

RESOLUTION NO. 2724

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE THE UNTREATED WATER PIPELINE CONSTRUCTION AND WATER DELIVERY CONTRACT BETWEEN JOINT FACILITIES MANAGEMENT, L.L.C., THE RIM COUNTRY EDUCATIONAL ALLIANCE, AND THE TOWN OF PAYSON.

WHEREAS, the Town of Payson has obtained a water right in the C.C. Cragin Reservoir and is in the process of constructing infrastructure to transport and treat Cragin water; and

WHEREAS, once the infrastructure is in place, the Town will have potable water beyond its requirements and desires to have the ability to transport non potable water to the Town; and

WHEREAS, the Town has negotiated an agreement with Joint Facilities Management L.L.C. ("JFM") and the Rim Country Educational Alliance (RCEA) whereby JFM and RCEA will finance and construct an untreated water line ("the Pipeline") from the Town's treatment plant to multiple connection points along Tyler Parkway ("the Agreement"); and

WHEREAS, the Pipeline shall be constructed and dedicated to the Town at no cost to the Town; and the Town will receive \$100,000.00 following acceptance of the Pipeline; and

WHEREAS, as part of the Agreement, the Town agrees to sell up to 200 acre feet per year of untreated water transported through the Pipeline to JFM,

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

Section 1. That the Untreated Water Pipeline Construction and Water Delivery Contract Between Joint Facilities Management L.L.C., the Rim Country Educational Alliance, and the Town of Payson, attached hereto as Exhibit A, is approved in substantially the form attached.

Section 2. That Kenny J. Evans, Mayor of the Town of Payson, is authorized to execute the Agreement in substantially the form attached.

Section 3. That the Town of Payson is authorized to take such further actions necessary or appropriate to carry out the terms and intent of this Resolution and the Agreement.

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PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, this ____ day of June, 2013 by the following vote:

AYES ____ NOES ____ ABSTENTIONS ____ ABSENT ____

Kenny J. Evans, Mayor

ATTEST:

APPROVED AS TO FORM:


Timothy M. Wright, Town Attorney

Silvia Smith, Town Clerk

Exhibit A
to
Resolution 2724

**UNTREATED WATER PIPELINE CONSTRUCTION AND
WATER DELIVERY CONTRACT BETWEEN
JOINT FACILITIES MANAGEMENT, LLC,
THE RIM COUNTRY EDUCATIONAL ALLIANCE
AND THE TOWN OF PAYSON**

THIS UNTREATED WATER PIPELINE CONSTRUCTION AND WATER DELIVERY CONTRACT (the "Contract") is made as of the __ day of June, 2013 between JOINT FACILITIES MANAGEMENT, LLC, an Arizona limited liability company ("JFM"), and the RIM COUNTRY EDUCATIONAL ALLIANCE, a Separate Legal Entity created pursuant to A.R.S. §§ 11.952 and 11.952.02, as a political subdivision of the State of Arizona ("RCEA"), and the TOWN OF PAYSON, an Arizona municipal corporation (the "Town"). (RCEA and the Town may sometimes hereinafter be referred to collectively as "PAYSON," and the Town, RCEA and JFM individually as "Party" and collectively as the "Parties").

1. Background.

1.1 The Town has secured a water right to water located in the C.C. Cragin Reservoir (the "Reservoir").

1.2 The Town has contributed to the cost of repairing and improving an existing pipeline to transport water from the Reservoir to Washington Park. The Town is in the process of (i) developing infrastructure to transport water from Washington Park to a treatment facility, (ii) constructing such treatment facility, and (iii) constructing infrastructure to transport treated water from the treatment facility to the Town for potable use.

1.3 With the acquisition of the water right in the Reservoir, the Town has water above and beyond its water requirements and is willing to, and does hereby warrant, guaranty and agree to deliver up to 200 acre feet of untreated water annually from the Reservoir to JFM per the terms of this Contract. In addition, in the event JFM requires additional water as described in Section 6.3 herein, the Town agrees to supply additional water on a "bulk water" basis on the terms and conditions set forth herein.

1.4 If separate infrastructure for transporting water was developed to bypass the treatment facility, significant cost savings could be recognized for both the Town and any untreated/nonpotable water ("untreated water") users.

1.5 PAYSON will benefit from the construction of an untreated water delivery system and from access by the Town, JFM, and RCEA to such untreated water. Therefore, PAYSON has proposed to construct infrastructure for delivering untreated water from a connection to the Town's surface water pipeline on the up side of the Town's water treatment plant to be constructed near Mesa Del Caballo to two Connection Points (as shown on Exhibit B attached hereto) on Tyler Parkway. Such infrastructure (the "Untreated Water Pipeline") will include the necessary water pipeline and all valves, fittings, meters, and other equipment associated with such pipeline, including the actual connection of such pipeline to JFM's non-potable water lines at both Connection Points.

1.6 The Town has expertise in the maintenance and operation of water delivery systems and is willing to accept, own, maintain, and operate such Untreated Water Pipeline.

1.7 JFM is willing to fund a portion of the cost of the Untreated Water Pipeline and will benefit from its access to purchase up to the number of acre feet of untreated water annually that is specified in Section 1.3 hereof.

1.8 Therefore, JFM, the Town and the RCEA agree to this Contract for the construction of the Untreated Water Pipeline and for the delivery of untreated (surface) water from the C.C. Cragin Reservoir to JFM.

2. Effective Date and Term.

This Contract shall be effective on the date of the last signature of the Parties and shall terminate 50 years from the date that the pipeline to be constructed pursuant to this Contract has been completed, dedicated by RCEA to the Town and accepted by the Town and the first delivery of water is made by the Town to JFM through the pipeline. Notwithstanding anything to the contrary herein, if the Untreated Water Pipeline has not been constructed, dedicated to the Town and accepted by the Town, or if water deliveries are not available from the Town to JFM, on or before February 1, 2016, then at any time thereafter, until such items have been accomplished, JFM may terminate this Contract.

3. Extension of Term.

Upon one (1) year's prior written notice to the Town by JFM or its permitted assignee hereunder, JFM or its permitted assignee shall have the right to renew and extend the term of this Contract for an additional forty-five (45) years upon terms and conditions mutually approved by the Town and JFM, which approval will not be unreasonably withheld.

4. Construction of the Untreated Water Pipeline, Responsibilities of the Parties

4.1 JFM Responsibilities.

4.1.1 At the time and schedule agreed upon by JFM and RCEA, JFM shall pay RCEA Seven Hundred Thousand Dollars (\$700,000.00) as part of the cost to design, construct and complete the Untreated Water Pipeline. Draws against the \$700,000.00 JFM payment shall be used to pay the costs associated with the design and construction of the Untreated Water Pipeline and any payments required by RCEA under this Contract. JFM and RCEA shall agree in writing, on or before the date construction commences on the Untreated Water Pipeline, upon the timing of the payments to be made by JFM to RCEA. No sums will be paid by, or due from, JFM to RCEA until all of the Parties have approved in writing the final route, sizing and design specifications for the Untreated Water Pipeline as provided in Section 5.1 hereof.

4.2 RCEA Responsibilities.

4.2.1 RCEA shall be responsible for paying the cost of the design, construction and completion of the Untreated Water Pipeline between the input side of the Town's water treatment facility to be located near Mesa Del Caballo to and including both of the Connection Points, including connecting the Untreated Water Pipeline to the non-potable water lines serving JFM at both of the Connection Points, together with any associated work so that the Untreated Water Pipeline and JFM's non-potable water lines are connected and that water flows between such pipelines at both of the Connection Points. See Exhibit B for the approximate location of the Untreated Water Pipeline and the two Connection Points.

4.2.2 RCEA and/or the Town shall obtain any necessary permits, easements, or other necessary approvals for the construction of the Untreated Water Pipeline. All such approvals shall be in the name of the Town. PAYSON shall require that, prior to commencement of construction of the Untreated Water Pipeline, a payment and performance bond will be required to be obtained, assuring the completion of construction of the Untreated Water Pipeline and naming the Town as the insured thereunder, and PAYSON confirms that, if the construction of the Untreated Water Pipeline is not fully completed on or before June 30, 2014, PAYSON shall enforce such payment and performance bond so as to cause the Untreated Water Pipeline to be promptly completed thereafter.

4.2.3 RCEA shall, upon completion of the Untreated Water Pipeline, and subject to construction observation and verification by the Town, dedicate the Untreated Water Pipeline to the Town. In all events, on or before December 31, 2014, PAYSON shall (a) cause the Untreated Water Pipeline to be completed, (b) have completed the connections at both of the Connection Points of the Untreated Water Pipeline to the non-potable water lines serving JFM, (c) cause the Town to accept all such work, (d) dedicate the Untreated Water Pipeline to the Town, and (e) cause all other obligations of RCEA hereunder to be completed and satisfied.

4.2.4 No later than the dedication of the Untreated Water Pipeline, RCEA shall pay to the Town One Hundred Thousand Dollars (\$100,000.00), which the Town may use for any lawful purpose.

4.3 Town Responsibilities.

4.3.1 The Town shall allow the construction of the Untreated Water Pipeline in Town right of way and/or other Town easements and property, except where such construction would conflict with current Town infrastructure.

4.3.2 The Town may allow the Untreated Water Pipeline to be constructed in coordination with the Town's treated waterline or other infrastructure if such coordination is reasonable, practical, and does not cause additional expense to the Town.

4.3.3 The Town, upon completion of the Untreated Water Pipeline and construction observation and verification, shall within 20 days thereafter accept ownership of the Untreated Water Pipeline from RCEA.

4.3.4 The Town, following acceptance of the Untreated Water Pipeline from RCEA, shall be responsible at its sole cost and expense for all maintenance, repair, and operation of the Untreated Water Pipeline.

5. Approval/Inspection by the Parties.

5.1 No construction of the Untreated Water Pipeline may be commenced until all of the Parties have approved in writing the final route, sizing, and design specifications for the Untreated Water Pipeline. The Parties shall use all diligence and commercially reasonable efforts to approve all such items on or before June 30, 2013. If such approvals have not been granted on or before December 31, 2013, then any Party hereto may terminate this Agreement. The construction contracts to be executed by PAYSON for the Untreated Water Pipeline and associated work shall provide that JFM shall have the right at its sole election to, upon any default by PAYSON under such construction contracts, cure any such default and take over for PAYSON under such construction contracts, including receiving the benefit of the payment and performance bond hereafter referenced.

5.2 Any Party, although not required, may at its own expense inspect the Untreated Water Pipeline during any part of its construction.

6. Water Delivery

6.1 Upon each of the Parties completing their obligations pursuant to Section 5 of this Contract, the Town shall deliver a total of up to the number of acre feet of untreated water annually that is specified in Section 1.3 hereof, pursuant to the procedures established in Section 10.1 hereof.

6.2 The Town represents that the Untreated Water Pipeline is not less than 8 inches nominal diameter and has the ability to deliver an average of 720,000 gallons of water per day (500 gallons of water per minute) and up to 1,296,000 gallons of water per day (900 gallons of water per minute) during peak summer months. The parties acknowledge and agree that surface water deliveries are predicated on completion of the C.C. Cragin Surface Water Penstock Water Line from Washington Park to the Water Treatment Plant and connection to the Untreated Water Pipeline.

6.3 In addition to the water required to be delivered by the Town to JFM pursuant to Section 6.1 hereof, if JFM suffers a private emergency need (as hereinafter defined), then JFM will have the right to acquire additional water from the Town pursuant to the procedures established pursuant to Section 10.1 hereof. For purposes hereof, a private emergency need will occur at such time JFM needs additional water within the Chaparral Pines and the Rim Club developments located within the Delivery Area (as defined below), which needs may arise as a result of a drought, the loss of certain well water (known as the Mayfield well water) due to any reason (including loss of function of the existing wells or the loss of the right to convey such well water across Forest Service land), the failure of the Payson Sanitation District to deliver treated effluent to JFM or any other event which results in such needs.

7. Limitations on use of the Water.

7.1 All water delivered pursuant to this Contract may be used only for non-potable purposes.

7.2 All water delivered pursuant to this Contract may be used only within the Chaparral Pines and the Rim Club developments that are located within the Town limits (the "Delivery Area"), as described on Exhibit A attached hereto.

7.3 JFM shall not resell for use outside the Delivery Area any water delivered to JFM pursuant to this Contract.

7.4 All water delivered pursuant to this Contract shall be delivered and used in a manner that is not in contravention of the May 19, 2008 Water Rights Transfer and Water Delivery and Use Agreement among Salt River Valley Water Users' Association (the "Association"), Salt River Project Agricultural Improvement and Power District (the "District", and together with the Association, "SRP"), and the Town, a copy of which Agreement is attached hereto as Exhibit C (the "Existing Water Use Agreement"). The Town represents that the use of the water by JFM for golf course and related purposes is a municipal use under the Existing Water Use Agreement. Notwithstanding the foregoing provisions of this Section 7.4, the Town agrees that (a) it shall timely pay all fees due to SRP under the Existing Water Use Agreement, (b) it shall timely perform and comply with all obligations of the Town under the Existing Water Use Agreement, (c) within fifteen (15) days after its receipt of any written notice, demand, document or agreement pursuant to or relating to the Existing Water Use Agreement which may negatively affect delivery of surface water to JFM, it shall deliver a copy of same to JFM, including delivery to JFM a copy of the notice of the calculation of the Payson Stored Water (as defined in the Existing Water Use Agreement) to be credited to the Town for each year of the term thereof, and (d) the Town otherwise agrees that it shall take no action, nor omit to take any action, under the Existing Water Use Agreement or otherwise that would adversely affect JFM's rights hereunder.

8. Use of the Untreated Water Pipeline.

8.1 Upon receipt of the Untreated Water Pipeline from RCEA, and subject to the terms of this Contract with JFM, the Town shall have the exclusive right to determine the use of the Untreated Water Pipeline, in compliance with the terms of this Contract.

8.2 Following dedication to, and acceptance of the Untreated Water Pipeline by the Town, RCEA and JFM shall have no ownership interest in the Untreated Water Pipeline.

8.3 Subject to the terms of this Contract, the Town shall have the right to make all decisions relating to the operation, control, maintenance, repair, and replacement of the Untreated Water Pipeline.

8.4 Subject to the terms of this Contract, the Town shall determine all operational procedures and protocols for the Untreated Water Pipeline.

8.5 Subject to the terms of this Contract, the Town may use the Untreated Water Pipeline for any lawful purpose.

8.6 The Town shall have the responsibility to pay for any and all operations, maintenance, and/or repair of the Untreated Water Pipeline on its side of the Connection Points.

8.7 JFM shall have the responsibility to pay for any and all operations, maintenance, and/or repair of any pipes, valves, or other delivery equipment on its side of the Connection Points.

8.8 Each of the Town and JFM agrees that it shall promptly maintain and repair all of its applicable water delivery equipment that it is responsible for so as to minimize any intermittent water delivery outage.

9. Delivery Limitations.

9.1 Subject to the provisions of this Contract, delivery of water pursuant to this Contract shall be subject to the actual availability of water up to the amount described in Sections 1.3 and 6.3 from the C.C. Cragin Reservoir and any limitation created by the need for intermittent repair or maintenance work associated with the water lines transporting such water to the Connection Points.

9.2 JFM understands that water will be available seasonally (estimated to be the nine (9) months from March 1 through November 30 of each calendar year). The Parties acknowledge that intermittent water delivery outages may be caused by weather, natural disaster, and/or pipeline/conveyance equipment repair and/or maintenance.

9.3 Town obtained the rights to the water to be delivered pursuant to this Contract from the Arizona Department of Water Resources pursuant to the Existing Water Use Agreement with SRP, which contains limitations on the Town's water right in the C.C. Cragin Reservoir, and, , this Contract is subject to such limitations.

9.4 The Town agrees that the rights to bulk surface water hereunder shall be superior to any other bulk water sales to be made by the Town to any other third parties, and in all events such rights to water shall be superior to any third party acquiring or contracting for bulk surface water from the Town hereafter. If the Town declares a public water emergency pursuant to applicable Arizona statutes, then delivery of water pursuant to this Contract during such properly declared public water emergency shall be made only if the Town has sufficient quantities of water available for the potable and ASR recharge requirements of the Town (excluding from such calculation of sufficiency and water rights or uses of any person or entity other than the Town).

10. Delivery Procedures.

10.1 Contemporaneously with the execution of this Contract, the Parties shall establish written procedures for the delivery of water. Such procedures, at a minimum, shall include the following: (i) maximum gallon/minute delivery rate and a maximum gallon/day delivery rate, (ii)

the estimated pressure of such water, and (iii) the process for ordering such water.

10.2 The procedures established pursuant to this Section may be promulgated and/or modified in writing by the Town and JFM. Such approval or modification shall be approved for the Town by its Manager and for JFM by its Manager or President, if applicable.

11. Water Quality.

11.1 JFM understands that the water to be delivered is untreated.

11.2 The Town makes no representations as to the quality of the untreated water, nor its suitability for any use.

12. Pricing and Payments.

12.1 For the water delivered by the Town to JFM pursuant to Section 6.1 hereof, JFM shall pay the Town two dollars and six cents (\$2.06) per thousand gallons, for each thousand gallons or part thereof delivered to JFM at JFM's request. For the water delivered by the Town to JFM pursuant to Section 6.3 hereof, JFM shall pay the Town three dollars (\$3.00) per thousand gallons, for each thousand gallons or part thereof delivered to JFM at JFM's request.

12.2 The initial price for the untreated water shall be fixed for ten (10) years.

12.3 In the eleventh (11th) year after the pipeline is constructed and water is first delivered to JFM at one or both of the Connection Points, and each 10th anniversary thereafter, each price for the water set forth in Section 12.1 shall be adjusted to reflect the lesser of (1) the percentage change in the published price for the highest volume water rate users of the Town during the prior 10 year period or (2) the cumulative Consumer Price Index (CPI) change during said prior period. The CPI is defined as follows: The cumulative annual average percentage change in the Consumer Price Index for All Urban Consumers ("CPI-U") for the immediate prior year as published by the U.S. Department of Labor's Bureau of Labor Statistics in the monthly Summary Date from the Consumer Price Index News Release, Table 1A, or similar publication.

12.4 JFM shall be billed monthly by the Town, and each payment due from JFM to the Town hereunder shall be due 30 days after such billing.

12.5 If JFM is more than 45 days late on any payment, the Town shall have the right to withhold any further water deliveries until such payment and any applicable late charges and/or interest is paid in full.

13. Inapplicability of Impact Fees.

The Town has not adopted development impact fees for untreated/non-potable water. The Parties agree that, even if the Town adopts hereafter a development impact fee for untreated/non-potable water, JFM shall not be required to pay any impact or other fees or charges in connection with the water to be delivered pursuant to this Contract other than those fees and charges expressly set forth in this Contract, since JFM has contributed, by paying for

some or all of the construction costs of the Untreated Water Pipeline, toward infrastructure improvements related to such untreated/non-potable water.

14. Other Terms.

14.1 Modification. Prior to the acceptance of the Untreated Water Pipeline by PAYSON, this Contract may be amended or modified only by a written instrument executed by the Parties. Following the acceptance of the Untreated Water Pipeline by PAYSON, this Contract may be amended or modified only by a written instrument executed by the Town and JFM.

14.2 Termination. In the case of a breach of any provision of this Contract by any Party, a non breaching Party shall provide written notice of such breach to the breaching Party. The breaching Party shall attempt to remedy the breach within 30 days after receipt of such written notice of the breach, but if the breach is not remedied within 30 days, the non-breaching Party may terminate this Contract, in whole or in part, by written notice to breaching Party. Such termination will not limit or waive any other remedies available to either Party.

14.3 Dispute Resolution.

14.3.1 This Contract shall be governed and construed in accordance with the laws of the State of Arizona.

14.3.2 With the then written consent of the Parties, any dispute, controversy, claim, or cause of action arising out of or related to this Contract may 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. 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.

14.3.3 The venue for any such dispute shall be Gila County, Arizona. 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.

14.3.4 No Party shall be entitled to recover from the other Party any of its attorneys' fees, costs, or expert witness fees incurred in any such dispute, controversy, claim, or cause of action and each Party shall bear its own attorneys' fees without contribution from the other Party.

14.4 Cancellation (A.R.S. §38-511). This Contract is subject to the provisions of A.R.S. §38-511, which provides for cancellation of contracts by the municipality for certain conflicts of interest.

14.5 Assignment. This Contract cannot be assigned by either the Town or RCEA. This Contract cannot be assigned by JFM to any party without the prior written consent of the Town, which consent may not be unreasonably withheld; provided,

however, without the consent of the Town, JFM and its successors have the right to assign this Contract to a successor-in-interest that owns any portion of the real property within the Delivery Area. JFM and its successors have the right to assign this Contract to a third party only if (a) the assignee assumes in writing the obligations of JFM hereunder accruing from and after the date of such assignment, (b) a copy of such written assignment and assumption agreement is delivered to the Town no later than ten business days after execution thereof, (c) such written assignment and assumption agreement designates the new person, if applicable, to act on behalf of the assignee and designates the new notice address for such assignee pursuant to Section 14.6 hereof, and (d) such written assignment and assumption agreement specifically provides that the assignor remains liable for its obligations under this Contract for the applicable period prior to the date of such assignment. No other assignment of this Contract shall be made except in compliance with the provisions of this Section 14.5.

- 14.6 Notices. All notices, filings, consents, approvals, and other communications under this Contract shall be made, delivered, or served, to:

Town:
Town of Payson
303 North Beeline Highway
Payson, Arizona 85541
Attention: Town Manager

JFM:
Joint Facilities Management, LLC
13845 N. Northsight Boulevard, Suite 200
Scottsdale, Arizona 85260
Attention: R. Steve Loy

RCEA
Rim Country Educational Alliance, SLE
303 North Beeline Highway
Payson, Arizona 85541
Attention: Chairman

or to such other addresses as the applicable Party may from time to time designate in writing and deliver in a like manner. Communication delivered by certified mail shall be deemed delivered forty-eight (48) hours following deposit in the U.S. mail, postage prepaid. Notices delivered personally shall be deemed delivered upon delivery.

- 14.7 No Third Party Beneficiaries. No term or provision of this Contract is intended to be for the benefit of any person or entity not a Party, and no other person or entity shall have any right or cause of action hereunder.
- 14.8 Counterparts. This Contract may be executed in counterparts.
- 14.9 No Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by either Party of a breach of any of the covenants of this Contract shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Contract.

- 14.10 Construction of Contract. This Contract 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 Contract. The Parties acknowledge that each has had the opportunity to seek legal counsel in the entry of this Contract.
- 14.11 Time of Essence. Time is of the essence in this Contract.
- 14.12 Time Periods. Except as expressly provided for herein, the time for performance of any obligation or taking any action under this Contract shall be deemed to expire at 5:00 p.m. (Payson time) on the last day of the applicable time period provided. If the time for the performance of any obligation expires on a Saturday, Sunday or legal holiday, the time for performance shall be extended to the next succeeding business day which is not a Saturday, Sunday or legal holiday.
- 14.13 Severability. If any portion of this Contract is found to be invalid, such finding will not affect the validity of the remainder of this Contract.
- 14.14 Authority. Each Party represents that such Party is fully authorized to execute this Contract by the individual(s) executing below.
- 14.15 Entire Contract. This Contract contains the entire agreement between the Parties pertaining to the subject matter. All prior or contemporaneous oral or written agreements concerning the subject matter of this Contract shall have no effect.
- 14.16 Scrutinized Business Operations. Pursuant to A.R.S. §§ 35-391.06 and 35-393.06 the Parties hereby represent that they do not have, nor do any of their subcontractors have, and during the term of this Contract will not have a scrutinized business operation in either Sudan or Iran.

JOINT FACILITIES MANAGEMENT, LLC,
an Arizona limited liability company

By: Buffalo Golf, LLC,
an Arizona limited liability company
Its Member

By _____, 2013
R. Steve Loy Dated
Its Manager

By: Black Buffalo Golf, LLC,
an Arizona limited liability company
Its Member

By _____, 2013
R. Steve Loy Dated

Its Manager

TOWN OF PAYSON,
an Arizona municipal corporation

By _____,
_____, its Town Manager

_____, 2013
Dated

ATTEST:

Silvia Smith, Town Clerk

APPROVAL AS TO FORM

By _____
Timothy M. Wright, Town Attorney

_____, 2013
Dated

RIM COUNTRY EDUCATIONAL ALLIANCE,
an Arizona Separate Legal Entity

By _____,
_____, its Board Chairman

_____, 2013
Dated

ATTEST:

| _____
Jim_Lyon, SLE Board Secretary