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REQ BY: CITY OF YUMA
REC BY: PATTY MAGANA

Ordinance

ORDINANCE NO. 174

OFFICE OF THE
MAYOR
CITY OF SAN LUIS

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, AMENDING ORDINANCE NO. 69, AS AMENDED, BY CHANGING THE CLASSIFICATION OF THREE PARCELS OF LAND CONSISTING OF 30.0795 ACRES, MORE OR LESS, 39.4613 ACRES, MORE OR LESS, AND 10.7311 ACRES, MORE OR LESS, ALL IN SECTION 6, TOWNSHIP 11 SOUTH, RANGE 24 WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YUMA COUNTY, ARIZONA, OWNED BY RIEDEL CONSTRUCTION; AMENDING THE ZONING MAP TO CONFORM THERETO; AND AUTHORIZING A DEVELOPMENT AGREEMENT

WHEREAS, the Planning and Zoning Commission has recommended that the properties described below be reclassified; and

WHEREAS, said recommendation was made in conformance with the Ordinances and Code of the City of San Luis, Arizona,

NOW, THEREFORE, BE IT ORDAINED BY THE MAYOR AND COMMON COUNCIL OF THE CITY OF SAN LUIS, ARIZONA, YUMA COUNTY, AS FOLLOWS:

SECTION 1: That the zoning classification of Parcel 1 described in Exhibit "A" attached hereto shall be from County zoning of Rural Agricultural 10-Acre Parcels (RA-10) to General Commercial (C-2);

SECTION 2: That the zoning classification of Parcel 2 described in Exhibit "A" attached hereto shall be from County zoning of Rural Agricultural 10-Acre Parcels (RA-10) to Intermediate Density Residential (R-2);

SECTION 3: The zoning classification of the property described in Exhibit "A" as Parcel 3 from County zoning of Rural Agricultural 10-Acre Parcels (RA-10) to High Density Residential (R-3);

SECTION 4: That the property as rezoned shall be subject to all rules, regulations and requirements pertaining to the classification of said property as rezoned.

SECTION 5. That the zoning map adopted under said Ordinance No. 69, as amended, is hereby ordered to be changed and amended so as to show that said real property described in this Ordinance is located within the district herein provided.

SECTION 6: That that certain document known as a Development Agreement between Riedel Construction and the City of San Luis, Arizona, three copies of which are on file in the office of the City Clerk of the City of San Luis, Arizona, which document is a public record, is hereby referred to, adopted and made a part hereof as if fully set out in this Ordinance.

PASSED AND ADOPTED by the Mayor and Council of the City of San Luis, Arizona this 22nd day of Aug., 2001.



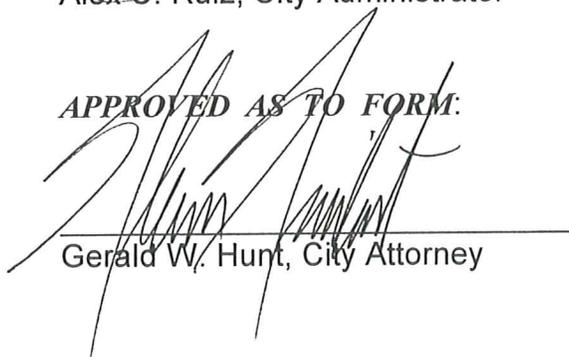
Alex (Joe) Harper, Mayor

ATTEST:



Alex U. Ruiz, City Administrator

APPROVED AS TO FORM:



Gerald W. Hunt, City Attorney

EXHIBIT "A"

Parcel 1: Containing 30.0795 acres more or less.

That portion of the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, T.11S., R.24W., G.&S.R.B.M., Yuma County, Arizona, more particularly described as follows:

Beginning at S $\frac{1}{4}$ corner of said Section 6; thence N89°49'00"E along the South line of said Section 6 a distance of 1319.59 feet to the SW corner of said E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 being the true point of beginning; thence N00°33'15"W along the West line of said E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 a distance of 992.32 feet to a point; thence N89°41'11"E a distance of 1317.23 feet to a point on the East line of said Section 6; thence S00°41'32"E along said East line of Section 6 a distance of 995.33 feet to the SW corner of said Section 6; thence S89°49'00"W along the South line of said section 6 a distance of 1319.64 feet to the true point of beginning.

Parcel 2: Containing 39.4613 acres more or less

That portion of the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, T.11S., R.24W., G.&S.R.B.M., Yuma County, Arizona, more particularly described as follows:

Beginning at S $\frac{1}{4}$ corner of said Section 6; thence N89°49'00"E along the South line of said Section 6 a distance of 1319.59 feet to the SW corner of said E $\frac{1}{2}$ E $\frac{1}{2}$ of said Section 6; thence N00°33'15"W along the West line of said E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 a distance of 1323.09 feet to the NW corner SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 6; thence continuing along said West line of E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 N00°32'53"W a distance of 1322.48 feet to the NW corner NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 6; thence continuing along said West line of E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 N00°13'39"W a distance of 997.00 feet to the true point of beginning; thence continuing along said West line of E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 N00°13'39"W a distance of 1661.66 feet to a point on the North line of said Section 6; thence N89°59'17"E along said North line of Section 6 a distance of 1321.49 feet to the NE corner of said Section 6; thence S00°02'45"E along the East line of said Section 6 a distance of 784.44 feet to a point; thence S89°57'15"W a distance of 536.75 feet to a point; thence S00°02'45"E a distance of 872.31 feet to a point; thence S89°39'04"W a distance of 779.49 feet to the true point of beginning.

Parcel 3: Containing 10.7311 acres more or less

That portion of the E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6, T.11S., R.24W., G.&S.R.B.M., Yuma County, Arizona, more particularly described as follows:

Beginning at S $\frac{1}{4}$ corner of said Section 6; thence N89°49'00"E along the South line of said Section 6 a distance of 1319.59 feet to the SW corner of said E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6; thence N00°33'15"W along the West line of said E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 6 a distance of 1323.09 feet to the NW corner SE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 6; thence continuing along said West line of E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 N00°32'53"W a distance of 1322.48 feet to the NW corner NE $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 6; thence continuing along said West line of the E $\frac{1}{2}$ E $\frac{1}{2}$ Section 6 N00°13'39"W a distance of 997.00 feet to a point; thence N89°39'04"E a distance of 779.49 feet to the true point of beginning; thence N00°02'45"W a distance of 872.31 feet to a point; thence N89°57'15"E a distance of 536.75 feet to a point on the East line of said Section 6; thence S00°02'45"E along the East line of said Section 6 a distance of 869.47 feet to a point; thence S89°39'04"W a distance of 536.76 feet to the true point of beginning.

CITY OF SAN LUIS

AND

RIEDEL CONSTRUCTION, AN ARIZONA L.L.C.

DEVELOPMENT AGREEMENT

FOR LAS QUINTAS

This Agreement is made and entered into pursuant to A.R.S. § 9-500.05, on the 22nd day of August, 2001 by and between Riedel Construction, an Arizona L.L.C., hereinafter referred to as "Developer", and the City of San Luis, Arizona, a municipal corporation, hereinafter referred to as the "City".

RECITALS:

A. That Developer is developing a tract of land of thirty-nine (39) acres, more or less, to be known as Las Quintas, Phases One and Two, located in Yuma County, Arizona legally described as follows:

Phase one N½E½E½, Section 6, 23.84 acres, T. 11 S., R. 24 W.,
G&S R B M, Yuma County, Arizona.

Phase two N½E½E½, Section 6, 15.62 acres.

B. That the City is zoning said property to allow for residential development and to provide city water and sewer service to serve the same and the City, under certain conditions and stipulation, as herein set forth.

NOW, THEREFORE, in consideration of the mutual agreement and covenants set forth herein, the parties agree as follows.

SECTION ONE

Purpose

The purpose of this Development Agreement is to set forth terms and conditions for the subdivision of certain territory within the boundaries of City and to allow, within the limits of legislative and administrative powers of City, the Developer to develop the Territory and to provide water and sewer service to the Territory to allow for its development. Any and all construction work completed before the effective date of this development agreement has been done at the sole risk of the Developer.

SECTION TWO

Development Agreement

This Agreement is a "Development Agreement" within the meaning of Arizona Revised Statutes § 9-500.05.

SECTION THREE

Consistency with General Plan

As required by State Law, the City and Developer stipulate that the residential development of the property is consistent with the City of San Luis General Plan, as amended. In the event that it is not presently consistent, to the extent permitted by law, City promises to amend the

General Plan so that development, as desired by Developer as hereafter set forth, will be consistent. In the event that the current General Plan of the City of San Luis is incomplete the City agrees to incorporate this Agreement into its General Plan when so adopted.

SECTION FOUR

Extension of Water and Sewer Service

Water and Sewer service is available for the above-mentioned territory of the Developer, subject to the following conditions. All costs for extending or otherwise constructing the water and/or sewer lines and other needed improvements for service to the proposed residential development of the territory shall be borne by the Developer subject to the following terms, conditions and understandings.

A. Development of Sewer Extension.

- (1) Developer is developing its lands in conjunction with the proposed subdivisions known as Bienestar Estates 7A and 7B. The Developer has represented to the City, and this agreement is contingent upon said representation, that it has made an agreement whereby the Comite de Bienestar, Inc. will be paying for the development of a 18" sewer main extension line and all related improvements needed or necessary to provide the availability of wastewater service to the territory from 8th Avenue to 10th Avenue on the north side of Juan Sanchez Boulevard.
- (1) Developer also agrees to pay for the cost of the development of 15" sewer main extension line and all related improvements needed or necessary to provide the availability of wastewater service to the territory from behind the

San Luis Post Office and Mesa West, about 200', to the first manhole. The City has agreed to reimburse the Developer for one-third of that cost, said one-third to not exceed \$30,000.00 in amount. It has been represented that the Developer has made, or will make, a separate agreement with the Comité de Bienestar to share in the expense incurred by Developer. With respect to the aforementioned 15" line, as well as the 18" line referred to in subsection 4(A)(1) above, it is understood this is a temporary solution and that it will need to be replaced with a pump station and a 20" force main traveling from 8th Street to the Waste Water Treatment Plant sometime within the next two years.

- (2) Developer will be responsible for all water and sewer improvements on 10th Ave. in front of the lands of developer and Comité de Bienestar will be responsible for all improvements in front of its proposed subdivision(s) as they front on 10th Ave.

It is further understood that the aforementioned Sewer Extension connect to mains and/or lines may be inadequate to provide service beyond the next 24 to 36 months. In addition, the capacity of the plant may need to be increased to be able to adequately serve full development of the lands of Developer. Developer understands that funding for the development of such future infrastructure as may be needed or necessary to provide continued service does not presently exist. As a result, at present time, the City can grant authority only for the development of a total of 375 residential units, for all development, that may connect to the lines described above, based upon the current status of City infrastructure and the improvements referred to above. The City is aware of

other developments, including the aforementioned developments of Comite de Bienestar, Inc., which may desire to develop residential units that may connect to the aforementioned sewer lines and improvements. Developer understands that the City will issue building permits and allow sewer hook-ups on a “first come, first serve” basis, for any and all development that may connect to the aforementioned sewer lines and improvements, until the total of 375 residential units, or its equivalent wastewater capacity, is reached. At such time as the aforementioned limit of 375 residential units, or its equivalent wastewater capacity, is reached, no permission of any kind, whatsoever, for any further development will be given, until or unless development of all the infrastructure needed or necessary to provide proper sewer service, including but not limited to mains, lines, lift stations, increased sewer plant capacity or other improvements, has been fully constructed.

Developer understands that the creation of special districts, imposition of impact fees, future agreements, increase in hook up fees or monthly sewer charges, or other funding vehicles may be needed or necessary to provide for the infrastructure needs for the continued development of the territory. Developer understands that the City has not promised and will not promise either continued service, nor full service to its lands until or unless funding for the development of all proper infrastructure becomes available, and that any promise or approval for any development is so conditioned.

B. Design Standards and Governmental Approvals. The Sewer Extension shall be designed, built and constructed to the City’s full satisfaction, and the construction and installation of the Sewer Extension shall be completed in compliance with all applicable City standards and specifications for sanitary sewer line construction and all work in connection therewith shall be subject to the approval of the City by and through the City Engineer. Developer hereby agrees that

the installation of all said sanitary sewer line construction must comply with the requirements of the Arizona State Department of Health Services and A.D.E.Q. regulations. At all times Developer will be responsible for meeting said requirements and obtaining all appropriate approvals from the State of Arizona.

C. Title to Sewer Extension; No Liens. Developer agrees to cause the granting to the City of all right and title to the Sewer Extension, and the City hereby agrees to accept and own the Sewer Extension, subject to the terms and conditions herein, free and clear of all consensual liens and encumbrances, if any. In addition to the Agreement to hold harmless as hereinafter set forth, the Developer hereby agrees to indemnify and hold harmless City from any and all claims, known or unknown, of whatsoever kind or nature, regarding the construction of said Sewer Extension, including but not limited to any and all claims of liens or encumbrances including, but not limited to, mechanics' liens and/or consensual liens or encumbrances otherwise attaching to the property upon which the Sewer Extension may be constructed. All sewer lines, mains, equipment and appurtenances to be installed as referenced in this Agreement shall be, and remain the property of the City, and Developer shall have no right, title or interest therein or thereto.

D. Easements and Rights of Way. Developer shall obtain and grant to City any and all perpetual sewer easements needed or necessary for the construction and maintenance of the Sewer Extension at its sole cost and expense. Developer shall deliver to the City fully executed, acknowledged, and recordable utility easements in a form acceptable to the City. Developer agrees to grant to the City the permanent right and easement to install, operate, maintain, replace and remove such portions of the Sewer Extension as may be located on property owned and/or controlled by Developer. If any part or all of the sewer system is, or is to be, installed on property owned by other

than Developer, developer shall procure from the owners thereof in the name of City all necessary permanent rights-of-way for the construction, operation, maintenance and replacement of the Sewer Extension on such other property, all in form satisfactory to City without cost to it.

E. Extension of Water Service. Extension of water lines shall be done in accordance with the City's standards and specifications. Developer shall obtain and grant to City any and all perpetual easements needed or necessary for the construction and maintenance of the extensions for water service at its sole cost and expense. Developer shall deliver to the City fully executed, acknowledged, and recordable utility easements in a form acceptable to the City. Developer agrees to grant to the City the permanent right and easement to install, operate, maintain, replace and remove such portions of the Water Extension as may be located on property owned and/or controlled by Developer. If any part or all of the water system is, or is to be, installed on property owned by other than Developer, developer shall procure from the owners thereof in the name of City all necessary permanent rights-of-way for the construction, operation, maintenance and replacement of the Sewer Extension on such other property, all in form satisfactory to City without cost to it.

Developer agrees to cause the granting to the to the City of all right and title to the Water Extension, and the City hereby agrees to accept and own the Water Extension, subject to the terms and conditions herein, free and clear of all consensual liens and encumbrances, if any. In addition to the agreement to hold harmless as hereinafter set forth, the Developer hereby agrees to indemnify and hold harmless City from any and all claims, known or unknown, of whatsoever kind or nature, regarding the construction of said Water Extension, including but not limited to any and all claims of liens or encumbrances including, but not limited to, mechanics' liens and/or consensual liens or encumbrances otherwise attaching to the property upon which the Water Extension may be

constructed. All water lines, mains, equipment and appurtenances to be installed as referenced in this Agreement shall be, and remain the property of the City, and Developer shall have no right, title or interest therein or thereto.

SECTION FIVE

Water/Sewer Fees

The following water & sewer hookup fees shall be paid at the time each building permit is pulled. Those fees are in the amount of \$450.00 for water and \$1,000.00 for sewer for a total of \$1,450.00. It is understood development pursuant to any issued permit is expected within two years of the date of issuance. For any such permit where development does not occur within two years of the date of issuance the then current charges for water and/or sewer hookup will be paid.

SECTION SIX

Bonds or Assurances

Prior to the recording of any final subdivision plat, Developer shall assure its full and faithful performance thereof by either:

A. Constructing the required improvements and repairing the existing streets and other public facilities damaged in the development of the property, or

Filing with the City one of the following:

i. A surety bond executed by a surety company authorized to transact business in the State of Arizona;

ii. An irrevocable letter of credit made by or through a lending institution, insurance or title company regulated by the State of Arizona and made payable to the City of San Luis in a form acceptable to the City Attorney of the City of San Luis. The letter of credit shall be made

payable to the Treasurer of the City of San Luis, and shall be held by said Treasurer. Upon the sole determination of the City Manager that the Developer has not met its obligations hereunder, the Treasurer of the City of San Luis will be authorized to draw upon the letter of credit to pay for the completion of any outstanding work and/or to pay for the performance of any outstanding obligations of the Developer.

iii. A cash deposit.

Such assurance of full and faithful performance shall be in a form approved by the City and shall be for a sum sufficient to cover the cost of the improvements and related engineering and incidental expenses.

All assurances shall be released upon issuance of the Notice of Project Acceptance and payment of the impact fee to the City. If Developer fails to construct the improvements within five (5) years from the date of the Agreement and the City has nonreimbursed costs or expenses resulting from such failure, the City shall call on the posted assurances for reimbursement. If the amount of the posted assurances exceeds the cost and expense incurred by the City, the City shall release the remainder. If the amount of the posted assurances are less than the cost and expense incurred by the City, Developer shall be liable to the City for the difference. The security shall be in an amount acceptable to the City and in compliance with A.R.S. §34-222.

SECTION SEVEN

Applicability of Existing Law

On selection of any area or development, Developer shall be required to comply with all city ordinances (including subdivision ordinances) codes, policies and standards affecting the development, construction, marketing and sale of the project in effect, as of the date this Agreement

is executed, which will govern the development, construction, marketing and sale of the project together with any subsequent amendments to the Development Plan. The development and use of the property shall be subject to all other applicable city, state, or federal rules, laws or regulations.

SECTION EIGHT

Retention Basins/Street Lights/Assessment Districts

Developer further agrees to set aside retention basins or such other amount of said property for retention basins in accordance with Yuma County Storm Drainage requirements or as the City Engineer can justify as necessary to be used by the City as it in its sole discretion deems necessary or justifiable, and the retention basins will be utilized for park areas. Developer, at Developer's cost, shall pay for formation of retention basin operation and maintenance assessment district and streetlights operation and maintenance assessment districts. The assessment districts may include such other considerations, including but not limited to, maintenance and operation, sidewalks, drainage, water rights, reimbursement, and other improvements and expenses as required by the City.

Furthermore, the Developer agrees that the sum of five hundred dollars (\$500) per acre of development is to be used solely for the establishment and improvement of public recreation areas in the subdivision as designed by the City and can be assessed through a municipal improvement district or alternatively a community facilities district. The total assessment (\$500 x 39 acres) for recreational equipment shall not exceed \$19,500 and shall be assessed one time only, on a pro rata per lot basis, upon completion of each phase of subdivision development. The total amount due for phase One is \$10,920 (56% of total subdivision acreage), and the total amount due for phase 2 is \$8,580 (44% of total subdivision acreage).

Each retention area will receive improvements in relation to its size as compared to the total retention basin acreage, and the improvements shall include, but not be limited to, playground equipment, ramadas, benches, bar-b-que pits, and other equipment related to recreation activities on the timetable which is in the City's sole discretion. The maintenance and replacement of equipment is specifically included within the scope of proper expenses for these assessment districts.

SECTION NINE

Retention Basin Landscaping/Irrigation

Developer shall provide landscaping, year around grass seeding and an appropriate irrigation system to the retention basins within the subdivision and shall include water meter, meter box, timer, backflow device and all valves, fittings, and appurtenances and shall provide a plan for said improvements for approval by the City. Specific details on retention basin and landscaping are as follows:

1) Grass

The retention basin should be seeded with winter rye for establishing the turf for the winter season or Bermuda for the spring and summer months, but each should be reseeded during the appropriate season by the Developer to establish a year round, consistent stand of grass. However, an alternative type of perennial grass may be substituted with approval from the Parks and Recreation Director.

2) Sprinkler system requirements

- a) Rainbird Timing Clocks
- b) Hunter Commercial sprinklers I-25 Adjustable
- c) Each sprinkler should have an adjustable swing arm

- d) A back flow valve with metal pipes
- e) Schedule 40 PVC pipe and fittings

SECTION TEN

Installation to be Provided by Developer

Developer shall install all utilities, including telephone phones, sewer lines, water lines, electrical and all other service lines underground, and conduit for future underground installation of telecommunication lines for the subdivision in a manner acceptable to the City. Developer shall also install street lighting within the subdivision according to APS design approved by the City, and street identification signs, stop signs and other traffic signs, street striping, monumentation, lot corner staking, water mains and services, fire hydrants, manholes, sewer interceptors and sewer collection lines, sewer side services, streets, curbs and gutters, sidewalks, and retention basins. Developer's Contractor shall provide the engineer and the City of San Luis with certified soil compaction, asphalt, and concrete tests as required by Yuma County Standard Specifications.

SECTION ELEVEN

Special Conditions

Developer agrees to construct/complete the east ½ width of 10th Avenue from 22nd Street to Juan Sanchez Blvd., according to the City's standards for minor arteries upon the City securing the appropriate right-of-way.

Developer agrees to contribute twenty-five percent (25%) of costs of traffic signals and streetlights at the intersection of 10th Avenue and Juan Sanchez Blvd.

Developer agrees to provide a secondary emergency access to the subdivision from 8th Avenue twenty (20) feet wide capable of supporting emergency vehicles or to complete 9th Avenue paved to attach to the subdivision.

Developer agrees to pave ½ width of County 22nd Street as it borders the subdivision when construction of the appropriate right-of-way is begun or the right-of-way is secured to continue from the high school development area extending from Highway 95 to this area of development..

Developer agrees to compensate City for the costs associated with the acquisition of the twenty-seven (27) feet of right-of-way between 8th and 9th Avenues along Juan Sanchez Boulevard, including but not limited to real property costs.

Developer agrees to construct a subdivision wall using 6" concrete masonry units along all subdivision borders. However, developer may build a 3' wall in the back of Lots 57 through 69 of Phase One and Lots 118 through 134 of Phase Two, inclusive.

All of the foregoing special conditions shall be subject to the requirements and conditions of the San Luis Public Works Director, and the plans shall include such requirements as he/she directs. In addition, any funds that are due shall be due and payable by Developer on receipt of a written statement. Work not paid within thirty (30) days shall accrue interest at ten percent (10%) from the date of the notice until paid.

SECTION TWELVE

Development Fees

Until such time as development fees are formally adopted by the city, the Developer shall be responsible for Development Fees of \$300 per lot. There are 117 lots in Phase One of the Las Quintas Subdivision, so the amount due will be \$35,100. This is due and payable before the first building permit for construction of a residence in Phase One is obtained. The City is allowing two years from the date of this agreement for the completion of construction Phase One.

The Development Fees for Phase Two and the remaining 90 lots total \$27,000, and are due and payable before the first building permit for construction of a residence is obtained in Phase 2. The City is allowing three years from the date of this agreement for the completion of construction of Phase 2, and development of Phase 2 shall begin immediately after completion of Phase One. Developer may begin construction of Phase 2 before the completion of Phase One.

In the event the development of Phase Two is not otherwise complete, within three years of the date of this agreement, the development fees shall be adjusted to whatever the development fees are at the date building permits are issued for the residential units being developed after said three year period, but in no event shall the development fees be reduced below the \$300 per lot initially paid.

SECTION THIRTEEN

Ownership of Systems

The water and sewer systems referred to herein and contemplated hereby as well as conduit for future installation of telecommunication lines as well shall be and remain the sole and exclusive property of the City. Developer and the persons to whom Developer sells shall have no interest, right, title or ownership therein. City shall have the right to extend, improve, maintain and

enlarge the same as it deems necessary, fix the rates applicable thereto, change the same from time to time, and adopt rules and regulation to control regulate and govern the use of such facilities.

The Developer agrees to extend to the City a warranty period of one year covering all construction, lighting systems, retention basins, and subdivision walls to commence immediately upon subdivision acceptance by the City. During the warranty period, the City shall require the Developer to post a surety bond for ten percent (10%) of the total subdivision cost, and said surety bond shall be in a form approved by the City. Said surety bond will be released after the expiration of the warranty period provided Developer satisfies any and all warranty claims.

The City reserves the right to request from the Developer materials tests for any items included in the subdivision construction.

SECTION FOURTEEN

Easements, Permits and Covenants

If any easements, permits, or rights of way are or become necessary within the territory of Developer, except as may be otherwise provided for herein, they shall be furnished by Developer, at Developer's sole expense, to the City, and they shall extend to and be in the name of the City.

The covenants set forth in this Agreement are intended to run with the land.

SECTION FIFTEEN

Attorneys Fees

Developer agrees to pay reasonable attorney fees of the City incident to the preparation of this Agreement and any related documents, as well as any attorney fees incurred in the enforcement of this Agreement or any part thereof

SECTION SIXTEEN

Waiver

The failure of either party to insist upon strict performance of any of the provisions of this Agreement or to exercise any of the rights or remedies, shall not release either party from any of the responsibilities or obligations imposed by law or by this Agreement, and shall not be deemed a waiver of any right of either party to insist upon strict performance of this Agreement, unless such waiver is in writing signed by the party to be charged.

SECTION SEVENTEEN

Governing Law

This Agreement shall be interpreted in accordance with the substantive law of the State of Arizona. This agreement is subject to the cancellation provisions of A.R.S. §38-511.

SECTION EIGHTEEN

Severability

It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is held to be illegal or in conflict with any law of the State of Arizona, the validity of the re portions or provisions shall not be affected, and shall be enforced as if the contract did not contain the particular part, term or provision held to be invalid.

SECTION NINETEEN

Default

If either party fails to comply with any of the terms and conditions of the Agreement or defaults in any of its obligations under this Agreement (the "Defaulting Party"), the non-defaulting party shall give Defaulting Party written notice of such failure or default. The Defaulting Party shall have thirty (30) days from the receipt of such notice to cure said failure or default.

In any case where a cure has not been completed within sixty (60) days after a Defaulting Party's receipt of such notice, the non-defaulting party shall have the right to demand the posting of a performance bond as security for the completion of such cure and the Defaulting Party shall post such bond within twenty (20) days of its receipt of such demand.

If the Defaulting Party fails to cure the failure or default within the time limits provided above, the non-defaulting party shall have the right to terminate this Agreement as well as any other rights or remedies provided by law.

SECTION TWENTY

Authority of Developer

Developer specifically warrants and represents that Developer has the capacity to enter into this Agreement and has or will provide the City with the appropriate verifying documentation.

SECTION TWENTY-TWO

Entire Agreement

This Agreement contains the entire agreement between the parties and no oral or written statements, promises or inducements made by either party or agents of either party not contained in this Agreement or specifically referred to herein shall be valid or binding. This

Agreement may not be enlarged, modified or altered except in writing signed by the parties and endorsed thereon.

SECTION TWENTY-THREE

Interest of City Agents

No member, official or employee of the City (collectively "City Agents") shall have any direct or indirect interest in this Agreement nor participate in any decision relating to the Agreement prohibited by law. If either party reasonably believes that a City Agent will participate in a decision relative to this Agreement prohibited by law, then that party may request an independent person to replace such City Agent in participating in that decision.

SECTION TWENTY-FOUR

Arbitration

In the event of any dispute arising between the parties, the parties agree to binding arbitration to be conducted pursuant to the rules of arbitration utilized in Yuma County Superior Court Local Rule X, and if any action is brought by either party to enforce the terms of this Agreement, the prevailing party shall be entitled to all costs incurred in connection with such action, including reasonable attorney fees.

SECTION TWENTY-FIVE

Effective Date of Agreement

The effective date of this Agreement shall be the date of the Resolution in which this Agreement is incorporated by reference and approved by the City Council of the City of San Luis.

SECTION TWENTY-SIX

Binding Agreement

This Agreement and the covenants, terms and conditions thereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors in interest and the assigns of the parties hereto.

SECTION TWENTY-SEVEN

Notices

Notices to the City under this Agreement shall be sent to:

City Manager
City of San Luis
P.O. Box 1170
San Luis, AZ 85349

Or at any other place hereafter designated by the City in writing.

Notices to Developer under this Agreement shall be sent to:

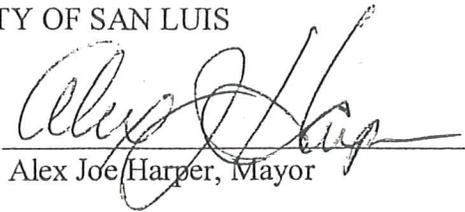
Riedel Construction
P. O. Box 3076
Somerton, AZ 85350

Or any other place hereinafter designated by Developer in writing.

IN WITNESS WHEREOF, the parties have executed this Agreement through their authorized representatives as of the day and year first above written.

CITY OF SAN LUIS

By


Alex Joe Harper, Mayor

ATTEST:

Enrique Castillo
Enrique Castillo, City Manager

APPROVED AS TO FORM:

Glenn J. Gimbut
Glenn J. Gimbut, City Attorney

RIEDEL CONSTRUCTION

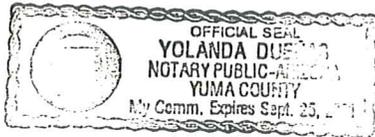
By Alex Joe Harper
Authorized Representative

STATE OF ARIZONA)
) Ss.
County of Yuma)

The foregoing acknowledged before me this 30th day September of 2001 by
Alex Joe Harper, Mayor of the City of San Luis.

Yolanda Duran
Notary Public

My Commission Expires: Sept 25, 2001



STATE OF ARIZONA)
) ss.
County of Yuma)

