minor Amendment and Airport Specific Area Plan Amendment

The property is within the Inner Airport Influence Area of the Airport Specific Area Plan (ASAP), but sufficiently distant from the Airport facilities as to not require any special construction techniques for noise abatement. The ASAP Land Use Plan Map shows a portion of the project area as Open Space and Residential, with other areas indicated as Commercial and Mixed Commercial/ Employment. The requested amendment to the ASAP Land Use Map would change the residential designation located within the project area to a commercial designation.

The Peavine Trail currently runs along Side Road and is proposed to be routed under Highway 89A through a large existing culvert roughly in the center of the project. The applicant has been working with the Open Space Committee, as well as Public Works and Parks & Recreation Departments, and is donating the land to be used for ROW, public parking, a trail head and realignment of the trail through the culvert. The trail head and parking area will be built as part of the construction of the City's Granite Dells Parkway Traffic Interchange Project (see attached).

SURROUNDING ZONING AND LAND USE

<u>Direction</u>	<u>Current Zoning</u>	<u>Current Land Use</u>
North	Industrial & County Residential	Vacant Land & Industrial
South	Commercial & Industrial	Vacant (Fann) & Residential
East	County Residential	Vacant Land
West	Industrial	Peavine Trail, Residential & Industrial

COMPATIBILITY WITH NEIGHBORHOOD CHARACTERISTICS, ZONING & LAND USE

The surrounding industrial zoning and proximity to the airport would point to restricting residential uses within the project area. The adjacent properties to the south and west of the project are predominantly industrially zoned. Homes currently exist on Side Road to the west, however, the land owners recently rezoned these properties to Industrial Light. There are two residentially zoned parcels that did not participate in the rezoning. Properties to the north (owned by Cavan) and to the east (State land) are residentially zoned within the unincorporated area of the County. A portion of the land to the north is industrially zoned within the City boundary.

The Prescott Airport is currently formulating its 2009 Airport Master Plan. As a result of this endeavor, the ASAP and the Land Development Code are expected to be amended in the near future to reflect FAA guidelines in the vicinity of the airport. Specifically, staff is anticipating adoption of certain single family residential prohibitions and height restrictions very near the airport based on FAA guidelines.

PROPOSITION 400 REQUIREMENTS AND PROCESS

Proposition 400 establishes local requirements for annexations over 250 acres. Council must approve the annexation by a three-fourths majority (6 of 7 Council votes). A required public comment period of 60 days began when the Planning & Zoning

Agenda Item: Granite Dells Ranch Annexation, Development Agreement, General Plan Minor Amendment and Airport Specific Area Plan Amendment

Commission made a formal recommendation regarding the Master Development Plan (comments received during the 60 day comment period were presented in the public hearing held May 5, 2009). Also, all effluent generated by this project must be reserved for permanent aquifer recharge.

Formal approval of the annexation, rezoning, and General Plan amendment applications can occur when this item returns to Council on June 23, 2009. The public process has been refined to allow for same day approval of the annexation, rezoning and General Plan amendment applications. The General Plan Amendment and Rezoning may be approved on the same day, but via separate meeting agendas.

PREVIOUS COMMISSION AND COUNCIL ACTION

Annexation of the Hanson portion of the project occurred in 1963. Hanson currently operates an aggregate plant and mineral extraction according to provisions of federal and state laws.

On January 27, 2009, Council approved a Procedural Pre-Annexation Agreement and Temporary Construction Easement (TCE) pertaining to the property. Per these agreements, approximately 26 acres are being dedicated to ADOT with an additional 11 acres to the City for right-of-way (ROW), and access is granted for construction of the SR 89A/Granite Dells Parkway (Side Road relocated) traffic interchange.

The Planning and Zoning Commission made a positive recommendation regarding the annexation application and Master Development Plan at their February 26, 2009, meeting.

The Open Space Committee reviewed this item on February 11, 2009. The Committee elected to schedule a tour of the property. Among the topics of discussion was the possible re-alignment of the Peavine Trail along Granite Creek to eliminate at-grade crossings in the portion of the project north of Highway 89A. Trail issues are typically addressed during platting or site plan approval; Paragraph 3.8 of the proposed development agreement (attached) has been structured accordingly.

TRAFFIC, STREETS AND UTILITIES

The proposed Master Plan identifies primary access to the property from a traffic interchange on Highway 89A at Granite Dells Parkway. A future multi-lane major arterial, Granite Dells Parkway, will extend north and south from the interchange. This street will intersect with Centerpointe East Drive, a link running westerly to existing Side Road; and farther south with Dells Ranch Road (previously known as the Side Road Connector). The applicant is donating the right-of-way for these roads. Construction of the traffic interchange and Granite Dells Parkway will be in phases as warranted by traffic volumes.

The property will be served by various water and sewer utilities projects being provided by the City as set forth by the Capital Improvement Program within the overall City

Agenda Item: Granite Dells Ranch Annexation, Development Agreement, General Plan Minor Amendment and Airport Specific Area Plan Amendment

budget, and specifically identified in Exhibit "E" to the development agreement. These projects will benefit lands of Granite Dells Ranch (Cavan) as well as those of many other owners east of SR 89, on both the north and south sides of Highway 89A. Recovery of the capital investments for the "new growth" components of these projects will be accomplished via impact fees which have already been adopted. Granite Dells Ranch will be responsible for installing on-site utilities to City standards.

More specific information regarding traffic, streets, and utilities for the future development can be found both in the technical analyses prepared by Jacobs Engineering (transportation) and Carollo Engineers (utilities), and cost-benefit analysis prepared by Applied Economics. All of these documents were made available to the public during the 60-day review period which began with the Planning & Zoning Commission adoption of recommendations to Council regarding the Master Plan.

AGENCY COMMENTS

The General Plan, annexation and rezoning requests have been reviewed by various agencies. No objections have been received, however, the Open Space and Trails Committees have expressed concern regarding the possibility of street crossings of the Peavine Trail. A Council public workshop held on May 26, 2009 addressed this topic as it relates to both the Granite Dells Ranch (Cavan) and Granite Dells Estates (Fann) properties in the vicinity of Highway 89A / Side Road. As previously mentioned, this topic is addressed in Paragraph 3.8 of the attached development agreement. Preliminary and final plat applications will reflect the configuration decided for each such crossing.

PUBLIC COMMENTS

Due to the industrial nature of the area, an area meeting was not scheduled. Notices were mailed regarding the subject annexation, zoning change and General Plan/ASAP amendment applications to surrounding subdivisions and property owners of record. The mailing included the Master Plan, vicinity map and a description of the request. Also, the application has been advertised and posted in excess of requirements prescribed by the Arizona Revised Statutes.

Eleven written comments have been received from the public as of this time. Concern mainly focuses on the trail and infrastructure issues. Trail users are requesting grade-separated street crossings to preserve the trail experience through the proposed project area. Concern is expressed regarding the cost of realigning the trail and infrastructure costs. Three e-mails have been received requesting that Granite Dell Ranch (Cavan) repair the railroad trestle, however, the trestle is neither within the project boundary nor does the project affect trail usage at the trestle location. Upon learning that the trestle is not part of the project, two of the three letters were retracted and then updated.

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DEVELOPMENT AGREEMENT

The attached draft development agreement implements the Procedural Pre-Annexation Agreement and Temporary Construction Easement (TCE) approved by Council on January 27, 2009. Highlights of the development agreement are as follows:

- Offsite transportation improvements are identified by Exhibit C-2
- A preliminary site plan is provided in Exhibit D
- The Peavine Trail is addressed in Paragraph 3.8
- Calculation and application of credits for certain right-of-way dedications involving street oversizing are addressed in Paragraph 3.12
- City water and wastewater infrastructure improvements are addressed in Paragraphs 3.13 and 3.14, and Exhibit E

General

- 37.5 acres dedicated for traffic interchange project (value \$1.4 million)
- [3.1] General Plan amendment, Rezoning, and Exhibit B-3 specify approved land uses
- [3.2, 3.11] Development of the property may be phased through separately submitted and approved site plans and commercial subdivision plats

Granite Dells Parkway

- Runs north and south from the Highway 89A traffic interchange to be built by the City
- [3.11 (a)] north of SR 89A GDR to dedicate right-of-way for 7-lane ultimate street; rough grade for 7 lanes; construct 3 lanes initially; contribute proportionate share to widen to 5 lanes if level of service warrants within 15 years from agreement approval
- [3.11 (b)] south of SR 89A GDR to cooperate with Granite Dells Estates for right-of-way dedication and construction of 5 lanes initially; rough grade for 7 lanes where required

Upon annexation the City will provide water and wastewater services to the property. Because the development is nonresidential, the water needed will be provided as each individual project is approved. Pursuant to the City of Prescott Water Management Policy 2005-2010, as amended, all residential, and individual nonresidential development projects requiring more than five (5) acre-feet per year, require a formal allocation of water from the City. All other nonresidential development is served by water that has already been allocated in prior residential allocations. Each residential dwelling unit is allocated 0.35 acre-feet/year, 0.25 acre-feet for the actual residential use, and 0.10 acre-feet for community-wide nonresidential development. As nonresidential projects are developed, their water use is factored into the overall

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pumping of the City. No purchase of additional water to serve this annexation area, and the future development within it, will be necessary.

FISCAL IMPACT ANALYSIS

A formal fiscal impact analysis of this prospective development was performed by Applied Economics (Phoenix) according to detailed "Cost-Benefit Analysis Guidelines for Proposed Annexations" updated in 2008 jointly by the City's Finance Department, and appointed, independent Financial Review Committee. The scope of analysis consisted of identifying and estimating costs and benefits to the City expected to result from the annexation. Examples of costs included water, wastewater, and street infrastructure and related maintenance; police, fire, and other governmental services to sustain existing levels of service. Benefits included various tax and fee revenues, land donations and easements, and creation of community facilities.

Both the complete report, "Fiscal impacts of the Granite Dells Ranch Annexation Area on the City of Prescott (February 5, 2009)", and "Report of the City of Prescott Citizen's Committee (Financial Review Committee)" were posted on the City website for the required 60-day public comment period. Key findings include the following:

- The Applied Economics analysis was professionally rendered and complied with the cost-benefit guidelines
- The impact analysis covered a 25-year time period, during which the area would be completely built out
- The land use mix consisted of 114 acres of retail, 158 acres of office, and 68 acres of service uses, with development projected to occur between 2011 and 2020
- Projected development could increase City employment by nearly 4,800 jobs
- A series of sensitivity analyses were performed varying the rate of development, occupancy rates, and variations in infrastructure costs and impact fees; the "gradual growth" scenario defined by the report identified a positive net present value fiscal impact of \$55 million over 25 years, and a payback period for City infrastructure investment of seven (7) years

In summary, the development planned within this annexation area will be revenue-positive, providing a long term, on-going economic benefit to the City.

Agenda Item: Granite Dells Ranch Annexation, Development Agreement, General Plan Minor Amendment and Airport Specific Area Plan Amendment

COMMISSION RECOMMENDATION

The Planning and Zoning Commission recommends (7-0) the following actions for the Granite Dells Ranch commercial/industrial subdivision:

1. Move to recommend the property be zoned at the time of annexation Rural Estate 2 Acre A(RE-2A), Anx09-001.
2. Move to recommend approval of General Plan Map Amendment (GP09-001).
3. Move to recommend approval of the Airport Specific Area Plan Amendment (LUP09-001).
4. Move to recommend approval of the Master Development Plan dated 8-12-08.
5. Move to recommend approval of rezoning (RZ09-001) from SF-9 and RE-2A to NOS (Peavine Trail), Business Regional and Industrial Light.
6. Properties owners within the project area shall grant Avigation Easements to be specified by the Development Agreement.
7. Development shall be in general conformance with the Master Development Plan dated 8-12-08.
8. That there not be at-grade crossings on the Peavine Trail.

ATTACHMENTS

- Ordinances and Resolutions
- Master Development Plan (6-3-09 rev.)
- Annexation Map
- General Plan Map
- Development Agreement (6-12-09 rev.)
- Written Public Comments Received

Recommended Action:

July 28, 2009, Regular Voting Meeting

1. **MOVE** to adopt Resolution No. 3969-1014 (Development Agreement)
2. **MOVE** to adopt Ordinance No. 4704-1008 (Annexation)
3. **MOVE** to adopt Resolution No. 3970-1015 (General Plan Map Amendment)
4. **MOVE** to adopt Resolution No. 3971-1016 (Airport Specific Area Plan Map Amd.)
5. **MOVE** to approve the Master Development Plan - 6-3-09 revision.

Close the Regular July 28, 2009, Voting Meeting and Open a Special Meeting

(See separate Council Memo for Rezoning RZ09-001)

RESOLUTION NO. 3969-1014

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AUTHORIZING THE CITY OF PRESCOTT TO ENTER INTO A DEVELOPMENT AGREEMENT WITH GRANITE DELLS RANCH HOLDINGS, AND AUTHORIZING THE MAYOR AND STAFF TO TAKE ANY AND ALL STEPS NECESSARY TO ACCOMPLISH THE ABOVE

RECITALS:

WHEREAS, GRANITE DELLS RANCH HOLDINGS, is the owner of certain real property in the City limits that is the subject of the above-referenced Development Agreement; and

WHEREAS, the parties wish to enter into a Development Agreement, pursuant to ARS Section 9-500.05 relating to the development of that property.

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 Development Agreement with GRANITE DELLS RANCH HOLDINGS, attached hereto as Exhibit "A."

SECTION 2. THAT the Mayor and staff are hereby authorized to take all such steps as may be necessary to effectuate said Development Agreement.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

June 25, 2009 Draft
(Subject To Review & Revision)

When recorded, return to:

Gregory W. Huber, P.C.
3031 Dollar Mark Way
Suite A
Prescott, AZ 86305
Attn: Gregory W. Huber

DEVELOPMENT AGREEMENT

**BETWEEN THE CITY OF PRESCOTT
AND
GRANITE DELLS RANCH HOLDINGS, LLC**

DEVELOPMENT AGREEMENT
(Granite Dells Ranch Holdings - Commercial)

THIS DEVELOPMENT AGREEMENT ("**Agreement**") is entered into by and between the CITY OF PRESCOTT (the "**City**"), and GRANITE DELLS RANCH HOLDINGS, LLC, an Arizona limited liability company ("**Owner**") as of the _____ day of _____, 2009, and shall be effective and binding upon the Parties on the Operative Date as defined in Article I hereof.

RECITALS

A. Owner owns that certain real property located in Yavapai County, Arizona, consisting of approximately 507 acres, legally described and depicted on Exhibit "A" attached hereto (the "**Property**"). Pursuant to a Pre-Annex Agreement described in Article 2 below, Owner and the City have engaged (i) in the process of annexing (the "**Annexation**") approximately 387 acres of the Property into the City as described and depicted on Exhibit "B-1" attached hereto (the "**Annexation Property**"), (ii) in processing and consideration of Owner's applications to amend the City's General Plan as it relates to the Property which upon completion will result in the general plan land use categories as reflected on Exhibit "B-2" attached hereto (the "**GP Amendment**"), and (iii) in processing a re-zoning (the "**Rezoning**") of approximately 450 acres of the Property to the land use designations depicted on Exhibit "B-3" attached hereto (the "**Rezoning Property**"). The Property is encumbered by a Deed of Trust recorded at Book 4391, Page 7 in the Official Records of Yavapai County (the "**Deed of Trust**") in favor of the lienholder identified in the Consent of Lienholder appearing at the end of this Agreement ("**Lienholder**").

B. Subject to this Agreement surviving through the Operative Date described in Article I hereof, Owner plans to develop the Property as a mixed use commercial and light industrial development in accordance with this Agreement and subsequently approved site plans and/ or subdivision plats for the Property.

C. The Parties desire to enter into this Agreement to govern the entitlement and development of the Property in accordance with the Parties' understanding and consistent with the City's General Plan and Zoning Ordinance. Additionally, the Parties expressly acknowledge and agree that the Agreement is consistent with the portions of the General Plan applicable to the Property on the Operative Date and that there are no features of the Agreement, including, without limitation, the intensity of development, range of land uses, and roadways proposed herein, that cannot be accommodated within the scope of the General Plan.

D. The Parties understand and acknowledge that this Agreement is a "Development Agreement" within the meaning of, and entered into pursuant to the terms of, Arizona Revised Statutes §9-500.05, in order to facilitate the development of the Property by providing for, among other things: (1) the permitted uses for the Property and the density and intensity of such uses; (2) the conditions, terms, and requirements for the construction, installation, and financing of infrastructure; and (3) other matters related to the development and operation of the Property.

E. The Parties acknowledge that the ultimate development of the Property within the City is a project of such magnitude that the Parties each require assurances from the other. Said assurances are conditions precedent to Owner's acceptance of its rights and obligations to complete the development of the Property pursuant to this Agreement and expend substantial efforts and costs in the development of the Property. Likewise, said assurances are conditions precedent to the City's acceptance of its rights and obligations in approving rezoning of the Property. The Parties desire to enter into this Agreement to (a) eliminate some of both Parties' uncertainties for the Property development; (b) vest in the Owner the right to develop the Property consistent with this Agreement; and (c) define Owner's responsibilities for its development of the Property and the City's responsibility for certain related off-site improvements.

F. The City and the Owner acknowledge that the development and operation of the Property pursuant to this Agreement and the Pre-Annex Agreement will result in significant planning and economic benefits as well as economic burdens to the City and its residents by, among other things: (i) requiring orderly development of the Property; (ii) increasing sales tax and other revenues to the City based on improvements to be constructed on the Property; (iii) increasing the demand for City services; and (iv) acquiring for the City additional right-of-way and traffic control improvements needed to accommodate anticipated future development and associated traffic flows in the general vicinity of the Property. The Parties acknowledge that the development of the Property pursuant to this Agreement will result in significant benefits to the Owner by providing assurances to the Owner that it will have the right to develop the Property in accordance with this Agreement and that it will have sufficient long term water and sewer service for development and use of the Property. In furtherance of the foregoing:

- (i) Pursuant to the Pre-Annex Agreement, Owner has agreed to (A) dedicate to the City and ADOT those portions of the Property required for the planned Granite Dells Parkway/ Highway 89A Interchange and the contiguous portions of Granite Dells Parkway and Centerpointe East Drive south of Highway 89A comprising approximately 37.5 acres in the area depicted on **Exhibit "C-1"** attached hereto (the "**Interchange Dedication Area**"); and (B) provide temporary construction easements across the Property to facilitate construction of the Interchange and make fill dirt available to the contractor responsible for building the Interchange, all at no cost to the City.
- (ii) The City has requested that Owner dedicate that portion of the planned Granite Dells Parkway alignment running through the Property north and south of the Interchange (as reflected on the Preliminary Site Plan) to widths in excess of those required to accommodate the projected traffic impacts generated by the Property's development (the "**Excess Dedications**") and to cooperate in the improvement of Granite Dells Parkway south of the Interchange to sizes and capacities materially in excess of that required to accommodate the projected traffic impacts generated by the Property's development (the "**Roadway Over-sizing**"). Reference City Detail 610P; and

- (iii) The Owner has requested assurance that off-site water and sewer improvements described in **Exhibit "E"** hereto will be completed in a timely manner by the City or its agents so as to provide access to sewer and water capacity as more specifically described in this Agreement, through completion of the development of the Property as anticipated in this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, and other good and valuable consideration, the receipt and adequacy of which are acknowledged, the Parties hereby agree as follows:

AGREEMENT

I. OPERATIVE DATE.

This Agreement shall become operative pursuant to A.R.S. §9-500.05 upon the date that the Annexation is final according to Arizona law (the "**Operative Date**"). In the event that the Annexation is not approved by the City Council, or the Owner timely withdraws from this Agreement, this Agreement shall become null and void and the Annexation process will be terminated and withdrawn by the Owner and City. Owner may withdraw from this Agreement at any time prior to the final Operative Date of the Annexation, including any time period wherein the final Operative Date is extended or delayed by referendum or otherwise.

II. DEFINITIONS.

- 2.1 "**ADOT**" shall mean the Arizona Department of Transportation.
- 2.2 "**Annexation**" shall mean the pending annexation of the Annexation Property into the City of Prescott described in Recital A above.
- 2.3 "**Annexation Property**" shall mean the real property described and depicted on **Exhibit "B-1"** attached hereto
- 2.4 "**Applicable Requirements**" shall have the meaning described in Section 3.18 hereof.
- 2.5 "**Appraisal**" shall mean the Summary Appraisal Report prepared for the City of Prescott by Loper & Associates, dated April 10, 2009 covering approximately 344 acres of the Owner's Property in the immediate vicinity of the Interchange.
- 2.6 "**City**" shall mean the City of Prescott, a duly formed municipal corporation within the State of Arizona.
- 2.7 "**City Council**" or "**Council**" shall mean the City Council of the City of Prescott, Arizona.

2.8 “**City Off-Site Improvements**” shall mean the Interchange as depicted on **Exhibit C-2** attached hereto and the sewer and water improvements specifically described in **Exhibit “E”** attached hereto.

2.9 “**Excess Dedications**” shall have the meaning described in part (iii) of Recital F above.

2.10 “**Force Majeure Event**” shall mean any act of God, strike, lockout, labor trouble, civil disorder, or failure or refusal of governmental authorities or agencies to timely issue permits or approvals or conduct reviews or inspections, which causes delay in the performance of any act required hereunder and is beyond the reasonable control of party required to complete such act (financial inability excepted).

2.11 “**General Plan**” shall mean the General Plan and any amendments thereto adopted by the City pursuant to A.R.S. §9-461, ratified May 18, 2004.

2.12 “**GP Amendment**” shall mean the pending General Plan Amendment relating to the Property as described in Recital A above.

2.13 “**Interchange**” shall mean the Highway 89A / Granite Dells Parkway Interchange and related improvements (including construction of the southerly extension of Granite Dells Parkway to Centerpointe East Drive, Centerpointe East Drive to Side Road, and certain Peavine Trail related improvements), all as depicted on **Exhibit “C-2”** attached hereto.

2.14 “**Interchange Dedication Area**” shall have the meaning described in part (i) of Recital F above.

2.15 “**Operative Date**” shall have the meaning described in Article I hereof.

2.16 “**Owner**” shall mean Granite Dells Ranch Holdings, LLC, an Arizona limited liability company.

2.17 “**Owner Excess Value Credit**” shall have the meaning described in Section 3.12 hereof.

2.18 “**Parties**” shall mean the parties respectively named in the introductory paragraph of this Agreement as well as any permitted assignee or delegate of, or successor to its rights, powers, and responsibilities hereunder.

2.19 “**Pre-Annex Agreement**” shall mean that certain Procedural Pre-Annexation Agreement And Agreement to Dedicated between the City and Owner dated _____, 2009 and recorded at Book ____, Page ____ in the Official Records of Yavapai County, Arizona.

2.20 “**Preliminary Site Plan**” shall mean the Preliminary Site Plan attached hereto as **Exhibit “D”**, as may be amended.

2.21 “**Rezoning**” shall mean the pending rezoning of the Property by the City described in Recital A above.

2.22 **“Rezoning Property”** shall mean the real property depicted on **Exhibit “B-3”** attached hereto.

2.23 **“Roadway Over-sizing”** shall have the meaning described in part (iii) of Recital F above.

2.24 **“Rules”** shall have the meaning set forth in Section 3.18 hereof.

III. COMPLETION OF PROJECT.

3.1 Zoning. Upon completion of the GP Amendment and Rezoning, Owner shall have a vested right to develop the Property incorporating all future uses, densities and intensities of uses contemplated under such Rezoning and as reflected on **Exhibit “B-3”** attached hereto, subject to the terms of this Agreement. City acknowledges that the Preliminary Site Plan is general in nature and may require amendment from time to time. Amendments which are deemed to be minor by the City’s Community Development Director may be handled administratively and expeditiously by City staff without prior notice and hearing. Major amendments will be processed in accordance with State statutes and the Applicable Requirements.

3.2 Site Plan and Other Approvals Processing.

(a) Timing. The City acknowledges the necessity for expeditious review by the City of all plans and other materials (“**Submitted Materials**”) submitted by Owner to the City hereunder or pursuant to any platting, site plan approval, permitting, or other governmental procedure pertaining to the development of the Property. However, it is understood and agreed by the Parties that the City staff’s ability to provide expeditious review is dependent upon the Owner’s submittal of accurate, complete and timely plans and documents in conformance with all applicable codes and professional standards.

(b) Processing of Applications. City will accept and process applications in compliance with the City’s standard practices and procedures as they exist at this time or may in the future be modified by the City’s Development Code and this Agreement. The City’s development standards and permit and code standards at the time of the proposed site plan, plat or permitting process shall apply to any discretionary and non-discretionary approvals or permits which Owner may require from time to time with regard to the development or operation of the Property, including without limitation any construction permits, inspections, variances, special use permits, and certificates of occupancy. The City will use its best efforts to promptly issue each construction permit necessary for the development and operation of the Property, provided, however, it is mutually understood that permits and/or approvals from state and/or other agencies over which the City has no control may be required for development of the Property, and Owner shall be solely responsible for obtaining such permits and/or approvals.

(c) Expedited City Decisions. The implementation of the Agreement shall be in accordance with the development review process of the City. The City and the Owner agree that following the Rezoning and initiation of site planning activities, the Owner must be able to proceed without undue delay with the development of the Property and that, accordingly, an expedited City review, land development, and construction

inspection process is necessary, subject to the last sentence of Subsection 3.2(a) above and City procedures for site plan and plat approvals. Accordingly, the Parties agree that if at any time Owner or the City believes that an impasse has been reached with the City Staff or Owner's staff, respectively, on any issue affecting the Property, the Parties shall have the right to immediately appeal to the City Representative or the Owner Representative for an expedited decision pursuant to this Section 3.2. For purposes of this Section 3.2, the Owner Representative shall be Jeff Market or any other natural person identified in a written notice from Owner to City; and the City Representative shall be Tom Guice or any successor to Guice as the City's Community Development Director. If the issue on which an impasse has been reached is an issue where the City staff could reach a final decision without Council action or Owner Representative could reach a final decision without consultation with Owner, the City Representative or the Owner Representative shall give Owner or City a final decision within fifteen (15) days after the request for an expedited decision. If the issue on which an impasse has been reached is one where a final decision requires formal action by the City Council or the Planning and Zoning Commission in a public hearing, the City Representative shall be responsible for scheduling a public hearing on the issue by the appropriate City body to be held within six (6) weeks after Owner's request for an expedited decision. Both Parties agree to continue to use reasonable good faith efforts to resolve any impasse pending any such expedited decision.

3.3 General Principles Regarding Dedications. All dedications of public right of ways, infrastructure, utilities or easements agreed to by Owner in this Agreement and in the Pre-Annex Agreement, together with all reasonable and customary dedications required by the City in processing site plan and platting approvals, shall be made by Owner without additional consideration from the City beyond the agreements and undertakings of the City set forth in this Agreement and the Pre-Annex Agreement. All dedications to the public shall be free of any and all encumbrances, other than public utility easements.

3.4 Dedication of Interchange and Related Rights-of-Way. As and when requested by the State of Arizona and the City, Owner shall, subject to the terms of the Pre-Annex Agreement, complete the dedication of the Interchange Dedication Area agreed to under the Pre-Annex Agreement.

3.5 Future Abandonment of Reclaimable Portions of Interchange Dedication Area. It is anticipated that, upon adoption of final grading plans for portions of the Property contiguous to the Interchange Dedication Area, portions of the Interchange Dedication Area may, through cut and fill and/ or other grading activities, qualify for reclamation and use by Owner ("**Reclaimable Areas**"). The City and Owner agree to cooperate in the identification of Reclaimable Areas during the process of adopting and approving final grading plans for the Property. Owner has entered into an agreement with the State of Arizona addressing the mechanism by which Reclaimable Areas within the Highway 89A right-of-way may be deeded back to Owner. With respect to Reclaimable Areas identified within the City rights of way for Granite Dells Parkway and Centerpointe Drive East, the City and Owner Agree as follows:

- (a) Upon the City's approval of grading plans which include Reclaimable Areas (or plans modified by Owner in response the City's request for changes to such

plans based on its initial review) Owner may prosecute the proposed grading and other improvements in accordance with the City approved plans, and upon completion of such work, shall give the City written notice of completion.

(b) Without unreasonable delay following Grantor's delivery of a notice of completion to the City, the City shall inspect the completed improvements and either issue to Owner written notice of approval of such improvements ("Notice of Approval"), or in the alternative, provide to Owner clearly defined punch list items that the City believes must be completed in order for the improvements to be deemed completed in accordance with the plans previously approved by the City. Upon Owner's completion of any punch list items required by the City, the City shall re-inspect the improvements and if acceptable, issue a Notice of Approval with respect to the same.

(c) Following the City's issuance of a Notice of Approval with respect to any improvements constructed by Owner, the City shall proceed without unreasonable delay to document and complete conveyance of fee title to the subject Reclaimable Area to Owner.

3.6 Dedication of Granite Dells Parkway.

(a) South of Interchange. Concurrent with the dedications contemplated under Section 3.4 above, Owner shall execute and deliver such documents as are required to dedicate to the City the public right-of-way required for the southern extension of Granite Dells Parkway from the Interchange to the southern boundary of the Property within the alignment depicted on Preliminary Site Plan. The City acknowledges that such dedication is in excess of the minimally required dedication and constitutes an Excess Dedication as defined herein.

(b) North of Interchange. See Subsection 3.11(a).

3.7 Side Road Dedication; No Vehicular Access To Side Road. Concurrent with the dedications contemplated under Section 3.4 above, Owner shall execute and deliver such documents as are required to dedicate to the City the eastern half (30 feet) of public right-of-way required for the planned southerly extension of Side Road from its existing terminus to the southwest corner of the Property. In order to avoid at-grade crossing(s) of the Peavine Trail, Owner agrees to develop that portion of the Property lying due east of Side Road with all principal access points being from the north and east. Owner hereby waives the right to vehicular access to the Property directly from Side Road; provided that nothing herein shall prohibit the establishment of (a) emergency access points across the Peavine Trail and onto Side Road if required by the City of Prescott Fire Department, or (b) non-vehicular access from the Property onto the adjacent Peavine Trail.

3.8 Dedication and Improvement of Peavine Trail. Land required by the City for inclusion within the Peavine Trail alignment south of and contiguous to State Route 89A is included within the Interchange Dedication Area and existing Side Road right-of-way. The City shall complete all Peavine Trail improvements planned south of or within the final Highway 89A right-of-way, without further contribution from Owner. The parties acknowledge that the City

will be developing alternative configurations for the crossing of the Peavine Trail by Centerpointe East Drive in proximity to Side Road. The City will endeavor to minimize the impact of such alternatives on Owner property; and the parties will cooperate with respect to any additional public right-of-way which may be required. Implementation of Centerpointe East Drive, including the Peavine Trail crossing improvements, will be the responsibility of the City. Owner and the City will address the City's Peavine Trail alignment north of Highway 89A following the City's adoption of a formal policy on trail crossings and Owner's submittal of a site plan for development of areas adjacent to such trail alignment; provided that if the City has not adopted such a policy at the time of Owner's site plan submittal, the City shall process such submittal without undue delay.

3.9 Noise And Avigation Easement. Upon the recording of this Agreement in the records of Yavapai County, Owner shall execute and deliver to the City a noise and avigation easement covering the Property in the form attached hereto as **Exhibit "F"**.

3.10 Future Dedication of Planned Airport Boulevard. Owner acknowledges and agrees that upon the earlier to occur of (a) annexation into the City of the real property owned by Owner or any successor-in-title to Owner north of and contiguous to the northern boundary of the Property (the "**Future Annexation Property**"), or (b) the City's formal approval of the construction of a new main passenger terminal on the south side of Ernest A. Love Field and completion of related plans for construction of an east-west connector road linking the new terminal to Granite Dells Parkway and points east, Owner shall dedicate (in accordance with City Standard Detail 608P for minor arterial 5 lane streets) the right of way required to accommodate such new roadway along the southern edge of the Future Annexation Property, contiguous to the northern edge of the Property.

3.11 Phased Development; Dedication and Construction of Backbone Infrastructure. Development of the Property may be phased over time through a series of separately submitted and approved site plans and commercial subdivision plats; provided, however, that:

(a) Backbone Improvements North of Highway 89A. The first approved plat or site plan north of Highway 89A shall include dedication by Owner of the Granite Dells Parkway alignment in a width sufficient to accommodate seven (7) traffic lanes, from the Interchange improvements to the northern boundary of the Property reflected on the Preliminary Site Plan, the final configuration of which remains subject to modification and approval as part of Owner's initial site plan or plat submittal. Owner's roadway construction responsibility shall be limited to three finished lanes (constructed in accordance with the City's engineering services standard detail 610P), installation of all water and sewer mains and dry utilities required to serve that portion of the Property north of Highway 89A, and rough grading of areas adjacent to the finished roadway sufficient to accommodate the future addition of four (4) additional traffic lanes. Owner shall have no obligation to improve Granite Dells Parkway to the standard described above beyond the northernmost intersection of an approved site plan with the Granite Dells Parkway alignment (i.e. phased development from south to north may involve phased development of the subject roadway). If within fifteen (15) years following the date of this Agreement an updated traffic study demonstrates that level of service within the northern extension of Granite Dells Parkway requires expansion of the roadway to

five (5) lanes, Owner (or its successors in title to the lands adjacent to said roadway) shall contribute to the cost of expansion on a basis consistent with their relative contribution to the need for such expansion pursuant to the updated traffic study, which may be in the form of impact fees or other financing mechanisms adopted after the Operative Date of this Agreement; and

(b) Backbone Improvements South of Highway 89A. Concurrent with the construction of the Interchange, Owner shall cooperate with the owner of Granite Dells Estates (immediately south of the Property) in the dedication and construction of Granite Dells Parkway from the Interchange improvements to the southern boundary of the Property reflected on the Preliminary Site Plan. Such roadway construction shall include five (5) finished lanes, installation of dry utilities required to serve that portion of the Property south of Highway 89A, and all water and sewer mains; and in those areas where ultimate demand is projected to require seven (7) lanes, rough grading of adjacent areas to accommodate the future addition of two (2) additional traffic lanes; and

(c) Wilkinson Drive. Except as may be required under the City's Land Development Code at the time of development, no additional roadway dedication or contribution to the expansion of present Wilkinson Drive or of water or sewer service therein shall be required by the City in connection with any plat or site plan approval with respect to that portion of the Property taking access from such roadway.

3.12 Calculation And Application of Excess Dedications, Roadway Over-sizing and Side Road Dedication. Certain of Owner's undertakings herein involve the transfer of value to or for the benefit of the City without present consideration to Owner. The undertakings are comprised of, and have been valued in the aggregate at \$534,765.00 (the "**Owner Excess Value Credit**") and are comprised of the following:

(a) \$109,915.00 representing the Side Road Dedication calculated using the \$37,926 per acre value established by the Appraisal;

(b) \$208,850.00 representing Excess Dedication (120 rather than 60 foot right-of-way width) of the northerly and southerly extensions of Granite Dells Parkway beyond the Interchange Area, calculated using the \$37,926 per acre value established by the Appraisal; and

(c) \$216,000.00 representing projected Roadway Over-sizing costs associated with the initial construction of the southerly extension of Granite Dells Parkway to 5 lanes and grading to the dedicated 7 lane width; based on an engineer's estimate for the cost of the additional square footage of base and pavement and grading.

The Owner Excess Value Credit shall serve as a source of credit available to Owner for offsetting future contribution or financial participation obligations to the City in relation to (i) any future expansion of the Interchange Improvements, (ii) any future widening or other improvements to the northerly and southerly extensions of Granite Dells Parkway, and (iii) any roadway improvements contemplated or required pursuant to any future annexation of Owner's property into the City of Prescott. The balance of the Owner Excess Value Credit shall not

accrue interest. The City has agreed to refund to Owner the annexation fee (\$25,000) and rezoning fee (\$11,155) previously paid to City by Owner upon successful completion of the Annexation and Rezoning discussed herein; provided that the Owner Excess Value Credit shall be reduced by the amount of such refunds.

Portions of the unused balance of Owner Excess Value Credit may be transferred by Owner to purchasers of portions of the Property or any other property owned by Owner but not the subject of the Annexation addressed hereunder, subject to (a) such transfer being evidenced in a conveyance document recorded in the records of Yavapai County, Arizona, and (B) concurrent written notice to the City of the amount of such transfer and the identity of the transferee. Other than any portion thereof transferred pursuant to the preceding sentence, the Owner Excess Value Credit shall be personal to Owner, and no portion thereof shall inure to the benefit of any successors to Owner's interest in all or any portion of the Property.

3.13 City Water Infrastructure Improvements. The City has adopted plans and work schedules for various Airport Pressure Zone 12 capital improvements and related budgets in anticipation of the installation of upgraded water delivery and storage facilities, all as more specifically described in Exhibit "E" attached hereto and depicted on Exhibit "E-1" attached hereto (the "**Zone 12 Improvements**") to accommodate anticipated commercial development in the general vicinity of the City's Airport. The Property is within Airport Pressure Zone 12 and will benefit from the planned Zone 12 Improvements. Certain of the Zone 12 Improvements are critical to Owner's ability to establish adequate fire protection water flows for commercial development within the Property. In consideration of the Owner's dedications and other commitments hereunder, the City hereby agrees that it shall complete the Zone 12 Improvements as, and within the timeframes described in Exhibit "E". Owner acknowledges that future construction of buildings within the Property may be subject to the payment of impact fees intended to offset the City's cost in constructing the Zone 12 Improvements.

3.14 City Sewer Infrastructure Improvements. The City has adopted plans and work schedules for capital improvements and related budgets in anticipation of the installation of backbone sewer mains and related infrastructure to provide delivery of wastewater from designated areas south of Highway 89A to the City's Airport treatment plant, together with upgrades to such Airport treatment plant, all as more particularly described in Exhibit "E" attached hereto and depicted on Exhibit "E-2" attached hereto (the "**Backbone Sewer Improvements**") to accommodate anticipated residential and commercial development in such areas. The Property will benefit from the planned Backbone Sewer Improvements. In consideration of the Owner's dedications and other commitments hereunder, the City hereby agrees that it shall complete the Backbone Sewer Improvements as, and within the timeframes described in Exhibit "E". Owner acknowledges that future construction of buildings within the Property may be subject to the payment of impact fees intended to offset the City's cost in constructing the Backbone Sewer Improvements.

3.15 Dedication of Well Site(s). Any existing wells on the Property shall be dedicated to the City at the time City water service to the Property is commenced; provided, however that, notwithstanding commencement of City water service to any developed portion of the Property: (a) dedication of any wells that have been in use on the Property to provide water for livestock may be deferred until such time a development of the lands served by such wells has been

commenced; and (b) the well presently dedicated to serve the sand and gravel operation being conducted on the Property shall be dedicated upon the completion of such operations and termination of the associated license agreement.

3.16 Water Availability and Service. The City agrees to be the water provider for the Property pursuant to its Rules and water management policy, as amended. To the extent permitted by law, and the Rules and water management policy of the City, the City will provide potable water for all commercial/industrial uses established within the Property constituting permitted uses under the Rezoning, subject to the payment of any fees associated with the establishment of service and/or from time to time applicable to high demand uses requiring payment of demand-based fees under the City Code. Owner shall be responsible for providing any tanks, pumps, and appurtenances necessary to augment and achieve fire flow required for Owner's commercial development until such time as City's water infrastructure to or on the Property is completed as set forth in this Agreement, and as may be required following completion of the improvements described in **Exhibit "E"** hereto.

3.17 Applicable Law and Regulations. Except as provided below or as specifically provided elsewhere in this Agreement, the ordinances, rules, regulations, permit requirements, other requirements, and/or official policies of the City ("**Rules**") applicable to the Property and the development of the Property shall be those Rules that are now existing and in force for the City as of the Operative Date, as such Rules are amended by this Agreement ("**Applicable Requirements**"). Notwithstanding the foregoing, the development and operation of the Property will be governed by the City's Land Development Code, (the "**Development Code**") as it exists on the Operative Date or as thereafter amended. All construction will comply with then-current (at the time of plan approval or permit approvals) applicable City standards, and any applicable City codes, including any code provisions dealing with police powers of the City establishing safety, health, or public welfare standards. Additionally, all impact fees, permit fees and water resource fees applicable at the time of construction shall be required as a condition of development. It is agreed by and between the Parties that development of the Property is subject to City approval of the final site plan(s) and grading plan(s), preliminary and final plat processes and all City standards in effect at the time of such platting and permitting process pertaining thereto shall apply.

Subject to the above conditions, the City shall not apply to the Property any existing or future Rules that would cause a material adverse impact on the development of the Property as contemplated under this Agreement or the density or uses permitted under the Rezoning, with the exception of the following, which also shall be included in the Applicable Requirements:

- (a) Rules specifically agreed to in writing by Owner;
- (b) Future land use Rules that are consistent with, and not contrary to, this Agreement and that do not limit or adversely affect the uses, number and density of units or intensity of development;
- (c) Future land use Rules enacted as necessary to comply with future state and federal laws and regulations, provided that in the event any such state or federal laws or regulations prevent or preclude compliance with this Agreement, such affected provisions

of this Agreement shall be modified as may be necessary in order to comply with such state and federal laws;

(d) Future imposition of taxes, Development Fees (as defined in A.R.S. §9-463.05), filing fees, review fees, inspection fees, or modifications thereto, so long as such fees are imposed or charged by the City to all similarly situated developments;

(e) Future updates of, and amendments to, existing building, construction, plumbing, mechanical, electrical, drainage, and similar construction and safety-related codes, such as the Uniform Building Code, which updates and amendments are generated by a nationally recognized construction safety organization or by the county, state, or federal government, or by the Yavapai Association of Governments; and

(f) Future grading and road standards and other City development standards and related technical specifications applicable to like properties throughout the City at the time of permitting or plan review and approval, including fire, building, engineering, drainage and other public health safety and welfare codes.

None of the above shall be interpreted as relieving Owner of any obligations which it may have with respect to regulations enacted by the Federal government or the State of Arizona that apply to the Property. Nothing in this agreement shall alter or diminish the authority of the City to exercise its eminent domain powers or its police powers, including those pertaining to public safety. The City agrees that upon the Operative Date, the Owner and its successors and assigns shall be deemed to have certain vested rights with respect to densities and intensities and uses allowed under Arizona common law and this Agreement, together with the right to develop the Property in accordance with this Agreement and the Rezoning. The City will not initiate any changes or modifications to the Rezoning, except at the request of, or with the consent of, the Owner and/ or its successors in interest.

Notwithstanding any other provision herein, where there is a conflict between this Agreement and the Applicable Requirements which infringes on Owner's rights hereunder, this Agreement shall control.

3.18 Anti-Moratorium. No moratorium, as that term is defined in A.R.S. §9-463.06, or other Rule imposing a limitation on the development, conditioning, rate, timing or sequencing of the development of property within the City and affecting the Property or any portion thereof shall apply to or govern the development of the Property during the term hereof whether affecting preliminary or final plats, building permits, occupancy permits or other entitlements to use issued or granted by the City or the provision of municipal services to the Property, except in compliance with the provisions of A.R.S. §9-463.06. The Parties agree that if a subsequent law changes or repeals the standards or language of A.R.S. §9-463.06, which is set forth on **Exhibit "G"** and incorporated herein by this reference, such standards shall continue to apply to the Property.

3.19 Compliance with City Ordinances, Resolutions and Covenants. The City hereby represents that to the best of its knowledge, information and belief, this Agreement is not inconsistent with or prohibited by any City ordinances, resolutions, and/or covenants, including without limitation all covenants in revenue bonds issued by the City. The City hereby represents

that to the best of its knowledge, information and belief, it has not received nor is it aware of any action which would result in a notice from any Federal, State, or County agency, that in any way would impair the City's ability to fulfill its obligations under this Agreement.

3.20 No Additional Dedications or Exactions. Except for (a) the dedications and other requirements specifically contemplated under the Applicable Requirements or this Agreement, or (b) reasonable and customary requirements including building permits and impact fees applicable to like properties within the City, and dedications required pursuant to the City's land use codes, site plan or plat approval processes, the City agrees that it shall not attempt to acquire or require (through zoning, subdivision, subdivision stipulations, or otherwise) any requirements, reservations, conditions, or further dedications of portions of the Property or easements or other rights over portions of the Property (collectively "**Requirements**"), or money or other things of value in lieu of such Requirements, except that to the extent the Owner agrees to such or desires to amend this Agreement, in which case such Requirements, money, or other things of value in lieu of such Requirements shall be directly related to the burden imposed on the City by the amendment to the Agreement. Without limiting the generality of the foregoing, the City agrees that the Property shall not be included within any improvement district, community facilities district or other similar district created for the purpose of financing construction of the Interchange or the City's planned Airport area sewer and water system improvements.

3.21 General.

(a) All on-site infrastructure improvements required for development of the Property pursuant to final site plans or plats within the Property ("**Infrastructure Improvements**") shall be constructed in accordance with plans approved by the City and otherwise in accordance with all Applicable Requirements.

(b) The Owner agrees that it will be responsible to cause the construction and installation of all of the Infrastructure Improvements that are necessary to serve the Property with the exception of any infrastructure elements that the City specifically agrees to construct under this Agreement.

(c) The construction and installation of the Infrastructure Improvements shall be completed in a good and workmanlike manner and in conformity with the Applicable Requirements.

(d) Owner, its agents, and employees, shall have the additional right, upon receipt from the City of an appropriate encroachment permit, to enter and remain upon and cross over any City easements or rights-of-way to the extent reasonably necessary to facilitate such construction. Owner's use of such easements and rights-of-way, pursuant to the encroachment permit, shall not impede or adversely affect the City's use and enjoyment thereof, and shall be subject to any reasonable conditions imposed by the City.

(e) Owner shall restore such easements and rights-of-way used pursuant to any encroachment permit, to their condition prior to Owner's entry upon completion of such construction.

3.22 Municipal Services. The City hereby agrees to include the Property in any and all City service areas applicable to similar properties, and to provide the Property with police and fire protection services, refuse collection service, and all other services provided by the City, in a manner comparable to those services provided to all land owners and occupants of the City, subject to the Owner's construction of any on-site and off-site improvements required of Owner pursuant to this Article III.

3.23 Prop 207 Waiver. Owner agrees and consents to all the conditions imposed by the Prescott City Council, the Prescott Planning and Zoning Commission, and all agencies, officers and employees of the City in conjunction with the approval of this Agreement and the preceding Annexation and Rezoning of the Property, and agrees to and does knowingly waive any and all rights to compensation for diminution in value of the Property pursuant to Arizona Revised Statutes § 12-1134 that may now or in the future exist as a result of the terms and conditions of this Agreement and the preceding Annexation, Rezoning and preliminary platting of the Property by the City, as well as those contained in any preliminary or final plat or other governmental actions in effectuating such conditions, terms or agreements with respect to the Property. The scope of this waiver is limited to claims for compensation that might otherwise be asserted under Arizona Revised Statutes § 12-1134.

IV. GENERAL.

4.1 Notices and Manner of Service. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given, filed, made, delivered or served if in writing and delivered personally, sent by facsimile (with copy by mail), by private overnight mail or sent by United States Mail, postage prepaid, if to:

The City:	City of Prescott Attn: City Manager Prescott, Arizona 86302 Facsimile: (928) 777-1275
Copy to:	Office of Prescott City Attorney P.O. Box 2059 Prescott, Arizona 86302 Attention: City Attorney Facsimile: (928) 777-1325
The Owner:	Granite Dells Ranch Holdings, LLC Attn: Jeff Market 15333 North Pima Road, Suite 305 Scottsdale, Arizona 85260 Facsimile: (480) 627-7008
Copy to:	Gregory W. Huber, P.C. 3031 Dollar Mark Way, Suite A Prescott, Arizona 86305 Facsimile: (928) 776-0328

Copy to: Nicola Johnston
9146 E. Via del Sol Drive
Scottsdale, AZ 85255

or to such other addresses as either Party hereto may from time to time designate in writing and deliver in a like manner. Notices, filings, consents, approvals and communication given by mail shall be deemed delivered three (3) days following deposit in the U.S. mail, postage prepaid and addressed as set forth above. Notice sent by personal delivery or overnight delivery service shall be effective upon delivery, and notice by facsimile shall be effective upon confirmed transmission.

4.2 Waiver. Any waiver of the provisions of this Agreement must be in writing and signed by the appropriate officials or officers of the City or Owner. No delay in exercising any right or remedy shall constitute a waiver thereof and no waiver by the City or the Owner of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

4.3 Cooperation Among Representatives. The Representatives appointed pursuant to Subsection 3.2(c) hereof shall be available at all reasonable times to discuss and review the performance of the Parties to this Agreement and the development of the Property pursuant to this Agreement.

4.4 Waiver of Right to Trial by Jury. 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.

4.5 Applicable Laws and Attorneys' Fees. 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 the Contract, pursuant to ARS Section 12-341.01(A) and (B), or pursuant to any other state or federal statute.

4.6 Remedies. 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 and/ or declaratory judgment. The Parties agree to meet and attempt to resolve any dispute in good faith prior to initiating any legal process, to participate in accelerated arbitration and to make good faith efforts to expeditiously resolve any dispute during such process, in order to promptly and expeditiously to resolve any disputes. Further, in the event of an appeal from such arbitration process, the Parties agree to utilize all good faith efforts to ensure expeditious resolution of any litigation, including participation in expeditious provisional remedies if available.

4.7 Ambiguities in Agreement. This Agreement is the result of negotiations by and between the Parties. Any ambiguity in this Agreement is not be construed against either Party.

4.8 Strict Performance. Time is of the essence in this Agreement. The failure of either Party to require strict performance by the other of any provision of this Agreement shall not be deemed a waiver of the right of said Party thereafter to require strict performance of that or any other provision of this Agreement in accordance with the terms hereof and without notice.

4.9 Default. Except as otherwise provided in Subsection 3.2(c) above, failure by either City or Owner to perform in accordance with any term or provision of this Agreement for a period of thirty (30) days after written notice thereof, shall constitute a default under this Agreement; provided, however, that if the failure or delay is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such Party shall have such additional time as may be necessary to perform or comply so long as such Party commences performance or compliance within said thirty (30) day period and diligently proceeds to complete such performance or fulfill such obligation. Said notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible.

4.10 Dispute Resolution Process. The Parties agree to the following remedies and dispute resolution process, subject to the provisions of Section 4.6 above:

(a) In the event a default is not cured within the cure periods set forth in Section 4.9, the non-defaulting Party may institute the dispute resolution process (“**Process**”) set forth herein by providing written notice initiating the Process (“**Initiation Notice**”) to the defaulting Party.

(b) Within seven (7) days following delivery of the Initiation Notice, each Party, by written notice to the other, shall appoint one (1) person to serve on an arbitration panel (“**Panel**”). Within fourteen (14) days following delivery of the Initiation Notice, the two (2) persons selected to be on the Panel by the Parties shall select one (1) additional person to serve on the Panel. The third person selected to be on the Panel shall act as Chairman.

(c) Within sixty (60) days following delivery of the Initiation Notice, the Panel shall conduct an arbitration hearing pursuant to the Center For Public Resources Institute for Dispute Resolution Rules for Non-Administered Arbitration (Rev. 2005, or then in effect) except that the terms of this Agreement and this Section 4.10 shall control over conflicting rules.

(d) The Chairman shall determine the nature and scope of discovery, if any, and the manner of presentation of relevant evidence consistent with the deadlines provided herein, and the Parties’ objective that disputes be resolved in a prompt and efficient manner. No discovery may be had of privileged materials or information. The Chairman, upon proper application, shall issue such orders as may be necessary and permissible under law to protect confidential, proprietary or sensitive materials or information from public disclosure or other misuse. Any Party may make application to the Yavapai County Superior Court to have a protective order entered as may be appropriate to confirm such orders of the Chairman.

(e) In order to effectuate the Parties' goals, the hearing, once commenced, will proceed from business day to business day until concluded, absent a showing of emergency circumstances. Except as otherwise provided herein, the Process shall be governed by the Uniform Arbitration Act as enacted in Arizona at A.R.S. §12-1501 *et seq.*

(f) The Panel shall, within seven (7) days from the conclusion of any hearing, issue its written decision. The decision shall be rendered in accordance with the Agreement and the laws of the State of Arizona.

(g) Either Party may appeal the decision of the Panel to the Yavapai County Superior Court ("**Court**") on the grounds that the decision was arbitrary and capricious or unsupported by the weight of the evidence presented at the evidentiary hearing, if such appeal is made within thirty (30) days after the Panel issues its decision. The decision of the panel shall be binding on both Parties until the Court renders a binding decision. If the non-prevailing Party in the Process fails to appeal to the Court within the timeframe set forth herein, the decision of the Panel shall be final and binding. If the non-prevailing party in any arbitration proceeding resulting in an order against such party for specific performance or injunctive relief fails to perform in accordance with the Panel's order, the other party may petition the Court to order such performance and grant an award of attorneys fees and costs to the petitioning party against the non-performing party.

(h) Unless specifically provided to the contrary herein, each Party will pay its own attorneys' fees and costs associated the above described dispute resolution process and with any appeal to the Court or any appellate court thereafter.

The Process set forth herein shall not apply to an action by the City to condemn or acquire by inverse condemnation all or any portion of the Property.

4.11 Non-liability 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.

4.12 Indemnification. Owner hereby agrees to indemnify and hold harmless the City, its departments and divisions, its employees and agents, from any and all claims, liabilities, appeals, expenses or lawsuits, including the costs of defense of any and all claims, lawsuits or appeals as a result of this Agreement, unless said claims, liabilities, expenses or lawsuits arise out of any negligent, reckless or wrongful acts or negligent, reckless or wrongful omissions alleged to have occurred by the City in relationship to any actions undertaken or allegedly undertaken pursuant to this Agreement or any such alleged negligent, reckless or wrongful acts or omissions are alleged against Owner. Owner covenants to defend any and all claims, lawsuits, and appeals challenging this Agreement at its sole cost and expense, including but not limited to attorneys fees, and costs, including any attorneys fees and costs incurred by the City should it elect or be required to defend itself, its agents, officers or assigns, for any acts pertaining to or arising out of this Agreement unless such is necessitated by the intentional negligent, reckless or wrongful acts

or as a result of grossly negligent omissions of the City, its agents, officers or assigns. The City may also intervene and join in defending this Agreement at its option.

4.13 Construction and Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

4.14 Time. If the last day of any time period stated herein should fall on a Saturday, Sunday, or legal holiday in the State of Arizona, then the duration of such time period shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday, or legal holiday in the State of Arizona.

4.15 Exhibits and Recitals. The Recitals appearing at the beginning of this Agreement and any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

4.16 Further Acts. Each of the Parties hereto shall promptly and expeditiously execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

4.17 Time of Essence. Time is of the essence in implementing the terms of this Agreement.

4.18 Successors. All of the provisions hereof shall inure to the benefit of and be binding upon the successors and assigns of the Parties hereto pursuant to A.R.S. §9-500.05(D), provided, however, the Owner's rights and obligations hereunder may only be assigned to a person or entity that has acquired the Property or a portion thereof. Upon transfer of the Property by Owner, the new owner shall automatically become the Owner hereunder and the old Owner shall be released from this Agreement for that portion of the Property that has been transferred.

4.19 No Partnership; 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 the Owner and the City. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

4.20 Entire Agreement. This Agreement and all exhibits thereto constitute the entire agreement between the Parties hereto 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. In the event of a conflict between the text of this Agreement and the attached or incorporated Exhibits, the text of this Agreement shall control. In the event of a conflict among the attached or incorporated Exhibits, the more specific Exhibit shall control over the more general Exhibit, unless the context requires otherwise.

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

4.22 Names and Plans. The Owner shall be the sole owner of all names, titles, plans, drawings, specifications, ideas, programs, designs and work products of every nature at any time developed, formulated or prepared by or at the instance of the Owner in connection with the Property, provided, however, that in connection with any conveyance of portions of the Property to the City, such rights pertaining to the portions of the Property so conveyed shall be assigned, to the extent that such rights are assignable, to the City. Notwithstanding the foregoing, the Owner shall be entitled to utilize all such materials described herein to the extent required for the Owner to construct, operate or maintain improvements relating to the Property. Owner and the City acknowledge and agree that all such materials delivered to the City shall be considered public records unless conspicuously designated as "Confidential-Proprietary" by Owner prior to delivery to the City. In no event, however, shall the City be liable to Owner for disclosure of any materials pursuant to a duly filed public records request.

4.23 Good Standing: Authority. Each of the Parties represents and warrants to the other (1) that it is an Arizona limited liability company duly formed and validly existing under the laws of Arizona, with respect to the Owner; or a municipal corporation within the state of Arizona, with respect to the City, (ii) that it is an Arizona limited liability company, with respect to the Owner, or municipal corporation, with respect to the City, duly qualified to do business in the state of Arizona and is in good standing under applicable State laws, and (iii) that the individual(s) executing this Agreement on behalf of the respective Parties are authorized and empowered to bind the Party on whose behalf each such individual is signing.

4.24 Severability. If any provision of this Agreement is declared void or unenforceable by a court of competent jurisdiction, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect if the remaining provisions permit the Parties to achieve the practical and proportional benefits and obligations of the arrangements contemplated by this Agreement. Otherwise, either Party may terminate this Agreement.

4.25 Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona. In particular, this Agreement is subject to the provisions of A.R.S. §38-511.

4.26 Recordation. This Agreement shall be recorded, at the Owner's sole cost, in its entirety in the Official Records of Yavapai County, Arizona not later than ten (10) days after execution by the last Party.

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

4.28 Force Majeure. Notwithstanding any other term, condition or provision hereof to the contrary, in the event any Party hereto is precluded from satisfying or fulfilling any duty or obligation imposed upon such Party by the terms hereof due to a Force Majeure Event, the time period provided herein for the performance by such Party of such duty or obligations shall be extended for a period equal to the delay occasioned by such events.

4.29 Governmental Powers. Except as specifically provided herein, nothing in this Agreement shall be interpreted or applied to require, restrict, or limit, in any manner whatsoever, or to impinge in any way upon the City's ability to exercise its police powers.

4.30 Assignment and Assumption. The Owner shall have the right to sell, assign or transfer this Agreement with all its rights, title and interests therein to any person, firm or corporation at any time during the term of this Agreement. Owner shall provide the City with written notice of any intent to sell, assign, or transfer all or a portion of the Property, at least 30 days in advance of such action. Owner shall ensure that buyer is knowledgeable and agrees to all terms of this Agreement which buyer shall be assuming. Owner, and any subsequent owner of all or any portion of the Property, may free itself from further obligations relating to the sold, assigned, or transferred property, provided that the buyer, assignee or transferee expressly assumes the obligations under this Agreement as provided herein. If a portion of the Property has been sold, acquired or assigned pursuant to the provisions of this Agreement, then any default pertaining solely to any such separately sold, acquired or assigned portion shall not operate to terminate or otherwise affect the other portions of the Property. However, nothing in this provision shall be interpreted to relieve or eliminate any of the required obligations of the development or Owner as set forth herein and Owner and any successors in interest agree to insure that any such separately sold, acquired or assigned portion assumes any required obligations pertaining to such portion of the Property, and that no assignment, sale, or acquisition shall take place that would adversely impact the obligations required of Owner herein.

4.31 Covenants Running With the Land. The conditions and covenants set forth in this Agreement and incorporated herein by the exhibits shall run with the land and the benefits and burdens shall bind and inure to the benefit of the Parties. The Owner and every purchaser, assignee or transferee of an interest in the Property, or any portion thereof, shall be obligated and bound by the terms and conditions of this Agreement, and shall be the beneficiary thereof and a Party thereto, but only with respect to the Property, or such portion thereof, sold, assigned or transferred to it. Any such purchaser, assignee or transferee shall observe and fully perform all of the duties and obligations of the Owner contained in this Agreement, as such duties and obligations pertain to the portion of the Property sold, assigned or transferred to it.

IN WITNESS WHEREOF, the Parties have executed this Agreement to be effective as of the date first appearing above, and hereby swear and affirm that are duly authorized in accordance with law to execute this Agreement.

CITY OF PRESCOTT,
an Arizona municipal corporation

By: _____

Its: _____

Date: _____, 2009

Attest:

City Clerk

Approved as to form:

City Attorney

STATE OF ARIZONA)
) ss.
County of Yavapai)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2009,
by _____, the _____ of CITY OF PRESCOTT, an Arizona
municipal corporation.

Notary Public

My Commission Expires:

GRANITE DELLS RANCH HOLDINGS, LLC,
an Arizona limited liability company

By: _____

Its: _____

STATE OF ARIZONA)
) ss.
County of Yavapai)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 2009,
by _____, the _____ of _____, L.L.C.,
an Arizona limited liability company.

Notary Public

My Commission Expires:

Point of Rocks Ranch Company, Inc., an Arizona corporation

By: _____
Name: _____
Title: _____

STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, on behalf of Point of Rocks Ranch Company, Inc., an Arizona corporation, by _____, its _____.

Notary Public

My Commission Expires:

LIST OF EXHIBITS

- A Legal Description & Map of Property
- B-1 Legal Description & Map of Annexation Area
- B-2 Property Map w/ General Plan Classifications
- B-3 Property Map w/ Rezoning Land Use Classifications
- C-1 Interchange Dedication Area
- C-2 Interchange Plans
- D. Preliminary Site Plan
- E. City Water And Sewer Infrastructure Improvements
- E-1 Water System Improvements Map
- E-2 Wastewater System Improvements Map
- F. Avigation Easement
- G. Moratorium Statute

EXHIBIT "A"

LEGAL DESCRIPTION & MAP OF PROPERTY

EXHIBIT "A"

Northwest Owner Parcel:

A portion of Section 31, Township 15 North, Range 1 West, Section 36, Township 15 North, Range 2 West, and Section 25, Township 15 North, Range 2 West of the Gila and Salt River Base and Meridian, City of Prescott, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

COMMENCING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE North $89^{\circ}21'39''$ West, along north section line of said section 31, a distance of 3518.94 feet to a point on the easterly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office, and the TRUE POINT OF BEGINNING;

THENCE South $35^{\circ}20'20''$ East, along said easterly abandoned railroad right of way line, a distance of 20.79 feet;

THENCE South $54^{\circ}40'24''$ West, along said easterly abandoned railroad right of way line, a distance of 70.00 feet;

THENCE South $35^{\circ}19'36''$ East, along said easterly abandoned railroad right of way line, a distance of 1138.06 feet;

THENCE along a non-tangential curve, along said easterly abandoned railroad right of way line, concave to the west, having a radius of 615.65 feet, a central angle of $49^{\circ}03'33''$, an arc length of 527.15 feet, a chord bearing South $10^{\circ}49'01''$ East and a chord length of 511.197 feet;

THENCE South $13^{\circ}39'12''$ West, along said easterly abandoned railroad right of way line, a distance of 555.20 feet to a point on the northerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE North $89^{\circ}23'19''$ West, along said northerly right of way line, a distance of 609.44 feet;

THENCE South 83°35'05" West, along said northerly right of way line, a distance of 248.64 feet;

THENCE South 81°00'55" West, along said northerly right of way line, a distance of 801.11 feet;

THENCE South 79°44'14" West, along said northerly right of way line, a distance of 154.85 feet;

THENCE South 62°31'10" West, along said northerly right of way line, a distance of 52.88 feet;

THENCE South 76°41'53" West, along said northerly right of way line, a distance of 393.84 feet;

THENCE South 44°58'13" West, along said northerly right of way line, a distance of 176.57 feet;

THENCE South 77°39'07" West, along said northerly right of way line, a distance of 958.37 feet to a point on the east-west quarter line of said Section 36;

THENCE North 88°49'31" West, along said east-west quarter line, a distance of 327.39 feet;

THENCE North 00°00'05" East, a distance of 81.18 feet to a point on the easterly right of way line of Wilkinson Drive/Larry Caldwell Drive, as shown in Book 12 Maps and Plats, Page 37, Book 24 Maps and Plats, Page 24, Book 25 Maps and Plats, Page 27 and Book 28 Maps and Plats, Page 52, Yavapai County Recorders Office;

THENCE along a non-tangent curve, along said easterly right of way line, concave to the northwest, having a radius of 400.01 feet, a central angle of 59°20'02", an arc length of 414.24 feet, a chord bearing North 57°59'26" East and a chord length of 395.97 feet;

THENCE North 28°19'25" East, along said easterly right of way line, a distance of 426.30 feet;

THENCE along a curve, along said easterly right of way line, concave to the northwest, having a radius of 500.00 feet, a central angle of 28°32'50", an arc length of 249.12 feet, a chord bearing North 14°03'00" East and a chord length of 246.55 feet;

THENCE North 00°13'26" West, along said easterly right of way line, a distance of 217.00 feet;

THENCE South 89°22'56" East, along said easterly right of way line, a distance of 10.00 feet;

THENCE North 00°13'26" West, along said easterly right of way line, a distance of 204.52 feet;

THENCE South 89°06'41" East, a distance of 711.13 feet;

THENCE North 00°40'57" West, a distance of 50.67 feet;

THENCE North 89°52'57" West, a distance of 710.61 feet to a point on the easterly right of way line of Wilkinson Drive/Larry Caldwell Drive, as shown in Book 12 Maps and Plats, Page 37, Book 24 Maps and Plats, Page 24, Book 25 Maps and Plats, Page 27 and Book 28 Maps and Plats, Page 52, Yavapai County Recorders Office;

THENCE North 00°13'26" West, along said easterly right of way line, a distance of 1668.75 feet;

THENCE North 43°09'01" West, along said easterly right of way line, a distance of 142.47 feet;

THENCE South 53°12'57" East, a distance of 757.91 feet;

THENCE South 89°52'57" East, a distance of 191.83 feet;

THENCE South 00°41'23" East, a distance of 27.35 feet to an aluminum disk at the northwest corner of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona ;

THENCE South 89°21'39" East, along the north line of said Section 31, a distance of 1739.59 feet to the POINT OF BEGINNING.

Containing 6,765,828.29 square feet or 155.32 acres, more or less.

Northeast Owner Parcel:

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, City of Prescott, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

BEGINNING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE South $00^{\circ}20'39''$ West, along the east line of said Section 31, a distance of 3215.99 feet to a point on the northerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE North $60^{\circ}42'49''$ West, along said northerly right of way line, a distance of 599.83 feet;

THENCE South $29^{\circ}17'11''$ West, along said northerly right of way line, a distance of 20.00 feet;

THENCE North $65^{\circ}06'15''$ West, along said northerly right of way line, a distance of 300.66 feet;

THENCE North $59^{\circ}38'44''$ West, along said northerly right of way line, a distance of 611.93 feet;

THENCE North $68^{\circ}10'52''$ West, along said northerly right of way line, a distance of 336.24 feet;

THENCE North $63^{\circ}36'32''$ West, along said northerly right of way line, a distance of 395.77 feet;

THENCE North $71^{\circ}42'20''$ West, along said northerly right of way line, a distance of 355.62 feet;

THENCE North $75^{\circ}50'53''$ West, along said northerly right of way line, a distance of 284.17 feet;

THENCE along a non-tangential curve, along said northerly right of way line, concave to the south, having a radius of 4275.00 feet, a central angle of $01^{\circ}27'17''$, an arc length of 108.53 feet, a chord bearing North $85^{\circ}11'36''$ West and a chord length of 108.53 feet to a point on the easterly right of way line of Side Road, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Recorders Office;

THENCE North $13^{\circ}39'12''$ East, along said easterly right of way line, a distance of 90.26 feet to a point on the easterly abandoned railroad right of way line of the

Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE continuing North 13°39'12" East, along said easterly abandoned railroad right of way line, a distance of 441.86 feet;

THENCE along a non-tangential curve, along said easterly abandoned railroad right of way line, concave to the west, having a radius of 816.97 feet, a central angle of 48°57'11", an arc length of 698.01 feet, a chord bearing North 10°49'23" West and a chord length of 676.97 feet;

THENCE North 35°19'36" West, along said easterly abandoned railroad right of way line, a distance of 1064.52 feet to a point on the north line of said Section 31;

THENCE South 89°21'39" East, along said north line, a distance of 3358.32 feet to the POINT OF BEGINNING.

Containing 7,139,635.79 square feet or 163.90 acres, more or less.

Southeast Owner Parcel:

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

BEGINNING at a 1 inch capped pipe, RLS number 33861 at the southeast corner of said Section 31;

THENCE North 89°36'51" West, along the south line of said Section 31, a distance of 3554.43 feet to a point on the easterly right of way line of Side Road, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE North 13°39'12" East, along said easterly right of way line, a distance of 1805.08 feet to a point on the easterly right of way line of Side Road, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Recorders Office;

THENCE continuing North 13°39'12" East, along said easterly right of way line of Side Road described in Book 47 Maps and Plats, Page 95, a distance of 912.22 feet;

THENCE South 89°34'12" East, along said easterly right of way line, a distance of 51.36 feet;

THENCE North 13°39'12" East, along said easterly right of way line, a distance of 25.52 feet to a point on the southerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the south, having a radius of 3665.00 feet, a central angle of 04°06'09", an arc length of 262.43 feet, a chord bearing South 85°29'19" East and a chord length of 262.37 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the south, having a radius of 3840.00 feet, a central angle of 07°18'22", an arc length of 489.65 feet, a chord bearing South 82°53'09" East and a chord length of 489.32 feet;

THENCE North 10°46'02" East, along said southerly right of way line, a distance of 60.00 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the southwest, having a radius of 3900.00 feet, a central angle of 08°56'48", an arc length of 608.99 feet, a chord bearing South 74°45'34" East and a chord length of 608.37 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the southwest, having a radius of 3790.00 feet, a central angle of 05°55'44", an arc length of 392.18 feet, a chord bearing South 63°40'41" East and a chord length of 392.01 feet;

THENCE South 60°42'49" East, along said southerly right of way line, a distance of 41.34 feet;

THENCE South 29°17'11" West, along said southerly right of way line, a distance of 30.00 feet;

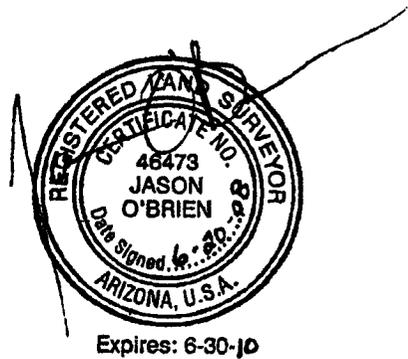
THENCE South 60°42'49" East, along said southerly right of way line, a distance of 600.00 feet;

THENCE North 29°17'11" East, along said southerly right of way line, a distance of 90.00 feet;

THENCE South 60°42'49" East, along said southerly right of way line, a distance of 665.76 feet to a point on the east line of said Section 31;

THENCE South 00°20'39" West, along said east line, a distance of 1745.78 feet to the POINT OF BEGINNING.

Containing 7,719,477.00 square feet or 177.21 acres, more or less.



MAP TO ACCOMPANY
LEGAL DESCRIPTION
EXHIBIT A

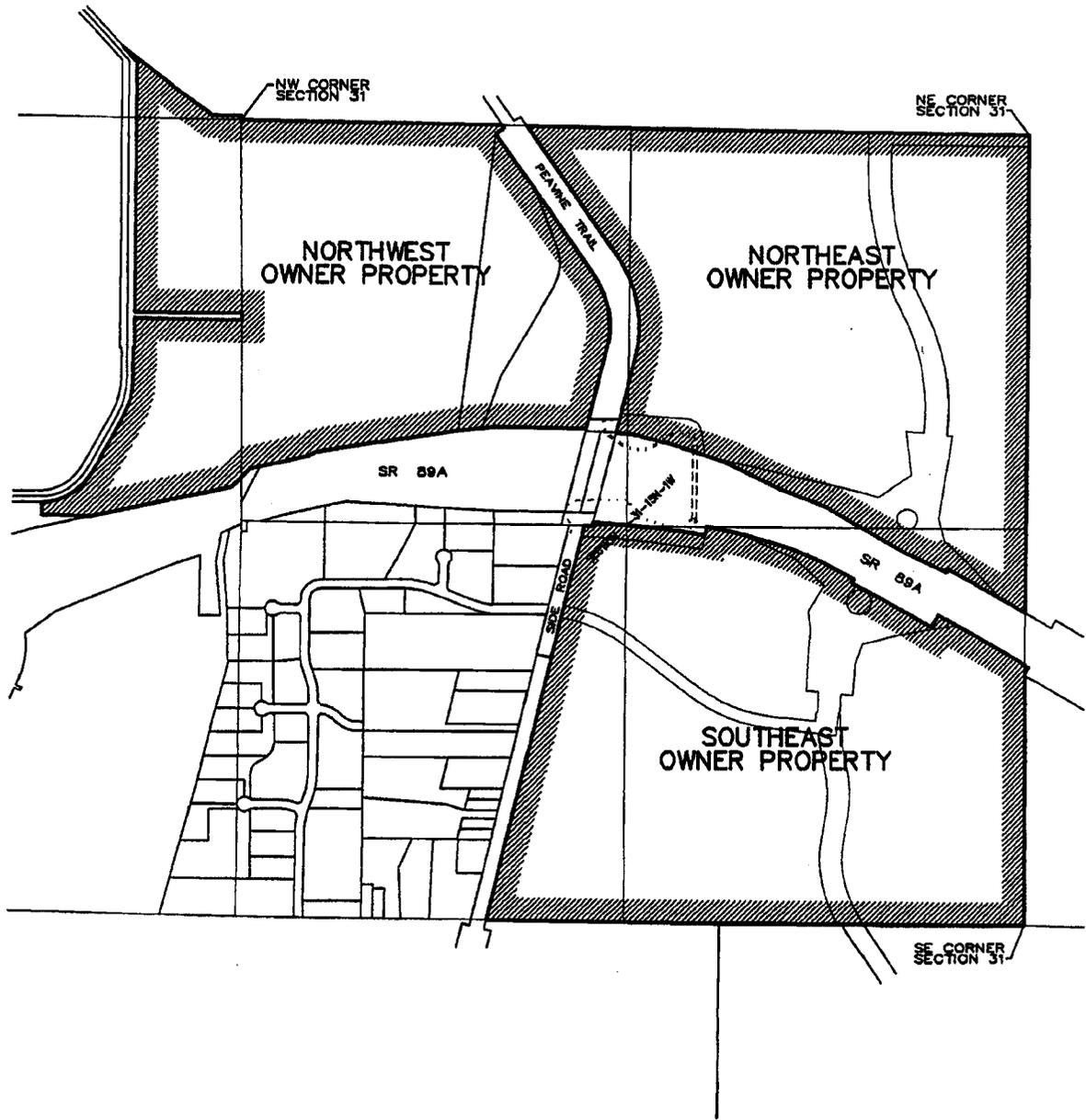


EXHIBIT "B-1"

LEGAL DESCRIPTION & MAP OF ANNEXATION AREA

ANNEXATION OF A PORTION OF SECTION 31-15N-1W

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE South $00^{\circ}20'39''$ West, along the east line of said Section 31, a distance of 5304.59 feet to a 1 inch capped pipe, RLS number 33861 at the southeast corner of said Section 31;

THENCE North $89^{\circ}36'51''$ West, along the south line of said Section 31, a distance of 3657.18 feet to a point on the westerly right of way line of Side Road, as described in Book 4545 Official Records, Page 558, Yavapai County Records Office;

THENCE North $13^{\circ}39'12''$ East, along said westerly right of way line, a distance of 2717.38 feet to a point on the east-west quarter line of said Section 31, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Records Office;

THENCE North $89^{\circ}34'12''$ West, along the right of way line of said Side Road, a distance of 51.36 feet;

THENCE North $13^{\circ}39'12''$ East, along said right of way line of Side Road, a distance of 89.55 feet to a point on the southerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Records Office;

THENCE South $88^{\circ}46'35''$ East, along said southerly right of way line, a distance of 102.40 feet;

THENCE North $13^{\circ}39'12''$ East, a distance of 562.93 feet to a point on the northerly right of way line of said State Route number 89A;

THENCE along a non-tangential curve, along said northerly right of way line, concave to the south, having a radius of 4275.00 feet, a central angle of $01^{\circ}22'06''$, an arc length of 102.09 feet, a chord bearing North $87^{\circ}58'01''$ West

and a chord length of 102.09 feet to a point on said westerly right of way line of Side Road;

THENCE North 13°39'12" East, along said westerly right of way line, a distance of 82.54 feet to a point on the westerly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trill, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE continuing North 13°39'12" East, along said westerly abandoned railroad right of way line, a distance of 488.21 feet;

THENCE along a non-tangential curve, along said westerly abandoned railroad right of way line, concave to the west, having a radius of 615.65 feet, a central angle of 49°03'33", an arc length of 527.15 feet, a chord bearing North 10°49'01" West and a chord length of 511.19 feet;

THENCE North 35°19'36" West, along said westerly abandoned railroad right of way line, a distance of 1138.06 feet;

THENCE North 54°40'24" East, along said westerly abandoned railroad right of way line, a distance of 70.00 feet;

THENCE North 35°20'20" West, along said westerly abandoned railroad right of way line, a distance of 20.79 feet to a point on the north line of said Section 31;

THENCE South 89°21'39" East, along said north line, a distance of 3518.94 feet to the POINT OF BEGINNING.

Containing 16,869,113.01 square feet or 387.26 acres, more or less.



MAP TO ACCOMPANY LEGAL DESCRIPTION

ANNEXATION OF A PORTION OF SECTION 31-15N-1W

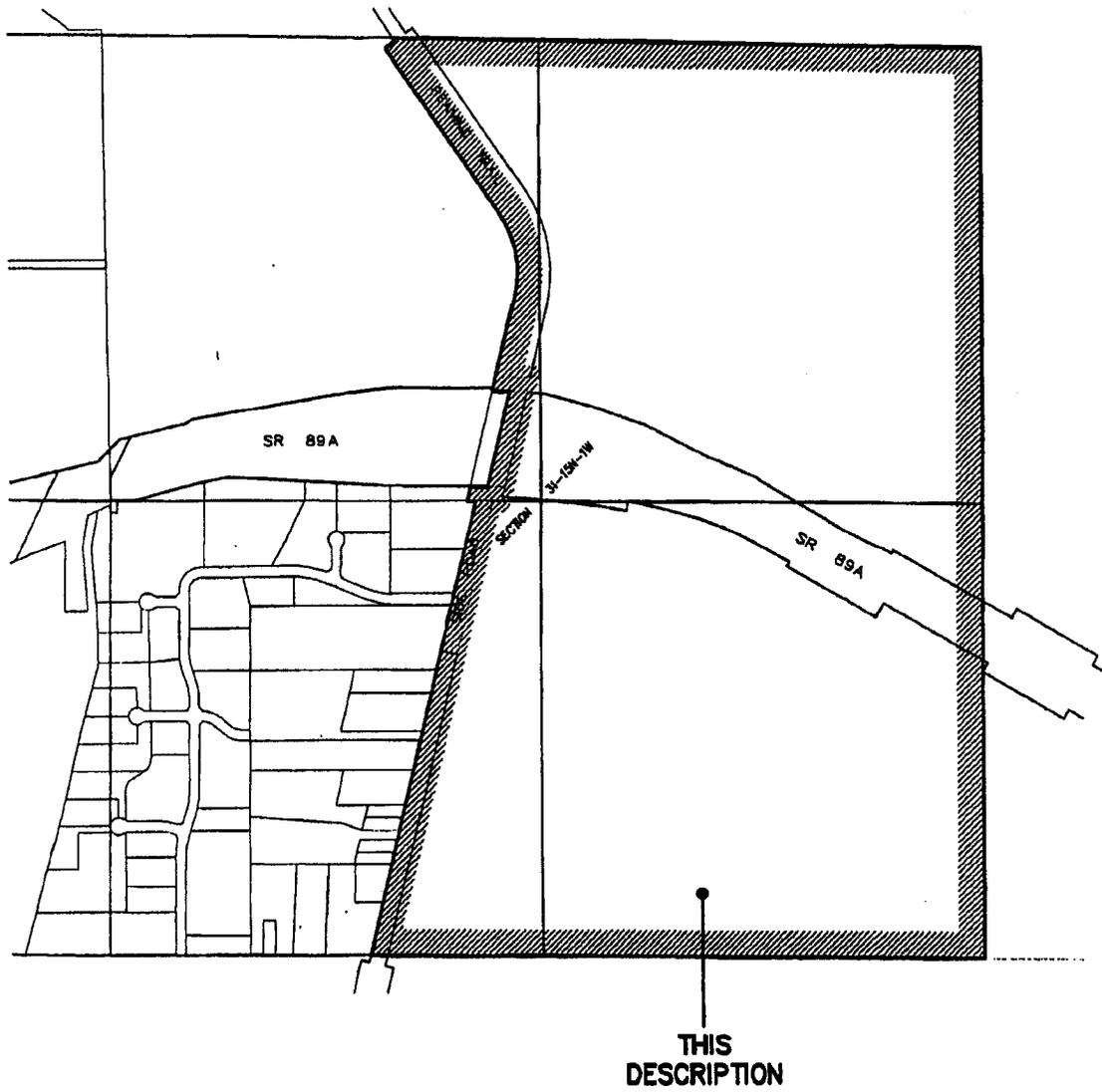


EXHIBIT "B-2"

GENERAL PLAN AMENDMENT MAP

GRANITE DELLS RANCH, INC.

CITY OF PRESCOTT, ARIZONA

EXHIBIT B-2 PROPOSED GENERAL PLAN MAP

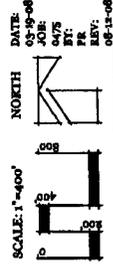
LEGEND

-  RECREATION/OPEN SPACE
-  COMMERCIAL/RECREATION
-  COMMERCIAL
-  COMMERCIAL/EMPLOYMENT
-  VERY LOW DENSITY RES. (<1DU/ACRE)
-  LOW-MEDIUM DENSITY RES. (1-7 DU/AC)
-  PROJECT AREA

SCALE: 1"=400'

NORTH

DATE: 05-19-06
 DRAWN BY: JCS
 CHECKED BY: JCS
 DATE: 05-19-06



UVA urban design studio
 land planning • landscape architecture

120 West Oak Street - Suite 1021 - Phoenix, AZ 85004
 Phone: 602.955.1234

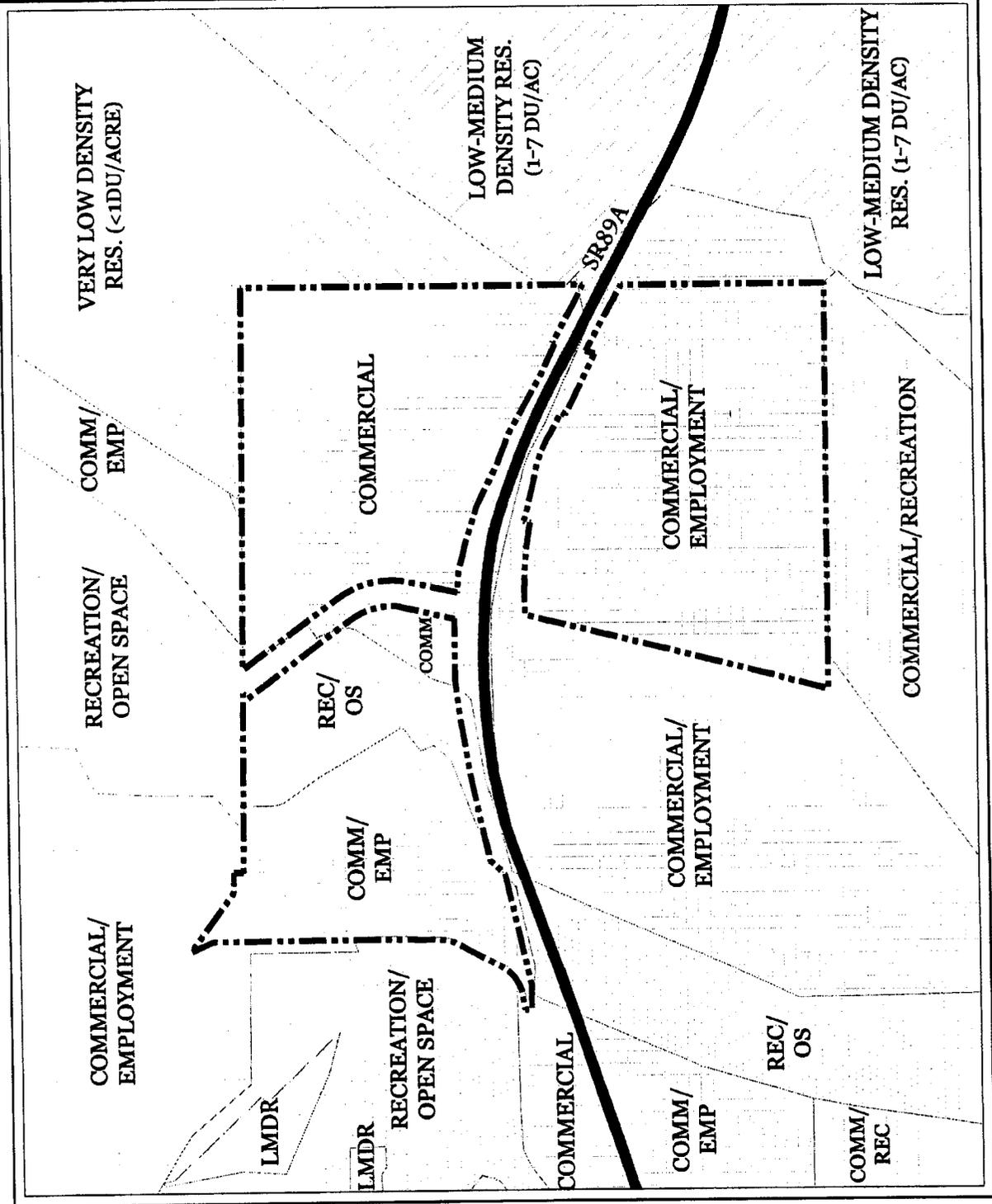


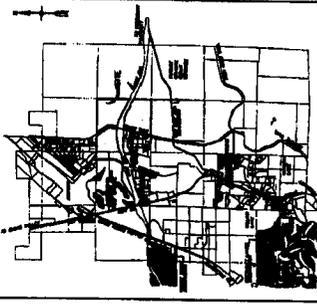
EXHIBIT "B-3"

PROPERTY MAP & REZONING LAND USE CLASSIFICATIONS

REZONE SITE PLAN

GRANITE DELLS RANCH EXHIBIT B-3

LOCATION MAP

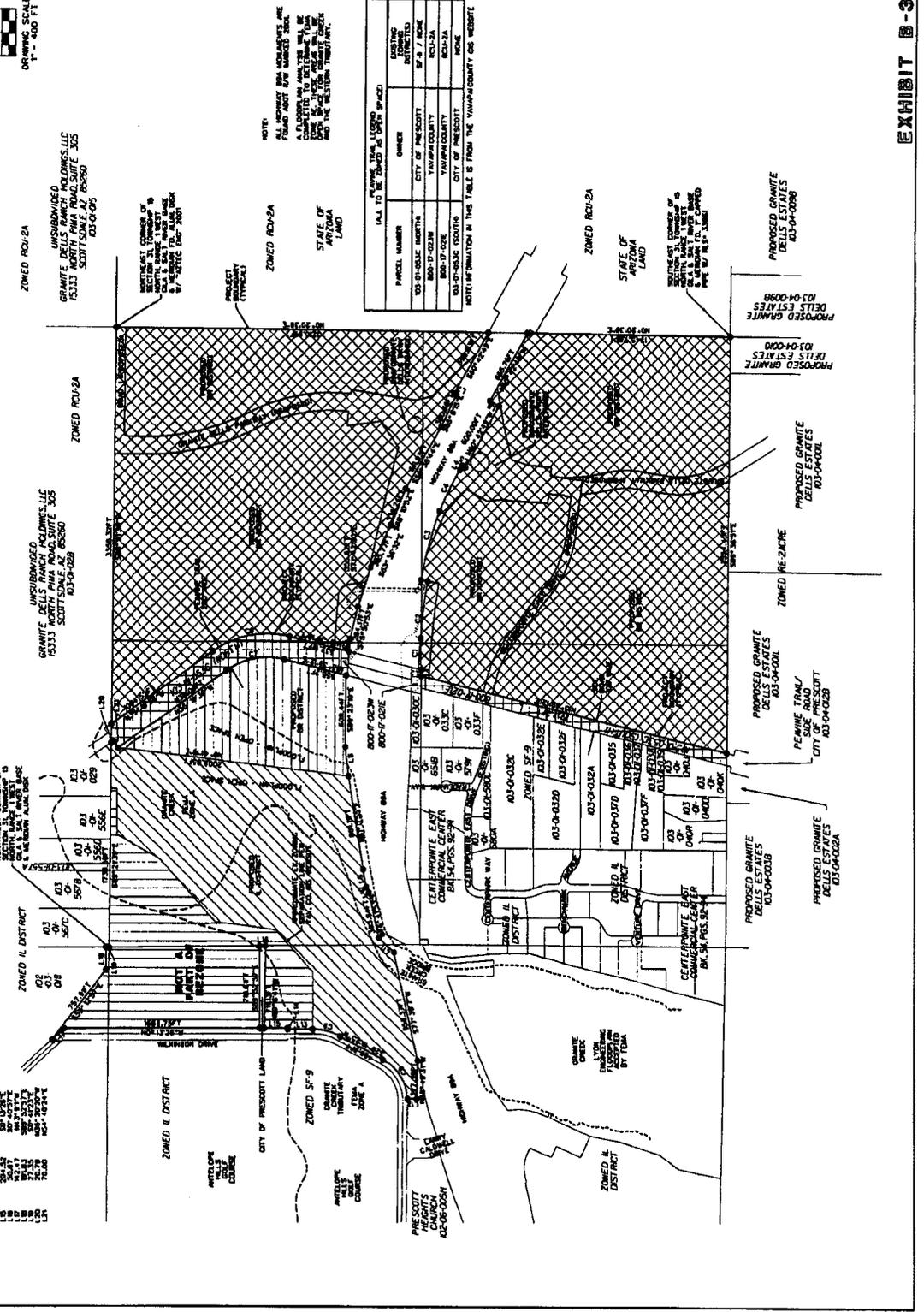


DESCRIPTION OF PROJECT	GRANITE DELLS RANCH HOUSING DEVELOPMENT, PHASE 2, 5333 NORTH PIMA ROAD, SUITE 305, SCOTTSDALE, ARIZONA 85260
SITE DATA	ACRES: 10.00 SECTION: 31, TOWNSHIP 33N, RANGE 18E, ZONE 1E, COUNTY OF MARICOPA, ARIZONA
ZONING	CHANGED FROM UNDESIGNED TO RZD-2A
UNITS	100 SINGLE-FAMILY UNITS
LEGAL DESCRIPTION	SECTION 31, TOWNSHIP 33N, RANGE 18E, ZONE 1E, COUNTY OF MARICOPA, ARIZONA
OWNER	GRANITE DELLS RANCH HOLDINGS, LLC CIVILIAN MANAGEMENT SERVICES, LLC SCOTTSDALE, ARIZONA 85260
PROJECT CONTACT	MARK COLOS 480-747-8452 dgc@delldells.com
ENGINEER	DAVID R. HARRIS, P.E. 10000 N. CENTRAL EXPRESSWAY, SUITE 100, SCOTTSDALE, ARIZONA 85260



ZONING LEGEND

COLOR CODE	EXISTING DISTRICT	PROPOSED DISTRICT	TITLE & ADDRESS
[Cross-hatch pattern]	RZD-2A	RZD-2A	UNDESIGNED GRANITE DELLS RANCH, LLC 5333 NORTH PIMA ROAD, SUITE 305 SCOTTSDALE, AZ 85260
[Diagonal lines]	SF-9	SF-9	UNDESIGNED GRANITE DELLS RANCH, LLC 5333 NORTH PIMA ROAD, SUITE 305 SCOTTSDALE, AZ 85260
[Horizontal lines]	RE-3/0	RE-3/0	UNDESIGNED GRANITE DELLS RANCH, LLC 5333 NORTH PIMA ROAD, SUITE 305 SCOTTSDALE, AZ 85260
[Vertical lines]	RE-3/0	RE-3/0	UNDESIGNED GRANITE DELLS RANCH, LLC 5333 NORTH PIMA ROAD, SUITE 305 SCOTTSDALE, AZ 85260



CURVE TABLE

CURVE	MARKS (FT)	DELTA	CHORD (FT)	CHORD BEARING	CURVE LENGTH (FT)
1	282.37	4.89	282.37	282.37	282.37
2	282.37	4.89	282.37	282.37	282.37
3	282.37	4.89	282.37	282.37	282.37
4	282.37	4.89	282.37	282.37	282.37
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14	282.37	4.89	282.37	282.37	282.37
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44	282.37	4.89	282.37	282.37	282.37
45	282.37	4.89	282.37	282.37	282.37
46	282.37	4.89	282.37	282.37	282.37
47	282.37	4.89	282.37	282.37	282.37
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50	282.37	4.89	282.37	282.37	282.37

LINE TABLE

LINE	DISTANCE (FT)	BEARING
1	1.18	180.00
2	1.18	180.00
3	1.18	180.00
4	1.18	180.00
5	1.18	180.00
6	1.18	180.00
7	1.18	180.00
8	1.18	180.00
9	1.18	180.00
10	1.18	180.00
11	1.18	180.00
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14	1.18	180.00
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19	1.18	180.00
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44	1.18	180.00
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46	1.18	180.00
47	1.18	180.00
48	1.18	180.00
49	1.18	180.00
50	1.18	180.00

EXHIBIT C-1

INTERCHANGE DEDICATION AREA

DEDICATION AREA GRANITE DELLS RANCH

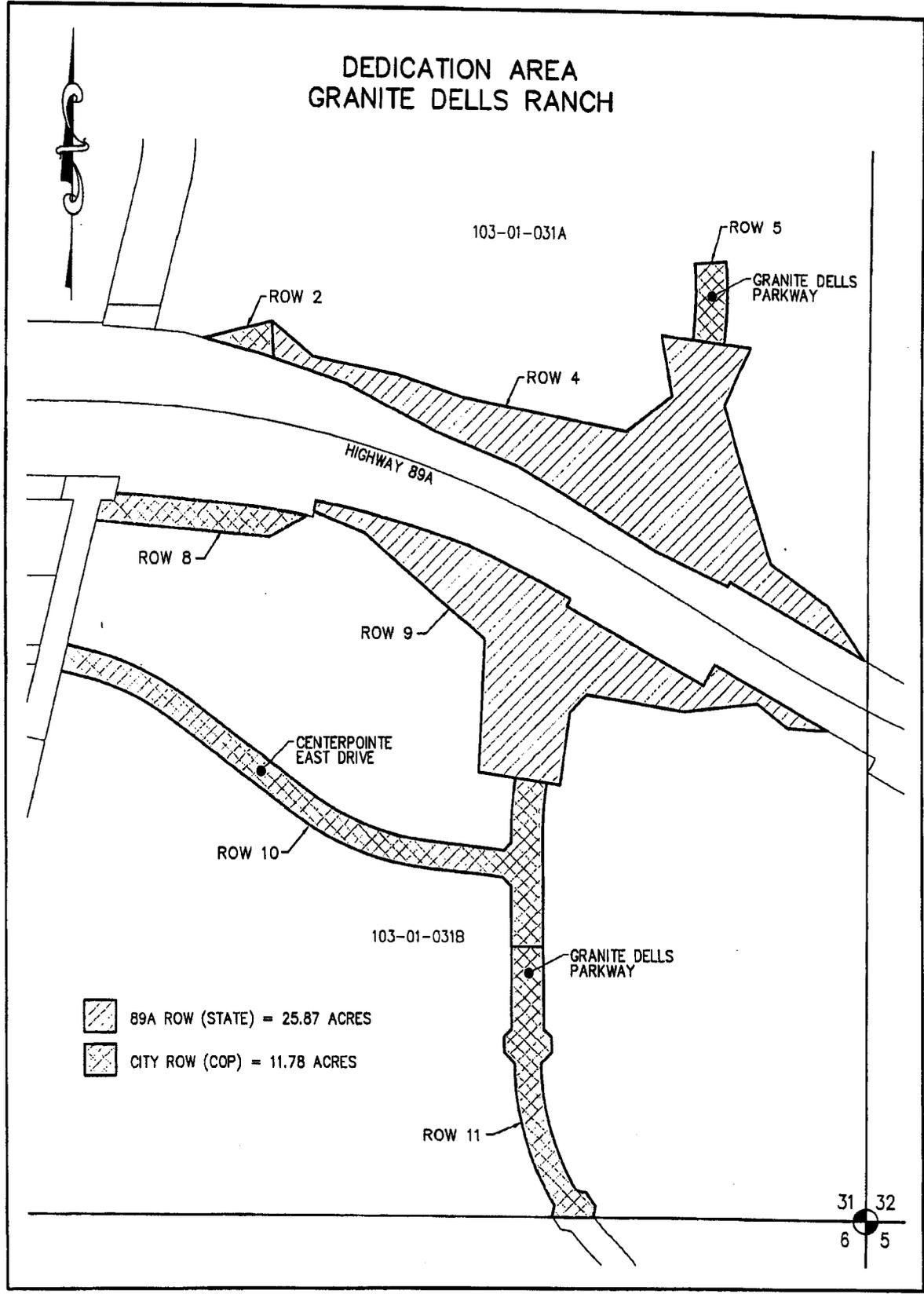


EXHIBIT C-2

INTERCHANGE, AND STREET IMPROVEMENT PLANS

EXHIBIT D
PRELIMINARY SITE PLAN

GRANITE DELLS RANCH, INC.

CITY OF PRESCOTT, ARIZONA

EXHIBIT D PRELIMINARY DEVELOPMENT PLAN

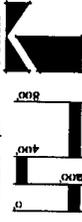
LEGEND

-  INDUSTRIAL LIGHT
-  COMMERCIAL/EMPLOYMENT
-  OPEN SPACE
-  ACCESS POINTS
-  PEAVINE TRAIL

NOTES

1. GRANITE CREEK OPEN SPACE IS APPROXIMATE. ACTUAL OPEN SPACE LIMITS WILL BE DETERMINED AT THE TIME OF DEVELOPMENT.
2. GROSS ACERAGE FOR DEVELOPMENT PARCELS ARE APPROXIMATE.

SCALE: 1" = 400'



DATE: 02-09-08
JOB: 04/75
BY:
REV: 08-10-08
REV: 06-09-09

CMA urban design studio
land planning • landscape architecture
180 South 18th Avenue • Tempe, Arizona 85281 • phone: 480.944.0994

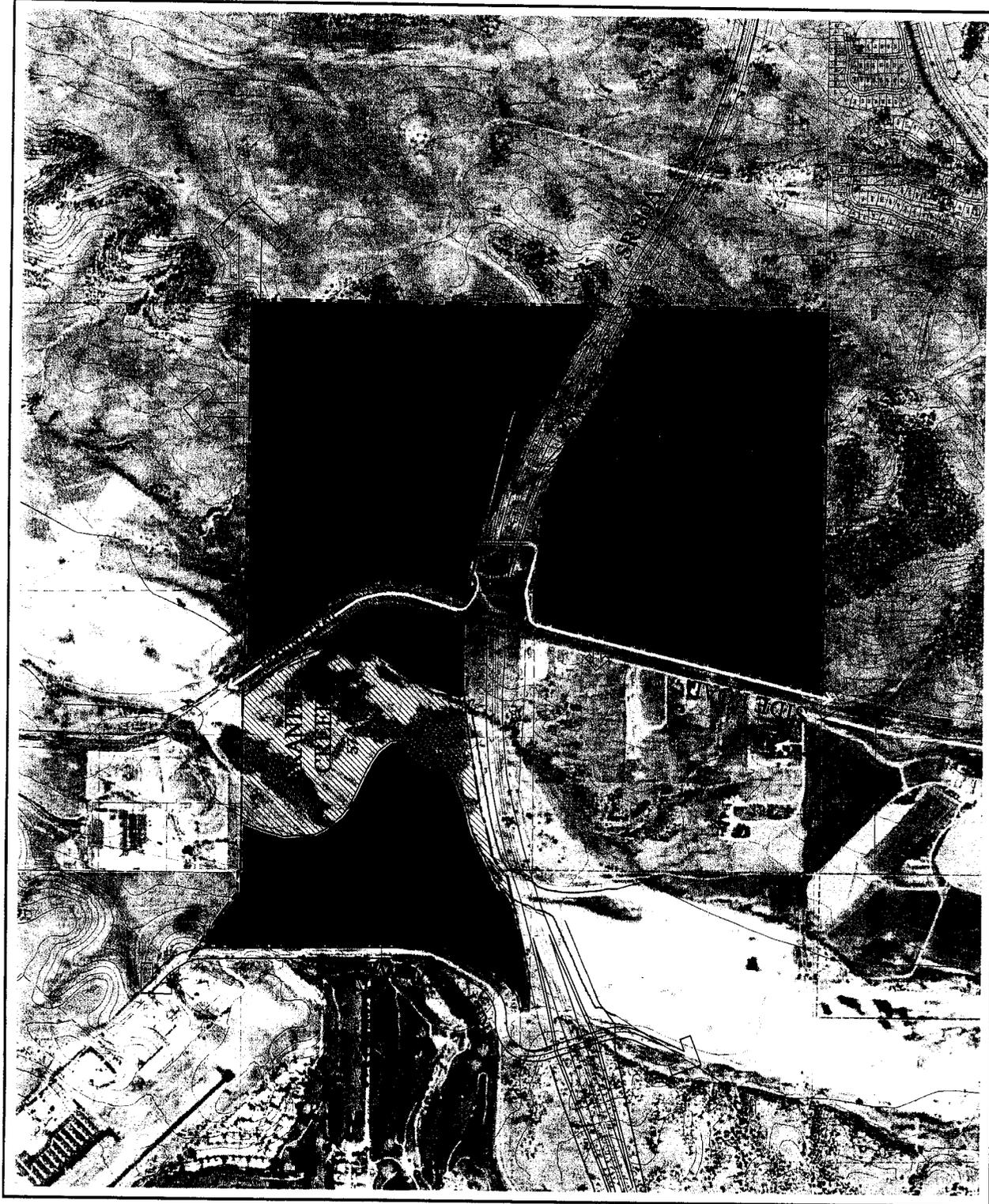


EXHIBIT E

CITY WATER AND SEWER INFRASTRUCTURE IMPROVEMENTS

EXHIBIT E

CIP Project No.	Project Name and Description	Schedule of Project Work		
		Fiscal Year 09	Fiscal Year 10	Fiscal Year 11
Water Infrastructure and Sequencing				
W4:30	Airport Zone 12 Tank Reservoir Transmission Piping (1) 11,950 ft. of 18" DI water main from the future Zone 12 tank in Granite Dells Estates (Project W4:29) north along Granite Dells Parkway to Centerpointe Drive, west along Centerpointe Drive to Side Road, north across SR 89A within a 30" steel casing (Project W4:36), east along the north side of SR 89A to Granite Dells Parkway, north along Granite Dells Parkway to the north boundary of Granite Dells Ranch. (2) 2,207 ft. of 18" DI water main from the existing 18" main at the intersection of a northerly extension of Centerpointe East Drive and the south side of SR 89A, east to the intersection of SR89A and Side Road. (3) 2,105 ft. of 12" DI water main from Centerpointe Drive/Side Road to Heckthorn Road.	(1) Design 2,207 ft. of 18" DI water main from existing tie point east to Side Road, then 700 ft. south to Centerpointe, east along Centerpointe 1,900 ft. to Granite Dells Parkway, south 3,150 ft. along Granite Dells Parkway to the Zone 12 tank. (2) Add 2,105 ft. of 12" DI water main from Centerpointe/Side Road to Side Road/ Heckthorn Road.	Construct project.	
W4:29	Airport Zone 12 New Tank Reservoir and Booster Station (1) 3.25 MG tank constructed on Tract "G" approx. 800 ft. south of future Granite Dells Parkway and Dells Ranch Road on the Granite Dells Estates Preliminary Plat. (2) 3.3 MGD pump station on same site to serve Zone 101 tank and zone.	Design	Construct	
W4:32	Zone 101 Tank Reservoir Transmission Piping (formerly Zone 113 Tank Reservoir Transmission Piping) (1) 6,938 ft. of 16" DI water main from Zone 101 Pump Station at Airport Zone 12 tank (Project W4:29) to Granite Dells Estates Road 27, south along Road 27 to Road 37, following Road 37 southwest to southern boundary of Granite Dells Estates, then traversing southerly to Zone 101 New Tank Reservoir. (2) 5,753 ft. of 16" DI water main from point where 16" main meets Road 27, continuing north to Granite Dells Ranch Road, northwest to Granite Dells Parkway, north to Granite Dells Estates northern boundary, east to Granite Dells Ranch southeast corner, then north to SR 89A.		Design and construct improvements within Granite Dells Estates; 6,938 ft. segment plus 3,000 ft. of 16" main from where 16" trans. main meets Road 27, north to Granite Dells Ranch Rd., northwest to Granite Dells Parkway, then north to Granite Dells Estates northern boundary.	Design and construct remainder of project.
W4:31/W4:33	Zone 101 New Tank Reservoir (formerly Zone 113 New Tank Reservoir & Booster Station, and Zone 101 New Tank Reservoir & Transmission Piping)	Fiscal Year 09	Fiscal Year 10	Fiscal Year 11

				Design	Construct
	2.75 MG tank located south of Granite Dells Estates southern boundary, just southwest of the southern common corner of Sections 5 and 6 (on Granite Dells Ranch Holdings, LLC parcel).				
W4:36	Airport Zone SR 89A Main Crossing 600 ft. of 30" steel casing for 18" DI water main (Project W4:30) extending across SR 89A at Side Road.			Design and construct	
W4:34	Airport Zone Main Feed - New Intermediate Storage (IS) to Zone 12 Pump Station 4,558 of 24" DI main from the IS easterly to future pump station at SR 89/McCurdy Drive, then from the pump station southerly 4,658 ft. with 24" DI main SR 89/89A, crossing SR 89A to connect to the future 18" main from the west to cross SR 89 south of SR 89A.				Design FY 11 Construct FY 12
W4:35	Airport Zone New Zone 12 Pump Station (near SR 89/89A) 17.3 MGD booster station near corner of SR 89 and McCurdy Drive (in lieu of SR 89/89A location identified in current CIP).				Design FY 11 Construct FY 12
Sewer Infrastructure and Sequencing					
WW1 (12-15)	Airport Wastewater Treatment Plant Projects (12) Airport Plant Capacity & Treatment Technology Assessment (13) Airport Biosolids Master Plan (14) Airport Plant Process Expansion and Improvements (15) Airport Ras/Was Pump Station			Complete Master Plan and design of near term Airport WWTP expansion project.	FY 11 begin construction FY12 complete construction
WW3-11	Wastewater Infrastructure North and South of SR 89A (1) 1,050 ft. of 8" SDR-35 sewer main from NW corner of Granite Dells Estates, northerly along Side Road, increasing to 10" SDR-35 for 3,229 ft., northerly to SR 89A, passing thru 600 ft. of 20" steel casing within ADOT ROW, then increasing in size to 12" SDR-35 for 1,360 ft. to the future Granite Dells Ranch Lift Station. (2) 8" DI force main from lift station northwesterly 961 ft. across Granite Creek connecting to existing gravity sewer trunk line to the Airport WWTP. (3) reconstruction of existing 24" sewer trunk line to new 36" diameter for 5,722 ft. from the north side of SR 89A to the WWTP.		(1) Design and construct 1,050 ft. of 8" from NW corner of Granite Dells Estates northerly, then 1,150 ft. of 10" to Centerpointe East Drive. (2) Continue design of remainder of project.	Complete design and begin construction of remainder of project.	Complete construction

CIP = City of Prescott Capital Improvement Program
MG = Million Gallons
MGD = Million Gallons Per Day
DI = Ductile Iron
WWTP = Wastewater Treatment Plant

EXHIBIT E-1

WATER SYSTEM IMPROVEMENTS MAP



Water Mains

- Existing Pipes
- Proposed City Infrastructure
- Shared Infrastructure (City/Developer)
- Proposed Zone 12 (Developer)
- Other Future Mains

Development Boundary

- GRANITE DELLS RANCH
- GRANITE DELLS ESTATES

Pressure Zones

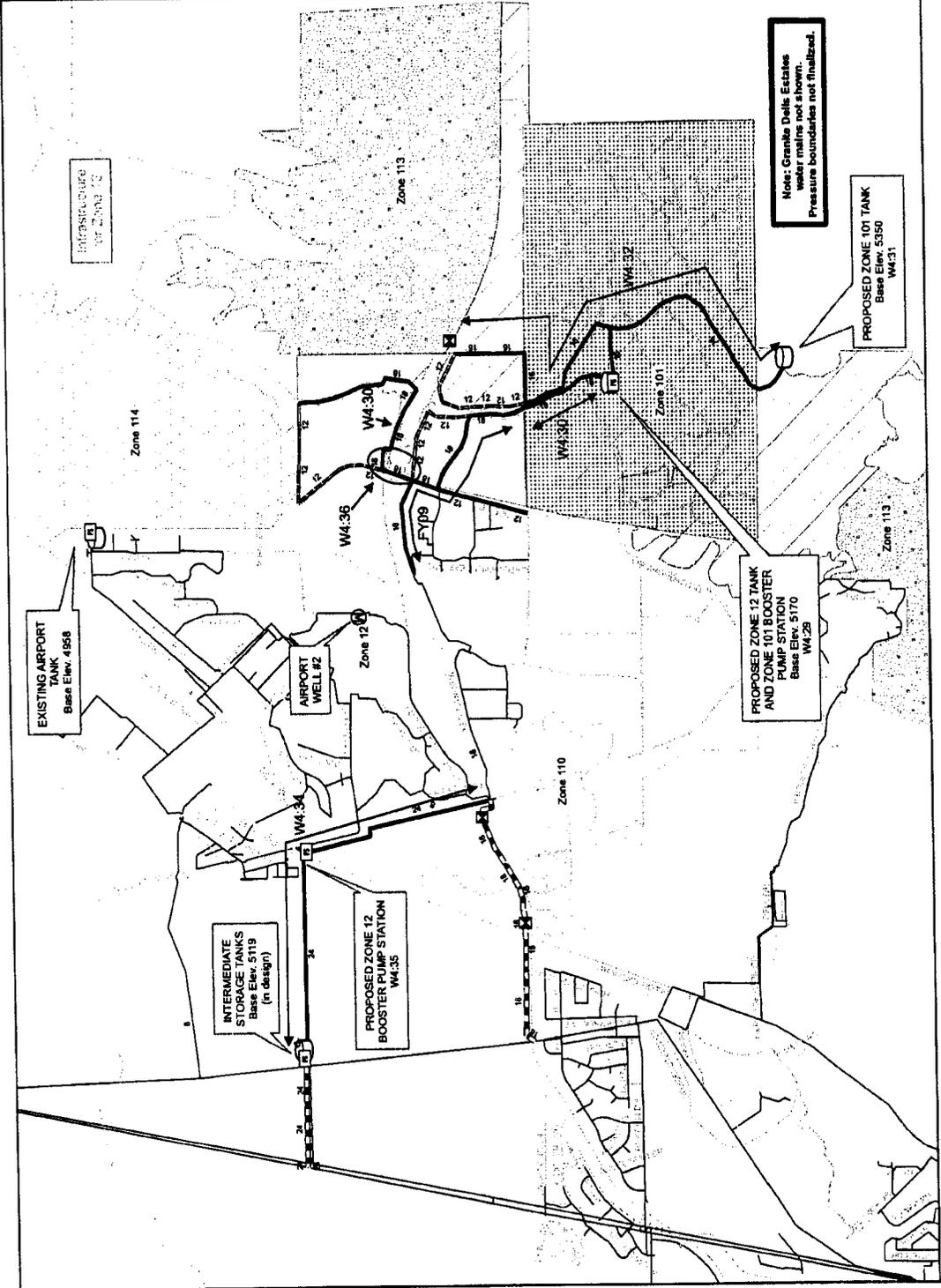
- With Elevation Ranges in ft
- Zone 12 (4960 - 5060)
 - Zone 101 (5060 - 5260)
 - Zone 113 (5060 - 5140)
 - Zone 110 (5060 - 5120)
 - Zone 114 (4860 - 4960)

Other Legend Items

- BPS
- Well
- Storage Tank
- Pressure Regulating Valves
- Roads



Figure 2



GRANITE DELLS RANCH PLANNED WATER SYSTEM INFRASTRUCTURE UTILITIES ANALYSIS TECHNICAL MEMORANDUM

EXHIBIT E-2

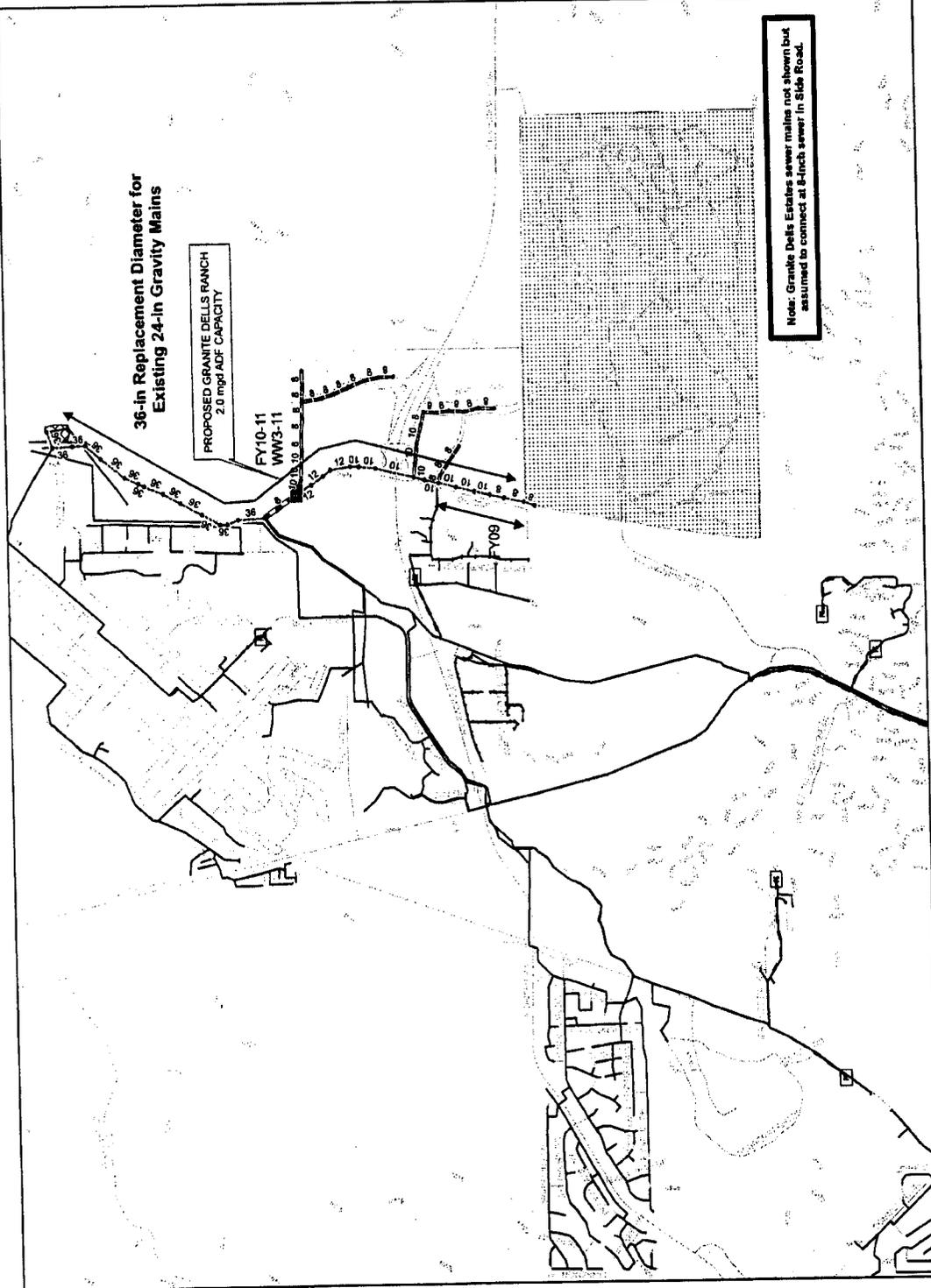
WASTEWATER SYSTEM IMPROVEMENTS MAP



- Development Boundary**
- GRANITE DELLS RANCH
 - GRANITE DELLS ESTATES
- Proposed Sewer Mains**
- Granite Dells Ranch
 - Gravity Sewer Main
 - Shared Force Main
 - Shared Gravity Main
- Existing Collection System:**
- Gravity Main
 - Force Main
 - Lift Station
 - Wastewater Treatment Plant
 - 20 ft Contour



Figure 3



GRANITE DELLS RANCH PLANNED WASTEWATER SYSTEM INFRASTRUCTURE UTILITIES ANALYSIS TECHNICAL MEMORANDUM

EXHIBIT F

NOISE AND AVIGATION EASEMENT

WHEREAS, the Grantor is the owner in fee of certain real property in the City of Prescott, County of Yavapai, State of Arizona; and

WHEREAS, said property is located within the vicinity of Ernest A. Love Field; and

WHEREAS, Grantor has been advised and is of the opinion that the subject property is located in close proximity to an airport; that present and future aircraft noise and overflight impacts might be annoying to present and future users of the land and might interfere with the unrestricted use and enjoyment of the property; that these noise and overflight impacts might change over time by virtue of greater numbers of aircraft, louder aircraft, seasonal variations and time-of-day variations; that changes in airport, aircraft and air traffic control operating procedures or in airport layout could result in increased noise and overflight impacts; and that the Grantor's or user's own personal perceptions of the noise exposure could change and that his or her sensitivity to aircraft noise or overflights could increase.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, _____ does hereby grant a permanent noise and avigation easement to the public, for the use of "Navigable Airspace" in and about Ernest A. Love Field, as defined by the Federal Aviation Act of 1958, over all of the real property more particularly described in the attached Exhibit "A".

"Navigable Airspace" means airspace above the minimum altitudes of flight prescribed by regulations issued under the Federal Aviation Act of 1958, Section 101 (24) 49 U.S. Code 1301, and shall include airspace needed to ensure safety in the take-off and landing of aircraft.

To have and to hold said easement forever.

This easement shall run with the land, and shall be perpetual unless earlier abandoned or vacated by the Grantee.

EXHIBIT G

ANTI-MORATORIUM STATUTE

A.R.S. 9-463.06. Standards for enactment of moratorium; land development limitations definitions

A. A city or town shall not adopt a moratorium on construction or land development unless it first:

1. Provides notice to the public published once in a newspaper of general circulation in the community at least thirty (30) days before a final public hearing to be held to consider the adoption of the moratorium.

2. Makes written findings justifying the need for the moratorium in the manner provided for in this Section.

3. Holds a public hearing on the adoption of the moratorium and the findings that support the moratorium.

B. For urban or urbanizable land, a moratorium may be justified by demonstration of a need to prevent a shortage of essential public facilities that would otherwise occur during the effective period of the moratorium. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. A showing of the extent of need beyond the estimated capacity of existing essential public facilities expected to result from new land development, including identification of any essential public facilities currently operating beyond capacity and the portion of this capacity already committed to development, or in the case of water resources, a showing that, in an active management area, an assured water supply cannot be provided or, outside an active management area, a sufficient water supply cannot be provided, to the new land development, including identification of current water resources and the portion already committed to development.

2. That the moratorium is reasonably limited to those areas of the city or town where a shortage of essential public facilities would otherwise occur and on property that has not received development approvals based upon the sufficiency of existing essential public facilities.

3. That the housing and economic development needs of the area affected have been accommodated as much as possible in any program for allocating any remaining essential public facility capacity.

C. A moratorium not based on a shortage of essential public facilities under Subsection B of this Section may be justified only by a demonstration of compelling need for other public facilities, including police and fire facilities. This demonstration shall be based on reasonably available information and shall include at least the following findings:

1. For urban or urbanizable land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) That the moratorium is sufficiently limited to ensure that a needed supply of affected housing types and the supply of commercial and industrial facilities within or in proximity to the city or town are not unreasonably restricted by the adoption of the moratorium.

(c) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(d) That the city or town has determined that the public harm that would be caused by failure to impose a moratorium outweighs the adverse effects on other affected local governments, including shifts in demand for housing or economic development, public facilities and services and buildable lands and the overall impact of the moratorium on population distribution.

(e) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

2. For rural land:

(a) That application of existing development ordinances or regulations and other applicable law is inadequate to prevent irrevocable public harm from development in affected geographical areas.

(b) Stating the reasons that alternative methods of achieving the objectives of the moratorium are unsatisfactory.

(c) That the moratorium is sufficiently limited to ensure that lots or parcels outside the affected geographical areas are not unreasonably restricted by the adoption of the moratorium.

(d) That the city or town proposing the moratorium has developed a work plan and time schedule for achieving the objectives of the moratorium.

D. Any moratorium adopted pursuant to this Section does not affect any express provision in a development agreement entered into pursuant to section 9-500.05 or as defined in section 11-1101 governing the rate, timing and sequencing of development, nor does it affect rights acquired pursuant to a protected development right granted according to chapter 11 of this title or title 11, chapter 9. Any moratorium adopted pursuant to this Section shall provide a procedure pursuant to which an individual land Owner may apply for a waiver of the moratorium's applicability to its property by claiming rights obtained pursuant to a development agreement, a protected development right or any vested right or by providing the public facilities that are the subject of the moratorium at the land Owner's cost.

E. A moratorium adopted under Subsection C, paragraph 1 of this Section shall not remain in effect for more than one hundred twenty (120) days, but such a moratorium may be extended for additional periods of time of up to one hundred twenty (120) days if the city or town adopting the moratorium holds a public hearing on the proposed extension and adopts written findings that:

1. Verify the problem requiring the need for the moratorium to be extended.
2. Demonstrate that reasonable progress is being made to alleviate the problem resulting in the moratorium.
3. Set a specific duration for the renewal of the moratorium.

F. A city or town considering an extension of a moratorium shall provide notice to the general public published once in a newspaper of general circulation in the community at least thirty (30) days before a final hearing is held to consider an extension of a moratorium.

G. Nothing in this Section shall prevent a city or town from complying with any state or federal law, regulation or order issued in writing by a legally authorized governmental entity.

H. A land Owner aggrieved by a municipality's adoption of a moratorium pursuant to this Section may file, at any time within thirty (30) days after the moratorium has been adopted, a complaint for a trial de novo in the superior court on the facts and the law regarding the moratorium. All matters presented to the superior court pursuant to this Section have preference on the court calendar on the same basis as condemnation matters and the court shall further have the authority to award reasonable attorney fees incurred in the appeal and trial pursuant to this Section to the prevailing Party.

I. In this Section:

1. "Compelling need" means a clear and imminent danger to the health and safety of the public.
2. "Essential public facilities" means water, sewer and street improvements to the extent that these improvements and water resources are provided by the city, town or private utility.
3. "Moratorium on construction or land development" means engaging in a pattern or practice of delaying or stopping issuance of permits, authorizations or approvals necessary for the subdivision and partitioning of, or construction on, any land. It does not include denial or delay of permits or authorizations because they are inconsistent with applicable statutes, rules, zoning or other ordinances.
4. "Rural land" means all property in the unincorporated area of a county or in the incorporated area of the city or town with a population of two thousand nine hundred or less persons according to the most recent United States decennial census.

5. "Urban or urbanizable land" means all property in the incorporated area of a city or town with a population of more than two thousand nine hundred persons according to the most recent United States decennial census.

6. "Vested right" means a right to develop property established by the expenditure of substantial sums of money pursuant to a permit or approval granted by the city, town or county.

GRANITE DELLS RANCH, INC.

CITY OF PRESCOTT, ARIZONA

MASTER DEVELOPMENT PLAN

LEGEND

-  INDUSTRIAL LIGHT
-  COMMERCIAL/EMPLOYMENT
-  OPEN SPACE
-  ACCESS POINTS
-  PEAVINE TRAIL

NOTES

1. GRANITE CREEK OPEN SPACE IS APPROXIMATE. ACTUAL OPEN SPACE LIMITS WILL BE DETERMINED AT THE TIME OF DEVELOPMENT.
2. GROSS ACERAGE FOR DEVELOPMENT PARCELS ARE APPROXIMATE.

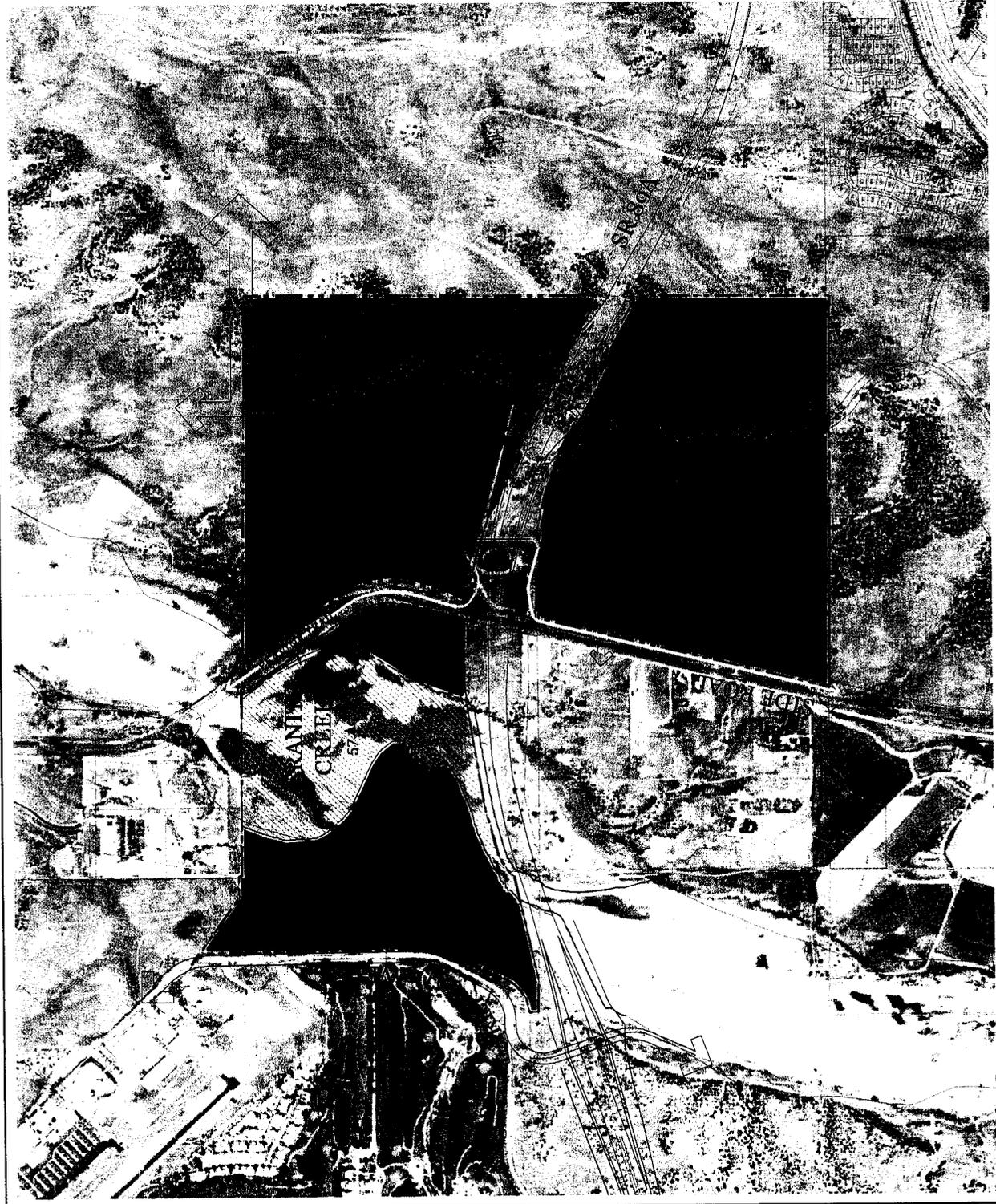
SCALE: 1"=400'

DATE: 07-25-08
 JOB: 0475
 BY: PK
 REV: 08-12-08
 REV: 08-09-09

CVA urban design studio
 land planning • landscape architecture

170 South 1st Avenue • Tempe, Arizona 85281 • phone: 480.944.0794

480.944.0794 • 800.944.0794 • www.cva-studio.com • Project: Granite Dells Ranch Master Development Plan 14-08





PROP. 400

**COMMENTS
RECEIVED**

Granite Dells Ranch Annexation

fotoshoppe@hotmail.com [fotoshoppe@hotmail.com]

Sent: Friday, May 08, 2009 6:19 PM

To: Smith,Ryan

Attention: Ryan Smith

Please, please can we take it slow with this development. I agree that ... someday in the future ... commercial growth next to the airport will be a good idea. AND PLEASE protect our wonderful trails system and Peavine trail from road crossings. We hike these trails often, bring visitors, and enjoy this wonderful area. If Caven wants to build on this area ... PLEASE make Caven responsible for preserving the trail, and putting in over/under passes, rather than the tax payers. Thank you for listening, wendy spring

From: wendy spring

RE: Granite Dells Ranch Annexation

Smith, Ryan

Sent: Friday, May 08, 2009 10:49 AM

To: mkloman@cableone.net

Mary,

Thank you for your e-mail. You're correct about the information on the web-site being technical. An annexation of this size is very complicated. Unfortunately, the information on the web-site is everything that we have. The diagrams came from the application and this is the same material that our elected officials see. This is the reason why we always provide a contact person to answer questions.

You may have noticed the Planning and Zoning Commission staff report on the web-site. This is the best written summary of the proposed project which is a commercial and industrial center covering about 500 acres. The project is close to the airport so houses are discouraged. There are no specific business proposed yet. It's proposed to be vacant subdivision lots available for businesses to buy. If it's easier for you and you would like to make an appointment, I would be happy to go through the application material with you here in my office at City Hall.

Regarding the trail, the north end of the project is on both sides of the Peavine trail. By State law we must allow reasonable access to all properties. Granite Creek is on the other side, so the only way to this property is across the Peavine trail. The Trails Committee would like to avoid roads crossing the trail here and also avoid having industrial buildings on both sides of the trail. The developer has offered to give us land adjacent to Granite Creek to reroute the trail. The old trail alignment would stay with the City as open space. There would then be no road crossings and the buildings would only be on one side of the trail (similar to the Sundog Ranch Road trailhead). This will help to preserve the trail experience. The details have not been worked out yet on who builds the new trail but the value of the land would be very significant. The developer has also provided land for a trailhead parking area and the trail to be routed through two large 12x12 foot culverts underneath Highway 89A. Currently, you literally have to run across Highway 89A to get to the trail on the other side.

You may wish to attend a City Council public workshop about trails on May 26th here at City Hall. The Council will specifically discuss the Peavine trail and hopefully talk about a policy on how to deal with development around the trail. It will be up to the Council if they let the public speak. The workshop will be conducted by Assistant City Manager Craig McConnell (777-1364) if you have more questions about the topics to be discussed.

There was a Granite Dells Ranch annexation public hearing with the Council on May 5th which will continue this Tuesday on May 12th at 3pm. If you would like to address the Council I would urge you to attend this hearing. The item comes back to Council on June 16th and you will be able to speak then also.

Hope that addresses your concerns. I will print your e-mail for Council to see and indicate that I responded to you. Please call or e-mail me if you have any more questions.

Granite Dells Ranch Annexation

mkloman@cableone.net [mkloman@cableone.net]

Sent: Friday, May 08, 2009 8:19 AM

To: Smith,Ryan

Attention: Ryan Smith

I went to this web page, as recently referenced in the Daily Courier, so as to try to understand more about this annexation. However, there is no more information, and the attachments are plans that have keys that I do not understand. How is this helpful to the lay person? Also, is there going to be a public meeting about this project? If so, please tell me when and where. My stand is for no change on the Peavine Trail and for the construction company, and not the city, to pay for any changes that might have to be done to the trail. Please respond. Thank you, Mary Kloman

From: Mary Kloman

Responded on 5-8-09

April 28, 2009

COMMUNITY DEVELOPMENT
CITY OF PRESCOTT

MAY 11 2009

Mayor and Prescott City Council

Re: Peavine Trail

RECEIVED

I am writing on behalf of the membership of the Prescott Saddle Club, the oldest saddle club in the State of Arizona, currently celebrating our 61st year. Our club currently has 135 members with approximately 95% of those members residing in the Prescott area and utilizing many trails in the area.

We urge the City to protect the integrity of the Peavine Trail by prohibiting any grade level road crossings. The Cavan and Fann developments are only the first of many possible road crossings of the trail. Consequently, we believe that what is done with these road crossings will set a precedent for the future. The only acceptable solution is a bridge over, or a tunnel under the trail to allow safe passage for trail users.

The Peavine Trail is a nationally known trail as part of the Rails to Trails Conservancy. It is part of the Arizona State Trail System, the City Trail System and it is a regional trail connecting Prescott, Prescott Valley and Chino Valley. The Peavine is a significant recreational resource and it has been an historic transportation route for over 100 years. It is also the city's longest, most popular and most important trail.

The benefits of the Peavine Trail to the City of Prescott far outweigh the extra cost of a bridge or underpass. A scenic, free-flowing and safe trail is a great legacy to leave to future generations.

Thank you,

Deb Stephens
President
Prescott Saddle Club

Ryan

Ryan Smith, Community Planner
City of Prescott
201 S. Cortez Street
Prescott, AZ 86303
Phone 928-777-1209 Fax 928-771-5870
New e-mail address usable now - "ryan.smith@prescott-az.gov"

From: mkloman@cableone.net [mkloman@cableone.net]
Sent: Friday, May 08, 2009 8:19 AM
To: Smith,Ryan
Subject: Granite Dells Ranch Annexation

Attention: Ryan Smith

I went to this web page, as recently referenced in the Daily Courier, so as to try to understand more about this annexation. However, there is no more information, and the attachments are plans that have keys that I do not understand. How is this helpful to the lay person? Also, is there going to be a public meeting about this project? If so, please tell me when and where. My stand is for no change on the Peavine Trail and for the construction company, and not the city, to pay for any changes that might have to be done to the trail. Please respond. Thank you, Mary Kloman

From: Mary Kloman

Granite Dells Ranch Annexation

nvalerio@cableone.net [nvalerio@cableone.net]

Sent: Monday, April 27, 2009 11:05 PM

To: Smith,Ryan

Attention: Ryan Smith

WHY DO WE HAVE TO DISTROY OUR AREA FOR \$\$\$\$\$\$??????????????

From: robert&nancy valerio

RE: Granite Dells Ranch Annexation

cdj_caver [cdj_caver@yahoo.com]

Sent: Friday, April 17, 2009 1:58 PM**To:** Smith,Ryan

Ryan,

I have changed my letter to better reflect the actual situation and request that this comment (see below) be included in the final document regarding the Annexation. Thank you for your insight and for giving me tthe opportunity to change my response. Have a great week!

Sincerely,
Christina Jan

Letter:
Hello,

The Prescott regional trail user community wishes to see the City of Prescott require Cavan, and any other developers, pay all costs of rerouting the Peavine trail and constructing the new trail to approved trail or appropriate similar standards. This is if the Federal granting institution that granted the funds used to purchase the Peavine Trail agree to the reroute. If a reroute is not possible per Federal rules or regulations, we ask the City to restrict the crossings of the Peavine to a single road crossing, and ask that this single crossing not be at-grade. There are several low-cost bridge solutions for this situation, an example of which can be found at the intersection of Bell Rd and 51 in Paradise Valley, AZ.

This request would be in exchange for a land transfer to Cavan so that they have a more contiguous developable parcel. This would benefit Cavan, benefit the trail users, and benefit the City of Prescott's interest in their ownership of the Peavine right of way. This trail is of the utmost importance to our community, especially during growth, as this trail is currently the only rural, trail with no street crossings. We would love to see it stay that way, no matter how much growth happens in the Prescott area! This trail is an asset to our community and an asset to development as long as it does not have street crossings.

Sincere thanks,
Christina Jan
Representative for Yavapai Trails Association
cdj_caver@yahoo.com

many different designs of trail underpasses and bridges that we would be happy to share with you, and can provide other planning resources as you continue to develop your outstanding rail-trail network.

Thank you for your consideration.

Sincerely,



Laura R. Cohen
Director, Western Region
Rails-to-Trails Conservancy

cc: President, Joyce Mackin and Board Members, Yavapai Trails Association

Rails-to-Trails Conservancy Press Release: 05/12/2008

**GOT THE GAS PRICE BLUES? TRY RAIL-TRAILS FOR AN
ALTERNATIVE VACATION**
Families Across America Turn to Rail-Trails for Cheap, Healthy Fun

WASHINGTON, D.C.—As gas prices lean toward \$4 a gallon this summer, Rails-to-Trails Conservancy encourages families to turn to rail-trails as an alternative way to vacation. Rail-trails, pathways converted from old railroad lines, span America, connecting the nation in the same way that that railroads once did. With more than 15,000 miles of rail-trail in America connecting rural landscapes, suburban communities and major metropolitan areas, families can explore the nation without ever having to hop in a car.

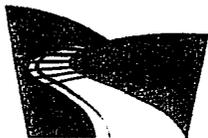
"With gas prices at an unprecedented high, vacationers need alternative ways to travel, and rail-trails are a fun, healthy and affordable way to see different parts of the country," says Keith Laughlin, president of Rails-to-Trails Conservancy.

Travelers looking for an urban vacation can turn to rail-trails that showcase cities from unique vantage points, like the Minuteman Bikeway in Boston, the Monon Trail in Indianapolis, or the Burke-Gilman Trail in Seattle. The Monon Trail, for example, begins at in the heart of Indianapolis and ends in the small and eclectic town of Carmel. Along the 15-mile trail tourists can visit cafes, the State Fairgrounds and community staples such as Bubs Burgers and Ice Cream shop—and all without ever needing a car.

More rural trails, such as the Prescott-Peavine Trail in Arizona, provide families with a more outdoors-focused vacation. Rural rail-trails offer plenty of activities to do along the trail, from canoeing to picnicking and fishing, and can tailor accommodations from tent-camping to bed-and-breakfasts to suit their needs or interests.

Rail-trails are also ideal for the family looking for an affordable but fun and easy get-away. Tucked into many suburban towns around the country, trails like the Washington & Old Dominion Rail-Trail Regional Park in Virginia allow vacationers to hit the trail with minimal effort. Families can explore their own backyard and create vacation memories without the standard vacation hassles.

To start planning your vacation around a rail-trail, visit Rails-to-Trails Conservancy's TrailLink.com. Users can search by state, zip code or county to discover rail-trails in their area. Trail profiles feature descriptions, photos and user reviews. Register for free and access detailed trail maps when available. Nearly half of the more than 1,500 rail-trails have been mapped and more are being added every day.



rails-to-trails
conservancy

Western Regional Office
26 O'Farrell Street, Suite 400
San Francisco, CA 94108

tel 415.397.2220
fax 415.397.2228

www.railstotrails.org

11 February 2009

Prescott City Council
City Council Office
201 S. Cortez Street
Prescott, AZ, 86302

Re: Peavine Trail

Dear Members of the Prescott City Council:

We are writing to encourage you to preserve the continuity of the Prescott Peavine Rail-Trail.

Rails-to-Trails Conservancy is a national non-profit organization dedicated to enriching America's communities by creating a nationwide network of trails from former rail lines and connecting corridors to build healthier places for healthier people. In the past 23 years, we have worked with communities to create nearly 15,000 miles of rail-trails across the nation.

The Prescott Peavine Rail-Trail is one of the gems in the national rail-trail network. This trail has been nationally recognized as one of the country's outstanding rail-trails. It was featured as a Destination Trail in our national magazine Rails to Trails in winter 2007; it has been designated a National Recreation Trail, part of a system of trails envisioned in 1988 by the President's Commission on American Outdoors; and the connecting Iron King Trail was featured as the Trail of the Month in our national magazine in January 2005. In addition, we highlighted the Prescott-Peavine Trail in a press release last year as an affordable vacation destination, in light of the high gas prices (see attached).

This scenic trail network is not only a recreational asset for local families, but a route for commuters, and a tourist destination that benefits the local economy. Preserving the continuity of the Peavine and Iron King trail network, without at-grade crossings, is important for a number of reasons, including safety, convenience and popularity as a tourist destination. As a national trails organization working with communities across the country on trail planning and design, we know that an uninterrupted trail experience is a critical factor in attracting local families and commuters, as well as tourists who come to experience the trail and the landscape.

Therefore, we strongly urge you to include underpasses or overpasses to accommodate the trail where new roads or highways will cross the route. Rails-to-Trails Conservancy has documented



April 16, 2009

Mayor and Prescott City Council

RE: Peavine Trail

Yavapai Trails Association urges the City to protect the integrity of the Peavine Trail by prohibiting any grade level road crossings. Cavan and Fann developments are only the first of many possible crossings of the trail. What is done here will set a precedent for the future. The only acceptable solution is a bridge over, or a tunnel under the trail to allow safe passage for trail users.

The Peavine Trail is a nationally known trail as part of the Rails to Trails Conservancy (please refer to Rails To Trails letter to council dated Feb. 11, 2009). It is part of the Arizona State Trail System, the City Trail System and it is a regional trail connecting Prescott, Prescott Valley, and Chino Valley. The Peavine is a significant recreational resource and it was a historic transportation route for over 100 years. It is also the city's longest, most popular and most important trail.

The benefits of the Peavine Trail to the City of Prescott far outweigh the extra cost of a bridge or underpass. A scenic, free-flowing and safe trail is a great legacy to leave the next generation.

Thank you,
Joyce Mackin, President
Yavapai Trails Association

Granite Dells Ranch Annexation

gjgooding@aol.com [gjgooding@aol.com]

Sent: Sunday, April 05, 2009 1:54 PM

To: Smith,Ryan

Attention: Ryan Smith

While this annexation has potential revenues for the City, in this economy there are no guarantees. I would oppose this plan unless there are guarantees of a build out; impact fees; a guarantee of no condos, apartments or other forms of residential housing. I would also oppose the plan if the City of Prescott is obligated for any infrastructure cost. All cost for this type of development should be the cost of doing business by the developers, not the city taxpayers. The Granite Dells interchange has become a fiasco with Fann being allowed to reject the bid of the Asphalt Co. which they won the bid fairly. I don't want an annexation to exist that is going to cost the city to take care of it, like this fiasco.

From: Glenn J. Gooding

Granite Dells Ranch Annexation

pjames@cableone.net [pjames@cableone.net]

Sent: Saturday, March 21, 2009 9:20 AM

To: Smith,Ryan

Attention: Ryan Smith

I frequently hike on the Peavine Trail using the Side Road trailhead. This section of the trail is becoming more and more heavily used by hikers, joggers, and bikers. I have observed small children using the trail to learn to ride bikes. An \\\\"at grade\\\\" crossing of the Peavine is not consistent with the purpose of the trail and +is a disaster waiting to happen. Either the Peavine should be rerouted, maintaining the good surface, or roads should use either underpasses or overpasses to avoid the trail.

From: Philip James

Granite Dells Ranch Annexation

herbieshome@hotmail.com [herbieshome@hotmail.com]

Sent: Friday, March 20, 2009 10:04 AM

To: Smith, Ryan

Attention: Ryan Smith

I request that you implement the unanimous vote of the P&Z Commission "that there not be at-grade crossings on the Peavine Trail." This is particularly critical in commercial and housing developments. I am particularly concerned about the Centerpointe East Drive intersection with the Peavine Trail, an aspect of the Side Road Interchange Project. As currently configured, this will create a critical safety issue for the City and users of the Peavine Trail. Since the City is designing and constructing the intersection and owns the Peavine Trail, it will assume the primary liability and responsibility for this intersection. This intersection will carry commercial and regular traffic between two 120 acre areas that are being zoned and developed as commercial/employment. Not only will semi-trucks, flatbed trucks, and large road equipment be utilizing this intersection, but retail business will be attracting citizens to their showrooms and display areas as well. This level of traffic and size of vehicles will create a major obstacle for recreational users of the Peavine Trail which is designed as a multi-use, non-motorized trail. The Peavine Trailhead near Sundog Ranch receives 3,000 users a month including many families with small children. As the new proposed trailhead at Side Road is developed and becomes available to trail users, a similar use level can be expected. In addition, the design of the trailhead to accommodate horse trailers will increase area residents interest in using this facility. A major traffic intersection will create a major conflict for users. Small children on bicycles will not recognize the potential danger this major commercial intersection poses. The development of an at-grade crossing will also encourage ATV/OHV users to access the Peavine in this location. The Peavine is designated for non-motorized use and an increase in illegal use will adversely impact the City Police and County Sheriff's Officers. Neither department is prepared to prevent this type of trespass and illegal activity. It could also lead to greater accidents and injuries when motorized and non-motorized users encounter each other. I also support the proposed land exchange to relocate the Peavine Trail north of Highway 89A provided the exchange is of equal ROW and the trail is constructed to equal or exceed current trail standards. At-grade trail crossings should not be permitted at all and particularly not within commercial or housing developments where conflicting uses will present a high level of risk to trail users.

From: Bruce McKeeman

Granite Dells Ranch Annexation

dotcw@cableone.net [dotcw@cableone.net]

Sent: Friday, March 20, 2009 4:04 PM

To: Smith,Ryan

Attention: Ryan Smith

I would strongly urge the planners to consider an alternate method of crossing Side Rd. to avoid an at-grade vehicle crossing of the Peavine Trail. Either the road or the trail should go over or under the other, depending on which is easiest or more cost effective. A vehicular crossing of the Peavine Trail is just not acceptable. It would be extremely dangerous for hikers, bikers, or horses to be forced to cross a four lane street used by large commercial vehicles as well as smaller autos. The Peavine is already a heavily used trail, and will be used even more as proposed nearby subdivisions grow. Please reconsider the current plan. Thank you. Dorothy Williamson

From: Dorothy Williamson

Granite Dells Ranch Annexation

roper1380@yahoo.com [roper1380@yahoo.com]

Sent: Wednesday, April 08, 2009 2:27 PM

To: Smith,Ryan

Attention: Ryan Smith

The community wishes to see the City of Prescott require Cavan fix the existing railroad tressle for the Peavine Trail use for the exchange of land to Cavan so that they have a more contiguous developable parcel. This would benefit Cavan, benefit the trail users, and benefit the City of Prescott's interest in their ownership of the Peavine right of way. Thanks, Derek Glenn

From: Derek Glenn

ORDINANCE NO. 4704-1008

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, EXTENDING AND INCREASING THE CORPORATE LIMITS OF THE CITY OF PRESCOTT BY ANNEXING PROPERTY GENERALLY LOCATED IN THE PROXIMITY OF THE SIDE ROAD / HWY 89A INTERCHANGE

RECITALS:

WHEREAS, a petition for annexation of certain property described herein has been presented in writing to the Mayor and Council of the City of Prescott; and

WHEREAS, the City Council of the City of Prescott has held a public hearing regarding said annexation; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to annex certain property; and

WHEREAS, the requirements of ARS Section 9-471 and Proposition 400 have been complied with.

ENACTMENTS:

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

SECTION 1. THAT the real property more particularly described in the attached Exhibit A, consisting of approximately 387 acres, shall be and is hereby annexed into the corporate limits of the City of Prescott.

SECTION 2. THAT the property described in Exhibit "A" Legal Description, and Exhibit "B" map, shall be and is hereby assigned zoning as follows:

Rural Estate-2 acre at the time of Annexation.

SECTION 3. THAT a copy of this Ordinance, together with an accurate map of the property hereby annexed, be forthwith filed and recorded in the Office of the Yavapai County Recorder.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

EXHIBIT "A"

ANNEXATION OF A PORTION OF SECTION 31-15N-1W

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE South $00^{\circ}20'39''$ West, along the east line of said Section 31, a distance of 5304.59 feet to a 1 Inch capped pipe, RLS number 33861 at the southeast corner of said Section 31;

THENCE North $89^{\circ}36'51''$ West, along the south line of said Section 31, a distance of 3657.18 feet to a point on the westerly right of way line of Side Road, as described in Book 4545 Official Records, Page 558, Yavapai County Records Office;

THENCE North $13^{\circ}39'12''$ East, along said westerly right of way line, a distance of 2717.38 feet to a point on the east-west quarter line of said Section 31, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Records Office;

THENCE North $89^{\circ}34'12''$ West, along the right of way line of said Side Road, a distance of 51.36 feet;

THENCE North $13^{\circ}39'12''$ East, along said right of way line of Side Road, a distance of 89.55 feet to a point on the southerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Records Office;

THENCE South $88^{\circ}46'35''$ East, along said southerly right of way line, a distance of 102.40 feet;

THENCE North $13^{\circ}39'12''$ East, a distance of 562.93 feet to a point on the northerly right of way line of said State Route number 89A;

THENCE along a non-tangential curve, along said northerly right of way line, concave to the south, having a radius of 4275.00 feet, a central angle of $01^{\circ}22'06''$, an arc length of 102.09 feet, a chord bearing North $87^{\circ}58'01''$ West

and a chord length of 102.09 feet to a point on said westerly right of way line of Side Road;

THENCE North $13^{\circ}39'12''$ East, along said westerly right of way line, a distance of 82.54 feet to a point on the westerly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE continuing North $13^{\circ}39'12''$ East, along said westerly abandoned railroad right of way line, a distance of 488.21 feet;

THENCE along a non-tangential curve, along said westerly abandoned railroad right of way line, concave to the west, having a radius of 615.65 feet, a central angle of $49^{\circ}03'33''$, an arc length of 527.15 feet, a chord bearing North $10^{\circ}49'01''$ West and a chord length of 511.19 feet;

THENCE North $35^{\circ}19'36''$ West, along said westerly abandoned railroad right of way line, a distance of 1138.06 feet;

THENCE North $54^{\circ}40'24''$ East, along said westerly abandoned railroad right of way line, a distance of 70.00 feet;

THENCE North $35^{\circ}20'20''$ West, along said westerly abandoned railroad right of way line, a distance of 20.79 feet to a point on the north line of said Section 31;

THENCE South $89^{\circ}21'39''$ East, along said north line, a distance of 3518.94 feet to the POINT OF BEGINNING.

Containing 16,869,113.01 square feet or 387.26 acres, more or less.



Expires: 6-30-10

ANNEXATION
 A PORTION OF SECTION 31, TOWNSHIP 15 NORTH,
 RANGE 16 WEST, COUNTY OF YAVAPAI,
 BASE AND MERIDIAN, CITY OF PRESCOTT,
 YAVAPAI COUNTY, ARIZONA.
 CONTAINING 16,869.13 SQ. FT.
 OR 387.26 ACRES, MORE OR LESS.

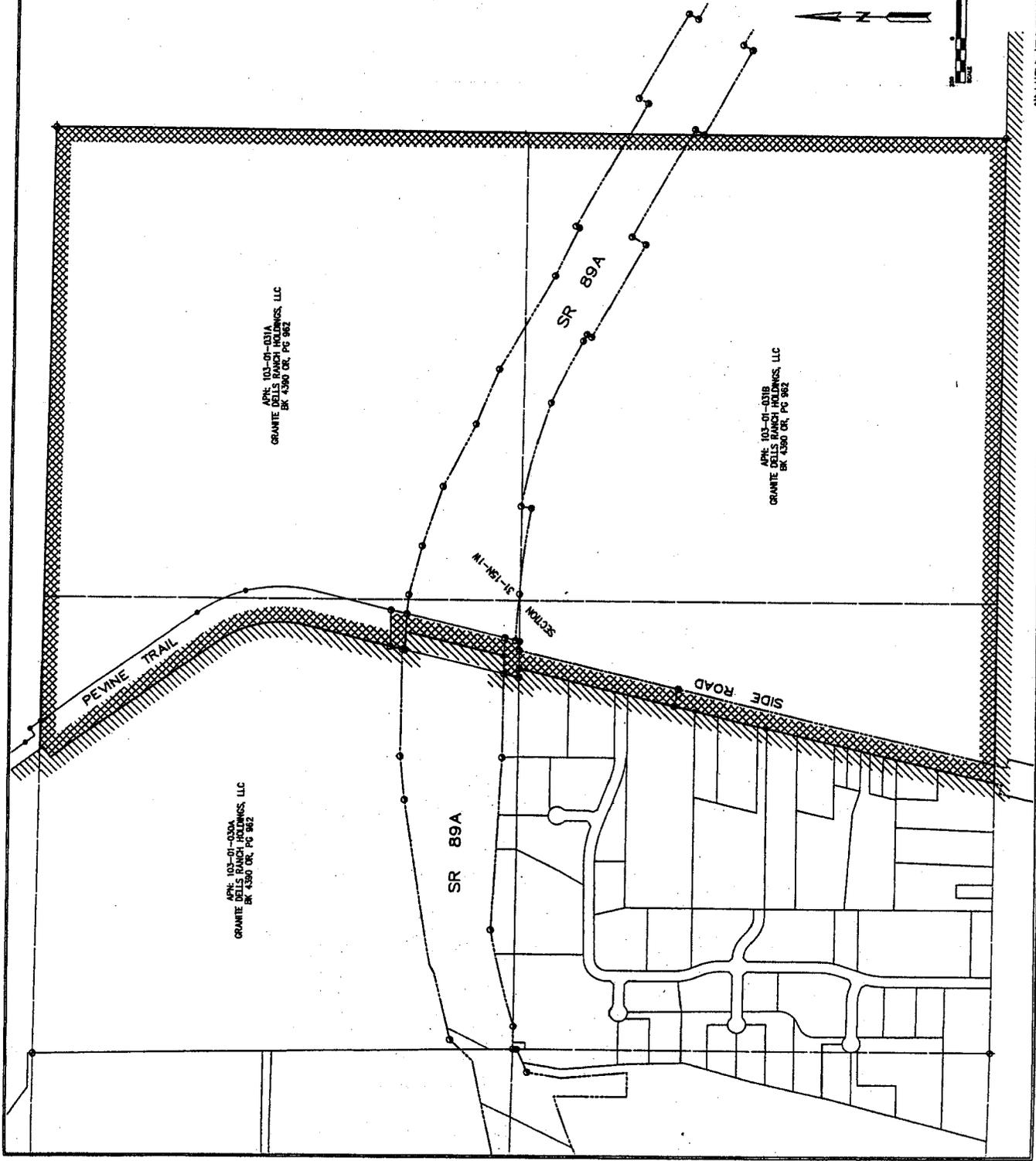
- LEGEND**
- ◊ SECTION OR QUARTER CORNER
 - RIGHT OF WAY MONUMENT
 - FOUND PROPERTY CORNER
 - ▨ BOUNDARY OF LAND TO BE ANNEXED
 - ▧ EXISTING CORPORATE BOUNDARY

APPROVALS
 APPROVED UNDER ORDINANCE NO. _____ PASSED
 BY THE CITY OF PRESCOTT, ARIZONA
 ON THIS _____ DAY OF _____, 2006
 MAYOR _____
 ATTENT: CLERK _____
 CITY ENGINEER _____

CERTIFICATION
 THIS ANNEXATION PLAN IS BASED ON RECORD INFORMATION
 AND FIELD SURVEY. THE SURVEYOR HAS CONDUCTED A
 VISUAL INSPECTION OF THE LAND AND HAS BEEN
 SATISFIED THAT THE INFORMATION IS ACCURATE AND
 RELIABLE.



YAVAPAI COUNTY REORDER
 FILED AND RECORDED AT REQUEST OF _____
 FILE NO. _____
 AT _____
 DATE _____
 NAME _____
 ADDRESS _____
 PHONE _____
 E-MAIL _____
 COUNTY _____
 CITY _____
 STATE _____
 ZIP _____



APR. 103-01-031A
 GRANITE DELLS RANCH HOLDINGS, LLC
 BK 4380 OR, PG 982

APR. 103-01-031A
 GRANITE DELLS RANCH HOLDINGS, LLC
 BK 4380 OR, PG 982

APR. 103-01-031B
 GRANITE DELLS RANCH HOLDINGS, LLC
 BK 4380 OR, PG 982



EXHIBIT "B"

ANNEXATION

A PORTION OF SECTION 31, TOWNSHIP 15 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA,
CONTAINING 16,869,113 SQ.FT. OR 387.26 ACRES, MORE OR LESS.

- LEGEND**
- ◆ SECTION OR QUARTER CORNER
 - RIGHT OF WAY MONUMENT
 - FOUND PROPERTY CORNER
 - ▨ BOUNDARY OF AREA TO BE ANNEXED
 - ▧ EXISTING CORPORATE BOUNDARY

APPROVALS

APPROVED AND FORWARDED AS TO THE TECHNICAL ASPECTS OF THIS PLAN BY THE CITY ENGINEER OF THE CITY OF PRESCOTT, ARIZONA:

ON THIS _____ DAY OF _____, 2008

MAYOR _____

ATTNEY: CLERK _____

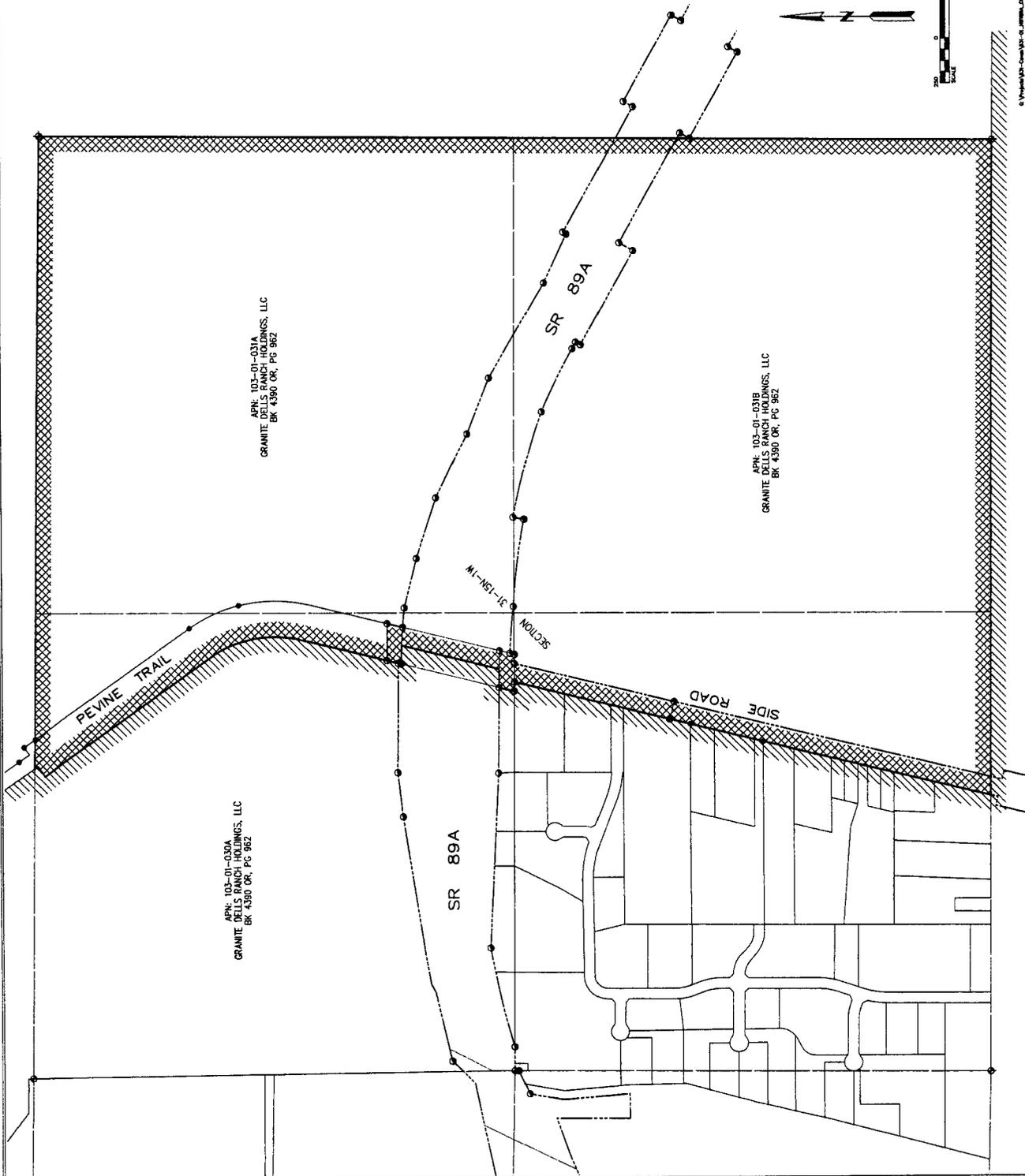
CITY ENGINEER _____

CERTIFICATION

I, THE UNDERSIGNED, A PROFESSIONAL ENGINEER AND LAND SURVEYOR, HAVE EXAMINED THE ABOVE AND CERTIFY THAT THE INFORMATION CONTAINED THEREIN IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



YAVAPAI COUNTY RECORDER	
FILED AND RECORDED AT REQUEST OF	
BOOK _____	PAGE _____
AT _____ O'CLOCK _____	OF SAID DAY _____
Lynn Engineering Civil Engineers, Land Surveyors 3623 CROSSINGS DRIVE PRESCOTT, AZ 86305 (928)776-1750	
REVISION DATE:	DRAWN BY: J.C.
DATE: 6-05-08	CHECKED BY: S.B.
LE JOB NO: 031-01	SHEET 1 OF 1



RESOLUTION NO. 3970-1015

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE GENERAL PLAN LAND USE MAP TO THAT CERTAIN PROPERTY LOCATED IN PROXIMITY OF THE SIDE ROAD/HIGHWAY 89A INTERCHANGE AND EAST OF THE PEAVINE TRAIL DESCRIBED AS PARCEL NUMBERS: 103-01-030A, 103-01-031A, 102-06-001 AND 102-06-002E AND TOTALING ±165 ACRES AND ADJUSTING THE EXISTING CONFIGURATION OF THE OPEN SPACE, VERY LOW DENSITY RESIDENTIAL, COMMERCIAL AND COMMERCIAL/EMPLOYMENT DESIGNATIONS TO ALLOW FOR AN OVERALL INCREASE IN COMMERCIAL LAND USE (OPEN SPACE TO COMMERCIAL/EMPLOYMENT, COMMERCIAL TO OPEN SPACE, VERY-LOW DENSITY RESIDENTIAL TO COMMERCIAL AND COMMERCIAL/EMPLOYMENT TO COMMERCIAL)

RECITALS:

WHEREAS, the owner of certain properties within the corporate limits of the City of Prescott has requested an amendment to the General Plan Land Use Map pertaining to its property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said General Plan Land Use Map Amendment, subject to certain conditions; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the General Plan Land Use Map pertaining to said properties;

WHEREAS, the requirements of the City of Prescott *Land Development Code* have been complied with.

ENACTMENTS:

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

SECTION 1. THAT, the General Plan Land Use Map pertaining to the following described parcels of land, APNs: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E and totaling ± 165 acres be amended by a Minor General Plan Map Amendment to adjust the existing configuration of the Recreational Open Space, Very Low Density Residential, Commercial and Commercial/Employment designations to allow for an overall increase in commercial land use (Open Space to Commercial/Employment, Commercial to Open Space, Very-Low Density Residential to Commercial and Commercial/Employment to Commercial).

SECTION 2. THAT the Mayor and staff are hereby authorized to take all such steps as may be necessary to effectuate said General Plan Land Use Map Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 28th day of July, 2009.

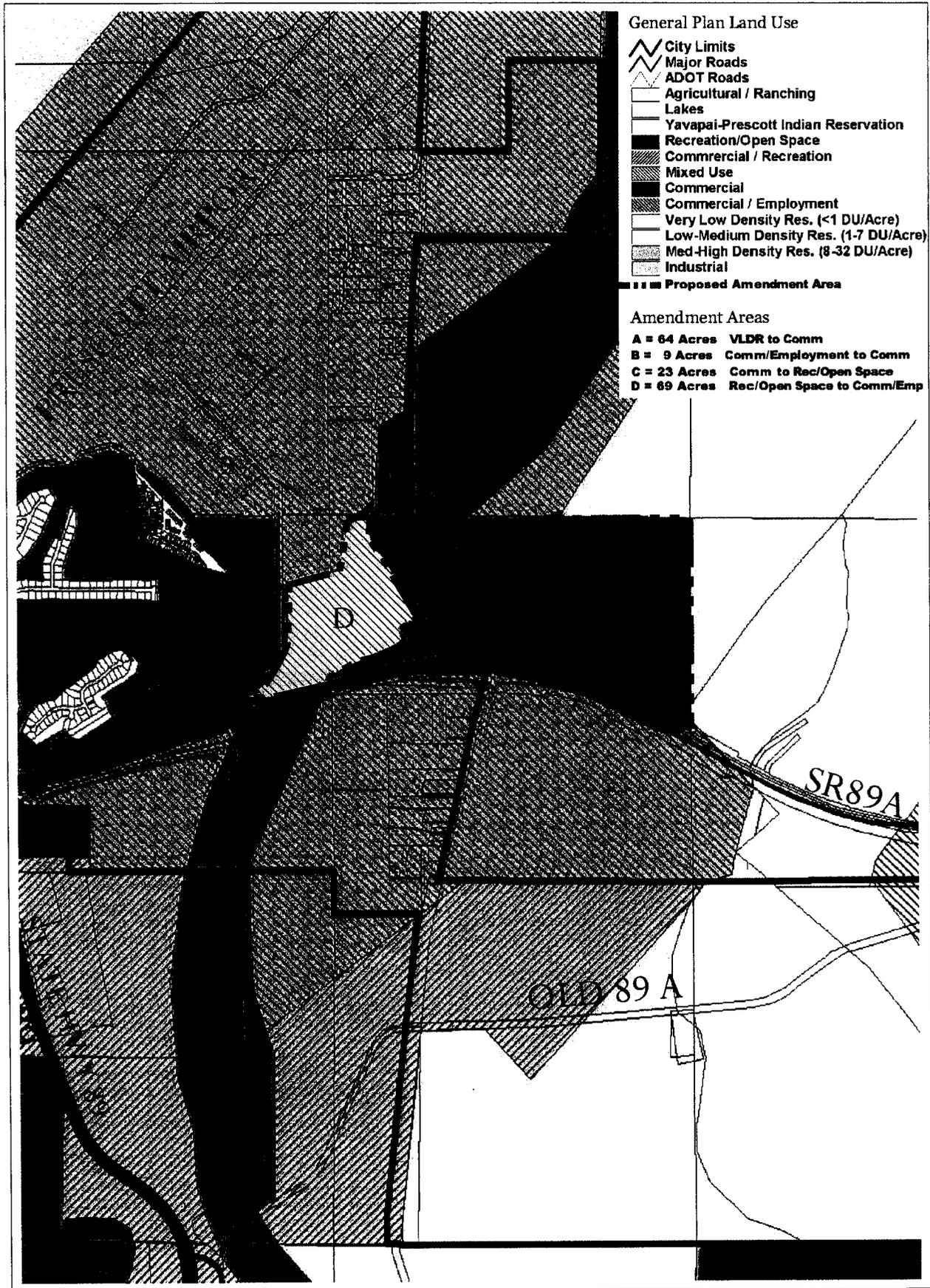
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney



PROPOSED GENERAL PLAN MAP

GRANITE DELLS RANCH, INC.
CITY OF PRESCOTT, ARIZONA

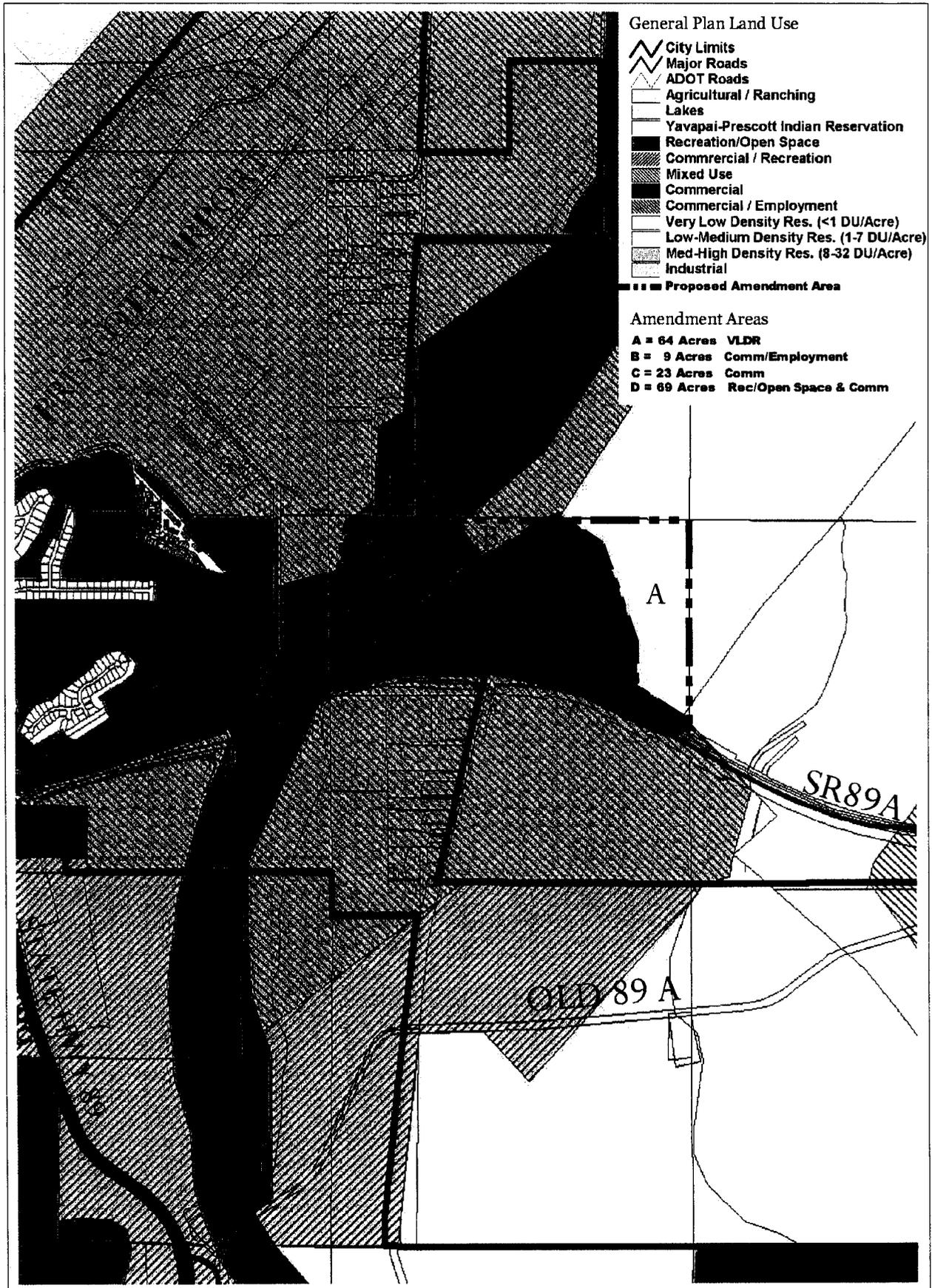
SCALE: (+/-)

0' 1/8 MI. 1/4 MI. 1/2 MI. NORTH

UVA urban design studio
Inc. planning & landscape architecture
12 Lakewood Avenue • Suite 100 • Prescott, AZ 86301
TEL: 928-445-1111 FAX: 928-445-1112
WWW: UVADESIGN.COM

DATE: 04-14-08
JOB: 08-001
DWT: [initials]
PL: [initials]
REV: [initials]
03-04-08

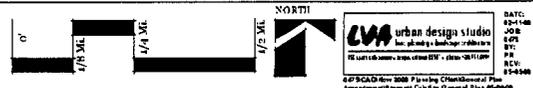
© 2008 UVA Urban Design Studio, Inc. All Rights Reserved. This is a preliminary map. The City of Prescott is not responsible for the accuracy of the information shown on this map.



EXISTING GENERAL PLAN MAP

GRANITE DELLS RANCH, INC.
CITY OF PRESCOTT, ARIZONA

SCALE: (+/-)



RESOLUTION NO. 3971-1016

AN RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE AIRPORT SPECIFIC AREA PLAN ("ASAP") MAP TO THAT CERTAIN PROPERTY LOCATED IN PROXIMITY OF THE SIDE ROAD / HIGHWAY 89A INTERCHANGE AND EAST OF THE PEAVINE TRAIL DESCRIBED AS PARCEL NUMBERS: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E AND TOTALING ±165 ACRES BY AMENDING THE ASAP MAP TO CHANGE THE OPEN SPACE TO MIXED COMMERCIAL EMPLOYMENT, LOW DENSITY RESIDENTIAL TO COMMERCIAL, MIXED COMMERCIAL EMPLOYMENT TO COMMERCIAL, AND COMMERCIAL TO OPEN SPACE DESIGNATION LOCATED WITHIN THE NORTH PROJECT AREA

RECITALS:

WHEREAS, the owner of certain properties within the corporate limits of the City of Prescott has requested an amendment to the ASAP Map pertaining to its property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said ASAP Map Amendment, subject to certain conditions; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the ASAP Map pertaining to said properties;

WHEREAS, the requirements of the City of Prescott *Land Development Code* have been complied with.

ENACTMENTS:

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

SECTION 1. THAT, the Airport Specific Area Plan ("ASAP") Map pertaining to the following described parcels of land, APNs: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E and totaling ± 165 acres be amended to change the Open Space to Mixed Commercial/Employment, Low Density Residential to Commercial, Mixed Commercial Employment to Commercial, and Commercial to Open Space designation.

SECTION 2. THAT the Mayor and staff are hereby authorized to take all such steps as may be necessary to effectuate said ASAP Map Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 28th day of July, 2009.

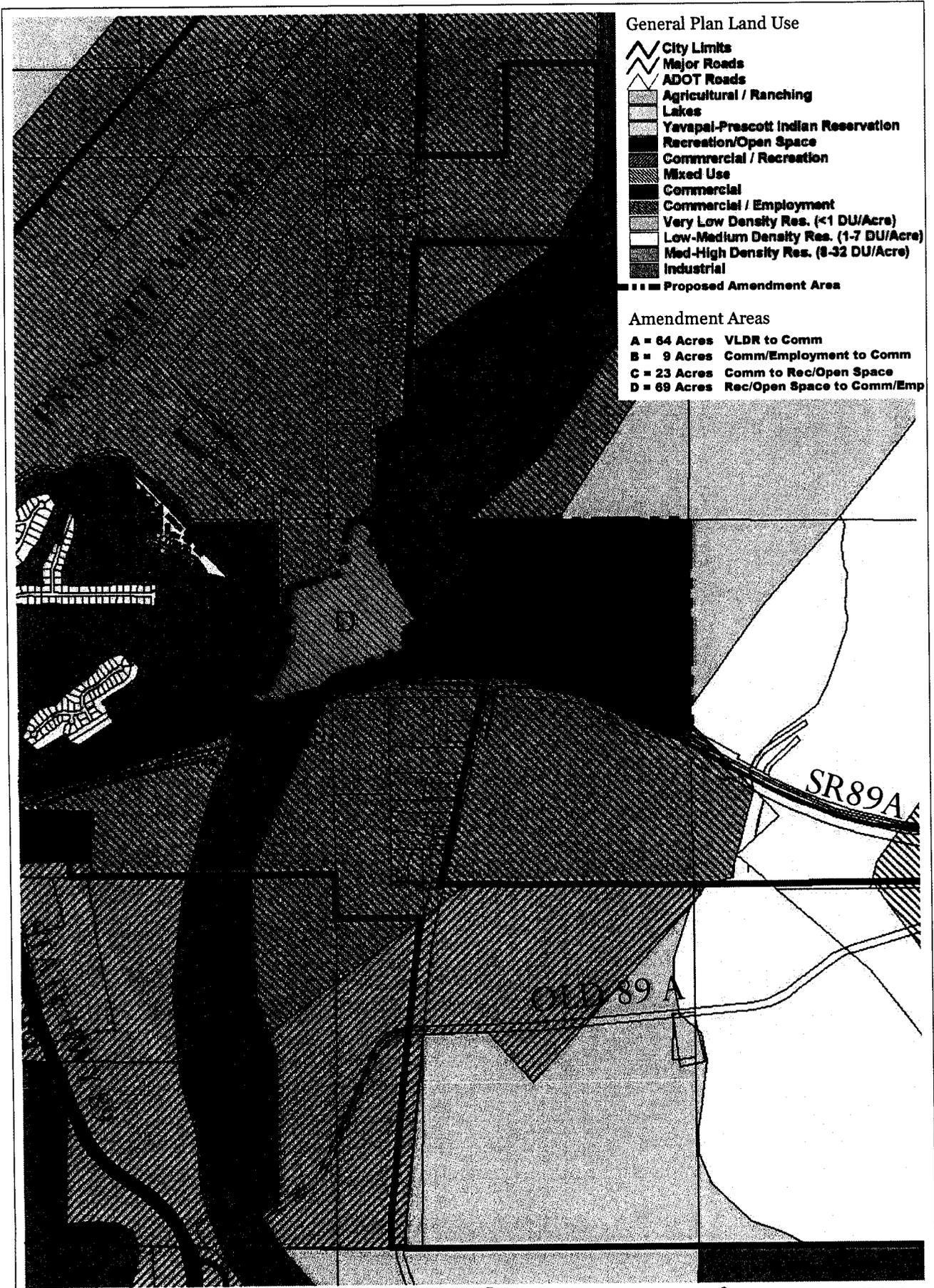
JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney



PROPOSED GENERAL PLAN MAP - *ASAP to Match*

GRANITE DELLS RANCH, INC.
CITY OF PRESCOTT, ARIZONA

DATE: 05-11-08
 BY: [Signature]
 CHECKED: [Signature]
 APPROVED: [Signature]

LVA urban design studio
 landscape architecture
 1000 N. GARDNER ST. SUITE 100
 PRESCOTT, AZ 86301
 PHONE: 928-228-1111
 FAX: 928-228-1112
 WWW: LVADESIGN.COM

OUTRCADNow 2008 Planning EIR/Amendment Plan
 Amendment/Prescott Proposed General Plan 08-06-08

COUNCIL AGENDA MEMO – July 28, 2009
SPECIAL MEETING

(Item originally heard on June 16, 2009)

DEPARTMENT: Community Development - Planning

AGENDA ITEM: Granite Dells Ranch Rezoning RZ09-001 **Owner:** Granite Dells Ranch Holdings (Cavan Real Estate Investments) **Agent:** Mark Reddie, LVA Urban Design Studio, Tempe, Arizona

Approved By:

Date:

Department Head: Tom Guice / Craig McConnell

Finance Director:

City Manager: Steve Norwood

Craig McConnell for

7-21-09

REQUEST

The applicant is proposing a Proposition 400 Annexation, with an associated Rezoning. The General Plan Amendment and Rezoning may be approved on the same day, but via separate meeting agendas. Therefore, should Council approve the annexation, the meeting at which that approval is rendered may be closed and a separate special meeting opened to conduct a public hearing and consider approval of the Rezoning.

Pursuant to the Arizona Revised Statutes, this area will be zoned RE-2 upon annexation into the City, similar to the existing zoning within the County. Accompanying the annexation application is a request for a change of zoning within 450 acres of the property, from residential to open space, commercial and industrial zoning designations (SF-9 & RE-2 to NOS, BR & IL). These zoning districts allow for the proposed commercial uses while protecting the reach of Granite Creek that runs through the project. Additionally, the City is proposing to rezone the Peavine Trail adjacent to the project to Natural Open Space (NOS).

SEPARATE MEETINGS; EFFECTIVE DATES

July 28, 2009

Special Council Voting Meeting

Public Hearing and Consideration of Approval of Rezoning

August 27, 2009

Implementing Ordinances Become Effective (30 days after approval)

PLANNING COMMISSION RECOMMENDATION AND AGENCY COMMENTS

At their February 26, 2009, meeting, by a 7-0 vote the Planning and Zoning Commission recommended approval of rezoning (RZ09-001) from SF-9 and RE-2A to NOS (Peavine Trail), Business Regional and Industrial Light. The rezoning application has been reviewed by various agencies. No objections have been received.

ATTACHMENTS

Adopting Ordinance
Rezone Site Plan

Recommended Sequence and Action (After closing the Regular July 28, 2009, Council Voting Meeting): Open the Special July 28, 2009, Council Voting Meeting

MOVE to adopt Ordinance No. 4705-1009.

RESOLUTION NO. 3971-1016

AN RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE AIRPORT SPECIFIC AREA PLAN ("ASAP") MAP TO THAT CERTAIN PROPERTY LOCATED IN PROXIMITY OF THE SIDE ROAD / HIGHWAY 89A INTERCHANGE AND EAST OF THE PEAVINE TRAIL DESCRIBED AS PARCEL NUMBERS: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E AND TOTALING ±165 ACRES BY AMENDING THE ASAP MAP TO CHANGE THE OPEN SPACE TO MIXED COMMERCIAL EMPLOYMENT, LOW DENSITY RESIDENTIAL TO COMMERCIAL, MIXED COMMERCIAL EMPLOYMENT TO COMMERCIAL, AND COMMERCIAL TO OPEN SPACE DESIGNATION LOCATED WITHIN THE NORTH PROJECT AREA

RECITALS:

WHEREAS, the owner of certain properties within the corporate limits of the City of Prescott has requested an amendment to the ASAP Map pertaining to its property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said ASAP Map Amendment, subject to certain conditions; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the ASAP Map pertaining to said properties;

WHEREAS, the requirements of the City of Prescott *Land Development Code* have been complied with.

ENACTMENTS:

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

SECTION 1. THAT, the Airport Specific Area Plan ("ASAP") Map pertaining to the following described parcels of land, APNs: 103-01-030A, 103-01-031A, 102-06-001 and 102-06-002E and totaling ± 165 acres be amended to change the Open Space to Mixed Commercial/Employment, Low Density Residential to Commercial, Mixed Commercial Employment to Commercial, and Commercial to Open Space designation.

SECTION 2. THAT the Mayor and staff are hereby authorized to take all such steps as may be necessary to effectuate said ASAP Map Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

ORDINANCE NO. 4705-1009

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, AMENDING THE ZONING MAP PERTAINING TO THAT CERTAIN PROPERTY LOCATED IN THE PROXIMITY OF THE SIDE ROAD/HIGHWAY 89A INTERCHANGE AND EAST OF THE PEAVINE TRAIL

RECITALS:

WHEREAS, the owner of certain properties within the corporate limits of the City of Prescott has requested an amendment to the Zoning Map pertaining to its property; and

WHEREAS, the Planning and Zoning Commission of the City of Prescott has held public hearings regarding said Zoning Map Amendment, subject to certain conditions; and

WHEREAS, the City Council of the City of Prescott has determined that it would be in the best interest of public necessity, interest, convenience or general welfare to amend the Zoning Map pertaining to said properties;

WHEREAS, the requirements of the City of Prescott *Land Development Code* have been complied with.

ENACTMENTS:

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

SECTION 1. THAT, the Zoning Map pertaining to the following described parcels of land, generally located in the proximity of the Side Road/Highway 89A Interchange and east of the Peavine Trail, and is hereby approved for amendment that includes:

- a. Approximately 79.00 acres, from Single-Family 9 (SF-9) to Industrial Light (IL) (Exhibit "A");
- b. Approximately 370.45 acres from Rural Estate-2 acre (RE-2ac) and from Single-Family 9 (SF-9) to Business Regional (BR) (Exhibits "B1", "B2" and "B3"); and,
- c. Portions of the Peavine Trail from Rural Estate-2acre (RE-2ac) to Natural Open Space (NOS) (Exhibit "C").

SECTION 2. THAT the Mayor and staff are hereby authorized to take any and all such steps as may be necessary to effectuate said Zoning Map Amendment.

PASSED AND ADOPTED by the Mayor and Council of the City of Prescott on this 28th day of July, 2009.

JACK D. WILSON, Mayor

ATTEST:

APPROVED AS TO FORM:

ELIZABETH A. BURKE, City Clerk

GARY D. KIDD, City Attorney

EXHIBIT "A"
REZONE OF A PORTION OF SECTION 31-15N-1W
RE-2, BR DISTRICT (SOUTH)

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

BEGINNING at a 1 inch capped pipe, RLS number 33861 at the southeast corner of said Section 31;

THENCE North 89°36'51" West, along the south line of said Section 31, a distance of 3554.43 feet to a point on the easterly right of way line of Side Road, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE North 13°39'12" East, along said easterly right of way line, a distance of 1805.08 feet to a point on the easterly right of way line of Side Road, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Recorders Office;

THENCE continuing North 13°39'12" East, along said easterly right of way line of Side Road described in Book 47 Maps and Plats, Page 95, a distance of 912.22 feet;

THENCE South 89°34'12" East, along said easterly right of way line, a distance of 51.36 feet;

THENCE North 13°39'12" East, along said easterly right of way line, a distance of 25.52 feet to a point on the southerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the south, having a radius of 3665.00 feet, a central angle of 04°06'09", an arc length of 262.43 feet, a chord bearing South 85°29'19" East and a chord length of 262.37 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the south, having a radius of 3840.00 feet, a central angle of 07°18'22", an arc length of 489.65 feet, a chord bearing South 82°53'09" East and a chord length of 489.32 feet;

THENCE North 10°46'02" East, along said southerly right of way line, a distance of 60.00 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the southwest, having a radius of 3900.00 feet, a central angle of 08°56'48", an arc length of 608.99 feet, a chord bearing South 74°45'34" East and a chord length of 608.37 feet;

THENCE along a non-tangential curve, along said southerly right of way line, concave to the southwest, having a radius of 3790.00 feet, a central angle of 05°55'44", an arc length of 392.18 feet, a chord bearing South 63°40'41" East and a chord length of 392.01 feet;

THENCE South 60°42'49" East, along said southerly right of way line, a distance of 41.34 feet;

THENCE South 29°17'11" West, along said southerly right of way line, a distance of 30.00 feet;

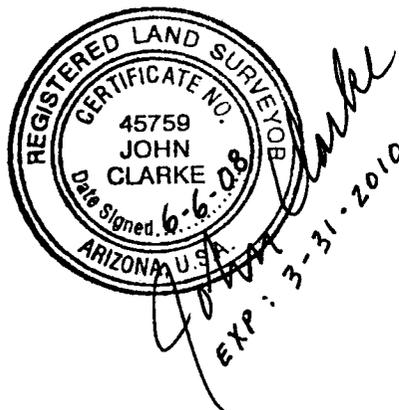
THENCE South 60°42'49" East, along said southerly right of way line, a distance of 600.00 feet;

THENCE North 29°17'11" East, along said southerly right of way line, a distance of 90.00 feet;

THENCE South 60°42'49" East, along said southerly right of way line, a distance of 665.76 feet to a point on the east line of said Section 31;

THENCE South 00°20'39" West, along said east line, a distance of 1745.78 feet to the POINT OF BEGINNING.

Containing 7,719,477 square feet or 177.21 acres, more or less.



MAP TO ACCOMPANY ZONING DESCRIPTION



LYON ENGINEERING
Civil Engineers • Land Surveyors

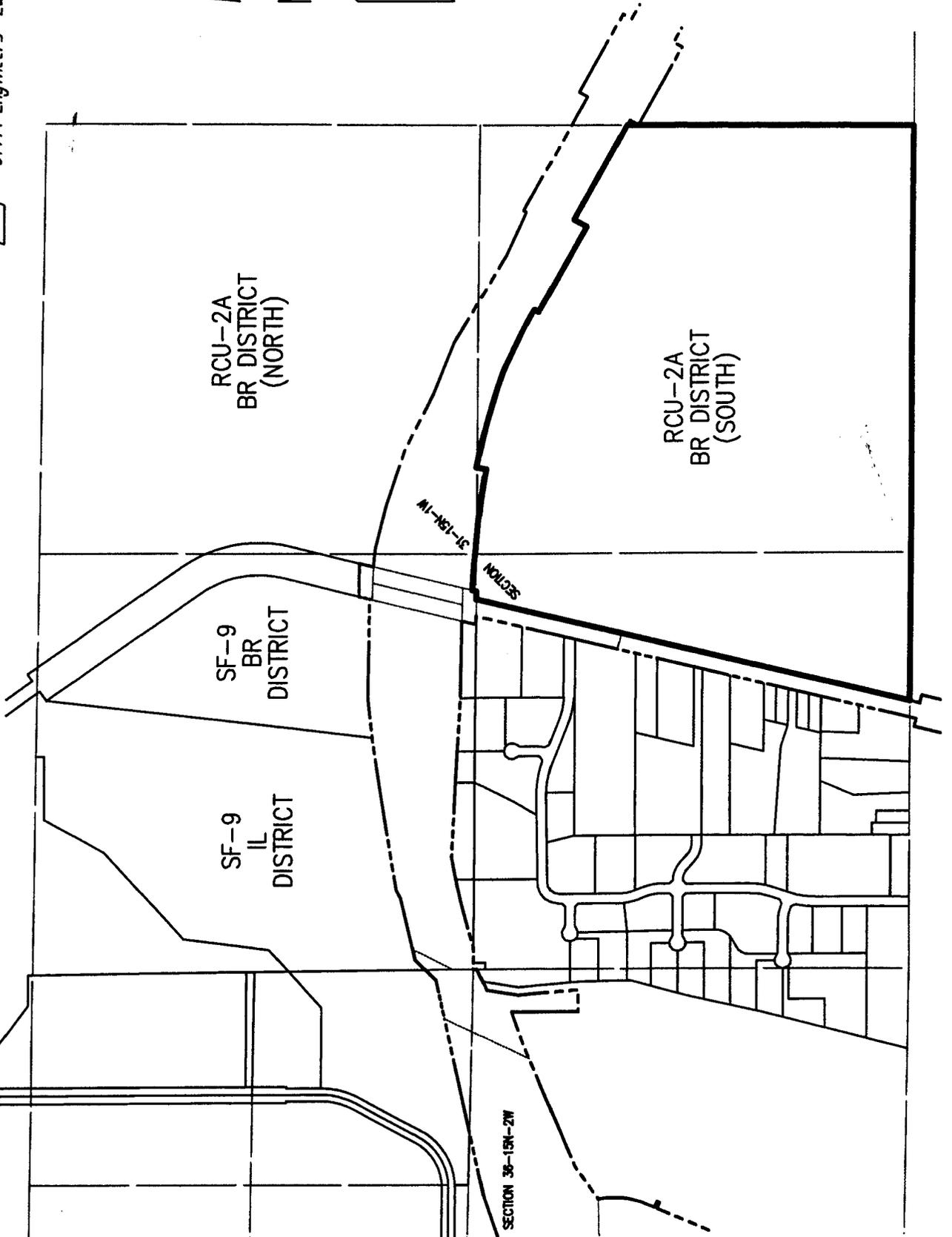


EXHIBIT "A"
REZONE OF A PORTION OF SECTION 31-15N-1W
RE-2, BR DISTRICT (NORTH)

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

BEGINNING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE South $00^{\circ}20'39''$ West, along the east line of said Section 31, a distance of 3215.99 feet to a point on the northerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE North $60^{\circ}42'49''$ West, along said northerly right of way line, a distance of 599.83 feet;

THENCE South $29^{\circ}17'11''$ West, along said northerly right of way line, a distance of 20.00 feet;

THENCE North $65^{\circ}06'15''$ West, along said northerly right of way line, a distance of 300.66 feet;

THENCE North $59^{\circ}38'44''$ West, along said northerly right of way line, a distance of 611.93 feet;

THENCE North $68^{\circ}10'52''$ West, along said northerly right of way line, a distance of 336.24 feet;

THENCE North $63^{\circ}36'32''$ West, along said northerly right of way line, a distance of 395.77 feet;

THENCE North $71^{\circ}42'20''$ West, along said northerly right of way line, a distance of 355.62 feet;

THENCE North $75^{\circ}50'53''$ West, along said northerly right of way line, a distance of 284.17 feet;

THENCE along a non-tangential curve, along said northerly right of way line, concave to the south, having a radius of 4275.00 feet, a central angle of

01°27'17", an arc length of 108.53 feet, a chord bearing North 85°11'36" West and a chord length of 108.53 feet to a point on the easterly right of way line of Side Road, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Records Office;

THENCE North 13°39'12" East, along said easterly right of way line, a distance of 90.26 feet to a point on the easterly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Records Office;

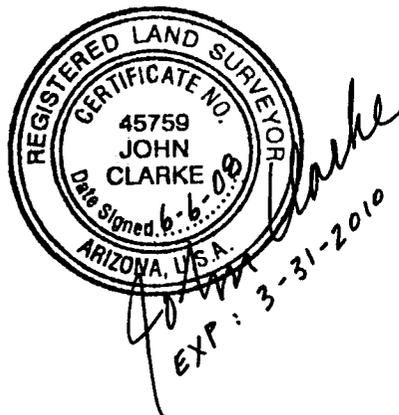
THENCE continuing North 13°39'12" East, along said easterly abandoned railroad right of way line, a distance of 441.86 feet;

THENCE along a non-tangential curve, along said easterly abandoned railroad right of way line, concave to the west, having a radius of 816.97 feet, a central angle of 48°57'11", an arc length of 698.01 feet, a chord bearing North 10°49'23" West and a chord length of 676.97 feet;

THENCE North 35°19'36" West, along said easterly abandoned railroad right of way line, a distance of 1064.52 feet to a point on the north line of said Section 31;

THENCE South 89°21'39" East, along said north line, a distance of 3358.32 feet to the POINT OF BEGINNING.

Containing 7,139,636 square feet or 163.90 acres, more or less.



MAP TO ACCOMPANY ZONING DESCRIPTION

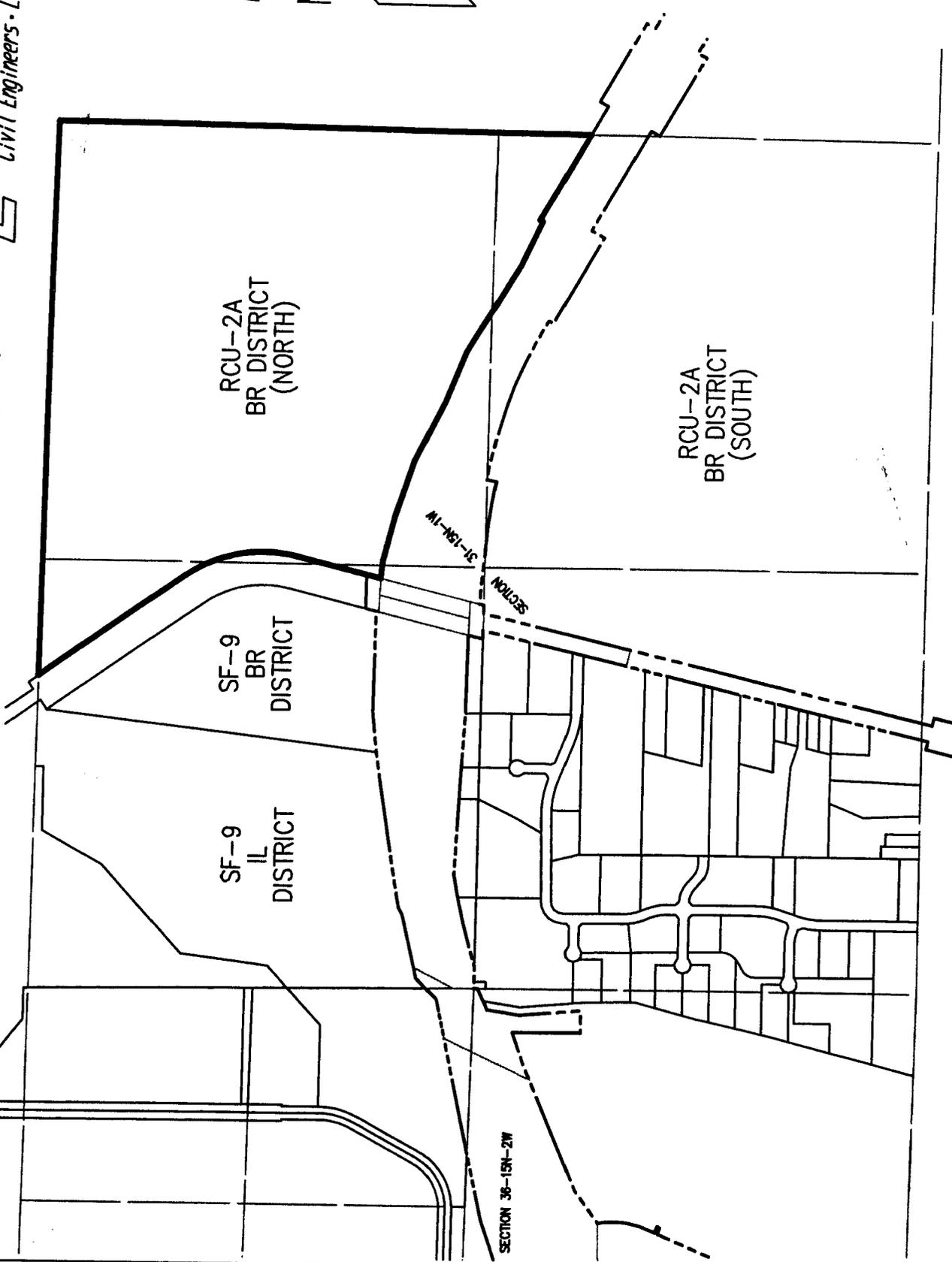


EXHIBIT "A"
REZONE OF A PORTION OF SECTION 31-15N-1W
SF-9, BR DISTRICT

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, City of Prescott, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

COMMENCING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE North $89^{\circ}21'39''$ West, along the north line of said Section 31, a distance of 3518.94 feet to a point on the westerly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office;

THENCE South $35^{\circ}20'20''$ East, along said westerly abandoned railroad right of way line, a distance of 20.79 feet;

THENCE South $54^{\circ}40'24''$ West, along said westerly abandoned railroad right of way line, a distance of 70.00 feet to the TRUE POINT OF BEGINNING;

THENCE South $35^{\circ}19'36''$ East, along said westerly abandoned railroad right of way line, a distance of 1138.06 feet;

THENCE along a non-tangential curve, along said westerly abandoned railroad right of way line, concave to the west, having a radius of 615.65 feet, a central angle of $49^{\circ}03'33''$, an arc length of 527.15 feet, a chord bearing South $10^{\circ}49'01''$ East and a chord length of 511.19 feet;

THENCE South $13^{\circ}39'12''$ West, along said westerly abandoned railroad right of way line, a distance of 488.21 feet to a point on the westerly right of way line of Side Road, as shown in Book 47 Maps and Plats, Page 95, Yavapai County Recorders Office;

THENCE continuing South $13^{\circ}39'12''$ West, along said westerly right of way line, a distance of 66.99 feet to a point on the northerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE North 89°23'19" West, along said northerly right of way line, a distance of 609.44 feet;

THENCE South 83°35'05" West, along said northerly right of way line, a distance of 248.64 feet;

THENCE North 06°41'19" East, a distance of 2005.05 feet to the TRUE POINT OF BEGINNING.

Containing 1,277,979 square feet or 29.34 acres, more or less.



MAP TO ACCOMPANY ZONING DESCRIPTION



LYON ENGINEERING
Civil Engineers • Land Surveyors

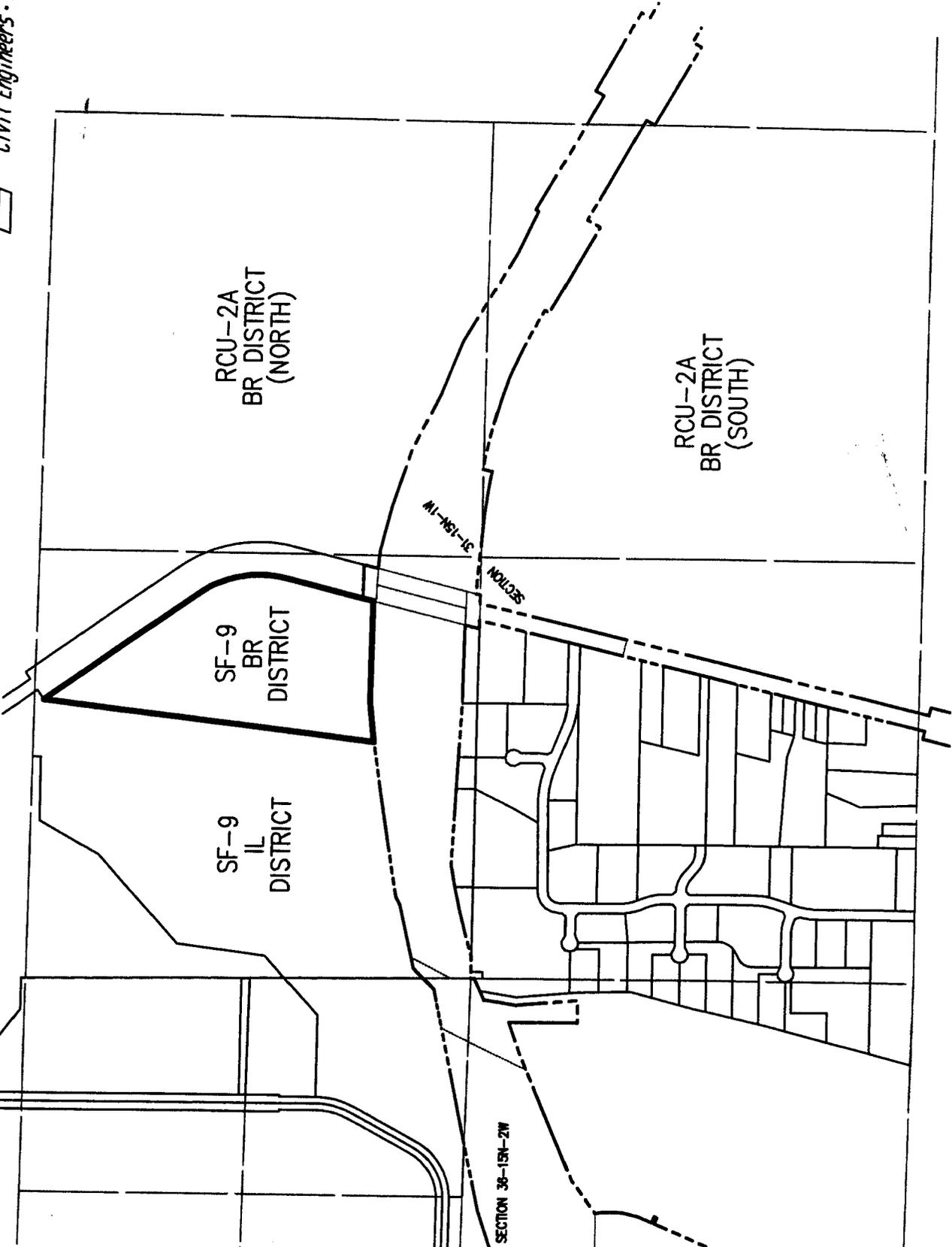


EXHIBIT "A"
REZONE OF A PORTION OF SECTIONS
31-15N-1W and 36-15N-2W
SF-9, IL DISTRICT

A portion of Section 31, Township 15 North, Range 1 West, and Section 36, Township 15 North, Range 2 West of the Gila and Salt River Base and Meridian, City of Prescott, Yavapai County, Arizona, described as follows:

(Basis of Bearings is based on City of Prescott datum)

COMMENCING at an aluminum disk marked "AZTEC ENGINEERING - 2001," at the northeast corner of said Section 31;

THENCE North 89°21'39" West, along the north line of said Section 31, a distance of 3518.94 feet to a point on the westerly abandoned railroad right of way line of the Atchison, Topeka and Santa Fe Railway, also known as the Peavine Trail, as described in Book 4545 Official Records, Page 558, Yavapai County Recorders Office, and the TRUE POINT OF BEGINNING;

THENCE continuing North 89°21'39" West, along said north line, a distance of 388.73 feet;

THENCE South 00°00'00" West, a distance of 52.00 feet;

THENCE North 90°00'00" West, a distance of 392.00 feet;

THENCE South 29°26'03" West, a distance of 415.78 feet;

THENCE South 48°13'02" West, a distance of 720.13 feet;

THENCE South 07°15'36" West, a distance of 525.79 feet;

THENCE South 47°43'56" West, a distance of 483.00 feet;

THENCE North 89°47'13" West, a distance of 497.00 feet to a point on the easterly right of way line of Wilkinson Drive/Larry Caldwell Drive, as shown in Book 12 Maps and Plats, Page 37, Book 24 Maps and Plats, Page 24, Book 25 Maps and Plats, Page 27 and Book 28 Maps and Plats, Page 52, Yavapai County Recorders Office;

THENCE along a non-tangential curve, along said easterly right of way line, concave to the northwest, having a radius of 500.00 feet, a central angle of 28°32'50", an arc length of 249.12 feet, a chord bearing South 14°03'00" West and a chord length of 246.55 feet;

THENCE South 28°19'25" West, along said easterly right of way line, a distance of 426.30 feet;

THENCE along a curve, along said easterly right of way line, concave to the northwest, having a radius of 400.01 feet, a central angle of 59°20'02", an arc length of 414.24 feet, a chord bearing South 57°59'26" West and a chord length of 395.97 feet;

THENCE South 00°00'05" West, a distance of 81.18 feet to a point on the east-west quarter line of said Section 36;

THENCE South 88°49'31" East, along said east-west quarter line, a distance of 327.39 feet to a point on the northerly right of way line of State Route number 89A, as shown in Book 40 Maps and Plats, Page 2, Yavapai County Recorders Office;

THENCE North 77°39'07" East, along said northerly right of way line, a distance of 958.37 feet;

THENCE North 44°58'13" East, along said northerly right of way line, a distance of 176.57 feet;

THENCE North 76°41'53" East, along said northerly right of way line, a distance of 393.84 feet;

THENCE North 62°31'10" East, along said northerly right of way line, a distance of 52.88 feet;

THENCE North 79°44'14" East, along said northerly right of way line, a distance of 154.85 feet;

THENCE North 81°00'55" East, along said northerly right of way line, a distance of 801.11 feet;

THENCE North 06°41'19" East, a distance of 2005.05 feet to a point on said westerly abandoned railroad right of way line;

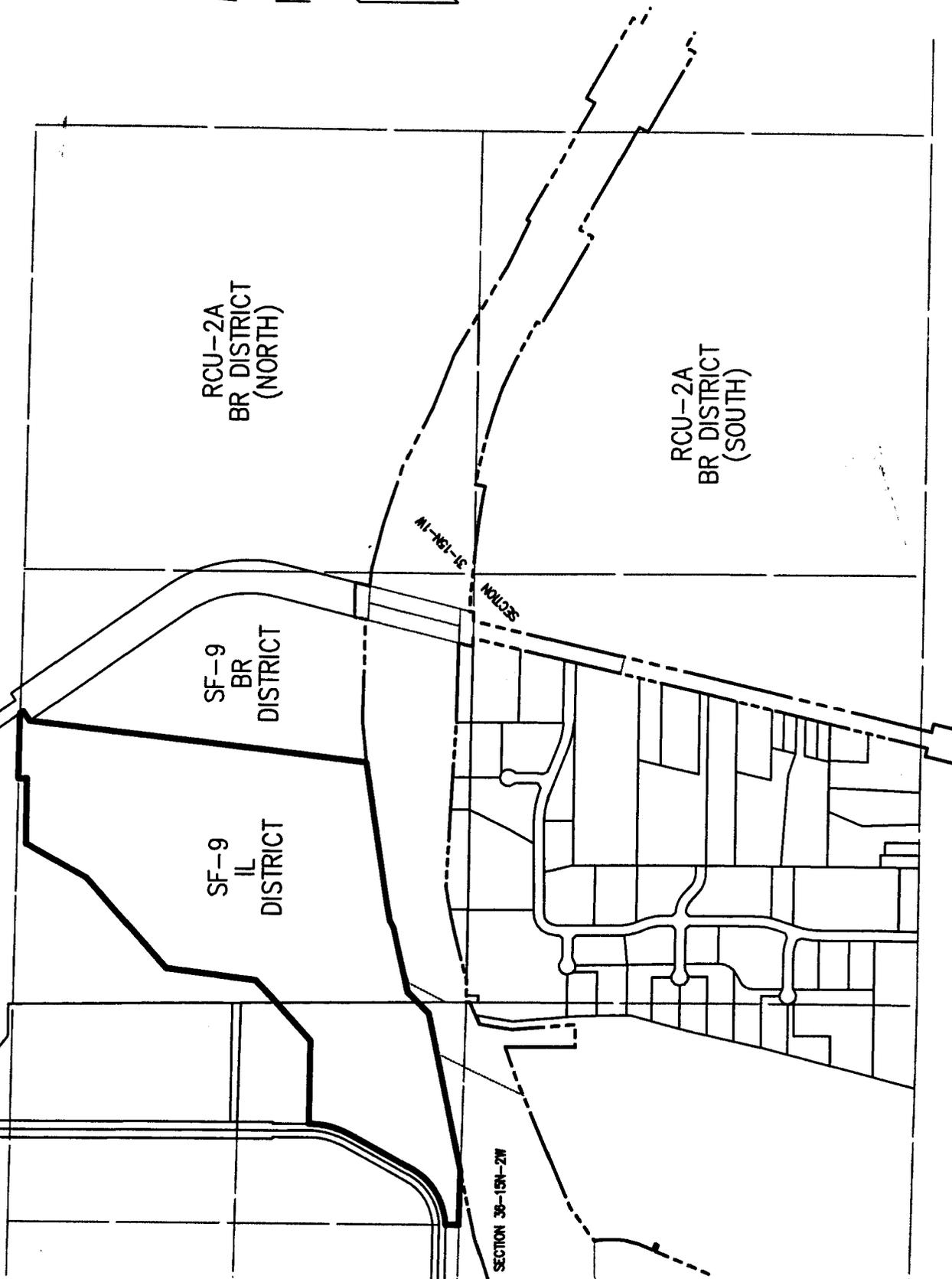
THENCE North 54°40'24" East, along said westerly abandoned railroad right of way line, a distance of 70.00 feet;

THENCE North 35°20'20" West, along said westerly abandoned railroad right of way line, a distance of 20.79 feet to the TRUE POINT OF BEGINNING.

Containing 3,466,875 square feet or 79.59 acres, more or less.



MAP TO ACCOMPANY ZONING DESCRIPTION



LEGAL DESCRIPTION
EXHIBIT "ONE" Peavine

The land referred to in this policy is described as follows:

PARCEL NO. 2:

All that portion of the former Atchison, Topeka and Santa Fe Railway Co. right-of-way lying in Section 31, Township 15 North, Range 1 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, being more particularly described as follows:

COMMENCING at the Southwest corner of Section 31 being a 3 inch G.L.O. brass cap;

Thence along the South line of said Section 31, South 89 Degrees, 56 Minutes, 09 Seconds East, a distance of 1,554.15 feet to a point on the West right-of-way of the former Atchison, Topeka and Santa Fe Railroad, said point being the TRUE POINT OF BEGINNING;

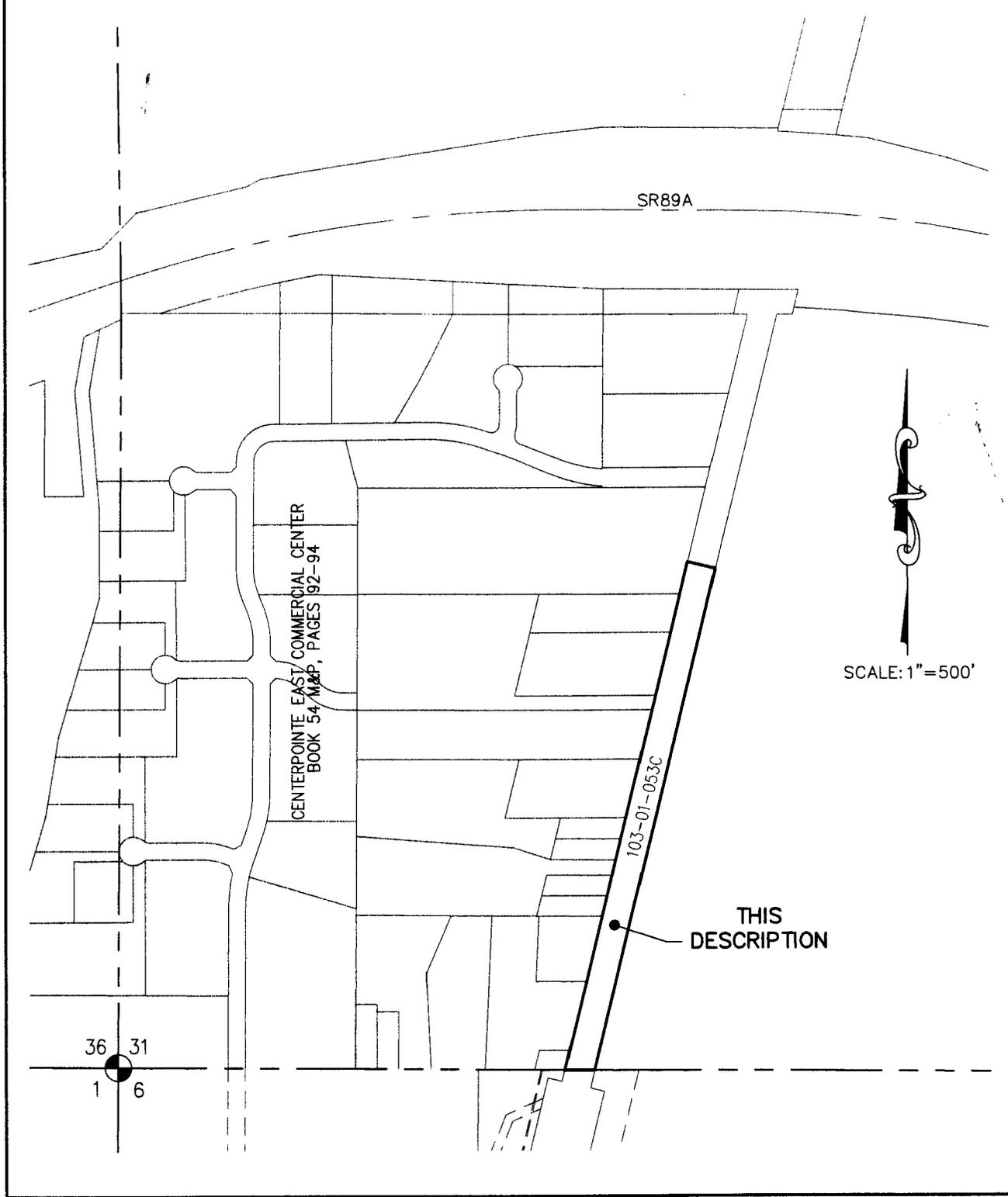
Thence along the Westerly line of the former Atchison, Topeka and Santa Fe Railroad right-of-way, North 13 Degrees, 16 Minutes, 13 Seconds East, a distance of 1,828.15 feet to the Southwest corner of that parcel described in Book 3604 of Official Records, Page 658, records of Yavapai County, Arizona;

Thence along the South line of said parcel, South 76 Degrees, 43 Minutes, 31 Seconds East, a distance of 99.93 feet;

Thence Southwesterly along the Easterly line of the former Atchison, Topeka and Santa Fe Railroad right-of-way, South 13 Degrees, 16 Minutes, 05 Seconds West, a distance of 1,804.67 feet to a point on the South line of Section 31;

Thence along said South line of Section 31, North 89 Degrees, 56 Minutes, 09 Seconds West, a distance of 102.71 feet to the TRUE POINT OF BEGINNING

MAP TO ACCOMPANY
LEGAL DESCRIPTION
"PARCEL 2"



LEGAL DESCRIPTION
EXHIBIT "ONE" Sideroad

The land referred to in this policy is described as follows:

PARCEL NO. 2:

A portion of Section 31, Township 15 North, Range 1 West of the Gila and Salt River Meridian, Yavapai County, Arizona also being a portion of the former Atchison, Topeka and Santa Fe Railway Co. right-of-way as shown on the unrecorded Atchison, Topeka and Santa Fe Railway Co. Right-of-Way and Track Map number 227-14543 and as described in the Quit Claim Deed filed and recorded in Book 2432 of Official Records, Pages 464-467 in the office of the Yavapai County Recorder, and described as follows:

COMMENCING at the west quarter corner of said Section 31, having been monumented (monument has been destroyed, apparently by a sand and gravel operation) with a 2" galvanized pipe with cap marked as the quarter corner to said Section 31 and to Section 36, Township 15 North, Range 2 West, of the Gila and Salt River Meridian. From this position the northwest corner of said Section 31, monumented with 2" galvanized pipe with cap marked as the corner to said Section 31 and to Section 30 Township 15 North, Range 1 West, and to Sections 25 and 36 of Township 15 North, Range 2 West of the Gila Salt River Meridian bears, North 00°57'58" West, a distance of 2,686.41 feet; and from which the southwest corner of said Section 31, monumented with a 3 1/2" diameter United States General Land Office Survey brass cap marked as the corner to Section 31, Township 15 North, Range 2 West, Section 36, Township 15 North, Range 2 West, Section 6, Township 14 North, Range 1 West and Section 1, Township 14 North, Range 2 West bears, South 00°01'43" West, a distance of 2,641.58 feet;

thence, along the east-west mid-section line of Section 31, South 89°58'20" East, 2,178.69 feet to the westerly right-of-way line of the former Atchison, Topeka and Santa Fe Railway Co. right-of-way and the POINT OF BEGINNING.

Thence, continuing along the east-west mid-section line of Section 31 and the southerly line of the parcel described in Book 3576 of Official Records, Page 65 in the said recorder's office, South 89°58'20" East, 102.77 feet to the easterly right-of-way line of the Atchison, Topeka and Santa Fe Railway Co. right-of-way;

thence, along said easterly right-of-way line, South 1 3°22'01" West, 911.86 feet;

thence, departing said easterly right-of-way line, North 76°37'59" West, 100.00 feet to the westerly right-of-way line of the Atchison, Topeka and Santa Fe Railway Co. right-of-way;

thence, along said westerly right-of-way line and the easterly lines, and their prolongation, of those parcels described in Book 3539 of Official Records, Page 444 in the said recorder's office, and in Book 3393 of Official Records, Pages 691-292 in the said recorder's office, North 13°22'01" East, 888.14 feet to the POINT OF BEGINNING.

MAP TO ACCOMPANY
LEGAL DESCRIPTION
"PARCEL 2"

