

RESOLUTION NO. 2552

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A REAL ESTATE PURCHASE AGREEMENT FOR THE SALE OF THREE WELL SITES TO THE TOWN OF STAR VALLEY.

WHEREAS, Payson is the owner of certain wells and real property located within the Town boundaries of the Town of Star Valley; and

WHEREAS, the Town of Star Valley desires to acquire said wells and real property and the Town of Payson desires to convey said real property to the Town of Star Valley; and

WHEREAS, for such purpose, a Real Estate Purchase Agreement has been negotiated,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Real Estate Purchase Agreement, attached hereto marked Exhibit "1" and made a part hereof by this reference, be and is hereby approved in substantially the form as attached.

Section 2. That Kenny J. Evans, Mayor of the Town of Payson, be and is hereby authorized to execute said Real Estate Purchase Agreement in substantially the form as attached.

Section 3. That the Town of Payson be and is hereby authorized to take such other and further actions as may be necessary or appropriate to carry out the intentions of this Resolution Number 2552 and the Real Estate Purchase Agreement approved hereby, including, but not limited to, the opening and closing of an escrow to facilitate the sale of the real property described in the Agreement.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of _____, 2010, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith, Town Clerk

Samuel I. Streichman, Town Attorney

Prepared by Town of Payson Legal Department

*SIS:dbs May 4, 2010 (8:02am)
C:\MyFiles\Resolutions\2500s\2552 Sale of Well Sites to Star Valley.wpd*

MAY 20 2010 G.2

EXHIBIT "1"

to Resolution No. 2552

REAL ESTATE PURCHASE AGREEMENT

This Real Estate Purchase Agreement ("Agreement") is entered into this ____ day of _____, 2010, by and between the Town of Payson, an Arizona municipal corporation ("Payson"), and the Town of Star Valley, an Arizona municipal corporation ("Star Valley"), collectively, the "Parties."

RECITALS

- A. Payson is the owner of real property (the "Parcels") located within the Town boundaries of Star Valley.
- B. Star Valley desires to acquire the Parcels, which are respectively described in Exhibit "A" ("PW-1"), Exhibit "B" ("PW-2"), and Exhibit "C" (the "Pinegate Well") (collectively "the Parcels").
- C. Payson desires to convey the Parcels to Star Valley.
- D. The Parties desire to enter into this Agreement for the purposes described above.

Therefore, in consideration of the mutual promises and covenants set forth in this Agreement, Payson agrees to sell to Star Valley that certain real property described in Exhibits "A", "B", and "C" attached hereto on the terms and conditions set forth in this Agreement.

1. Sale of the Parcels.

- 1.1 Purchase of the Parcels. Payson agrees to sell and Star Valley agrees to purchase the Parcels.
- 1.2 Purchase Price. The purchase price for the Parcels shall be Ninety-nine Thousand, Two Hundred One Dollars (\$99,201.00).
- 1.3 Payment of Purchase Price. Star Valley shall pay Payson the full purchase price, payable by deposit in escrow on or before the close of escrow.

2. Escrow.

- 2.1 Establishment of Escrow. An escrow for this transaction shall be established with Pioneer Title Agency (the "Escrow Agent") and such escrow shall be opened on or before May 31, 2010. This Agreement shall constitute escrow instructions to the Escrow Agent and a copy shall be deposited with Escrow Agent for this purpose. Should Escrow Agent require the execution of its standard form printed escrow

instructions, Payson and Star Valley agree to execute same; however, such instructions shall be construed as secondary to this Agreement, and if there are conflicts between the terms of this Agreement and the terms of the printed escrow instructions, the terms of this Agreement shall control.

2.2 Opening and Closing Dates.

- a. Escrow shall be deemed open on the date on which Payson arranges the opening with Escrow Agent (the "Opening Date").
- b. The closing of the transaction described in Paragraph 1 above and escrow opened to accommodate it shall occur on or before June 30, 2010, unless extended by its terms or extended by agreement of the Parties (referred to in this Agreement as the "Closing" or "the Close of Escrow").

2.3 Closing Costs.

- a. All real property taxes on the Parcels levied up to the time of Closing shall be paid by Payson;
- b. Current amounts of improvement liens and other special assessments, if any, shall be paid by Payson on or before the Close of Escrow; future amounts of improvement liens and other special assessments due after Closing will be paid by Star Valley;
- c. Star Valley shall pay the cost to issue any standard or extended coverage owner's policy of title insurance and the cost of any endorsements issued in connection with such policy;
- d. Any other closing and/or escrow costs shall be divided equally between Star Valley and Payson;
- e. Star Valley agrees that all closing costs and commissions payable by Payson may be deducted from Payson's proceeds at the Close of Escrow;
- f. On or before the Close of Escrow, Star Valley agrees to deposit with the Escrow Agent an amount sufficient to pay all closing costs payable by Star Valley.

2.4 Form 1099-B. Upon the Close of Escrow, Escrow Agent is hereby authorized and instructed to file with the U. S. Internal Revenue Service Form 1099-B, Proceeds from Real Estate, Broker and Barter Exchange Transactions, as required by Section 6045(e)(2)(A) of the Internal Revenue Code of 1986, as amended.

2.5 Property Conveyance. At or before the Close of Escrow, Payson shall convey title to Star Valley of the Parcels by a general warranty deed, subject to no defects, exceptions, easements, encumbrances, covenants, conditions, restrictions, mining claims or liens, except:

- a. The matters set forth on any survey or preliminary title report (other than the standard printed exceptions) which have been accepted in writing by Star Valley; and
- b. Any additional matters accepted in writing by Star Valley.

2.6 Title Policy. Prior to the Close of Escrow, Star Valley, at its option, may purchase a Title Insurance Policy ("the Policy").

3. Title and Environmental Matters.

3.1 Preliminary Title Report. Escrow Agent shall promptly following the Opening Date deliver a current commitment for title insurance (the "Report") issued by Escrow Agent on the Parcels to Payson and Star Valley. The Report shall show the status of title to the Parcels as of the date of the Report.

3.2 Environmental Report. As soon as reasonably possible following the Open Date, Star Valley may conduct, at its cost and option, a Phase I Environmental Audit of the Parcels (the "Phase I Report"). The cost of the Phase I Report shall be paid by Star Valley.

3.3 Review Period.

- a. Star Valley shall have until twenty (20) days from receipt of the Report or Amended Report or Phase I Report, respectively, to approve or disapprove the status of title as shown by the Report, any supplemental or amended title report showing additional exceptions to title (an "Amended Report") and the condition of the Parcels described in the Phase I Report. If Star Valley is dissatisfied with any exception to title as shown in the Report or an Amended Report or with any matter disclosed in the Phase I Report, then, at Star Valley's sole option, Star Valley may either cancel this Agreement by giving notice of cancellation to Payson and Escrow Agent or Star Valley may accept the title subject to any disapproved matters, exceptions or objections.
- b. Notwithstanding anything herein contained to the contrary, it is understood and agreed that title to the Parcels shall be delivered to Star Valley at the Close of Escrow free and clear of all monetary liens and encumbrances;
- c. Upon a cancellation in accordance with the provisions of this Section 3.3, all documents deposited in escrow by Payson shall be returned to Payson, all documents deposited in escrow by Star Valley shall be returned to Star Valley, and this Agreement shall terminate, whereupon the Parties shall have no further liability hereunder.

4. Matters Relating to the Escrow Period.

4.1 Possession. Possession of the Parcels shall be delivered to Star Valley upon the Close of Escrow. From time to time prior to the Close of Escrow, Star Valley, its representatives, agents, or subcontractors may enter upon the Parcels for the purpose of conducting a Phase I Environmental Audit, an environmental study, an appraisal, or any other studies. Star Valley agrees to reimburse Payson for any damage suffered by Payson arising out of Star Valley's exercise of the rights granted by this Section 4.1, and this agreement shall survive the Close of Escrow or the cancellation of this Agreement.

5. Representations and Warranties.

5.1 Star Valley's Representations and Warranties. Star Valley makes the following

representations and warranties which shall apply to the Parcels, which are agreed to constitute a material part of the consideration hereunder, which are true and accurate as of the Opening Date, will be true and accurate as of the Close of Escrow, and which shall survive the Close of Escrow:

- a. Action. All actions on the part of Star Valley which are required for the execution, delivery and performance by Star Valley of this Agreement and each of the documents and agreements to be delivered by Star Valley at the Closing have been duly and effectively taken;
- b. Enforceable Nature of Agreement. This Agreement and each of the documents and agreements to be delivered by Star Valley at the Closing constitutes a legal, valid and binding obligation of Star Valley, enforceable against Star Valley in accordance with its terms;
- c. Violations; Consents; Defaults. Neither the execution of this Agreement nor the performance hereof by Star Valley will result in any breach or violation of the terms of any law, rule, ordinance or regulation or of any decree, judgment or order to which Star Valley is a party now in effect from any court or governmental body. There are no consents, waivers, authorizations or approvals from any third party necessary to be obtained by Star Valley in order to carry out the transactions contemplated by this Agreement.
- d. Compliance. Star Valley has complied, in all respects, with all laws, ordinances, rules, regulations, requirements and orders of federal, state, or local governments and/or their agencies with respect to the Parcels;
- e. Accuracy of Information. The information furnished by Star Valley to Payson in accordance with the provisions of this Agreement is true, complete and accurate;
- f. Authority of Star Valley. Star Valley has full power and authority to enter into and to perform its obligations under this Agreement. The persons executing this Agreement on behalf of Star Valley have full power and authority to do so and to perform every act and to execute and deliver every document and instrument necessary or appropriate to consummate the transactions contemplated hereby. Star Valley has all necessary power and authority to own its properties and to conduct its business as now owned and conducted by Star Valley.

5.2 Payson's Representations and Warranties. Payson makes the following representations and warranties which are agreed to constitute a material part of the consideration hereunder, which are true and accurate as of the date of this Agreement, and will be true and accurate as of the Close of Escrow, and which shall survive the Close of Escrow:

- a. Authority. Payson has full power and authority to enter into and to perform its obligations under this Agreement. The persons executing this Agreement on behalf of Payson have full power and authority to do so and to perform every act and to execute and deliver every document and instrument necessary or appropriate to consummate the transactions contemplated hereby; and

- b. Enforceable Nature of Agreement. This Agreement and each of the documents and agreements to be delivered by Payson at the Closing constitutes a legal, valid and binding obligation of Payson, enforceable against Payson in accordance with its terms;
- c. Action. All actions on the part of Payson which are required for the execution, delivery and performance by Payson of this Agreement and each of the documents and agreements to be delivered by Payson at the Closing have been duly and effectively taken;
- d. Violations; Consents; Defaults. Neither the execution of this Agreement nor the performance hereof by Payson will result in any breach or violation of the terms of any law, rule, ordinance or regulation or of any decree, judgment or order to which Payson is a party now in effect from any court or governmental body. There are no consents, waivers, authorizations or approvals from any third party necessary to be obtained by Payson in order to carry out the transactions contemplated by this Agreement.
- e. Compliance. Payson has complied, in all respects, with all laws, ordinances, rules, regulations, requirements and orders of federal, state, or local governments and/or their agencies with respect to the Parcels;
- f. Accuracy of Information. The information furnished by Payson to Star Valley in accordance with the provisions of this Agreement is true, complete and accurate.

5.3 Payson makes no representations or warranties concerning the Parcels, including but not limited to compliance with zoning or building requirements and will make no repairs to the Parcels. Star Valley must satisfy itself of the value of the Parcels and Payson makes no representations or warranties as to the value thereof.

5.4 Star Valley agrees to accept the Parcels in the condition existing on the date of this Agreement and acknowledges responsibility for satisfying itself as to the full condition of the Parcels and of law, regulations, and ordinances affecting the Parcels.

6. Closing Documents.

6.1 Payson's Closing Documents. On or before the Close of Escrow, Payson shall deposit into escrow the following documents for delivery to Star Valley at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:

- A. The Documents in the form required by Section 4.5 of this Agreement;
- B. An Affidavit of Value if required by law;
- C. A fully executed counterpart of this Agreement;
- D. A certified copy of the Resolution of the Payson Town Council approving this Agreement; and
- E. Such other documents as may be necessary or appropriate to transfer and convey all of the Property to Star Valley and to otherwise consummate this transaction in accordance with the terms of this Agreement.

- 6.2 Star Valley's Closing Documents. On or before the Close of Escrow, Star Valley shall deposit into escrow the following documents for delivery to Payson at the Close of Escrow, each of which shall have been duly executed and, where appropriate, acknowledged:
- a. An Affidavit of Value if required by law;
 - b. A fully executed counterpart of this Agreement; and
 - c. Such other documents as may be necessary or appropriate to consummate this transaction in accordance with the terms of this Agreement.

7. Remedies.

- 7.1 Star Valley's Remedies. If Payson fails to perform when due any act required by this Agreement, then Star Valley's sole and exclusive remedy shall be to cancel this Agreement and the escrow, without further liability hereunder, such cancellation to be effective immediately upon Star Valley giving written notice of cancellation to Payson and Escrow Agent.
- 7.2 Payson's Remedies. If Star Valley fails to perform when due any act required by this Agreement, then Payson's sole and exclusive remedy shall be to cancel this Agreement and the Escrow, without further liability hereunder, such cancellation to be effective immediately upon giving written notice of cancellation to Star Valley and Escrow Agent.
- 7.3 Post-Closing Remedies. The limitations on remedies contained in this Section 10 shall apply only to any defaults under this Agreement arising prior to the date of Closing. The remedies of the Parties for the breach of any agreements, covenants or warranties which this Agreement specifically provides are to survive the Close of Escrow shall not be so limited and with respect to such defaults after the date of the Close of Escrow the parties shall have the full right to pursue any remedies available at law or in equity.

8. Additional Provisions.

- 8.1 Star Valley Limits on Water Pumping. Star Valley agrees not to pump an amount of water at a combined rate in excess of 200 gallons per minute ("GPM") from either the PW-1 or the PW-2 Wells annualized and to not exceed 323 acre feet per year combined water production from the PW-1 and PW-2 wells. Star Valley agrees not to pump an amount of water at a rate in excess of 50 GPM from the Pinegate Well annualized and not to exceed 57 acre feet per year water production from the Pinegate Well. Such wells are described on Exhibits "A", "B", and "C" attached hereto.

- 8.2 Payson Limits on Tower Well Pumping. Payson agrees not to pump water from the Tower Well at a rate in excess of 530 gallons per minute annualized and not to exceed 855 acre feet per year water production. The Tower Well is described on Exhibit "D" attached hereto.
- 8.3 Limit on Additional Wells. Star Valley shall not approve, allow, or give its consent to the construction or use of any other or additional wells that would negatively impact the PW-1, PW-2, Pinegate, or Tower Wells. Payson agrees to forego the use of any new wells within the Town of Star Valley that would negatively impact the PW-1, PW-2, Pinegate, or Tower Wells.
- 8.4 Sharing of Information. Payson and Star Valley agree to share water level monitoring and water level production information for each Party's wells.
- 8.5 Analysis Testing and Design. Payson shall provide for Pinegate Well, at its cost, well water quality analysis, well development and pump engineering design, preliminary well head fitting engineering design, and a well capacity test.
- 8.6 Back-up Water Service. Star Valley may request and Payson may furnish back-up water service to Star Valley in the event of an emergency or a planned water outage. In such event, Payson shall provide the appropriate agreement, contingency plan, and any drawings needed.
- 8.7 Survival of Agreements. The agreements, covenants and warranties set forth in this Paragraph 8 and the remedies for breach or default in any of the same shall survive the Close of Escrow.

9. General Provisions.

- 9.1 Binding Effect. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties and their respective heirs, personal representatives, successors and assigns.
- 9.2 Dispute Resolution. This Agreement shall be governed and construed in accordance with the internal laws of the State of Arizona. With the written consent of both Parties, any dispute, controversy, claim, or cause of action arising out of or related to this Agreement may, but in no event need, be settled by submission to binding arbitration in accordance with the rules of the American Arbitration Association and the Arizona Uniform Arbitration Act, A.R.S. § 12-1501, et seq.; and judgment upon any award rendered by the arbitrator(s), if filed in Arizona Superior Court, shall be filed in the Superior Court of Gila County, Arizona; or any such dispute, controversy, claim, or cause of action may be litigated in the Superior Court of Gila County, Arizona. The venue for any such dispute shall be Gila County, Arizona, and both Parties consent in advance to such venue and jurisdiction and waive any right to object that Gila County is an inconvenient or improper forum based upon lack of

- 9.6 Further Documentation. Each Party agrees in good faith to execute such further or additional documents as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.
- 9.7 Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided for herein. If the time for the performance of any obligation or taking any action under this Agreement expires on a Saturday, Sunday or legal holiday, the time for performance or taking such action shall be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 9.8 Cancellation (A.R.S. §38-511). This Agreement is subject to the provisions of A.R.S. § 38-511 which provides for cancellation of Agreements by the municipality for certain conflicts of interest.
- 9.9 Headings and Counterparts. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.
- 9.10 Entire Agreement; Modification. This Agreement, together with Exhibits “A”, “B”, “C” and “D” constitutes the entire agreement between the Parties pertaining to the subject matter contained in this Agreement. All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by and merged in this Agreement. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by Payson and Star Valley.
- 9.11 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall 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.
- 9.12 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between Star Valley and Payson. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

- 9.13 Construction of Agreement. This Agreement shall be construed and interpreted according to its plain meaning and no presumption shall be deemed to apply in favor of or against the party drafting this Agreement. The Parties acknowledge and agree that each has had the opportunity to seek and utilize legal counsel in the drafting of, review of and entry into this Agreement.
- 9.14 Assignment. Star Valley shall not assign or subcontract the Agreement or any part thereof without the written consent of Payson, and any attempted assignment or subcontracting in violation of this Paragraph shall render this Agreement void and of no effect. Payson may withhold its consent for any or no reason.
- 9.15 Non-Appropriation. Nothing herein shall be construed as obligating the Parties to expend, or as involving either Party in any Agreement or other obligation for the future payment of money in excess of appropriations authorized by law and administratively allocated for this Agreement.
- 9.16 Authority. The Parties acknowledge and warrant that each of them is fully authorized and empowered to execute this Agreement by and through the individual(s) executing hereinafter.
- 9.18 Entire Agreement. This Agreement contains and sets forth the entire and exclusive agreement and understanding between the Parties hereto pertaining to the subject matter and all prior or contemporaneous oral or written agreements shall have no effect.

In witness whereof, the Parties hereto have executed this Agreement as of the date first above written.

TOWN OF STAR VALLEY,
an Arizona municipal corporation

By: _____
William Rappaport, Mayor

TOWN OF PAYSON,
an Arizona municipal corporation

By _____
Kenny J. Evans, Mayor

STATE OF ARIZONA)
) ss.
County of Gila)

The foregoing Real Estate Purchase Agreement was signed before me this _____ day of _____, 2010, by William Rappaport, Mayor of the Town of Star Valley, on behalf of the Town.

My commission expires: _____
Notary Public

STATE OF ARIZONA)
) ss.
County of Gila)

The foregoing Real Estate Purchase Agreement was signed before me this _____ day of _____, 2010, by Kenny J. Evans, Mayor of the Town of Payson, on behalf of the Town.

My commission expires: _____
Notary Public

APPROVAL AS TO FORM

The Town of Payson of Payson Legal Department has reviewed the foregoing Real Estate Purchase Agreement and approved it as to form. When reviewing this Agreement for form, the Legal Department considers whether the following situations have been addressed:

- A. Identification of parties;
- B. Offer and acceptance;
- C. Existence of consideration (we do not review to determine if consideration is adequate);
- D. That certain provisions specifically required by statute are included (i.e., provisions concerning non-availability of funds and conflict of interest, A.R.S. § 38-511).

We have not reviewed the Agreement for other issues. Therefore, approval as to form should not be considered as approval of the appropriateness of the terms or conditions of the Agreement or the underlying transaction. In addition, approval as to the form should not be considered approval of the underlying policy considerations addressed by the Agreement.

Dated: _____ day of _____, 2010.

By _____
Samuel I. Streichman, Town Attorney

APPROVAL AS TO FORM

Timothy W. Grier, Town Attorney, Town of Star Valley

May 3, 2010 (5:06pm)
C:\MyFiles\Agreements and Contracts\Real Estate Contracts\Star Valley Wells.wpd

**LEGAL DESCRIPTION
WELL SITE "PW-1"**

A portion of Parcel "D" as recorded in ROS/MLD Map No. 1132 (A & B), records of Gila County, located in a portion of Government Lot 3, Township 11 North, Range 11 East of the Gila and Salt River Meridian, Gila County, Arizona, being described as follows:

Commencing at Corner No. 8 of Homestead Entry Survey No. 418, said point being a found G.L.O. brass cap, from which the northwest corner of aforesaid Parcel "D", being a found ½" rebar without tag bears N 01°16'00" W (Basis of Bearing) a distance of 603.72 feet;

Thence: N 01°16'00" W along the west line of said Parcel "D" a distance of 603.72 feet to the northwest corner of said Parcel "D"; said point being a found ½" rebar without tag;

Thence: S 89°53'04" E along the north line of said Parcel "D" a distance of 311.21 feet to the POINT OF BEGINNING, said point being a set 5/8" rebar with tag marked "LS #18436";

Thence: Continuing S 89°53'04" E a distance of 30.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: S 00°06'56" W leaving the aforesaid north line of Parcel "D" a distance of 20.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: N 89°53'04" W a distance of 30.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

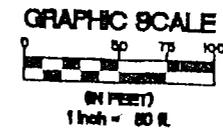
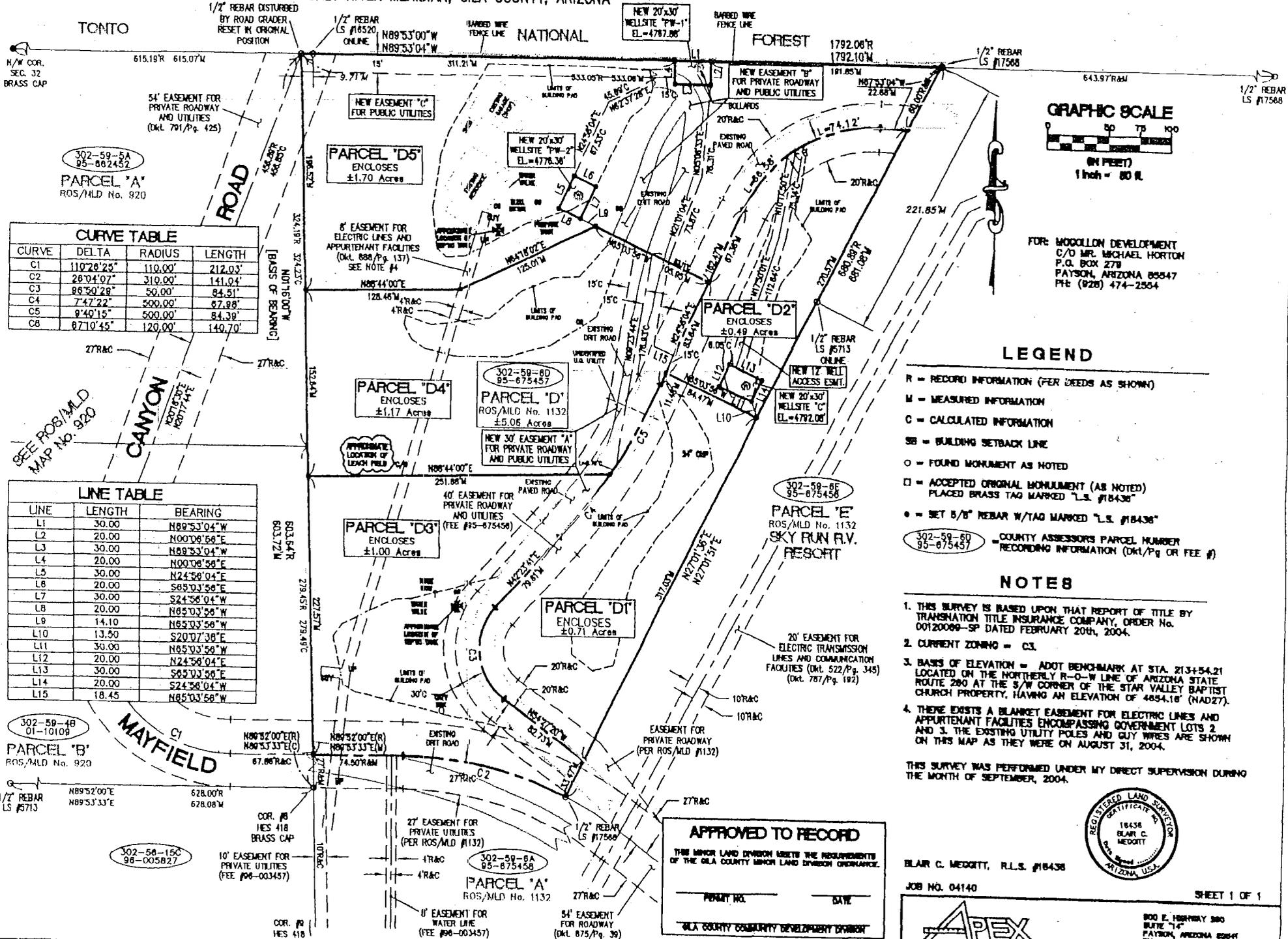
Thence: N 00°06'56" E a distance of 20.00 feet to the POINT OF BEGINNING.

Encloses 600 square feet or 0.01 acres more or less.



RECORD OF SURVEY / MINOR LAND DIVISION

OF PARCEL 'D' AS SHOWN ON RECORD OF SURVEY/MINOR LAND DIVISION MAP No.'s 1132, 1132A & 1132B,
 LOCATED IN A PORTION OF GOVERNMENT LOT-3, TOWNSHIP 11 NORTH, RANGE 11 EAST
 OF THE GILA & SALT RIVER MERIDIAN, GILA COUNTY, ARIZONA



FOR: MCGILLON DEVELOPMENT
 C/O MR. MICHAEL HORTON
 P.O. BOX 279
 PATSON, ARIZONA 85547
 PH: (928) 474-2554

LEGEND

- R = RECORD INFORMATION (PER DEEDS AS SHOWN)
- M = MEASURED INFORMATION
- C = CALCULATED INFORMATION
- SB = BUILDING SETBACK LINE
- O = FOUND MONUMENT AS NOTED
- = ACCEPTED ORIGINAL MONUMENT (AS NOTED)
 PLACED BRASS TAG MARKED "L.S. #18436"
- = SET 5/8" REBAR W/TAG MARKED "L.S. #18436"
- (with number) = COUNTY ASSESSOR'S PARCEL NUMBER
 RECORDING INFORMATION (Dkt./Pg. OR FEE #)

NOTES

1. THIS SURVEY IS BASED UPON THAT REPORT OF TITLE BY TRANSCORP TITLE INSURANCE COMPANY, ORDER No. 00120069-SP DATED FEBRUARY 20th, 2004.
2. CURRENT ZONING = C3.
3. BASIS OF ELEVATION = ADOT BENCHMARK AT STA. 213+54.21 LOCATED ON THE NORTHERLY R-O-W LINE OF ARIZONA STATE ROUTE 280 AT THE S/W CORNER OF THE STAR VALLEY BAPTIST CHURCH PROPERTY, HAVING AN ELEVATION OF 4894.10' (NAD27).
4. THERE EXISTS A BLANKET EASEMENT FOR ELECTRIC LINES AND APPURTENANT FACILITIES ENCOMPASSING GOVERNMENT LOTS 2 AND 3. THE EXISTING UTILITY POLES AND GUY WIRES ARE SHOWN ON THIS MAP AS THEY WERE ON AUGUST 31, 2004.

THIS SURVEY WAS PERFORMED UNDER MY DIRECT SUPERVISION DURING THE MONTH OF SEPTEMBER, 2004.



BLAIR C. MEDCOTT, R.L.S. #18436

JOB NO. 04140

SHEET 1 OF 1

APPROVED TO RECORD

THIS MINOR LAND DIVISION MEETS THE REQUIREMENTS OF THE GILA COUNTY MINOR LAND DIVISION ORDINANCE.

 SURVEYOR

 DATE

GILA COUNTY COMMUNITY DEVELOPMENT DEPARTMENT

CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	110°28'25"	110.00'	212.03'
C2	28°04'07"	310.00'	141.94'
C3	88°50'28"	50.00'	84.51'
C4	7°47'22"	500.00'	87.88'
C5	8°40'15"	500.00'	84.39'
C6	87°10'45"	120.00'	140.70'

LINE TABLE

LINE	LENGTH	BEARING
L1	30.00	N89°53'04"W
L2	20.00	N00°08'56"E
L3	30.00	N89°53'04"W
L4	20.00	N00°08'56"E
L5	30.00	N24°56'04"E
L6	20.00	S89°03'56"E
L7	30.00	S24°56'04"W
L8	20.00	N89°03'56"W
L9	14.10	N89°03'56"W
L10	13.50	S20°07'38"E
L11	30.00	N89°03'56"W
L12	20.00	N24°56'04"E
L13	30.00	S89°03'56"E
L14	20.00	S24°56'04"W
L15	18.45	N89°03'56"W

302-59-5A
 95-062452
PARCEL "A"
 ROS/MLD No. 920

SEE ROS/MLD
 MAP No. 920

302-59-48
 01-10108
PARCEL "B"
 ROS/MLD No. 920

302-58-15C
 96-005827

302-59-8D
 95-675457
PARCEL "D"
 ROS/MLD No. 1132
 ±5.05 Acres

PARCEL "D4"
 ENCLOSES
 ±1.17 Acres

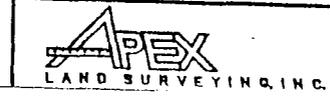
PARCEL "D3"
 ENCLOSES
 ±1.00 Acres

PARCEL "D1"
 ENCLOSES
 ±0.71 Acres

PARCEL "D2"
 ENCLOSES
 ±0.49 Acres

302-59-8E
 95-675458
PARCEL "E"
 ROS/MLD No. 1132
**SKY RUN R.V.
 RESORT**

302-59-6A
 95-675458
PARCEL "A"
 ROS/MLD No. 1132



**LEGAL DESCRIPTION
WELL SITE "PW-2"**

A portion of Parcel "D" as recorded in ROS/MLD Map No. 1132 (A & B), records of Gila County, located in a portion of Government Lot 3, Township 11 North, Range 11 East of the Gila and Salt River Meridian, Gila County, Arizona, being described as follows:

Commencing at Corner No. 8 of Homestead Entry Survey No. 418, said point being a found G.L.O. brass cap, from which the northwest corner of aforesaid Parcel "D", being a found ½" rebar without tag bears N 01°16'00" W (Basis of Bearing) a distance of 603.72 feet;

Thence: N 01°16'00" W along the west line of said Parcel "D" a distance of 407.21 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: N 88°44'00" E leaving the aforesaid west line a distance of 128.46 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: N 64°18'02" E a distance of 125.01 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: N 65°03'56" W a distance of 14.10 feet to a point being a set 5/8" rebar with tag marked "LS #18436" and the POINT OF BEGINNING;

Thence: Continuing N 65°03'56" W a distance of 20.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

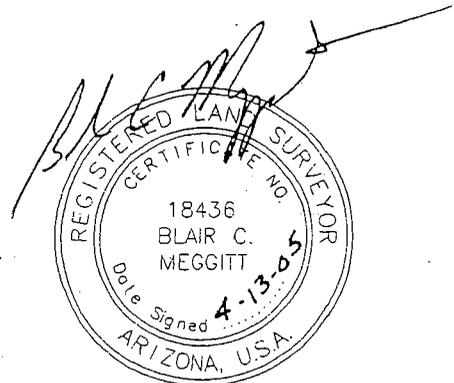
Thence: N 24°56'04" E a distance of 30.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: S 65°03'56" E a distance of 20.00 feet to a point being a set 5/8" rebar with tag marked "LS #18436";

Thence: S 24°56'04" W a distance of 30.00 feet to the POINT OF BEGINNING.

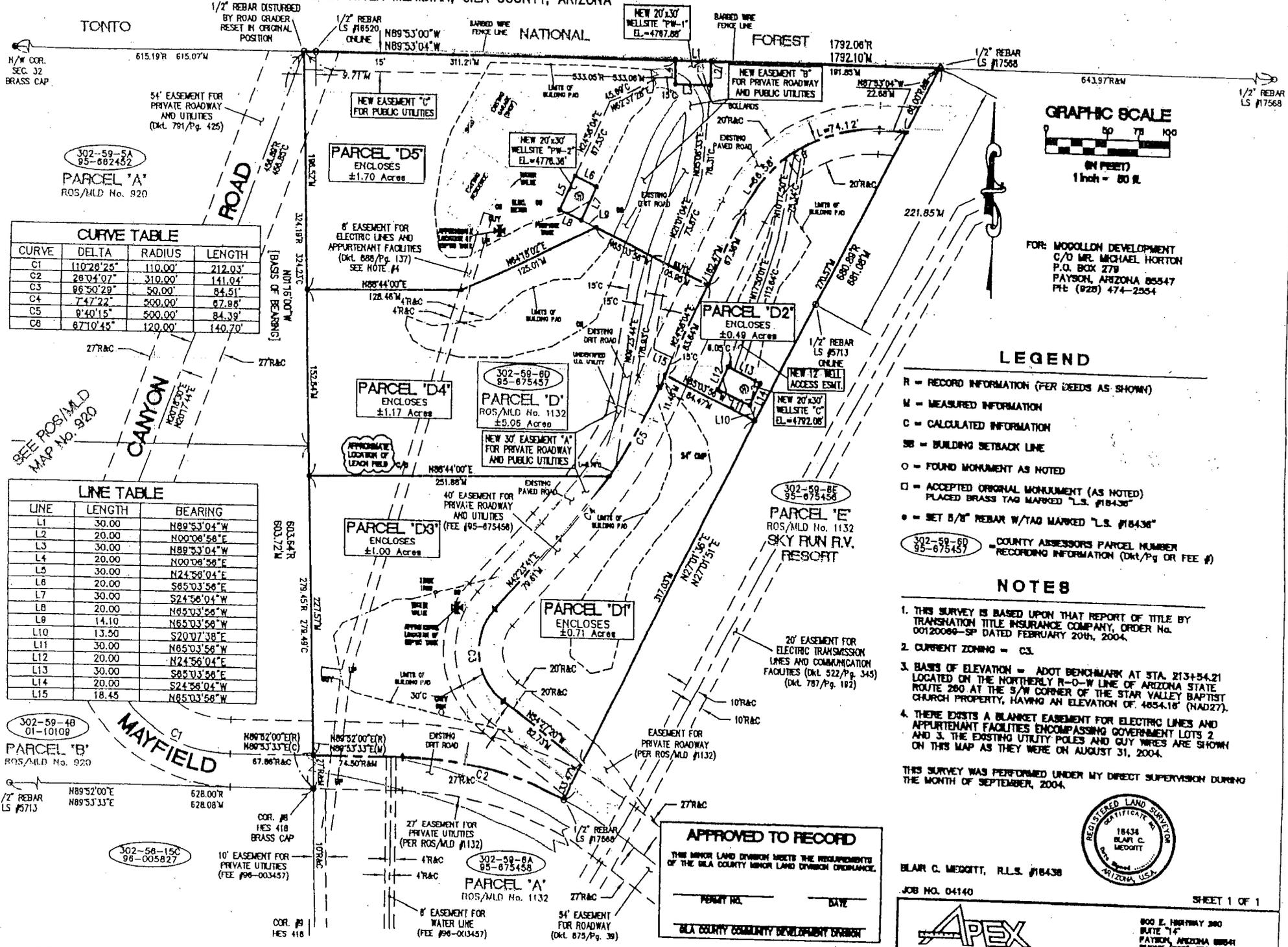
Encloses 600 square feet or 0.01 acres more or less.

APEX LAND SURVEYING, INC.
Project No. 04140



RECORD OF SURVEY / MINOR LAND DIVISION

OF PARCEL 'D' AS SHOWN ON RECORD OF SURVEY/MINOR LAND DIVISION MAP No.'s 1132, 1132A & 1132B,
 LOCATED IN A PORTION OF GOVERNMENT LOT-3, TOWNSHIP 11 NORTH, RANGE 11 EAST
 OF THE GILA & SALT RIVER MERIDIAN, GILA COUNTY, ARIZONA



CURVE TABLE

CURVE	DELTA	RADIUS	LENGTH
C1	110°28'25"	110.00'	212.03'
C2	28°04'07"	310.00'	141.04'
C3	86°50'28"	50.00'	84.51'
C4	74°2'22"	500.00'	87.96'
C5	8°40'15"	500.00'	84.39'
C6	8°10'45"	120.00'	140.70'

LINE TABLE

LINE	LENGTH	BEARING
L1	30.00	N89°53'04"W
L2	20.00	N00°06'56"E
L3	30.00	N89°53'04"W
L4	20.00	N00°06'56"E
L5	30.00	N24°58'04"E
L6	20.00	S85°03'58"E
L7	30.00	S24°58'04"W
L8	20.00	N65°03'56"W
L9	14.10	N65°03'56"W
L10	13.50	S20°07'38"E
L11	30.00	N85°03'58"W
L12	20.00	N24°58'04"E
L13	30.00	S85°03'58"E
L14	20.00	S24°58'04"W
L15	18.45	N85°03'58"W



FOR: MODOLLO DEVELOPMENT
 C/O MR. MICHAEL HORTON
 P.O. BOX 278
 PAYSON, ARIZONA 85547
 P# (928) 474-2354

LEGEND

- R = RECORD INFORMATION (PER DEEDS AS SHOWN)
- M = MEASURED INFORMATION
- C = CALCULATED INFORMATION
- SB = BUILDING SETBACK LINE
- = FOUND MONUMENT AS NOTED
- = ACCEPTED ORIGINAL MONUMENT (AS NOTED) PLACED BRASS TAG MARKED "L.S. #18436"
- = SET 5/8" REBAR W/TAG MARKED "L.S. #18436"
- 302-59-80-85-675457 = COUNTY ASSESSORS PARCEL NUMBER RECORDING INFORMATION (Dkt./Pg OR FEE #)

NOTES

1. THIS SURVEY IS BASED UPON THAT REPORT OF TITLE BY TRANSMISSION TITLE INSURANCE COMPANY, ORDER No. 00120086-5P DATED FEBRUARY 20th, 2004.
 2. CURRENT ZONING = C3.
 3. BASIS OF ELEVATION = ADOT BENCHMARK AT STA. 213+54.21 LOCATED ON THE NORTHERLY R-O-W LINE OF ARIZONA STATE ROUTE 280 AT THE S/W CORNER OF THE STAR VALLEY BAPTIST CHURCH PROPERTY, HAVING AN ELEVATION OF 4854.16' (MAD27).
 4. THERE EXISTS A BLANKET EASEMENT FOR ELECTRIC LINES AND APPURTENANT FACILITIES ENCOMPASSING GOVERNMENT LOTS 2 AND 3. THE EXISTING UTILITY POLES AND GUY WIRES ARE SHOWN ON THIS MAP AS THEY WERE ON AUGUST 31, 2004.
- THIS SURVEY WAS PERFORMED UNDER MY DIRECT SUPERVISION DURING THE MONTH OF SEPTEMBER, 2004.

APPROVED TO RECORD

THIS MINOR LAND DIVISION MEETS THE REQUIREMENTS OF THE GILA COUNTY MINOR LAND DIVISION ORDINANCE.

PERMIT NO. _____ DATE _____

GILA COUNTY COMMUNITY DEVELOPMENT DEPARTMENT



BLAIR C. MEDGITT, R.L.S. #18436

JOB NO. 04140

SHEET 1 OF 1



800 E. HIGHWAY 280
 SUITE 714
 PAYSON, ARIZONA 85547
 PHONE (928) 474-8484

Exhibit C

LEGAL DESCRIPTION

A portion of HES No. 420 located in the Northeast quarter of Section 36, Township 11 North, Range 10 East, Gila and Salt River Base and Meridian, Gila County, Arizona, being more particularly described as follows:

Commencing at corner no. 12, HES No. 420;

Thence: N 89°52'56" E along the line between corner no. 12 and corner no. 13, HES 420, 865.00 feet;

Thence: S 00°03'39" E, 248.77 feet to the TRUE POINT OF BEGINNING;

Thence: Continuing S 00°03'39" E, 54.88 feet to a point on the north side of said Houston Creek;

Thence: N 68°58'39" W along the north side of Houston Creek, 49.73 feet;

Thence: N 00°03'39" W, 34.08 feet;

Thence: S 89°06'32" E, 57.01 feet to the TRUE POINT OF BEGINNING.

Together with an easement for public utilities, 16 feet in width, the east side of said easement being more particularly described as follows:

Commencing at corner no. 12, HES No. 420;

Thence: N 89°52'56" E along the line between corner no. 12 and corner no. 13, HES 420, 865.00 feet to the POINT OF BEGINNING;

Thence: S 00°03'39" E, 248.77 feet to the POINT OF TERMINATION.

Exhibit D

TOWER WELLSITE

That portion of Government Lot 2, lying in Section 32, Township 11 North, Range 11 East of the Gila and Salt River Base and Meridian, Gila County, Arizona, more particularly described as follows:

COMMENCING at the West corner of Parcel Three of Record of Survey / Minor Land Division Map No. 1624, Gila County Records, said Corner being a point on the North line of Parcel One of said Map No. 1624 and being a 5/8" rebar with brass tag, L.S. #18436;

THENCE South $00^{\circ}07'40''$ West leaving said North line, 312.02 feet to a point on the South line of said Parcel One;

THENCE South $89^{\circ}52'20''$ East, (Record = South $89^{\circ}53'00''$ East), along the South line of said Parcel One and Parcel Three, a distance of 576.76 feet;

THENCE North $00^{\circ}07'40''$ East, leaving said South line, 34.52 feet to the **POINT OF BEGINNING**;

THENCE North $89^{\circ}52'20''$ West, 50.00 feet;

THENCE North $00^{\circ}07'40''$ East, 60.00 feet;

THENCE South $89^{\circ}52'20''$ East, 60.00 feet;

THENCE South $00^{\circ}07'40''$ West, 60.00 feet;

THENCE North $89^{\circ}52'20''$ West, 10.00 feet to the **POINT OF BEGINNING**.

(Basis of Bearings = North $01^{\circ}16'00''$ West, (distance = 1227.90 feet) line between Corner No. 9 of Homestead Entry Survey No. 418 and a P.K. nail with brass tag #18436 along the East line of said Homestead Entry Survey No. 418).