

WHEN RECORDED, RETURN TO:

City of Flagstaff

Attention: City Clerk

**PERMANENT EASEMENT FOR WELLS, DRAINAGE, SEWER, AND WATER PIPELINES
(Fort Tuthill)**

THIS PERMANENT EASEMENT FOR WELLS, DRAINAGE, SEWER AND WATER PIPELINES (this "Agreement") is made this 6th day of April, 2009, between THE CITY OF FLAGSTAFF, an Arizona municipal corporation (the "City") and COCONINO COUNTY, a political subdivision of the State of Arizona (the "County").

RECITALS

A. The City, the County and U.S. Bank Trust National Association entered into that certain Agreement for Temporary Easement for Water Well Exploration and Option to Purchase Perpetual Production Water Well Easement dated November 22, 2006, (the "Temporary Easement"). Pursuant to the Temporary Easement, the City was granted a temporary easement for water well exploration within the Fort Tuthill County Park (the "Park") in the area legally defined and depicted on Exhibits "A-1 and A-2" attached hereto and made a part hereof ("Well Easement Area").

B. In accordance with the rights granted under the Temporary Easement, the City explored and drilled a well upon the Well Easement Area that the City deemed to be of sufficient quantity and quality for its purposes (the "Well").

C. The City and the County desire by this Agreement to, among other things:

i. grant permanent easements for ingress and egress access to, and the location, operation, use and maintenance of, the Well and Well related equipment upon the Well Easement Area;

ii. grant a permanent easement for a Well Easement Area by the County for a future well and pipelines to the future well;

iii. grant permanent easements by the County for the location, operation, maintenance, alteration, repair and/or replacement of underground pipelines, and utility services of all types (the "Utility Easement") in the location set forth on Exhibit "B" (the "Utility Easement Area") attached hereto and made a part hereof, including for the construction, operation, maintenance and repair of certain water pipelines (referred to herein as "Water").

Pipelines”) within the Utility Easement Area in the approximate locations set forth on Exhibit “B-1” attached hereto and made a part hereof;

iv. provide for the future grant of additional permanent Utility Easements including those needed for Water Pipelines and Sewer Pipelines by the County through the Park property and from the Park’s north boundary to the connection with the proposed Tuthill North subdivision boundary in the approximate locations set forth on Exhibit “C-1” (water) and Exhibit “C-2” (sewer) attached hereto and made a part hereof;

v. grant a permanent easement by the County for the location, operation, maintenance, alteration, repair and/or replacement of drainage way of all types including, but not limited to, swales, culverts, pipes and other City approved drainage systems (the “Drainage Easement”) in the area set forth on Exhibit “F” (the “Drainage Easement Area”);

vi. grant additional permanent Utility Easements by the County for the existing water mains that currently are on the Park property shown in Exhibit “G” (the “Park Utility Easement Area”); and

vii. allocate the cost to install the Water Pipelines and Sewer Pipelines between the City and the County;

NOW THEREFORE, for and in consideration of the mutual obligations and covenants set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City and the County covenant and agree as follows:

1. Wells and Water Pipelines.

a. Grant of Easement for Well. The County hereby grants to the City and its successors and assigns, an exclusive, permanent easement to construct, install, operate, maintain, repair and/or replace the Well and Well related equipment, pumps, power and all appurtenant facilities (the “Facilities”), upon, across and under the surface of the Well Easement Area that may be necessary or proper pertaining to the extraction of water from the Well and the connection to and distribution through the City’s water system, together with such vehicular and pedestrian ingress and egress access to and from the Well Easement Area and other land of the County located adjacent to the Well Easement Area. The County reserves the right to continue to use and operate the area surrounding and in the Well Easement Area for any and all park purposes not inconsistent with the rights and privileges granted herein.

b. Grant of Easement for Additional Well. If determined by the City, in the City’s sole judgment, that an additional well is necessary, the County hereby grants to the City and its successors and assigns, an exclusive, permanent easement to construct, install, operate, maintain, alter, repair and/or replace an additional well and related Facilities, upon, across and under the surface of the future Well Easement Area pertaining to the extraction of water therefrom and to connect to and distribute such water through the City’s water system, together with such vehicular and pedestrian ingress and egress access to and from the Well Easement Area and other land of the County located within 2000 feet of the existing Well. The construction of the additional well shall also include, and the County agrees to grant to the City, additional Utility Easements to connect the additional well to the Water Pipelines. The location

of such Utility Easements pertaining to the additional well shall be identified with particularity following the final design by the City. To the extent hydrologically feasible, the City and the County shall, upon mutual agreement, determine the location of the future well and associated utility lines to minimize the disruption to the Park facilities and events. The City shall be responsible for the cost of the design of the additional well, the preparation of the Utility Easements and the cost of construction of the additional well and Water Pipelines. For purposes of this Agreement, all references to the "Well" shall mean and refer to the Well and any additional well drilled upon the Well Easement Area. The County acknowledges and agrees that the Well, the Facilities and the associated water and water rights, including effluent, are owned solely by the City and the County disclaims any interest or right thereto.

c. Grant of Utility Easement. The County hereby grants to the City and its successors and assigns, a permanent Utility Easement upon, across and under the surface of the Utility Easement Area. This shall include, but not limited to, Water Pipelines and Sewer Pipelines, including those now existing or hereafter constructed as contemplated by this Agreement, reclaimed water, and other City transmission and distribution lines. The Utility Easement includes the right of vehicular and pedestrian ingress and egress across adjacent property owned or controlled by the County where reasonably required to gain access to the Utility Easement Area. This easement is granted on a non-exclusive basis to the City. The City shall have the right to use the easement for City provided public services associated with City approved utilities. This Utility Easement includes the right to remove, alter or maintain vegetation, improvements, or obstructions within the limits of the easement that conflict with the legitimate use of this Utility Easement. Upon completion of any removal, alteration or maintenance of the utility improvements, the City or assigns, shall have the obligation to restore the physical attributes of the Utility Easement Area disturbed by any removal, alteration or maintenance to as near the pre-disturbance condition, or County approved condition, as the physical characteristics of the installed utility permit. The County shall be responsible for the maintenance of the Utility Easement Area surface after the restoration of the area by the City. All utility infrastructure shall be located below ground. Maintenance of the surface appearance of the Utility Easement Area after any disturbance or restoration caused by the City shall remain the responsibility and associated surface maintenance cost of the County. To the extent permitted by Arizona law, the City hereby covenants to indemnify and save County harmless from any liabilities for injuries or damages to persons or property arising out of the City's or its officers', agents', employees', and invitees use of this Utility Easement granted herein.

d. Well Productivity. The City is solely responsible for the productivity of the Well and any associated groundwater withdrawal issues including claims by third parties arising from the City's ownership, operation, maintenance and delivery of groundwater from the Well. Nothing in this Agreement shall obligate or require the City to drill or operate any Well or any Water Pipelines and the City may at any time cease drawing water from the Well without obligation or liability to the County. Any decision by the City to withdraw groundwater from the Well, or to cease such operation, does not eliminate the City's obligation to provide water and sewer service to the Park as a metered customer as contemplated in this Agreement.

e. Construction of Laterals on the Park. Upon the City's construction of the Water Pipelines, the City shall construct eight (8) laterals with hydrants within the Park as generally illustrated on the schematic attached hereto as Exhibit H, the exact location of the

laterals shall be identified with particularity following the final design by Shephard Wesnitzer Inc. (the "Engineer") and mutual agreement of the City and County and shall constitute, and the County hereby grants to the City, an additional easement upon, across and under the surface of the Park in the location of the laterals, for the construction, installation, operation, maintenance, repair and/or replacement of such laterals. Any dispute between the City and County as to the design or location of the laterals and hydrants, should the City and County be unable to reach a mutual decision, shall be decided under the mediation process described in Section 6(e)(i) below. The laterals shall not exceed 30 feet in length. The three (3) closest hydrants to the horse racing track may be used by the County for dust control purposes at the Park and the City shall install water meters on such hydrants after the County requests the meters through the Customer Service Area of the City and pays the designated deposit charges. The County shall pay all water costs and fees at the prevailing "out of City" rates for the usage. In no event shall the County resell any water provided by the City in accordance with the terms of this Agreement.

f. Temporary Construction Easement. The County hereby grants to the City a temporary construction easement to allow for access roads, construction of the Well, Facilities and bore pit. The temporary construction easement shall be three (3) times the permitted width of the Utility Easement Area.

g. Pump House Sound Abatement. If the City installs a pump house or similar facility on City owned property located adjacent to the Park, the City shall also install commercially reasonable and customarily available sound abatement materials and/or equipment concurrently with the construction of the pump house. If installed, the City, at the City's cost, will conduct a background sound assessment at the site from the interstate traffic and the sounds from the Well will be mitigated to not exceed those levels by 5 decibels. The noises will be measured at the center of the North Entrance of the Park 10 feet from the edge of the Beulah Boulevard.

h. Water Related Costs and Phasing. The costs and phasing associated with the construction, installation and usage of water from the Well is subject to the following terms and conditions:

(i) The cost to install the Well and Water Pipeline and related Facilities shall be allocated in accordance with the Water Cost Sharing Matrix attached hereto as Exhibit "D" and made a part hereof. In the event that the City determines the actual costs associated with the construction of the Well, the Water Pipelines and related Facilities are different than those shown on the Water Cost Sharing Matrix, then the City shall allocate the actual costs in accordance with the same percentages shown on the Water Cost Sharing Matrix. In no instance shall the County's cost for installation of the Well, the Water Pipelines and related Facilities be any amount other than \$0.00 (zero dollars).

(ii) Upon the recordation of this Agreement (the "Effective Date"), the City agrees to waive (1) the amount of \$6,500.00 corresponding to "in-City" water rates charged by the City to the County for the past three years, and (2) the County's unpaid capacity charge associated with upsizing the existing water meter at the Park from 4" to 6" in the amount of \$26,030.50. Any future water meters obtained or requested to be obtained by the County from

the City shall be the County's obligation and shall be charged at the then current rates for the City's other commercial utility customers.

(iii) The County is responsible to pay all water related costs and fees associated with the County's water usage at the Park in the same manner and subject to the same rates as other "out of City" users.

(iv) The Water Pipelines and related Facilities shall be constructed in two phases. Immediately upon the Effective Date, the City may commence Phase I consisting of the construction of the Water Pipelines and related Facilities from the Well, under I-17 and connect to the City's existing facilities at the Pulliam Airport. All costs associated with Phase I, including overhead, shall be paid by the City. Subject to a management intergovernmental agreement between the County and the City, the County shall administer and the City shall pay for the construction of Phase II consisting of the construction of the Water Pipeline from the boundary of the Tuthill North subdivision to the pump house. The County, at the County's cost, will obtain the necessary Utility Easements for the construction of Phase II. The City may elect to use a "Job Order Contractor" or "Construction Manager at Risk Contract" to perform the work, and the funds to pay for the construction will be processed through the County.

(v) The County shall contract with the Engineer and complete the design of the Phase II Water Pipeline and Sewer Pipeline from the Tuthill North subdivision to the Luke Recreational Center (as defined below) for sewer and from the Tuthill North Subdivision to the City's proposed pump house for water. The City shall be responsible for the design costs of the Phase II Water Pipeline and the County shall be responsible for the design costs of the Sewer Pipeline.

i. City Election Rights. Water and sewer service by the City to the Park shall not be construed to permit the County to obtain additional water or sewer service or connections at the Park or in other areas of the County without the prior written consent of the City, which consent may be granted or withheld in the City's sole discretion.

2. Sewer Pipelines.

a. Grant of Easement for Sewer Pipelines. The County hereby grants to the City, its successors and assigns, a permanent easement to operate, maintain, alter, repair and/or replace the Sewer Pipelines and any related facilities upon, across and under the surface of the Park that may be necessary or proper pertaining to the connection to and collection through the existing sewer system, together with such vehicular and pedestrian ingress and egress access to and from the Sewer Pipeline Easement Area and other land of the County located adjacent to the Sewer Pipeline Easement Area.

b. Sewer Related Costs and Recapture

(i) The cost to install the Sewer Pipeline and related facilities shall be allocated in accordance with the Sewer Cost Sharing Matrix attached hereto as Exhibit "E" and made a part hereof. In the event that the actual costs associated with the construction of the Sewer, the Sewer Pipelines and any related facilities are different than those shown on the Sewer

Cost Sharing Matrix, then the City shall allocate the actual costs in accordance with the same percentages shown on the Sewer Cost Sharing Matrix.

(ii) The City will administer the recapture with benefited properties and refund the construction costs to the County after the County completes the construction in accordance with the Ordinances of the City.

(iii) The County is responsible to pay all sewer capacity charges associated with the County's sewer usage at the Park in the same manner and subject to the same rates as other "out of City" users.

(iv) The City may review the County's sewer capacity costs every five years and the County will be responsible to pay any additional capacity used over and above the use levels established by the City as of the Effective Date, which amounts shall be paid as detailed in the Ordinances of the City. The County may, by written notice to the City, elect to pay the sewer capacity charges in equal installments over ten years from the date of activation of the sewer pipeline and as detailed in the Ordinances of the City.

(v) The County acknowledges and agrees that the Sewer Pipelines and related facilities are owned solely by the City and the County disclaims any interest or right thereto.

3. Shared Costs for Project Overhead and Management. Any general overhead and management costs for Phase II shall be shared equally between the County and the City.

4. Luke Air Force Base Recreational Center. The County and the City acknowledge and agree that the Luke Air Force Base Recreational Center located adjacent to the Park (the "Luke Recreational Center") shall not be included in the County's sewer or water account, but shall have a separate and distinct water and sewer utility account. The City and the County shall each use commercially reasonable, good faith efforts to establish the proportionate costs applicable to the Luke Recreational Center. The Luke Recreational Center currently has its meter flow pass through the Park's meter with the City hand calculating the deduction to the Park meter with the Park and Luke Recreation Center having separate accounts. Following construction, the flows will not pass through the Park's meter and Luke Air Force Base and the County will have separate accounts and metering.

5. Drainage Easement. The County hereby grants to the City, its successors and assigns, a permanent Drainage Easement upon the Drainage Easement Area. This easement includes the right of vehicular and pedestrian ingress and egress across adjacent property owned or controlled by the County where reasonably required to gain access to the Drainage Easement Area. This Drainage Easement is granted on a non-exclusive basis to the City and the City shall have the right to use the easement for public utility services associated with City approved drainage appurtenances. This Drainage Easement includes the right to remove, alter or maintain vegetation, improvements, or obstructions within the limits of the easement that conflict with the legitimate use of this Drainage Easement. The City shall use its reasonable efforts to coordinate with the County to avoid the disruption of natural resources. Upon completion of any removal, alteration or maintenance of the utility improvements, the City or assigns, shall have the

obligation to restore the physical attributes of the Drainage Easement Area disturbed by any removal, alteration or maintenance to as near the pre-disturbance condition, or County approved condition, as the physical characteristics of the installed utility permit. The County shall be responsible for the maintenance of the Utility Easement Area surface and associated surface maintenance costs after the restoration of the area by the City. To the extent permitted by Arizona law, the City hereby covenants to indemnify and save County harmless from any liabilities for injuries or damages to persons or property arising out of the City's or its officers', agents', employees', and invitees of this Drainage Easement granted herein.

6. General Provisions.

a. Use of Easements. The City and the County shall each reasonably cooperate with the other in order to coordinate construction, installation, maintenance and repair activities upon the Well Easement Area, the Water Pipeline Easement Area and the Sewer Pipeline Easement Area so as not to unreasonably interfere with or disrupt the activities performed from time to time at the Park.

b. Authorization. The parties to this Agreement represent and warrant that the persons executing this Agreement on their behalves have full authority to bind the respective parties.

c. Temporary Easement. As of the Effective Date of this Agreement, the Temporary Easement and the parties' respective obligations and liabilities thereunder are hereby terminated and of no further force or effect.

d. Cancellation. This Agreement is subject to the cancellation provisions of Arizona Revised Statutes § 38-511.

e. Dispute Resolution.

(i) Mediation. If a dispute arises out of or relates to this Agreement and if the dispute cannot be settled through negotiation, the parties agree first to try in good faith to resolve the dispute by mediation before resorting to litigation or some other dispute resolution procedure. Mediation will be self-administered and conducted under the CPR Mediation Procedures established by the CPR Institute for Dispute Resolution, 366 Madison Avenue, New York, New York 10017, (212) 949-6490, www.cpradr.org. with the exception of the mediator selection provisions, unless other procedures are agreed upon by the parties. Unless the parties agree otherwise, the mediator(s) shall be selected from panels of mediators trained under the Alternative Dispute Resolution Program of the Coconino County Superior Court. Each party agrees to bear its own costs in mediation. The parties will not be obligated to mediate if an indispensable party is unwilling to join the mediation. This section does not constitute a waiver of the parties' right to arbitrate or initiate legal action if a dispute is not resolved through good faith negotiation or mediation, or if provisional relief is required under the Arizona Rules of Civil Procedure.

(ii) Litigation and Attorneys' Fees. Except as otherwise agreed by the parties, any litigation brought by any party against any other party to enforce the provisions of this Agreement must be filed in the Coconino County Superior Court. In the event any action at

law or in equity is instituted between the parties in connection with this Agreement, the prevailing party or parties in the action will be entitled to its costs and expenses including reasonable attorneys' fees and court costs from the non-prevailing party or parties.

f. Liability and Indemnification.

(i) The City shall defend against and be responsible for any and all damages arising now and in the future from the activities of the City, its agents, employees and contractors, in the exercise of its rights under the Agreement on the Well Easement Area, the Water Pipeline Easement Area and Sewer Pipeline Easement Area and shall repair such damage, or in lieu thereof and at the option of the County, make a mutually agreeable settlement with the County for such damages. The City hereby covenants and agrees to indemnify, defend and hold the County harmless for, from and against any and all claims, demands, costs, actions, suits, liabilities, losses and expenses, of whatever kind and nature whatsoever (collectively, the "Claims") that may arise or result from any act, action or omission of the City in connection with the activities of the City, its employees, agents, contractors and invitees as contemplated under this Agreement.

(ii) The County shall defend against and be responsible for any and all damages arising now and in the future from the activities of the County, its agents, employees and contractors, in the exercise of its rights under the Agreement on the Well Easement Area, the Water Pipeline Easement Area and Sewer Pipeline Easement Area and shall repair such damage, or in lieu thereof and at the option of the City, make a mutually agreeable settlement with the City for such damages. The County hereby covenants and agrees to indemnify, defend and hold the City harmless for, from and against any and all Claims that may arise or result from any act, action or omission of the County in connection with the activities of the County, its employees, agents, contractors and invitees as contemplated under this Agreement.

g. Entire Agreement. This Agreement constitutes the entire agreement among the parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations, negotiations and understandings of the parties hereto, oral or written, are hereby superseded and merged herein.

h. Governing Law. This Agreement shall be governed by and construed under the laws of the State of Arizona and shall be deemed made and entered into in Coconino County.

i. Modification. No modification of this Agreement shall be deemed effective unless in writing and signed by the parties hereto.

j. Run with Land. All of the covenants set forth herein constitute covenants that run with the land, and those covenants and all conditions set forth herein shall inure to the benefit of and shall be binding upon the authorized successors in interest of each of the parties hereto.

IN WITNESS WHEREOF, the parties have executed this Agreement effective the date first set forth above.

CITY OF FLAGSTAFF, an Arizona municipal corporation

By: [Signature]

Attest:

Laura Matthews for
City Clerk

Approved as to Form:

[Signature]
City Attorney

COCONINO COUNTY, a political subdivision of the State of Arizona

By: [Signature]
Matt Ryan, Chairman

Attest:

[Signature]
Clerk of the Board

Approved as to Form:

[Signature]
County Attorney

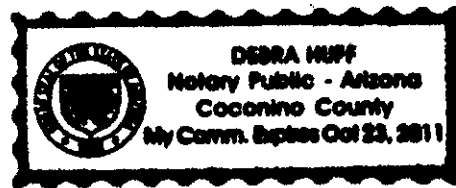
STATE OF ARIZONA)
) ss.
County of Coconino)

The foregoing instrument was acknowledged before me on April 6, 2009, by Sara Presler, the Mayor of the City of Flagstaff, an Arizona municipal corporation, acting for and on behalf thereof.

Debra Huff
Notary Public

My Commission Expires:

Oct. 23, 2011



STATE OF ARIZONA)
) ss.
County of Coconino)

The foregoing instrument was acknowledged before me on April 6, 2009, by Matt Ryan, the Chairman BOS of Coconino County, a political subdivision of the State of Arizona, acting for and on behalf thereof.

Laura Matthews
Notary Public

My Commission Expires:

April 24, 2012



EXHIBIT "A"
DESCRIPTION OF WELL EASEMENT AREA

LOCATED IN THE northeast one-quarter of Section 6, Township 20 North, Range 7 East of the Gila and Salt River Meridian (NE/4 of Sec. 6, T20N, R7E, G&SRM), Coconino County, Arizona;

LYING WITHIN Parcel No. 2 as described in Instrument 3080890 per the Coconino County Recorder's Office;

AND BEING a square parcel of land more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at the northeast corner of the NE/4 of Section 6 and also the Closing Corner for Sections 5 and 6 which point is marked by an aluminum cap marked "NES RLS 14671", thence South 0 degrees 39 minutes 19 seconds East along the east line of the NE/4 Section 6 a distance of 2659.61 feet to the quarter corner between Section 5 and Section 6 as marked by a City of Flagstaff aluminum cap;

THENCE South 0 degrees 39 minutes 14 seconds East along the east line of the SE/4 Section 6 a distance of 78.00 feet to a point;

THENCE South 89 degrees 33 minutes 30 seconds West a distance of 93.50 feet to a point;

THENCE North 67 degrees 56 minutes 30 seconds West a distance of 620.00 feet to a point;

THENCE South 89 degrees 33 minutes 30 seconds West a distance of 166.00 feet to the TRUE POINT OF BEGINNING of this easement description.

THENCE South 28 degrees 26 minutes 30 seconds East a distance of 54.00 feet to a point;

Continue...

...continued.

THENCE South 61 degrees 33 minutes 30 seconds West a distance of 200.00 feet to a point;

THENCE N 28 degrees 26 minutes 30 seconds West a distance of 200.00 feet to a point;

THENCE North 61 degrees 33 minutes 30 seconds East a distance of 200.00 feet to a point;

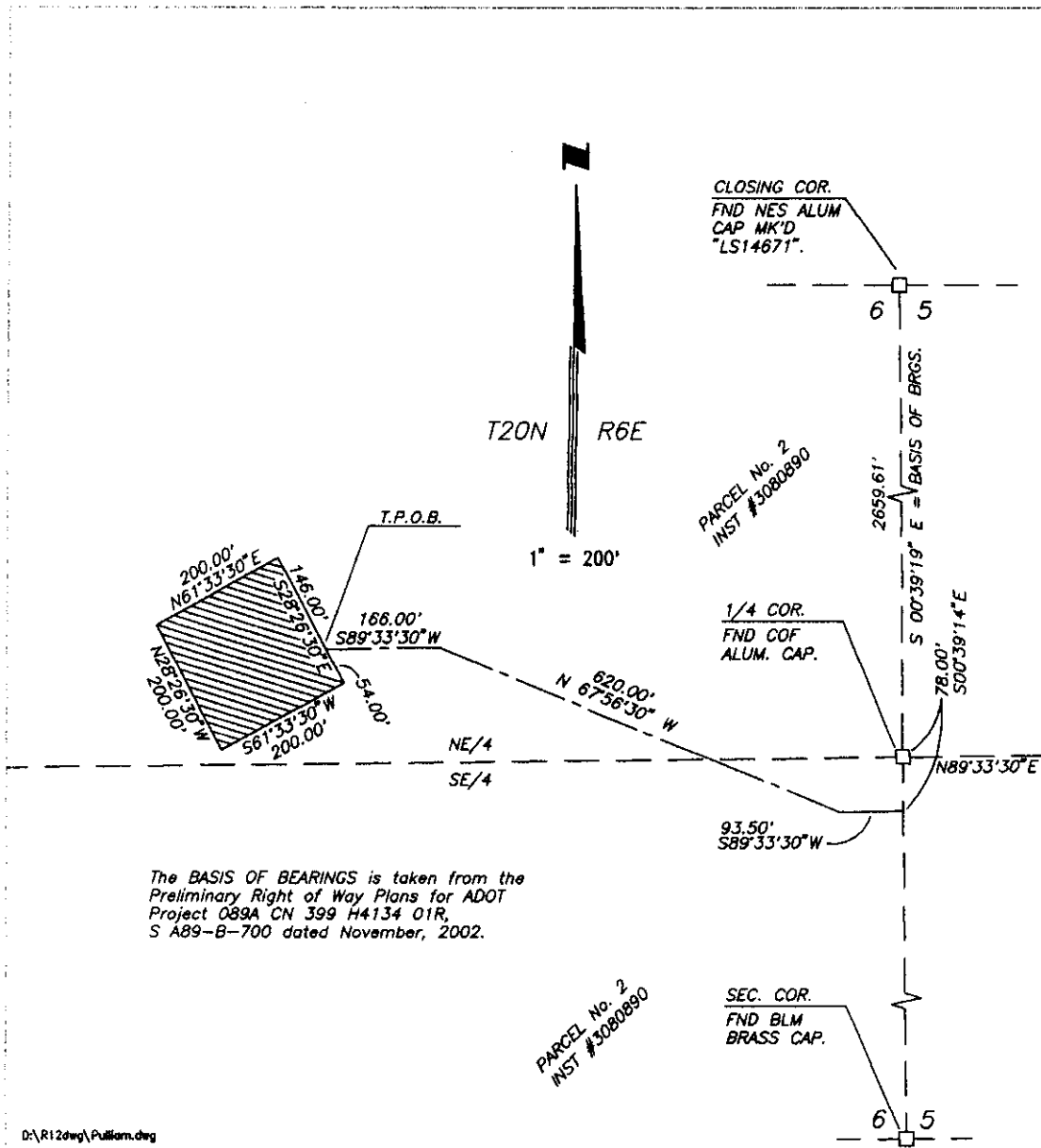
THENCE South 28 degrees 26 minutes 30 seconds East a distance of 146.00 feet to the TRUE POINT OF BEGINNING of this easement description.

The Easement, as described above, contains 40,000 square feet of land and is depicted graphically in EXHIBIT "A-1" attached and made a part hereof by this reference.

PREPARED BY:

Aztech Design, Inc.
PO Box 494
Flagstaff, Arizona 86002
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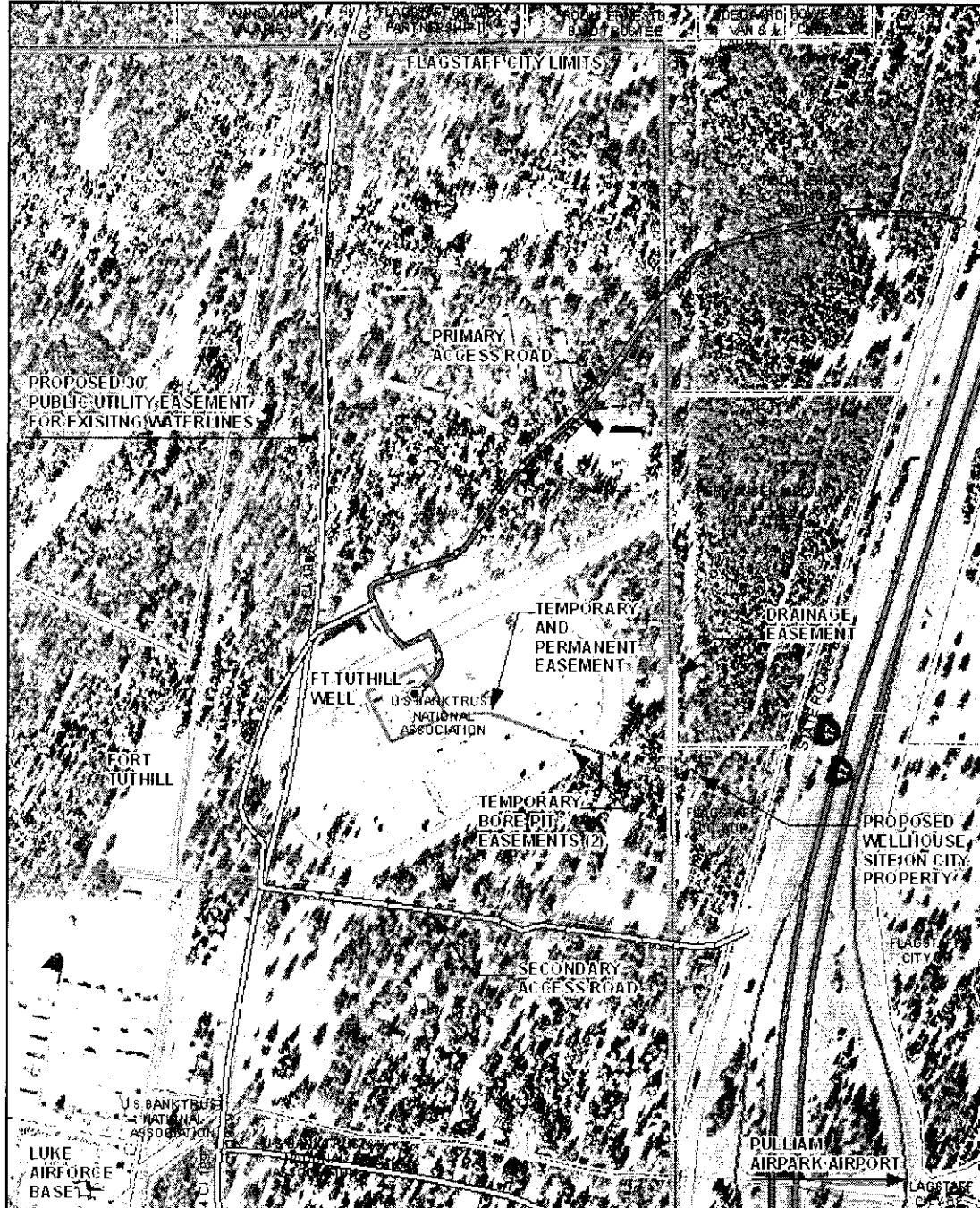




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<p>REGISTERED LAND SURVEYOR 15853 BRITT DeMUTH ARIZONA, USA EXPIRES SEPT. 30, 2011</p>	<p style="text-align: center;">aztech design, inc.</p> <p style="text-align: center;">CIVIL ENGINEERING DESIGN, LAND SURVEYING P.O. BOX 494 FLAGSTAFF, ARIZ. 86002 (520) 774-4409</p>
<p>Des. _____</p> <p>Dwn. _____</p> <p>Chk. _____</p>	<p>EXHIBIT "A-1"</p>

EXHIBIT A-2 Egress/Ingress Access to Well Easement Locations



↑↑
not to scale

-----City of Flagstaff - Utilities Department-----

EXHIBIT "B"
DESCRIPTION OF UTILITY EASEMENT AREA

LOCATED IN THE northeast one-quarter and the southeast one-quarter of Section 6, Township 20 North, Range 7 East of the Gila and Salt River Meridian (NE/4 and SE/4 of Sec. 6, T20N, R7E, G&SRM), Coconino County Arizona;

LYING WITHIN Parcel No. 2 as described in Instrument 0080890 per the Coconino County Recorder's Office;

AND BEING A STRIP OF LAND twenty (20) feet in width encompassing fourteen (14) feet on the left (southerly side) and six (6) feet on the right (northerly side) of the line between the TRUE POINT OF BEGINNING and the TERMINUS POINT described herein.

COMMENCING FOR REFERENCE at the northeast corner of the NE/4 of Section 6 and also the Closing Corner for Sections 5 and 6 which point is marked by an aluminum cap marked "NES RLS 14671", thence South 0 degrees 39 minutes 19 seconds East along the east line of the NE/4 Section 6 a distance of 2659.61 feet to the quarter corner between Section 5 and Section 6 as marked by a City of Flagstaff aluminum cap;

THENCE South 0 degrees 39 minutes 14 seconds East along the east line of the SE/4 Section 6 a distance of 78.00 feet to the TRUE POINT OF BEGINNING of this easement description. The easement is twenty (20) feet in width encompassing fourteen (14) feet on the left (southerly side) and six (6) feet on the right (northerly side) of the following described line:

THENCE South 89 degrees 33 minutes 30 seconds West a distance of 93.50 feet to a point;

THENCE North 67 degrees 56 minutes 30 seconds West a distance of 620.00 feet to a point;

Continue...

...continued.

THENCE South 89 degrees 33 minutes 30 seconds West a distance of 260.00 feet to a point:

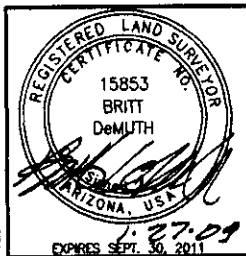
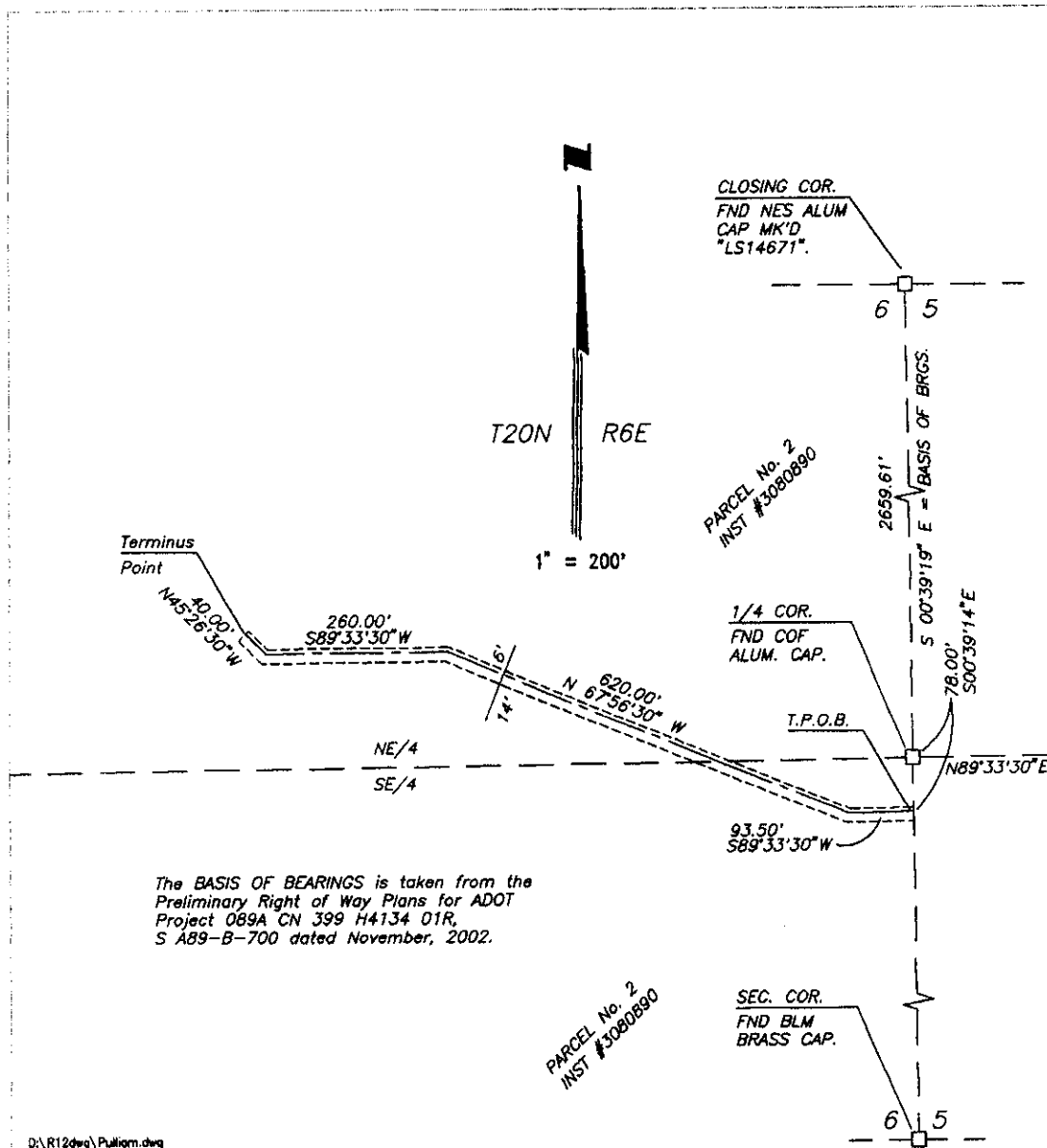
THENCE North 45 degrees 26 minutes 30 seconds West a distance of 40.00 feet to the TERMINUS POINT of this easement description.

The Easement, as described above, contains 19,870 square feet of land and is depicted graphically in EXHIBIT "B-1" attached and made a part hereof by this reference.

PREPARED BY:

Aztech Design, Inc.
PO Box 494
Flagstaff, Arizona 86002
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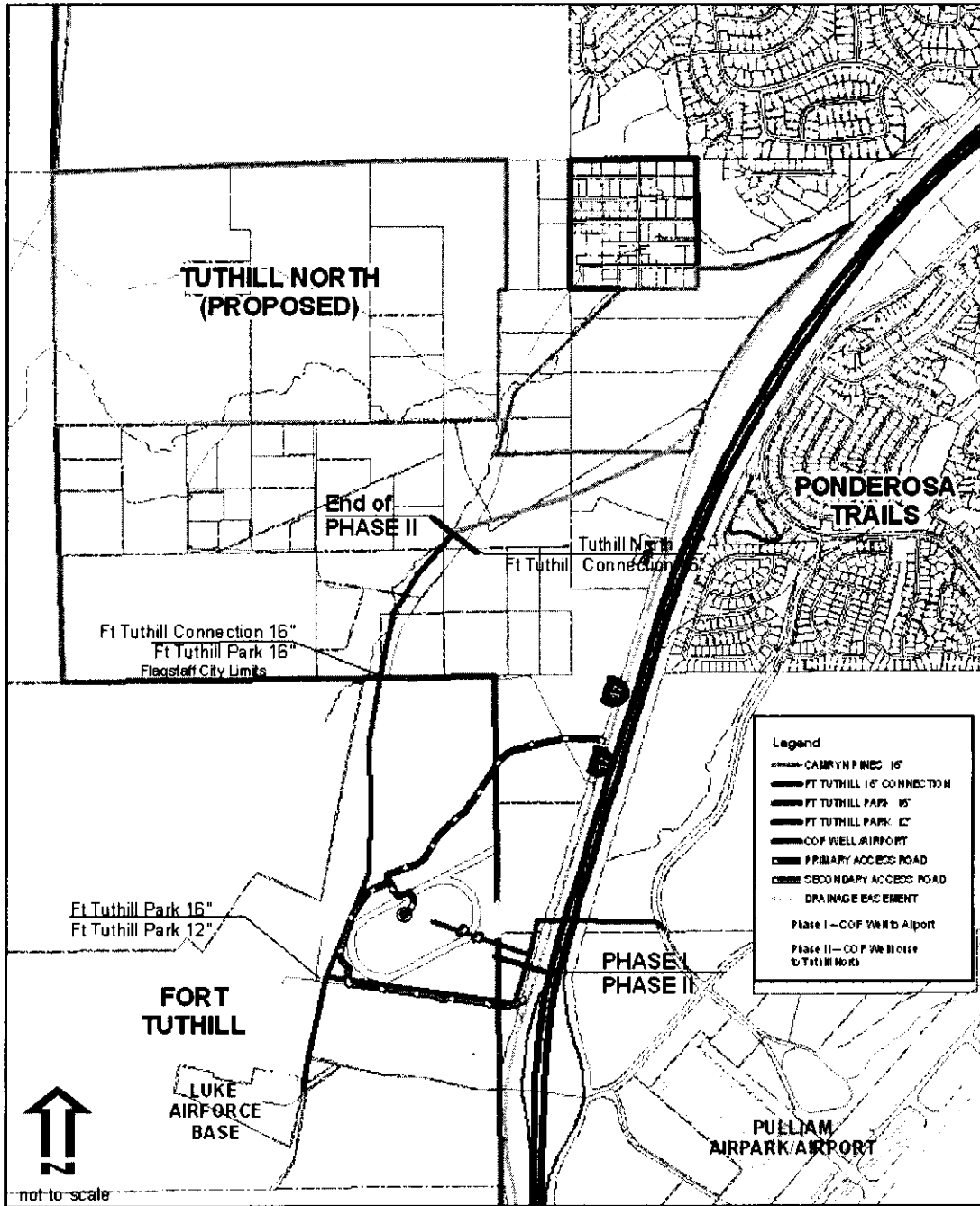


aztech design, inc.
 CIVIL ENGINEERING DESIGN, LAND SURVEYING
 P.O. BOX 494 FLAGSTAFF, ARIZ. 86002 (520) 774-4409

Des. _____
 Dwn. _____
 Chk. _____

EXHIBIT "B-1"

**EXHIBIT C-1
FORT TUTHILL PROPOSED WATER EXTENSION
PHASING**



not to scale

-----City of Flagstaff - Utilities Department-----

EXHIBIT "C-2"

SEWER PIPELINE EXTENSION

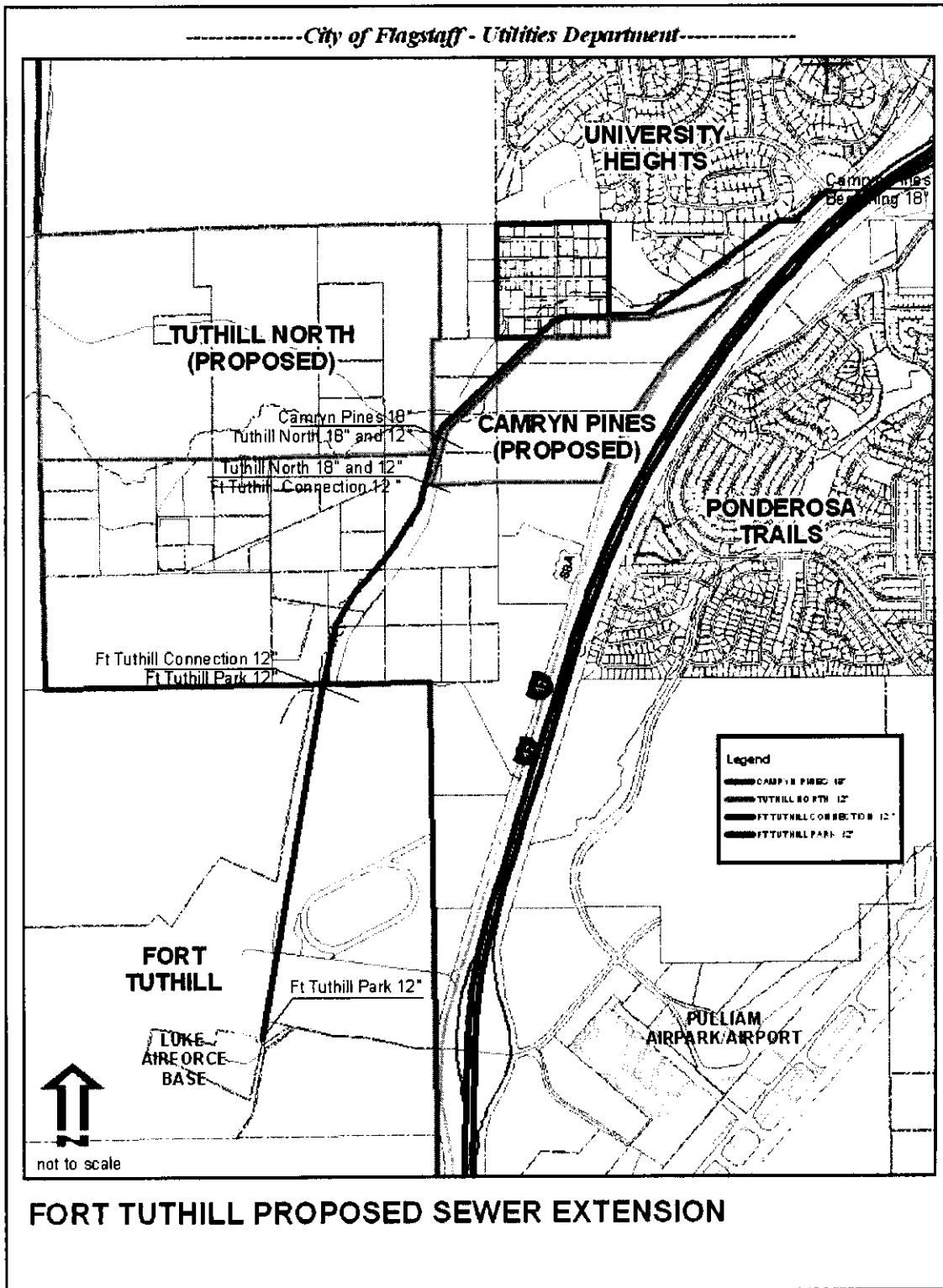


EXHIBIT "D"

WATER COST SHARING MATRIX

Fort Tuthill Water - Cost Sharing Matrix

WATER	Length Feet	Cost to Upsize 8"-16"	Total	City Portion	Fort Tuthill Portion	Camryn Pines Portion	Tuthill North Portion	Others
Camryn Pines								
16" PVC Water from Univ Hts	4900	\$255,000	\$752,000	\$0	\$30,600	\$497,000	\$43,605	\$67,320
Camryn Pines 8' Loop Contribution	3100	N/A	\$295,000			\$295,000		
Tuthill North								
16" PVC Water	2400	\$125,000	\$343,000	\$0	\$18,125	\$0	\$218,000	\$106,875
Fort Tuthill								
16" PVC to Fort Tuthill property	3200	\$166,400	\$457,600	\$0	\$291,200	\$0	\$32,448	\$133,952
30' PUE Easement, approx 1.5 acres			TBD					
City of Flagstaff- Loop to Well								
16" PVC Water	4800	N/A	\$686,400	\$686,400	\$0	\$0	\$0	\$0
City of Flagstaff- Pipe to wellhead								
8" PVC Water under Racetrack	1200	N/A	\$225,000	\$225,000	\$0	\$0	\$0	\$0
30' PUE Easement, Wells and pipeline approx 1 acre			\$175,422	\$175,422	(\$175,422)			
City of Flagstaff- Loop Pipe to Airport								
18" DI Water + 30" Bore under Beulah and I-17	3150	N/A	\$825,000	\$825,000				
City of Flagstaff- 6 FH Assy Stubouts								
			\$132,000	\$132,000	(\$132,000)			
City of Flagstaff- Tuthill Meter Upsize 4"-6"								
			\$26,003	\$26,003	(\$26,003)			
City of Flagstaff- Outside COF Rate 110%								
			\$6,500	\$6,500	(\$6,500)			
Fort Tuthill Portion of Recapture								
			\$48,725	\$48,725	(\$48,725)			
Total Project			\$3,797,228					
				City Portion	\$2,125,050			
					County Portion	\$0		

<i>Recapture Amount - Proportionate share</i>						
Pipe Segment	Cost to Upsize 8"-16"	Fort Tuthill	Surrounding Parcels	Tuthill North	State Land	Fairways at FRGC
Camryn Pines	\$255,000	\$30,600	\$79,285	\$43,605	\$67,320	\$35,190
Camryn to Tuthill North	\$125,000	\$18,125	\$46,250	\$0	\$39,750	\$20,875
Tuthill North to Fort Tuthill	\$166,400	\$0	\$57,907	\$32,448	\$49,920	\$26,125
Totals		\$48,725	\$182,442	\$76,053	\$156,990	\$82,190

EXHIBIT "E"

SEWER COST SHARING MATRIX

Fort Tuthill Sewer - Cost Sharing Matrix

SEWER	Length Feet	Cost to Upsize 8"-18"	Total	City Portion	Fort Tuthill Portion	Luke AFB Portion	Camryn Pines Portion	Tuthill North Portion	Others
Camryn Pines									
18" PVC Sewer from Univ Hts	5600	\$400,000	\$1,130,000	\$0	\$36,000	\$12,000	\$730,000	\$68,400	\$283,600
Tuthill North									
18" PVC Sewer	700	\$50,000	\$140,000	\$0	\$5,438	\$1,813	\$0	\$0	\$42,750
12" PVC Sewer	900	\$18,000	\$130,000	\$0	\$13,500	\$4,500	\$0	\$112,000	\$0
Fort Tuthill Connection									
12" PVC to Fort Tuthill property	2400	\$47,000	\$338,000	\$0	\$291,000	\$4,183	\$0	\$0	\$47,000
30' PUE Easement, approx 1.5 acres			TBD						
Fort Tuthill Onsite									
12" PVC Sewer	4000	\$96,400	\$504,400	\$0	\$504,400	\$0	\$0	\$0	\$0
Fort Tuthill Tap Fees			\$194,515	\$0	\$194,515	TBD			
Total Project			\$2,436,915	\$0					
				City Portion	\$0				
				County Portion	\$1,044,853				

Pipe Segment	Recapture Amount - Proportionate share						
	Cost to Upsize	Fort Tuthill	Luke AFB	Surrounding Parcels	Tuthill North	State Land	Fairways at FRGC
18" Camryn Pines	\$400,000	\$36,000	\$12,000	\$122,800	\$68,400	\$105,600	\$55,200
18" Camryn to Tuthill North	\$50,000	\$5,438	\$1,813	\$18,500	\$0	\$15,800	\$8,350
12" Tuthill North to FT	\$18,000	\$13,500	\$4,800	\$0	\$0	\$0	\$0
12" Tuthill North to Fort Tuthill	\$47,000	\$0	\$4,183	\$42,817	\$0	\$0	\$0
12" Fort Tuthill Onsite	\$96,400	\$0	\$96,400	\$0	\$0	\$0	\$0
Totals		\$54,938	\$118,896	\$184,117	\$68,400	\$121,500	\$63,550

EXHIBIT "F"
DESCRIPTION OF DRAINAGE EASEMENT AREA

LOCATED IN THE northeast one-quarter and the southeast one-quarter of Section 6, Township 20 North, Range 7 East of the Gila and Salt River Meridian (NE/4 and SE/4 of Sec. 6, T20N, R7E, G&SRM), Coconino County, Arizona;

LYING WITHIN Parcel No. 2 as described in Instrument 3080890 per the Coconino County Recorder's Office;

AND BEING A STRIP OF LAND twenty (20) feet in width more particularly described by metes and bounds as follows:

COMMENCING FOR REFERENCE at the northeast corner of the NE/4 of Section 6 and also the Closing Corner for Sections 5 and 6 which point is marked by an aluminum cap marked "NES RLS 14671", thence South 0 degrees 39 minutes 19 seconds East along the east line of the NE/4 Section 6 a distance of 2659.61 feet to the quarter corner between Section 5 and Section 6 as marked by a City of Flagstaff aluminum cap, which point is the TRUE POINT OF BEGINNING of this easement description;

THENCE South 0 degrees 39 minutes 14 seconds East along the east line of the SE/4 Section 6 a distance of 30.00 feet to a point;

THENCE South 89 degrees 20 minutes 41 seconds West a distance of 20.00 feet to a point;

THENCE North 0 degrees 39 minutes 19 seconds West a distance of 200.00 feet to a point;

THENCE North 89 degrees 20 minutes 41 seconds East a distance of 20.00 feet to a point on the east line of the NE/4 Section 6;

THENCE South 0 degrees 39 minutes 19 seconds East along the east line of the NE/4 Section 6 a distance of 170.00 feet to the TRUE POINT OF BEGINNING of this easement description.

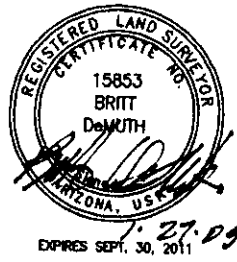
Continue...

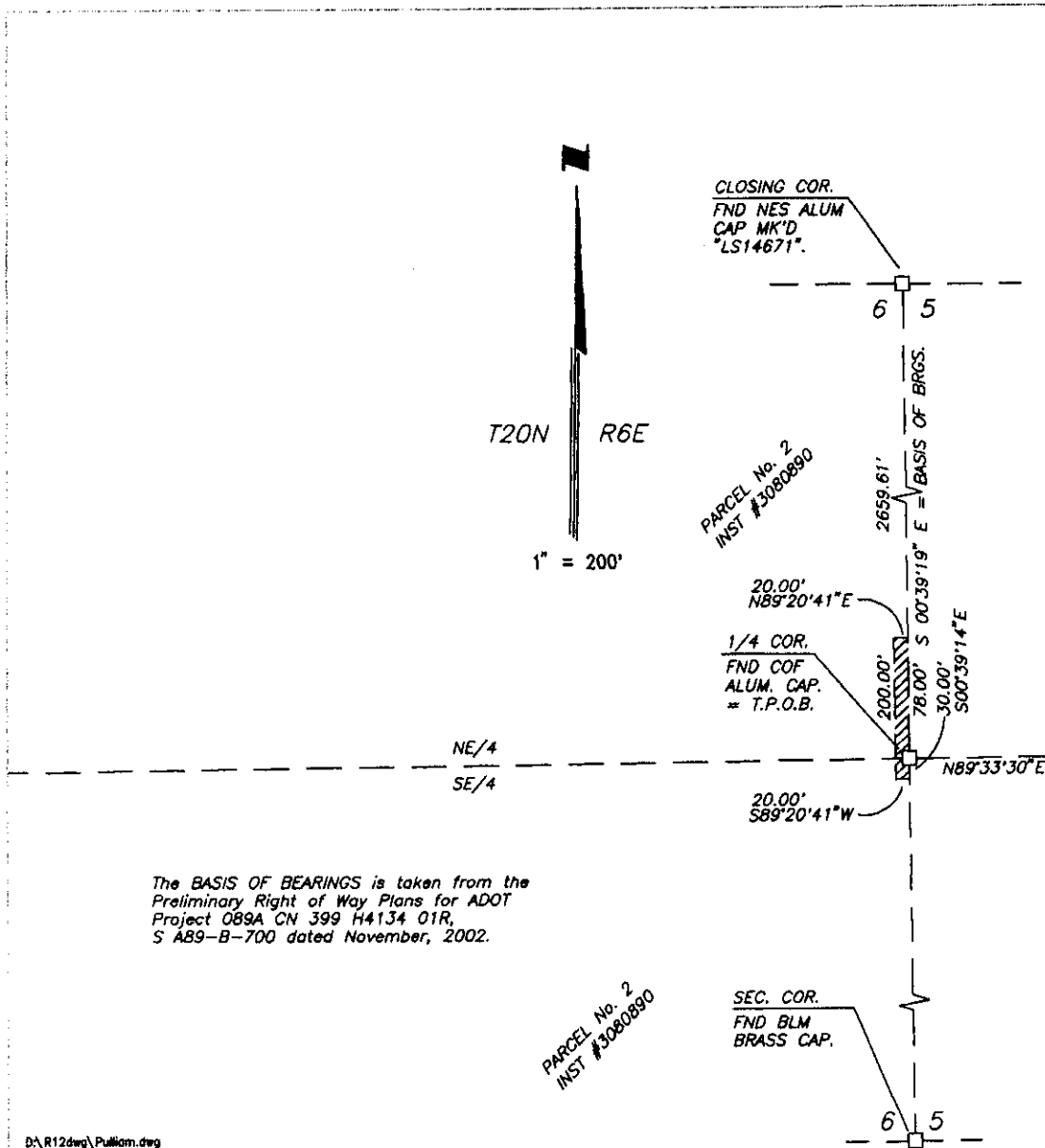
...continued.

The Easement, as described above, contains 4,000 square feet of land and is depicted graphically in EXHIBIT "F-1" attached and made a part hereof by this reference.

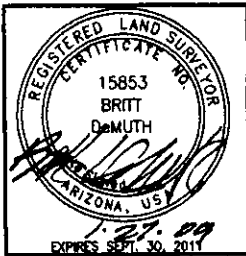
PREPARED BY:

Aztech Design, Inc.
PO Box 494
Flagstaff, Arizona 86002
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aztech design, inc.

CIVIL ENGINEERING DESIGN, LAND SURVEYING
P.O. BOX 494 FLAGSTAFF, ARIZ. 86002 (520) 774-4409

Des. _____
Dwn. _____
Chk. _____

EXHIBIT "F-1"

EXHIBIT "G"
DESCRIPTION OF A BLANKET EASEMENT
FOR EXISTING CITY OF FLAGSTAFF WATER MAINS

LOCATED IN THE northeast one-quarter and the southeast one-quarter of Section 6, Township 20 North, Range 7 East of the Gila and Salt River Meridian (NE/4 and SE/4 of Sec. 6, T20N, R7E, G&SRM), Coconino County, Arizona:

OVER PARCEL No. 2, Parcel No. 3 and Parcel No. 4 as described in Instrument 3080890 per the Coconino County Recorder's Office.

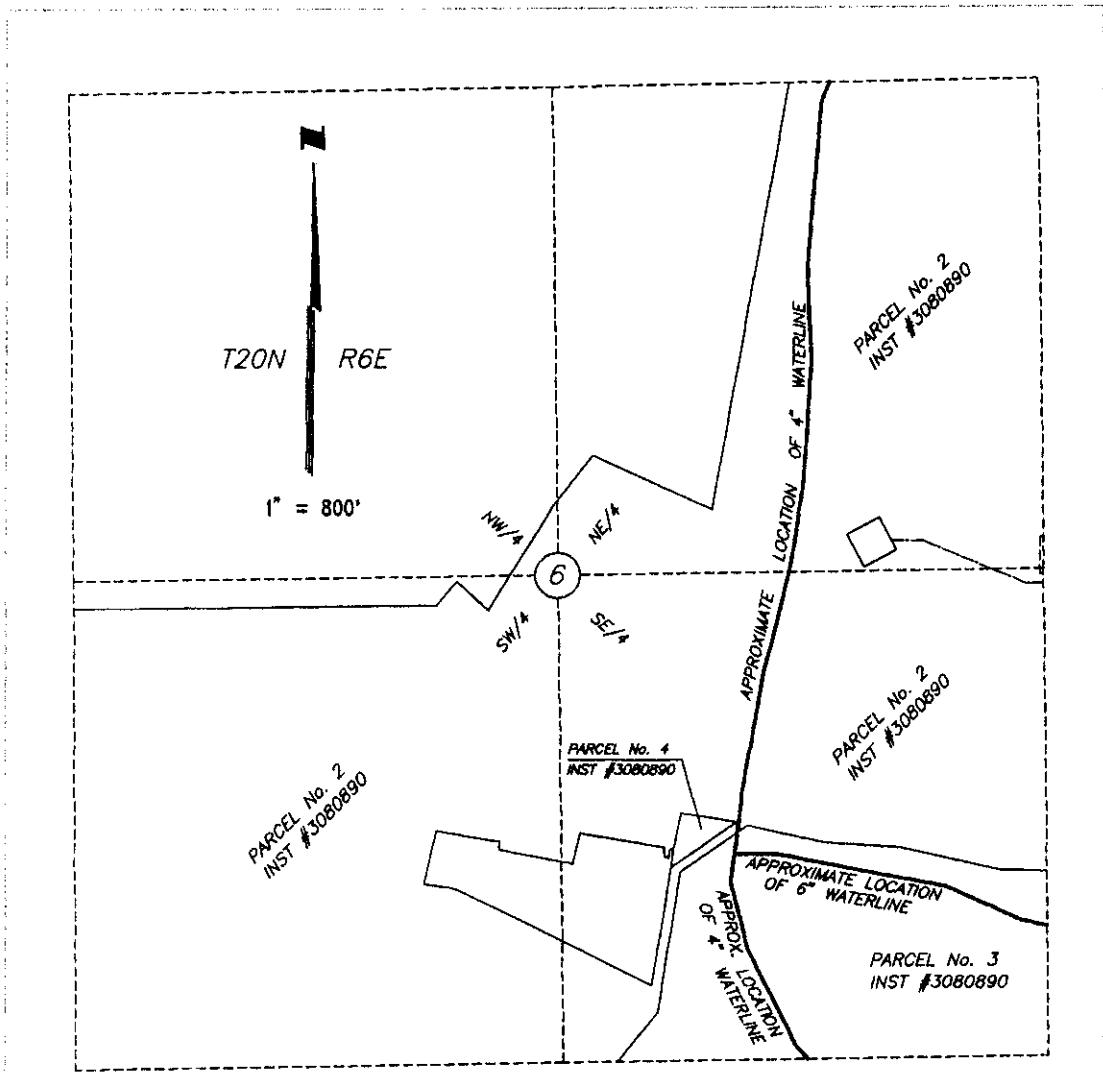
AND LIMITED TO all those areas within ten (10) feet of the existing 4" and 6" diameter waterlines shown in their approximate locations per EXHIBIT "G-1" attached and made a part hereof by this reference.

PREPARED BY:

Aztech Design, Inc.
PO Box 494
Flagstaff, Arizona 86002
fn c:\mary\coftuthill.doc



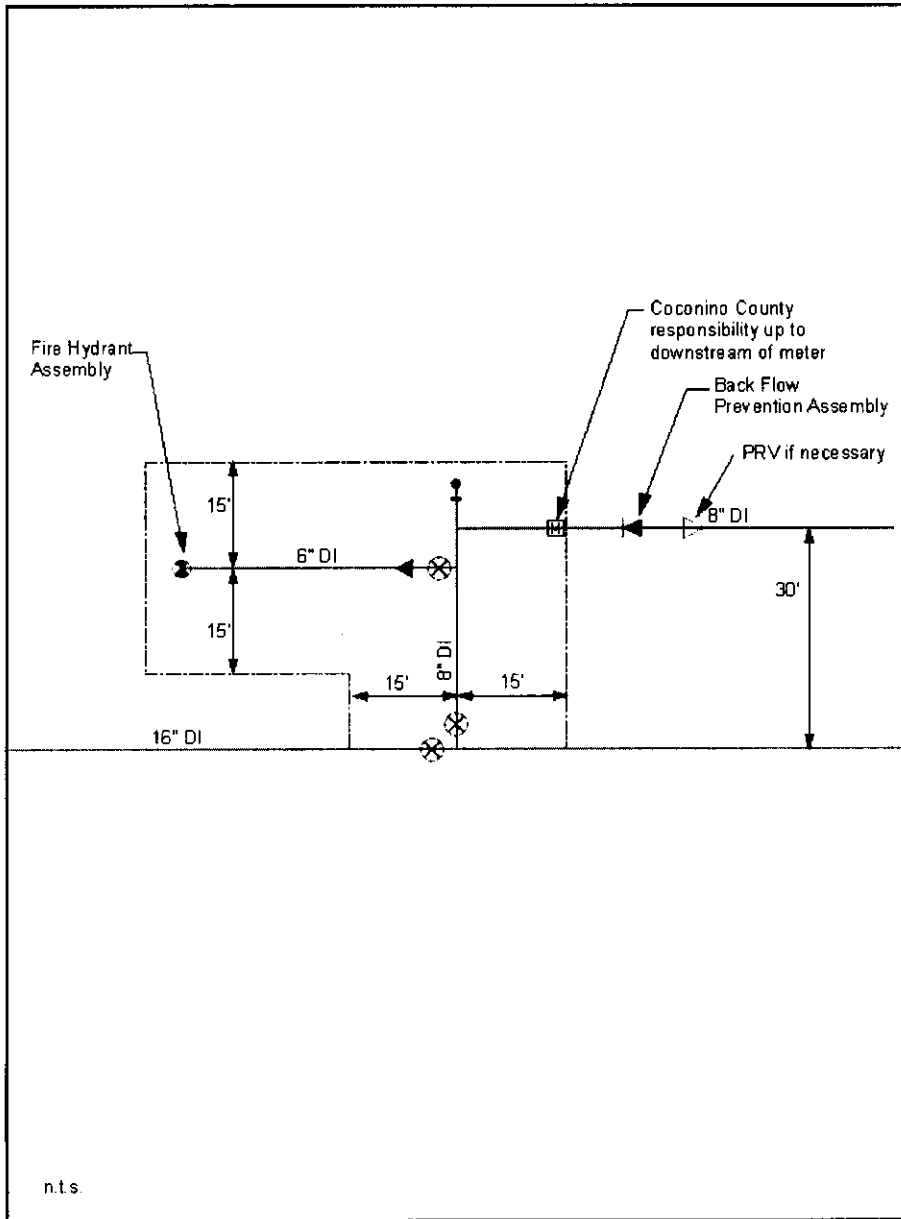
EXPIRES SEPT. 30, 2011



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	aztech design, inc. CIVIL ENGINEERING DESIGN, LAND SURVEYING P.O. BOX 494 FLAGSTAFF, ARIZ. 86002 (520) 774-4409
	Des. _____ Dwn. _____ Chk. _____

EXHIBIT H Typical Hydrant/Meter Stub Out Easement



-----City of Flagstaff - Utilities Department-----