



City of Prescott

City Council - Study Session

March 11, 2025 | 1:00 PM
201 N Montezuma Street
City Council Chambers, 3rd Floor
Prescott, AZ 86301

AGENDA

The following Agenda will be considered by the **Prescott City Council** at its **Study Session** pursuant to the Prescott City Charter, Article II, Section 13. Notice of the meeting is given pursuant to Arizona Revised Statutes, Section 38-431.02. One or more members of the Council may be attending the meeting through the use of a technological device.

Viewing & Participation

This meeting may be viewed on Channel 64, Facebook Live or on the City's website: [City of Prescott Live Meeting Feed](#)

Public comments for Council may be submitted through the City website: [Public Comment Form](#)

1. **CALL TO ORDER**
2. **ROLL CALL**
3. **DISCUSSION**
 - A. Presentation & Discussion Regarding an Update on the Pavement Management Program.
 - B. Presentation & Discussion Regarding the Prescott Lakes Planned Area Development Master Plan and Development Agreement.
4. **ADJOURNMENT**

Upon a public majority vote of a quorum of the City Council, the Council may hold an executive session, which will not be open to the public, regarding any item listed on the agenda but only for the following purposes:

- (1) Discussion or consideration of personnel matters (A.R.S. §38-431.03(A)(1));
- (2) Discussion or consideration of records exempt by law (A.R.S. §38-431.03(A)(2));
- (3) Discussion or consultation for legal advice with the city's attorneys (A.R.S. §38-431.03(A)(3));
- (4) Discussion or consultation with the city's attorneys regarding the city's position regarding contracts that are the subject of negotiations, in pending or contemplated litigation, or in settlement discussions conducted in order to avoid litigation (A.R.S. § 38-431.03(A)(4));
- (5) Discussion or consultation with designated representatives of the city to consider its

position and instruct its representatives regarding negotiations with employee organizations (A.R.S. §38-431.03(A)(5));

(6) Discussion, consultation or consideration for negotiations by the city or its designated representatives with members of a tribal council, or its designated representatives, of an Indian reservation located within or adjacent to the city (A.R.S. §38-431.03(A)(6);

(7) Discussion or consultation with designated representatives of the city to consider its position and instruct its representatives regarding negotiations for the purchase, sale or lease of real property (A.R.S. §38-431.03(A)(7)).

CERTIFICATION OF POSTING OF NOTICE

The undersigned hereby certifies that a copy of the foregoing notice was duly posted at Prescott City Hall on 3/6/25 at 12:00 p.m. in accordance with the statement filed by the Prescott City Council with the City Clerk.



Sarah M. Siep, City Clerk



TO: MAYOR AND CITY COUNCIL
AGENDA: March 11 Study Session
DATE: March 11, 2025
DEPT: Public Works
ITEM #: 3.A
SUBJECT: Presentation & Discussion Regarding an Update on the Pavement Management Program.

ITEM SUMMARY

This item is for staff to provide the Council with an update regarding the Pavement Management Program and Report.

BACKGROUND

Review of the Pavement Management Program and objectives; report on the most recent technical condition survey and results and information on planned projects as a part of the program.

FINANCIAL IMPACT

There is no financial impact associated with this item.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. Pavement Management Program Presentation

Public Works

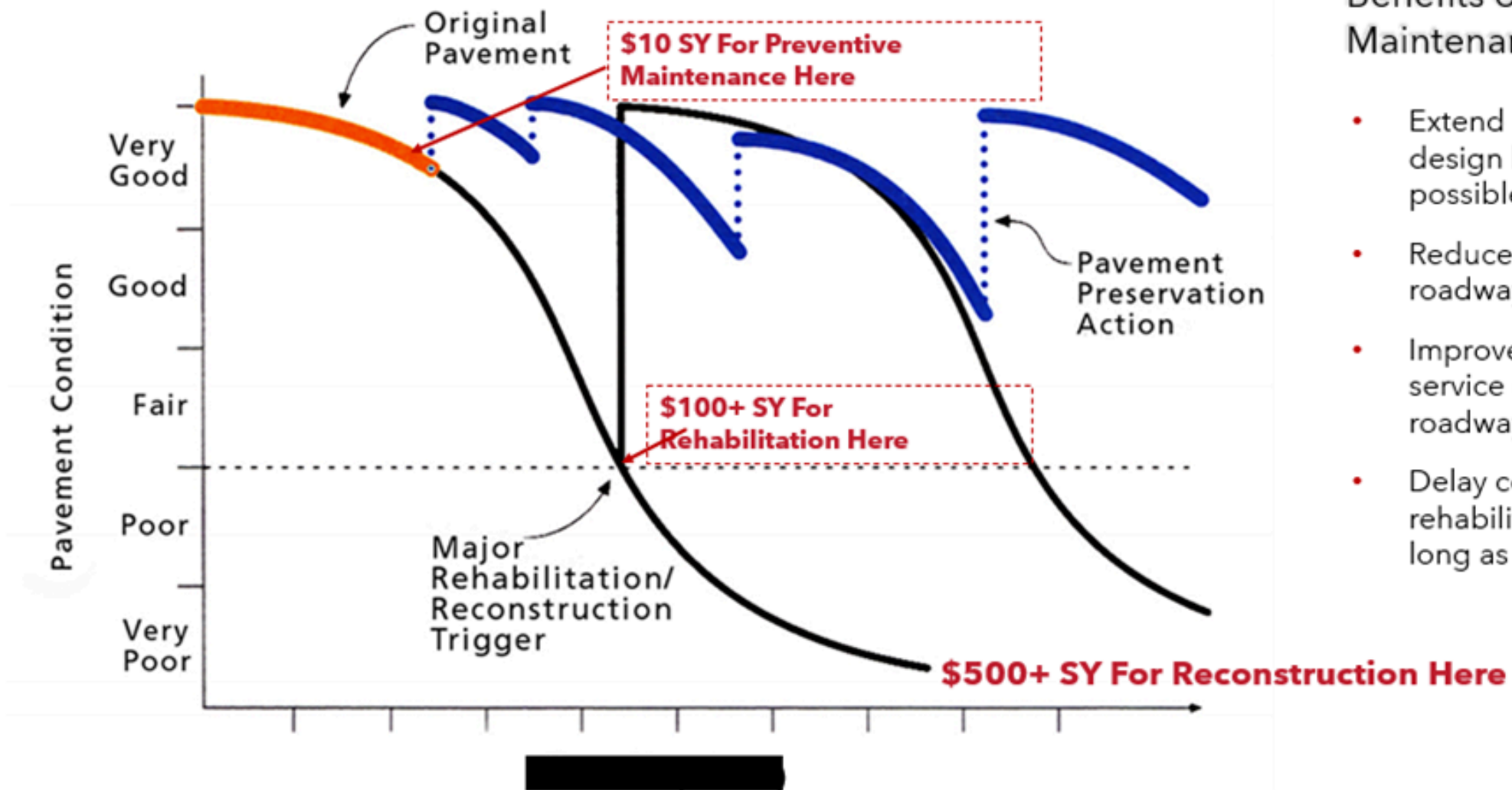
FY25

Pavement
Management
Program

UPDATE



Purpose of Pavement Management



Benefits of Active Maintenance

- Extend pavement design life at lowest possible cost
- Reduce the cost of roadway ownership
- Improve the level of service over the roadway's life
- Delay costly rehabilitation for as long as possible

RAS

The goal of Pavement Management is to extend the life of existing roads in good condition for as long as possible through a variety of pavement preservation and restoration techniques.

Pavement Condition - Failed

PCI - 0-10



Forbis - PCI 10



**Pavement – Very Poor/Serious
PCI – 11-40**

Heritage Park Rd – PCI 26



Copper Basin – PCI 23

Pavement Condition – Poor

PCI – 41-55



W Delano Ave. – PCI 51



Norris Rd – PCI – 48

Pavement Condition – Fair

PCI – 56–70



Bear Way – PCI 58



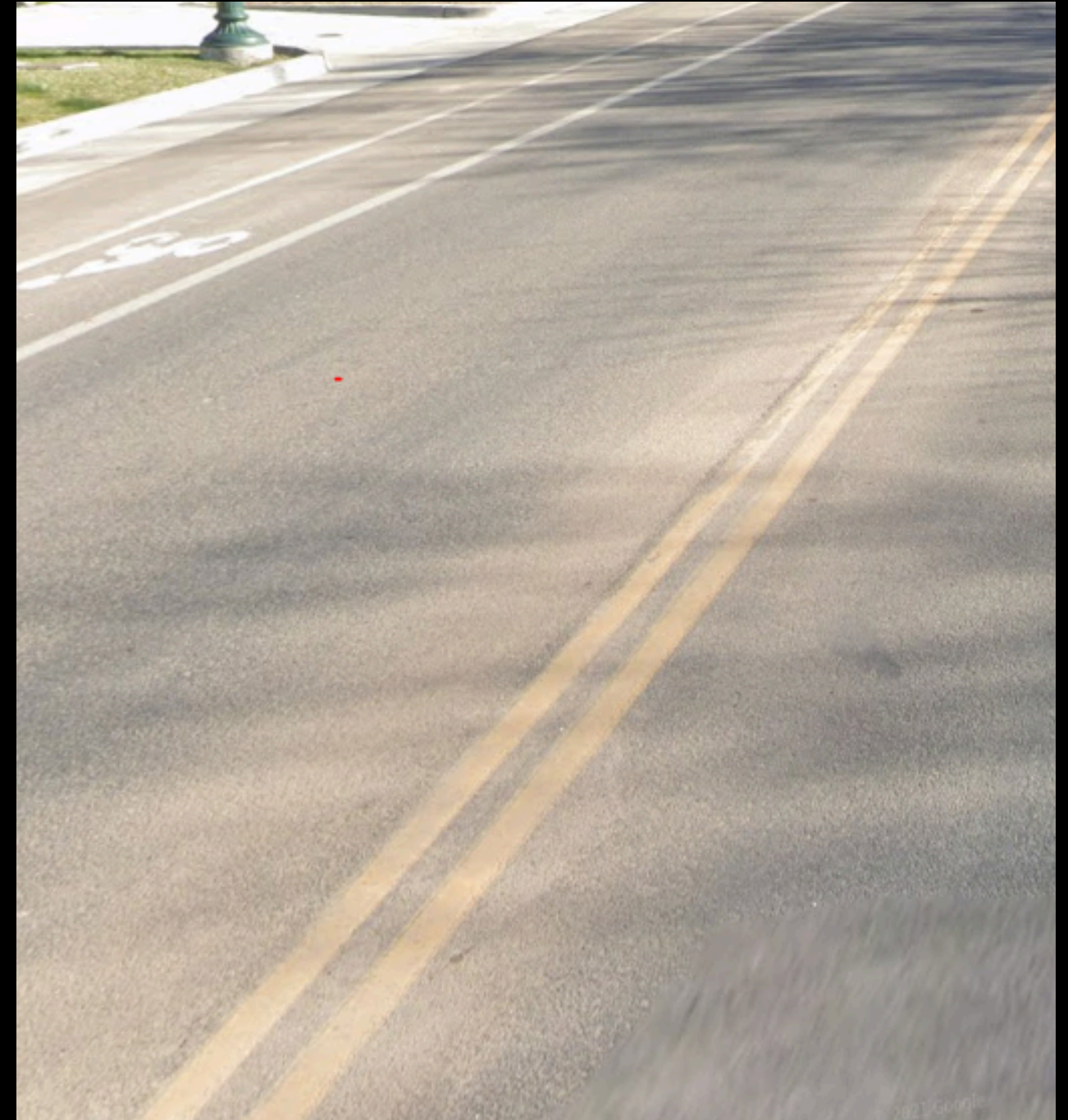
Pavement Condition – Satisfactory

PCI – 71-85

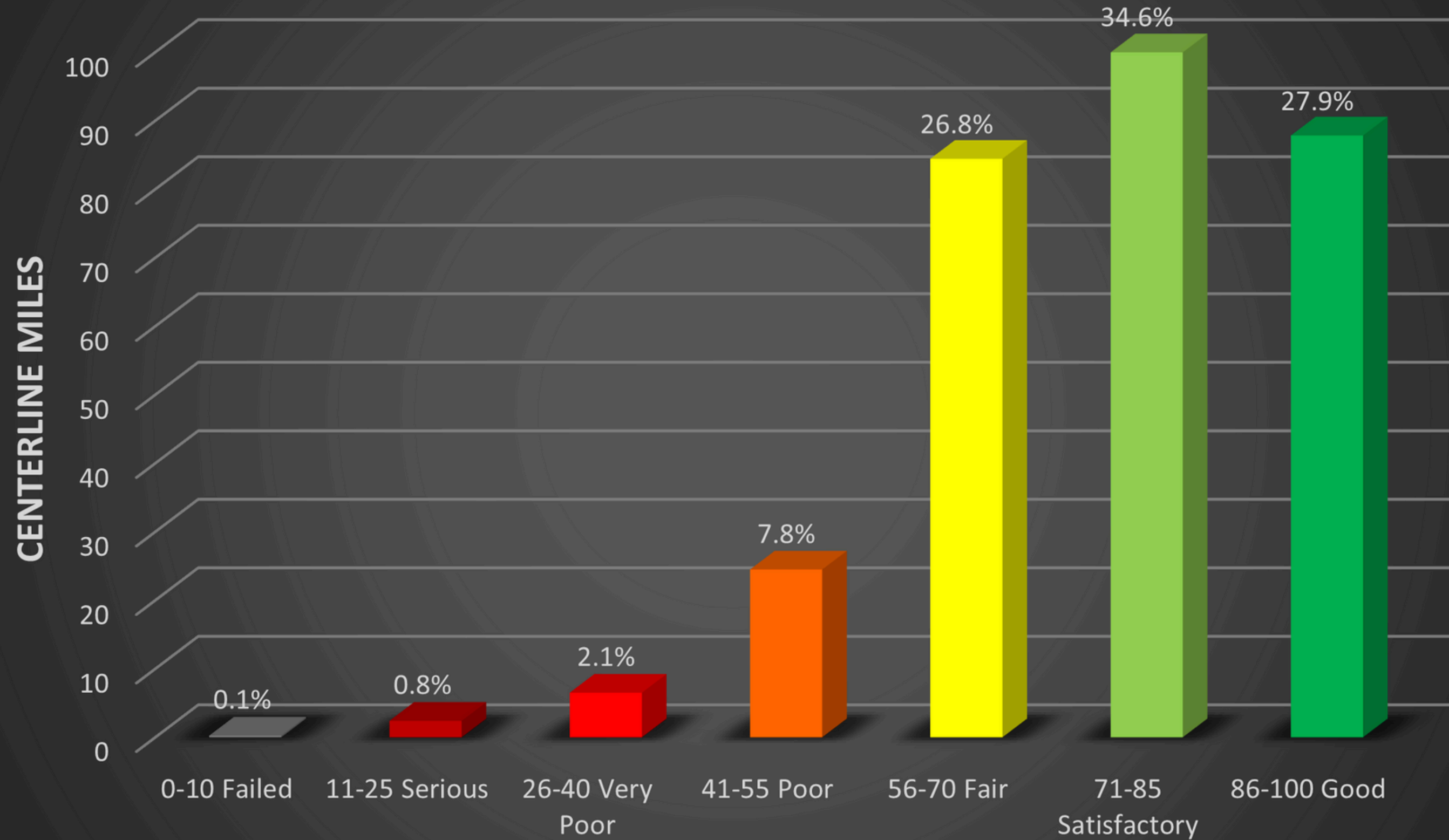


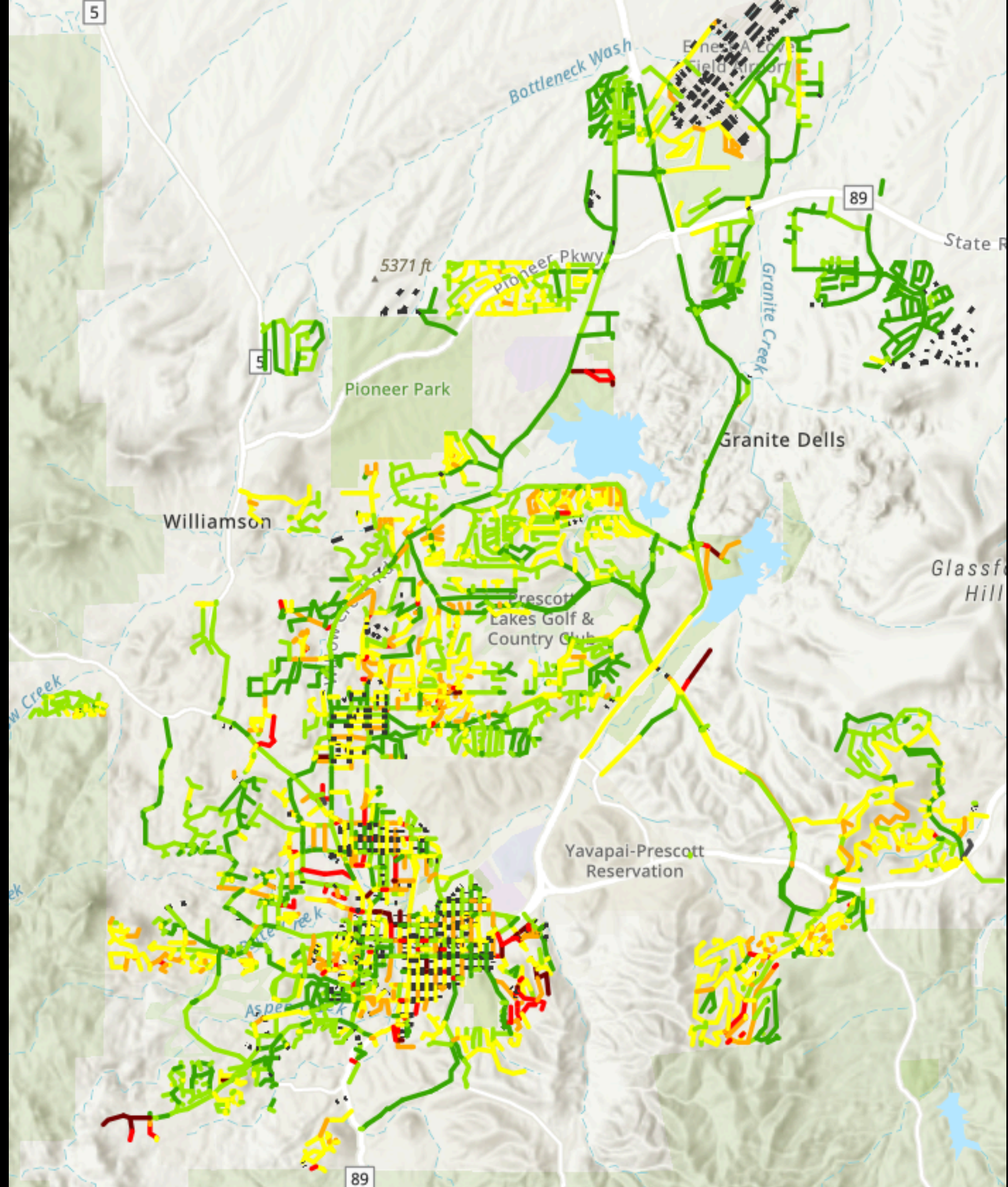
Pavement Condition – Good

PCI – 86–100



PCI Current







W. Merritt St.



Meadowridge Rd.



Rim Trail



E. Gurley St



Whipple St.

QUESTIONS



TO: MAYOR AND CITY COUNCIL
AGENDA: March 11 Study Session
DATE: March 11, 2025
DEPT: Community Development
ITEM #: 3.B
SUBJECT: Presentation & Discussion Regarding the Prescott Lakes Planned Area Development Master Plan and Development Agreement.

ITEM SUMMARY

This item is for a presentation and discussion regarding the Prescott Lakes Planned Area Development Master Plan and Development Agreement.

BACKGROUND

The Prescott Lakes Planned Area Development is a beautiful community at the heart of Prescott. As with many other developments, this community is subject to a Master Plan and Development Agreement ("DA") with the City of Prescott. At Council's direction to staff, this presentation will walk Council through some of the features of the DA, including the current density and water calculations, as well as processes that new projects are subject to within the DA and current City Code.

FINANCIAL IMPACT

There is no fiscal impact associated with this item at this time.

RECOMMENDED ACTION

This item is for discussion only. No formal action will be taken.

ATTACHMENTS

1. Prescott Lakes - Amended & Restated Development Agmt - Sept 2004
2. PLCA Density and Water Contract Tracking as of 2.28.25
3. Prescott Lakes DA & Master Plan Presentation

CONFORMED COPY

REC. DATE 9-21-04

AMENDED AND RESTATED

BK 4189 PG 338

DEVELOPMENT AGREEMENT

This Amended And Restated Development Agreement ("Agreement") is entered into to be effective as of Sept. 21st, 2004 by and among the City of Prescott ("City"), PL Custom Investors L.L.C., an Arizona limited liability company ("Custom"), PL Parcel Investors L.L.C., an Arizona limited liability company ("Parcel"), PL Developer I L.L.C., an Arizona limited liability company ("Developer"), Prescott Lakes/DeCima 163, L.L.C., an Arizona limited liability company ("DeCima"), Prescott Lakes Golf Club, L.L.C., an Arizona limited liability company ("PL Golf"), EFO/PL Investors, L.L.C., an Arizona limited liability company ("EFO/PL"), SDC Prescott, L.L.C., an Arizona limited liability company ("SDC") and Prescott Lakes Community Association ("Association"). Custom, Parcel, Developer and DeCima are sometimes referred to herein collectively as the "Developer Parties".

This Agreement supercedes and replaces, in its entirety, Development Agreement No. 02-207 governing development within the Prescott Lakes master planned community ("Prescott Lakes") located in the City of Prescott, which was recorded in the Official Records of Yavapai County, Arizona at Book 3969, Page 462 on October 24, 2002, as amended by that certain Amendment No. 1 to Development Agreement dated May 15, 2003 and recorded on May 19, 2003 in the Official Records of Yavapai County, Arizona at Book 4032, Page 997 (as amended, the "Superceded Agreement"). It is the intent of the parties to this Agreement that the Superceded Agreement (and all prior development and other agreements that were superceded and replaced by the Superceded Agreement) shall be deemed fully replaced and superceded by this Agreement and shall no longer be deemed to have any effect on title to property within Prescott Lakes and that all title companies dealing with Prescott Lakes (or applicable portions thereof) shall identify this Agreement as the only Development Agreement affecting title to property within Prescott Lakes.

RECITALS

- A. The City and the Developer Parties wish to consolidate and restate the Superceded Agreements in order to address the following needs:
 1. Certain of the obligations of the Developer Parties, SDC's predecessor and the City under the Superceded Agreement have, as of the date of this Agreement, been performed and satisfied without there being any recorded notice of such performance and satisfaction. The parties desire to provide clarity for third party purchasers of property within Prescott Lakes as to the remaining obligations to be performed by the parties to this Agreement with respect to Prescott Lakes.
 2. The revised Master Plan, a copy of which is attached hereto as Exhibit "A-1" reflects recent land planning modifications, approval of which was conditioned on certain amendments to the Superceded Agreement and which are incorporated

into this Agreement. Supplemental Exhibits A-2, A-3 and A-4 reflect the related Conceptual Phasing Plan, Slope Analysis and Typical Setbacks for the SDC Property and the EFO/PL Property.

3. SDC has acquired the right to acquire, develop and market residential subdivisions within approximately 177.5 acres within Prescott Lakes, and EFO/PL has acquired the right to acquire, develop and market new residential subdivisions within approximately 53 acres within Prescott Lakes.
4. Finally, as a result of ongoing development and construction activity within Prescott Lakes, various rights and responsibilities under the Superseded Agreement require minor adjustment.

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows.

AGREEMENT

ARTICLE 1

Definitions

Current Ownership/ Control Map shall mean the map appearing at Exhibit "B" hereto and reflecting those portions of Prescott Lakes currently owned or controlled by the parties to this Agreement.

Custom shall mean PL Custom Investors L.L.C., an Arizona limited liability company, and its successors and assigns.

Custom Property shall mean that property currently owned by Custom as reflected on the Current Ownership/ Control Map.

DeCima shall mean Prescott Lakes/DeCima 163, L.L.C., an Arizona limited liability company, and its successors and assigns.

DeCima Property shall mean that property currently owned by DeCima as reflected on the Current Ownership/ Control Map.

Developer shall mean PL Developer I L.L.C., an Arizona limited liability company, and its successors and assigns.

Developer Parties Property shall mean, collectively, the Custom Property, DeCima Property, Developer Property and Parcel Property.

Developer Property shall mean that property currently owned by Developer as reflected on the Current Ownership/ Control Map.

EFO/PL shall mean EFO/PL Investors, L.L.C., an Arizona limited liability company and its successors and assigns.

EFO/PL Property shall mean the real property controlled by EFO/PL as reflected on the Current Ownership/ Control Map.

General Provisions shall mean the general provisions described in Paragraph 2.1 hereof which constitute the general rights and obligations affecting all properties within Prescott Lakes.

Master Plan shall mean the Master Plan for Prescott Lakes approved by the City Council concurrent with its approval of this Agreement constituting an integrated Master Plan under the City's planned area development ordinance, a copy of which is attached hereto as Exhibit "A". The Master Plan shall remain subject to modification prior to or concurrent with the City's approval of future subdivision plat or area specific site plans that contemplate land uses permitted under existing zoning but not specifically referenced on the Master Plan.

Parcel shall mean PL Parcel Investors L.L.C., an Arizona limited liability company, and its successors and assigns.

Parcel Property shall mean that property currently owned by Parcel as reflected on the Current Ownership/ Control Map.

Previously Superseded Agreements shall mean those development and other agreements affecting Prescott Lakes which were superseded and replaced by the Superseded Agreement, a list of which appears on Exhibit "C" attached hereto.

SDC shall mean SDC Prescott, L.L.C., an Arizona limited liability company and its successors and assigns.

SDC Property shall mean the real property owned by First American Title Insurance Company Trust # 4999 and controlled by SDC and EFO/PL as the beneficiaries of such trust, as reflected on the Current Ownership/ Control Map.

Superseded Agreement shall mean the Development Agreement No. 02-207 recorded in the Official Records of Yavapai County, Arizona at Book 3969, Page 462 on October 24, 2002, as amended by that certain Amendment No. 1 to Development Agreement dated May 15, 2003 and recorded on May 19, 2003 in the Official Records of Yavapai County, Arizona at Book 4032, Page 997.

ARTICLE 2

Scope of Agreement

The Current Ownership/ Control Map appearing at Exhibit "B" reflects those portions of Prescott Lakes currently owned by each of the parties to this Agreement. This

Agreement shall relate to all property reflected on the Master Plan subject to the following limitations:

- 2.1 General Provisions. All owners of property within Prescott Lakes (whether such property was acquired before or after the date of this Agreement) shall be subject only to the following Articles and paragraphs of this Agreement: Article 1, Article 3, Paragraph 4.1, Article 6, paragraph 8.1, and Article 9 (collectively, the "General Provisions"). In addition to the General Provisions, the Developer Parties, PL Golf, SDC and EFO/PL shall be subject to the specific provisions relating to their respective properties and more specifically identified in this Article II, with the understanding that all financial, property dedication and other obligations of the Developer Parties (or any one or more of them), PL Golf, EFO/PL and SDC hereunder shall not constitute a lien or claim against the property of such other owners, except to the extent that any such obligation(s) are specifically assumed by any such owner in writing. Notwithstanding the above reference to Article 3, all rights to the use and enjoyment of Unused Density (reference paragraph 3.4) and Density Transfers (reference paragraph 3.9) shall be reserved exclusively to the Developer Parties, EFO/PL and Developer (and any specific assignees of such parties) in accordance with paragraph 3.6, but subject to the limitations in favor of SDC in paragraph 3.14. Notwithstanding anything herein to the contrary, upon the sale of a residential or commercial unit within the Prescott Lakes to an end user, such residential or commercial unit shall automatically be released from the encumbrance of this Agreement, without the necessity of executing or recording any instrument of release. Any title insurer may rely on the immediately preceding sentence when issuing any commitment to insure or when issuing any title policy in connection with the sale of any such residential or commercial unit.
- 2.2 Developer Parties Property. The Developer Parties Property shall be individually (but not jointly and severally) subject to (a) the General Provisions with respect to all property owned by the individual Developer Party, and (b) those other obligations specifically undertaken by each such Developer Party hereunder; provided, however that the Developer Parties shall be jointly and severally liable for the obligations set forth in paragraph 8.2 below.
- 2.3 SDC Property. The SDC Property shall be subject to the General Provisions described above and the conditions and requirements set forth in paragraphs 4.2, 4.4, 8.1, 8.2, 8.3, and 8.7.
- 2.4 EFO/PL Property. The EFO/PL Property shall be subject to the General Provisions described above and the conditions and requirements set forth in paragraphs 4.4, 8.1, 8.2, 8.3, and 8.7.

ARTICLE 3

Zoning, Density and General Entitlements

- 3.1 Consistency With General Plan. Development of Prescott Lakes as contemplated in the Master Plan (inclusive of development having occurred to date and planned development as reflected on the Master Plan) is consistent with the General Plan for the City as adopted by the Prescott City Council.
- 3.2 Zoning Districts. Development of Prescott Lakes as contemplated in the Master Plan (inclusive of development having occurred to date and planned uses as reflected on the Master Plan) is consistent with the underlying zoning ordinance, as amended in accordance with the Previously Superseded Agreements and the Superseded Agreement; provided that all undeveloped properties remain subject to all generally applicable subdivision, site plan and other approval processes of the City prior to the commencement of development. Pursuant to such underlying zoning, Prescott Lakes is entitled to the permitted density and intensity stipulated pursuant to paragraph 3.4 below. The current zoning districts within Prescott Lakes are more particularly identified and described on the Zoning Map attached hereto as Exhibit "D".
- 3.3 Confirmation of Vesting. The City hereby confirms that the above-referenced zoning categories and permitted density and intensity within Prescott Lakes is, and has been fully vested, from the time of the City's original approval of the applicable Previously Superseded Agreements.
- 3.4 Densities. The maximum permitted density within Prescott Lakes is 3504 units. Notwithstanding the foregoing, the City is currently committed to provide water service for no more than 2718 density units within Prescott Lakes. Development and sale of density units in excess of 2718 within Prescott Lakes is subject to the provisions of paragraph 3.11 below. If additional parcels are acquired by the Developer Parties in the future and annexed under this Agreement, the maximum residential density described above will be increased by the pre-existing density associated with such annexed parcels. In no event is the City obligated to provide water service for units in excess of the 2718 without 1) approval by the City of an alternative water supply or 2) the Developer Parties (or their successors) providing an alternate water supply.
- 3.5 Final and Preliminary Plats. The City and Developer Parties hereby acknowledge that (a) the Master Final Plat Map attached hereto as Exhibit "E-1" accurately reflects all final plats presently approved and of record against residential portions of Prescott Lakes, (b) the Master Preliminary Plat Map attached hereto as Exhibit "E-2" accurately reflects all of the preliminary plats originally approved by the City within Prescott Lakes that have not yet been converted to final plats, and (c) the Density Reconciliation Schedule attached hereto as Exhibit "E-3" accurately reflects the original and remaining densities not yet subject to final plats within Prescott Lakes (inclusive of unused densities from preliminary plats that have been replaced by final plats). The maximum residential density permitted within Prescott Lakes, including 2718 units reflected on the preliminary plats originally approved by the City ("Pre-Platted Density"), and an additional 786 units under the Previously Superseded Agreements ("Additional Density") is a total of 3504 units ("Approved Density"). At any time during the term of this Agreement, the term "Unused Density" shall be

calculated as the difference between Approved Density and the number of platted units at such time under approved and recorded final plats plus any multi-family units not specifically reflected on a plat. As of the date of this Agreement, Unused Density (as calculated pursuant to Exhibit "E-3") is 2293 units.

- 3.6 Unused Density. Developer (and any specific assignee of Developer) shall have the right to utilize Unused Density in connection with the final platting of properties within Prescott Lakes which currently remain the subject of preliminary plats or any portion of Prescott Lakes that is not currently subject to a preliminary plat, subject to the availability of water service through either (a) the unused portion of the City's commitment under paragraph 3.11 below to the extent permitted by the DWR Order described in paragraph 3.11 as the same may from time to time be amended, or (b) an alternative supply provided by the Developer Parties or their successors, or the City.
- 3.7 Time Frame For Final Plat Approvals. Notwithstanding anything herein to the contrary, with respect to all portions of Prescott Lakes which remain the subject of preliminary plats as of the date of this Agreement, the Developer Parties, EFO/PL and SDC shall have until no later than October, 2012 to file with the City for approval of final plats. So long as there are at least 350 units of Unused Density at the end of such 99 month period, then such 99 month period shall be automatically extended for an additional sixty (60) months and Unused Density shall be permanently reduced by 350 units.
- 3.8 City Processing of Final Plats. Based on the updated Master Plan adopted pursuant to this Agreement, the Developer Parties and their successors may move directly to final platting through the City Council of any property within Prescott Lakes currently subject to preliminary plats previously approved by the City. If any proposed final plat is not in general conformance with the related area on the Master Plan, prior to submittal of such plat to the City, the City shall be provided with an update to the Master Plan reflecting the new layout of the area at issue, a plan reflecting the layout of the proposed subdivision and such other materials as are typically provided in connection with a preliminary plat submittal. Notwithstanding the foregoing, a Master Plan amendment will be required for the residential and commercial areas designated on the Master Plan as "mixed use" areas prior to proceeding to final plats for any residential development therein. The City agrees that it shall not unreasonably withhold its approval of any final plat so long as the density requirements set forth herein are satisfied, and the subject final plat is otherwise in conformance with then existing City subdivision and all other applicable regulations, and to the extent any such plat increases overall density within Prescott Lakes to a number in excess of 2718, the City has committed to providing water service in accordance with paragraph 3.11 below or the developer has independently acquired an alternate water supply.
- 3.9 Final Plat Density. A final plat that otherwise complies with the City's subdivision regulations shall be approved only if (I) either (a) the density reflected on such final plat does not exceed the density approved in the underlying preliminary plat (subject to any adjustments permitted under paragraph 3.10 below), or (b) any excess density

reflected on the final plat (as compared with the underlying preliminary plat) is offset (through a written notice from Developer) by a corresponding reduction the Unused Density then existing within Prescott Lakes ("Density Transfer"), and (II) water service for all lots on the plat is available through either (a) the unused portion of the City's commitment under paragraph 3.11 below, or (b) an alternative supply provided by the Developer Parties or their successors. No density transfers are available involving units on final plats that have been recorded as of the date of this Agreement.

3.10 Final Plats Covering Multiple Preliminary Plats. At any time a final plat filed with the City for approval covers property that includes all or portions of two or more of the existing preliminary plats, the density permitted under the final plat to be approved by the City shall not exceed the average per acre densities otherwise permitted on those portions of the associated preliminary plats that are being final platted, subject however to any permitted Density Transfer under paragraph 3.9 above. The foregoing sentence shall be subject to the reasonable interpretation of the City Council at the time any such final plat is considered for approval.

3.11 City As Water Service Provider. The City hereby acknowledges and confirms that pursuant to a Decision And Order of the Director of the Arizona Department of Water Resources issued under number AWS-99-002 (the "DWR Order") the City is the designated provider of potable water to all subdivisions within Prescott Lakes with physical availability of water as verified by the ADWR pursuant to a Letter dated August 11, 1998, and is committed to provide water service pursuant to the DWR Order up to a maximum residential density in Prescott Lakes of 2718 units. The City further acknowledges and agrees that the 2718 units of water service to be provided by the City is transferable within Prescott Lakes as an adjunct to any density transfers within Prescott Lakes as contemplated under paragraph 3.9 above. A copy of the pertinent water related documents is attached at Exhibit "I". In addition, the City hereby agrees to consider providing water service from alternative sources for up to an additional 786 units, representing the difference between the 2718 units committed by the City pursuant to the DRE Order and the Approved Density of 3504 units permitted pursuant to this Agreement as and when final platted density within Prescott Lakes surpasses 2718, provided that such consideration by the City shall be in accordance with all standards then applicable to other proposed subdivisions within the City, and that ultimate water service for such additional density can not be guaranteed.

3.12 Phased Development. Development within Prescott Lakes has been, and may continue to be, done in phases, and issuance of permits for individual phases shall be as approved by the City.

3.13 Development In Accordance with Master Plan and this Agreement. All development activity within Prescott Lakes shall be in accordance with the Master Plan and this Agreement. In the event of any conflict between the terms of this Agreement and the Master Plan, this Agreement shall be controlling. So long as it is platted in general conformance with the Master Plan, the SDC Property shall be

governed by the City's current PAD and Hillside regulations and shall not be subject to the City's new Land Development Code.

- 3.14 Densities Associated with SDC Property. Notwithstanding anything in paragraphs 2.1, 3.5, 3.6 or 3.7 to the contrary, SDC's proportionate share of residential density represented on the existing Master Plan (650 units in the aggregate) shall not be the subject of any density transfer by the Developer Parties except as to any Unused Density associated with the SDC Property after all subdivisions to be created within the SDC Property have been final platted. Prior to final platting of all such subdivisions ("SDC Subdivisions"), any Unused Density associated with such SDC Subdivisions as have been final platted shall be available solely for the use of SDC vis-à-vis those SDC Subdivisions that have not been final platted.
- 3.15 SDC Water Entitlement. The City has concurrently issued an Agreement for Potable Water to SDC ("SDC Water Letter") pursuant to which the City has agreed to provide water service for up to 650 units on the SDC Property. Such 650 units are a part of the 2718 units committed to by the City pursuant to paragraph 3.11 above. Notwithstanding anything herein to the contrary, the 650 units of water service reserved to SDC under the SDC Water Letter shall not be subject to transfer by the Developer Parties except as to any water service entitlements remaining after final platting of all of the SDC Subdivisions.
- 3.16 Open Space Accounting. All City Parks and trails (including, without limitation, the "Public Park", "Vista Park", "Vista Trail", "Soft trails" and "Trail System), golf, and park areas located within Prescott Lakes, whether created by easement, subdivision plat or map of dedication, shall be accounted for in the aggregate in satisfaction of the 20% open space requirements for Prescott Lakes or any portion thereof.
- 3.17 Open Space Status. Other than open space dedications specifically required by this Agreement, the Master Plan or applicable parcel design guidelines administered by the Association, SDC has no obligation to dedicate open space with respect to the SDC Property.

ARTICLE 4

Project Amenities

- 4.1 Public Access To Trail System. Public access and use will be allowed to any and all public rights of way and the trail system within Prescott Lakes; provided that the Association may in its discretion prohibit public access to that portion of the trail system lying within gated portions of Prescott Lakes from dusk to dawn. Subject to the foregoing limitations, Custom and the Association will grant pedestrian access to Prescott Lakes' internal trail system to subdivisions lying south of The Estates Subdivision through the pedestrian gate located at the entrance to the Estates off of South Blooming Hills Drive and through the adjacent Northridge Drive right-of-way.

4.2 Softtrail System. Developer Parties, SDC and EFO/PL (or their respective successors-in-interest to property which they currently own or control) shall provide easements for the softtrail system within Prescott Lakes in accordance with Exhibit "F" attached hereto, as final plats are approved, or within twelve (12) months following written notice by the City to Developer Parties, SDC and EFO/PL that the City intends to commence construction of such softtrail system. To the extent such softtrails can not be placed in existing rights-of-way (or associated landscape easement areas), such easements shall be contiguous to existing right-of-way and shall not be in excess of 10 feet in width. Notwithstanding the foregoing, (a) the softtrail adjacent to Sarafina Drive shall not be dedicated until the final alignment of Sarafina Drive is dedicated pursuant to a final subdivision plat, and portions of such soft trail may be located within the power line alignment running parallel to Sarafina Drive, and (b) softtrails along Blooming Hills Drive adjacent to established subdivisions shall be in the existing right-of-way. It shall be solely the responsibility of the City to construct and maintain such softtrails.

4.3 Petroglyph Parks; Impact Fees. The City and the Developer Parties acknowledge that all prior obligations with respect to development of Petroglyph Parks, connecting trail systems and related sign packages within Prescott Lakes have been fully satisfied by the Developer Parties and that all cost reimbursement obligations of the City with respect to the Petroglyph Parks have been fully satisfied, and that the only ongoing obligation under this Agreement with respect to the Petroglyph Parks is that of the Association to maintain the Petroglyph Parks and connecting trail systems at its expense for public use.

4.4 Public Parks. The City and EFO/PL and SDC (or their respective successors-in-interest to property which they currently own or control), with the active involvement of the Association shall cooperate in the planning, development and construction of certain public park facilities and trails as depicted on the Master Plan as the "Public Park", the "Vista Park" and the "Vista Trail" (collectively, the "Public Park Facilities"); provided that such cooperation shall be at no cost to SDC or the Association other than the agreed-to dedications. The City acknowledges that dedication of the Public Park as required pursuant to the Superseded Agreement has been completed. Dedication of the Vista Park and Vista Trail, and planning, development and construction of the Public Park Facilities, and the subsequent use and maintenance of such Public Park Facilities shall be governed by the following provisions of this paragraph 4.4.

- a. Dedications. EFO/PL shall cause the Vista Park to be dedicated to the City within thirty (30) days following the date of this Agreement. SDC shall, concurrent with the platting of the surrounding property, dedicate, and the City shall accept, the acreage for the Vista Trail and a foot trail between the Vista Park and the Public Park as well as a foot trail leading from the Vista Park and connecting with the existing internal trail system within Prescott Lakes. The anticipated location of the Vista Trail and connecting trails are reflected on the Master Plan, with the final location subject to approval by the City Parks and Recreational Department. The City acknowledges and agrees that public access to the Vista Park shall not

be made available until the foregoing trails have been dedicated in the manner set forth above.

- b. Park Plan and Construction. The City has completed the final plan for the Public Park Facilities, (hereinafter referred to as the "Park Plan"). Final architectural and engineering drawings, however, will not be completed until prior to going to bid for the improvements. The City shall commence construction of, and diligently pursue to completion, the improvements within the Public Park Facilities as set forth in the Park Plan by no later than twenty four (24) months following construction of an approved public road providing public access to the Public Park (anticipated to be Sarafina Drive) whether first completed from the north or south. Notwithstanding the foregoing, the City may delay construction of the Vista Park and associated trails beyond such 24 month period if dedication of the Vista Park and trail area to the City (which is to occur upon completion of platting of the surrounding property) has not occurred as of the beginning of the aforementioned 24 month period. The length of any such delay beyond the 24 month period shall equal the amount of time elapsing between the beginning of the 24 month period and the date on which the Vista Park and related trail are actually dedicated to the City through recording of a final plat for the surrounding area.
- c. Public Park Lighting. The Public Park's development will include diffused lighting at levels no brighter than three (3) foot candles except for the area directly within the covered Ramada, it being the intent of this provision to not allow organized outdoor evening athletic events. All lighting will conform to all City Dark Sky Ordinances.
- d. Parking Area. The City shall provide within the Public Park, parking to serve the Vista Park and Vista Trail as part of the park improvements to be completed per subparagraph b. above. The City agrees that upon development of a parking area at the Public Park lighting installed within such parking lot shall be limited to ground diffused safety lighting and otherwise compatible with the existing design criteria prohibiting overhead lighting on interior streets within Prescott Lakes.
- e. Vista Park and Vista Trail Construction. No portion of the Vista Park or Vista Trail shall be lighted. The Vista Trail shall be constructed with natural materials and shall be unpaved. All existing vegetation within the dedicated alignment for the Vista Trail shall be preserved to the greatest extent possible.
- f. Vista Park And Vista Trail Use. Irrespective of the date of the dedication of the Vista Park to the City, the Vista Park shall not be open to public use until the Pinnacle III subdivision is completed and has received an Approval to Operate from the City. The Vista Park and Vista Trail shall be open to the public only between dawn and dusk, except when users receive prior written permission from the City's Parks and Recreation department. Group use of the Vista Park and Vista Trail shall be prohibited by the City except by prior reservation and

permission from the Parks and Recreation department. Alcohol use, fires (including charcoal) and amplified music shall be prohibited.

g. Public Park Use. The hours of operation for the Public Park constructed pursuant to the Park Plan shall be in accordance with park use rules and regulations of the City Parks and Recreation Department.

h. Park Fencing. All fencing located within park and trail system areas will be compatible with the fencing utilized within the Prescott Lakes subdivision adjacent to such areas.

4.5 Access to and use of Petroglyph Parks. The Petroglyph Parks and connecting trail system shall remain open to the public at no charge, at all times and under the same conditions as set forth with respect to the Vista Park in paragraph 4.4.f above, and shall be maintained by the Prescott Lakes Community Association in association with the Sharlot Hall Museum.

4.6 Golf Course. The golf course planned for Prescott Lakes has been completed and open for play since July, 2000. The golf course is operated as a private members club, pursuant to membership documents that provide for use by the members, as well as members of the Athletic Club (as Social members of the Prescott Lakes Golf Club) and users of any future resort(s) developed within Prescott Lakes, and participants in pre-booked special events, tournaments and group play.

4.7 Lakes. In consideration of the City's provision of effluent to Custom under a separate Effluent Sales Agreement for the maintenance of lakes and the golf course in Prescott Lakes, PL Golf agrees that it shall not prohibit public access to the shorelines of those lakes located contiguous to the south side of Smoketree Lane or the west side of Prescott Lakes Parkway; provided that PL Golf shall not be prohibited from posting signage warning that the lakes contained reclaimed water and as otherwise may be required by any applicable law or regulation, and further shall not be prohibited from restricting (to the extent it comes to PL Golf's attention) boating, swimming or other human contact with the effluent in the lakes, whether or not such restrictions are required by any applicable law or regulation.

ARTICLE 5

Sewer and Water Reimbursement Districts

All major sewer and water mains, lift stations and the like serving Prescott Lakes have been constructed in accordance with the Superseded Agreements and accepted by the City. Subsequent to completion of these facilities the City and Custom entered into the Water Service Reimbursement Agreement District #146 on March 15, 2001 between the City of Prescott and PL Custom Investors L.L.C., and the Sanitary Sewer Reimbursement Agreement District #87 on March 15, 2001 between the City of Prescott and PL Developer I L.L.C. (collectively, the "RDA's"). The RDA's are not part of the Previously Superseded Agreements and shall continue in full force and effect as stand-

alone obligations of the City and Custom and Developer separate and apart from this Agreement and are hereby ratified and affirmed in full. Land within Prescott Lakes is not subject to assessment or levy under the RDA's.

ARTICLE 6

Dedications

Except as expressly contemplated pursuant to paragraphs 4.2 (softtrails), 4.4.a and 8.2 herein, the City acknowledges that all dedications contemplated by the Superceded Agreement have been completed as of the date of this Agreement and that no further dedication requirements are imposed upon the Prescott Lakes property other than dedications of public streets and utility easements as part of future subdivision plat approvals by the City.

ARTICLE 7

Intentionally Omitted

ARTICLE 8

Roadways And Traffic Control

8.1 Private Streets; Public Streets. The Developer Parties, EFO/PL and SDC (as to the SDC Subdivisions) shall have the right (subject to the following sentence) to construct private streets within Prescott Lakes in accordance with normally applicable City specifications and requirements and consistent with improvements in prior phases within Prescott Lakes for such private streets. Notwithstanding the foregoing, Prescott Lakes Parkway, Smoke Tree Lane, and Blooming Hills Drive, all of which are reflected on the Master Plan and have been completed, accepted by the City and dedicated as public streets. In addition, Sarafina Drive as reflected on the Master Plan shall, as and when constructed, be dedicated public streets. Any private streets developed in accordance with the foregoing may at the discretion of the applicable Developer Party, EFO/PL or SDC (as to the SDC Subdivisions) include access control gates, subject to normally applicable City specifications and requirements for the same.

8.2 Sarafina Drive. Concurrent with the commencement of development work within the area reflected as containing Sarafina Drive on the Master Plan, but in no event later than December 31, 2007, SDC (or in the event SDC elects not to develop such area, EFO/PL or its successor to such area) shall complete construction of Sarafina Drive within the Property, and shall post financial assurances upon commencement of such construction ("Sarafina Improvements"). If by December 31, 2006 Sarafina Drive has not been improved to the point on the northern edge of Prescott Lakes (the terminus of the Sarafina Improvements to be constructed hereunder), the December 2007 deadline set forth above may be extended by action of the City Council or administrative action by the City Manager so as to provide that the Sarafina Improvements are completed hereunder no later than completion of the Sarafina

Drive improvements to the north of Prescott Lakes. The Sarafina Improvements shall be constructed to City standards for residential streets (minimum fifty (50) foot right-of-way), and shall include pavement thirty two (32) feet in width, striped on each side to accommodate bicycle use, a seven (7) foot wide sidewalk (hard trail), and appropriate pavement transitions and turning lanes as may be applicable to meet then applicable City standards. The Sarafina Improvements need not be constructed within the exact alignment reflected on the Master Plan so long as the Improvements, as constructed, provide direct connectivity from Smoketree Lane to a point contiguous to the northwest corner of the Cottages at Prescott Lakes subdivision (adjacent to the Public Park). In the event Sarafina Drive will not be constructed within the alignment reflected in the Master Plan, the final alignment of Sarafina Drive shall be subject to the City Council's approval as part of its approval of the map of dedication or subdivision plat through which Sarafina Drive will be legally dedicated.

8.3 Right-of-Way Acquisition. If a Developer Party, EFO/PL or SDC or other owner of undeveloped property within Prescott Lakes is unable to obtain right of way as required for placement of public roads, sewer and water lines and utilities along alignments acceptable to the City, said party (an "Acquiring Party") may obtain, at its expense, an appraisal or appraisals (the "Appraisal"), by an appraiser designated by the City, for condemnation purposes of said rights of way, and shall tender to the City a sum equivalent to the value of the property or properties to be condemned, together with any contemplated severance damages as a result thereof, as reflected in the Appraisal. The City shall thereafter pursue condemnation proceedings for said rights of way. The City shall pursue such condemnation proceedings to judgment unless an offer of settlement for an amount equal to or less than the Appraisal is received and accepted by the City, or unless an offer of settlement for an amount greater than the Appraisal acceptable to the City and the Acquiring Party is received and accepted by the City and paid by the Acquiring Party. In the event there are monies remaining as a result of such settlement, said monies shall be returned to the appropriate Acquiring Party. In the event there are monies remaining after final judgment of the foregoing condemnation or condemnations, said monies shall be returned to the Acquiring Party. In the event that said monies are insufficient to pay for all damages reflected in the judgment in said condemnation action or actions, the Acquiring Party shall, within thirty (30) days following demand therefore by the City, tender the balance thereof to the City. The Acquiring Party shall be responsible for any and all costs associated with said condemnation or condemnations.

8.4 Road Construction and Cost Contributions. Except as provided in paragraphs 8.2 above, all major roadway construction and related improvements within Prescott Lakes required under the Superceded Agreement and the Previously Superceded Agreements have been completed, and any and all cost contribution or cost sharing arrangements contemplated under the Superceded Agreement have been satisfied, including without limitation the Developer Parties' \$250,000 contribution toward the cost of the SR89 and Prescott Lakes Parkway intersection and the Developer Parties' obligation to construct softtrails within the landscape easement on the north side of

Smoketree Lane and the obligation to install Blooming Hills Drive and South Blooming Hills Drive landscaping.

8.5 SR69 – SR89 Connector. The City has designated its new connector from SR 69 to SR 89 at its intersection with the current Prescott Lakes Parkway as "Prescott Lakes Parkway". The City hereby agrees that upon any change in the name of the foregoing Parkway prior to January 1, 2101, the maintenance obligations of the Association set forth in paragraph 8.6 below shall terminate and have no further force or effect, and shall thereafter be undertaken and performed by the City.

8.6 Association Responsibility for Major Roadways. The Prescott Lakes Community Association agrees that it will be responsible for the landscape maintenance (including but not limited to tree-trimming, pruning, plant maintenance, replacement and watering and weed removal and mowing) within the medians, and the landscape easements adjacent to Prescott Lakes Parkway from SR 89 to Willow Lake Road, Smoke Tree Lane from Prescott Lakes Parkway to Stoney Creek on the western end of Prescott Lakes, and Blooming Hills Drive and South Blooming Hills Drive from Prescott Lakes Parkway to the southern boundary of Prescott Lakes, which such obligation to continue until January 1, 2101 or until earlier terminated pursuant to the preceding paragraph. The City will remain responsible for all roadway, curb and gutter maintenance, reconstruction and traffic control within the foregoing public rights of way, but shall not be responsible for the above described landscape maintenance in the event the Association fails to fulfill its obligations pursuant to this paragraph. In addition, upon such an Association default, the City shall have no further obligation under paragraph 8.5 above.

8.7 Traffic Control Signs. The parties hereto acknowledge that Prescott Lakes has installed customized street name and traffic control signs (and poles), which exceed the cost of those signs currently utilized by the City of Prescott. Subject to receiving prior approval from the City Public Works Director, the Association, the Developer Parties, EFO/PL or SDC may replace and/or install such street name and traffic control signs (and poles) within Prescott Lakes. Said signage must comply with the MUTCD. The City of Prescott shall reimburse the Association, SDC, the Developer Parties or EFO/PL for the replacement and/or installation of any such traffic control signs approved by the Public Works Director, based upon the cost to the City of its standard signage and the costs to the City to install said signage. In the event that the City requires additional signage, it will provide the Association thirty (30) days' notice of the requirement to install such additional signage. If the Association elects to install such additional signage, it will be entitled to reimbursement pursuant to this paragraph. In the event the Association elects not to install such additional signage within thirty (30) days, then the City may elect to install such additional signage, said signage to be in accordance with signage then being utilized by the City.

ARTICLE 9

General

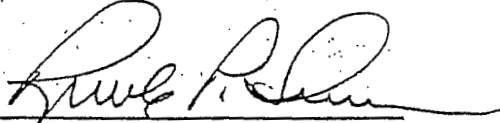
- 9.1 Pursuant to A.R.S. Section 38-511, the City of Prescott may cancel this agreement, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting or creating the agreement on behalf of the City is, at any time while the agreement or any extension of the agreement is in effect, an employee or agent of any other part to the agreement in any capacity or a consultant to any other party of the agreement with respect to the subject matter of the agreement. In the event of the foregoing, the City of Prescott further elects to recoup any fee or commission paid or due to any person significantly involved in initiating, negotiating, securing, drafting or creating this agreement on behalf of the City of Prescott from any other party to the agreement arising as a result of this agreement.
- 9.2 That each of the Developer Parties, EFO/PL, SDC, the Association and the City agree to indemnify and hold harmless the other and their respective departments and divisions, employees and agents, from any and all claims, liabilities, expenses or lawsuits as a result of the indemnifying party's maintenance responsibilities described in this Agreement, whether said claims, liabilities, expenses or lawsuits arise by the acts or omissions of the indemnifying party or its agents or employees, or whether by the acts or omissions of the indemnifying party's subcontractors, its agents or employees.
- 9.3 This Agreement is the result of negotiations by and between the parties. Therefore, any ambiguity in this Agreement is not to be construed against either party.
- 9.4 The parties hereto expressly covenant and agree that in the event of a dispute arising from this Agreement, each of the parties hereto waives any right to a trial by jury. In the event of litigation, the parties hereby agree to submit to a trial before the Court. The parties hereto further covenant and agree that in the event of litigation arising from this Agreement, neither party shall be entitled to an award of attorneys fees, whether pursuant to the Contract, pursuant to ARS Section 32-341.01 (A) and (B) or pursuant to any other state or federal statute.
- 9.5 The covenants and conditions herein contained shall apply to and bind the heirs, legal representatives, personal representatives, successors and assigns of the parties hereto, and shall inure to their benefit.
- 9.6 This Agreement supercedes and replaces, in its entirety, Development Agreement No. 02-207 governing development within the Prescott Lakes master planned community ("Prescott Lakes") located in the City of Prescott, which was recorded in the Official Records of Yavapai County, Arizona at Book 3969, Page 462 on October 24, 2002, as amended by that certain Amendment No. 1 to Development Agreement dated May 15, 2003 and recorded on May 19, 2003 in the Official Records of Yavapai County, Arizona at Book 4032, Page 997 (as amended, the "Superceded Agreement"). It is the intent of the parties to this Agreement that the Superceded Agreement (and all prior development and other agreements that were superceded and replaced by the Superceded

Agreement) shall be deemed fully replaced and superceded by this Agreement and shall no longer be deemed to have any effect on title to property within Prescott Lakes and that all title companies dealing with Prescott Lakes (or applicable portions thereof) shall identify this Agreement as the only Development Agreement affecting title to property within Prescott Lakes.

IN WITNESS WHEREOF, the parties have executed this agreement to be effective as of the date first appearing above.

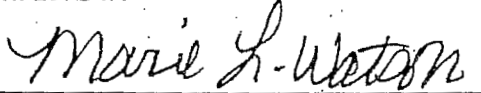
[Signature Blocks Appear On The Following Pages]

THE CITY OF PRESCOTT, A Municipal Corporation



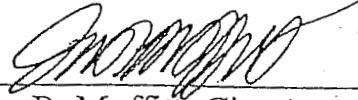
Rowle Simmons, Mayor

ATTEST:



Marie L. Watson, City Clerk

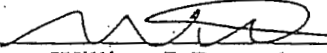
APPROVED AS TO FORM:

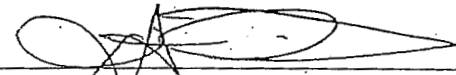


John R. Moffitt, City Attorney

PL CUSTOM INVESTORS L.L.C.
an Arizona limited liability company,

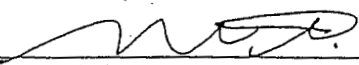
By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

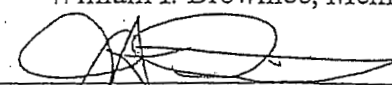
By: 
William I. Brownlee, Member

By: 
Jeffrey A. Davis, Member

PL PARCEL INVESTORS L.L.C.
an Arizona limited liability company,

By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

By: 
William I. Brownlee, Member

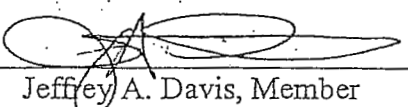
By: 
Jeffrey A. Davis, Member

PL DEVELOPER I L.L.C.

an Arizona limited liability company,

By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

By: 
William I. Brownlee, Member

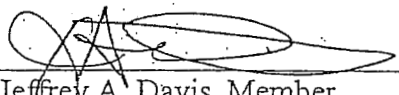
By: 
Jeffrey A. Davis, Member

PRESCOTT LAKES/DECIMA 163 L.L.C.

an Arizona limited liability company,

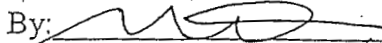
By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

By: 
William I. Brownlee, Member

By: 
Jeffrey A. Davis, Member

EFO/PL INVESTORS, L.L.C.
an Arizona limited liability company,

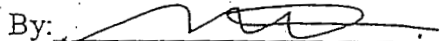
By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

By: 
William I. Brownlee, Member

By: 
Jeffrey A. Davis, Member

PRESCOTT LAKES GOLF CLUB, L.L.C.
an Arizona limited liability company,

By: M3 BUILDERS, L.L.C., an Arizona
limited liability company, its Manager
By: The M3 COMPANIES, L.L.C., an Arizona
limited liability company, Its Sole Member

By: 
William I. Brownlee, Member

By: 
Jeffrey A. Davis, Member

PRESCOTT LAKES COMMUNITY ASSOCIATION,
an Arizona non-profit corporation

By:  Jeffrey A. Davis
PRESIDENT

SDC Prescott, L.L.C.
an Arizona limited liability company

By: SunCor Development Company,
an Arizona corporation, Sole Member

By: DSBW
Name: DUANE S. BLACK
Title: V.P.

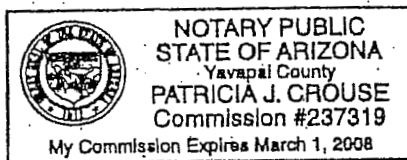
STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI).

The foregoing instrument was acknowledged before me this 29 day of July, 2004 by Rowle Simmons, the Mayor of The City of Prescott, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Patricia Grouse
Notary Public

My Commission Expires:



STATE OF ARIZONA)
) ss.
COUNTY OF Maricopa ~~YAVAPAI~~).

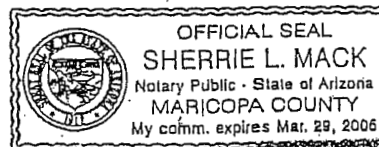
The foregoing instrument was acknowledged before me this 20 day of September, 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of PL Custom Investors, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Sherrie L. Mack
Notary Public

My Commission Expires:

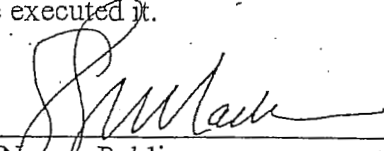
3/29/05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF YAVAPAI)

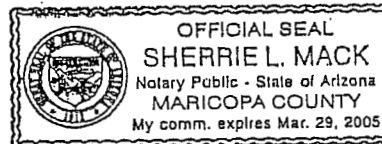
The foregoing instrument was acknowledged before me this 20 day of September 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of PL Parcel Investors, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.



Notary Public

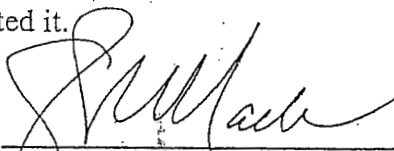
My Commission Expires:
3/29/05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF ~~YAVAPAI~~)

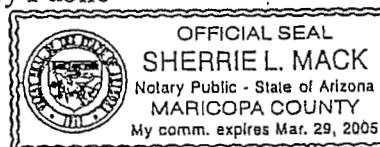
The foregoing instrument was acknowledged before me this 20 day of September 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of PL Developer I, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.



Notary Public

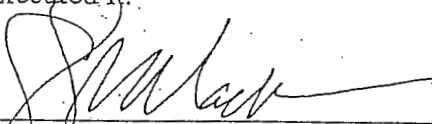
My Commission Expires:
3/29/05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF ~~YAVAPAI~~)

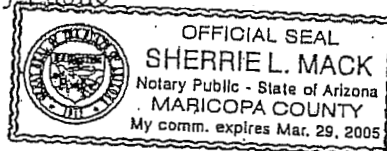
The foregoing instrument was acknowledged before me this 20 day of September 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of Prescott Lakes/DeCima 163, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.



Notary Public

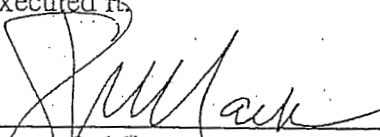
My Commission Expires:
3-29-05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF ~~YAVAPAI~~)

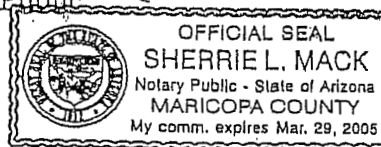
The foregoing instrument was acknowledged before me this 20 day of September 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of EFO/PL Investors, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.



Notary Public

My Commission Expires:
3-29-05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF ~~YAVAPAI~~)

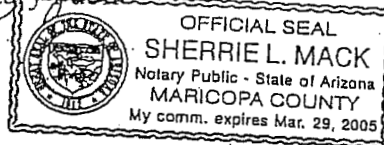
The foregoing instrument was acknowledged before me this 20 day of September 2004 by William I. Brownlee and Jeffrey A. Davis, the Members of The M3 Companies, L.L.C., an Arizona limited liability company, sole member of M3 Builders, L.L.C., an Arizona limited liability company, the Manager of Prescott Lakes Golf Club, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Sherrie L. Mack

Notary Public

My Commission Expires:
3-29-05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF ~~YAVAPAI~~)

The foregoing instrument was acknowledged before me this 20 day of September 2004 by Jeffrey A. Davis, the President of The Prescott Lakes Community Association, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

WITNESS my hand and official seal.

Sherrie L. Mack

Notary Public

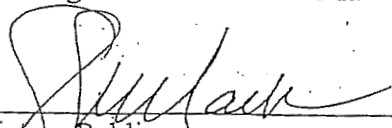
My Commission Expires:
3-29-05



STATE OF ARIZONA)
 Maricopa) ss.
COUNTY OF YAVAPAI)

The foregoing instrument was acknowledged before me this 20 day of September 2004 by Duane S. Black, the Vice President of SunCor Development Company, an Arizona corporation, as the sole member of SDC Prescott, L.L.C., an Arizona limited liability company, personally known to me or proven to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged that he executed it.

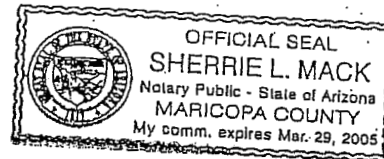
WITNESS my hand and official seal.



Notary Public

My Commission Expires:

3/29/05



SCHEDULE OF EXHIBITS

EXHIBIT A

Updated Master Plan

EXHIBIT B

Current Ownership/ Control Map

EXHIBIT C

Previously Superseded Agreements

EXHIBIT D

Zoning Map

EXHIBIT E-1

Master Final Plat Map

EXHIBIT E-2

Master Preliminary Plat Map

EXHIBIT E-3

Density Reconciliation Schedule

EXHIBIT F

Softtrail System

EXHIBIT G

Not Used

EXHIBIT H

Not Used

EXHIBIT "I"

City Water Service Documents

PRESCOTT LAKES MASTER PLAN

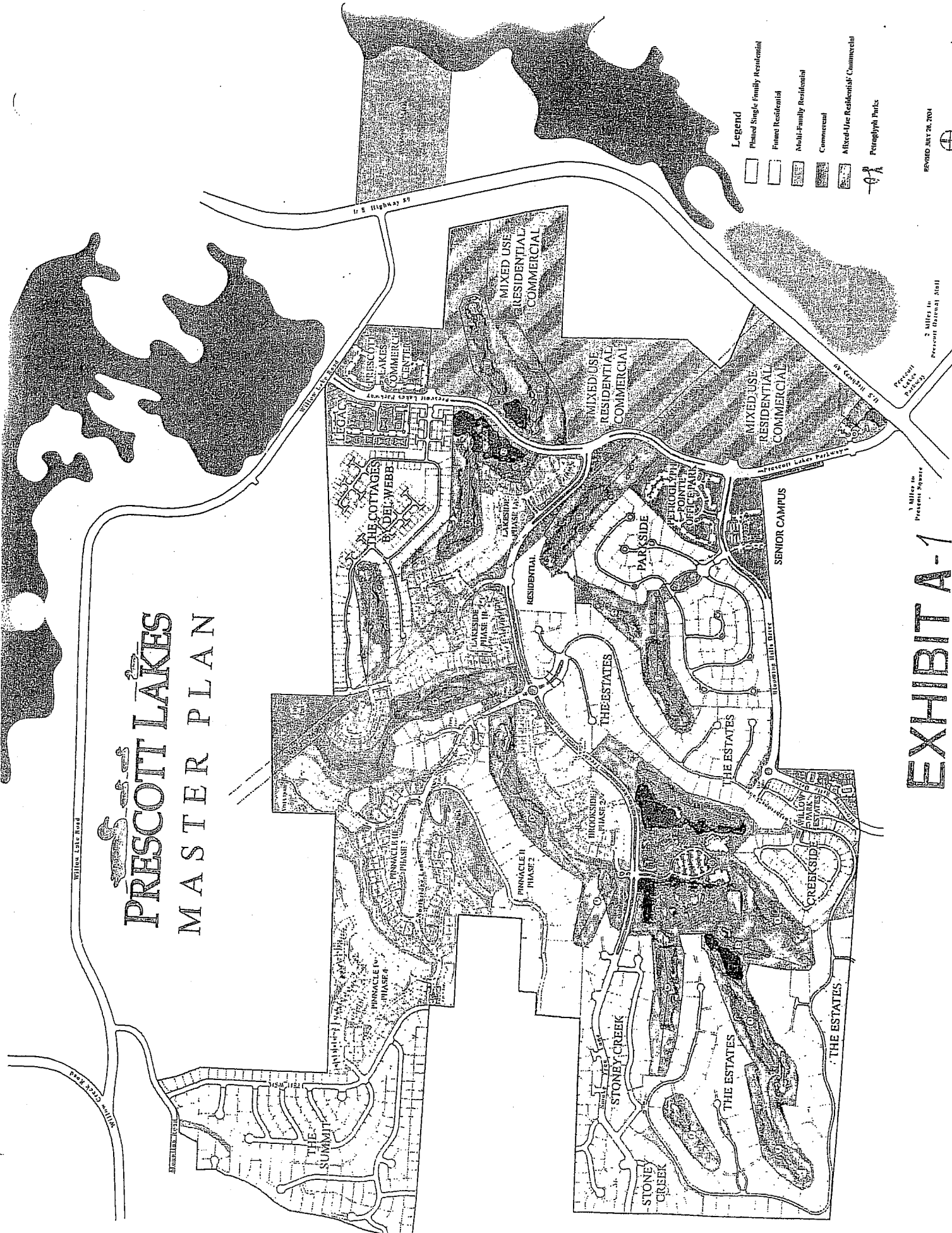
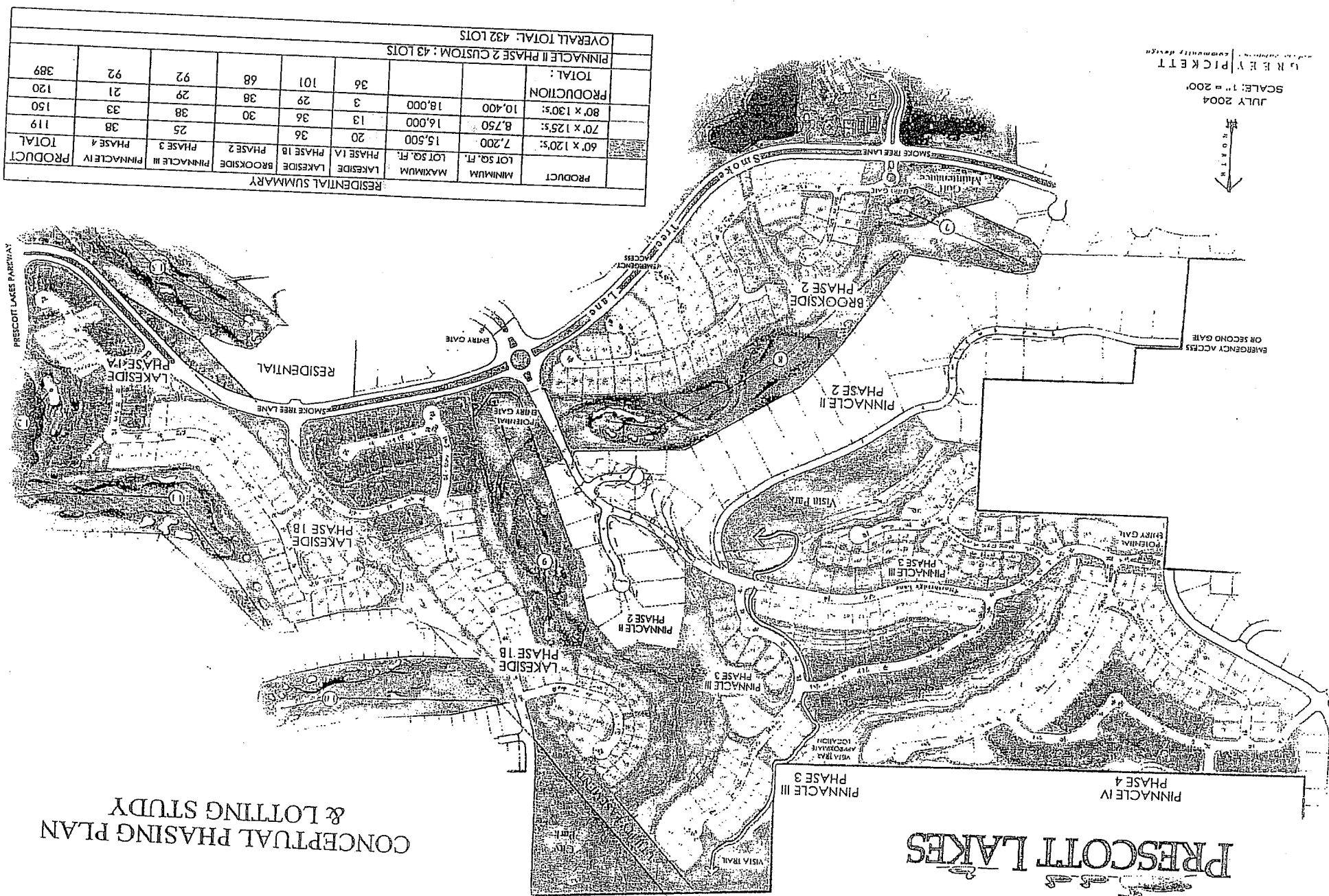


EXHIBIT A-1

PRESCOTT LAKES

PINNACLE IV
PHASE 4
PINNACLE III
PHASE 3



CONCEPTUAL PHASING PLAN & LOTTING STUDY

RESIDENTIAL SUMMARY									
PRODUCT	MINIMUM	MAXIMUM	LOT SQ. FT.	PHASE 1A	PHASE 1B	PHASE 2	PHASE 3	PHASE 4	PRODUCT TOTAL
60' x 120':	7,200	15,500	36	20	36	25	38	119	
70' x 125':	8,750	16,000	13	36	30	38	33	150	
80' x 130':	10,400	18,000	3	29	38	29	21	120	
TOTAL:			36	101	68	92	92	389	
PINNACLE II PHASE 2 CUSTOM : 43 LOTS									
OVERALL TOTAL: 432 LOTS									

EXHIBIT A-2

PRESCOTT LAKES SLOPE ANALYSIS

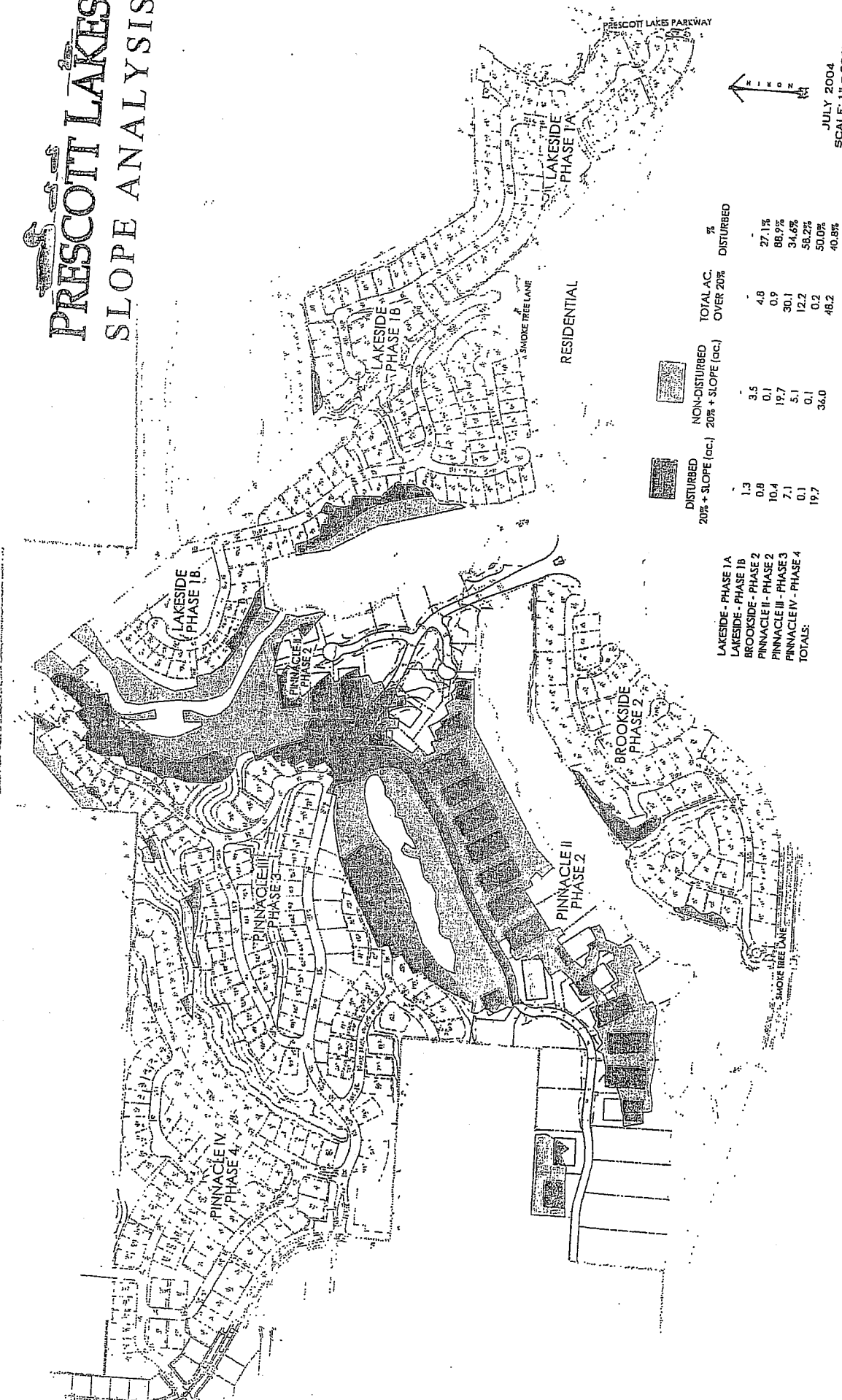
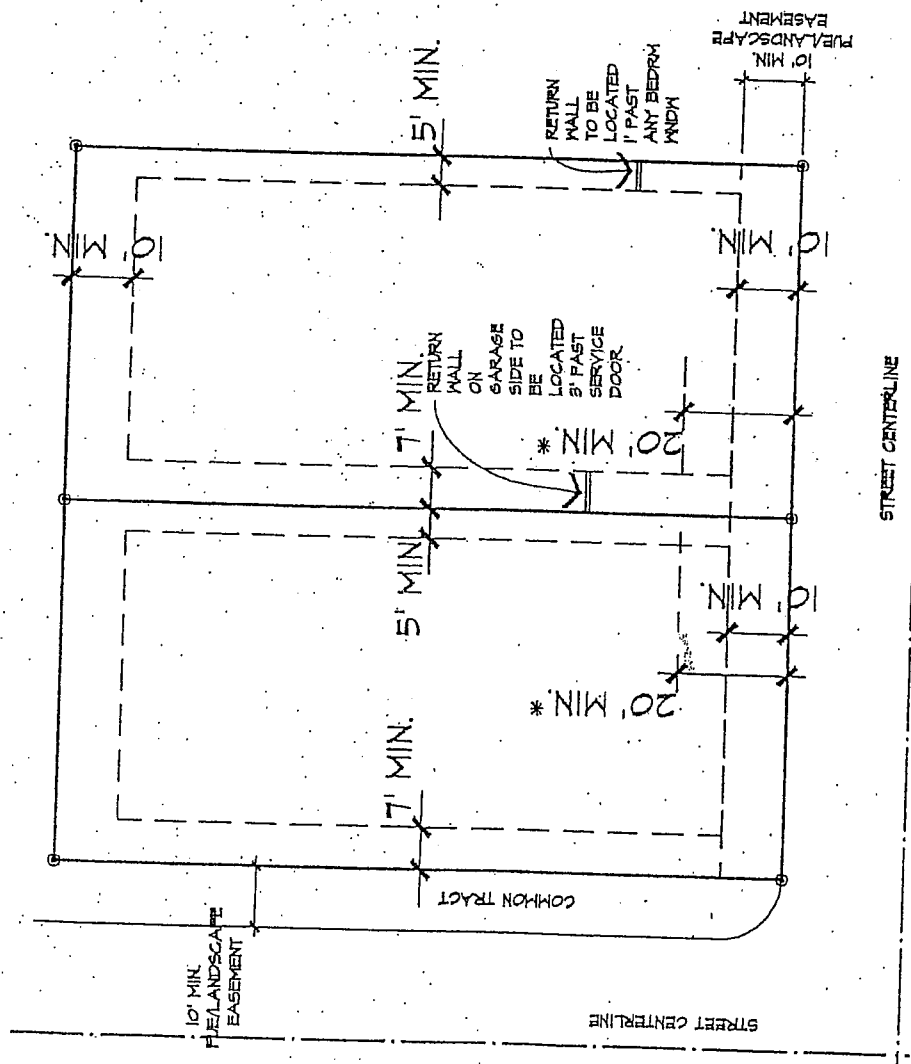


EXHIBIT A-3



STREET CENTERLINE

SETBACKS
 FRONT: 10' MIN.
 *20' MIN. GARAGE DOOR TO PROPERTY LINE
 SIDE: 5' MIN. TO EXT. WALL, 12' AGGREGATE
 REAR: 10' MIN. TO EXT. WALL

Prescott Lakes- Proposed Typical setbacks-60', 70' & 80' Lots

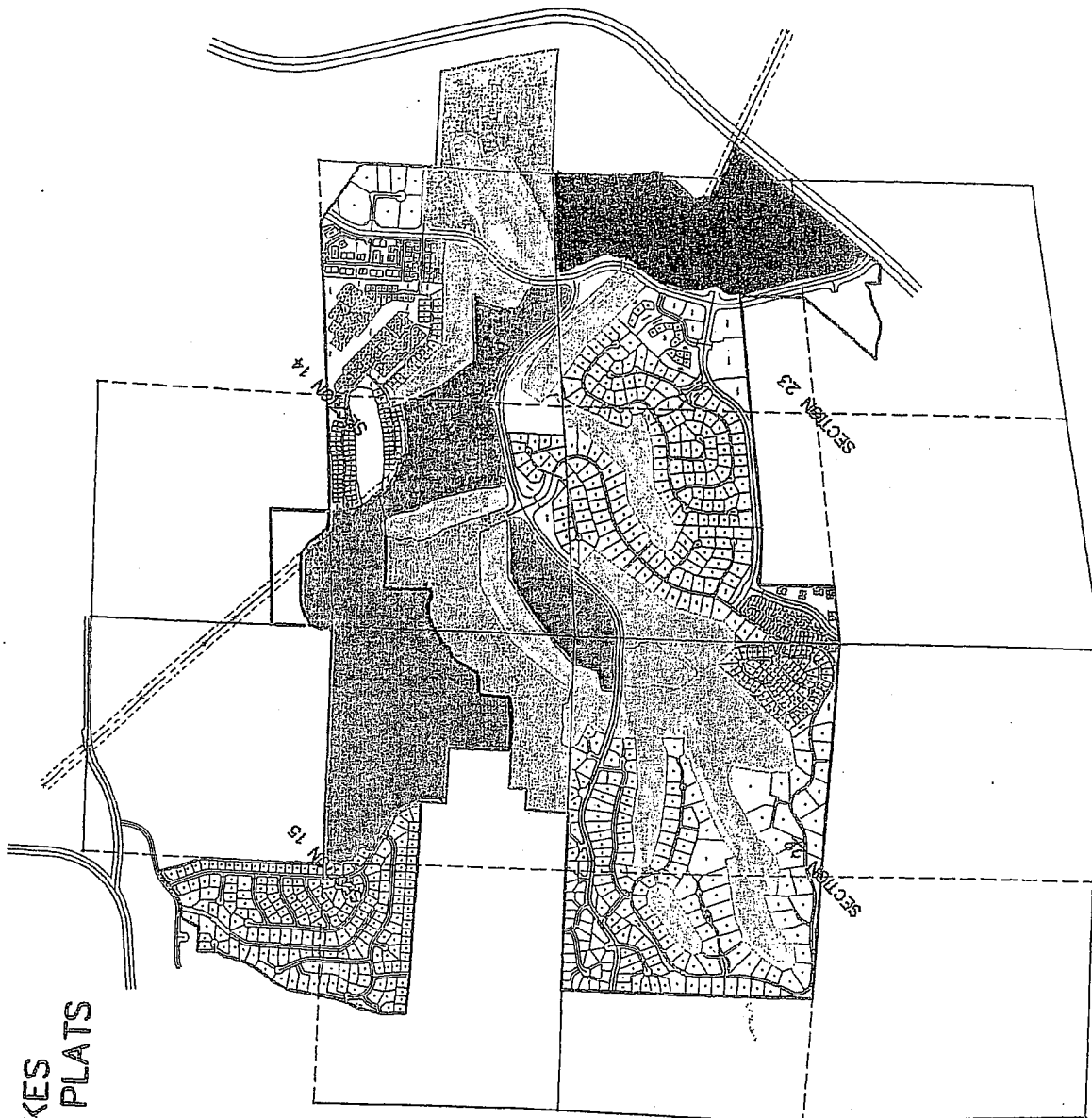
1"=20'

Exhibit A-5

Platted Open Space Within the Boundaries of Prescott Lakes

Overall Boundary of Prescott Lakes	1,112.23		
Stoney Creek at Prescott Lakes Unit I		Parks	
Tract B	0.32	City Park	10.10
Tract C	0.17	Vista Park	0.32
Stoney Creek at Prescott Lakes Unit II		Petroglyph Parks	12.48
Tract A	0.39	The Pines Unit I	
The Summit Unit I		Tract B	0.12
Tract A	0.13	Tract C	0.20
Tract B	0.17	Tract D	1.05
Prescott Lakes Golf Course		Tract E	7.07
Tract A		Tract F	0.03
Tract B	59.57	Tract G	0.03
Tract C	5.20	Tract H	0.03
Tract D	19.85	Tract I	0.03
Tract E	9.29	Tract J	0.03
Tract F	8.66	Tract K	0.58
Tract G	19.95	Tract L	0.05
Tract H	21.66	Tract M	0.03
Tract I	14.26	Tract N	0.28
Tract J	14.58	The Summit Unit II	
Tract K - Club house/Restaurant	16.33	Tract A	1.47
	13.36	The Dells at Prescott Lakes	
The Estates Unit 1 at Prescott Lakes		Tract B	0.36
Tract A - Open Space	1.16	Tract C	0.90
Tract B - Cart Path	0.15	Tract D	0.38
Tract C - Cart Path	0.08	The Summit Unit III	
Tract D - Open Space	1.32	Tract A	0.65
Tract E - Open Space	0.28	P.L. Commerce Center	
Tract F - Open Space	0.17	Tract A	0.34
Tract G - Gate, Entry Feature	0.01	Tract B	0.03
Tract H - Gate, Entry Feature	0.02	Canavest Willow Park Estates	2.48
Tract J - Open Space	1.50	Creekside	3.40
Tract K - Open Space	2.55	SunCor/Custom Lot Master Plan	69.20
Tract L - Cart Path	0.15		
Tract M - Cart Path	0.15		
Tract N - Open Space	0.81		
Tract O - Cart Path	0.32		
Tract P - Cart Path	0.19		
Lakes			
By Hole 18	3.10	Total Open Space	332.54
By Hole 2	2.10	Open Space Percentage	30%
By Hole 11	1.20		
By Hole 12	1.00	Total Cart Path	1.04
By Hole 13	0.75	Total Open Space No Cart Path	331.50

PRESCOTT LAKES RECORDED FINAL PLATS



OWNERSHIP

-  PL Developer
-  SDC / EFO PL
-  Prescott Lakes Golf Club
-  Parcel
-  EFO/PL
-  DeCima

EXHIBIT B

EXHIBIT "C"

Previously Superseded Agreements

A development agreement covering all land within Prescott Lakes except the land owned or controlled by Prescott Lakes/DeCima 163, L.L.C., Prescott Development Co., LLC and Aiello/Pinnacle LLC (the "PLD Development Agreement"), which is represented by the following documents:

- A. Amended and Restated Development Agreement dated February 27, 1996 between the City of Prescott and Prescott Lakes Development, L.L.C. ("PLD"); recorded February 28, 1996 in Book 3163 pages 26-133
- B. Amendment to Amended and Restated Development Agreement dated April 9, 1997;
- C. Second Amendment to Amended and Restated Development Agreement dated April 27, 1998; recorded April 27, 1998 in Book 3566 page 221.
- D. Assignment of Development Agreement pursuant to which PLD assigned its rights under the PLD Development Agreement to PL Developer I L.L.C. ("Developer"), PL Custom Investors L.L.C. ("Custom") and PL Parcel Investors L.L.C. ("Parcel");
- E. Amendment to Assignment of Development Agreement dated July 29, 1998; and
- F. Third Amendment to Amended and Restated Development Agreement dated November 23, 1999, recorded December 3, 1999 in Book 3715 page 205

A development agreement covering all land owned and controlled by Prescott Lakes/DeCima 163 (the "DeCima Development Agreement") which is represented by the following documents:

- G. Development Agreement dated February 27, 1996; recorded February 28, 1996 in Book 3163 pages 3-25.
- H. Amendment to Development Agreement dated April 9, 1997;
- I. Second Amendment to the Development Agreement dated April 27, 1998; recorded April 27, 1998 in Book 3566 page 220 and
- J. Third Amendment to Development Agreement dated November 23, 1999 recorded December 3, 1999 in Book 3715 page 204.

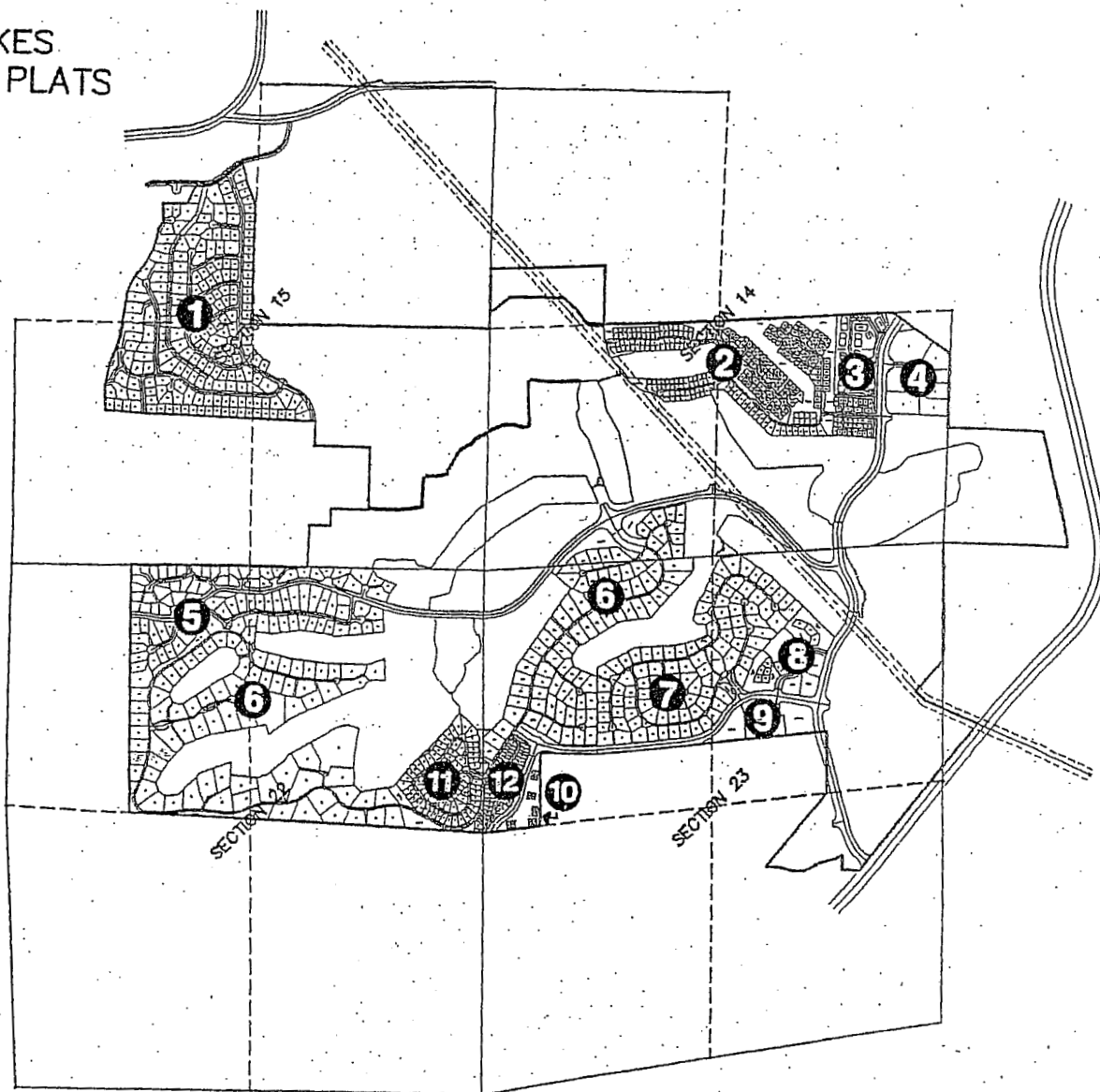
A development agreement covering land comprising The Summit subdivision which was originally owned by Prescott Development Co. LLC, and was subsequently conveyed to Custom, which is represented by the following documents:

- K. Development Agreement dated December 6, 1996, recorded December 12, 1996 in Book 3326, Page 338;

EXHIBIT D
Current Zoning



PRESCOTT LAKES RECORDED FINAL PLATS



- 1 - Summit
- 2 - The Pines
- 3 - Legacy Apartments
- 4 - Commerce Center
- 5 - Stoney Creek
- 6 - The Estates
- 7 - The Dells
- 8 - Petroglyph Pointe
- 9 - Senior Campus
- 10 - The Villages
- 1 - Creekside
- 2 - Willow Park Estates

PRESCOTT LAKES
PRELIMINARY PLATS

- 1 - The Peaks
- 2 - Lakeside
- 3 - The Pinnacle

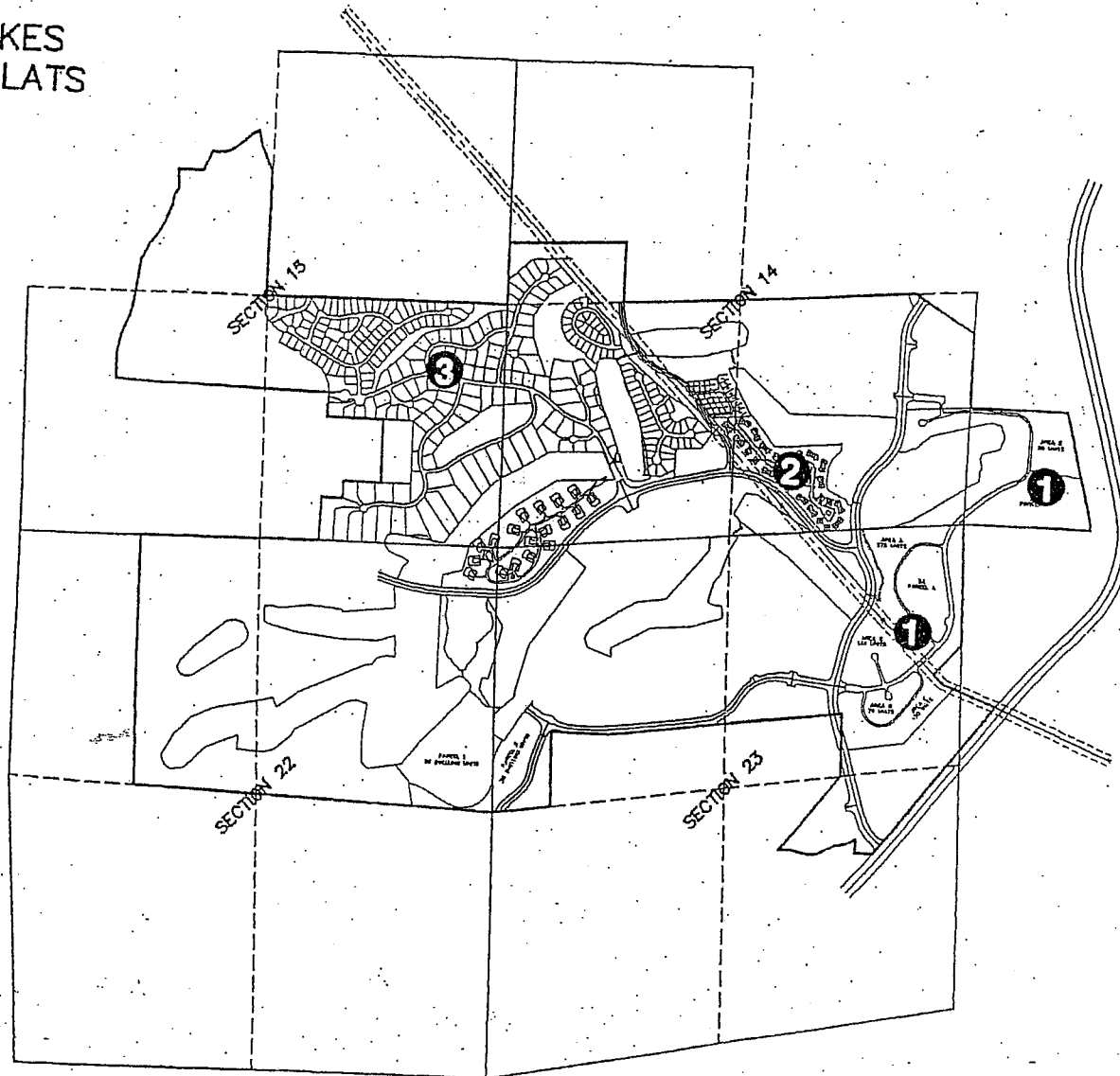


EXHIBIT E-2

PRESGOTT LAKES MASTER PLANNED COMMUNITY

Accounting of 2718 ADWR approved Units

SDC

Subdivision Name	Approved Unit	Preliminary Plat	Final Plat	Assignment	Developer
The Dells	167	167	101		66
Assigned to Caclius				66	-66
Balance Remaining in Dells Plat					
Granite Creek Apartments	150	150	150		0
Balance Remaining in Granite Creek					
Lakeside	240	240			240
Assigned to Caclius				140	-140
Balance Remaining in Lakeside Plat					
Peaks Unit I	665	665			665
Balance Remaining in Peaks Unit I Plat					
Peaks Unit II	150	150			150
Senior Apartments			124		-124
Balance Remaining in Peaks Unit I					
Estates Unit I	78	78	167		-89
Balance Remaining in Estates Unit I					
Estates Unit 2	239	239			239
Canavest			40		-40
Canavest Site 17			44		-44
Creekside			77		-77
Balance Remaining in Estates Unit 2					
Estates Unit 3	12	12			12
Balance Remaining in Estates Unit 3					
Pines - Phase 1	231	231	108		123
Assigned to Caclius				15	-15
Pines - Phase 2			51		-51
Pines - Phase 3			22		-22
Pines - Phase 4			35		-35
Balance Remaining in Pines					
**Pinnacle Unit 1	62	62	3		59
Assigned to Caclius				59	-59
Balance Remaining in Pinnacle Unit 1					
**Pinnacle Unit 2	340	340			340
Assigned to Caclius				281	-281
Balance Remaining Pinnacle Unit 2					
**Stoney Creek Unit 1	72	72	72	0	0
Balance Remaining Stoney Creek Unit 1					
Stoney Creek Unit 2	22	22	21	0	1
Balance Remaining Stoney Creek Unit 2					
**Summit Unit 1	63	63	63	0	0
Balance Remaining Summit Unit 1					
Summit Unit 2	227	227	43		184
Summit Unit 2					
Summit Unit 3			90		-90
Summit Unit 4					0
Assigned to Caclius				89	-89
Balance Remaining Summit Unit 2					
Total	2718	2718	1211	650	857
Current Master Plan				-432	
Unused Density				218	218
Remaining Density Developer					1075

DEFINITIONS

DESIGNATION ORDER

Designation Order shows The Pinnacle Unit 2 approved as 340 units,
It was preliminarily platted as The Pinnacle Unit III

TRANSFERRED

Transferred per a signed Potable Water Agreement

ALLOCATION

Allocation of water to planned development

REMAINING UNITS

Units that are not Allocated or Transferred

SDC UNITS

Units transferred to SDC per Potable Water Agreement (NOTE: ANY UNITS

NOT PLATTED BY SDC ARE TRANSFERRED BACK TO PRESGOTT LAKES.

Accounting for Total Density Units

2718 Approved Preliminarilyly platted density units (with assured water)

786 additional density units (no current water allocation)

3504 Total approved density units

-1211 Total platted lots

2293 Remaining un-used Density Units (with and without water entitlements)

Exhibit E-3

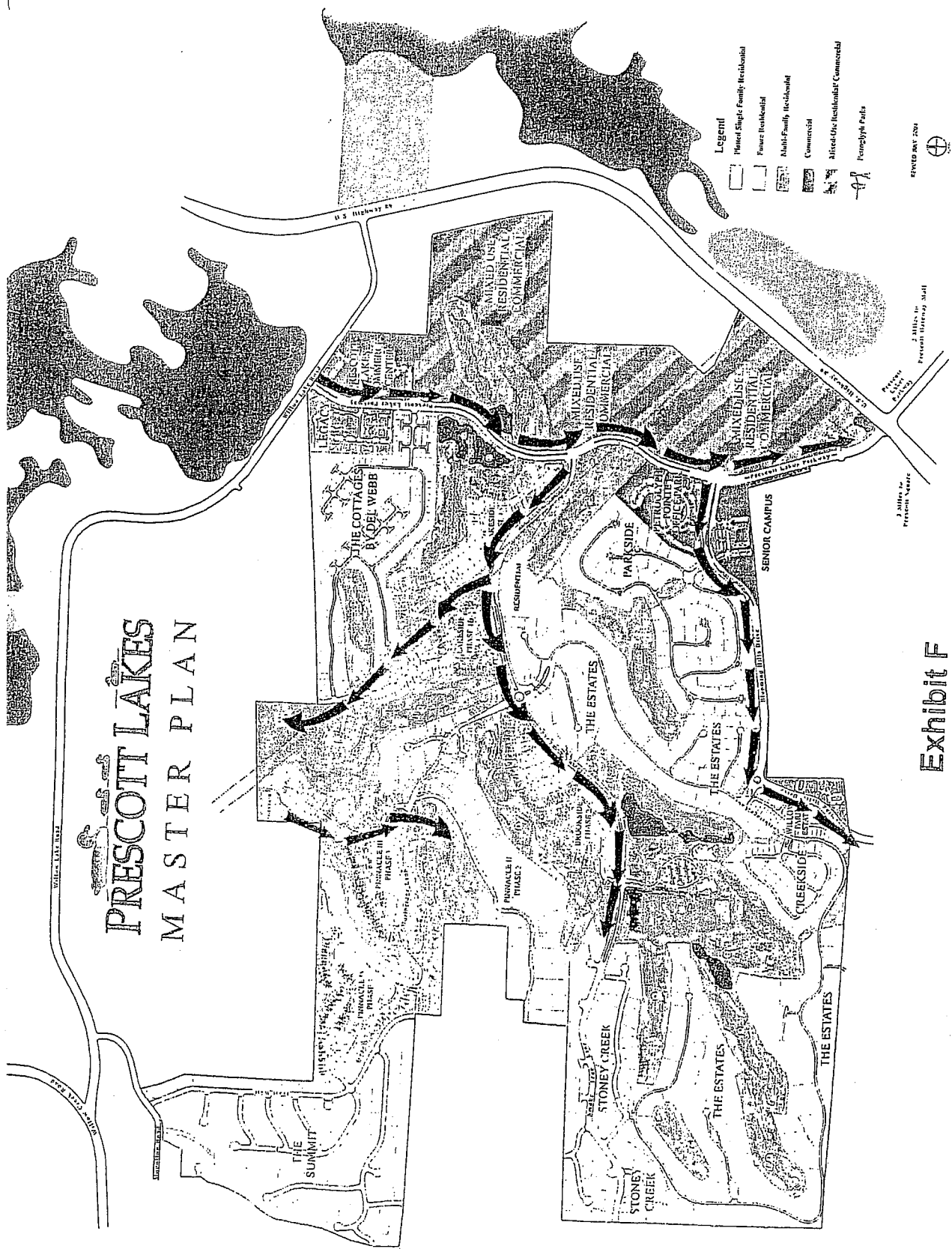


Exhibit F
Soft Trail

EXHIBIT "G"

Intentionally Omitted

EXHIBIT "H"

Intentionally Omitted

Exhibit I

DEPARTMENT OF WATER RESOURCES BEFORE THE DIRECTOR

IN THE MATTER OF THE) AWS-99-002
APPLICATION FOR A DESIGNATION)
OF ASSURED WATER SUPPLY,) DECISION AND ORDER OF THE
NO. 26-400060) DIRECTOR

APPLICANT: City of Prescott)

On March 25, 1999, the Department of Water Resources ("Department") received an application from the City of Prescott ("Prescott") requesting the Director to designate Prescott as a city where an assured water supply exists pursuant to A.R.S. § 45-576(E) and A.A.C. R12-15-701 *et seq.*

Findings of Fact

After reviewing Application No. 26-400060 and other relevant information, the Director makes the following Findings of Fact:

1. Prescott is located within the Prescott Active Management Area.
2. Prescott operates a municipal water delivery system and serves water to customers inside and outside the incorporated area of Prescott.
3. Prescott has submitted the information required by the Department to determine whether Prescott is a city where an assured water supply exists.
4. Notice of Application No. 26-400060 was published in the *Prescott Daily Courier* on May 12 and 19, 1999.
5. No objections to Application No. 26-400060 were filed with the Department.

6. As of the date of this Decision and Order, Prescott's current and committed demand for water is 7,890 acre-feet per year.
7. Prescott has demonstrated the physical availability of 11,200 acre-feet per year of groundwater from wells within Prescott's current service area.
8. Prescott has demonstrated the physical availability of 1,085 acre-feet per year of effluent stored or to be stored at Underground Storage Facility, Permit No. 71-519567, pursuant to Water Storage Permit No. 73-528737.
9. Prescott has applied for and been issued Recovery Well Permits Nos. 74-561500 and 74-569302.
10. Prescott's highest annual amount of groundwater deliveries from 1995 to 1998 was 6,537 acre-feet.
11. Prescott has a commitment to serve 4,299 recorded but undeveloped lots.
12. As of August 21, 1998, Prescott had committed to serve 813 lots associated with final plats that had been approved by Prescott, but which had not yet been recorded.
13. Prescott approved a number of preliminary subdivision plats for lots prior to August 21, 1998. A list of these subdivisions is attached to this Decision and Order as Exhibit A.
14. Based on 1995 United States census information, the average dwelling occupancy within Prescott's service area is 2.15 persons per household.
15. Prescott is currently in compliance with the conservation requirements prescribed in the Second Management Plan for the Prescott Active Management Area, as those requirements were adjusted by the Administrative Review approved by the Prescott City Council on June 23, 1998.
16. Prescott's water supplies satisfy existing state water quality requirements.

17. There are no Water Quality Revolving Fund Sites or sites on the Superfund National Priority List within Prescott's service area.
18. Prescott has constructed all requisite treatment and storage facilities needed to serve the water supplies referenced in this Decision and Order.
19. On January 12, 1999, the Director signed the Final Decision and Order determining that the Prescott Active Management Area is no longer at safe-yield.

Conclusions of Law

Based on the Findings of Fact, the Director makes the following Conclusions of Law:

1. Prescott is a city incorporated in accordance with Article XIII of the Arizona Constitution.
2. Application No. 26-400060 is administratively complete and substantively correct.
3. Notice of Application No. 26-400060 was provided in accordance with A.R.S. § 45-578 and A.A.C. R12-15-710.
4. Prescott has the right, pursuant to A.R.S. § 45-492, to withdraw and transport groundwater within its service area for the benefit of landowners and residents within its service area.
5. Prescott has the right pursuant to *Arizona Public Service Company v. Long*, 160 Ariz. 429, 773 P.2d 988 (1989) and A.R.S. §§ 45-801.01 *et seq.*, to use, store and recover the effluent referenced in this Decision and Order.
6. Pursuant to A.A.C. R12-15-703(I), Prescott has established that groundwater is physically, continuously and legally available to Prescott in an amount equal to the amount of groundwater that Prescott may use in accordance with A.A.C. R12-

15-705(F), as specified in Conclusions 9, 10, 11 and 12 of this Decision and Order. Currently, the annual amount of groundwater that is physically, continuously and legally available to Prescott is 8,090 acre-feet. That amount may increase in accordance with Conclusions 10, 11 and 12, up to a maximum of 11,200 acre-feet per year.

7. Prescott has established that 1,085 acre-feet of effluent per year is physically, continuously and legally available to Prescott.

8. The 8,090 acre-feet per year of groundwater and 1,085 acre-feet per year of effluent that are physically, continuously and legally available to Prescott exceeds Prescott's annual current and committed demand for water of 7,890 acre-feet.

Therefore, Prescott has sufficient groundwater and effluent of adequate quality continuously available to satisfy its current needs for at least one hundred years.

9. Pursuant to A.A.C. R12-15-705(F), as adjusted by 1998 Ariz. Sess. Laws, Chapter 86, Prescott may withdraw the following volume of groundwater (the "groundwater allowance") over the next 100 years consistent with the assured water supply criteria for the achievement of the management goal of the Prescott Active Management Area:

653,700 acre-feet	[6,537 acre-feet (1995-98 high water use) x 100 years]
155,300 acre-feet	[2.15 (average dwelling occupancy) x 150 gallons per capita per day x 365 days x 4,299 lots x 100 years]
	[converted to acre-feet by dividing by 325,900 gallons/acre foot]

809,000 acre-feet [Total]

10. In accordance with 1998 Ariz. Sess. Laws, Chapter 86, Section 1(D), the groundwater allowance may increase following the recording of a final plat for each of the subdivisions listed in Exhibit A, so long as the requirements of Condition 2 of this Decision and Order are met. The groundwater allowance shall increase in accordance with the following formula:

The number of lots in the subdivision x 2.15 (average dwelling occupancy) x 150 gallons per capita per day x 365 days x 100 years [converted to acre-feet by dividing by 325,900 gallons/acre-foot]

11. The groundwater allowance may increase in accordance with 1998 Ariz. Sess. Laws, Chapter 86, Section 1(C), if after August 21, 1998, Prescott replaces any residential groundwater use served by an exempt well, including any nonresidential use associated with the residential use, in existence on August 21, 1998, by providing permanent water service to the use previously served by an exempt well. The groundwater allowance shall increase in accordance with the following formula:

.5 acre-foot x the number of housing units receiving replacement water service x 100 years

12. The groundwater allowance may increase in accordance with A.A.C. R12-15-705(L), (M), (N) and (O).

13. The annual volume of groundwater that Prescott may withdraw consistent with the assured water supply criteria for the achievement of the management goal of the Prescott Active Management Area, currently 8,090 acre-feet per year, exceeds Prescott's current and committed demand for water of 7,890 acre-feet per year. Therefore, Prescott's projected groundwater use is consistent with the assured water supply criteria for the achievement of the management goal for the Prescott Active Management Area.

- 1 14. Prescott's projected groundwater use is consistent with the management plan of
2 the Prescott Active Management Area.

3
4 Order of Designation
5 and Conditions of Designation
6

7 BASED ON THE FOREGOING, IT IS THE DECISION AND ORDER OF THE
8 DIRECTOR THAT THE CITY OF PRESCOTT IS DESIGNATED AS A CITY WHERE
9 AN ASSURED WATER SUPPLY EXISTS, SUBJECT TO THE FOLLOWING
10 CONDITIONS:

- 11 1. On the effective date of this Decision and Order, the Director shall credit the
12 account established pursuant to A.A.C. R12-15-705(R) for Prescott with the
13 volume of groundwater allowance specified by Conclusion 9 of this Decision and
14 Order. This amount may be adjusted at such time as Prescott reports to the
15 Department that any of the 813 lots associated with plats that were approved, but
16 unrecorded, as of August 21, 1998, are recorded.
- 17 2. To increase the groundwater allocation in accordance with Conclusion 10, the
18 following shall apply:
- 19 a) Prescott shall submit the following information to the Department for each
20 subdivision listed in Exhibit A for which a final plat is to be approved by
21 Prescott:
- 22 i. A request to increase the groundwater allowance and reference to
23 the subdivision listed in Exhibit A for which the request is made.
- 24 ii. A copy of the preliminary plat approved for the subdivision.
- 25 iii. A copy of the final plat to be approved for the subdivision.

1 iv. A copy of the standard report of the Prescott Community
2 Development Department to the Prescott City Council on the
3 subdivision explaining any changes between the preliminary plat
4 and the final plat, explaining why the final plat is in substantial
5 conformance with the preliminary plat and finding that the original
6 plat was feasible to develop.

7 v. A calculation of projected water use, including groundwater use, of
8 the proposed changes to the preliminary plat. The information
9 used in making the calculation shall also be submitted, including,
10 but not limited to, the landscaping plans for the open areas of the
11 subdivision, a copy of any proposed deed restrictions or covenants
12 relating to water use at the subdivision and a projection of the
13 nature and type of any commercial properties included in the
14 subdivision.

15 b) The Director shall increase Prescott's groundwater allocation in
16 accordance with the equation in Conclusion 10 if the Director finds that all
17 of the following apply:
18

19 i. Prescott has found that the final plat for the subdivision is either in
20 substantial conformance with the preliminary plat approved by
21 Prescott prior to August 21, 1998, or that it conforms with City of
22 Prescott Subdivision Regulation, Section 12-4-3(D)(22).
23
24

1 ii. The total projected water use, including groundwater use, for the
2 subdivision, based on the final plat, is equal to or less than the
3 projected water use based on the approved preliminary plat.

4 iii. The total number of residential lots of the final plat is equal to or
5 less than the total number of residential lots of the approved
6 preliminary plat, or if the plat is a part of a "master planned
7 community," as that term is defined by A.R.S. § 32-2101, the total
8 number of residential lots of the final plats within the master
9 planned community is equal to or less than the total number of
10 residential lots of the approved preliminary plats within the master
11 planned community.

12 c) Condition 2(b)(i) shall be evaluated in accordance with the current policy
13 of the City of Prescott as expressed in Resolution No. 3213, adopted
14 November 23, 1999. A copy of Resolution No. 3213 is attached to this
15 Decision and Order as Exhibit B. If at any time, the City of Prescott alters
16 the policy expressed in Resolution No. 3213 through the amendment or
17 repeal of Resolution No. 3213 or through the adoption of any other policy,
18 ordinance, regulation or enactment that alters the policy expressed in
19 Resolution No. 3213, the Department may modify or revoke this Decision
20 and Order.

21 d) Within 30 days of receiving the request and information specified in
22 Paragraph a) of this Condition, the Director shall notify Prescott whether
23 the criteria of Paragraph b) of this Condition have been met, whether the
24

1 groundwater allocation will be increased and the amount of any increase.

2 If the request is approved, the Director shall credit the account established
3 pursuant to A.A.C. R12-15-705(R) by the appropriate amount following
4 notification by Prescott that the final plat for the subdivision has been
5 recorded.

6
7 3. To increase the groundwater allowance in accordance with Conclusion 11,
8 Prescott shall submit evidence of the number of housing units receiving the
9 replacement water service, evidence of the existence as of August 21, 1998, of the
10 original water use served by an exempt well and evidence of the permanent
11 replacement water service being provided after August 21, 1998. At such time as
12 the Director determines that the requirements of Conclusion 11 have been met,
13 the Director shall credit the account established pursuant to A.A.C. R12-15-
14 705(R) for Prescott with the volume of groundwater allowance specified by
15 Conclusion 11 of this Decision and Order.

16
17 4. Upon the Director determining that Prescott has extinguished a grandfathered
18 groundwater right or has been conveyed extinguishment credits in accordance
19 with A.A.C. R12-15-705(L), (M), (N) and (O), the Director shall credit the
20 account established pursuant to A.A.C. R12-15-705(R) for Prescott with the
21 extinguishment credits allowed by A.A.C. R12-15-705(L), (M), (N) and (O).

22
23 5. Each year, the Director shall annualize Prescott's groundwater allowance by
24 dividing 100 years into the balance of the groundwater allowance reflected in the
account established pursuant to A.A.C. R12-15-705(R) for Prescott. In any year
in which Prescott's annual current and committed demand exceeds that
annualized groundwater allowance, plus the 1,085 acre-feet of effluent available

1 to Prescott each year, this designation of the City of Prescott as a city where an
2 assured water supply exists shall immediately terminate.

3 6. Prescott shall annually provide to the Department the following information in the
4 manner prescribed in R12-15-711:

- 5 a) The estimated future demand of platted, undeveloped lots which are
6 located in Prescott's service area.
- 7 b) The projected volume of water demand at build-out of customers with
8 which Prescott has entered into a notice of intent to serve agreement in the
9 calendar year.
- 10 c) A report regarding Prescott's compliance with water quality requirements.
- 11 d) The depth-to-static water level of all wells from which Prescott withdrew
12 water during the calendar year.
- 13 e) Any other information required to determine whether to continue
14 Prescott's designated status which is requested by the Director, including a
15 list of all subdivision plats recorded during the reporting year that are to
16 receive water service from Prescott.

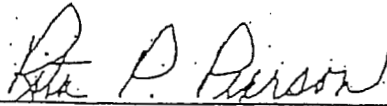
17 7. Pursuant to A.A.C. R12-15-709, this Decision and Order is subject to periodic
18 review, and the Director may modify the Decision and Order for good cause. At
19 any time the Director determines that the requirements of A.R.S. § 45-576,
20 A.A.C. R12-15-701 *et seq.*, or the Conditions of this Decision and Order are no
21 longer met, the Director may revoke the designation of Prescott as a city where an
22 assured water supply exists.

23 8. The information contained in the Findings of Fact is based upon the best evidence
24 available to the Department, as provided by Prescott, as of the date of this
Decision and Order. For the Findings of Fact that are relevant to the calculation

1 of Prescott's groundwater allowance in Conclusions of Law 9, 10 and 11, Prescott
2 may at any time submit to the Department revised information, if more accurate
3 information becomes available. If the Director finds that the information
4 submitted is more accurate than the information contained in the Findings of Fact,
5 the Director shall use the revised information in any calculations undertaken
6 pursuant to Conclusions 9, 10 or 11 subsequent to the submission by Prescott.

- 7 9. This Decision and Order shall be effective upon the expiration of the time allowed
8 to seek review or hearing on this decision, or, if review or hearing is requested,
9 upon the conclusion of the proceedings on the review or hearing.

10
11 Dated this 24th day of November, 1999.

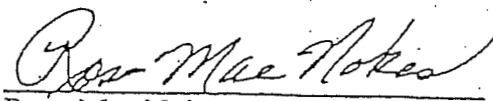
12


14 Rita P. Pearson
15 Director

16
17 Copy of the foregoing Decision and
18 Order of the Director is mailed by
19 certified mail this 24 day of
November, 1999, to the following:

20 John Moffitt
21 City Attorney
22 City of Prescott
201 South Cortez
Prescott, Arizona 86303

Certified Mail No. P275 731 789

23
24 
Rose Mae Nokes

1
2
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9
10 DECISION AND ORDER
11 OF THE DIRECTOR
12

13 AWS-99-002

14
15 EXHIBIT A
16
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City of Prescott Committed Demand as of September 11, 1998

	Lots	Estimated Demand (157 gpcd)	Calculated Committed Demand (150 gpcd)
Preliminary Plats Approved Before 8/21/98			
Blackhawk, Unit 2	8	3.0	2.9
Cliff Rose, Unit 3	21	7.9	7.6
Cliff Rose Unit 6	25	9.5	9.0
Copper Canyon Village	27	10.2	9.8
Dells @ Prescott Lakes	167	63.1	60.3
Eagle Ridge: The Vistas at	20	7.6	7.2
Forest Trails: Unit 4, Phases 4 & 5	55	20.8	19.9
Gail Garner Lots	11	4.2	4.0
Granite Creek Apartments @ Prescott Lakes	150	56.7	54.2
Granite Draw	23	8.7	8.3
Granite Springs	50	18.9	18.1
Hartin Heights	23	8.7	8.3
Hassayampa Village (Parcel C2) Forest Creek	54	20.4	19.5
Hassayampa Village (Parcel E) Condos	147	55.6	53.1
Hassayampa Village (Parcel F) Cottages	30	11.3	10.8
Hassayampa Village (Parcel Q)	16	6.0	5.8
Hepburn	4	1.5	1.4
Heritage Ridge	104	39.3	37.6
Kingswood	74	28.0	26.7
Lakeside @ Prescott Lakes	240	90.7	86.7
Mason Ridge	14	5.3	5.1
Shlake	127	48.0	45.9
Warner Hill	23	8.7	8.3
Peaks Unit I @ Prescott Lakes	665	251.4	240.2
Peaks Unit II @ Prescott Lakes	150	56.7	54.2
Pinon Oaks	532	201.2	192.2
Prescott Lakes: Estates Unit 2	239	90.4	85.3
Prescott Lakes: Estates Unit 3	12	4.5	4.3
Prescott Lakes: Pines	231	87.3	83.4
Prescott Lakes: Pinnacle Unit 1	62	23.4	22.4
Prescott Lakes: Pinnacle Unit 2	340	128.6	122.8
Prescott Lakes: Stoney Creek Phase 2	22	8.3	7.9
Prime Time Property	107	40.5	38.7
Ranch @ Prescott, Unit 8	41	15.5	14.8
Ranch @ Prescott, Unit 9	92	34.8	33.2
Replats of WCH, PH, Lots 17, 24, and 25	15	5.7	5.4
Starpines Condos	30	11.3	10.8
Stone Haven	13	4.9	4.7
Summit Unit 2	227	85.8	82.0
The Club at Forest Trails	49	18.5	17.7
The Courtyards	57	21.6	20.6
Vista Verde Estates, Unit 2 (partial)	31	11.7	11.2
Willow Hills	274	103.6	99.0
Willow Lake Villas	66	25.0	23.8
W. Property	47	17.8	17.0
Wai Hills	1,632	617.1	589.6
Wavapai Hills In Prescott Valley	489	184.9	176.6
Grand Total	6,836	2,584.7	2,469.5

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10 DECISION AND ORDER
11 OF THE DIRECTOR
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13 AWS-99-002

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15 EXHIBIT B
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RESOLUTION NO. 3213

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, ADOPTING A COUNCIL POLICY REGARDING THE APPROVAL OF FINAL PLATS.

WHEREAS, City of Prescott Subdivision Regulation Section 12-4-3(D)(22) requires final plats to be in substantial conformance with City-adopted plans, rules, regulations, codes and ordinances; and

WHEREAS, the City Council of the City of Prescott wishes to adopt a policy further defining when a proposed final plat is in substantial conformance with the corresponding preliminary plat(s).

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. Except as provided in Section 4 of this policy, a final plat(s) must be in substantial conformance with the corresponding preliminary plat(s).

SECTION 2. For the purposes of Section 1 of this policy, a proposed final plat(s) is in substantial conformance with the corresponding preliminary plat(s) if it meets all of the following criteria:

- A. There is no increase in the number of lots.
- B. The exterior boundaries of the subdivision were not enlarged.
- C. All exterior connections (streets and emergency access points) were maintained.
- D. Average lot size increased or decreased by no more than 15% unless the developer has chosen a planned area development (PAD), providing for 20% or more of open space.
- E. The nature and character of the subdivision (e.g. single family residential, multi-family residential, mixed used, etc.) is unchanged.

SECTION 3. In the event that a subdivision is located in a master planned community as defined by ARS Section 32-2101, Sections 2(A) and 2(B) shall not apply as long as the outside boundaries of the master planned community and the total number of lots within the master planned community, as set forth in the adopted Master Plan, are not modified.

SECTION 4. A proposed final plat(s) that is not in substantial conformance with the corresponding preliminary plat(s) because it does not meet the requirements of Section 1 of this policy shall be allowed if it conforms with Subdivision Regulation 12-4-3(D)(22) by meeting one or more of the following criteria:

- A. Brings the subdivision into compliance with the General Plan, a specific area plan or overlay district.

- B. Contributes to area circulation plans, promotes connectivity and/or the provision of emergency access where necessary so long as the nature and character of the subdivision is unchanged.

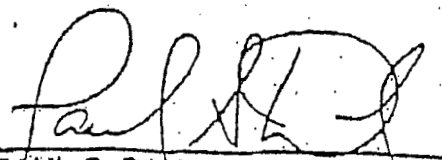
SECTION 5. Notwithstanding Section 4 above, a final plat(s) which is not in substantial conformance with the corresponding preliminary plat(s) but conforms with Subdivision Regulation 12-4-3(D)(22) will not be allowed if any of the following apply:

- A. There is an increase in the total number of lots within the subdivision, except that if the subdivision is located in a master planned community as defined by A.R.S. Section 32-2101, the total number of lots within the master planned community, as set forth in the adopted Master Plan, are not increased.
- B. The outside boundaries of the subdivision on the proposed final plat(s) extend beyond the outside boundaries of the subdivision on the preliminary plat(s), except that if the subdivision is located in a master planned community as defined by A.R.S. §32-2101, the outside boundaries of the subdivision may change as long as the outside boundaries of the master planned community are not modified.
- C. The Final Plat(s) would result in additional water usage over and above that which would have occurred in the corresponding preliminary plat(s).

SECTION 6. The Mayor, Council and Staff are authorized to take any and all steps necessary to effectuate the foregoing.

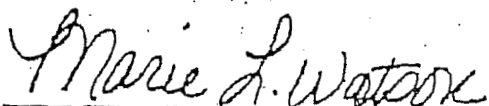
SECTION 7. This Resolution shall become a part of the Council Policy Booklet.

PASSED, APPROVED AND ADOPTED by the Mayor and Council of the City of Prescott, Arizona, this 23rd day of NOVEMBER, 1999.


PAUL S. DALY, Mayor

ATTEST:

APPROVED AS TO FORM:


MARIE L. WATSON, City Clerk


JOHN R. MOFFITT, City Attorney

EXHIBIT I

ARIZONA DEPARTMENT OF WATER RESOURCES

Groundwater Management Division
500 North Third Street, Phoenix, Arizona 85004
Telephone (602) 417-2440
Fax (602) 417-2415



JANE DEE HULL
Governor

RITA P. PEARSON
Director

August 11, 1998

Mr. Brad Huza
City of Prescott
P.O. Box 2059
Prescott, Arizona 86302

Re: Verification of Physical Availability

Dear Mr. Huza:

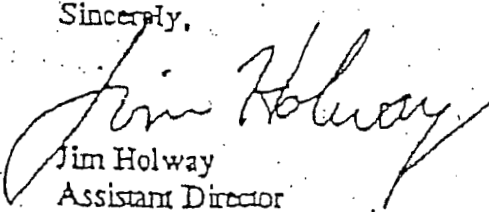
Pursuant to 1998 Arizona Session Laws, Chapter 86, (Senate Bill 1124), in order to "grandfather" committed demand after August 21, 1998, the City of Prescott (Prescott) must comply with Section (A)(2)(b) of this act. In addition to preliminary plat approval before August 21, 1998 and written commitment of service from the City, Prescott is also required to demonstrate "to the satisfaction of the director that sufficient water is physically available to serve the lots under the criteria set forth in R12-15-703(B) Arizona Administrative Code."

On June 9, 1998, Prescott submitted a Physical Availability Demonstration to the Department for the purposes of increasing the proven amount of physically available groundwater to 12,000 af/yr. After careful review by the Department, a final determination was made stating that 11,200 af/yr of groundwater is physically available. On July 27, 1998, Prescott submitted a list of pending preliminary plats and their estimated demands. Based on this information, the Department concluded that there is sufficient physical availability to serve the lots associated with these plats. On July 28, 1998, a letter was sent to Prescott confirming this conclusion.

On August 10, 1998, Prescott submitted a second list of pending preliminary plats and their estimated demands. Based on this information, the Department has concluded that there is sufficient physical availability to serve the lots associated with these plats. The attached spreadsheet lists those preliminary plats that were approved on July 28, 1998, those expected to be approved today, and the various other pending final or preliminary plats that Prescott expects to approve before August 21, 1998.

If you have any questions, please contact me at (602)417-2440.

Sincerely,


Jim Holway
Assistant Director

JH/cmm



EXHIBIT I

City of Prescott

Environmental Services Department

PO Box 2059 Prescott, AZ 86302

Phone: (520) 776-6247 FAX: (520) 776-6354 TDD: (520) 778-5680

July 14, 1998

Mr. Bill Brownlee
M3 Development Co.
110 E. Gurley Street, Suite 200
Prescott, AZ 86301

Re: Sanitary Sewer Service

Dear Bill:

Regarding the Prescott Lakes Development project, the City of Prescott will provide wastewater collection and treatment services to your project upon the installation of the required infrastructure. This installation shall include, but not limited to, the gravity mains, manholes and lift stations.

If you have any questions, please feel free to contact me at 776-6247

Thank you.

Sincerely,

A handwritten signature in black ink, appearing to read "Brad Huza", is written over a horizontal line.

Brad Huza, P.E.
Environmental Services Director

Ag



EXHIBIT I

City of Prescott

Environmental Services Department

PO Box 2059 Prescott, AZ 86302

Phone: (520) 776-6247 FAX: (520) 776-6354 TDD: (520) 776-5680

CITY OF PRESCOTT

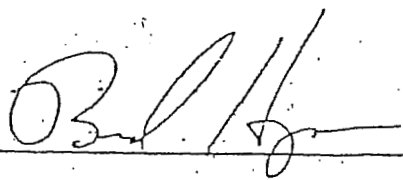
COMMITMENT OF WATER SERVICE

Subdivision/Development Name: Prescott Lakes

The City of Prescott agrees to provide to Prescott Lakes an amount of water sufficient to satisfy the water demands of the development, calculated in accordance with the preliminary plats for the development and pursuant to the Development Agreements between the City of Prescott and Prescott Lakes Development.

Dated: July 28, 1998

City of Prescott

By: 

Title: ENVIRONMENTAL SERVICES DIRECTOR

Staff
Memo
Report

Council Agenda

JAN 30 1998



PLANNING & ZONING DIVISION MEMORANDUM

APPROVED

BY THE COUNCIL

City Clerk: *MW*

Date: *1/27/98*

TO: Mark Stevens, City Manager
FOR: Honorable Mayor and City Council
FROM: Tom Guice, Community Development Director
Ramona Mattix, Assistant Community Development Director *RM*

REQUEST: Approval of Master Plan for Prescott Lakes Development, Preliminary Plat for
✓ THE ESTATES, UNIT I AT PRESCOTT LAKES, and an amended development
agreement for Prescott Lakes Development.

DATE: 01/23/98

FILE NO: SP-9800

APPLICANT: M₃ Builders LLC
917 E. Gurley St.
Prescott, AZ 86301

AGENT: Jeff Davis, M₃ Builders
917 E. Gurley St., Suite 1E
Prescott, AZ 86301

ADDENDUM SUMMARY: Additional information is provided for Council's use with regard
to the request for approval of a revised Master Plan, a revised
development agreement, a preliminary plat for THE ESTATES
UNIT 1 at Prescott Lakes located at off SmokeTree Rd.

ADDITIONAL INFORMATION IN THE REVIEW OF EACH PROPOSED REQUEST

MASTER PLAN

As noted in the previous packet, there are 5 differences between the previous Prescott Lakes
Master Plan and the proposed revised Master Plan:

1. The golf course routing has been extended to cover more of the area.
2. The lake sizes have been reduced.

EXHIBIT I

Staff met with representatives of Prescott Lakes, Mr. Tokoph's attorney, Mr. Pecharich, and Gordon Bower, engineers for the Tokoph parcel to look at this alignment and how the plat fits into the overall Prescott Lakes development. A tentative agreement between Mr. Tokoph and M₂ has been reached to route the proposed realignment through the Tokoph parcel in the alignment shown provided that some of the lots fronting the road in the Tokoph parcels be allowed access off the road by using shared driveways. Staff has no problem with this as long as there are no cars backing out into the road. To fully accommodate the width of the road, several lots will need to be smaller than 18,000 square feet, so the initial, publicly noted request for RA 12 zoning would be needed, but Mr. Tokoph is willing to agree that the maximum number of lots to be developed on the parcel be 42 lots. Given that stipulation, staff has no problem with an RA 12 zoning that has no associated open space, since the average lot size would meet the intent of the Willow Lake South Area Plan and because of the parcel's proximity to the golf course and its open space.

A second tentative agreement would be for Mr. Tokoph to trade the northern portion of his parcel to Prescott Lakes for their parcel to the west and Prescott Lakes would develop the entire roadway.

In either scenario the road alignment remains the same.

Conditions to consider in the approval of the Master Plan

1. All plat and development applications must address screening and buffering techniques at the time of preliminary plat when located near areas where existing and planned single family residents may be impacted by more intense uses, including the apartment complex adjacent to Vista Del Lago.
2. The applicant must provide, at the time of 30% design of the Rosser/Prescott Lakes connector, a plan for mitigation of noise and visual intrusion to include 26 feet of buffer to southern road edge along Putnam Road lots, satisfactory to the Community Development Director, and include residents in such mitigation development through an area meeting(s.)
3. The applicant must provide, with each plat a running total of open space provided so staff can assure that overall open space requirements are met for the master plan.

PRELIMINARY PLAT

The 110 acre tract planned for 78 single family home sites had few issues raised by Council. The primary question was the implications of this plat as a "gated community", what trail opportunities will occur, and what are the implications of the current flag lot frontage requirements.

The developer indicated that the primary function in "gating" is to prevent cut through traffic through neighborhoods and, in some instances, security issues. Costs of housing are less related

EXHIBIT I

DECISION AND ORDER OF THE DIRECTOR

AWS-99-002

EXHIBIT A

EXHIBIT I

City of Prescott Current and Committed Demand as of August 21, 1998
For the Purposes of Determining Physical Availability and Committed Demand

City of Prescott	Lots	Estimated Demand (157 gpcd)	Calculated Committed Demand (150 gpcd)
Highest Amount of Groundwater Delivered (1995-1998)	15,544	6,537.00	6,537.00
Recorded Undeveloped Lots	4,299	1,625.47	1,553.00
Lots Which Received Preliminary Plat Approval on 7/28/98			
Granite Springs	49	18.53	17.70
Forest Trails, Unit 8	14	5.29	5.06
Willow Lake Villas	66	24.85	23.84
Vista Verde Estates, Unit 2 (partial)	8	3.02	2.89
Copper Canyon Village	27	10.21	9.75
Cliff Rose Unit 3	21	7.94	7.59
Ranch @ Prescott, Unit 8	41	15.50	14.81
Ranch @ Prescott, Unit 9	92	34.79	33.23
Granite Creek Apartments @ Prescott Lakes	150	58.72	54.19
Replat of Willow Creek Heights	2	0.76	0.72
Replat of Prescott Heights	2	0.76	0.72
Replat of Lot 17, Block 1	3	1.13	1.08
Replat of Lots 24 and 25, Block 1	8	3.02	2.89
Prescott Lakes: Estates Unit 3	12	4.54	4.33
Lakeside @ Prescott Lakes	240	90.75	86.70
Della @ Prescott Lakes	187	63.14	60.33
Peaks Unit I @ Prescott Lakes	665	251.44	240.23
Peaks Unit II @ Prescott Lakes	150	58.72	54.19
Northlake	127	48.02	45.88
Subtotal	1,844	697.22	668.14
Lots Receiving Preliminary Plat Approval on 8/11/98			
Mason Ridge	14	5.29	5.06
Granite Draw	20	7.56	7.22
The Club at Forest Trails	49	18.53	17.70
Cliff Rose Unit 8	25	9.45	9.03
Forest Trails: Unit 4, Phases 4 & 5	55	20.80	19.87
Hassayampa Village (Parcel F) Cottages	30	11.34	10.84
Hassayampa Village (Parcel O)	18	6.05	5.78
Stone Haven	13	4.92	4.70
The Courtyards	57	21.55	20.59
Wild Property	47	17.77	16.98
Yavapai Hills	1,632	617.07	589.55
Subtotal	1,958	740.33	707.32
Final Plat Approved or In Process*			
Cliff Rose Unit 5	39	14.75	14.09
Cottages at Lakeside	34	12.86	12.28
Forest Trails Unit 5	40	15.12	14.45
Gardens at Willow Creek	76	28.74	27.45
Hassayampa Village (Parcel B) Sierra Timbers	32	12.10	11.56
Hassayampa Village (Parcel G) Conifer Ridge	37	13.99	13.37

EXHIBIT I

Hassayampa Village (Parcel K) Aspen Creek Meadows	68	25.71	24.56
Hassayampa Village (Parcel I)	22	8.32	7.95
Hassayampa Village (Parcel N1) Manzanita Woods	25	9.45	9.03
Hassayampa Village (Parcel D)	3	1.13	1.08
Hassayampa Village (Parcel J) Aspen Canyon	23	8.70	8.31
Hassayampa Village (Parcel L) Twin Peaks	10	3.78	3.61
Hassayampa Village (Parcel P) Canyon Ridge	43	16.28	15.53
Hassayampa Village (Parcel A) Sunrise Highlands	38	14.37	13.73
Hassayampa Village (Parcel N)	17	6.43	6.14
Hassayampa Village (Parcel M) Vista Ridge	32	12.10	11.56
Manzanita Village	38	13.61	13.00
Cedar Wood Village	19	7.18	6.86
Scholon Subdivision	4	1.51	1.44
Yavapai Hills Unit 8	91	34.41	32.67
Gail Garner Patio Homes	10	3.78	3.61
Prescott Estates	42	15.88	15.17
Prescott Lakes: Estates Unit 1	78	29.49	28.18
Subtotal	819	309.67	295.86

Preliminary Plats Approved, In Process, or Anticipated

Blackhawk, Unit 2	8	3.02	2.89
Eagle Ridge: The Villas at	20	7.50	7.22
Gail Garner Lots	11	4.16	3.97
Granite Springs (Crystal Creek)	50	18.91	18.06
Hassayampa Village (Parcel E) Condos	147	55.58	53.10
Hassayampa Village (Parcel C2) Forest Creek	54	20.42	19.51
Hassayampa Village (Forest Service)	85	32.14	30.71
Hepburn	4	1.51	1.44
Heritage Ridge	104	39.32	37.57
Palmer Hill	23	8.70	8.31
Prescott Lakes: Estates Unit 2	239	90.37	86.34
Prescott Lakes: Granite Creek	150	58.72	54.19
Prescott Lakes: Pines	231	87.34	83.45
Prescott Lakes: Pinnacle Unit 1	82	23.44	22.40
Prescott Lakes: Pinnacle Unit 2	340	128.56	122.62
Prescott Lakes: Stony Creek Phase 2	22	8.32	7.95
Starpines Condos	30	11.34	10.84
Summit Unit 2	227	85.83	82.00
Vista Verde Estates, Unit 2 (remainder)	23	8.70	8.31
Willow Hills	274	103.60	98.98
Hartin Heights	23	8.70	8.31
Willow Lake Villas	68	24.95	23.84
Subtotal	2193	829.18	792.21

Plats Outside City Limits

Prime Time Property	107	40.45	38.65
Pinon Oaks	518	195.88	187.13
Yavapai Hills In Prescott Valley	489	164.89	156.65
Subtotal	1,114	401.21	382.43

Grand Total 28,771 11,160.08 10,953.96

re categories used by the City, but they do not indicate those subdivisions that have been granted physical community by the Department.

City of Prescott Committed Demand as of September 11, 1998.

EXHIBIT I

Preliminary Plans Approved Before 8/21/98	Lots	Estimated Demand (157 gpcd)	Calculated Committed Demand (150 gpcd)
Blackhawk, Unit 2	8	3.0	2.9
Cliff House Unit 3	21	7.9	7.5
Cliff House Unit 6	25	9.5	9.0
Copper Canyon Village	27	10.2	9.8
Dells @ Prescott Lakes	187	61.1	60.3
Eagle Ridge: The Vistas at	20	7.8	7.2
Forest Trails, Unit 4, Phases 4 & 5	53	20.8	18.9
Gail Garner Lots	11	4.2	4.0
Granite Creek Apartments @ Prescott Lakes	150	58.7	54.2
Granite Dene	23	8.7	8.3
Granite Springs	50	18.9	18.1
Hartin Heights	23	8.7	8.3
Hassayampa Village (Parcel C2) Forest Creek	54	20.4	18.8
Hassayampa Village (Parcel E) Condos	147	55.6	53.1
Hassayampa Village (Parcel F) Cottages	30	11.3	10.8
Hassayampa Village (Parcel O)	18	6.0	5.8
Hepburn	4	1.5	1.4
Heritage Ridge	104	39.3	37.6
Kingwood	74	28.0	26.7
Lakeside @ Prescott Lakes	240	90.7	86.7
Mason Ridge	14	5.3	5.1
Northlake	127	48.0	45.9
Palmer Hill	33	8.7	8.3
Peaks Unit I @ Prescott Lakes	665	251.4	240.2
Peaks Unit II @ Prescott Lakes	150	56.7	54.2
Pine Oaks	532	201.2	192.2
Prescott Lakes Estates Unit 2	239	90.4	86.3
Prescott Lakes Estates Unit 3	12	4.5	4.3
Prescott Lakes Pines	231	87.3	81.4
Prescott Lakes Pinnacle Unit 1	62	23.4	22.4
Prescott Lakes Pinnacle Unit 2	340	128.8	122.8
Prescott Lakes Stony Creek Phase 2	21	8.3	7.9
Prime Time Property	107	40.5	38.7
Ranch @ Prescott, Unit 8	41	15.3	14.8
Ranch @ Prescott, Unit 9	92	34.8	33.2
Replots of WCH, PH, Lots 17, 24, and 25	15	5.7	5.4
Scarpines Condos	30	11.3	10.8
Stone Haven	13	4.9	4.7
Summit Unit 2	227	85.8	82.0
The Club at Forest Trails	49	18.5	17.7
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Yavapai Hills	1,532	517.1	503.8
Yavapai Hills in Prescott Valley	489	184.9	176.6
Grand Total	6,836	2,584.7	2,469.5



CITY OF PRESCOTT

LEGAL DEPARTMENT

201 South Cortez
Post Office Box 2059
Prescott, Arizona 86302-2059

Tele: (520) 776-6274
Tdd: (520) 778-5660
Fax: (520) 776-6325

John R. Moffitt
Ralph M. Hess
Glenn A. Savona
Tina R. Ainley

March 17, 1999

Mr. Bill Brownlee
M3 Companies
FAX # 771-0024

Re: Assured Water Supply

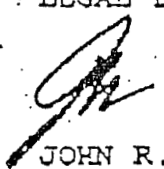
Dear Bill:

This is to confirm that Stony Creek I, Stony Creek II, The Estates I have a 100 year Assured Water Supply. All three subdivisions have preliminary plats which were approved by the Prescott City Council prior to August 21, 1998. The City of Prescott was a designated water provider prior to the foregoing date; any preliminary plats approved by the City Council prior to August 21, 1998 received a 100 year Assured Water Supply from the City of Prescott, as a designated provider, and have been so acknowledged as having an Assured Water Supply by the Arizona Department of Water Resources.

If you need any further information, please feel free to contact me.

Very truly yours,

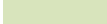
CITY OF PRESCOTT
LEGAL DEPARTMENT


JOHN R. MOFFITT
City Attorney

cc: Brad Huza

EXHIBIT I

PRESCOTT LAKES										
Amended and Restated Devpmnt Agrmt Dated 7-15-04 Exhibit E-3 Masterplan Subdivision Name	Year Final Plat	Final Plat Subdivision Name or Facility Name	Type of Project (Commercial, Residential, Multifamily)	Plat Number	Maximum Number of Lots per Contract	ADWR Prelim Plat Number of Lots	Number of Residential Lots (Platted)	Number of Multi-Family Dwelling Units	Number of Commercial Lots (Platted)	Difference between Prelim Plat and Final Plat
The Dells	1999	Dells at Prescott Lakes	Residential	3215242	2718 Units with Assured Water, An additional 786 Units may be requested, for a maximum of 3504 dwelling units	167	101	0	0	66
Granite Creek Apartments	2000	Granite Creek (The Legacy at PL)	Multifamily	N/A		150		150		0
Lakeside	2004	Lakeside - Phase 1A	Residential	3782939		240	35	0	0	105
	2005	Lakeside - Phase 1B	Residential	3835054			100	0	0	
Peaks Unit I	2006	Astoria - Phase 1 (Falcon Point)	Residential	4088933		665	118	0	0	393
	2021	Astoria - Phase 2A (Saddleback Estates)	Residential	FNP20-009			84	0	0	
	2021	Astoria - Phase 2B (Saddleback Estates) ¹	Residential	FNP20-009			16	0	0	
	N/A	Peregrine Ridge - SFR	Residential	PLN22-003			54	0	0	
	N/A	Village at Waston Lake	Multifamily	N/A			0	0	0	
Peaks Unit II	2002	Prescott Lakes Senior Campus (PL Apartments)	Multifamily	3505741		150	0	124	0	-58
	2011	Highgate Senior Living	Multifamily	B0909-008			0	84	0	
Estates Unit I	1999	The Estates - Unit 1	Residential	3126847		78	82	0	0	-4
Estates Unit 2		The Estates - Unit 2	Residential	3126847		239	84	0	0	-10
	2003	Willow Park Estates	Residential	3606215			48	0	0	
	2001	The Villages Condos	Multifamily	3346675			0	40	0	
	2003	Creekside	Residential	3581631			77	0	0	
Estates Unit 3	N/A	N/A	N/A	N/A		12	0	0	0	12
Pines	1999	Pines - Phase 1 (Cottages)	Residential	3196282		231	108	0	0	15
	2002	Pines - Phase 2 & 3 (Cottages)	Residential	3457977			73	0	0	
	2002	Pines - Phase 4 (Cottages)	Residential	3457978			35	0	0	
Pinnacle Unit I	1997	Pinnacle - Unit 1 - Phase 1 (The Summit)	Residential	2086818		62	3	0	0	59
Pinnacle Unit 2	2005	Pinnacle - Unit 2 - Phase 1	Residential	3951779		340	9	0	0	1
	2006	Pinnacle - Unit 2 - Phase 2A (Solstice Ridge)	Residential	4020852			18	0	0	
	2021	Pinnacle - Unit 2 - Phase 2B	Residential	2021-0045486			27	0	0	
	2021	Pinnacle - Unit 2 - Phase 2C	Residential	2022-0028606			29	0	0	
	2006	Pinnacle - Unit 3	Residential	3980549			95	0	0	
	2006	Pinnacle - Unit 4	Residential	4015826			95	0	0	
	2005	Brookside	Residential	3906448			66	0	0	
Stoney Creek Unit 1	1996	Stoney Creek	Residential	2007671		72	72	0	0	0
Stoney Creek Unit 2	1999	Stoney Creek	Residential	3123440		22	21	0	0	1
Summit Unit 1	1996	Summit Unit 1	Residential	2056700		63	63	0	0	0
Summit Unit 2	1999	Summit Unit 2	Residential	3215243		227	43	0	0	94
	2001	Summit Unit 3	Residential	3321892			90	0	0	
	N/A	Summit Unit 4	N/A	N/A			0	0	0	
N/A	2007	Canyon Meadows Estates	Residential	4198066		0	27	0	0	-27
N/A	2002	Prescott Lakes Commerce Center	Commercial	3430935		0	0	0	6	0
N/A	2014	Basis School	Commercial	N/A		0	0	0	3	0
N/A	N/A	Blooming Hills Business Center	Commercial/Multifamily	N/A		0	0	0	0	0
N/A	N/A	Prescott Lakes Apartments	Multifamily	N/A		0	0	22	0	0.00
					Total:	2718	1673	420	9	647

 Prior Groundwater Allowance Received
 New Groundwater Allowance in 2021

Total # Dwelling Units with Water Allocation from Development Agreement	2718
Total # Dwelling Units Approved or Constructed	2093
Total # Remaining Dwelling Units Under Original Water Allocation	625
Additional # Dwelling Units / Allocation That May Be Requested	786
Total # Dwelling Units Remaining in PL; Maximum 3504	1411
# Dwelling Units reduced by 350, per DA Section 3.7, Time Frame for Final Plat Approvals, Unused Density	1061



Prescott Lakes DA and Master Plan

JOSEPH YOUNG
CITY ATTORNEY

GWEN ROWITSCH
PUBLIC WORKS DIRECTOR

CHELSEA WALTON
COMMUNITY DEVELOPMENT
DIRECTOR

March 11th, 2025
City Council Meeting



Concerns

- City cannot unilaterally amend Master Plan
- Limited Water Rights Remain
- New Projects require Density Transfers
- Only Developer Parties can transfer density
- PADs require Council Approval

Prescott Lakes Development Agreement Density and Water



**3504 = Total Density Allowed in Development Agreement
Minus 350 Due to Failure to Plat Enough Lots by October,
2012 = 3154 Maximum Permitted Density**

2718 = Total Committed City Water (Residential Units)

Does the Reduction of Density Also Reduce Committed Water?



“Approved Density” = 3504 Residential Units

“Unused Density” = “the difference between Approved Density and the number of platted units”

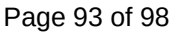
If Unused Density is more than 350 on October, 2012, then

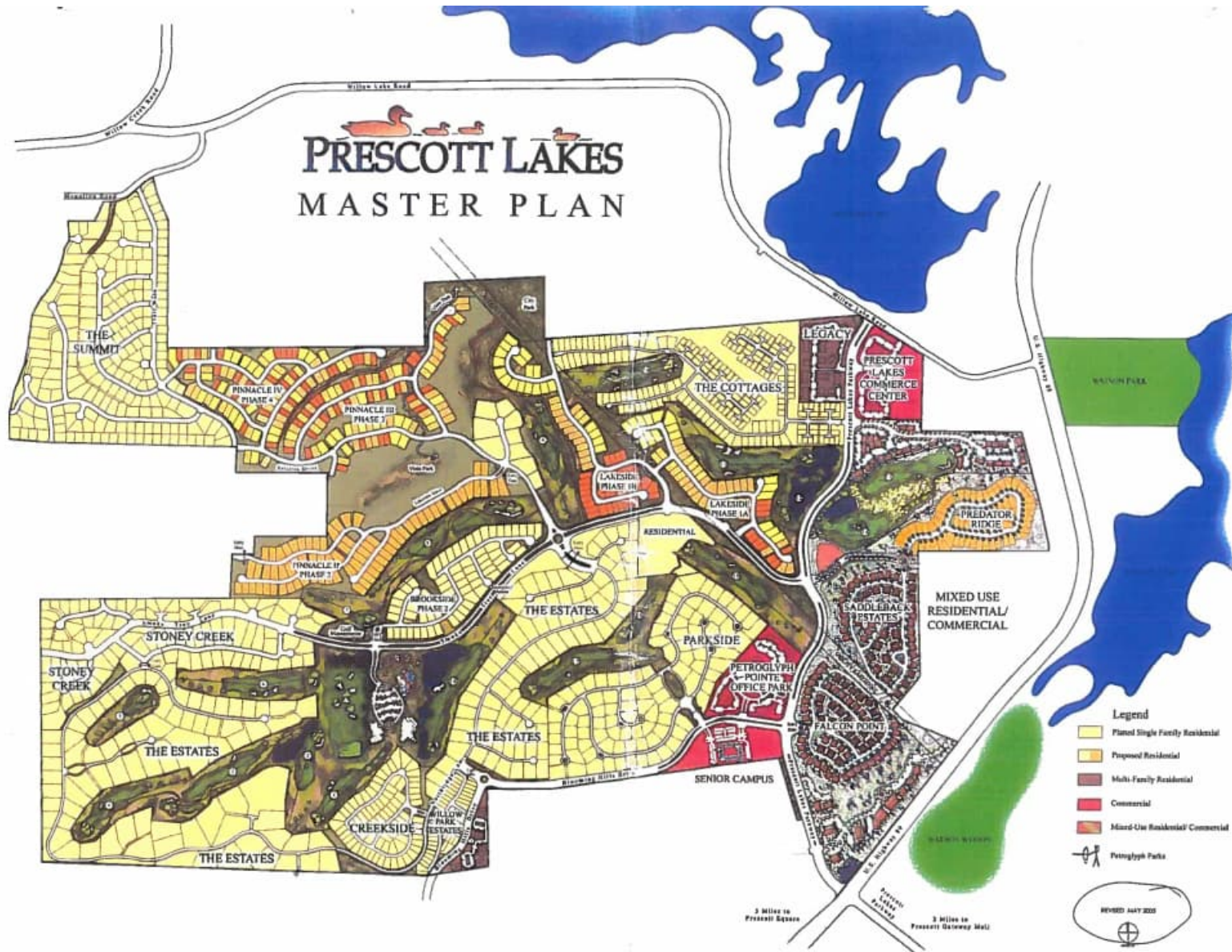
“Unused Density Shall be permanently reduced by 350 Units”

City is committed to provide water service pursuant to DWR Order up to 2718 Units

Master Plan

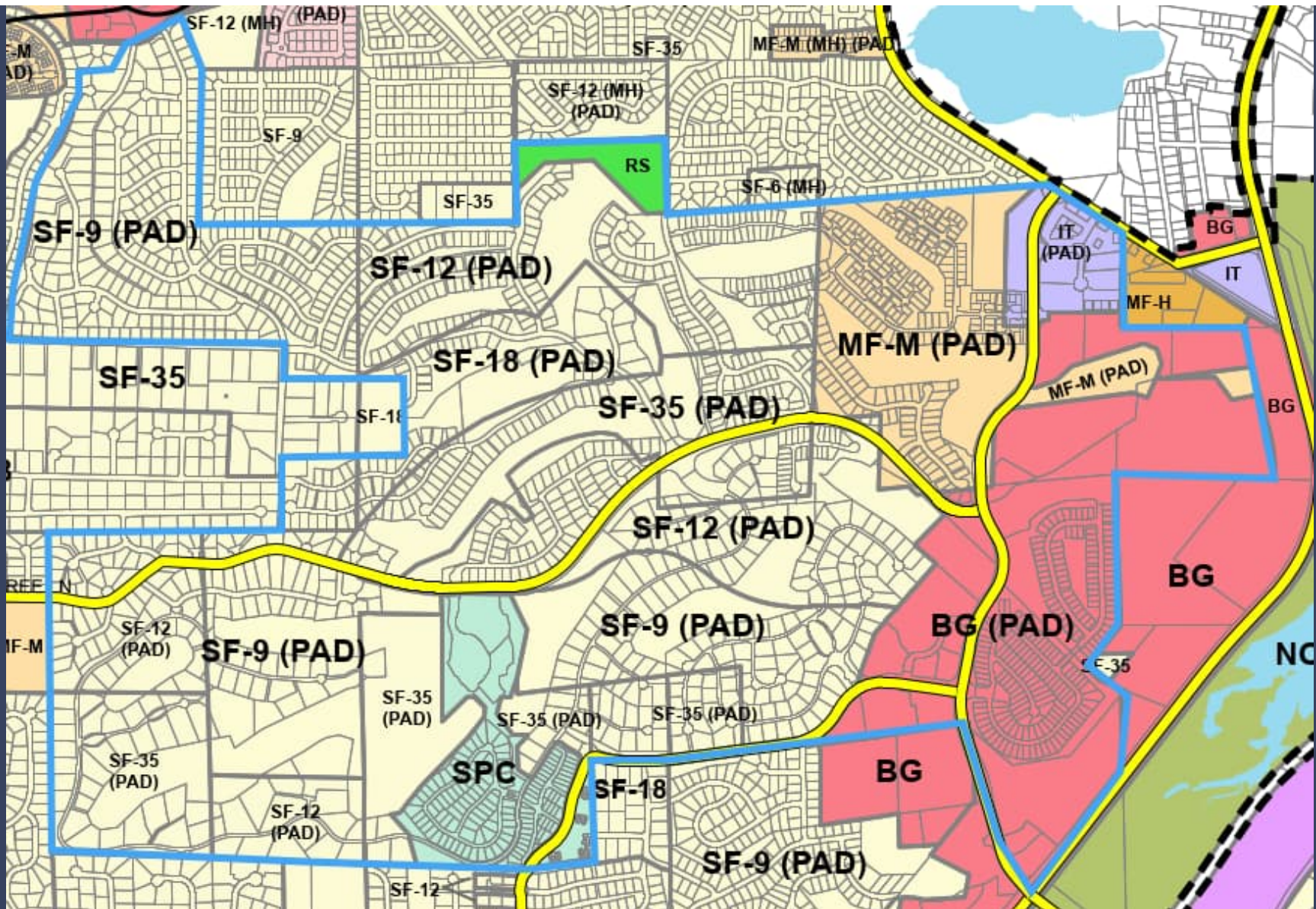
- Establishes Uses and Boundaries
- Final Plats to be in “General Conformance”
- All Projects to Conform to Underlying Zoning and Master Plan Uses





City of Prescott Zoning Map & Prescott Lakes PAD Approval

- **Zoning Districts**
- **Why is (PAD) attached to the zoning?**
 - **“All Planned Area Developments approved in accordance with the provisions of this Code shall be parenthetically referenced on the Official Zoning Map.” – LDC 9.5.5**



Land Development Code (“LDC”) Applicable Zoning Processes

- **Project Scope Determines Process in LDC**
- **If No Process Required by LDC, then:**
 - **Discretion to require “area neighborhood” meeting.
(LDC Section 9.1.6)**
 - **Discretion to bring Site Plans to P&Z, limited review, then to Council for information.
(LDC 9.8.4.D and E)**

Council Input Needed

- Neighborhood Meetings performed by Applicant
- Site Plan Review Process taken through P&Z limited review, information to Council