When Recorded, Return to:
Town of Prescott Valley
7501 East Civic Circle
Prescott Valley, AZ 82314

SUBDIVISION AGREEMENT
Town of Prescott Valley, Arizona

THIS AGREEMENT, entered into this ___ day of _____, 20__, by and between the TOWN OF PRESCOTT VALLEY, a municipal corporation of Arizona (hereinafter the "Town"), and GRANVILLE DEVELOPMENT COMPANY, INC. OF PRESCOTT VALLEY, ARIZONA, a corporation of Arizona (hereinafter the "Subdivision Owner");

WITNESSETH:

WHEREAS, Subsection 14-04-080(A) of the Prescott Valley Town Code requires that, upon approval of a Final Plat by the Town Council, subdividers shall execute an agreement providing for (a) construction of subdivision improvements in practical increments of lots (accounting for drainage, traffic movement and other services), if any, (b) Town staff approval of improvement plans, time limits for construction of each improvement increment (and conditions for any time extensions), (c) the types of assurances to be given for construction of each improvement increment [in accordance with Subsection 14-04-080(B)], (d) standards for making progress payments to subdividers from cash deposits (if any), (e) recovery of construction costs from subdividers if the Town must complete abandoned improvements, (f) Town staff inspection of improvement construction, and (g) "release" of lots from construction increments only when improvement assurances are posted; and

WHEREAS, Subsection 14-04-080(B) of the Town Code requires subdividers to provide improvement assurances by (a) depositing an amount in cash or providing an approved surety bond equal to the cost of the work of each recorded improvement increment, or (b) delivering an agreement between subdividers and an approved lending institution to the effect that (i) all funds necessary to construct the improvements are on deposit with the institution for the subdividers, (ii) the funds will only be used for the purpose of installing the improvements, (iii) the Town is a third-party beneficiary of the agreement, and (iv) the Town Engineer may approve all fund disbursements; and

WHEREAS, Article 14-04 "Street and Utility Improvement Requirements" of the Town Code indicates that certain off-site street and utility improvements may be necessary as a condition of subdivision approvals; and

WHEREAS, the assurances required in §14-04-080 of the Town Code relate to any and all improvements needed for the construction of subdivision increments (both on and off-site), so that §14-04-080 provides adequate authority for the Town to require execution of a subdivision

agreement and provision of necessary financial assurances for off-site improvements as well as on-site improvements; and

WHEREAS, on June 12, 2014, the Mayor and Council of the Town of Prescott Valley adopted Resolution No. 1880 approving a Final Development Plan (Final Plat) for Granville Unit 7A1, 7B1 & 7C1 involving seventy one (71) lots on approximately nineteen (19) acres; and

WHEREAS, Resolution No. 1880 authorized the Mayor (or, in his absence, the Vice-Mayor) to sign all documents necessary for the Subdivision Owner to provide needed financial and other assurances as to the construction of subdivision improvements;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein, the parties hereto agree as follows:

Section 1. Construction. Development of Granville Unit 7A1, 7B1 & 7C1 involves Lots 1585-1622 and 1702-1737; along with construction of adjacent, Colby, Dryden, Hanbury, Linwood, Chadds Ford and Pembroke (Dr, Rd. St), as well as construction of the on and off-site sewer collection systems needed for the lots involved, construction of the on and off-site water systems needed for the lots involved, and construction of the on-site water system needed for the lots involved, and construction of other on-site utilities needed for the lots involved (in accordance with approved engineering plans).

Section 2. Plan Approvals. Prior to construction of any portion of Granville Unit 7A1, 7B1 & 7C1 approval of the engineering plans for any and all improvements required for all construction phases shall first be obtained from appropriate Prescott Valley Town staff.

Section 3. Construction Timing. The improvements shall be completed by the Subdivision Owner (or its agents or assigns) within twelve (12) months after the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan) is recorded in the Office of the Yavapai County, Arizona Recorder. Extensions of this time limitation may be granted by the Town Manager (or his/her designee), but only under the following conditions:

a) inclement weather of such nature that the Town Manager (or his/her designee) concludes construction could not continue;

b) unavailability of construction materials which, in the opinion of the Town Manger (or his/her designee) is beyond the control of the Subdivision Owner (or its agents or assigns);

c) delays caused by utility company installation schedules which, in the opinion of the Town Manager (or his/her designee) are beyond the control of the Subdivision Owner (or its agents); or

d) any other "force majeure" which, in the opinion of the Town Manager (or his/her designee), makes it physically impossible for the Subdivision Owner (or its agents or assigns) to finish construction as scheduled.

Note that financial inability or impossibility is expressly not a basis for granting any extension of this time limitation. Note also that any time extensions granted may not exceed the number of days during which the condition actually lasted.

Finally, the Subdivision Owner expressly agrees that if the required assurances for improvements in Granville Unit 7A1, 7B1 & 7C1 Subdivision are not delivered as set forth in this Subdivision Agreement within five (5) years after the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan) is recorded in the Office of the Yavapai County, Arizona Recorder, then any lots or parcels for which the required assurances have not been delivered shall automatically revert to un-platted land, and the Subdivision Owner expressly approves in advance by its execution of this Subdivision Agreement the necessary Reversionary Plat(s) authorized by the Town Council to be recorded in the Office of the Yavapai County, Arizona Recorder to formalize such reversion of lots and parcels to unplatted land.

Section 4. Construction Assurances. The types of assurances to be given for construction of on-site improvements shall only be those set forth in Subsection 14-04-080(B) of the Town Code. All assurance documents must be approved as to form by the Town Attorney, and fully-executed assurance documents for Granville Unit 7A1, 7B1 & 7C1 must be deposited in the Office of the Town Clerk before the Clerk shall record the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan).

The assurance amounts for the respective on-site improvements for each construction phase shall be as follows:

SEWER SYSTEM	$173,470
WATER SYSTEM	$186,585
STORM DRAIN SYSTEM	$237,639
PAVING	$500,000
DRY UTILITIES	$236,076
CONCRETE	$172,570
SUB TOTAL-INFRASTRUCTURE	$1,506,340
10% CONTINGENCY (R4-28-A1211)	$150,634
TOTAL ASSURANCE AMT.	**$1,656,974**

(Required Inspection Fees due as separate payment to Public Works in conjunction with assurances)

Section 5. Contingency for Town Completion. In addition to any right or remedy available to the Town in any assurance document, arrangement, or agreement, the Subdivision Owner hereby expressly agrees to indemnify and hold the Town harmless for, from and against any and all costs or liabilities incurred by the Town, its agents or assigns, over and above what the Town may recover under any assurance documents, arrangements, or agreements, because the Town constructed or finished construction of any or all improvements (on and off-site)

required for all phases of the subdivision approved in the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan) because said improvements were abandoned, left incomplete, or never commenced by the Subdivision Owner (or its agents or assigns). Furthermore, the Subdivision Owner agrees to pay all reasonable costs of whatever nature the Town may incur (including reasonable attorneys' fees) in enforcing collection of said construction costs from the Subdivision Owner.

Section 6. Town Construction Approval. In accordance with applicable provisions of the Prescott Valley Town Code, construction of improvements for Granville Unit 7A1, 7B1 & 7C1 shall be subject to inspection and approval by appropriate Town staff.

Section 7. Lot Development Release. No lots or parcels in the Granville Unit 7A1, 7B1 & 7C1 subdivision shall be "released" for sale prior to execution and delivery of this Subdivision Agreement and execution and delivery of the appropriate assurances (as provided hereinabove).

Section 8. Final Plat (Plan) Recording. After compliance with any other requirements herein, the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan) shall be recorded by the Town Clerk in the Office of the Yavapai County, Arizona Recorder at such reasonable time after this Subdivision Agreement has been fully executed by the Subdivision Owner and deposited with the Town Clerk, and recorded.

Section 9. Successors-in-Interest and Assigns. This Subdivision Agreement shall inure to the benefit of and shall be binding upon the executors, administrators, legatees, devisees, heirs, successors-in-interest, and assigns of each of the parties hereto.

Section 10. Waiver. No waiver by any party of a breach of any of the terms, covenants or conditions of this Subdivision Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other term, covenant or condition herein contained. Furthermore, no delay in exercising any right or remedy shall constitute a waiver thereof.

Section 11. Costs and Attorneys' Fees. In the event any action shall be instituted between any of the parties in connection with this Subdivision Agreement, the party prevailing in such action shall be entitled to recover from the other party all of its costs, including reasonable attorneys' fees.

Section 12. Savings Clause. In the event any phrase, clause, sentence, paragraph, section, or other portion of this Subdivision Agreement shall become illegal, null or void or against public policy for any reason, or shall be held by any court of competent jurisdiction to be illegal, null or void or against public policy, the remaining portions of this Agreement shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law.

Section 13. Merger Clause. This Subdivision Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof, and all prior and

contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

Section 14. Multiple Counterparts. This Subdivision Agreement may be executed in multiple counterparts, each of which when combined shall constitute one and the same instrument.

Section 15. Venue and Choice of Law. This Subdivision Agreement shall be governed by and construed under the laws of the State of Arizona, and shall be deemed made and entered into in Yavapai County, Arizona.

Section 16. Warranty of Authority. Granville Development Co., Inc. represents and warrants that (a) it is an Arizona Corporation duly organized and validly existing under the laws of the State of Arizona, (b) the execution, delivery and performance of this Subdivision Agreement has been duly authorized by the responsible members thereof, and it has a sufficient interest in the property within the Granville Unit 7A1, 7B1 & 7C1 Final Plat (Final Development Plan) to permit it to develop the same (directly or through its agents or assigns) and to perform its obligations under this Subdivision Agreement.

Section 17. Authority for Future Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as are reasonably necessary, from time to time, to carry out the matters contemplated by this Subdivision Agreement.

Section 18. No Partnership Between Parties. It is not intended by this Subdivision Agreement to, and nothing contained in this Subdivision Agreement shall, create any partnership, joint venture or other arrangement between the Subdivision Owner (or its agents) or the Town. No term or provision of this Subdivision Agreement is intended, 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.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their authorized representatives the day and year first-above written.

TOWN OF PRESCOTT VALLEY, a municipal corporation of Arizona, (Town)

_____
Harvey C. Skoog, Mayor

ATTEST:

_____
Diane Russell, Town Clerk

APPROVED AS TO FORM:

_____
Ivan Legler, Town Attorney

GRANVILLE DEVELOPMENT CO., INC. OF PRESCOTT VALLEY, ARIZONA an Arizona corporation, (Subdivision Owner)

By _____
Joseph Contadino, President

ATTEST:

_____
, Secretary

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by Harvey C. Skoog, Mayor of the Town of Prescott Valley, a municipal corporation of Arizona, on behalf of said municipal corporation.

_____
Notary Public

My Commission Expires:
_____

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this ____ day of _____, 20__ by Joseph Contadino, President of Granville Development Co., Inc. of Prescott Valley, Arizona, an Arizona corporation, on behalf of said corporation.

_____
Notary Public

My Commission Expires:
_____