

**ASSURANCE AGREEMENT
FOR COMPLETION OF IMPROVEMENTS
FOR ROLLING HILLS SUBDIVISION
DOCKET NO. S-02-02**

This Assurance Agreement (“Agreement”) made and entered as of this ____ day of November, 2023, between Pioneer Title Agency, Inc., an Arizona corporation, hereinafter referred to as “Trustee”, PL 183, LLC, an Arizona limited liability company, as Beneficiary of Trust No. 70908065, hereinafter referred to as “Beneficiary One,” and Tax Lien Group I, LLC, an Arizona Limited Liability Company, as Beneficiary of Trust No. 70908068, hereinafter referred to as “Beneficiary Two,” and the County of Cochise, a political subdivision of the state of Arizona, hereafter referred to as “County.” Beneficiary One and Beneficiary Two, collectively referred to as “Beneficiaries”.

RECITALS:

1. The County previously approved and accepted the subdivision plat for Rolling Hills Subdivision, as recorded in Book 15, pages 83 and 83A of Maps and Plats, in the Office of the Cochise County Recorder.
2. An Assurance Agreement was entered into and recorded on November 30, 2006, in Document No. 0611-44318, which was extended in Document No. 2008-10708, and again extended in Document No. 2011-12735, and thereafter an Extension and Substitution of Trustee was recorded in Document No. 2019-09613, and thereafter an Amended Extension Agreement and Substitution of Trustee was recorded in Document No. 2019-23525, all being records of Cochise County, Arizona.
3. The County desires to Release said Assurance Agreement recorded on November 30, 2006, in Document No. 0611-44318, records of Cochise County, Arizona, and to enter into a new and replacement Assurance Agreement as outlined herein.

4. Trustee is owner of a certain parcel of property located in Cochise County, Arizona, and described in paragraph 1 below.
5. Beneficiary One has established Trust No. 70908065 for the purpose of developing a subdivision of Cochise County and has conveyed legal title to the Trustee.
6. Beneficiary Two has established Trust No. 70908068 for the purpose of developing a subdivision of Cochise County and has conveyed legal title to the Trustee.
7. The parties hereto wish to establish specific terms, conditions, and guidelines for compliance with the provision of Arizona Revised Statutes (A.R.S.) § 11-806.01 and the Cochise County Subdivision Regulations.
8. The purpose of this Agreement is to replace the November 30, 2006, Assurance Agreement (Document No. 0611-44318) with a new Assurance Agreement, establishing a new Trustee and new Beneficiaries for the above referenced real property.

AGREEMENT:

In consideration of the County having approved a final plat for the property, which is the subject matter of this Agreement, the parties mutually agree that:

1. Property Description. The property which is the subject matter of this agreement is described as follows: See Exhibit A attached hereto and made a part hereof.
2. Assurances. This Agreement is submitted as a means of assuring the completion of the subdivision improvements required by A.R.S. § 11-821(C), the Cochise County Subdivision Regulations, all Plans and Specifications approved and on file with the County, and any special conditions, if applicable, on Exhibit A attached hereto and made a part hereof. These subdivision improvements include, but are not limited to, streets, alleys, sidewalks, curbs and gutters, sanitary septic systems, water supply, lot staking and monuments, traffic and street signs, and drainage and flood control improvements, as applicable.

3. Conveyances and Transfers of Title. The Trustee shall not transfer title to, or enter into contracts for sale of property, lease, or in any way convey, in whole or in part, any of the property described in Paragraph 1 (Property Description) without obtaining prior written approval from the County, except as authorized in the Agreement. A Release of Assurances shall only be given by the County upon satisfactory completion as verified by County inspections of the required improvements.
4. Bulk Sales. Notwithstanding paragraph 3, the Trustee may sell or convey all of the property described in Paragraph 1 (Property Description) in one transaction to a single successor to the beneficiary's interests, provided that such successor, prior to the conveyance, shall have entered into an appropriate agreement with the County to assure completion of the improvements, and the County has approved, in writing, the transfer.
5. Conveyance Out of Trust for the Purpose of Encumbrance; Condition on Other Interests. Notwithstanding Paragraph 3 (Conveyances and Transfers of Title), the Trustee may convey the property described in Paragraph 1 (Property Description) to the Beneficiaries of the Trusts for the limited purposes of allowing any obligations secured by the Trusts, other than those which are the subject of this Agreement with Cochise County, to be subordinated to subsequent loans for the purpose of constructing improvements on the subject land or to create security for additional loans for the purchase or improvement of this land. In such event, the property shall immediately thereafter be reconveyed to the Trustee. This Agreement shall be deemed to be a condition on and restriction on the rights and interests of any third party whose interest in the property arises after the date of this Agreement, however such interest is created, the same as if such party were included as a signatory of this Agreement.
6. Substitution of Assurances. Beneficiaries may offer substitute assurances at any time during the term of this Agreement in accordance with the provisions of the Cochise County Subdivision Regulations. assurances shall be in a form and amount acceptable to the County, and shall to the extent applicable, partially, or wholly replace assurances in this Agreement.
7. Completion of Improvements. The required improvements shall be completed by the Beneficiaries within five (5) years from the date of this Agreement. This date for completion of improvements may be extended by separate agreement of the parties where Beneficiaries are prevented from completing the

- improvements by act of God, strike or similar event or circumstances beyond its control, or at the discretion of the County.
8. Inspection and Approval of Improvements. The Beneficiaries shall arrange for the inspection of all improvements required for this project, to ensure satisfactory completion. Satisfactory completion of all such improvements, in conformance with the required standards and specifications, shall be confirmed by a written statement, signed, and sealed by the project engineer. Until these improvements have been satisfactorily completed, the County will not release the property.
 9. Payment of Applicable Property Taxes. The County shall not release, in whole or in part, any of the property described in paragraph 1 (Property Description) until all property and taxes and assessments due and owing on the subject property have been paid in full.
 10. Partial Release of Assurances by Approved Phases. The County, in its discretion, and upon receipt of a written request from Trustee, may give the Trustee a Release of Assurances for a portion of the lots by approved phases only created by the subdivision plat described in Paragraph 1(Description of Property), provided that, all of the improvements required in connection with such lots have been satisfactorily completed and accepted, and provided further that, the lots released and improvements associated with such lots can function independently on a permanent basis in the event the remaining portion of the subdivision is never developed.
 11. Release of Assurances. Upon completion of all improvements required under this Agreement or upon receipt of acceptable substitute assurances replacing this Agreement, the County shall release assurances in this Agreement.
 12. Failure to Complete Improvements. Trustee and Beneficiaries hereby agree that in the event that the required improvements are not completed within the time period provided by Paragraph 7 (Completion of Improvements), the County may replat that portion of the property described in paragraph 1 (Description of Property) for which a release of assurances has not been given. The purpose of the new plat will be to abandon the subdivision and return the property to approximately the same boundary configurations of record as existed before the subdivision plat was recorded. Prior to initiating any action to replat, the County shall provide Trustee and Beneficiaries with thirty (30) days written notice of the intent to replat.

The County, by this Agreement, is expressly authorized to replat this property after the required notice has been provided. All expenses by the County, including legal costs if applicable, in executing a replat shall be paid for by Beneficiaries, and shall, if unpaid, become a lien on the property.

13. Effect on Trust Agreement. Trustee and Beneficiaries agree that any provision of Trust No. 70908065 and of Trust No. 70908068 that is incompatible or inconsistent with this Agreement shall be null and void and not enforceable. The Trust shall not be revoked prior to a full Release of Assurances without prior written consent of Cochise County. Nor shall any amendment which would alter this Agreement be effective until the County has approved such amendment.
14. Incorporation or Annexation. In the event the property which is the subject matter of this Agreement is incorporated into or annexed by a city or town, the city or town shall automatically become the successor in interest to all of the County's rights and obligations under this Agreement.
15. Purpose of Agreement. The purpose and intent of this Agreement is to prohibit the sale of individual subdivision lots to the public prior to the completion of the subdivision improvements that are associated with such lots. The sale or conveyance of such lots without the necessary improvements is harmful to the public and places excessive burdens on the County. The terms and conditions of this Agreement shall be construed and interpreted as broadly as necessary to accomplish this purpose.

IN WITNESS WHEREOF, the parties have executed this Assurance Agreement this ____ day of _____, 2023.

COCHISE COUNTY:

Peggy Judd, Chair
Cochise County Board of Supervisors

ATTEST:

Sharon Gilman
Interim Clerk of the Board

APPROVED AS TO FORM:

Christine J. Roberts 11/21/2023

Christine J. Roberts
Chief Civil Deputy County Attorney

Exhibit A

Legal Description

Lots 8 through 15, inclusive, Lots 25 through 28, inclusive, Lots 35 through 40, inclusive and Lots 47 through 57, inclusive, Rolling Hills Amended Plat, according to Book 15 of Maps, page 83 and 83A, record of Cochise County, Arizona;

EXCEPT all oil, gas, coal, and other minerals as reserved in Deed recorded in Book 109 of Deeds of Real Estate, page 197, records of Cochise County, Arizona.