

SEAL



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RESL 4113675

ATTEST


Diane Russell, Town Clerk

APPROVED AS TO FORM:


Ivan Legler, Town Attorney



DEVELOPMENT AGREEMENT

THIS AGREEMENT, entered into this 7 day of ~~November~~ ^{December} 2006, by and between the TOWN OF PRESCOTT VALLEY, an Arizona municipal corporation (hereinafter "TOWN") and SLADE INVESTMENTS, LLC, an Arizona limited liability company (hereinafter "DEVELOPER") (collectively "PARTIES" or individually "PARTY");

WHEREAS, the DEVELOPER owns approximately twenty-six (26) acres of real property located in Yavapai County, Arizona, described in Exhibit "A" attached hereto ("SUBJECT PROPERTY"); and

WHEREAS, the SUBJECT PROPERTY was approved for C2-PAD zoning with a Preliminary Development Plan in March, 1981 (with said approval being revised in October, 1981) and is currently zoned C2-PAD per Ordinance No. 66; and

WHEREAS, a "C2" (Commercial; General Sales and Services) District is intended to provide for retail and service establishments to meet the TOWN's needs [TOWN Code §13-14-010]; and

WHEREAS, a "PAD" (Planned Area Development) District is an overlay zoning district which can be combined with underlying zoning districts to permit single projects to be designed in accordance with PAD plans to give greater flexibility in the distribution of uses and provide maximum choice of environments, units and facilities while preserving open space and natural features [TOWN Code Article 13-19]; and

WHEREAS, Article 13-19 of the TOWN Code requires a Preliminary Development Plan ("PDP") to be approved before any use is permitted in a PAD district, showing at least (a) the relationship to surrounding areas, (b) street systems, lot lines and topography, (c) land uses, (d) site plans for buildings and common open areas; (e) preliminary plans and elevations of all building types; (f) off-street parking and circulation, (g) the number of acres and overall density per acre, and (h) CC&R's; and

WHEREAS, the DEVELOPER has submitted to the TOWN a PDP for the development of the SUBJECT PROPERTY as a commercial/retail subdivision, consistent with its C2-PAD zoning and in accordance with Article 13-19 of the Town Code; and

WHEREAS, the DEVELOPER'S PDP 05-001 was approved by the Town's Planning & Zoning Commission on April 11, 2005; and

WHEREAS, the DEVELOPER must submit a Final Development Plan ("FDP") for development of the SUBJECT PROPERTY pursuant to TOWN Code §13-19-060; and

WHEREAS, the DEVELOPER, to date, has not submitted a complete FDP for development of the SUBJECT PROPERTY; and



WHEREAS, Article 14-04 of the TOWN Code generally makes all needed public improvements for subdivisions in the TOWN the responsibility of the DEVELOPER (and its successors-in-interest) including, but not limited to (a) paved streets [TOWN Code §§14-04-040(A); 14-04-060(B)(2)(d)], and (b) curbs, gutters and sidewalks [TOWN Code §§14-04-040(B) & (C); 14-04-060(B)(2)(d)]; and

WHEREAS, the proposed development of the SUBJECT PROPERTY will require the following off-site public improvements: (a) installation of a twelve (12) foot lane from the corner of Navajo Drive and Florentine Road to the east side of the development's access road on Florentine ("12' LANE"); and (b) installation of a full, "half street" improvement along the length of the development on Florentine Road including curb, gutter and an adjacent five (5) foot sidewalk and asphalt to the centerline of the street ("HALF STREET IMPROVEMENT") (collectively "OFF-SITE IMPROVEMENTS"); and

WHEREAS, the Subdivision Chapter and the PAD provisions of the TOWN Code require the TOWN and the DEVELOPER to mutually arrange for land needed to construct the public improvements necessitated by the development (TOWN Code §§13-19-060(B)(3); 13-19-060(G)(5); 14-02-020(D)(1)(b); 14-02-030(C)(3); 14-02-030(D)(2)(e); 14-02-040(D)(3); 14-03-010(B); *see also* A.R.S. §9-463.01 D-F]; and

WHEREAS, the TOWN requires a six (6) foot dedication of right-of-way along the entire length of the development on Florentine Road ("6' RIGHT-OF-WAY") for, among other things, curb, gutter and sidewalk; and

WHEREAS, the DEVELOPER will dedicate the 6' RIGHT-OF-WAY to the TOWN as part of this DEVELOPMENT AGREEMENT; and

WHEREAS, under the TOWN's current Capital Improvement Plan, Florentine Road is scheduled to be widened and lowered twelve (12) inches in 2010 ("FLORENTINE ROAD PROJECT"); and

WHEREAS, any OFF-SITE IMPROVEMENTS completed by the DEVELOPER for the SUBJECT PROPERTY would need to be torn up and re-done as part of the FLORENTINE ROAD PROJECT at considerable expense to the TOWN; and

WHEREAS, to avoid unnecessary burden and expense in connection with the FLORENTINE ROAD PROJECT, it is in the best interests of the TOWN to require the DEVELOPER to currently complete only those OFF-SITE IMPROVEMENTS that are necessary to accommodate the increased traffic that will be generated by the development ("INTERIM IMPROVEMENTS"), and for DEVELOPER to pay the TOWN for the projected costs to complete the remaining OFF-SITE IMPROVEMENTS as part of the FLORENTINE ROAD PROJECT ("DEFERRED IMPROVEMENTS"); and

WHEREAS, Arizona law provides for municipalities to enter into "Development Agreements" with landowners to, among other things, provide conditions, terms, restrictions and



requirements for needed public infrastructure and for any other matters relating to development of property; and

WHEREAS, the PARTIES desire now to enter into this DEVELOPMENT AGREEMENT to provide for the completion of the OFF-SITE IMPROVEMENTS for the SUBJECT PROPERTY in the form of INTERIM IMPROVEMENTS and DEFERRED IMPROVEMENTS and to provide necessary RIGHT-OF-WAY for the OFF-SITE IMPROVEMENTS on Florentine Road; and

WHEREAS, the TOWN Council finds that this DEVELOPMENT AGREEMENT meets the health, safety and welfare needs of the community;

NOW, THEREFORE, for and in consideration of the mutual covenants and promises herein, the PARTIES hereto enter into this DEVELOPMENT AGREEMENT as follows:

SECTION 1. TERM OF AGREEMENT.

This DEVELOPMENT AGREEMENT will automatically terminate without any further action from any Party if DEVELOPER's FDP is not approved on or before June 30, 2007. If the FDP is timely approved, the Term of this DEVELOPMENT AGREEMENT shall be from the effective date first-above written to, and including, the date of full performance of each of the obligations stated herein, or ten (10) years from the date DEVELOPER deposits (in cash) with the TOWN the total projected costs of the DEFERRED IMPROVEMENTS in accordance with Subsection 3.2 hereinbelow (whichever occurs sooner).

SECTION 2. ACKNOWLEDGEMENT.

The PARTIES acknowledge and agree that this DEVELOPMENT AGREEMENT defines the rights and responsibilities of the PARTIES with respect to the OFF-SITE IMPROVEMENTS and certain other public improvements and infrastructure, if any, pertaining to the development of the SUBJECT PROPERTY; all other terms and conditions of development of the SUBJECT PROPERTY shall be addressed as part of the FDP process described in Article 13-19 of the TOWN Code and as otherwise set forth in the TOWN Code.

SECTION 3. PUBLIC IMPROVEMENTS AND INFRASTRUCTURE

The OFF-SITE IMPROVEMENTS required for development of the SUBJECT PROPERTY shall be provided by the DEVELOPER as required in this DEVELOPMENT AGREEMENT. However, it is acknowledged and agreed that the DEVELOPER shall have no obligation to construct, cause to be constructed or fund construction (as provided in Subsection 3.2 hereinbelow) of the OFF-SITE IMPROVEMENTS if the DEVELOPER decides not to commence or continue development of the SUBJECT PROPERTY.



3.1 INTERIM IMPROVEMENTS.

As a portion of the development process of the SUBJECT PROPERTY, the DEVELOPER shall cause the INTERIM IMPROVEMENTS diagramed and more fully described in the engineering estimate attached hereto as Exhibit 'B' to be constructed in compliance with applicable TOWN Codes, related regulations and policies, and right-of-way permits. During, and at completion of, construction all such public improvements may be inspected by the TOWN (or other entity where appropriate) to determine if the same have been constructed to applicable standards [TOWN Code §14-04-030(C)] (and subject to the provision that the DEFERRED IMPROVEMENTS are to be performed at a later date by the TOWN). Upon approval by the TOWN of the improvements to be dedicated and conveyed to the TOWN (which approval shall not be unreasonably conditioned, withheld or delayed), the same shall be dedicated or conveyed to and accepted by the TOWN for continuous maintenance and/or operation no later than sixty (60) days after written acceptance and approval by the TOWN for continuous maintenance.

To ensure construction of the INTERIM IMPROVEMENTS and other required on-site infrastructure improvements for the SUBJECT PROPERTY, DEVELOPER shall deposit with the TOWN an Assurance that conforms to the requirements of TOWN Code §14-04-080 ("ASSURANCE") within one (1) year from the date that the TOWN approves the FDP or at the same time a subsequent FDP for the SUBJECT PROPERTY is submitted to the TOWN for approval (whichever is sooner). DEVELOPER expressly acknowledges and agrees that the ASSURANCE is a requirement for recording the FDP and that the INTERIM IMPROVEMENTS must be completed before any permits can be pulled for the SUBJECT PROPERTY.

3.2 DEFERRED IMPROVEMENTS.

The DEVELOPER shall deposit with the TOWN Engineer \$148,476.30 in cash equal to the total projected cost of the DEFERRED IMPROVEMENTS diagramed and more fully described in the engineering estimate attached hereto as Exhibit 'C' not later than DEVELOPER'S posting of the ASSURANCE.

3.3 DECELERATION LANE.

DEVELOPER understands and agrees that in the course of build out of the SUBJECT PROPERTY the TOWN may require DEVELOPER or its Assignee, as applicable, to install a deceleration lane adjacent to Navajo Drive between Florentine Road and the first driveway north of the intersection of Navajo Drive and Florentine Road ("FIRST DRIVEWAY") for any proposed use that will be primarily serviced by the FIRST DRIVEWAY in order to prevent unsafe turning movements from the site onto the adjacent roadway. The deceleration lane shall be located within ~~that portion of~~ the 10 foot Public Utility Easement and the 2' Non-Vertical Building Easement depicted on the adopted Final Development Plan



DEVELOPER or its Assignee, as applicable, will be responsible for the costs of (i) obtaining the property for the deceleration lane and (ii) constructing the deceleration lane on the subject property within the 10 foot public utility easement and 2 foot non-vertical building easement on the property in compliance with applicable TOWN Codes, related regulations policies, and right-of-way permits. During, and at completion of, construction this public improvement may be inspected by the TOWN (or other entity where appropriate) to determine if the same has been constructed to applicable standards [TOWN Code §14-04-030(C)] Upon approval by the TOWN (which approval shall not be unreasonably conditioned, withheld or delayed), the deceleration lane shall be dedicated or conveyed to and accepted by the TOWN for continuous maintenance and/or operation no later than sixty (60) days after written acceptance and approval by the TOWN for continuous maintenance. Upon installation of the deceleration lane, the landscaping requirement adjacent to TOWN roadways will be removed for the length of the deceleration lane. If the installation of the deceleration lane renders an adjacent Pad Site as non-conforming to a Final Development Plan approved for such Pad Site, the non-conformance will be considered as a legal non-conforming use.

SECTION 4. DEDICATION OF RIGHT-OF-WAY.

As part of the FDP process, the DEVELOPER shall dedicate to the TOWN the 6' RIGHT-OF-WAY at no cost to the TOWN for installation of public improvements/infrastructure including, among other things, curb, gutter and sidewalk.

SECTION 5. USE OF PREMISES.

If the SUBJECT PROPERTY is developed under this DEVELOPMENT AGREEMENT, no portion of the SUBJECT PROPERTY may be utilized for those uses otherwise allowed in C-2 zoning under TOWN code Section 13-14-020.A.4.b.

SECTION 6. ON-SITE IMPROVEMENTS.

On-site infrastructure improvements are subject to certain requirements under TOWN Code and as determined by the TOWN Engineer pursuant to TOWN Code §14-04-030C and it is agreed that: DEVELOPER will initially only install sidewalks along 1 side of Bob Drive (the street depicted on the FDP connecting Florentine Road to Navajo Drive) and additional sidewalks will be installed on parcels purchased from DEVELOPER by purchasers of such parcels as a condition of approval of their FDP and for the issuance of building permits for construction of buildings within the SUBJECT PROPERTY, and the drainage installed by DEVELOPER may be above ground in drainage channels with detention basins sufficient for roads and common areas but the purchasers of parcels from DEVELOPER will be required to obtain approval for such on-site detention, if any, as may be needed for purchaser's parcel in order for them to receive approval of their FDP and subsequent building permit(s).

SECTION 7. EXHIBITS.

Each of the Exhibits 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.



SECTION 8. NOTICES AND FILINGS.

Unless otherwise specifically provided herein, all notices, filings, demands or other communications relating to this DEVELOPMENT AGREEMENT shall be in writing and shall be deemed to have been duly delivered upon personal delivery, or as of the second business day after mailing by United States mail, postage prepaid, addressed as follows:

TOWN: TOWN OF PRESCOTT VALLEY
c/o TOWN Manager
7501 East Civic Circle
Prescott Valley, Arizona 86314

DEVELOPER: SLADE INVESTMENTS, LLC
c/o Donna Youngsma
P.O. Box 3407
Prescott, Arizona 86302

WITH A COPY TO: Thomas P. Kack
MUSGROVE, DRUTZ & KACK, P.C.
1135 Iron Springs Road
Prescott, Arizona 86305

These addresses may be changed by either PARTY by giving notice in writing. Such changes shall be deemed to have been effectively noticed five (5) calendar days after being mailed to each PARTY by the PARTY changing the address.

SECTION 9. COOPERATION AND ALTERNATIVE DISPUTE RESOLUTION.

The TOWN and the DEVELOPER shall each designate a Representative to act as liaison with the other PARTY in the administration of this DEVELOPMENT AGREEMENT and the resolution of disputes hereunder. The TOWN'S initial Representative shall be the TOWN Manager. The DEVELOPER's initial Representative shall be Donna Youngsma. The designated Representative may be changed by either PARTY in writing mailed to the other PARTY as provided in Section 8.

In the event a dispute arises between the DEVELOPER and the TOWN over implementation of this DEVELOPMENT AGREEMENT, and either PARTY believes an impasse has been reached, then either may appeal to the other PARTY'S Representative for an expedited resolution of the impasse. Thereupon, that Representative shall provide the PARTY'S proposed resolution within fifteen (15) working days. In the case of the TOWN, if the TOWN Representative determines that a public hearing before the TOWN Council is necessary before a proposed resolution can be provided, then such hearing shall be scheduled within thirty (30) calendar days of the request. In the event that the TOWN does not have the personnel or other resources to implement the requested expedited review, then the TOWN shall so inform the



DEVELOPER and the DEVELOPER shall have the option of paying the costs for private consultants retained by the TOWN to assist in the review of the matter.

SECTION 10. MEDIATION.

In the event that there is a dispute hereunder which the PARTIES cannot resolve between themselves (including the alternative dispute resolution process set forth in Section 9 above), the PARTIES agree that there shall be a forty-five (45) day moratorium on litigation during which time the PARTIES agree to attempt to settle the dispute by nonbinding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by DEVELOPER and the TOWN. In the event that the PARTIES cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the TOWN and the DEVELOPER shall request the presiding judge of the Superior Court in and for the County of Maricopa, State of Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years experience in mediating or arbitrating disputes relating to development. The cost of any such mediation shall be divided equally between the TOWN and the DEVELOPER. The results of the mediation shall be nonbinding on the PARTIES, and any PARTY shall be free to initiate litigation subsequent to the moratorium.

SECTION 11. INDEMNIFICATION AND HOLD HARMLESS.

The DEVELOPER hereby agrees to defend, indemnify and hold harmless the TOWN, its officers, employees, agents and successors (but only to the extent authorized by law) for, from and against any and all claims and costs (including, but not limited to, reasonable attorney fees and other reasonable administrative, consultant or other reasonable costs) actually and directly incurred by the TOWN, its officers, employees, agents and successors in any subsequent judicial or administrative proceeding challenging the approval, execution, or performance of this DEVELOPMENT AGREEMENT. The DEVELOPER shall have the right to intervene and assist in the defense of any legal action arising out of the approval or execution of this DEVELOPMENT AGREEMENT, and to participate fully in any negotiations and settlements involving any such actions.

SECTION 12. DEFAULT.

Failure or unreasonable delay of either PARTY to act in accord with any provision of this DEVELOPMENT AGREEMENT (excluding DEVELOPER's failure to proceed with the development of the SUBJECT PROPERTY or TOWN's failure to proceed with the DEFERRED IMPROVEMENTS) for thirty (30) calendar days ("CURE PERIOD") following mailing of a written notice from the other PARTY by regular mail, postage prepaid, shall constitute an "incident of default". The notice shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. [Note, however, that if an action under this DEVELOPMENT AGREEMENT would normally require more than thirty (30) calendar days to complete, the responsible PARTY shall have reasonable additional time beyond thirty (30) days in which to comply.]



Only in the event of an incident of default where a PARTY fails to act in accord with any substantial provision of this DEVELOPMENT AGREEMENT, the non-defaulting PARTY shall have the right to terminate this DEVELOPMENT AGREEMENT by written notice to the defaulting PARTY, which termination shall be effective thirty (30) calendar days following the mailing of the notice by regular mail, postage prepaid (provided the defaulting PARTY has not cured such default).

In addition, if any default is not cured within the CURE PERIOD, the non-defaulting PARTY may exercise all rights and remedies available to it at law or in equity, including without limitation the right to specifically enforce any term or provision hereof and/or the right to institute an action for damages.

Any dispute arising under this DEVELOPMENT AGREEMENT may be subject to arbitration in accordance with ARS §12-1501 et seq., but only if mutually agreed to by the PARTIES. All disputes shall be governed by Arizona law.

SECTION 13. AMENDMENTS.

This DEVELOPMENT AGREEMENT may be amended only by a written agreement fully executed by the TOWN and the DEVELOPER. Any amendment shall be adopted by TOWN ordinance or resolution and recorded in the Office of the Yavapai County Recorder within ten (10) calendar days of its execution by authorized representatives of the PARTIES.

SECTION 14. BINDING ON SUCCESSORS-IN-INTEREST.

This DEVELOPMENT AGREEMENT shall inure to the benefit of and shall be binding upon the successors-in-interest of each of the PARTIES hereto, pursuant to ARS §9-500.05(D). However, this DEVELOPMENT AGREEMENT shall terminate without the execution or recordation of any further document or instrument as to any parcels within the SUBJECT PROPERTY which have been leased for a period of longer than 1 year or sold to the purchaser or user thereof (and not a transfer or sale in "bulk") ("NON-DEVELOPER PARCEL"), and thereupon such NON-DEVELOPER PARCEL shall be released from and no longer be subject to or burdened by the provisions of this DEVELOPMENT AGREEMENT.

SECTION 15. ASSIGNMENT OF INTERESTS.

Each of the PARTIES to this DEVELOPMENT AGREEMENT may assign all or any portion of its rights hereunder to any one or more persons or entities, on such terms and conditions as each may deem appropriate ("Assignee"). Provided, however, that no PARTY may convey all or any portion of its rights hereunder unless either (a) the obligations of that PARTY corresponding to the interest that assignee receives are completely assumed by the assignee of the PARTY's rights, the assignee accepts such obligations and demonstrates its ability to perform them, and the obligations are specifically listed in the assignment, or (b) the PARTY remains personally obligated to perform said corresponding obligations after such assignment. Otherwise, any such assignment shall be void.



SECTION 16. WAIVER.

No waiver by any PARTY of a breach of any of the terms, covenants or conditions of this DEVELOPMENT 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 17. COSTS AND ATTORNEYS FEES.

In the event any action shall be instituted between any of the PARTIES in connection with this DEVELOPMENT AGREEMENT, the PARTY prevailing in such action shall be entitled to recover from the other PARTY or PARTIES all of its costs, including reasonable attorney fees.

SECTION 18. SEVERABILITY.

In the event any phrase, clause, sentence, paragraph, section, article or other portion of this DEVELOPMENT 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 DEVELOPMENT AGREEMENT shall not be affected thereby and shall remain in force and effect to the fullest extent permissible by law. If a court prohibits or excuses the TOWN from completing any act required of it by this DEVELOPMENT AGREEMENT, and the TOWN fails to voluntarily take such action, the DEVELOPER may terminate this DEVELOPMENT AGREEMENT pursuant to Section 12 above.

SECTION 19. FORCE MAJEURE.

If either PARTY hereto is prevented from performing any of its obligations under this DEVELOPMENT AGREEMENT by reason of natural disasters, wars, insurrections, strikes, acts of government or any other circumstances beyond its control, the particular failure or failures occasioned thereby shall be waived during such period of prevention and shall not be considered breaches of this DEVELOPMENT AGREEMENT.

SECTION 20. MERGER CLAUSE.

This DEVELOPMENT 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 21. COUNTERPARTS.

This DEVELOPMENT AGREEMENT may be executed in multiple counterparts, each of which shall constitute one and the same instrument.



SECTION 22. RECORDATION.

This DEVELOPMENT AGREEMENT shall be recorded in the Office of the County Recorder of Yavapai County within ten (10) calendar days of execution, pursuant to ARS §9-500.05(D).

SECTION 23. GOVERNING LAW.

This DEVELOPMENT 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.

SECTION 24. DEVELOPER'S GOOD STANDING AND AUTHORITY.

SLADE INVESTMENTS, LLC, represents and warrants that (a) it is a limited liability company duly organized and validly existing under the laws of the State of Arizona, (b) the execution, delivery and performance of this DEVELOPMENT AGREEMENT has been duly authorized by the responsible member thereof, and (c) it has a sufficient unencumbered interest in portions of the SUBJECT PROPERTY to permit it to develop the same and to perform its obligations under this DEVELOPMENT AGREEMENT.

SECTION 25. TOWN PROCEDURE AND AUTHORITY.

The TOWN OF PRESCOTT VALLEY represents and warrants that (a) it is a validly existing and incorporated municipal corporation of the State of Arizona, (b) its execution, delivery and performance of this DEVELOPMENT AGREEMENT has been duly authorized and entered into in compliance with its TOWN Code and any applicable Arizona statutes, and (c) no further action needs to be taken in connection with such execution and delivery.

SECTION 26. HEADINGS.

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

SECTION 27. FURTHER 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 DEVELOPMENT AGREEMENT.

SECTION 28. NO PARTNERSHIP/THIRD PARTY RIGHTS.

It is not intended by this DEVELOPMENT AGREEMENT to, and nothing contained in this DEVELOPMENT AGREEMENT shall, create any partnership, joint venture or other



arrangement between the DEVELOPER and the TOWN. No term or provision of this DEVELOPMENT 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.

SECTION 29. TITLE TO NAMES, PLANS, ETC.

Except with regard to improvements and infrastructure constructed pursuant to public bidding processes, the DEVELOPER shall be the owner of all names, titles, plans, drawings, specifications, ideas, programs, designs and work products of every nature developed, formulated or prepared by or at the instance of the DEVELOPER in connection with the SUBJECT PROPERTY. Provided, however, that in connection with any conveyance of portions of said property to the TOWN, such rights pertaining to the portions of property so conveyed shall be assigned (to the extent such rights are assignable) to the TOWN. Furthermore, notwithstanding the foregoing, the DEVELOPER shall be entitled to utilize all such materials described herein to the extent required for DEVELOPER to construct, operate or maintain improvements and infrastructure relating to the SUBJECT PROPERTY.

SECTION 30. CONFLICT-OF-INTEREST.

This DEVELOPMENT AGREEMENT may be cancelled without penalty pursuant to ARS §38-511 in the event of a conflict-of-interest as described therein by any person significantly involved in negotiating this Agreement on behalf of the TOWN.

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

TOWN OF PRESCOTT VALLEY, a municipal Corporation of Arizona ("TOWN")

By Harvey C. Skoog
HARVEY C. SKOOG,
Mayor

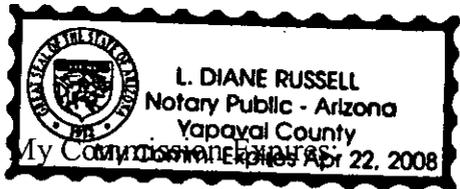


ATTEST:



STATE OF ARIZONA)
) ss:
COUNTY OF YAVAPAI)

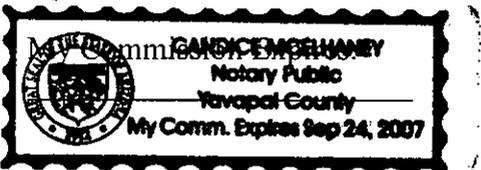
The foregoing instrument was acknowledged before me this 7 day of December, 2006 by HARVEY C. SKOOG, Mayor, TOWN OF PRESCOTT VALLEY, a municipal corporation of Arizona, on behalf of said municipal corporation.



L. Diane Russell
Notary Public

STATE OF ARIZONA)
) ss:
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this 3rd day of January, 2006 by Donna Youngma, as Managing member of SLADE INVESTMENTS L.L.C., an Arizona limited liability company, on behalf of said company.



Candice McElhany
Notary Public



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EXHIBIT "A"
(described property)



LEGAL DESCRIPTION

PARCEL "A25"

PARCEL "A25" of that certain Record of Survey, recorded in Book 126 of Land Surveys at Page 34 , Y.C.R.O., being within Section 13, T. 14 N., R. 1 W., G.&S.R.M., Yavapai County, AZ.

CONTAINING 25.87 ACRES, MORE OR LESS



LEGAL DESCRIPTION

PARCEL "A25-2"

PARCEL "A25-2" of that certain Record of Survey, recorded in Book
of Land Surveys at Page , Y.C.R.O., being within Section 13, T. 14 N.,
R. 1 W., G.&S.R.M., Yavapai County, AZ.

CONTAINING 21,780 S.F., MORE OR LESS.



LEGAL DESCRIPTION

PARCEL "A25-3"

PARCEL "A25-3" of that certain Record of Survey, recorded in Book
of Land Surveys at Page , Y.C.R.O., being within Section 13, T. 14 N.,
R. 1 W., G.&S.R.M., Yavapai County, AZ.

CONTAINING 28,870 S.F., MORE OR LESS.



LEGAL DESCRIPTION

PARCEL "A25-4"

PARCEL "A25-4" of that certain Record of Survey, recorded in Book
of Land Surveys at Page _____, Y.C.R.O., being within Section 13, T. 14 N.,
R. 1 W., G.&S.R.M., Yavapai County, AZ.

CONTAINING 17,860 S.F., MORE OR LESS.



LEGAL DESCRIPTION

PARCEL "A25-5"

PARCEL "A25-5" of that certain Record of Survey, recorded in Book of Land Surveys at Page . . . , Y.C.R.O., being within Section 13, T. 14 N., R. 1 W., G.&S.R.M., Yavapai County, AZ.

CONTAINING 190,061 S.F., (4.3632 ACRES), MORE OR LESS.



EXHIBIT "B"
(diagram and engineer's estimate of INTERIM IMPROVEMENTS)



Navajo Commons
Engineer's Estimate of Probable Cost
Project #05-001

6-Nov-06

EXHIBIT 'B' - QUANTITIES OFFSITE FLORENTINE 12' PVMNT, C&G, S/W (ULTIM

Item #	Item Description	Quantity	Unit	Unit-Price	Item Total
PAVING & GRADING					
	4" Thick Concrete Sidewalk Per MAG STD DET NO. 230 with 4" A.B.C.	5,441	SF	\$4.80	\$26,117.00
	Vertical Curb & Gutter Per YAG STD DET NO. 222, Type A	1,088	LF	\$18.00	\$19,584.00
	6" AC Pavement 12' wide	1,634	SY	\$23.00	\$37,582.00
	14" A.B.C. 12' wide	1,634	SY	\$13.25	\$21,650.50
	High Volume Chip Seal 12' wide	1,634	SY	\$3.00	\$4,902.00
	Striping	1,200	LF	\$1.00	\$1,200.00
	Fine Grade & Compact	1,634	SY	\$1.10	\$1,797.50
	Traffic Control	Lump	Sum	\$3,000.00	\$3,000.00
	Earthwork	1,700	CY	\$9.75	\$16,575.00
				Subtotal	\$132,408.00
INTERSECTION TO OUR PROJECT (Florentine)					
	ADA Ramps	2	EA	\$2,000.00	\$4,000.00
	6" AC Pavement	272	SY	\$23.00	\$6,256.00
	14" A.B.C.	272	SY	\$13.50	\$3,672.00
	High Volume Chip Seal	272	SY	\$3.00	\$816.00
				Subtotal	\$14,744.00
				TOTAL	\$147,152.00
	Contingencies	Pcnt	15%		\$22,073.00
	Engineering	Pcnt	8%		\$11,772.00
				Subtotal	\$33,845.00
				PROJECT TOTAL	\$180,997.00
	ULTIMATE CONSTRUCTION COSTS				\$180,997.00
	INTERIM CONSTRUCTION COSTS				\$32,520.70
	DEFERRED IMPROVEMENTS				\$148,476.30

Unit Costs Provided by AGR Construction 8/18/06

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION



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EXHIBIT "C"
(diagram and engineer's estimate for DEFERRED IMPROVEMENTS)



Navajo Commons
Engineer's Estimate of Probable Cost
Project #05-001

6-Nov-06

EXHIBIT 'C' - INTERIM OFFSITE FLORENTINE IMPROVEMENTS

Item #	Item Description	Quantity	Unit	Unit Price	Item Total
QUANTITIES OFFSITE FLORENTINE - INTERIM DBL CHIP SEAL ROADWAY					
1	Earthwork/Grading	1,044	SY	\$2.87	\$2,996.50
2	Subgrade Prep	1,044	SY	\$1.10	\$1,149.00
3	8" ABC	1,044	SY	\$7.50	\$7,830.00
4	Chip Seal Coat	1,044	SY	\$6.00	\$6,264.00
5	18" HDPE	80	LF	\$50.00	\$4,000.00
6	Striping	1,200	LF	\$1.00	\$1,200.00
7	Traffic Control	Lump	Sum	\$3,000.00	\$3,000.00
				Subtotal	\$26,439.50
	Contingencies	Pcnt	15%		\$3,966.00
	Engineering	Pcnt	8%		\$2,115.20
	INTERIM PROJECT TOTAL				\$32,520.70

Unit Costs Provided By AGR Construction 8/18/06

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION