#### **RESOLUTION NO. R2017-035**

#### PREANNEXATION DEVELOPMENT AGREEMENT

This Preannexation Development Agreement ("<u>Agreement</u>"), made and entered into pursuant to Arizona Revised Statutes (A.R.S.) § 9-500.05, is by and between Avenue 6E Land, L.L.C., an Arizona limited liability company, and Saguaro Desert Land, Inc., an Arizona corporation (collectively, "<u>Owner</u>") of the real property located at the southwest corner of Avenue 6E and 44th Street and generally described by Yuma County Assessor's Parcel Numbers (APN) 197-17-003, 197-17-004,197-17-005, 197-17-011, 197-17-012, 197-17-013 and the City of Yuma ("<u>City</u>"), an Arizona municipal corporation. Owner and City are collectively referred to herein as the "<u>Parties</u>" or individually as a "<u>Party</u>."

#### **RECITALS**

WHEREAS, Owner holds fee title to approximately one hundred five (105) acres of real property, legally described and depicted in the attached **Exhibit A** (the "Property"), and,

WHEREAS, Owner has obtained a minor General Plan Amendment for the first 90 acres, and acknowledges that a major General Plan Amendment for the balance of the Property will be required; and,

WHEREAS, Owner intends to develop the Property for primarily residential uses permitted by the City's Low Density Residential Zoning districts which, in addition to the General Plan Amendments, require that an annexation petition, a rezoning application and subdivision applications must also be approved in order for Owner to develop the Property; and,

WHEREAS, the City seeks certain assurances from the Owner concerning public improvements and the development of the Property; and,

WHEREAS, Owner seeks certain assurances and commitments from the City following annexation; and,

WHEREAS, the Property is located adjacent to rural residential development and the Parties are seeking to minimize conflicts between the urban and rural areas by creating a buffer within the Property as described in this Agreement; and,

WHEREAS, the City adopted its General Plan in 2012, and the use and development of the Property will be consistent with and in conformance to the goals and objectives of the City of Yuma General Plan, as amended; and,

WHEREAS, any rezoning within the City would or will be subject to certain conditions, including without limitation that this Agreement shall have been executed by the Owner and approved by the City Council; and,

WHEREAS, the Parties have entered into this Agreement to provide for the annexation and use of the Property upon the terms and conditions contained herein; and,

WHEREAS, the Parties understand and acknowledge that the terms of this Agreement shall constitute covenants running with the Property as more fully described in this Agreement.

NOW THEREFORE, in consideration of the above recitals, the Parties agree as follows:

- 1. <u>Development Agreement</u>. This Agreement, together with all attached exhibits, is a Development Agreement within the meaning of A.R.S. § 9-500.05 and, on the condition that all of the terms and covenants described in this Agreement are complied with in a prompt and timely manner, this Agreement shall constitute a contractual commitment of the City to furnish municipal water and sewer service outside of the City's municipal boundaries pursuant to *Yuma Valley Land Co., LLC. v City of Yuma*, 227 Ariz. 228, 256 P.3d 625 (2011).
- 2. <u>Term.</u> In consideration of the City's commitment to allow the Property to connect to the City's municipal water and sanitary sewer systems, it is the intent of the Parties that this Agreement will commence and become operative upon the date of its execution by both Parties (the "<u>Effective Date</u>"), and will terminate when the covenants and obligations of the Parties with respect to annexation, General Plan amendment(s), rezoning(s), subdivision plats, dedication of public rights-of-way, and construction and dedication of the public improvements are fully complied with, or the Parties mutually provide for termination in writing, whichever occurs first.
- 3. <u>Annexation, General Plan Amendment, Rezoning</u>. Owner acknowledges that annexation and rezoning are legislative decisions to be made by the City Council and may in part be based on Owner's covenants and promises contained herein. Owner further acknowledges that the City Council cannot be contractually bound to a particular rezoning of the Property, and that as legislative acts, annexation, general plan amendments, and rezoning may be subject to referendum; however, the City Staff shall support the Owners requests if consistent with the terms of this Agreement.
- 3.1 <u>General Plan Amendment</u>. On February 19, 2014, Resolution No. R2014-06 amended the City of Yuma 2012 General Plan changing approximately 90 acres of the Property from Rural Density Residential to Low Density Residential. Owner may in the future seek a General Plan amendment for the balance of the Property, and acknowledges that any such amendment will be processed as a major General Plan amendment. If after a scheduled public hearing the City Council determines such amendment or amendments to the General Plan to be in the best interest of the City, the City Council may grant the requested General Plan amendment by resolution amending the General Plan.
- 3.2 <u>Annexation</u>. Owner irrevocably consents to the annexation of the Property into the City's municipal boundaries with Agricultural zoning. As soon as reasonably possible, or contemporaneously with execution of this Agreement by City and Owner,

Owner shall deliver to the City an appropriate Petition for Annexation of the Property, duly executed by all necessary property owners, (the "Annexation Petition"). Upon receipt of the Annexation Petition, the City agrees to proceed with the Annexation Petition in accordance with the annexation procedures established in the provisions of A.R.S. § 9-471 et seq. and, if determined to be in the best interest of the City, the City Council may adopt the final ordinance ("Annexation Ordinance") annexing the Property into the corporate limits of the City.

- Rezoning. Owner agrees to apply to rezone the western perimeter of the 3.3 Property subject to General Plan amendment R2014-06(depicted in Exhibit B -as the "Approximate Area of R-1-12 Zoning"), under zoning district R-1-12 with a minimum 12,000 square feet lot size. The Owner's rezoning application for the balance of the Property that is subject to General Plan amendment R2014-06, shall be zoning district R-1-8 with a minimum 8,000 square feet lot size. Owner agrees with the condition that all of the lots touching the perimeter depicted in **Exhibit C** shall have a 50 foot rear or side yard setback where the lot abuts the depicted perimeter. Upon submission of a complete rezoning application or applications, City staff agrees to proceed with the requested rezoning in accordance with the procedures described in A.R.S. 9-462 et seq., the General Plan as amended, and Yuma City Code Chapter 154 with the rezoning application fees waived for the first six months following the date of annexation as described in Yuma City Code § 154.05(A)(5). If after public hearing the City Council determines such rezoning to be in the best interest of the health, safety and welfare of the City and its citizens, the City Council may grant the requested rezoning. Subject to any approved future major General Plan amendment as contemplated in Section 3.1, Owner agrees to apply for rezoning the western perimeter of the Property depicted in Exhibit B as the "Approximate Future Area of R-1-12 Zoning" under zoning district R-1-12 with a minimum 12,000 square foot lot size.
- 4. <u>Development Standards</u>. The development and use of the Property shall be subject to all applicable City, county, state and federal laws, regulations, rules and the policies, standards, and fees in effect at the time of such development ("<u>Applicable Laws</u>").
- 4.1 <u>Platting</u>. Upon rezoning of the Property, Owner may immediately submit for Planning and Zoning Commission approval of a Preliminary Plat for the development of all or part of the Property and City Staff shall cooperate to process the plat on an expedited basis. Owner may phase the Final Plats. Any Final Plat recorded on the Property shall have the approval of the City Council as described by A.R.S. § 9-463 *et seq*, Yuma City Code Chapter 153, and must be appropriately zoned. Additionally,
  - a. The Preliminary Plat and any Final Plat shall provide a 1 foot non-access easement along the length of the Avenue 5½E right-of-way which shall limit vehicular and pedestrian access, both ingress and egress to and from the Property on the western boundary, between 44<sup>th</sup> Street and 48<sup>th</sup> Street (County 13<sup>th</sup> Street).
  - b. The Preliminary Plat and any Final Plat shall reflect the 50

foot rear and/or side yard setback for all of the lots touching the perimeter depicted in **Exhibit C** where the lot abuts the depicted perimeter. Provided that the lot is zoned R-1-12 and is a minimum lot size of 12,000 square feet, Owner may utilize up to 29 feet of the dedicated Avenue 5½ E, east of the centerline, to meet the 50 foot rear and/or 50 foot side yard setback applicable to the R-1-12 lots.

- c. At the time of platting, City staff shall work with Owner to establish reasonable setback deviations where warranted for knuckle lots, cul-de-sac lots and irregularly shaped lots.
- 4.2 <u>Permitting</u>. Owner and any subsequent owners agree that all construction permit applications, including but not limited to grading and building permits, will be submitted to the City of Yuma for approval and issuance prior to the commencement of any work or construction activity on the Property.
- 4.3 <u>Storm Water</u>. Owner at Owner's expense shall provide all on-site storm water detention and disposal from the Property in accordance with City of Yuma Drainage Policy and Ordinances, Yuma County Flood Control District Regulations, and other Applicable Laws.
- 4.4 <u>Fencing</u>. The subdivision perimeter wall located on the western and southern boundary of the Property depicted on <u>Exhibit C</u> shall be a minimum of eighty inches (6 feet, 8 inches) tall.
- 4.5 <u>Maintenance Improvement District</u>. Subject to Applicable Laws, Owner hereby consents to the formation of a Maintenance Improvement District (MID) for the purpose of providing irrigation and maintenance of landscaping in areas adjacent to and along the public roadways and parkways within the MID. The MID shall include the entirety of the Property within the district's boundaries, with the exception of the Dorothy Hall School site, which Owner intends to donate to Yuma Elementary School District One for the construction of a school. The school site shall be exempt from the MID as the donated site will include a dual purpose athletic field for student activities and the collection, storage, percolation, evaporation and disposal of storm water runoff from the Property. Yuma Elementary School District One will landscape, enclose, and maintain the dual purpose athletic field/retention basin.

The MID shall be created at the time of preliminary plat approval. Owner shall execute any required MID petition, provide the City with a map to the centerline of all adjacent roadways showing the MID boundaries (with the exception of the Dorothy Hall School site), and other documentation necessary for the creation of the MID. At the earlier of final plat approval or prior to the conveyance or transfer of any portion of the Property to a Third Party (unless such Third Party is a successor in interest, approved in writing by the City, or such Third Party is the Yuma Elementary School District One), Owner shall provide the City with all necessary legal descriptions, maps, diagrams, landscape plans and documents required for ordering MID improvements.

- 4.5.1 <u>MID Covenants</u>. Owner acknowledges that the MID improvements are of more than local or ordinary public benefit, and not a general public benefit. Owner waives all rights to dissolve the MID pursuant to A.R.S. § 48-574(N) and all rights of protest pursuant to A.R.S. § 48-579(A) and (B), as such statutes may be amended from time-to-time. This Section 4.5.1 shall survive the termination of this Agreement and run with the Property as a perpetual covenant.
- 5. <u>Development Fees, Payment in Lieu of Tax and Water and Sewer Capacity Charges</u>. A material consideration for the Parties' willingness to enter into this Agreement is to make City water and sewer service available to the Owner's Property upon annexation on the same terms and conditions as any other development within the City.
- 5.1. Payment of Fees and Charges. Beginning on the Effective Date, any development and use of the Property shall require the payment of all City of Yuma Development Fees and water and sanitary sewer charges for new construction (defined as any construction on the Property commenced within two years prior to or anytime after the Effective Date), including the streets facilities development fee, the parks and recreation facilities development fee, the police facilities development fee, the fire facilities development fee, the general government facilities development fee, all water and sanitary sewer capacity and connection charges, water system development charges, sanitary sewer interceptor charge, and any water or sewer payback amounts and any other applicable fees.
- 5.2. <u>Deferral Eligibility</u>. City of Yuma Development Fees and water and sanitary sewer capacity charges shall be due and payable on a lot by lot basis at the rate in existence (unless otherwise proscribed by statute) at the time of issuance of the construction permit or water meter for any lot (whichever occurs first), but may be deferred until issuance of a certificate of occupancy or final inspection as follows: Upon payment to the City of the administrative fee described in Section 5.3(a), any platted lot on the Property shall remain eligible for the deferral benefit for a period of thirty-six (36) months from the date of issuance of the first building permit or water meter for the Property.
- 5.3 <u>Vesting</u>. To vest the right of deferral, the residential unit must pass the under slab plumbing and building setback inspection ("<u>underground inspection</u>") within 30 days of the date of issuance of the building permit. Time is of the essence. If the underground inspection is not successfully completed within 30 days of the issuance of the building permit, no right to deferral shall vest in the lot, and Owner shall either: (1) be issued a refund of 80% of the cost of the building permit and the building permit shall expire; or (2) all deferred amounts shall immediately be due and payable to the City to prevent the building permit from expiring. At the expiration or termination of this Agreement, any vested lot shall continue to enjoy the deferral benefit unless construction is abandoned by Owner. An expired building permit shall not prohibit Owner from reapplying for the deferral benefit provided that a new building permit is applied for. When vested, the deferral benefit shall include:
  - a. <u>Deferral of Payment of Development Fees and Water and Sewer Capacity Charges</u>. For any platted lot within the Property, payment of City of Yuma Development Fees (the parks and recreation facilities development fee, the

police facilities development fee, the fire facilities development fee, the general government facilities development fee, the streets facilities development fee), and water and sanitary sewer capacity charges may, upon payment to the City of a five hundred (\$500.00) dollar administrative fee for processing and tracking deferrals on the Property and written request on a form provided by City staff, be deferred from the time of application for a building permit or water meter.

- b. <u>Application</u>. At the time of application for a building permit or water meter, the Owner of the Property shall submit and sign a Request for Deferral of Development Fees and/or Water and Sewer Capacity Charges. The deferred amount shall be calculated, signed by the Owner and the City Administrator or his designee, and shall constitute an enforceable contract for the payment to the City of all deferred amounts. The completed Request for Deferral of Development Fees and Water and Sewer Capacity Charges, together with this Development Agreement, shall serve as the security required by statute for payment thereof.
- c. <u>Period of Deferral</u>. Payment in full of the deferred amount shall be made to the City of Yuma no later than the date of issuance of any certificate of occupancy, whether temporary or otherwise. In the case of residential property, in the event that Owner does not request a residential certificate of occupancy, then the "date of final inspection" shall be substituted for "date of issuance of a certificate of occupancy."
- d. <u>Deferred Amount Due Upon Sale</u>. Notwithstanding any sales contract or agreement to the contrary between Owner and the purchaser of any lot, part or portion of the Property which has a vested deferral, Owner shall pay all deferred amounts to the City prior to recording any deed transferring ownership.
- 5.4. Payment in Lieu of Tax. Any new construction on the Property requires payment of the City tax on construction or a payment in lieu of tax ("PILOT") that would otherwise have been due to the City if the construction permit had been issued and the construction had occurred after annexation, equivalent to 1.7% of 65% of the total construction cost. If Owner provides satisfactory documentation showing that the City tax on construction has already been paid, no payment in lieu of City taxes on construction shall be due.
- 5.5. <u>Post Annexation and Utility Regulations</u>. Upon annexation of the Property, water and sanitary sewer service to the Property shall be available to the Property in accordance with Applicable Laws, and City of Yuma Development Fees, water and sanitary sewer capacity and connection charges, water system development charges, the sanitary sewer interceptor charge, and City tax on construction activity shall be collectable by the City in accordance with Applicable Laws and this Agreement. Monthly water and sanitary sewer service charges shall be paid in accordance with and governed by the City of

Yuma Utility Regulations, both before and after annexation.

- 5.6 <u>Model Homes</u>. Owner shall be permitted to construct illustrative residences to be used solely for marketing purposes ("<u>Model Homes</u>") and held by Owners marketing entity prior to the completion of other requirements subject to the conditions precedent that: (1) there exists a maintained all-weather access road with primary and secondary access inspected and approved by the Fire Department; (2) there exists a water supply line for fire protection tested and approved by the Engineering Department with an approved hydrant providing adequate fire-flow within 500 feet of any Model Home lot to be constructed; (3) Owner submits a survey of the proposed Model Home lots; and (4) Owner posts a demolition bond for each Model Home.
- 6. <u>Right-of-way Dedications</u>. Owner hereby covenants and agrees that prior to issuance of a permanent water meter or issuance of any City building permit or conveyance of any part or portion of the Property (other than a conveyance to the City), Owner shall dedicate the following rights-of-way to the City in fee simple, either by deed, recorded lot tie/lot split, or by plat:

## 6.1 Roadways.

- a. 44<sup>th</sup> Street. Section 7.4 requires Owner to design and subject to City approval of the design, construct and install 44<sup>th</sup> Street as a Local Street from Avenue 5½E to Avenue 6E. Owner shall either: (i) dedicate the half-width (29 feet) of 44<sup>th</sup> Street right-of-way along the length of the Property and obtain the necessary additional right-of-way for 44<sup>th</sup> Street in the name of the City from the adjacent property owner(s) to the north, or (ii) dedicate sufficient right-of-way to construct 44<sup>th</sup> Street as described in Section 7.4. The dedication shall be by plat or warranty deed.
- b. <u>Avenue 6 E.</u> Owner shall dedicate the half-width (40 feet) of Avenue 6E right-of-way to meet the requirements of a Collector roadway along the length of the Property. The dedication shall be by plat or warranty deed.
- c. <u>Avenue 5 1/2 E</u>. Owner shall dedicate the half-width (29 feet) of Avenue 5 1/2 E right-of-way to meet the requirements of a Local roadway along the length of the Property. The dedication shall be by plat or warranty deed.
- d. <u>48th Street</u>. Owner shall dedicate the half width (50 feet) of 48th Street right-of-way to meet the requirements of a Minor Arterial Street along the length of the Property. The dedication shall be by plat or warranty deed.
- e. <u>A Canal</u>. Owner shall dedicate an access, utility, and recreation easement to the City along the length and width of the existing A Canal easement on the Property and shall dedicate the underlying fee title to the City within 10 years of the Effective Date.

- f. Additional right-of-way such as internal collector streets may be requested and will be dedicated to the City at the time of recording subdivision plats.
- 6.2 <u>Dedications Free and Clear.</u> All right-of-way dedications shall be made to the City, free and clear of all liens and encumbrances. All existing easements in any rights-of-way to be dedicated, shall be vacated prior to or concurrently with the right-of-way dedication. Notwithstanding the foregoing, Owner may specifically request approval of an existing easement located within a proposed dedication or grant by submitting a written request to the City, and receiving from the City, in connection with City's acceptance of the right-of-way dedication, written approval of the City Engineer accepting title to the right-of-way subject to the specifically presented existing easement. In no event shall any easement or license on the Property require a City approved utility service provider, licensed cable operator, or other licensed or franchised communications system service provider (collectively, the "<u>Utility Service Providers</u>") to: (a) pay to cross or use the easement or license to reach any structure within the Property, or (b) prevent the Utility Service Providers from providing service to any structure within the Property.
- 6.3 <u>Non-Access Easements</u>. In connection with the dedication of right-of-way in <u>Section 6.1</u> above, Owner shall grant any required non-access easements to the City (subject to City-approved driveway locations). Such non-access easements shall prohibit vehicular access to and from the Property, but shall allow City-approved utility and pedestrian access.
- 6.4 <u>Environmental Requirements</u>. All right-of-way dedications shall be accompanied by a copy of Owner's Phase 1 environmental site assessment to show that the property being accepted by the City is free of contamination. Prior to the acceptance of any dedication, the City reserves the right to conduct a Phase 1 environmental site assessment on the Property and Owner agrees to cooperate with such Phase 1 environmental site assessment.
- 6.5 <u>Additional Requirements</u>. Prior to conveyance or transfer of any portion of the Property to a third party or the issuance of any permanent water meter or any building permit for the Property, Owner shall record against title to the Property, utilizing the City's standard forms for such matters:
- a. A median covenant notifying future owners that a median may be constructed within the public right-of-way which may limit turning motions into and out of the subdivision, their lot, or parcel, and
  - b. An avigation easement against title to the Property.
  - c. Noise and pesticide disclosure statements.
- 6.6 <u>Encroachment and Right-of-Way Permits and Licenses Required</u>. Owner acknowledges and agrees that any work performed in the public right-of-way, or the construction, installation or maintenance of any facility or other improvement in the public right-of-way requires a permit, license, franchise, or similar authorization issued by the

controlling agency (the "Permitting Agency") through the Permitting Agency's normal and customary process for such issuance. Owner further acknowledges and agrees that City approval of any Site Plan or Plat over all or any portion of the Property does not constitute authorization for work or improvements in the public right-of-way or any grant or waiver of any permitting requirements of the Permitting Agency. Owner shall meet all permitting requirements of the Permitting Agency, and shall obtain all necessary permits prior to commencing such work or improvements in the public right-of-way.

- 7. <u>Description of Public Improvements</u>. Pursuant to A.R.S. § 34-201(L), as a condition of the development of the Property imposed by the City, and as authorized by A.R.S. § 9-463.01 and City Code, Chapter 153 or any successor provisions, Owner, at Owner's sole cost and expense, shall design, construct or cause to be constructed and dedicated to the City the following improvements (collectively, the "<u>Public Improvements</u>"):
- 7.1 <u>Traffic Impact Mitigation</u>. Owner and City agree that a traffic study would show sufficient traffic volume near the development to warrant the installation of a school crossing device on Avenue 6E and other traffic mitigation measures including the following:
- 7.1.1 <u>Multi-use Path and School Crossing</u>. Through a separate intergovernmental agreement between the City and Yuma Elementary School District One (YESDO), the school district has agreed to pay for and the City shall construct, a paved, 10-foot wide multi-use path extending on the east side of Avenue 6E from 46<sup>th</sup> Street to 41<sup>st</sup> Street with school crossing lights and signage in accordance with an engineered design stamped by an Arizona registered professional engineer.
- 7.1.2 <u>Turn Lanes</u>. Owner agrees to design and construct to City standards for City acceptance, the following turn lanes: (1) a right turn lane for southbound turns at the Avenue 6E and 44<sup>th</sup> Place intersection (subdivision entrance); (2) a southbound right turn lane at 44<sup>th</sup> Street and Avenue 6E; an east bound right turn lane at the subdivision entrance on 44<sup>th</sup> Street; and a left turn bay for northbound west turns at the Avenue 5½E and 40<sup>th</sup> Street intersection.
- 7.2 <u>Local Streets</u>. Owner agrees to design, construct, and install all platted local streets in accordance with Applicable Laws.
- 7.3 44<sup>th</sup> Street. Owner agrees to design and subject to City approval of the design, construct and install the full width segment of 44<sup>th</sup> Street from Avenue 6E to the point where it will connect to the existing roadway previously improved by Yuma County as a Local Street. The design shall be in accordance with City Standards with drainage and sidewalk (on the south side only) so as to provide one lane of travel in each direction. Owner shall make a cash deposit with the City in the sum of \$100,000 for future maintenance or upgrading of the existing 44<sup>th</sup> Street along the subdivision boundary.

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- 7.4 <u>School Access.</u> Owner agrees to design, construct and install all interior local roads in accordance with Yuma Standard 2-050. This requirement may be modified by the parties upon agreement of the City Engineer in writing. Such modification may be accomplished without changing the Agreement.
- 7.5 <u>Bureau of Reclamation (BOR) and Yuma Mesa Irrigation and Drainage District (YMI&DD) Requirements.</u> Owner shall be solely responsible for all design, permitting, construction and inspection costs and requirements associated with impacts to BOR or YMI&DD irrigation facilities or canals on or affected by the development of the Property. Such obligation shall include all Public Infrastructure constructed as a result of this Agreement or constructed solely to serve the Property, including but not limited to, obtaining all necessary easements, payments to YMI&DD or BOR in lieu of construction, licenses, consent agreements and documentation for roadways, potable waterlines, sanitary sewer collection lines, stormwater collection and conveyance, streetlights, parkway, stormwater basins, landscaping and irrigation.
- 7.6 <u>Water and Sanitary Sewer Service Public Improvements</u>. Owner shall design and upon City approval of the design, construct and install for City acceptance the following Public Improvements as part of the infrastructure requirements determined by the City to be necessary to provide potable water and sanitary sewer service to the Property:
- a. <u>Waterlines Along Section Lines and Midsection Lines</u>. The City's current waterline policy requires that waterline installations along section lines shall be a minimum of twelve (12") inches in diameter, and mid-section lines shall be a minimum of ten (10") inches in diameter. Owner at Owner's cost and expense shall extend for conditional City acceptance the following:
- i. the ten (10") inch waterline along the Avenue  $5\frac{1}{2}E$  alignment from the intersection of  $44^{th}$  Street south to intersection of  $46^{th}$  Street with fire hydrants to be located approximately every 500 feet, and Owner's costs of design and construction shall be credited towards the City's Water System Development Charge (\$1020.00 per acre) in accordance with City of Yuma Utility Regulations.
- ii. Owner acknowledges that the ten (10") inch waterline along the east-west midsection line described by 44<sup>th</sup> Street north of the Property, and a twelve (12") inch waterline along the north-south section line described by Avenue 6E east of the Property are existing waterlines subject to a payback agreement (WA-693).
- b. <u>Onsite Improvements</u>. Owner shall design, construct and install sufficient waterlines and sanitary sewer lines internal to the Property to provide potable water and fire suppression service to each subdivision lot as on-site improvements and sanitary sewer service to each lot. Waterline and sewerline installations shall be constructed as part of the infrastructure requirements for each Site Plan or Subdivision Plat as determined to be necessary and approved by the City for the development of the portion of the Property included on the applicable Site Plan or Subdivision Plat. All Arizona Department of Environmental Quality ("ADEQ") approvals will be obtained by Owner.

- c. <u>Conditional Acceptance</u>. Owner shall obtain conditional acceptance of the Water and Sanitary Sewer Public Improvements no later than prior to the issuance of any certificate of occupancy, final inspection or Owner's use of any structure for which a building permit has been issued.
- d. <u>Credits, Reimbursements/Payback Agreement</u>. Owner shall be eligible for credits against Water System Development Charges and Sanitary Sewer Interceptor charges as authorized by and subject to the requirements of the City of Yuma Utility Regulations, or any successor provision. The City Utility Regulations further allow for reimbursement/payback agreements to the extent that such credits are not more than the total costs eligible to receive such credits, subject to Owners compliance with City requirements for receiving reimbursement/payback agreements.

## 8. Construction and Dedication of Public Improvements.

- 8.1 <u>Construction of Improvements</u>. The Public Improvements required for development of the Property shall be designed, constructed, and dedicated in accordance with Applicable Laws, including, without limitation, the City's normal plan submittal, review and approval processes, day-to-day inspection requirements, insurance requirements, financial assurance requirements, and design standards. Owner's construction and installation of the Public Improvements shall occur within the time-frames specified in this Agreement or Applicable Laws.
- a. Owner is responsible for assuring all Public Improvements are constructed in accordance with the designs, plans and specifications approved by the City. Construction may not commence until written approval of the plans and specifications has been given and if required, an access/encroachment permit for the Public Improvements has been issued by the City. The City shall have the right to inspect the construction work for compliance with specifications, plans, codes, ordinances and other regulations or laws that may apply.
- b. All costs of the Public Improvements design, construction, inspection and testing, including without limitation, the cost of construction permits, development fees, water and sewer connection and capacity charges, and performance bonds, shall be paid for by Owner in accordance with Applicable Laws.
- 8.2 <u>Dedication and Acceptance</u>. When the Public Improvements are completed to the point where the City determines through its inspection process that (i) the Public Improvements are usable by the public, and (ii) none of the remaining punch-list items involve or create health or safety issues, the City shall issue a conditional acceptance of the Public Improvements, subject to owner's completion of all outstanding punch-list items, and such Public Improvements shall be available for use by the public. Upon completion of the outstanding punch-list items to the reasonable satisfaction of the City Engineer, the City Engineer will issue a written, final acceptance of the Public Improvements, which shall indicate that Owner has dedicated and the City has accepted such Public Improvements for ownership, operation, and maintenance responsibilities, in accordance with Applicable Laws. City's issuance of a final acceptance may be conditioned upon such

reasonable and customary conditions as City may impose, including without limitation, a one (1) year workmanship and materials contractor's warranty in form and content reasonably acceptable to City. Regardless of whether the Public Improvements have been dedicated to City or the warranty period has expired, Owner agrees to repair any damage to the Public Improvements caused by Owner's construction or other activities on the Property.

Upon final acceptance by the City, the Public Improvements shall become public facilities and property of the City, and (except for matters covered by express warranties provided to the City), the City shall bear the risk of, and shall indemnify the Developer and its Affiliates, members, managers, agents and representatives, against any claim arising after the City's final acceptance of the Public Improvements from any injury (personal, economic or other) or property damage to any person, party or utility, arising from the condition, operation, or use of the Public Improvements. With respect to any claims arising prior to final acceptance of the Public Improvements by the City, the Developer shall bear all risk of, and shall indemnify the City and its officials, employees and City Council members, against any claim arising prior to the City's final acceptance of the Public Improvements from any injury (personal, economic or other) or property damage to any person, party or utility, arising from the condition, operation, or use of the Public Improvements, and any loss, damage to or failure of any of the Public Improvements.

- 8.3 <u>No Development Fee Credits.</u> Owner acknowledges and agrees that the Public Improvements described in <u>Section 7</u> of this Agreement are not included in the City's Infrastructure Improvements Plan, will not substitute for or otherwise reduce the need for any of the improvements listed in the Infrastructure Improvements Plan, and therefore are not Public Improvements that are eligible for development fee credits as described in Yuma City code Chapter 157. Owner further acknowledges and agrees that after annexation Owner will not seek development fee credits for any of the Public Improvements described in <u>Section 7</u> of this Agreement.
- 9. <u>Utility Services</u>. The City acknowledges that the property is within the City of Yuma potable water and sanitary sewer franchise service area, as approved by Yuma County. Upon execution of this Agreement and application to the State of Arizona, Department of Environmental Quality, for any required Notice of Intent to Discharge, the City will issue the appropriate "Authorization to Connect to Public Sewer" and "Authorization to Connect to Public Water Service" letters for both water and sanitary sewer service.
- 9.1 <u>Non-Potable Water</u>. Nothing contained in this Agreement shall be construed as obligating owner to accept City water services for any non-potable water demand on the Property, provided that such non-potable water demand is served by the appropriate irrigation district.
- 9.2 <u>Utility Lines To Service Property</u>. Owner, at Owner's sole cost and expense, shall secure all necessary easements, consents and right-of-way needed for Owner's construction and connection of water and sewer lines of sufficient capacity to service the Property. The City shall permit connection to the City's water system and

wastewater disposal system in accordance with the City of Yuma Utility Regulations, Applicable Laws, and the terms of this Agreement. Sanitary sewer service and connections shall comply with the Revised Yuma Valley Sanitary Sewer Master Plan.

#### 10. City and Owner Cooperation.

- 10.1 <u>Cooperation in Development Approvals</u>. Subject to the terms of this Agreement and compliance with Applicable Laws including without limitation City's compliance with all required notice and public hearing requirements, City and Owner will cooperate reasonably in processing the approval or issuance of any permits, plans, specifications, plats or other development approvals requested by Owner in connection with development of the Property.
- 10.2 <u>Annexation requests</u>. City agrees that City staff will support any annexation request by Owner for the Property that is consistent with this Agreement, the General Plan, and Applicable Laws.
- 10.3 <u>Implementation</u>. The Parties acknowledge that the purpose of this Agreement is to set forth in general terms the conditions for the annexation and development of the Property. Nothing in this Agreement shall prohibit the Owner and City Staff from resolving day-to-day issues and/or reaching an agreement or compromise on matters that may arise in the course of development of the Property, and necessary to carry out the intent of this Agreement in accordance with Applicable Laws.
- 11. <u>Notice</u>. Except as otherwise required by law, any notice, demand or other communication given hereunder, shall be in writing and shall be given by personal delivery or be sent by certified or registered U.S. Mail, return receipt requested, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this paragraph, or by electronic mail, facsimile machine or by any nationally recognized express or overnight delivery service (e.g., Federal Express or UPS), with all postage and other delivery charges prepaid:

To City: To Owner:

City Administrator
One City Plaza
Yuma, Arizona 85364-1436
Brian L. Hall, Manager
3064 S. Avenue B
Yuma, AZ 85364

All such notices, demands or other communications will (i) if delivered personally or delivered through a same day delivery/courier service be deemed effective upon delivery or refusal to accept delivery by the addressee, and (ii) if delivered by U.S. mail in the manner described above be deemed effective upon the earlier of receipt or three (3) business days after deposit in a post office operated by the United States or with a United States postal officer (in each case regardless of whether such notice, demand or other communication is

received by any other person to whom a copy of such notice, demand or other communication is to be delivered pursuant to this paragraph). Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice sent by email or facsimile machine shall be deemed effective upon confirmation of the successful transmission by the sender's electronic mail system or facsimile machine. Notwithstanding the foregoing, no payment shall be deemed to be made until actually received in good and available funds by the intended payee.

- 12. <u>Default</u>. If either party defaults (the "<u>Defaulting Party</u>") with respect to any of such party's obligations, then the other party (the "<u>Non-Defaulting Party</u>") shall give written notice to the Defaulting Party. The notice shall state the nature of the default claimed and make demand that such default be corrected. In any event, the Defaulting Party shall have:
- a. twenty (20) days from the date of receipt of such notice within which to correct such default if it can be reasonably corrected by the payment of money, or
- b. thirty (30) days from the date of receipt of such notice to cure such default if action other than payment of money is reasonably required, or
- c. if any such non-monetary default cannot reasonably be cured within sixty (60) days for reasons beyond its control (financial inability, construction delays and market conditions excepted), then such longer period as may be reasonably required, provided and so long as such cure is promptly commenced within such period and diligently prosecuted to completion.
- 12.1 <u>Remedies</u>. If the default is not corrected within the time periods described in <u>Section 12</u> above, the Non-defaulting Party shall have all remedies available to it at law or in equity, subject to the dispute resolution provisions and the limitations set forth herein. Owner or City, or any successor-in-interest or assignee, may institute a legal action to cure, correct or remedy any default, to enforce any covenant or agreement herein, or to enjoin any threatened or attempted violation, including but not limited to suits for declaratory relief, specific performance, relief in the nature of mandamus and actions for damages, provided that claims for damages shall be limited to actual damages as of the time of entry of judgment. The Parties hereby waive any right to seek consequential, punitive, multiple, exemplary or any damages other than actual damages.
- 12.2 <u>Delays</u>; <u>Waivers</u>. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any default by the other Party shall not be considered as a waiver of rights with respect to any other default by the non-defaulting Party or with respect to the particular default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the default involved.

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

## 13. <u>Representations</u>

#### 13.1 Owner Representations. Owner represents and warrants that:

- a. Owner has the full right, power and authorization to enter into and perform this Agreement and the obligations and undertakings of Owner under this Agreement, and the execution, delivery and performance of this Agreement by Owner has been duly authorized, agreed to, and is in compliance with any organizational documents of Owner.
- b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.
- c. Owner will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.
- d. As of the date of this Agreement, Owner knows of no litigation, proceeding or investigation pending or threatened against or affecting Owner, which could have a material adverse effect on Owner's performance under this Agreement that has not been disclosed in writing to City.
- e. This Agreement (and each undertaking of Owner contained herein) constitutes a valid, binding and enforceable obligation of Owner according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity.
- f. The execution, delivery and performance of this Agreement by Owner is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which Owner is a party or to which owner is otherwise subject.
- g. Owner has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects.
- h. Owner has had opportunity for independent legal review of this Agreement by counsel of its choosing prior to the execution hereof.
- 14. <u>City representations</u>. City represents and warrants to Owner that:

- a. City has the right, power and authorization to enter into and perform this Agreement and each of City's obligations and undertakings under this Agreement, and City's execution, delivery and performance of this Agreement have been duly authorized and agreed to in compliance with the requirements of the Yuma City Charter and the Yuma City Code.
- b. All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.
- c. City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.
- d. City knows of no litigation, proceeding, initiative, referendum, investigation or threat of any of the same contesting the powers of City or its officials with respect to this Agreement that has not been disclosed in writing to Owner.
- e. This Agreement (and each undertaking of City contained herein), constitutes a valid, binding and enforceable obligation of City, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency, referendum, and other laws of general application affecting creditor's rights and by equitable principles, whether considered at law or in equity.
- f. The execution, delivery and performance of this Agreement by City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which City is a party or is otherwise subject.
- g. City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.
- 15. <u>Rights of Lenders</u>. Financing or refinancing for acquisition, development and/or construction of the Property and/or improvements may be provided, in whole or in part, from time to time, by one or more Third Parties (individually a "<u>Lender</u>", and collectively the "<u>Lenders</u>"). If a Lender is permitted, under the terms of a non-disturbance agreement with City to cure the event of default and/or to assume Owner's position with respect to this Agreement, City agrees to recognize such rights of the Lender and to otherwise permit the Lender to assume all of the rights and obligations of Owner under this Agreement.

# 16. <u>Assignment and Transfer</u>.

16.1 <u>Restrictions on Assignment and Transfer</u>. Except in connection with (i) obtaining financing or refinancing or (ii) the exercise of remedies by Lenders which have entered into non-disturbance agreements with the City, or (iii) the transfer to an affiliate owned, managed or controlled by Brian L. Hall or Michael T. Hall, or (iv) the transfer of a school site to the Yuma Elementary School District, Owner shall not transfer or assign all

or any part of its rights or obligations under this Agreement without the prior express written consent of City, which consent shall not be unreasonably withheld, delayed or conditioned. For the purposes of this Agreement, "transfer or assign" shall include any change in the identity of Owner, in which event Owner shall promptly notify City of any and all anticipated changes in advance thereof. No voluntary or involuntary successor in interest of Owner shall acquire any rights or powers under this Agreement except as expressly set forth herein. The foregoing restrictions in this Section shall terminate when (i) the obligations of the Parties are fully complied with and (ii) the annexation of the Property is complete, or when the Parties mutually provide for termination in writing.

- 16.2 <u>City's Rights and Obligations</u>. The City's rights and obligations under this Agreement shall be non-assignable, without the prior express consent of Owner, which consent may be given or withheld in Owner's reasonable discretion.
- 17. Attorneys' Fees. In the event of commencement of a legal action in an appropriate forum by a Party to enforce any covenant or any of such Party's rights or remedies under this Agreement, including any action for declaratory or equitable relief, the prevailing Party in any such action shall be entitled to reimbursement of its reasonable attorneys' fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the Party and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute.
- 18. <u>Successors and Assigns</u>. All of the provisions hereof shall inure to the benefit of and be binding upon the successors in interest and assigns of each of the Parties pursuant to A.R.S. § 9-500.05D, and will run with the land during the Term of the Agreement as defined in <u>Section 2</u> or such longer period where the covenant expressly survives the termination of this Agreement. Wherever the term "Party" or the name of any particular Party is used in this Agreement such term shall include any such Party's permitted successors and assigns.

## 19. Miscellaneous.

- 19.1 <u>Consents and Approvals</u>. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.
- 19.2 <u>Governing Law; Choice of Forum.</u> This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Yuma (or, as may be appropriate, in the Justice Courts of Yuma County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 19.1.

- 19.3 <u>Construction</u>. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and the Parties each hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.
- 19.4 <u>A.R.S. § 38-511</u>. Notice is hereby given of the applicability of A.R.S. § 38-511.
- 19.5 <u>Integration</u>. This Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement. No oral or written statements, promises, or inducements made by either party or its agents not contained or specifically referred to in this Agreement is valid or binding.
- 19.6 <u>Recordation</u>. City shall record a copy of this Agreement no later than ten (10) days from date of entering into this Agreement pursuant to A.R.S. § 9-500.05.
- 19.7 <u>Estoppel Certificate</u>. The Parties agree that, upon not less than twenty-one (21) business days prior written request from a Party to this Agreement, a requested Party shall execute, acknowledge and deliver to the Party making such request a written statement certifying to the current status of the Agreement, including whether or not, the requested Party has actual knowledge that any Party is in default of any obligation or duty set forth in this Agreement. Any such certificate may be relied on by a prospective purchaser of any lot within the Property, or any prospective Lender.
- 19.8 <u>Counterparts</u>. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all Parties may be physically attached to a single document.
- 19.9 <u>Headings</u>. The descriptive headings of the Sections of this Agreement are inserted for convenience only and shall not control or affect the meaning of construction of any of the provisions hereof.
- 19.10 <u>Exhibits and Recitals</u>. 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. The Recitals set forth at the beginning of this Agreement are

hereby acknowledged and incorporated herein and the Parties hereby confirm the accuracy thereof.

- 19.11 <u>Further Acts</u>. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications, acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of (i) this Agreement as in full force and effect, and (ii) the performance of the obligations hereunder at any time.
- 19.12 <u>Time is of the Essence</u>. Time is of the essence in implementing the terms of this Agreement.
- 19.13 No Partnerships; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the Parties. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder, except for transferees or assignees to the extent that they assume or succeed to the rights and/or obligations of Owner under this Agreement.
- 19.14 <u>Amendment</u>. No change or addition is to be made to this Agreement except by written amendment executed by City and Owner. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Yuma County, Arizona.
- 19.15 <u>Severability</u>. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses City or Owner from undertaking any contractual commitment to perform under any provision hereunder, the remaining portions of this Agreement shall remain in full force and effect, and the Parties will negotiate diligently in good faith for such amendments of this Agreement as may be necessary to achieve the original intent of this Agreement, notwithstanding such invalidity or unenforceability.
- 19.16 <u>Business Days</u>. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 19.17 <u>Individual Nonliability</u>. No City Council member, official, representative, agent, attorney or employee of the City and no member, manager, officer or employee of Owner shall be personally liable to any of the other Parties hereto, or to any successor in interest to such Parties, in the event of any default or breach by City or the Owner for any amount which may become due to a Party or its successor, or with respect to any obligation of City or Owner under the terms of this Agreement. Notwithstanding anything contained

in this Agreement to the contrary, the liability of Owner shall be limited solely to the Property and the assets of Owner, and shall not extend to or be enforceable against: (i) the individual assets of any of the individuals or entities who are shareholders, members, managers, constituent partners, officers or directors of the general partners or members of Owner, (ii) the shareholders, members or managers or constituent partners of Owner, or (iii) the officers of Owner.

19.18 Proposition 207 Waiver. Upon approval of this Agreement by the City Council Owner hereby waives and releases City from any and all claims under Arizona Revised Statutes § 12-1134, et seq., including any right to compensation for reduction to the fair market value of the Property or any portion thereof, as a result of City's approval or failure to approve this Agreement, the Annexation Ordinance, a General Plan amendment(s) or adoption or failure to adopt the zoning designation, and all related annexation, zoning, land use, building and development matters arising from, relating to, or reasonably inferable from this Agreement, including the approval, rejection or imposition of conditions or stipulations upon the approval of the zoning designation. The terms of this waiver shall run with the land and shall be binding upon all subsequent landowners, assignees, lessees and other successors, and shall survive the expiration or earlier termination of this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives.

Dated this day of	, 201
APPROVED:	
CITY OF YUMA	AVENUE 6E LAND, L.L.C.
By Gregory K. Wilkinson City Administrator ATTEST:	By Brian L. Hall, Member SAGUARO DESERT LAND, INC.
By Lynda L. Bushong City Clerk	Brian L. Hall President
APPROVED AS TO FORM:	APPROVED AS TO FORM:

By	By
Richard W. Files	John A. Weil
City Attorney	Attorney
ACI	KNOWLEDGEMENTS
State of) ss	
County of) ss	
The foregoing instrument wa	s acknowledged before me this of an L. Hall, Member, on behalf of Avenue 6E Land,
L.L.C.	
My commission expires:	By:Notary Public
State of) ss County of)	
, 201 by Bri	s acknowledged before me this of an L. Hall, President, on behalf of Saguaro Desert
Land, Inc.	
My commission expires:	By: Notary Public
	riotary r done

## **EXHIBIT A**

Legal Description and Depiction of the Property

A portion of the Southeast Quarter (SE1/4) of Section 17, Township 9 South, Range 22 West, Gila & Salt River Base & Meridian, Yuma County, State of Arizona, and more particularly described as follows:

Commencing at the Southwest Corner of the Southeast Quarter (SE1/4), also known as the South 1/4 of said Section 17, and the TRUE POINT OF BEGINNING; Thence Easterly on the South section line of said Section 17, to a point on the North Right-of- Way Line of the United States Department of the Interior Bureau of Reclamation (a.k.a. USBR) "A" Canal, as Shown on (USBR) Drawing Titled A and B CANALS AND LATERALS RIGHT OF WAY ACROSS PUBLIC LANDS, Drawing Number 50-303-4981; Thence Northeasterly along North Right-of- Way line of said USBR Canal to a point 33 feet West of the East line of said Section 17; Thence Northerly along a line lying 33 feet West of the East line of said Section 17, to a point on the North line of the Southeast Quarter (SE1/4), and 33 feet Westerly of the Northeast corner of the Southeast Quarter (SE1/4), also known as the East 1/4 corner of said Section 17; Thence Westerly along the North line of the Southeast Quarter (SE1/4) to the Northwest Corner of the Southeast Quarter (SE1/4), also known as the Center Quarter (C1/4) corner of said Section 17; Thence Southerly along the West line of the Southeast Quarter (SE1/4) to a point, being the Northwest corner of the Northwest Ouarter of the Southwest Ouarter of the Southeast Ouarter (NW1/4SW1/4SE1/4) also known as the CS 1/16 of said Section 17; Thence Easterly along the North line of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (NW1/4SW1/4SE1/4) to a point, being the Northeast corner of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (NW1/4SW1/4SE1/4) of said Section 17; Thence Southerly along the East line of the Northeast Ouarter of the Southwest Ouarter of the Southeast Ouarter (NW1/4SW1/4SE1/4), to the Southeast corner of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (NW1/4SW1/4SE1/4) of said Section 17; Thence Westerly along the South line of Northwest Quarter of the Southwest Quarter of the Southeast Quarter (NW1/4SW1/4SE1/4), to a point being the Southwest corner of the Northwest Quarter of the Southwest Quarter of the Southeast Quarter (NW1/4SW1/4SE1/4) of said Section 17; Thence Southerly along the West line of the Southeast quarter, to the Southwest Corner of the Southeast Quarter (SE1/4), also known as the South 1/4 of said Section 17, and the TRUE POINT OF BEGINNING.

The above described parcel contains 4,549,541 square feet or 104.44 acres more or less.





