



2016 178A4

Elizabeth Burke, City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

FOURTH AMENDMENT TO DEVELOPMENT AGREEMENT

The City of Flagstaff, a political subdivision of the state of Arizona ("City") and Nestle Purina Petcare Company, a Missouri corporation ("Purina") enter into this Fourth Amendment to Development Agreement effective this 6th day of October, 2016 (the "Fourth Amendment").

RECITALS:

- A. This Fourth Amendment is intended to further purposes of the Development Agreement (as hereinafter defined) and achieve a 50% reduction in modeled ground level odor concentrations along the Purina facility's property line in Flagstaff, Arizona and identified in Exhibit 1 (which includes Exhibits A, B, C, and D), with such reduction determination to be based on the Testing and Modeling Procedures (defined in Section 5 below).
- B. In 2003 the City and Purina entered into a Development Agreement recorded on June 25, 2003 as Instrument No. 3207666, Official Records of Coconino County, Arizona ("Development Agreement") in connection with Purina's expansion of its pet food manufacturing and warehousing facility located in the City of Flagstaff.
- C. Pursuant to the Development Agreement, title to the Original Property (Exhibit A) and Purina's manufacturing facility located thereon (the "Facility") were conveyed to the City and leased back by the City to Purina under the terms and conditions of a Government Property Lease entered into pursuant the provisions of A.R.S. § 42-6201, *et seq.* (as previously amended, the "Lease"). The form of Lease was recorded along with the original Development Agreement in Instrument No. 3207666, Official Records of the Coconino County, Arizona ("Lease").
- D. In 2008 as approved in Ordinance No. 2008-16 the City and Purina entered into a First Amendment to Development Agreement recorded on June 26, 2008 as Instrument No. 3491226, Official Records of the Coconino County, Arizona ("First Amendment") in connection with approximately 34.28 net acres of additional real property legally described in Exhibit B ("Additional Property") for the purpose constructing a 94,000 square foot warehouse space addition, and parking facilities for employees and trailers, all as part of a further expansion of the Facility.
- E. Pursuant to the First Amendment, title to the Additional Property and the expanded Facility ("Expanded Facility") were conveyed to the City and leased back by the City to

Purina under the terms and conditions of the Lease (which was also amended). The Special Warranty deed conveying the Additional Property to the City was recorded on January 16, 2009, Instrument No. 3510883, Official Records of the Coconino County, Arizona. The First Amendment to the Lease was recorded on January 16, 2009, Instrument No. 3510882, Official Records of the Coconino County, Arizona ("First Amendment to Lease").

- F. In 2008 pursuant to the First Amendment, the City purchased approximately two (2) acres of the Additional Property from Purina as legally described in Exhibit C ("Fire Station Parcel"), and as conveyed by Special Warranty Deed recorded on June 27, 2008 as Instrument No. 3491528 in the Official Records of the Coconino County, Arizona.
- G. In 2015 pursuant to the Development Agreement, Purina conveyed real property to the City for Industrial Drive by Quit Claim deed as recorded on January 1, 2015 as Instrument No. 3711317, Official Records of the Coconino County, Arizona, and as legally described in Exhibit D ("Industrial Drive Parcel").
- H. The original purposes of the Development Agreement as amended by the First Amendment were to help fund expansions of the Purina facilities ("Expansions") so as to provide new stable, good-paying employment opportunities for Flagstaff residents; provide for purchase of the Fire Station Parcel, and conveyance of the Industrial Drive Parcel; and provide certain other benefits (collectively "Benefits") via Purina's projected total tax savings of \$3,928,964.00. This total represents the actual tax savings under the original Development Agreement of \$481,964.00, plus the projected tax savings under the First Amendment of \$3,447,000.00.
- I. The parties have been performing the terms and conditions of the Development Agreement (as amended) and underlying Lease (as amended), and these agreements were initially scheduled to expire on or about October 14, 2015.
- J. Purina's actual tax savings under the First Amendment are \$2,522,770.00, or approximately \$924,230.00 less than projected.
- K. The Purina Expansions have enabled a substantial increase in production of pet food at the Facility, and there are associated emissions to the atmosphere.
- L. Purina has an Air Quality Control Permit from the Arizona Department of Environmental Quality ("ADEQ") and this Fourth Amendment is not being required by ADEQ or the parties for compliance with applicable laws, rules and regulations regarding its emissions to the atmosphere.
- M. On September 15, 2015 pursuant to A.R.S. § 42-6203.A.4 the City and Purina entered into a Second Amendment to Development Agreement in order to temporarily extend the Agreement and underlying Lease for a period commencing on October 14, 2015 and

continuing for up to six (6) months (April 15, 2016) to further the original purposes of the Development Agreement and to explore the feasibility of voluntary installation of equipment at the Purina Facility to measurably reduce odor. This document was recorded on September 8, 2016 as Instrument No. 3762680 in the Official Records of the Coconino County, Arizona.

- N. On March 1, 2016 pursuant to A.R.S. § 42-6203.A.4 the City and Purina entered into a Third Amendment to Development Agreement in order to temporarily extend the Agreement and underlying Lease for a period commencing on April 15, 2016 and continuing for up to six (6) months to further the original purposes of the Development Agreement and to explore the feasibility of voluntary installation of equipment at the Purina Facility to measurably reduce odor. This document was recorded on September 9, 2016 as Instrument No. 3762827 in the Official Records of the Coconino County, Arizona.
- O. This Fourth Amendment will extend the Development Agreement until October 15, 2017 for the purposes stated herein.
- P. The Second, Third, and Fourth Amendments, resulting in extensions of the Development Agreement from October 14, 2015 through October 15, 2017 may result in a tax savings of approximately \$800,000.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION FOR THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

In General

1. Purpose. The purpose of this Fourth Amendment is to further the purposes of the original Development Agreement and achieve a 50% reduction in modeled ground-level odor concentrations (based on the Testing and Modeling Procedures) from the Facility.
2. Phases. There are two (2) proposed phases of odor minimization as described herein. The first two phases will be funded in part by property tax savings.
3. Extension Period. The Development Agreement is hereby extended until October 15, 2017. The estimated tax savings for Purina over the two tax years covered by the extension from October 15, 2015 to October 15, 2017 is approximately \$800,000.00.
4. Fourth Amendment to Lease. The term of the Lease (as amended) shall be extended to October 15, 2017. To accomplish this, the parties shall execute a Fourth Amendment to Lease in the form attached hereto as Exhibit 2.

5. How Odor is Measured (D/T). A dilution threshold measures how many unit volumes of odor free air are needed to dilute one (1) unit volume of odorous air to the point where odor is no longer detectible by the average person. A liter is typically used as the unit volume.
6. Testing and Modeling Procedures. Testing and Modeling Procedures are intended to provide a reasonably accurate measure of odors at the designated receptor point(s) at the property line, measured in terms of dilutions per threshold (D/T). Testing and Modeling Procedures are more fully described in Brown & Caldwell technical memorandum dated May 23, 2016 attached hereto as Exhibit 3 ("Testing and Modeling Procedures"). Testing and Modeling Procedures used before and after each Phase will be based on the same operational assumptions, conditions, and factors so as to achieve an accurate comparison of before and after results.
7. Baseline Test. Purina in consultation with Brown & Caldwell has conducted baseline testing and modeling of odors at the designated testing points at the property line ("Baseline Test") using the Testing and Modeling Procedures, at its own costs. The Baseline Test measures odor in terms of a dilutions per threshold (D/T) (D/T's are further described in Exhibit 3). Based on current operations at the Facility, the Baseline Test shows the following: Maximum odor at property line 55 D/T (*European method*). A copy of the Brown & Caldwell technical memorandum dated May 23, 2016 describing baseline testing and modeling and possible odor solutions is attached hereto as Exhibit 3.
8. Permits and Approvals. Purina at its own expense will obtain all necessary governmental permits and approvals for the odor reduction equipment and measures described herein. Purina will obtain any necessary approvals from ADEQ for modification of its Air Quality Permit No. 58866, as amended by No. 60197, and as may be amended or superseded.

Phase 1

9. Dispersion Stack for Extruder Air Take Aways.
 - a. Equipment. Purina will combine all five (5) extruder air take aways into one new tall stack supported by the mill building to disperse exhaust higher into the atmosphere ("ATA Stack") A conceptual rendering and description of the ATA Stack is attached hereto as Exhibit 4.
 - b. Cost. Purina will pay for all costs of the ATA Stack, estimated at a cost of \$430,000, according to Purina.
 - c. Schedule. Purina shall use its reasonable efforts to obtain approval from its ultimate parent company to spend capital to install the ATA Stack and startup use of the ATA Stack on or before April 30, 2017. In the event Purina is unable to obtain approval

for such capital expenditure, Purina will continue to use its reasonable efforts to obtain such approval as soon as possible thereafter and complete installation and startup as soon as reasonably feasible upon receipt of approval to spend the capital.

- d. Post Installation Testing. Within 60 days after installation of the ATA Stack, Purina at its own cost will conduct post installation testing and modeling at the property line using the Testing and Modeling Procedures. The estimated cost is \$50,000.00, according to Purina. Purina will provide a summary of such testing results to City.
- e. Measurable Reduction in Odor. Based on current operations, it is anticipated the ATA Stack will reduce modeled ground-level odor at the Facility's property line by approximately 35% when measured using the Testing and Modeling Procedures and compared to the Baseline Test: Maximum odor at property line 35.75 D/T (*European method*)
- f. Maintenance and Operations. Purina will keep and operate the ATA Stack in good repair for at least 10 years after the technology is installed and operational. Purina will pay all ongoing repair and operational costs for the ATA Stack, including an estimated \$67,000 in annual energy usage costs (FY 16 dollars). In the event Purina desires to remove or decommission the ATA Stack during such 10 year period, it will implement similar (or improved) odor mitigation technology at the Facility and keep and operate in good repair such replacement odor mitigation technology for the balance of the 10 year period, not counting any time when odor mitigation equipment was not in service. Example: ATA Stack is taken out of service on January 1 of year 8, replacement odor mitigation technology is installed in and becomes operational on January 1 of year 10 (equipment is out of service for 3 years): Purina will operate the replacement odor mitigation technology in good repair for at least three (3) more years. The obligations set forth herein will survive expire upon expiration of the 10 year period as described above, except in the event Purina, its successor and/or assigns ceases to operate a pet manufacturing food operation in Flagstaff altogether within the promised minimum operation period(s), this obligation shall automatically expire.

Phase 2

10. Dispersion Stacks for Dryers.

- a. Equipment. Purina will connect all dryer exhausts in a bundle and extend the exhaust piping into four or five new tall stacks supported by the mill building ("Dryer Stacks"). A conceptual rendering and description of the dryer stacks is attached hereto as part of Exhibit 5
- b. Cost. Purina will pay for all costs of the Dryer Stacks, estimated at a cost of \$670,000, according to Purina.

- c. Schedule. Purina shall use its reasonable efforts to obtain approval from its ultimate parent company to spend capital to install the Dryer Stacks and startup use of the Dryer Stacks on or before June 30, 2018. In the event Purina is unable to obtain approval for such capital expenditure, Purina will continue to use its reasonable efforts to obtain such approval as soon as possible thereafter and complete installation and startup as soon as reasonable feasible upon receipt of approval to spend the capital.
- d. Post Installation Testing. Within 60 days after installation of the Dryer Stacks, Purina at its own cost will conduct post installation testing and modeling at the property line testing point(s) using the Testing Procedures. The estimated cost is \$50,000.00, according to Purina. Purina will provide a summary of testing results to City.
- e. Measurable Reduction in Odor. Based on current operations, it is anticipated the Dryer Stacks (in conjunction with the ATA Stack) will reduce modeled ground-level odor at the Facility's property line by at least 50% when measured using the Testing and Modeling Procedures and compared to the Baseline Test: Maximum odor at property line 27.5 D/T (*European Method*).
- f. Maintenance and Operations. Purina will keep and operate the Dryer Stacks in good repair for at least 10 years after the technology is installed and operational. Purina will pay all ongoing repair and operational costs, including an estimated \$205,000 in annual energy usage costs (FY 16 dollars). In the event Purina desires to remove or decommission the Dryer Stacks during such 10 year period, it will implement similar (or improved) odor mitigation technology at the Facility and keep and operate in good repair such replacement odor mitigation technology for the balance of the 10 year period, not counting any time when odor mitigation equipment was not in service. Example: Dryer Stacks are taken out of service on January 1 of year 8, replacement odor mitigation technology is installed in and becomes operational on January 1 of year 10 (equipment is out of service for 3 years): Purina will operate the replacement odor mitigation technology in good repair for at least three (3) more years. The obligations set forth herein will survive expire upon expiration of the 10 year period as described above, except in the event Purina, its successor and/or assigns ceases to operate a pet manufacturing food operation in Flagstaff altogether within the promised minimum operation period(s), this obligation shall automatically expire.

Possible Additional Evaluation.

- 11. Possible Additional Work. In the event the post-installation Testing and Modeling Results of Phases 1 and 2 do not reduce modeled ground-level odor at the Facility's property line by at least 50% when measured using the Testing and Modeling Procedures and compared to the Baseline Test, Purina will evaluate additional odor mitigation measures at its own expense. Possible additional mitigation techniques include those set forth in the Brown & Caldwell technical memorandum (Exhibit 3).

Purina will be responsible for determining appropriate technology and operations management to be used and the schedule for implementation, if any.

12. Good Faith Review. On or before October 15, 2020 City and Purina, including any successor or assigns, will meet to review the progress on odor reduction at the Facility and to discuss intentions and long term solutions to achieving and maintaining the purposes of the Fourth Amendment.

FUTS Trail

13. Flagstaff Urban Trail System ("FUTS" trail). As additional consideration for this Fourth Amendment to Development Agreement, on or before April 1, 2017 Purina shall grant to the City an easement for the Flagstaff Urban Trail System across Coconino County Assessor Parcel No. 11337004B. The easement will be in a mutually agreed location. The minimum width of the easement is twenty-five (25) feet and may be as wide as forty (40) feet in places. The approximate location of the easement is identified in the map included as part of Exhibit 1. A conceptual rendering is attached hereto as Exhibit 6. A copy of the easement to be executed is attached hereto as Exhibit 7. In addition, Purina, its successors and/or assigns will grant City a temporary construction permit across the Purina property adjoining the FUTS trail easement area as may be reasonably necessary for construction of such segment of the FUTS trail at time City is ready to proceed with construction. City understands and agrees that construction of, maintenance of and the trail itself must not interfere with Purina's storm water outflow or other factory operations. City shall not be required to pay any funds to Purina, its successors and/or assigns for the value of the FUTS trail easement and temporary construction permit. City will be responsible for obtaining and paying for the legal descriptions and maps for such grants, as well as costs of construction of the FUTS trail, performing (and paying for) maintenance of the FUTS trail (and surrounding property within the easement area). This paragraph shall survive expiration of the Development Agreement.

Harmonization

13. All other terms and conditions of the Development Agreement (as previously amended) as further amended by this Fourth Amendment shall remain in effect and are incorporated herein.
14. The parties agree that Exhibit 1 as attached hereto is intended to reflect the current status of the Purina and City properties respectively.
15. The parties agree that until all requirements of this Fourth Amendment are met, general provisions related enforcement to and remedies as found in the original Development Agreement will apply (including but not limited to Section 8 Default and Remedies, Section 9 General Provisions) will apply.

16. Upon City's reconveyance of the property and facility to Purina following October 15, 2017, Purina will execute any mutually agreed documents as are reasonably necessary to accomplish the intended property transfers for Industrial Drive and Fire Station and the FUTS trail to City in the event chain of title is not clear.

Contingency

17. If on or before October 15, 2020, Purina installs the equipment called for by both Phases 1 and 2 of this agreement and achieves a modeled ground-level odor reduction at the Facility's property line of less than 50% (when measured using the Testing and Modeling Procedures and compared to the Baseline Test), Purina shall pay to City the percentage of \$800,000 that corresponds with the amount of modeled ground-level odor reduction achieved at the Facility:

Odor Reduction using the Testing and Modeling Procedures and compared to the Baseline Test		
Modeled Percent Reduction is at least	Modeled D/T is at most	Repayment of 2017 & 2018 Property Tax Savings
50%	27.5	0%
45%	30.25	10%
40%	33	20%
30%	38.5	40%
20%	44	60%
10%	49.5	80%
<10%		100%

Notwithstanding the foregoing table, if Purina installs and operates the equipment required by Phase 1, but not Phase 2 (as both phases are described above), Purina will refund \$400,000 to City. For the avoidance of doubt, the table above is intended to apply if Purina has completed both phases 1 and 2, but Purina has not achieved a 50% or greater reduction in modeled ground-level odor (when measured using the Testing and Modeling Procedures and compared to the Baseline Test), as further described in the first paragraph of this section.

Amounts owed under this Section 17 shall be paid by Purina on or before December 31, 2020. For the avoidance of doubt, if Purina installs the equipment required by this Agreement and achieves a modeled ground-level odor reduction at the Facility's property line equal to 50% or greater (when measured using the Testing and Modeling Procedures and compared to the Baseline Test), then Purina shall not have any obligation to repay tax savings.

City will be responsible for distributing the funds in proportionate shares to the governmental entities (City, County, FUSD) that normally would have received a share of property taxes in the 2015-2017 time period. This provision will survive expiration or termination of the Fourth Amendment to the Development Agreement and underlying Lease until the amount owing, if any, is paid. In the event a payment obligation under this Section 17 is triggered, the City shall have the right to file a lien against any real property owned by Purina, its successors and assigns until Purina has paid the City the amount owed hereunder. In the event the amount owing, if any, is not paid on or before December 31, 2010, interest shall accrue on such amount at 3% annually. If the City files a lien against Purina's property pursuant to the foregoing, then once Purina has paid the amount owed hereunder, upon written request of Purina, City will promptly record a lien release.

18. If Purina fails to install and operate the equipment required by Phase 1 and Phase 2 of this Agreement by October 15, 2020, then the following shall apply:
- a. Purina shall pay the City \$708,000 (\$800,000 less the value of the FUTS easement), plus simple interest at a rate of three percent (3%) per year, with interest beginning effective as of the date when Purina would have been obligated to pay such taxes absent this Agreement. Such interest shall be applied to the amount of taxes that would have been owed as of such date, meaning the first year interest only applies to \$308,000, and after the second year interest applies to all \$708,000.
 - b. City will retain the FUTS easement (valued at \$92,000).

NESTLE PURINA PETCARE COMPANY



By: Rock A. Foster

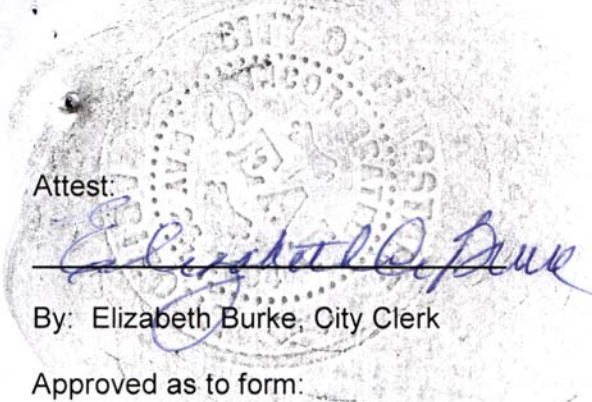
Its: Chief Financial Officer

CITY OF FLAGSTAFF



By: Mayor Nabours

Attest:


Elizabeth Burke

By: Elizabeth Burke, City Clerk

Approved as to form:

Mija Wendel

By: Mija Wendel

City Attorney's Office

Attachments:

Exhibit 1 Purina Facility property (with Map, Exhibits A, B, C and D)

Exhibit 2 Fourth Amendment to Lease

Exhibit 3 Brown & Caldwell technical memorandum dated May 23, 2016

Exhibit 4 Dispersion Stack for Extruder Air Take Aways

Exhibit 5 Dispersion Stacks for Dryers

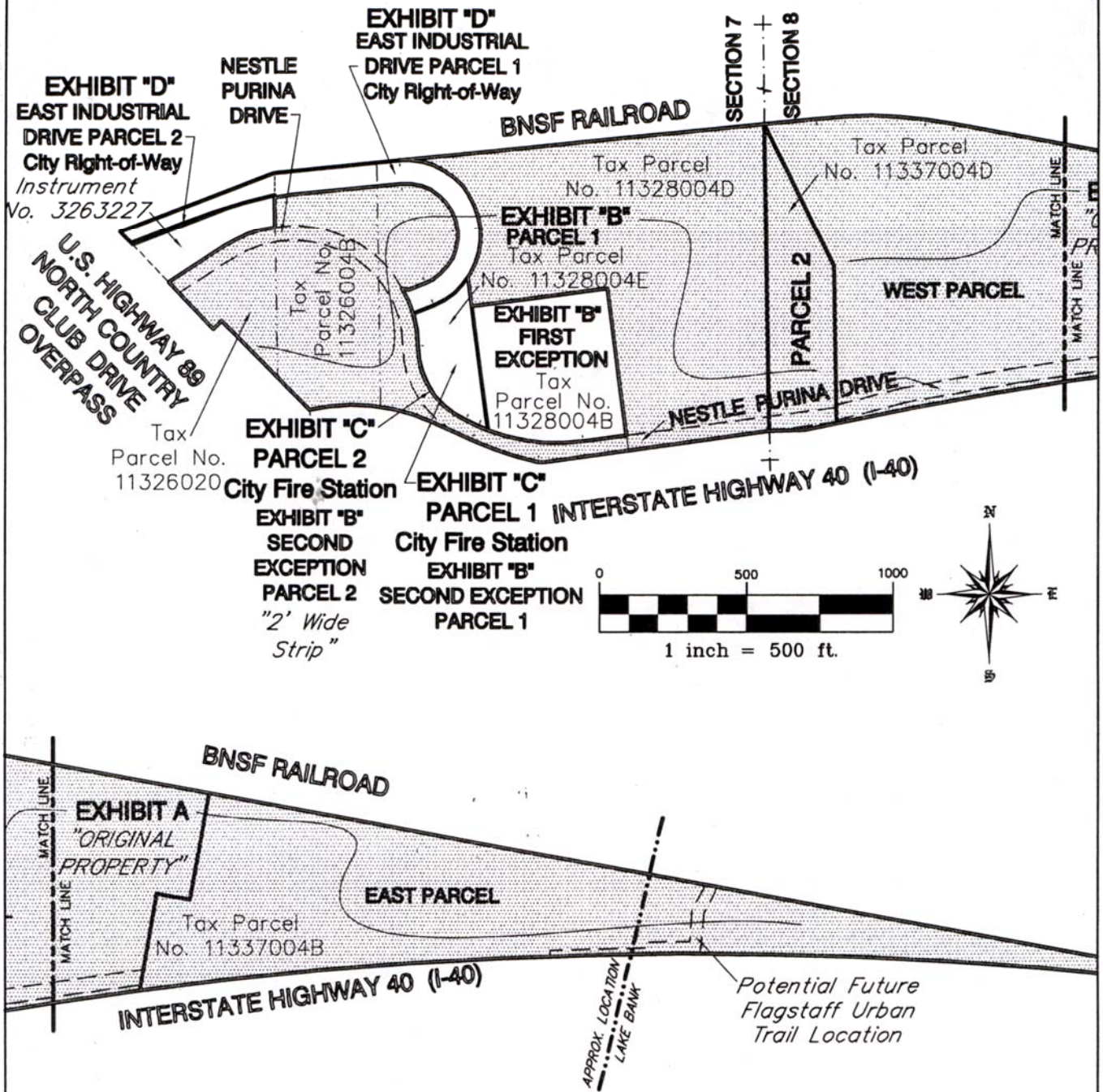
Exhibit 6 Conceptual map of FUTS trail easement

Exhibit 7 Form of FUTS trail easement

EXHIBIT 1

PURINA PROPERTY

MAP OF EXHIBITS A, B, C, & D



INITIAL:

PROPERTY EXHIBIT NESTLE PURINA PETCARE COMPANY PROPERTIES

PART OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 7
AND PART OF THE NORTH HALF OF SECTION 8,
TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN
CITY OF FLAGSTAF, COCONINO COUNTY, ARIZONA

06/07/16

E.E.G.

FOR LOCATION PURPOSES ONLY

EXHIBIT "A" (Original Property)

LEGAL DESCRIPTION
PURINA WEST PARCEL

A PARCEL OF LAND BEING A PORTION OF THE "PURINA TRACT" AS DESCRIBED IN EXHIBIT "A" OF THAT CERTAIN DOCUMENT RECORDED IN DOCKET 476, PAGES 41-46 (REC.) OF THE COCONINO COUNTY RECORDER'S OFFICE AND BEING SITUATED IN THE NORTH HALF OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN IN COCONINO COUNTY, ARIZONA, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3/4" O.D. IRON PIPE WITH NO IDENTIFICATION FOUND IN A HANDHOLE AT THE NORTHWEST CORNER OF SAID SECTION 8 AND FROM WHICH A SQUARE HEADED BOLT FOUND AT THE WEST QUARTER CORNER OF SAID SECTION 8, LIES S 01°10'00" E (BASIS OF BEARINGS PER REC.) A DISTANCE OF 2,665.67 FEET; THENCE FROM SAID NORTHWEST CORNER OF SECTION 8, S 01°10'00" E (REC. SAME) A DISTANCE 2,567.77 (2,573.23 REC.) FEET ALONG THE WEST LINE OF SAID NORTH HALF OF SECTION 8 TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 40 (I-40) AND FROM WHICH A 60D NAIL WITH NO IDENTIFICATION WAS FOUND LYING S 88°19'56" W A DISTANCE OF 0.57 FOOT; THENCE N 88°19'56" E (N 87°30'55" E REC.) A DISTANCE OF 124.09 (125.81 REC.) FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO AN ARIZONA HIGHWAY DEPARTMENT (A.H.D.) BRASS CAP RIGHT-OF-WAY MONUMENT FOUND IN CONCRETE AT THE BEGINNING OF A NON-TANGENT CURVE; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE BEING A CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A CHORD BEARING AND LENGTH OF N 78°06'43" E - 107.80 FEET, RADIUS OF 14,523.95 (REC. SAME) AND CENTRAL ANGLE OF 0°25'31", AN ARC DISTANCE OF 107.80 (106.09 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE SOUTHWEST CORNER OF SAID "PURINA TRACT" WHICH IS THE POINT OF BEGINNING; THENCE N 01°10'00" W (REC. SAME) A DISTANCE OF 533.05 (527.54 REC.) FEET ALONG THE WEST BOUNDARY OF SAID "PURINA TRACT", WHICH IS A LINE THAT LIES 230.00 FEET EAST OF AND PARALLEL WITH SAID WEST LINE OF THE NORTH HALF OF SECTION 8, TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT AN ANGLE POINT IN SAID WEST BOUNDARY; THENCE N 26°36'03" W (REC. SAME) A DISTANCE OF 535.54 (REC. SAME) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE INTERSECTION OF SAID WEST LINE OF THE NORTH HALF OF SECTION 8 WITH THE SOUTH RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN AND SANTA FE RAILWAY (BNSF) (FORMERLY ATCHISON, TOPEKA AND SANTA FE RAILWAY); THENCE N 84°23'13" E (N 84°23'24" E REC.) A DISTANCE OF 177.33 (198.30 REC.) FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A RADIUS OF 2,764.93 (REC. SAME) AND CENTRAL ANGLE OF 2°00'00", AN ARC DISTANCE OF 96.51 (96.52 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF COMPOUND CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A RADIUS OF 1,332.69 (REC. SAME) AND CENTRAL ANGLE OF 12°00'00", AN ARC DISTANCE OF 279.12 (REC. SAME) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF COMPOUND CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A RADIUS OF 2,764.93 (REC. SAME) AND CENTRAL ANGLE OF 2°00'00", AN ARC DISTANCE OF 96.51 (96.52 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF TANGENCY; THENCE S 79°36'47" E (S 79°40'09" E REC.) A DISTANCE OF 510.00 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY TO A POINT THAT LIES 100.0 FEET SOUTHERLY OF THE CENTERLINE OF THE SOUTH MAIN (WESTBOUND) RAILS OF SAID BNSF RAILWAY; THENCE S 79°36'47" E (S 79°40'09" E REC.) A DISTANCE OF 413.49 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY, WHICH LIES 100.0 FEET SOUTHERLY OF AND PARALLEL WITH SAID CENTERLINE OF THE SOUTH MAIN (WESTBOUND) RAILS, TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE WITH THE NORTHERLY PROJECTION OF THE CENTERLINE OF STEEL COLUMNS ALIGNED ALONG THE EAST WALL OF THE PURINA BUILDING AS IT EXISTED IN NOVEMBER OF THE YEAR 2002. THENCE

EXHIBIT A continued:

S 10°22'23" W A DISTANCE OF 364.83 FEET ALONG SAID CENTERLINE PROJECTION AND SAID CENTERLINE OF STEEL COLUMNS TO AN ANGLE POINT IN SAID EAST WALL; THENCE N 79°37'37" W A DISTANCE OF 115.06 FEET ALONG SAID CENTERLINE OF STEEL COLUMNS TO AN ANGLE POINT IN SAID EAST WALL; THENCE S 10°22'23" W A DISTANCE OF 331.18 FEET ALONG SAID CENTERLINE OF STEEL COLUMNS AND THE SOUTHERLY PROJECTION OF SAID CENTERLINE TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET ON SAID NORTH RIGHT-OF-WAY LINE OF I-40; THENCE WESTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF I-40, BEING A NON-TANGENT CURVE TO THE LEFT AND CONCAVE TO THE SOUTH HAVING A CHORD BEARING AND LENGTH OF S 80°27'22" W - 1,080.42 FEET, RADIUS OF 14,523.95 (REC. SAME) FEET AND CENTRAL ANGLE OF 4°15'47", AN ARC DISTANCE OF 1,080.67 FEET TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION
PURINA EAST PARCEL

A PARCEL OF LAND BEING A PORTION OF THE "PURINA TRACT" AS DESCRIBED IN EXHIBIT "A" OF THAT CERTAIN DOCUMENT RECORDED IN DOCKET 476, PAGES 41-46 (REC.) OF THE COCONINO COUNTY RECORDER'S OFFICE AND BEING SITUATED IN THE NORTH HALF OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN IN COCONINO COUNTY, ARIZONA, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 3/4" O.D. IRON PIPE WITH NO IDENTIFICATION FOUND IN A HANDHOLE AT THE NORTHWEST CORNER OF SAID SECTION 8 AND FROM WHICH A SQUARE HEADED BOLT FOUND AT THE WEST QUARTER CORNER OF SAID SECTION 8, LIES S 01°10'00" E (BASIS OF BEARINGS PER REC.) A DISTANCE OF 2,665.67 FEET; THENCE FROM SAID NORTHWEST CORNER OF SECTION 8, S 01°10'00" E (REC. SAME) A DISTANCE 2,567.77 (2,573.23 REC.) FEET ALONG THE WEST LINE OF SAID NORTH HALF OF SECTION 8 TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 40 (I-40) AND FROM WHICH A 60D NAIL WITH NO IDENTIFICATION WAS FOUND LYING S 88°19'56" W A DISTANCE OF 0.57 FOOT; THENCE N 88°19'56" E (N 87°30'55" E REC.) A DISTANCE OF 124.09 (125.81 REC.) FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO AN ARIZONA HIGHWAY DEPARTMENT (A.H.D.) BRASS CAP RIGHT-OF-WAY MONUMENT FOUND IN CONCRETE AT THE BEGINNING OF A NON-TANGENT CURVE; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE BEING A CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A CHORD BEARING AND LENGTH OF N 78°06'43" E - 107.80 FEET, RADIUS OF 14,523.95 (REC. SAME) AND CENTRAL ANGLE OF 0°25'31", AN ARC DISTANCE OF 107.80 (106.09 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE SOUTHWEST CORNER OF SAID "PURINA TRACT"; THENCE N 01°10'00" W (REC. SAME) A DISTANCE OF 533.05 (527.54 REC.) FEET ALONG THE WEST BOUNDARY OF SAID "PURINA TRACT", WHICH IS A LINE THAT LIES 230.00 FEET EAST OF AND PARALLEL WITH SAID WEST LINE OF THE NORTH HALF OF SECTION 8, TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT AN ANGLE POINT IN SAID WEST BOUNDARY; THENCE N 26°36'03" W (REC. SAME) A DISTANCE OF 535.54 (REC. SAME) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE INTERSECTION OF SAID WEST LINE OF THE NORTH HALF OF SECTION 8 WITH THE SOUTH RIGHT-OF-WAY LINE OF THE BURLINGTON NORTHERN AND SANTA FE RAILWAY (BNSF) (FORMERLY ATCHISON, TOPEKA AND SANTA FE RAILWAY); THENCE N 84°23'13" E (N 84°23'24" E REC.) A DISTANCE OF 177.33 (198.30 REC.) FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A RADIUS OF 2,764.93 (REC. SAME) AND CENTRAL ANGLE OF 2°00'00", AN ARC DISTANCE OF 96.51 (96.52 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF COMPOUND CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A RADIUS OF 1,332.69 (REC. SAME) AND CENTRAL ANGLE OF 12°00'00", AN ARC DISTANCE OF 279.12 (REC. SAME) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF COMPOUND CURVATURE; THENCE EASTERLY ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY BEING A TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A

RADIUS OF 2,764.93 (REC. SAME) AND CENTRAL ANGLE OF 2°00,00", AN ARC DISTANCE OF 96.51 (96.52 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT A POINT OF TANGENCY; THENCE S 79°36'47" E (S 79°40'09" E REC.) A DISTANCE OF 510.00 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY TO A POINT THAT LIES 100.0 FEET SOUTHERLY OF THE CENTERLINE OF THE SOUTH MAIN (WESTBOUND) RAILS OF SAID BNSF RAILWAY; THENCE S 79°36'47" E (S 79°40'09" E REC.) A DISTANCE OF 413.49 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY, WHICH LIES 100.0 FEET SOUTHERLY OF AND PARALLEL WITH SAID CENTERLINE OF THE SOUTH MAIN (WESTBOUND) RAILS, TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE WITH THE NORTHERLY PROJECTION OF THE CENTERLINE OF STEEL COLUMNS ALIGNED ALONG THE EAST WALL OF THE PURINA BUILDING AS IT EXISTED IN NOVEMBER OF THE YEAR 2002, SAID INTERSECTION BEING THE POINT OF BEGINNING. THENCE S 10°22'23" W A DISTANCE OF 364.83 FEET ALONG SAID CENTERLINE PROJECTION AND SAID CENTERLINE OF STEEL COLUMNS TO AN ANGLE POINT IN SAID EAST WALL; THENCE N 79°37'37" W A DISTANCE OF 115.06 FEET ALONG SAID CENTERLINE OF STEEL COLUMNS TO AN ANGLE POINT IN SAID EAST WALL; THENCE S 10°22'23" W A DISTANCE OF 331.18 FEET ALONG SAID CENTERLINE OF STEEL COLUMNS AND THE SOUTHERLY PROJECTION OF SAID CENTERLINE TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET ON SAID NORTH RIGHT-OF-WAY LINE OF I-40; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE OF I-40, BEING A NON-TANGENT CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A CHORD BEARING AND LENGTH OF S 89°31'08" E - 3,989.06 FEET, RADIUS OF 14,523.95 (REC. SAME) FEET AND CENTRAL ANGLE OF 15°47'11", AN ARC DISTANCE OF 4,001.70 FEET TO THE POINT ON THE EAST LINE OF SAID NORTH HALF OF SECTION 8, FROM WHICH AN A.H.D. BRASS CAP RIGHT-OF-WAY MONUMENT FOUND IN CONCRETE LIES S 81°37'31" E A DISTANCE OF 0.19 FOOT; THENCE N 00°21'19" E A DISTANCE OF 9.94 FEET ALONG SAID EAST LINE OF THE NORTH HALF OF SECTION 8 TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET ON SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY WHICH LIES 100.0 FEET SOUTHERLY OF AND PARALLEL WITH SAID CENTERLINE OF THE SOUTH MAIN (WESTBOUND) RAILS AND FROM SAID SET RE-BAR, AN A.H.D. BRASS CAP RIGHT-OF-WAY MONUMENT FOUND IN CONCRETE LIES N 01°35'58" E A DISTANCE OF 2.48 FEET; THENCE N 79°36'47" W (N 79°40'09" W & N 79°43'03" W REC.) A DISTANCE OF 3,812.96 FEET ALONG SAID SOUTH RIGHT-OF-WAY LINE OF THE BNSF RAILWAY TO THE POINT OF BEGINNING.

LEGAL DESCRIPTION
PURINA EASEMENT

A STRIP OF LAND BEING A PORTION OF THE "PURINA TRACT" AS DESCRIBED IN EXHIBIT "A" OF THAT CERTAIN DOCUMENT RECORDED IN DOCKET 476, PAGES 41-46 (REC.) OF THE COCONINO COUNTY RECORDER'S OFFICE AND BEING SITUATED IN THE NORTH HALF OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER MERIDIAN IN COCONINO COUNTY, ARIZONA, SAID STRIP OF LAND BEING MORE PARTICULARLY DEFINED AS LYING 25.00 FEET ON EACH SIDE OF THE FOLLOWING DESCRIBED CENTERLINE:

COMMENCING AT A 3/4" O.D. IRON PIPE WITH NO IDENTIFICATION FOUND IN A HANDHOLE AT THE NORTHWEST CORNER OF SAID SECTION 8 AND FROM WHICH A SQUARE HEADED BOLT FOUND AT THE WEST QUARTER CORNER OF SAID SECTION 8, LIES S 01°10'00" E (BASIS OF BEARINGS PER REC.) A DISTANCE OF 2,665.67 FEET; THENCE FROM SAID NORTHWEST CORNER OF SECTION 8, S 01°10'00" E (REC. SAME) A DISTANCE 2,567.77 (2,573.23 REC.) FEET ALONG THE WEST LINE OF SAID NORTH HALF OF SECTION 8 TO A POINT ON THE NORTH RIGHT-OF-WAY LINE OF INTERSTATE HIGHWAY 40 (I-40) AND FROM WHICH A 60D NAIL WITH NO IDENTIFICATION WAS FOUND LYING S 88°19'56" W A DISTANCE OF 0.57 FOOT; THENCE N 88°19'56" E (N 87°30'55" E REC.) A DISTANCE OF 124.09 (125.81 REC.) FEET ALONG SAID NORTH RIGHT-OF-WAY LINE TO AN ARIZONA HIGHWAY DEPARTMENT (A.H.D.) BRASS CAP RIGHT-OF-WAY MONUMENT FOUND IN CONCRETE AT THE BEGINNING OF A NON-TANGENT CURVE; THENCE EASTERLY ALONG SAID NORTH RIGHT-OF-WAY LINE BEING A CURVE TO THE RIGHT AND CONCAVE TO THE SOUTH HAVING A CHORD BEARING AND LENGTH OF N 78°06'43" E - 107.80 FEET, RADIUS OF 14,523.95 (REC. SAME) AND CENTRAL ANGLE OF 0°25'31", AN ARC DISTANCE

EXHIBIT A continued:

OF 107.80 (106.09 REC.) FEET TO A 1/2" RE-BAR WITH PLASTIC CAP STAMPED "LS 14184" SET AT THE SOUTHWEST CORNER OF SAID "PURINA TRACT; THENCE N 01°10'00" W (REC. SAME) A DISTANCE OF 533.05 (527.54 REC.) FEET ALONG THE WEST BOUNDARY OF SAID "PURINA TRACT", WHICH IS A LINE THAT LIES 230.00 FEET EAST OF AND PARALLEL WITH SAID WEST LINE OF THE NORTH HALF OF SECTION 8, TO THE POINT OF BEGINNING OF CENTERLINE (SIDE LINES OF STRIP BEGIN ON SAID WEST BOUNDARY OF THE "PURINA TRACT"); THENCE N 75°42'07" E A DISTANCE OF 237.77 FEET; THENCE N 80°14'11" E A DISTANCE OF 384.51 FEET; THENCE N 82°03'30" E A DISTANCE OF 469.59 FEET TO THE POINT OF TERMINUS OF CENTERLINE ON THE EAST BOUNDARY OF THE "PURINA WEST PARCEL", SAID POINT LIES N 80°27'22" E A DISTANCE OF 1,080.42 FEET, THENCE N 10°22'23" E A DISTANCE OF 45.84 FEET FROM SAID SOUTHWEST CORNER OF THE "PURINA TRACT" (SIDE LINES OF STRIP END ON SAID EAST BOUNDARY OF THE "PURINA WEST PARCEL").

EXHIBIT "B" (Additional Property)

PARCEL 1 AS DESCRIBED IN DOCKET 662, PAGE 75 (HEREINAFTER REFERRED TO AS R1) WHICH IS ALL OF THAT PORTION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN IN COCONINO COUNTY, ARIZONA LYING SOUTH OF THE SOUTHERLY RIGHT OF WAY LINE OF THE BNSF/ATSF RAILROAD AND NORTHERLY OF THE INTERSTATE 40 RIGHT OF WAY AND OFF RAMP AS SHOWN ON THE ADOT RIGHT OF WAY MAP PROJECT # I-40-4-701, SHEET 5 OF 5 DATED 1973 (HEREINAFTER REFERRED TO AS R2) AND EAST OF U.S. HIGHWAY 89, ALSO KNOWN AS THE NORTH COUNTRY CLUB DRIVE OVERPASS, AND EXCEPT THAT CERTAIN PARCEL OF LAND SET FORTH IN A SPECIAL WARRANTY DEED TO ADOT AND RECORDED IN INSTRUMENT 3390420 (HEREINAFTER REFERRED TO AS R6) MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, FOR REFERENCE, AT THE SOUTHEAST CORNER OF THE NORTHEAST QUARTER OF SAID SECTION 7, A POINT FROM WHICH THE NORTHEAST CORNER OF SECTION 7 BEARS NORTH 01°10'00" WEST A DISTANCE OF 2662.66 FEET AWAY (BASIS OF BEARING AS PER R1); THENCE NORTH 01°10'00" WEST ALONG THE EAST LINE OF SECTION 7 A DISTANCE OF 94.89 FEET TO THE INTERSECTION OF THE EAST LINE OF SECTION 7 WITH THE NORTHERLY RIGHT OF WAY LINE OF INTERSTATE 40 AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE SOUTH 82°13'08" WEST ALONG SAID NORTHERLY RIGHT OF WAY LINE A DISTANCE OF 486.55 FEET TO A POINT HEREINAFTER REFERRED TO AS "POINT A"; THENCE CONTINUING SOUTH 82°13'08" WEST ALONG SAID NORTHERLY RIGHT OF WAY LINE A DISTANCE OF 286.32 FEET TO A POINT WHICH LIES ALONG THE EAST WEST MID SECTION LINE OF SECTION 7; THENCE SOUTH 89°50'25" WEST ALONG SAID EAST WEST MID SECTION LINE, A DISTANCE OF 24.83 FEET TO THE BEGINNING OF A NON TANGENT CURVE, CONCAVE TO THE NORTHEAST; THENCE ALONG SAID CURVE, THE ARC LENGTH OF WHICH IS 236.69 FEET, THROUGH A CENTRAL ANGLE OF 12°22'28", THE RADIUS OF WHICH IS 1095.92 FEET, WITH A CHORD BEARING OF NORTH 71°22'37" WEST, AND WITH A CHORD LENGTH OF 236.23 FEET, THENCE NORTH 66°35'27" WEST A DISTANCE OF 150.22 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE SOUTH; THENCE ALONG SAID CURVE, THE ARC LENGTH OF WHICH IS 428.93 FEET, THROUGH A CENTRAL ANGLE OF 35°47'31", THE RADIUS OF WHICH IS 686.63 FEET, WITH A CHORD BEARING OF NORTH 84°31'14" WEST, AND WITH A CHORD LENGTH OF 421.99 FEET, TO THE SOUTHEASTERLY CORNER OF SAID R6; THENCE NORTH 44°48'59" WEST A DISTANCE OF 423.38 FEET TO THE NORTHEASTERLY CORNER OF R6; THENCE SOUTH 45°11'28" WEST A DISTANCE OF 40.00 FEET TO A POINT WHICH LIES ALONG THE EASTERLY RIGHT OF WAY LINE OF US HIGHWAY 89, ALSO KNOWN AS THE NORTH COUNTRY CLUB DRIVE OVERPASS; THENCE NORTH 44°04'37" WEST ALONG SAID EASTERLY RIGHT OF WAY LINE, A DISTANCE OF 220.05 FEET TO THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND AS RECORDED IN INSTRUMENT 3263227; THENCE NORTH 57°11'14" EAST A DISTANCE OF 227.12 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE SOUTHEAST; THENCE ALONG SAID CURVE THE ARC LENGTH OF WHICH IS 185.05 FEET, THROUGH A CENTRAL ANGLE OF 24°24'32", THE RADIUS OF WHICH IS 434.37 FEET, WITH A CHORD BEARING OF NORTH 69°24'18" EAST, AND WITH A CHORD LENGTH OF 183.65 FEET, TO THE SOUTHEASTERLY CORNER OF SAID INSTRUMENT 3263227; THENCE NORTH 01°04'11" WEST A DISTANCE OF 109.74 FEET TO THE NORTHEASTERLY CORNER OF SAID INSTRUMENT 3263227, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE SOUTHEAST; THENCE ALONG SAID CURVE, THE ARC LENGTH OF WHICH IS 324.48 FEET, THROUGH A CENTRAL ANGLE OF 07°23'37", THE RADIUS OF WHICH IS 2514.51 FEET, WITH A CHORD BEARING OF SOUTH 72°50'29" WEST, AND WITH A CHORD LENGTH OF 324.25 FEET; THENCE SOUTH 69°08'29" WEST A DISTANCE OF 191.45 FEET; TO THE NORTHWESTERLY CORNER OF SAID INSTRUMENT 3263227, SAID POINT BEING LIES ALONG THE EASTERLY RIGHT OF WAY LINE OF US HIGHWAY 89, ALSO KNOWN AS THE NORTH COUNTRY CLUB DRIVE OVERPASS; THENCE NORTH 43°46'26" WEST ALONG SAID EASTERLY RIGHT OF WAY LINE A DISTANCE OF 54.29 FEET TO A POINT WHICH LIES ALONG THE SOUTHERLY RIGHT OF WAY LINE OF THE BNSF/ATSF RAILROAD RIGHT OF WAY; THENCE NORTH 69°09'46" EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, A DISTANCE OF 561.60 FEET TO AN ANGLE POINT; THENCE NORTH 84°23'34" EAST ALONG SAID SOUTHERLY RIGHT OF WAY LINE, A DISTANCE OF 1679.81 FEET TO A POINT WHICH LIES ALONG THE EAST LINE OF SECTION 7; THENCE SOUTH 01°10'00" EAST ALONG SAID EAST LINE, A DISTANCE OF 1037.83 FEET TO THE POINT OF BEGINNING.

EXCEPTING THAT CERTAIN PARCEL OF LAND AS RECORDED IN INSTRUMENT 3417898 AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING, FOR REFERENCE, AT THE ABOVE REFERENCED "POINT A"; THENCE NORTH 07°46'52" WEST A DISTANCE OF 50.59 FEET TO A FOUND 1/2" REBAR AND THE TRUE POINT OF BEGINNING; THENCE SOUTH 82°28'39" WEST A DISTANCE OF 147.62 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTH; THENCE ALONG SAID CURVE, THE ARC LENGTH OF WHICH IS 330.15 FEET, THROUGH A CENTRAL ANGLE OF 27°57'31", THE RADIUS OF WHICH IS 676.58 FEET, WITH A CHORD BEARING OF NORTH 83°32'02" WEST, AND WITH A CHORD LENGTH OF 326.88 FEET; THENCE NORTH 07°32'26" WEST A DISTANCE OF 422.82 FEET; THENCE NORTH 82°31'11" EAST A DISTANCE OF 464.96 FEET; THENCE SOUTH 07°31'15" EAST A DISTANCE OF 501.49 FEET TO THE POINT OF BEGINNING.

EXCEPTING THAT CERTAIN PARCEL OF LAND AS RECORDED IN SPECIAL WARRANTY DEED AS 2008-3491528 OF OFFICIAL RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL NO. 1

THE FOLLOWING IS A DESCRIPTION OF A PARCEL OF LAND, BEING A PORTION OF THE DESCRIBED IN DOCKET 652, PAGE 74, COCONINO COUNTY RECORDS (CCR), SITUATED IN SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, FLAGSTAFF, COCONINO COUNTY, ARIZONA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 (CCR); THENCE SOUTH 07 DEGREES 32 MINUTES 25 SECONDS EAST (BASIS OF BEARINGS) ALONG WESTERLY LINE OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 A DISTANCE OF 420.55 FEET TO A POINT WHICH IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 674.58 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 20 DEGREES 28 MINUTES 30 SECONDS WEST; THENCE NORTHWESTERLY 33.78 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 52 MINUTES 08 SECONDS; THENCE ON A NON-TANGENT LINE NORTH 64 DEGREES 58 MINUTES 15 SECONDS WEST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 273.00 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 25 SECONDS WEST; THENCE NORTHWESTERLY AND NORTHERLY 316.20 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 45 SECONDS TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 399.77 FEET; THENCE NORTHERLY 110.67 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 51 MINUTES 39 SECONDS, TO A POINT ON THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT; THENCE NORTH 68 DEGREES 18 MINUTES 56 SECONDS EAST ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT A DISTANCE OF 74.91 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 255.98 FEET; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT 153.03 FEET THROUGH A CENTRAL ANGLE OF 34 DEGREES 15 MINUTES 08 SECONDS; THENCE SOUTH 07 DEGREES 32 MINUTES 26 SECONDS EAST A DISTANCE OF 97.27 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

THE FOLLOWING IS A DESCRIPTION OF A 2.00 FOOT WIDE STRIP OF LAND, BEING A PORTION OF THE PARCEL DESCRIBED IN DOCKET 662, PAGE 74, COCONINO COUNTY RECORDS (CCR) (BASIS OF BEARINGS IS THE NORTH LINE OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041), SITUATED IN SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, FLAGSTAFF, COCONINO COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 (CCR); WHICH IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 676.58 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 20 DEGREES 21

EXHIBIT B continued:

MINUTES 37 SECONDS WEST; THENCE NORTHWESTERLY 35.27 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 59 MINUTES 14 SECONDS; THENCE ON A NON-TANGENT LINE NORTH 64 DEGREES 56 MINUTES 15 SECONDS WEST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 275.00 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 48 SECONDS WEST; THENCE NORTHWESTERLY 318.49 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 22 SECONDS TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 397.77 FEET; THENCE NORTHERLY 109.92 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 49 MINUTES 59 SECONDS, TO A POINT ON THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT. THENCE ON A NON-TANGENT LINE NORTH 68 DEGREES 18 MINUTES 56 SECONDS EAST ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT A DISTANCE OF 2.61 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE WEST HAVING A RADIUS OF 399.77 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 73 DEGREES 50 MINUTES 31 SECONDS EAST; THENCE SOUTHERLY 110.67 FEET THROUGH A CENTRAL ANGLE OF 15 DEGREES 51 MINUTES 39 SECONDS TO THE BEGINNING OF A REVERSE CURVE TO THE EAST HAVING A RADIUS OF 273.00 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY 316.20 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 45 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 64 DEGREES 56 MINUTES 15 SECONDS EAST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 674.58 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 39 SECONDS WEST; THENCE SOUTHEASTERLY 34.07 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 53 MINUTES 38 SECONDS; THENCE SOUTH 07 DEGREES 34 MINUTES 32 SECONDS EAST ALONG WESTERLY LINE OF THE PARCEL DESCRIBED INSTRUMENT 3314041 A DISTANCE OF 2.26 FEET TO THE TRUE POINT OF BEGINNING.

AND PARCEL 2 AS DESCRIBED IN DOCKET 662, PAGE 75 (HEREINAFTER REFERRED TO AS R1) WHICH IS ALL OF THAT PORTION OF SECTION 8, TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN IN COCONINO COUNTY, ARIZONA LYING NORTH OF THE NORTHERLY RIGHT OF WAY LINE OF INTERSTATE 40, SOUTH OF THE SOUTHERLY RIGHT OF WAY LINE OF THE BNSF/ATSF RAILROAD RIGHT OF WAY AND WEST OF THAT CERTAIN PARCEL OF LAND KNOWN AS THE RALSTON PURINA PROPERTY AS RECORDED IN INSTRUMENT 3242297, HEREINAFTER REFERRED TO AS R5, SAID PARCEL OF LAND IS MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

COMMENCING, FOR REFERENCE, AT THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF SAID SECTION 8, A POINT FROM WHICH THE NORTHWEST CORNER OF SECTION 8 BEARS NORTH 01°10'00" WEST A DISTANCE OF 2662.66 FEET AWAY (BASIS OF BEARING AS PER R1); THENCE NORTH 01°10'00" WEST ALONG THE WEST LINE OF SECTION 8 A DISTANCE OF 94.89 FEET TO THE INTERSECTION OF THE WEST LINE OF SECTION 8 WITH THE NORTHERLY RIGHT OF WAY LINE OF INTERSTATE 40 AND THE TRUE POINT OF BEGINNING OF THIS DESCRIPTION; THENCE NORTH 01°10'00" WEST ALONG THE WEST LINE OF SECTION 8 A DISTANCE OF 1037.83 FEET TO THE NORTHWEST CORNER OF SAID RALSTON PURINA PROPERTY; THENCE SOUTH 26°36'03" EAST A DISTANCE OF 535.54 FEET TO AN ANGLE POINT ALONG THE WEST LINE OF THE RALSTON PURINA PARCEL; THENCE SOUTH 01°10'00" EAST A DISTANCE OF 533.05 FEET TO THE SOUTHWEST CORNER OF SAID RALSTON PURINA PARCEL, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE SOUTH; THENCE ALONG SAID CURVE, THE ARC LENGTH OF WHICH IS 107.47 FEET, THROUGH A CENTRAL ANGLE OF 00°25'26", THE RADIUS OF WHICH IS 14523.95 FEET, WITH A CHORD BEARING OF SOUTH 78°03'40" WEST, AND WITH A CHORD LENGTH OF 107.47 FEET; THENCE SOUTH 88°20'38" WEST A DISTANCE OF 124.43 FEET TO THE POINT OF BEGINNING. THE COMBINED AREA OF PARCELS 1 AND 2 IS 39.041 ACRES, MORE OR LESS

EXHIBIT "C" (Fire Station Parcel)

PARCEL NO. 1

THE FOLLOWING IS A DESCRIPTION OF A PARCEL OF LAND, BEING A PORTION OF THE DESCRIBED IN DOCKET 652, PAGE 74, COCONINO COUNTY RECORDS (CCR), SITUATED IN SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, FLAGSTAFF, COCONINO COUNTY, ARIZONA MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 (CCR); THENCE SOUTH 07 DEGREES 32 MINUTES 25 SECONDS EAST (BASIS OF BEARINGS) ALONG WESTERLY LINE OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 A DISTANCE OF 420.55 FEET TO A POINT WHICH IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 674.58 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 20 DEGREES 28 MINUTES 30 SECONDS WEST; THENCE NORTHWESTERLY 33.78 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 52 MINUTES 08 SECONDS; THENCE ON A NON-TANGENT LINE NORTH 64 DEGREES 58 MINUTES 15 SECONDS WEST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 273.00 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 25 SECONDS WEST; THENCE NORTHWESTERLY AND NORTHERLY 316.20 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 45 SECONDS TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 399.77 FEET; THENCE NORTHERLY 110.67 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 51 MINUTES 39 SECONDS, TO A POINT ON THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT; THENCE NORTH 68 DEGREES 18 MINUTES 56 SECONDS EAST ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT A DISTANCE OF 74.91 FEET TO THE BEGINNING OF A CURVE, CONCAVE TO THE NORTHWEST HAVING A RADIUS OF 255.98 FEET; THENCE NORTHEASTERLY ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT 153.03 FEET THROUGH A CENTRAL ANGLE OF 34 DEGREES 15 MINUTES 08 SECONDS; THENCE SOUTH 07 DEGREES 32 MINUTES 26 SECONDS EAST A DISTANCE OF 97.27 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 2:

THE FOLLOWING IS A DESCRIPTION OF A 2.00 FOOT WIDE STRIP OF LAND, BEING A PORTION OF THE PARCEL DESCRIBED IN DOCKET 662, PAGE 74, COCONINO COUNTY RECORDS (CCR) (BASIS OF BEARINGS IS THE NORTH LINE OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041), SITUATED IN SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, FLAGSTAFF, COCONINO COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST CORNER OF THE PARCEL DESCRIBED IN INSTRUMENT 3314041 (CCR); WHICH IS THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 676.58 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS SOUTH 20 DEGREES 21 MINUTES 37 SECONDS WEST; THENCE NORTHWESTERLY 35.27 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 59 MINUTES 14 SECONDS; THENCE ON A NON-TANGENT LINE NORTH 64 DEGREES 56 MINUTES 15 SECONDS WEST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST, HAVING A RADIUS OF 275.00 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 48 SECONDS WEST; THENCE NORTHWESTERLY 318.49 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 22 SECONDS TO THE BEGINNING OF A REVERSE CURVE CONCAVE TO THE WEST HAVING A RADIUS OF 397.77 FEET; THENCE NORTHERLY 109.92 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 15 DEGREES 49 MINUTES 59 SECONDS, TO A POINT ON THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT. THENCE ON A NON-TANGENT LINE NORTH 68 DEGREES 18 MINUTES 56 SECONDS EAST ALONG THE SOUTHERLY LINE OF THE PROPOSED RIGHT-OF-WAY OF INDUSTRIAL DRIVE REALIGNMENT A DISTANCE OF 2.61 FEET TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE TO THE WEST HAVING A RADIUS OF 399.77 FEET AND TO WHICH BEGINNING A RADIAL LINE BEARS NORTH 73 DEGREES 50 MINUTES 31 SECONDS EAST; THENCE SOUTHERLY 110.67 FEET THROUGH A CENTRAL ANGLE OF 15 DEGREES 51 MINUTES 39 SECONDS TO THE BEGINNING OF A

EXHIBIT C continued:

REVERSE CURVE TO THE EAST HAVING A RADIUS OF 273.00 FEET; THENCE SOUTHEASTERLY AND SOUTHERLY 316.20 FEET THROUGH A CENTRAL ANGLE OF 66 DEGREES 21 MINUTES 45 SECONDS; THENCE ON A NON-TANGENT LINE SOUTH 64 DEGREES 56 MINUTES 15 SECONDS EAST A DISTANCE OF 47.56 FEET TO THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 674.58 FEET AND TO WHICH A RADIAL LINE BEARS SOUTH 23 DEGREES 20 MINUTES 39 SECONDS WEST; THENCE SOUTHEASTERLY 34.07 FEET THROUGH A CENTRAL ANGLE OF 02 DEGREES 53 MINUTES 38 SECONDS; THENCE SOUTH 07 DEGREES 34 MINUTES 32 SECONDS EAST ALONG WESTERLY LINE OF THE PARCEL DESCRIBED INSTRUMENT 3314041 A DISTANCE OF 2.26 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "D" (Industrial Drive)

A PARCEL OF LAND, SAID PARCEL BEING A PORTION OF PARCEL 1 AS DESCRIBED IN INSTRUMENT NO. 3510883 (R) OF THE RECORDS OF COCONINO COUNTY, ARIZONA, SITUATED IN THE NORTHEAST 1/4 OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, SAID PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT DESCRIBED AS "THE NORTHWESTERLY CORNER OF SAID INSTRUMENT 3263227, SAID POINT BEING LIES ALONG THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89, ALSO KNOWN AS THE NORTH COUNTRY CLUB DRIVE OVERPASS" IN (R), THENCE N 43° 36' 39" W, ALONG SAID EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89, FOR A DISTANCE OF 54.27 FEET TO THE SOUTH RIGHT-OF-WAY LINE OF BURLINGTON NORTHERN SANTA FE RAILROAD; THENCE N 69° 20' 45" E, ALONG SAID SOUTH RIGHT-OF-WAY LINE, FOR A DISTANCE OF 561.61 FEET TO A POINT; THENCE N 84° 34' 36" E, ALONG SAID SOUTH RIGHT-OF-WAY LINE, FOR A DISTANCE OF 429.36 FEET TO A POINT OF CURVATURE; THENCE SOUTHEASTERLY AND SOUTHERLY ALONG A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 90° 00' 00" AND A RADIUS OF 255.92 FEET, FOR A DISTANCE OF 402.00 FEET, THE CHORD OF SAID CURVE BEARS S 50° 25' 24" E FOR 361.92 FEET, TO A POINT OF COMPOUND CURVE; THENCE SOUTHERLY AND SOUTHWESTERLY ALONG A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 39° 38' 47" AND A RADIUS OF 255.98 FEET, FOR A DISTANCE OF 177.13 FEET, THE CHORD OF SAID CURVE BEARS S 14° 23' 55" E FOR 173.62 FEET, TO POINT ON SAID CURVE, SAID POINT BEING THE NORTHEAST PARCEL CORNER OF EXCEPTION PARCEL NO. 1 DESCRIBED IN INSTRUMENT NO. 3510883; THENCE CONTINUE SOUTHWESTERLY ALONG THE NORTHERLY PARCEL LINE OF SAID PARCEL 1, ALONG A CURVE TO THE RIGHT, HAVING A CENTRAL ANGLE OF 34° 15' 08" AND A RADIUS OF 255.98 FEET, FOR A DISTANCE OF 153.03 FEET, THE CHORD OF SAID CURVE BEARS S 51° 20' 57" W FOR 150.76 FEET, TO A POINT OF TANGENCY; THENCE S 68° 28' 31" W, ALONG SAID NORTHERLY PARCEL LINE, FOR A DISTANCE OF 76.99 FEET TO A NONTANGENT POINT OF CURVATURE, SAID POINT BEING THE EASTERLY EASEMENT LINE OF A 50 FOOT EASEMENT DESCRIBED IN DOCKET 547. PAGE 696; THENCE NORTHERLY ALONG SAID EASTERLY EASEMENT LINE, ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 13° 42' 57" AND A RADIUS OF 397.90 FEET, FOR A DISTANCE OF 95.25 FEET, THE CHORD OF SAID CURVE BEARS N 22° 48' 03" W FOR 95.02 FEET, TO A NONTANGENT POINT; THENCE S 69° 51' 20" E FOR A DISTANCE OF 22.56 FEET TO A POINT; THENCE N 68° 28' 31" E FOR A DISTANCE OF 62.26 FEET TO A POINT OF CURVATURE; THENCE NORTHEASTERLY AND NORTHERLY ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 73° 53' 55" AND A RADIUS OF 175.98 FEET, FOR A DISTANCE OF 226.97 FEET, THE CHORD OF SAID CURVE BEARS N 31° 31' 33" E FOR 211.57 FEET, TO A POINT OF COMPOUND CURVE; THENCE NORTHERLY AND NORTHWESTERLY ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 90° 00' 00" AND A RADIUS OF 175.92 FEET, FOR A DISTANCE OF 276.33 FEET, THE CHORD OF SAID CURVE BEARS N 50° 25' 24" W FOR 248.79 FEET, TO A POINT OF TANGENCY; THENCE S 84° 34' 36" W FOR A DISTANCE OF 377.23 FEET TO A POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 06° 02' 13" AND A RADIUS OF 558.50, FOR A DISTANCE OF 58.85 FEET, THE CHORD OF SAID CURVE BEARS S 81° 33' 29" W FOR 58.82 FEET, TO A NONTANGENT POINT ON THE EAST PARCEL LINE OF A PARCEL OF LAND DESCRIBED IN INSTRUMENT NO. 3263227 (R1); THENCE N 00° 51' 02" W, ALONG SAID EAST PARCEL LINE, FOR A DISTANCE OF 8.27 FEET TO THE NORTHEAST PARCEL CORNER OF SAID PARCEL (R1), SAID POINT BEING A NONTANGENT POINT OF CURVATURE; THENCE SOUTHWESTERLY ALONG THE NORTH PARCEL LINE OF SAID PARCEL (EL), ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 03° 26' 05" AND A RADIUS OF 2514.58 FEET, FOR A DISTANCE OF 150.74 FEET, THE CHORD OF SAID CURVE BEARS S 74° 59' 38" W FOR 150.72 FEET, TO A POINT; THENCE CONTINUE SOUTHWESTERLY ALONG SAID NORTH PARCEL LINE, ALONG SAID CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 03° 57' 32" AND A RADIUS OF 2514.58 FEET, FOR A DISTANCE OF 173.74 FEET, THE CHORD OF SAID CURVE BEARS S 71° 17' 50" W FOR 173.71 FEET, TO A POINT OF TANGENCY; THENCE S 69° 19' 04" W, ALONG SAID NORTH PARCEL LINE, FOR A DISTANCE OF 191.45 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 2: (Original Parcel 8)

A PARCEL OF LAND, SAID PARCEL OF LAND BEING A PORTION OF THAT PARCEL AS DESCRIBED IN INSTRUMENT NO. 3263227 (R1) OF THE RECORDS OF COCONINO COUNTY, ARIZONA, SITUATED IN THE NORTHEAST 1/4 OF SECTION 7, TOWNSHIP 21 NORTH, RANGE 8 EAST, GILA AND SALT RIVER MERIDIAN, COCONINO COUNTY, ARIZONA, SAID PARCEL BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE POINT DESCRIBED AS "THE NORTHWESTERLY CORNER OF SAID INSTRUMENT 3263227, SAID POINT BEING LIES ALONG THE EASTERLY RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89, ALSO KNOWN AS THE CONTINENTAL DRIVE OVERPASS" IN (R1), THENCE S 43° 37' 04" E, ALONG THE WESTERLY PARCEL LINE OF SAID PARCEL (R1), FOR A DISTANCE OF 6.52 FEET TO A POINT; THENCE N 69° 19' 04" E, FOR A DISTANCE OF 362.52 FEET TO A POINT ON THE NORTH PARCEL LINE OF SAID PARCEL (R1), SAID POINT BEING THE POINT OF CUSP OF A NONTANGENT CURVE; THENCE SOUTHWESTERLY ALONG SAID NORTH PARCEL LINE, ALONG A CURVE TO THE LEFT, HAVING A CENTRAL ANGLE OF 03° 57' 32" AND A RADIUS OF 2514.58 FEET, FOR A DISTANCE OF 173.74 FEET, THE CHORD OF SAID CURVE BEARS S 71° 17' 50" W FOR 173.71 FEET, TO A POINT OF TANGENCY; THENCE S 69° 19' 04" W, ALONG SAID NORTH PARCEL LINE, FOR A DISTANCE OF 191.45 FEET TO THE POINT OF BEGINNING.

EXHIBIT 2
FORM OF LEASE

WHEN RECORDED, RETURN TO:
Elizabeth Burke, City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

FOURTH AMENDMENT TO LEASE

The City of Flagstaff, a political subdivision of the state of Arizona ("City" or "Landlord") and Nestle Purina Petcare Company, a Missouri corporation ("Purina" or "Tenant") enter into this Third Amendment to Lease effective _____, 2016.

RECITALS:

- A. The City and Purina have entered a lease of the property where the Purina pet manufacturing facilities are located. The substantive terms of the Lease are set forth in the 2003 Development Agreement, as amended by the 2008 First Amendment to Lease in 2008, respectively recorded in Instrument Nos. 3207666 and 3491226, Official Records of the Coconino County, Arizona ("Lease").

- B. The Lease term was extended from an expiration date of October 15, 2015 to October 15, 2016, as approved in Second and Third Amendments to the Lease, respectively recorded in Instrument recorded in Instrument Nos. ____ and ____, Official Records of the Coconino County, Arizona

- C. The recitals set forth in City of Flagstaff Ordinance No. 2016-32, on file with the City Clerk, are incorporated herein by reference to reflect the history and purpose of the Development Agreement and underlying Lease, as amended.

AGREEMENT

NOW THEREFORE, IN CONSIDERATION FOR THE MUTUAL PROMISES CONTAINED HEREIN, THE PARTIES AGREE AS FOLLOWS:

- 1. Leased Property. The Leased Property under the Lease consists of the land legally described in Exhibit 1, which has been amended and restated herein to take into account different transactions (additions and deletions) to the leasehold called for in the Development Agreement as amended.

- 2. Extension Period. The Lease is hereby extended from October 15, 2016 until October 15, 2017. The Development Agreement will also expire on the latter date.

- 3. Effect. All other terms and conditions of the Lease shall remain in effect.

TENANT: NESTLE PURINA PETCARE COMPANY

By: _____

Its: _____

LANDLORD: CITY OF FLAGSTAFF

By: Mayor Nabours

Attest:

By: Elizabeth Burke, City Clerk

Approved as to form:

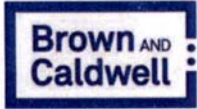
By: _____

City Attorney's Office

Attachment: Map and Legal description

EXHIBIT 3

TECHNICAL MEMORANDUM / TESTING AND MODELING PROCEDURES



Technical Memorandum

90 Hammond Dr, Suite 400
Atlanta, GA 30328
T: 770.396.9495

Prepared for: Nestlé Purina PetCare Company

Project Title: Odor Assessment and Mitigation Strategy

Project No.: 148334

Technical Memorandum

Subject: Flagstaff Odor Assessment and Mitigation Strategy Project Summary

Date: May 23, 2016

To: Gopi Sandhu, Director, Environmental Engineering Group

From: Philip Wolstenholme, Vice President

Copy to: Amy Kerr, John Cain, Andrew Sayer, Robert Downer (Nestlé Purina PetCare Company)
Theresa Muller, Si Givens, Steve Giese (Brown and Caldwell)

Prepared by: 
David McEwen, Civil Engineer
California License No. C69475

Reviewed by: _____
Philip Wolstenholme, Mechanical Engineer
Georgia License No. PE017206

average person. For example, a 1-liter air sample that needed to be diluted with 1,000 liters of clean air would have a measurement of 1,000 odor units (or 1,000 D/T odor concentration).

Targeted samples were also collected and analyzed in a separate laboratory for compounds commonly associated with food production. This knowledge can sometimes help rule out certain types of odor mitigation technologies based on past experience with those technologies.

2.2 Testing Results

The laboratory results indicate which cooking processes at the Flagstaff factory should be most closely evaluated as part of the mitigation strategy. This section discusses these observations.

Process Area Stack Emissions Quantification

Air samples to be analyzed by the odor panel were collected in Tedlar plastic bags using a vacuum pump apparatus shown in Figure 1. Air samples were collected from stacks emitting air from six different process areas of the factory. Multiple samples from each area were analyzed during times and days when different pet food products were being made.



Figure 1. Air Sample Collection for Odor Panel Analysis

area under all possible weather conditions, and identifies a “worst-case” condition. Following production of a baseline model, reductions in offsite impact are estimated by modeling specific mitigation measures applied to the baseline run. Such measures may also change the location (horizontal and/or vertical) of the release point of the air and in turn may change the offsite point of maximum impact.

For the baseline Flagstaff run, the odor at the point of maximum impact was approximately 55 D/T. This modeled result is caused by the combination of all cooking exhaust stacks at the factory. The location of this maximum impact is shown on the Flagstaff factory map in Figure 2 near the northwest corner of the NPPC property. BC’s experience at other facilities has shown that odor levels in this range are generally noticeable.



Figure 2. Baseline Odor Model Output Result on Area Map

Section 3: Odor Mitigation Approach

Additional dispersion modeling was completed assuming incorporation of various mitigation strategies on the key Flagstaff factory sources. The model results were analyzed to determine how well they met project goals. Next, specific technologies were evaluated to identify the likely best choices for the Flagstaff factory. This section describes the approach.

3.1 Odor Mitigation Program Development

BC completed dispersion model runs that tested the effect of reducing offsite impacts by treating the cooking exhaust air streams and/or dispersing the exhausts using new tall stacks. If an air stream is exhausted through a tall stack it experiences greater mixing with fresh air in the atmosphere such that by the time it reaches ground level it is noticeably less odorous. At the Flagstaff factory the presence of the tall mill building (Figure 3) presents an ideal opportunity to construct tall stacks which will achieve this objective.

	Validation Study	<ul style="list-style-type: none"> Fence line odor analysis and report completed following construction of new dispersion stacks Estimated cost is \$50,000
Year 3 (2018)	Extruder ATA Ionization	<ul style="list-style-type: none"> Implement ionization of Extruder ATA exhaust for all 5 existing banks Anticipated fence line odor reduction of 60% from current value, estimated by dispersion model and an assumed removal efficiency for the ionization technology. Includes prior years. Estimated cost for Year 3 is \$1,380,000 with \$41,000 additional annual energy usage

Table 1. Flagstaff Factory Odor Mitigation Recommended Approach

Year	Projects	Project Description and Projected NPPC Cost
Year 3 (2018) [CONTINUED]	Optional Pilot Study	<ul style="list-style-type: none"> Ionization is the assumed control technology for the purpose of this plan, but pilot testing is recommended <u>prior</u> to installation. Estimated cost of pilot study is \$60,000
	Validation Study	<ul style="list-style-type: none"> Fence line odor analysis and report completed following construction of new ionization units (or alternate control technology) Estimated cost is \$50,000
Year 4 (2019)	Dryer Ionization	<ul style="list-style-type: none"> Implement ionization of dryer exhaust for 3 of 5 existing dryers Anticipated fence line odor reduction of 70% from current value, estimated by dispersion model and an assumed removal efficiency for the ionization technology. Includes prior years. Estimated cost for Year 4 is \$1,520,000 with \$169,000 additional annual energy usage
	Optional Validation Study	<ul style="list-style-type: none"> Fence line odor analysis and report completed following construction of new ionization units Estimated cost is \$50,000 Follow-up odor study may be unwarranted, as all viable mitigation options will have been implemented by this time.

3.2 Odor Control Technology Evaluation

Odor control technologies that were considered potentially most effective included the following:

- Biofilters are environmentally friendly and use a bed of porous and moist media that support microorganisms that absorb and oxidize odorous constituents. Biofilters have a good track-record of success, but have the drawback of requiring a large footprint and can be considerably more expensive than other options. Additionally the weight of the biofilter would likely be an issue in construction of such a system on the Flagstaff factory roof.
- Ionization involves the electrically induced formation of air ions that attach to oxygen molecules to form reactive oxygen species. When a large concentration of these ions is produced, they can attach to and react with various odorous molecules and particles in the vicinity of the electrical field,



EXHIBIT 4
PHASE 1 ATA STACK

The project will manifold and route all five extruder air-take-away (ATA) system exhausts to the top of the mill building as recommended in the 2015 Brown and Caldwell odor mitigation study. Each 14 inch diameter fan outlet will connect to a duct that increases in diameter with each addition with a final diameter of 48". All ducts will be stainless steel. A back draft damper will be placed in each ATA exhaust to prevent back feeding when a system is off while others are running. The vertical duct will be supported by the mill building and painted to match the mill building concrete.

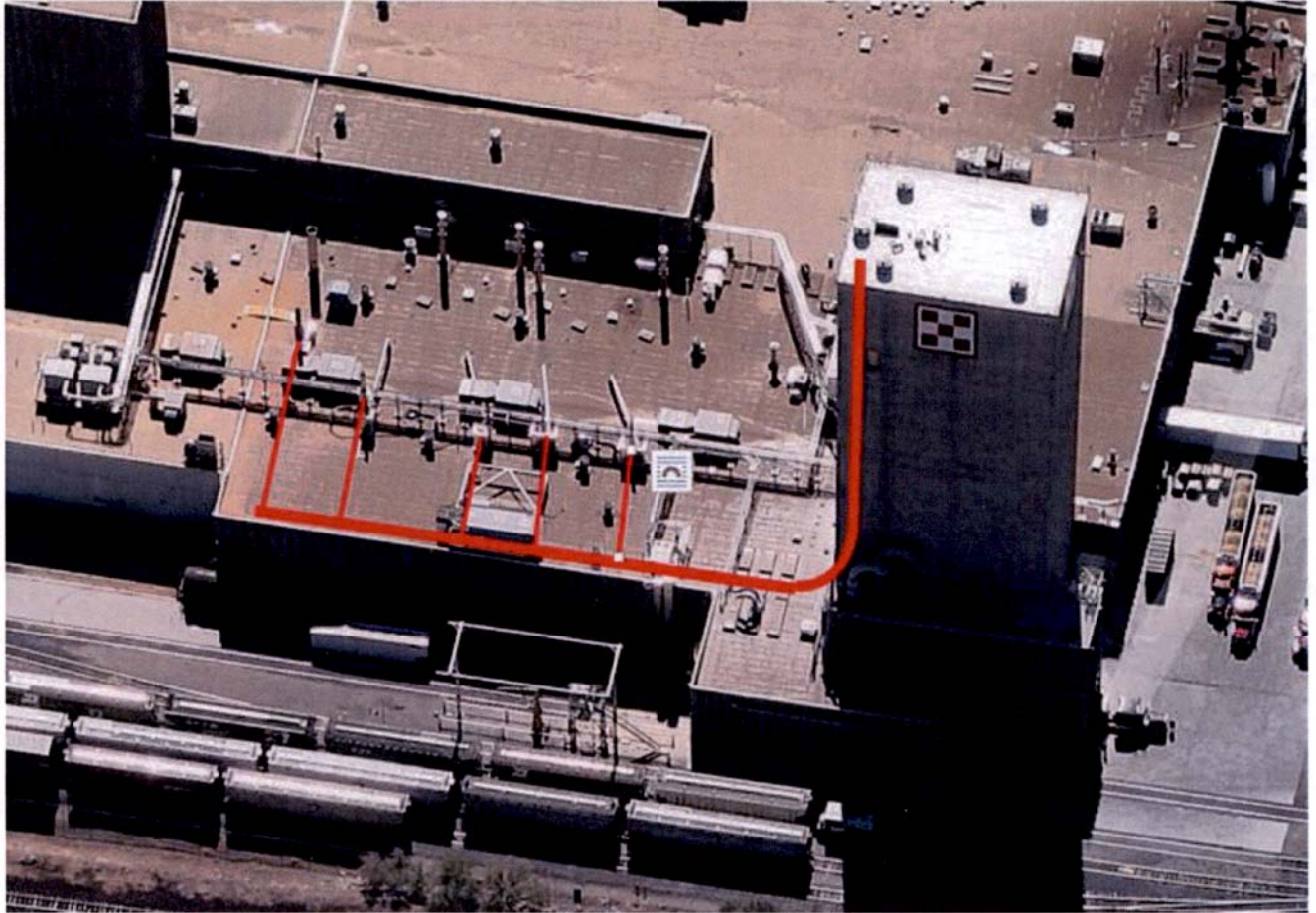


EXHIBIT 5

PHASE 2 DRYER STACKS

Red = phase 1 concept
Blue = phase 2 concept

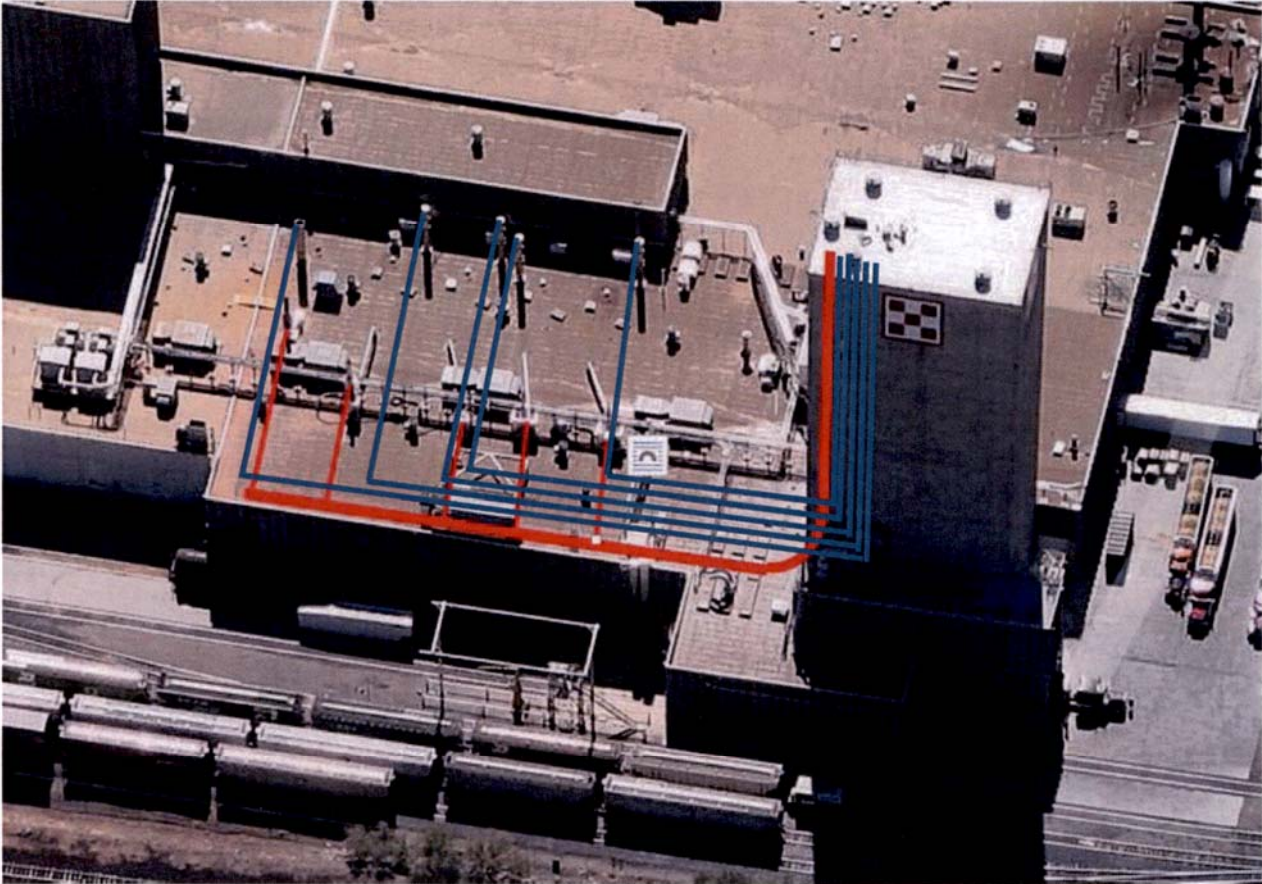


EXHIBIT 6

FUTS MAP



EXHIBIT 7

FORM OF FUTS EASEMENT

When recorded, mail to:

City Clerk
City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001

URBAN TRAILS EASEMENT

For Valuable consideration, the sufficiency and receipt of which is hereby acknowledged, _____, a _____, hereinafter referred to as "Grantor", hereby grants and conveys unto the CITY OF FLAGSTAFF, a municipal corporation organized and existing under and by virtue of the laws of the State of Arizona, hereinafter referred to as "Grantee", a non-exclusive perpetual (as provided herein) easement, hereinafter referred to as "Easement", for a non-motorized public access for a pedestrian, bicycle and other similar non-motorized use pathway and lateral and supplying utilities and structures as part of the Flagstaff Urban Trails System under, over, across and through the real property of Grantor situated in Coconino County, Arizona, and described in Exhibits A and A-1, both of which are attached hereto and by reference made a part hereof under the terms and conditions set forth below.

1. This Easement is granted to enable the Grantee to locate, construct, repair, replace, alter and maintain a non-motorized public access trail associated with the Flagstaff Urban Trails System (the "Trail").
2. The granting of this Easement is made on a non- exclusive basis to the Grantee for the benefit of the public.
3. This Easement shall include the rights to remove and to alter or maintain vegetation, improvements, or obstructions within the limits of the Easement that conflict with the use of the Easement. Grantor understands and agrees that neither Grantor, or its successors and assigns, shall cause or allow the construction or maintenance of any building or other structure or obstruction in or upon the Easement area conveyed without the prior written consent of Grantee, which may be granted or allowed in Grantee's sole discretion. Grantor understands and agrees that Grantee may cause the summary removal of any such building or structure so placed without Grantee's consent and that Grantor shall make no claim for and shall hold Grantee harmless from any claim by a third person for damage to or destruction of the property so removed.
4. Each party further agrees for itself, its heirs, successors and assigns that it shall not cause or allow any act or occurrence or condition of land that disturbs the subjacent or lateral support of the Easement area conveyed or Grantor's adjacent property. Grantee shall have the right of reasonable access over property adjacent to the area conveyed in a mutually agreeable location, but only on a temporary as-needed basis, for the limited purpose of construction, maintenance, repair, reconstruction and use of any and all such public pedestrian, bicycle and other similar non-motorized use pathway and lateral and

supporting structures in or on the Easement area conveyed and the right to remove any structure or vegetation located in the Easement area necessary or convenient to accomplish same.

5. Upon completion of any removal, alteration or maintenance of the trail improvements within the Easement by Grantee, the Grantee shall have the obligation to restore the attributes of the property disturbed by any such removal, alteration or maintenance to as near the pre-disturbance condition or better, including replacement of vegetation, trees and landscaping as physical characteristics of the constructed trail improvements permit and such restoration shall be subject to Grantor's reasonable approval. Grantee shall otherwise keep and maintain the Easement improvements in working order and in good and safe condition in compliance with all applicable legal requirements.
6. To the extent permitted by Arizona law, Grantee shall indemnify and hold Grantor harmless from any liabilities for injuries or damages to persons or property arising out of Grantee's or its contractors and their respective officers', agents', employees', licensees', and invitees' use of the Easement granted herein.
7. If the Grantee abandons the use contemplated by this Easement, the Easement shall terminate and the property interest herein shall revert to the Grantor. For the purposes of this instrument, the term "abandon" means (a) the failure of Grantee to install or construct the Trail in the Easement Area within ten (10) years of Grantor's execution of this Easement and/or (b) the failure by Grantee to maintain the Trail, including maintaining a continuous and obvious treadway that is clear of obstructions and overgrown vegetation, within the Easement for a period of two (2) consecutive years following construction of said Trail.
8. The Grantor shall have the right to use and enjoy the property burdened by the Easement, provided such use and enjoyment does not interfere with Grantee's or the public's ability to utilize the Easement granted herein, and further provided that the Grantor shall not construct or permit the erection of any structure or improvement in the Easement Area that would interfere with the Easement or the operation of the Trail within the Easement without Grantee's written consent, provided, however, this Easement is granted on an AS IS WITH ALL FAULTS basis and is also subject to all preexisting rights and interests. The determination of whether Grantor's use and enjoyment or proposed construction of any structure or improvement would interfere with the Grantee's or the public's ability to utilize the Easement or the operation of the Trail shall be in the reasonable discretion of the Grantee.
9. Notwithstanding any other provision to the contrary contained herein, Grantee agrees as follows: (a) in no event will the Easement or Grantee's exercise of its rights granted herein interfere with Grantor's existing stormwater facilities and structures.
10. Concurrently with its installation of the Trail, Grantee will construct and install a chain link fence that is the same as the Grantor has in place per City Code (maximum 8 foot height, including three rings of barbed wire at the top), at the option of Grantor, on Grantor property along both sides of the Trail in areas where Purina possesses both sides of property

bordering the Trail, and on at least the Purina side in areas where Purina possesses only one side of property bordering the Trail, in a mutually acceptable location acceptable to Grantor so that Grantor's property lines are fenced in. Fencing will be constructed in compliance with applicable laws. Upon final acceptance of the fencing, Grantor will own and be responsible for fencing.

Grantor hereby agrees that this instrument shall be binding upon itself, its successor and assigns.

If Grantor is a corporation, by the signature of its authorized agent it signifies that the agent has been authorized by its Board of Directors or other necessary authorities to make this conveyance on behalf of the corporation.

IN WITNESS WHEREOF, Grantor has caused this Urban Trails Easement to be executed in its name by the undersigned officers this ___ day of _____, 2016.

GRANTOR:

By: _____

Title: _____

STATE OF _____)

County of _____)

The foregoing instrument was acknowledged before me this ___ day of _____, 2016, by _____, the _____ of _____, on behalf of _____.

Notary Public

My Commission Expires:
