WHEN RECORDED RETURN TO:

City Clerk City of Sedona 102 Roadrunner Drive Sedona, AZ 86336

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (the "**Agreement**") is made as of the 24th day of <u>September</u>, 2024, by and between the CITY OF SEDONA, ARIZONA, an Arizona municipal corporation (the "**City**") and BANEY CORPORATION, an Oregon domestic business corporation (the "Owner"). The City and the Owner are sometimes referred to in this Agreement collectively as the "**Parties**," or individually as a "**Party**."

RECITALS

- A. BANEY CORPORATION (the "Owner") owns that certain real property located south of the intersection of State Route 89A and Soldiers Pass Road in Sedona, Arizona, which consists of approximately 6.36 acres and is more particularly described on **Exhibit A** (the "**Property**").
- B. It is the desire and current intention of the Owner to improve and develop the Property by constructing certain improvements consisting of a hotel with 100 lodging units, a restaurant, and a rooftop lounge (the "Hotel") and 46 multi-family apartment units as contemplated in Sedona case number PZ19-00005 (ZC, DEV) (the "Project").
- C. Arizona Revised Statutes Section 9-500.05 allows a municipality and a landowner or any other person having an interest in real property located in the municipality to enter into a development agreement pertaining to any matter relating to the development of such real property, including applicable land use rules, regulation and official policies, permitted land uses, density and intensity of land use, phasing of the development and duration of the development agreement, and development fees.
- D. The Parties desire to enter into this Agreement in order, among other things, to facilitate development of the Property by providing for and establishing the community character of the Property, the type of land uses and the location, density, and intensity of such land uses, designating forty-six (46) residential units for affordable rental housing, and other matters relating to the development of the Property as depicted in the preliminary site plan for the Project (the "Site Plan"), a copy of which is attached as **Exhibit B** and incorporated by reference in this Agreement.
- E. The City believes that the development of the Property pursuant to this Agreement would provide certain benefits to the City, and the Owner believes that the development of the Property pursuant to this Agreement would be beneficial and advantageous to the Owner.

AGREEMENT

Now, therefore, in consideration of the foregoing recitals and representations and the mutual promises contained in this Agreement, the Parties agree as follows:

1. **Definitions**.

In this Agreement, unless a different meaning clearly appears from the context:

- 1.1 "Agreement" means this Agreement, as amended and restated or supplemented in writing from time to time, and includes all attached exhibits and schedules. References to Sections or Exhibits are to this Agreement unless otherwise qualified. The Recitals set forth in Paragraphs A through E, inclusive, are incorporated by reference and form a part of this Agreement but are not intended to expand the scope, number or nature of the City's or Owner's obligations beyond those expressly set forth in the numbered Sections of this Agreement.
 - 1.2 "Applicable Laws" means as defined in Section 8.1.
 - 1.3 "Application" means as defined in Section 3.
- 1.4 "**Approvals**" means all approvals, consents and permits necessary pursuant to Applicable Laws and encumbrances recorded against the Property for the development of the Project.
- 1.5 "City" means the Party designated as City on the first page of this Agreement.
 - 1.6 "City Representative" means as defined in Section 13.1.
- 1.7 "**Default**" or "**Event of Default**" means one or more of the events described in <u>Section 12.1</u> or 12.2; provided, however, that such events shall not give rise to any remedy until effect has been given to all grace periods and cure periods provided in <u>Section 12.3</u> and/or periods of Force Majeure provided for in <u>Section 12.6</u> and that in any event the available remedies shall be limited to those set forth in <u>Section 12.4</u>.
 - 1.8 "Owner Representative" means as defined in Section 13.1.
- 1.9 "**Effective Date**" means the date first set forth above as of which this Agreement has been adopted and approved by the City Council and executed by duly authorized representatives of the City and the Owner.
 - 1.10 **"Force Majeure"** means as defined in <u>Section 12.6</u>.
 - 1.11 "Lender" or "Lenders" means as defined in Section 14.21.
- 1.12 "Party" or "Parties" means as designated on the first page of this Agreement.
 - 1.13 "**Project**" means as defined in Recital B.

- 1.14 "**Property**" means as defined in Recital A.
- 1.15 "**Term**" shall mean ten (10) years from the Effective Date.
- 1.16 "**Third Party**" means any person other than a Party.
- 2. **Recitals**. The recitals above, A through F are incorporated into this Agreement.
- 3. Zone Change and Development Review Application. The Owner has submitted an application for a zone change to rezone the Property from Commercial (CO) and Medium-High Density Multifamily (RM-2) to Lodging (L) in accordance with the Site Plan in Zoning and Development Review case PZ19-00005 (ZC, DEV) (the "Application"). The Owner and the City shall work together using reasonable efforts throughout the development stages to resolve any City comments regarding implementation of the Applications. Subject to Applicable Laws, the City and the Owner will cooperate reasonably in processing the approval or issuance of any permits, plans, specifications, plats or other development approvals requested by the Owner in connection with development of the Project. All decisions by the City regarding Owner's compliance with this Development Agreement and the Applications shall be made by the City Representative (as designated in Section 13.1).
- 4. <u>Development Standards.</u> Unless otherwise modified by this Agreement, the development of the Property shall be governed by the Development Plan and adopted Conditions of Approval for the property approved under PZ19-00005 (ZC, DEV); City's ordinances, rules, guidelines, and policies controlling permitted uses of the Property; the density and intensity of uses, the maximum height and size of the buildings within the Property; as well as the standards for off-site and on-site public improvements in existence as of the effective date of this Agreement as well as any Rezoning Conditions and requirements set forth in this Agreement.
- 5. **Project Description.** The Project contemplated by this Agreement shall consist of a 100-guestroom hotel (the "Hotel") and a 46-unit multi-family housing development (the "Apartments") as set forth in the Site Plan. The multi-family housing development will consist of twenty-four (24) studio units, sixteen (16) one-bedroom units and six (6) two-bedroom units. All rental units will be permanently affordable and subject to the Housing Plan, attached as **Exhibit C** and incorporated by reference in this Agreement, and to the Workforce Housing requirements of Section 6.3. The Owner may request subsequent amendments to the Site Plan in accordance with the Sedona Land Development Code ("LDC").
 - 6. <u>Covenants of Owner</u>. Owner agrees as follows:
 - 6.1 Sustainability Commitments.
 - a. <u>Green Hotel Measures:</u> As part of the Project, the Owner has identified several "Green Hotel Measures" that will be incorporated into the Hotel to enhance the long-term environmental sustainability of the Project. Consequently, the following items shall be incorporated into the development and operations of the Hotel:
 - i. In-room recycling program.

- ii. Recycling receptacles in public areas and back-office areas.
- iii. Composting of food waste.
- iv. Low-flow bathroom fixtures in Hotel guest rooms and common areas.
- v. Dual-flushing toilets in Hotel guest rooms.
- vi. Energy Star appliances throughout the Hotel.
- vii. Thermostat occupancy sensors in guest rooms.
- viii. Automatic light sensors in Hotel guest rooms, bathrooms, and hallways.
 - ix. LED lighting for all ceiling and wall fixtures.
 - x. Five (5) tankless filtered water coolers and water bottle fill stations.
 - xi. Non-chemical-based Ozone cleaning system.
- xii. Saline-based pool and spa sanitation system.
- xiii. Bulk soap amenities in Hotel guest room showers.
- xiv. Cold water hotel laundry system.
- xv. Prohibition of single-use plastic water bottles at Hotel.
- b. <u>APS Green Choice:</u> The Owner shall enroll in Arizona Public Service's ("APS") Green Choice program or an equivalent renewable energy program offered/available once the Project is completed and operational.
- c. <u>Construction Materials Management:</u> The Owner and its general contractor shall utilize a Construction and Demolition Waste Management Plan to identify different types of construction waste, collection locations on site, disposal methods, handling procedures, and recycling/disposal location(s). This plan will be provided to the City of Sedona prior to the commencement of construction.
- 6.2 <u>Parking.</u> The Project utilizes a shared parking model due to the overlap of several related land uses that will occur on the Property, particularly the Hotel's meeting space, restaurant, and rooftop lounge. Parking for these areas will be managed as follows:
 - a. Restaurant and Rooftop Lounge: A minimum fifty percent (50%) of the seating capacity for both the ground-floor restaurant and rooftop lounge as identified on the Site Plan shall be reserved for registered guests of the Hotel at all times. The remaining seating capacity for both the ground floor restaurant and rooftop lounge shall be available to the general public by reservation only. The Hotel shall not accept walk-in guests for the restaurant or rooftop lounge who are not registered guests of the Hotel. Reservations shall be managed by the Hotel's digital point-of-sale reservation system.

For the purposes of <u>Section 6.2(a)</u>, the owners of lots in the Saddlerock Homes subdivision, as recorded in Book 20, Page 58 of the Yavapai County Recorder's Office and the owners of Yavapai Assessor Parcel

Numbers 408-26-008 and 408-26-007 (collectively "Saddlerock Residents"), shall be treated the same as registered guests of the Hotel. Upon demonstrating proof of ownership to the Hotel, Saddlerock Residents shall be permitted as walk-in guests at both the ground floor restaurant and rooftop lounge so long as seating capacity is available.

- b. <u>Hotel Meeting Space</u>: The meeting space in the basement level of the Hotel as identified in the Site Plan (the "Meeting Space") shall be used only by registered guests of the Hotel. The Meeting Space shall not be leased or rented out to the general public.
- c. <u>Parking Survey:</u> The Owner shall conduct a parking demand survey no earlier than twelve (12) months after a final certificate of occupancy has been issued for the Project. The survey shall count the number of vacant parking spaces on the Property during the afternoon peak traffic hour for a period of fourteen (14) consecutive days (the "Parking Survey"). The Survey shall be submitted to the City for review no later than eighteen (18) months after a final certificate of occupancy has been issued for the Project.
- d. <u>Remedies:</u> If, during the Parking Survey, there are more than two (2) days in which there are no available parking spaces on the Property at the time of the survey count, the Parties shall proceed with the following steps:
 - i. The Owner shall be provided with a 180-day period to cure the parking deficiency. During this period, the Owner may pursue mitigation measures including, but not limited to:
 - 1. Expansion of mandatory valet services
 - 2. Off-site parking agreement(s)
 - 3. Hiring a designated parking manager
 - 4. Expansion of shuttle services to include transportation of general public guests with reservations at the restaurant and rooftop lounge
 - ii. At the end of the 180-day cure period, the Owner shall conduct a Parking Survey using the criteria identified in Section 6.2c. and submit it to the City for review (the "Second Parking Survey").
 - iii. If, during the Second Parking Survey, there are more than (2) days in which there are no parking spaces available on the Property at the time of the survey count, the Owner shall immediately reserve seventy-five percent (75%) of Hotel

- restaurant and rooftop lounge seating capacity for registered Hotel guests at all times (the "Intermediate Restriction").
- iv. Ninety (90) days after the Intermediate Restriction is instituted, the Owner shall conduct a Parking Survey using the criteria identified in <u>Section 6.2c</u>. and submit it to the City for review (the "Third Parking Survey").
- v. If, during the Third Parking Survey, there are more than (2) days in which there are no parking spaces available on the Property at the time of the Parking Survey count, the Owner shall immediately reserve one hundred percent (100%) of Hotel restaurant and rooftop lounge seating capacity for registered Hotel guests at all times (the "Final Restriction").
- e. Reversion: The Owner may continue to pursue parking mitigation measures at any point in the Remedies process outlined in Section 6.2d. If the Owner demonstrates, to the satisfaction of the City Representative, that adequate parking capacity exists to support the desired percentage of public seating capacity in the Hotel restaurant and rooftop lounge, the City Representative may modify the percentage of seating capacity reserved for registered Hotel guests accordingly.
- f. <u>Apartments:</u> Parking for tenants of the Apartments shall be reserved parking only. Tenants shall be limited to a maximum of one space/vehicle per studio unit or one-bedroom unit and a maximum of two spaces/vehicles per two-bedroom unit.
- 6.3 <u>Workforce Housing.</u> Owner agrees to provide a workforce housing contribution of one hundred percent (100%) of the forty-six (46) residential units proposed for the Apartments. Owner shall provide for the long-term management of the Apartments at the following U.S. Department of Housing and Urban Development (HUD) Yavapai County Area Median Income ("AMI") levels, as defined by HUD, or its successors:

Table 6.3

	Studio	1 Bedroom	2 Bedroom
80% AMI Rent	12 Units	8 Units	N/A
100% AMI Rent	12 Units	8 Units	3 Units
120% AMI Rent	N/A	N/A	3 Units

Owner agrees to maintain the Apartments at the income and rent levels identified in <u>Table 6.3</u> for fifty (50) years after the units are placed into service or for as long as the Property is used for any hotel or lodging use. Owner will comply with the affordable housing requirements set forth in the Housing Plan attached as <u>Exhibit C</u>. The Housing Plan may be modified only with the express written consent of the City Representative.

Owner's property manager shall not discriminate against an applicant's source of income and will accept HUD Housing Choice Vouchers and Veterans Affairs Supportive Housing ("VASH") Vouchers. No limits will be set on the number of vouchers accepted at the Project. Standards for applicant income shall be waived for voucher holders, as the rent affordability is reviewed and determined by the Sedona Community Development Department.

The provisions of **Section 6.3** shall survive the termination of this Agreement.

- 6.4 <u>Lease Terms</u>. Lease agreements for the Apartments shall include the following terms and conditions:
 - a. The minimum lease term shall be ninety (90) days.
 - b. A prospective tenant assuming an existing lease/subletting from an existing tenant shall be subject to the same qualifications and tenant screening requirements as outlined in the Housing Plan attached as Exhibit C. All lease assumptions, subleases, or sublets shall not be for less than the remaining term of the lease or 30 days, whichever is greater.
 - c. Tenants and guests of tenants shall not park in the Saddlerock Homes neighborhood.
 - d. Tenant(s) must keep the balcony or patio free from garbage and debris. No personal property may be kept or stored on the balcony or patio, including barbeque grills. Only outdoor furniture is permitted on the balcony or patio. Nothing may be hung on or from the balcony or patio, including but not limited to clothing, towels, rugs, flags, and banners.
 - e. Quiet hours will be observed from 9:00 pm to 8:00 am daily, and shall be in effect 7 days a week, 365 days a year. During these times, tenants agree not to:
 - i. Operate stereos, radios, televisions, and musical instruments in a manner that disturbs other tenants or neighbors
 - ii. Create or allow any noise or activity that disturbs other tenants or neighbors.
 - iii. Allow loud talking or other noise emanating from the unit that can be heard outside of the unit.
 - f. No amplified music/audio source is permitted on balconies or patios at any time.

- g. Except for service animals or approved support animals for persons with disabilities, no dogs are permitted (even temporarily) in or about the Apartments.
- 6.5 <u>Deliveries and Trash Pickup</u>. Deliveries and trash pickup for the Project shall occur no earlier than 7:00 am and no later than 9:00 pm.
- 6.6 <u>Cut-Through Traffic Mitigation</u>. The Owner shall install a "No Left Turn Neighborhood Residents Only" sign at the Saddlerock Circle exit, and a "No Right Turn Not a Through Street" sign at the Elk Road exit.
- 6.7 <u>Historical Society Contribution</u>. The Owner will provide the Sedona Historical Society and Sedona Heritage Museum with a one-time contribution of twenty-five thousand dollars (\$25,000.00) for future improvements to Cook's Cemetery. The contribution shall be provided no later than six (6) months after the Application is approved by the Sedona City Council.
- 6.8 <u>Land Division/Subdivision or Condominium Conversion</u>. The Owner agrees to combine all properties as shown on the development plans and that no further subdivision or splits of the property or a condominium conversion to divide the property into separate ownership units shall be permitted.
- 6.9 Good Neighbor Policy. Owner agrees to abide by the provisions of the Good Neighbor Policy, as amended from time to time, incorporated by this reference, and attached as Exhibit D.
- 6.10 The provisions and covenants of Sections 6.1, 6.2, 6.3, 6.4, 6.5, 6.8, and 6.9 shall survive the rescission, cancellation, expiration, or termination of this Agreement and shall remain in effect for a minimum of fifty (50) years or as long as a hotel is in operation on the Property, whichever is longer.

7. Covenants of City.

- 7.1 Rezoning Approval. Development of the Property shall be deemed "vested" when the Development Agreement is approved, executed, and recorded; all other Conditions of Approval are met; and construction of the Project as approved under PZ19-00005 (DEV) is complete. If the applicant does not complete construction of the Project, the City may initiate proceedings to revoke the zoning, subject to the provisions of Sedona Land Development Code Section 8.6.A(3)g.2 and applicable State statutes. City shall not initiate any amendments to the approved Applications.
- 7.2 <u>No Further Legislative Action</u>. The City agrees that no further legislative action by the City shall be required for the Owner and/or its successors and assigns to develop the Project in accordance with the Lodging rezone application;

- 7.3 <u>Plan Review for Project</u>. The City shall review plans for private development within the Property, including new and renovated buildings, in accordance with the established time frames for review of building permits. Approval of such plans shall be granted or withheld on the basis of the most current standards and requirements.
- 7.4 No Other Dedications or Exactions. Except as expressly set forth herein or in Sedona City Code or Land Development Code (including Development Impact Fees, Wastewater Capacity Fee, Building Permit and Inspection Fees) (or on final Application documents), the City shall not require any other dedications or exactions in connection with the development of the Project in accordance with the Application approvals. Without limiting the generality of the foregoing, the Project shall not be included in any special improvement district or community facilities district, or similar special taxing district without the Owner's consent.

8. **Development Regulation**.

8.1 <u>Applicable Laws</u>. During the term of this Agreement, the City agrees that, in order to allow Owner and its successors and assigns to rely upon the continued validity of the provisions of the City's Land Development Code in effect upon the date of this Agreement regulating the development of the Property, Owner has the right to develop the Property in accordance with the approved application.

9. Indemnity; Risk of Loss.

- 9.1 <u>Indemnity by the Owner</u>. To the fullest extent permitted by law, Owner shall indemnify, defend, and hold harmless the City, and each council member, officers, boards, commissions, officials, employee or agent thereof (collectively the "City"), for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which the City may become subject, under any theory of liability whatsoever ("Claims") to the extent that such Claims (or actions in respect thereof) relate to, arise out of, or are caused by, or in connection with the negligent acts or omissions, recklessness or intentional misconduct of Owner, its officers, employees, agents or any tier of subcontractor in connection with Owner's performance of its obligations under this Agreement. In consideration of the award of this Agreement, Owner agrees to waive all rights of subrogation against the City for losses arising from Owner's performance of its obligations under this Agreement. The amount and type of insurance coverage requirements set forth in the Agreement will in no way be construed as limiting the scope of the indemnity in this Section. This indemnification survives the expiration or termination of this Agreement.
- 9.2 <u>Indemnity by the City</u>. The City shall indemnify, defend, and hold harmless the Owner and its officers, members and employees for, from and against any and all losses, claims, damages, liabilities, costs and expenses (including, but not limited to, reasonable attorneys' fees, court costs and the costs of appellate proceedings) to which the Owner may become subject, under any theory of liability whatsoever to the extent that such Claims (or actions in respect thereof) relate to, arise out of, or are caused by, or in connection with the negligent acts or omissions, recklessness or intentional misconduct of which the City is solely responsible, its council members, officers, boards, commissions, officials, employees, or agents thereof in

connection with the City's performance of its obligations under this Agreement. This indemnification survives the expiration or termination of this Agreement.

10. <u>City Representations</u>. The City represents and warrants to the Owner that:

- 10.1 The City's execution and delivery of this Agreement have been duly authorized and agreed to in compliance with the requirements of the Sedona City Code.
- 10.2 All consents and approvals necessary to the execution and delivery of this Agreement by the City have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.
- 10.3 The City will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to evidence and implement this Agreement.
- 10.4 The execution and delivery of this Agreement by the City is not prohibited by, and does not conflict with, any other agreements, instruments or judgments or decrees to which the City is a party or is otherwise subject.
- 10.5 The City has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

11. **Owner Representations**. The Owner represents and warrants to the City that:

- 11.1 The Owner has the full right, power and authorization to enter into this Agreement and to perform its obligations and undertakings under this Agreement, and the execution, delivery and performance of this Agreement by the Owner has been duly authorized and agreed to in compliance with the organizational documents of Owner.
- 11.2 All consents and approvals necessary to the execution, delivery and performance of this Agreement have been obtained, and no further action needs to be taken in connection with such execution, delivery and performance.
- 11.3 The Owner will execute and acknowledge when appropriate all documents and instruments and take all actions necessary to implement, evidence and enforce this Agreement.
- 11.4 As of the Effective Date, the Owner knows of no litigation, proceeding or investigation pending or threatened against or affecting the Owner, which could have a material adverse effect on the Owner's performance under this Agreement that has not been disclosed in writing to the City.
- 11.5 This Agreement (and each undertaking of the Owner contained herein) constitutes a valid, binding and enforceable obligation of the Owner, enforceable according to its terms, except to the extent limited by bankruptcy, insolvency and other laws of general application affecting creditors' rights and by equitable principles, whether considered at law or in equity. The Owner will, at its sole cost and expense, defend the validity and enforceability of this Agreement and each of its terms in the event of any proceeding or litigation which challenges the validity or

enforceability of any provision of this Agreement or the authority of the Owner or the City to enter into or perform any provision under this Agreement and shall indemnify the City against any cost, expense, liability or judgment (including attorney's fees, court costs and expert witnesses) incurred by the City in connection with any such litigation or proceeding. The severability and reformation provisions of Section 14.2 shall apply in the event of any successful challenge to this Agreement.

- 11.6 The execution, delivery and performance of this Agreement by the Owner is not prohibited by, and does not conflict with, any other agreements, instruments, judgments or decrees to which the Owner is a party or to which the Owner is otherwise subject.
- 11.7 The Owner has not paid or given, and will not pay or give, any third party any money or other consideration for obtaining this Agreement other than normal costs of conducting business and costs of professional services such as the services of architects, engineers and attorneys.
- 11.8 The Owner has been assisted by counsel of its own choosing in connection with the preparation and execution of this Agreement.

12. **Default and Remedies.**

- 12.1 <u>Events of Default by the Owner</u>. Default or an Event of Default by the Owner under this Agreement shall mean one or more of the following:
 - a. Any representation or warranty made in this Agreement by the Owner was materially inaccurate when made or shall prove to be materially inaccurate during the Term;
 - b. The Owner fails to observe or perform any other material covenant, obligation or agreement required of it under this Agreement.
- 12.2 <u>Events of Default by the City</u>. Default or an Event of Default by the City under this Agreement shall mean one or more of the following:
 - a. Any representation or warranty made in this Agreement by the City was materially inaccurate when made or shall prove to be materially inaccurate during the Term;
 - b. The City fails to observe or perform any other material covenant, obligation or agreement required of it under this Agreement.
- 12.3 <u>Grace Periods; Notice and Cure</u>. Upon the occurrence of an Event of Default by any Party, such Party shall, upon written notice from a non-defaulting Party, proceed immediately to cure or remedy such Default and, in any event, such Default shall be cured within thirty (30) days (or twenty (20) days in the event of a monetary default) after receipt of such notice, or, if such Default is of a nature that is not capable of being cured within thirty (30) days shall be commenced within such period and diligently pursued to completion.

- 12.4 <u>Remedies on Default</u>. Whenever any Event of Default occurs and is not cured (or cure undertaken) in accordance with <u>Section 12.3</u> of this Agreement, the non-defaulting Party has all remedies available at law or equity.
- 12.5 <u>Delays</u>; <u>Waivers</u>. Except as otherwise expressly provided in this Agreement, any delay by any Party in asserting any right or remedy under this Agreement shall not operate as a waiver of any such rights or limit such rights in any way; and any waiver in fact made by such Party with respect to any Default by the other Party shall not be considered as a waiver of rights with respect to any other Default by the non-defaulting Party or with respect to the particular Default except to the extent specifically waived in writing. It is the intent of the Parties that this provision will enable each Party to avoid the risk of being limited in the exercise of any right or remedy provided in this Agreement by waiver, laches or otherwise at a time when it may still hope to resolve the problems created by the Default involved.
- 12.6 <u>Force Majure</u>. Neither party shall be responsible for delays or failures in performance resulting from acts beyond their control. Such acts shall include, but not be limited to, acts of God, riots, acts of war, epidemics, fire, communication line failures, power failures, or earthquakes.
- 12.7 <u>Rights and Remedies Cumulative</u>. The rights and remedies of the Parties are cumulative, and the exercise by either Party of any one or more of such rights shall not preclude the exercise by it, at the same or different times, of any other right or remedy for any other Default by the other Party.

13. Cooperation and Alternative Dispute Resolution.

- 13.1 <u>Representatives</u>. To further the cooperation of the Parties in implementing this Agreement, the City and the Owner each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Owner. The initial representative for the City shall be its Director of Community Development as designated by the City Manager from time to time (the "City Representative") and the initial representative for the Owner shall be its Project Manager, as identified by the Owner from time to time (the "Owner Representative"). The City and the Owner Representatives shall be available at all reasonable times to discuss and review the performance of the Parties and the development of the Property.
- 13.2 <u>Impasse</u>. If at any time the Owner believes an impasse has been reached with the City staff on any issue affecting the Property which is not an Event of Default, the Owner shall have the right to immediately appeal to the City Representative for an expedited decision pursuant to this <u>Section 13.2</u>. If the issue on which an impasse is reached is an issue where a final decision can be reached by the City staff, the City Representative shall give the Owner a final administrative decision within seven (7) days after the Owner's request for an expedited decision. Both the City and the Owner agree to continue to use reasonable good faith efforts to resolve any impasse pending such expedited decision.

14. Miscellaneous Provisions.

- 14.1 Governing Law; Choice of Forum. This Agreement shall be deemed to be made under, shall be construed in accordance with, and shall be governed by the internal, substantive laws of the State of Arizona (without reference to conflict of law principles). Any action brought to interpret, enforce or construe any provision of this Agreement shall be commenced and maintained in the Superior Court of the State of Arizona in and for the County of Yavapai (or, as may be appropriate, in the Justice Courts of Yavapai County, Arizona, or in the United States District Court for the District of Arizona, if, but only if, the Superior Court lacks or declines jurisdiction over such action). The Parties irrevocably consent to jurisdiction and venue in such courts for such purposes and agree not to seek transfer or removal of any action commenced in accordance with the terms of this Section 14.1.
- 14.2 WAIVER OF JURY TRIAL. THE CITY AND OWNER HEREBY KNOWINGLY, IRREVOCABLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHTS EACH MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY ACTION, PROCEEDING, COUNTERCLAIM OR DEFENSE BASED ON THIS AGREEMENT, OR ARISING OUT OF, UNDER OR IN ANY WAY CONNECTED TO THIS AGREEMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN) OR ACTIONS OF ANY PARTY HERETO RELATING TO THIS AGREEMENT.
- 14.3 <u>Limited Severability</u>. In the event that any provision of this Agreement is declared void or unenforceable (or is construed as requiring the City to do any act in violation of any Applicable Laws, constitutional provision, law, regulation or City code), such provision shall be deemed severed from this Agreement and this Agreement shall otherwise remain in full force and effect.
- 14.4 <u>Construction</u>. The terms and provisions of this Agreement represent the results of negotiations between the Parties, each of which has been or has had the opportunity to be represented by counsel of its own choosing, and none of which has acted under any duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and each Party hereby waives the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of this Agreement that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the Party who prepared or whose attorney prepared the executed Agreement or any earlier draft of the same.

14.5 Notices.

a. <u>Addresses</u>. Except as otherwise required by law, any notice required or permitted under this Agreement shall be in writing and shall be given by personal delivery, or by deposit in the United States mail, certified or registered, return receipt requested, postage prepaid, addressed to the Parties at their respective addresses set forth below, or at such other address as a Party may designate in writing pursuant to the terms of this Section 14.4(a), or by telecopy facsimile machine,

or by any nationally recognized express or overnight delivery service (e.g. FedEx or UPS), delivery charges prepaid:

To the City: City Manager

City of Sedona

102 Roadrunner Drive Sedona, AZ 86336

To the Owner: Curt Baney

Baney Corporation

475 NE Bellevue Dr S210

Bend, OR 97701

With Copies To: City Attorney

City of Sedona

102 Roadrunner Drive Sedona, AZ 86336

Withey Morris Baugh, PLC

2525 E. Arizona Biltmore Cir. Ste. A-212

Phoenix, AZ 85016 Attn: Benjamin Tate

b. Effective Date of Notices. Any notice sent by United States Postal Service certified or registered mail shall be deemed to be effective the earlier of the actual delivery, or three (3) business days after deposit in a post office operated by the United States Postal Service. Any notice sent by a recognized national overnight delivery service shall be deemed effective one (1) business day after deposit with such service. Any notice personally delivered or delivered through a same-day delivery/courier service shall be deemed effective upon its receipt or refusal to accept receipt by the addressee. Any notice sent by telecopy facsimile machine shall be deemed effective upon confirmation of the successful transmission by the sender's telecopy facsimile machine. Any Party may designate a different person or entity or change the place to which any notice shall be given as provided in this Section 14.4.

14.6 <u>Development Rights</u>. Except as otherwise permitted pursuant to Arizona Revised Statutes Section 9-462.01(E), the City agrees that, without limiting any other deemed or vested development rights, for a period of two (2) years from the effective date of this Agreement, the Owner and its successors and assigns shall be deemed to have the right to develop the Property in accordance with the approved application (the "Development Period"). If the Owner obtains a

time extension for the approved application from the City pursuant to Section 8.3(H) of the LDC, the Development Period shall be automatically extended consistent with the terms of the time extension.

- 14.7 <u>Time of Essence</u>. Time is of the essence of this Agreement and each of its provisions.
- 14.8 <u>Section Headings</u>. The Section headings contained in this Agreement are for convenience in reference only and are not intended to define or limit the scope of any provision of this Agreement.
- 14.9 <u>Attorneys' Fees and Costs</u>. In the event of a breach by any Party and commencement of a subsequent legal action in an appropriate forum, the prevailing Party in any such dispute may be entitled to reimbursement of its reasonable attorney's fees and court costs, including, but not limited to, its costs of expert witnesses, transportation, lodging and meal costs of the parties and witnesses, costs of transcript preparation and other reasonable and necessary direct and incidental costs of such dispute, upon Order by a court of competent jurisdiction.
- 14.10 <u>Waiver</u>. Without limiting the provisions of <u>Section 14.5</u>, the Parties agree that neither the failure nor the delay of any Party to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver of such right, remedy, power or privilege, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege, nor shall any waiver of any right, remedy, power or privilege with respect to any occurrence be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.
- 14.11 Third Party Beneficiaries. No person or entity shall be a third party beneficiary to this Agreement, except for permitted transferees, assignees, or Lenders under Section 14.21 to the extent that they assume or succeed to the rights and/or obligations of the Owner under this Agreement, and except that the indemnified persons referred to in the indemnification provisions of this Agreement shall be third party beneficiaries of such indemnification provisions.
- 14.12 <u>Exhibits</u>. Without limiting the provisions of <u>Section 14.12</u>, the Parties agree that all references to this Agreement include all Exhibits designated in and attached to this Agreement, such Exhibits being incorporated into and made an integral part of this Agreement for all purposes.
- 14.13 <u>Integration</u>. Except as expressly provided herein, this Agreement constitutes the entire agreement between the Parties with respect to the subject matters hereof and supersedes any prior agreement, understanding, negotiation or representation regarding the subject matters covered by this Agreement.
- 14.14 <u>Further Assurances</u>. Each Party agrees to perform such other and further acts and to execute and deliver such additional agreements, documents, affidavits, certifications,

acknowledgments and instruments as any other Party may reasonably require to consummate, evidence, confirm or carry out the matters contemplated by this Agreement or confirm the status of: (a) this Agreement as in full force and effect; and (b) the performance of the obligations under this Agreement at any time during its Term.

- 14.15 <u>Business Days</u>. If the last day of any time period stated in this Agreement or the date on which any obligation to be performed under this Agreement shall fall on a Saturday, Sunday or legal holiday, then the duration of such time period or the date of performance, as applicable, shall be extended so that it shall end on the next succeeding day which is not a Saturday, Sunday or legal holiday.
- 14.16 <u>Consents and Approvals</u>. Wherever this Agreement requires or permits the consent or approval of a Party to any act, document, use or other matter, such consent or approval shall be given or denied by such Party in its reasonable discretion, unless this Agreement expressly provides otherwise.
- 14.17 <u>Covenants Running With Land; Inurement; Assignment</u>. The covenants, conditions, terms and provisions of this Agreement relating to use of the Property shall run with the Property and shall be binding upon, and shall inure to the benefit of the Parties and their respective permitted successors and assigns with respect to the Property. Wherever the term "Party" or the name of any particular Party is used in this Agreement such term shall include any such Party's permitted successors and assigns. Owner may assign all of its rights, obligations and benefits under this Agreement to another party pursuant to written agreement with assignee; provided that Owner shall provide the City written notice of such assignment.
- 14.18 <u>Recordation</u>. Within ten (10) days after this Agreement has been approved by the City and executed by the Parties, the City shall cause this Agreement or a Memorandum of this Agreement to be recorded in the Official Records of Yavapai County, Arizona.
- 14.19 <u>Amendment</u>. No change or addition is to be made to this Agreement except by written amendment executed by the City and the Owner. Within ten (10) days after any amendment to this Agreement, such amendment shall be recorded in the Official Records of Yavapai County, Arizona.
- 14.20 <u>Good Faith of Parties</u>. Except where any matter is expressly stated to be in the sole discretion of a Party, in performance of this Agreement or in considering any requested extension of time, the Parties agree that each will act in good faith and will not act unreasonably, arbitrarily or capriciously and will not unreasonably withhold, delay or condition any requested approval, acknowledgment or consent.
- 14.21 <u>Survival</u>. In addition to the Sections identified in Section 6.9, as surviving the termination of this Agreement, the indemnifications provisions of this Agreement shall survive the execution and delivery of this Agreement, the closing of any transaction contemplated herein, and the rescission, cancellation, expiration or termination of this Agreement upon the terms and for the period set forth in each respective Section.

- 14.22 <u>Nonliability of City Officials</u>. No City Council member, official, representative, agent, attorney or employee of the City shall be personally liable to the Owner, or to any successor in interest to the Owner, in the event of any Default or breach by the City or for any amount which may become due to the Owner or its successors, or with respect to any obligation of the City under the terms of this Agreement.
- 14.23 <u>Conflict of Interest Statute</u>. This Agreement is subject to, and may be terminated by the City in accordance with, the provisions of A.R.S. §38-511.
- 14.24 <u>Expiration of this Agreement</u>. This Agreement shall expire at the end of the Term or as otherwise provided in this Agreement.
- 14.25 <u>Compliance with Law</u>. Should a court of competent jurisdiction or any administrative agency with oversight authority determine that any part of this Agreement is contrary to established Federal, State and City laws applicable to the respective responsibilities of the Parties as described herein, this Agreement, and any part thereto that is in conflict with said laws, shall be modified upon mutual agreement of the Parties in order to bring the Agreement into full legal compliance.
- 14.26 <u>No Agency Created</u>. Nothing contained in this Agreement creates any partnership, joint venture or agency relationship between the City and Owner. No term or provision of this Agreement is intended to be for the benefit of any person, firm, organization or corporation not a party hereto, and no other person, firm, organization or corporation may have any right or cause of action hereunder.

[Signatures on Following Pages]

OWNER

CITY OF SEDONA, an Arizona municipal corporation

By:	
·	, Mayor

ATTEST:

By: _____

APPROVED AS TO FORM:

By:
City Attorney

Exhibit A

PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing Legal Description (Page 1 of 2)

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

LEGAL DESCRIPTION

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PARTEL 1:
APARTEL OF CROUND LYING IN SECTION 12 AND 13. TOWNSHIP 17 NORTH, RANGE 5 EAST, GILA AND SALT RIVER BASE AND MERIDIAN, YAMAPAI COLINTY, ARIZONA, DESCRIBED AS FOLLOWS:
BASE AND MERIDIAN, YAMAPAI COLINTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENDER AS THE E—W 1/256 CORNER OF SECTION 12 AS MARKED BY A FOUND 1949 G.L.O. BRASS CAP MONUMENT FROM WHICH, A FOUND 1949 G.L.O. BRASS CAP MONUMENT FROM WHICH, A FOUND 1949 G.L.O. BRASS CAP MONUMENT AT THE SOUTHEAST CORNER OF SECTION 10 AS R1), A DISTANCE OF 4187.63 FEET; HELDES SOUTH BD BECREES, 44 MINITES, 58 SECONDS EAST, (610.35 FEET TO A POINT POR THE CALCULATED POSITION OF THE SOUTH GUARTER CORNER OF SECTION 12 AS PREFETURATED FROM PREVIOUS SURVEYS.
FIELD OF THE SOUTH GUARTER CORNER OF SECONDS SEST, (610.35 FEET TO A POINT POR THE CALCULATED POSITION OF THE SOUTH GUARTER CORNER OF SECONDS SEST, (610.35 FEET TO A POINT POR THE CALCULATED POSITION OF THE SOUTH BOLD RECEIVED THE POSITION OF THE SOUTH GUARTER CORNER POR SECONDS.
FIELD OF SOUTH GUARTER CORNER OF SECONDS SEST, (610.35 FEET TO A POINT POR THE POSITION OF THE SECONDS POR THE POSITION OF THE POSI
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PARCEL 2:
A TRACT OF LAND IN THE SOUTHEAST CUARTER OF SECTION 12, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GLA
AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:
COMMENCING AT A POINT ON THE SOUTHERLY 60 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A. THAT LIES
NORTH 6073'EAST, 754-9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;
THENCE SOUTH 81'48'EAST, 290.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;
THENCE SOUTH, 131.5 FEET;
THENCE SOUTH, 131.5 FEET;
THENCE NORTH 81'48'WEST, 108.0 FEET;
THENCE NORTH 81'48'WEST, 150.5 FEET TO THE POINT OF BEGINNING.
(AFFECTS 408-26-012-6)

PARCEL 3:

A TRACT OF LAND IN THE SOUTHEAST QUARTER OF SECTION 12. TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT ON THE SOUTHERLY 66 FOOT RIGHT-OF-WAY LINE OF U.S. HIGHWAY 89-A, THAT LIES NORTH 60'03 FAST, 754.9 FEET FROM THE SOUTH QUARTER CORNER OF SAID SECTION 12;

THENCE SOUTH 81'48 EAST, 39.0.1 FEET ALONG SAID RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;

THENCE SOUTH, 131.5 FEET;

THENCE NORTH 81'48 WEST, 21.9 FEET;

Exhibit A

PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing Legal Description (Page 2 of 2)

APN 408-26-004B, 408-26-004C, 408-26-009C, 408-26-009C, 408-26-010, 408-26-011, 408-26-012, 408-26-013, 408-26-014, 408-26-086A, 408-26-088

LEGAL DESCRIPTION(CONT'D)

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PARCEL 4:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 13:
ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 13:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13;
TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12:
THENCE SOUTH 89 DEGREES 48 MINITIES OF SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A
DISTANCE OF 1,239.19 FEET;
THENCE SOUTH AD TOPOGREES 14 MINITIES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A
       THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A CAP MARKED IC #19853 AND THE TRUE POINT OF BEGINNING;
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 100.00 FEET TO A 1/2 INCH REBAR;
         THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE:
         THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET;
THENCE SOUTH 80 DEGREES 42 MINUTES 37 SECONDS EAST A DISTANCE OF 270.28 FEET;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF
   THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF BEDINNING.

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, MORE PARTICULARLY DESCRIBED AS FOLLOWS.

COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12:

THENCE SOUTH 48 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER,

1,239.9 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 14 MINUTES 29 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP

MARKED LS; 1985.3 EVEN AND SECRES 14 MINUTES 27 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A CONCRETE NAIL IN

PLASTIC DISC MARKED LS; 1985.3 SET IN SAIDSTONE;

THENCE NORTH 39 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO THE SOUTH REBAR WITH CAP

MARKED LS; 1985.3 SET IN SAIDSTONE;

THENCE NORTH 39 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 75.69 FEET TO THE SOUTH RIGHT-OF- WAY

OF HIGHWAY 89A MARKED LS; 1985.3 SET IN SAIDSTONE;

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 73.73 FEET;

THENCE SOUTH 00 DEGREES 42 MINUTES 28 SECONDS SEST, A DISTANCE OF 75.70 FEET TO THE SOUTH RIGHT-OF- WAY

OF HIGHWAY 89A MARKED BY A 1/2 NICH REBAR WITH CAP MARKED LS 19853;

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 75.77 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHERLY

THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS SEST, A DISTANCE OF 51.87 FEET TO A POINT ON SAID SOUTHER
         RIGHT-OF-WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH OO DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT
     OF BEGINNING.

ALSO EXCEPT ANY PORTION LYNG WITHIN U.S. HIGHWAY 89A.

(AFFECTS 408-26-009C AND 408-26-009A)
PARCEL 5:

ALL THAT PORTION OF THE FOLLOWING DESCRIBED PARCEL THAT LIES WITHIN SECTION 12:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST GUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST OF THE GLIG AND SALT RIVER BASE AND MERDIAN, YAVAPAI COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:
COMMENCING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 12:
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER A DISTANCE OF 1,239.19 FEET,
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH A CAP MARKED LS§19835 AND THE TIME POINT OF BEGINNING,
THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 1/2 INCH REBAR;
THENCE NORTH 89 DEGREES 42 MINUTES 28 SECONDS WEST, A DISTANCE OF 270.28 FEET TO A 3/4 INCH PIPE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST A DISTANCE OF 500.29 FEET TO A 1/2 INCH PIPE;
THENCE SOUTH 90 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 270.28 FEET;
THENCE SOUTH 90 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 500.29 FEET TO THE TRUE POINT OF BEGINNING,
THENCE SOUTH 90 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 270.28 FEET;
THENCE SOUTH 90 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF BEGINNING,
THENCE SOUTH SO DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 400.29 FEET TO THE TRUE POINT OF SECTION 12, AND THE NORTHEAST QUARTER OF SECTION 13, TOWNSHIP 17 NORTH, RANGE 5 EAST, OF THE GUARTER OF SECTION 12.

THENCE SOUTH 89 DEGREES 48 MINUTES 28 SECONDS WEST, A DISTANCE OF SOUTH LINE OF SAID SOUTHEAST QUARTER, 1,239.19 FEET TO THE TRUE POINT OF BEGINNING.

THENCE SOUTH 89 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF SOUTH LINE OF SAID SOUTHEAST QUARTER, 1,239.19 FEET TO THE TRUE POINT OF BEGINNING.

THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 10.60 FEET TO A 1/2 INCH REBAR WITH CAP MARKED LS§19365;
       MARKED LS#19853;
THENCE NORTH 89 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN PLASTIC DISC MARKED LS# 19853 SET IN SANDSTONE;
THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT-OF- WAY
     THENCE NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.36 FEET TO THE SOUTH RIGHT—OF— WAY OF HIGHWAY 89A MARKED BY A 1/2 NCH REBAR WITH CAP MARKED LS 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 89 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 126.00 FEET,
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 51.97 FEET TO A POINT ON SAID SOUTHERLY
RIGHT—OF— MAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS

THENCE CONTINUING SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 276.63 FEET TO THE TRUE POINT
     OF BEGINNING.
ALSO EXCEPT ANY PORTION LYNG WITHIN U.S. HIGHWAY 89A.
(AFFECTS 408-26-088 AND 408-26-004B)
 PARCEL 6:
A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER OF SECTION 12 AND THE NORTHEAST QUARTER OF SECTION 13,
TOWNSHIP 17 NORTH, RANCE 5 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, YAVAPAI COUNTY, ARIZONA,
MONE PARTICULARLY DESCRIBED AS FOLLOWS.
COMMENCING AT THE SOUTHEAST CORNER OF SAID SOUTHEAST QUARTER OF SECTION 12;
THENCE SOUTH 89 DEGREES 48 MINUTES 04 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHEAST QUARTER,
1239-19 FEET TO THE TRUE POINT OF BEGINNING;
THENCE SOUTH 00 DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 71.69 FEET TO A 1/2 INCH REBAR WITH CAP
MARKED LS#10853;
THENCE SOUTH 00 DEGREES 42 MINUTES 37 SECONDS WEST, A DISTANCE OF 126.00 FEET TO A CONCRETE NAIL IN
PLASTIC DISC MARKED LS#19803 SET IN SANDSTONE;
THENCE NORTH 80 DEGREES 44 MINUTES 28 SECONDS EAST, A DISTANCE OF 366.56 FEET TO THE SOUTH RIGHT—OF—WAY
OF HIGHWAY BBA MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING NORTH 00 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 80 DEGREES 42 MINUTES 37 SECONDS EAST, A DISTANCE OF 33.73 FEET;
THENCE SOUTH 80 DEGREES 44 MINUTES 28 SECONDS EAST, A DISTANCE OF 73.75 FEET;
THENCE SOUTH 80 DEGREES 14 MINUTES 28 SECONDS EAST, A DISTANCE OF 75.157 FEET TO A POINT ON SAID SOUTHERLY
RIGHT—OF—WAY MARKED BY A 1/2 INCH REBAR WITH CAP MARKED LS# 19853;
THENCE CONTINUING SOUTH OD DEGREES 14 MINUTES 28 SECONDS WEST, A DISTANCE OF 76.63 FEET TO THE TRUE POINT OF BECINNING.
       OF BEGINNING.
EXCEPT THEREFROM ANY PORTION LYING WITHIN U.S. HIGHWAY 89A.
(AFFECTS 40B-28-004C-0)
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Exhibit B

PZ19-00005 (ZC) Development Agreement: The Village at Saddlerock Crossing Site Plan

Site Plan to be added after approval by City Council

Exhibit C – Housing Plan (Page 1 of 5)

The Village at Saddlerock Crossing Apartments

This Affordability Plan is referenced in the Development Agreement between The Baney Corporation (the "Owner") and the City of Sedona (the "City"), approved by Council through Resolution XXXXX. The residential component of the Village at Saddlerock Crossing consists of 46 multi-family units, 100% of which are designated as Workforce Units. This document serves to detail the requirements set forth in Section 6.3 of the Development Agreement and is referred to as "Exhibit C". This document may be modified upon the express written agreement of the City's Community Development Director.

1. Program Details

- a. 46 of the 46 units will be designated as Workforce Units.
- b. The Workforce Unit mix is as follows:

	Studio	1 Bedroom	2 Bedroom
80% AMI Rent	12 Units	8 Units	N/A
100% AMI Rent	12 Units	8 Units	3 Units
120% AMI Rent	N/A	N/A	3 Units

- c. For twenty (20) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 80% of the Area Median Income (AMI), refer to Attachment A.
- d. For twenty-three (23) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 100% of the Area Median Income (AMI), refer to Attachment A.
- e. For three (3) of the Workforce Units, applicants who qualify for a Workforce Unit shall earn an income no greater than 120% of the Area Median Income (AMI), refer to Attachment A.
- f. The maximum monthly rental price will be implemented according to the rent limits in Attachment B. The rent limits are provided by City staff annually and account for different unit sizes and varying income levels (80%, 100%, 120% AMI). In the event that market rate rents are lower than the rent limits provided, the tenant shall be charged market rate rent. If this occurs, the number of required Workforce Units must be maintained by serving lower AMI households whose rental rates are at least 20% below market.
- g. Workforce Units will be managed by the property management company and overseen by the Owner. Annual reports must be submitted to Community Development staff, refer to Reporting Requirements below, beginning one (1) year after the issuance of the first Certificate of Occupancy and continuing every year thereafter.
- h. Minimum lease term shall be ninety (90) days.
- i. Employed Residents shall be given priority of occupancy in the Project with respect to every second (2nd) dwelling unit that is or becomes vacant and is available for lease.
- j. A Wait List for available dwelling units must be maintained by the property management company.

2. Qualifications

All applicants interested in a Workforce Unit will be required to fill out the standard application, regardless as to whether their qualifications meet the income guidelines or not. The following information will be used to determine eligibility to lease a Workforce Unit:

a. **Household Size**. A key component of the income qualifying process as shown on the income limits chart (attached), household size will be used to determine how many individuals will be residing in the unit, and how large of a unit the household requires.

Exhibit C – Housing Plan (Page 2 of 5)

The Village at Saddlerock Crossing Apartments

- b. **Student Status.** A household solely comprised of full-time students in most instances, will not qualify for the Program. Exceptions to this policy include:
 - i. The household consists of minor, dependent children in the legal custody of a student. Proof of custodial award may be required.
 - ii. Household member participates in the Job Training Partnership Act (JTPA) program and can provide documentation and on-going participation.
 - iii. Part-time students qualify as long as they are employed more than 25 hours a week and provide verification of part-time student status (9 hours or less per semester).
 - iv. A household whose occupants are all considered full time students (more than 10 hours per semester) may qualify if the following criteria are met and verified:
 - 1. To be eligible for the Program, full time students living outside of their parents' or legal guardians' homes, must have established a separate household for at least one year prior to applying for the Program. Supporting evidence must be provided.
 - 2. All occupants are employed a minimum of 25 hours per week.
 - 3. All occupants have not been claimed as a dependent on their parents', guardians', or other's tax payer's income tax return for the duration of the last two years. Supporting tax returns of the applicants must be provided.
- c. Income. All employed applicants over the age of 18 that live in the Workforce Unit must provide income verification. Applicants who qualify shall earn an income no greater than 120% of the AMI. The Department of Housing and Urban Development (HUD) has several standardized income verification formulas; one method must be used consistently. Information and documentation needed:
 - i. Front page of previous year's tax return
 - ii. Last 6 weeks of pay stubs
 - iii. Copies of awards, grants, or scholarships
 - iv. Proof of child support
 - v. Social Security award letter
 - vi. Copies of bank statements
 - vii. Self-employed will be asked to provide last 2 year's tax returns and 1099s. etc.
 - viii. Third party verifications (faxed, emailed, or mailed)
 - ix. Other required income information as deemed necessary from the management based on information provided in the application
- d. **Assets**. Applicants will be asked to disclose total assets over \$5,000 or more. If the applicant sold a home or real property within the last 24 months, a copy of the closing statement must be provided. If the applicant has disposed of an asset through foreclosure or short sale within the last 24 months, documentation of said transaction must be provided.
- e. **Criminal Disclosure**. All applicants will be required to disseminate any past arrests and/or convictions. Approval or denial will be based upon the management company's established guidelines set forth with the criminal background search firm (TBD).
- f. **Rental History**. All applicants will be asked to provide information regarding prior rental history. Open eviction or current, unpaid collection activity on former rental accounts will be cause for decline of the application.

Exhibit C – Housing Plan (Page 3 of 5)

The Village at Saddlerock Crossing Apartments

g. Credit History. All applicants will be asked to provide permission to access their consumer credit report.

3. Workforce Unit Reporting

A property management company representing the Developer will monitor and administer the Workforce Unit leases. The property management company will provide to the City of Sedona's Community Development Department on anannual basis the following information:

- a. List of vacancies
- b. List of potential lease ups
- c. Name(s), age(s) and household size of each unit
- d. Gross household income of each unit
- e. Proof of employment verification
- f. Notes about the status of renewals or any other issues being reviewed by property management
- g. Current waiting list and unit size requested
- h. Annual inspection of tenant files to ensure appropriate income verification

4. Advertising

If any vacancies are reported to City staff, the management shall also provide proof of the property's effort to advertise the availability of Workforce Units to qualified households.

5. Definitions

- a. **Area Median Income (AMI)**: The median income of household Income limits are determined by HUD and updated annually. The City of Sedona Housing Department will supply the property management company with HUD's updated income limits annually.
- b. **Employed Resident**: A person employed by a business within Sedona City limits or otherwise having a written offer of employment by an employer located within Sedona City limits.
- c. **Household**: All the persons living in the unit more than half of the year. Household size is a key qualifying component for the Program. Building codes and Fair Housing standards shall be followed when placing a household of any size into a rent restricted unit.
- d. **Household Income**: Total income received by all members of the household over the age of 18. The development agreement stipulates that the maximum income served at this property be set at 120% AMI.
- e. US Department of Housing & Urban Development (HUD): Income limits for various federal housing programs are determined by HUD. 30%, 50%, 80% and 100% area median income categories are provided annually by HUD. The 60% income category is provided by Arizona Department of Housing (ADOH). The Affordable Housing Program referred to in this document is not federally run. See income limit chart below for allowable incomes for the Program.
- f. **Workforce Unit**: Any of the designated Workforce Units that house qualified applicants. The maximum monthly rental price for a Workforce Unit shall be consistent with the income limits and rent limits in Attachments A and B below.

Exhibit C – Housing Plan (Page 4 of 5)

The Village at Saddlerock Crossing Apartments

Attachment A: Area Median Income Limits

To be added prior to recording of Development Agreement

Exhibit C - Housing Plan (Page 5 of 5)

The Village at Saddlerock Crossing Apartments

Attachment B: Rent Limits

To be added by prior to recording of Development Agreement

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

The Village at Saddlerock Crossing

GOOD NEIGHBOR POLICY

September 24, 2024

The Village at Saddlerock Crossing is a proposed 100-room hotel and 46-unit workforce multi-family community planned for 6.36 acres south of the intersection of State Route 89A and Soldiers Pass Road in Sedona. The purpose of this Good Neighbor Policy is to implement best practices related to noise mitigation, landscape and maintenance, parking, and pet management for the Village at Saddlerock Crossing.

Contact Info

The Baney Corporation (the "Owner") recognizes the importance of an available contact to address any issues impacting the Saddlerock community. Upon issuance of a Certificate of Occupancy for the development, this Policy will be updated with the name, phone number, and email address of a designated on-site contact person (or persons) for the Saddlerock neighborhood. The Developer shall designate an on-site contact person for both daytime issues during business hours and also for issues after hours. The designated contact(s) will be available to address and respond to neighborhood issues and concerns in a timely manner. A final and updated copy of this Policy with contact information shall be distributed to the Saddlerock neighborhood via U.S. Mail. Saddlerock residents will also be provided an opportunity to opt in to receive the Policy and future updates via email.

Noise Mitigation

<u>Hotel Rooftop Lounge:</u> Owner shall cease all activity in the rooftop lounge and rooftop pool area no later than 9:00 pm, seven days a week. During operational hours, the following restrictions shall be observed:

- No live music or DJ at any time.
- Pre-recorded music may only be played via the hotel's permanent speaker system (i.e. no portable amplified systems or PA systems) at volume levels compliant with Sedona City Code Chapter 8.25.

<u>Multi-Family Residences:</u> Owner shall incorporate the lease terms outlined in Section 6.4 of the Development Agreement into every apartment lease.

<u>Bus Idling:</u> Any passenger bus parked on the Property shall not idle longer than 30 minutes in any 60-minute period of time. If the temperature is greater than 75 degrees, no bus shall idle longer than 60 minutes in a 90-minute period of time.

Landscape & Maintenance

Landscaping shall be maintained by the Owner consistent with the Class A hotel and multi-family residential community which includes regular and consistent maintenance, trimming, replanting, height, and seasonal cleanup. The property shall be maintained by the Owner in such a fashion as to be compatible in appearance with the other residential properties in the area in quality of materials used in landscaping and in maintenance of such open areas, landscaping and parking areas.

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

Cut-Through Traffic

In addition to the signage outlined in Section 6.6 of the Development Agreement, the Owner will notify and advise all commercial drivers (deliveries, shuttle service, contractors, etc.) to avoid using local streets south of the Property to either access or depart from the Property.

Parking

The Developer has incorporated extensive provisions in Development Agreement Section 5 to ensure that there is adequate parking on-site for the Village at Saddlerock Parking and that overflow parking does not impact surrounding property owners. In addition to the commitments identified in Section 5, the Owner will work with the Saddlerock residents and City of Sedona to establish residential permit parking for the Saddlerock neighborhood per Section 10.20.100(B) of the Sedona Land Development Code if overflow parking from the development becomes a consistent problem.

The Owner will provide printed information to hotel guests at check-in expressly forbidding on-street parking in the Saddlerock Homes neighborhood for both registered guests and their visitors. The Owner will also incorporate language into the Hotel employee handbook advising employees not to park in the Saddlerock neighborhood.

Pet Management

The hotel shall incorporate and designate an area on site for pets traveling with hotel guests to relieve themselves. This pet relief area shall include a dog waste station with cleanup bags and a trash receptacle. Upon check-in at the hotel, guests traveling with pets will be provided with a pamphlet that includes the following information:

- Sedona codes and ordinances regarding animal waste cleanup and leashing/restraints.
- Locations of public parks and dog parks.
- Notification that the Saddlerock neighborhood shall not be used by hotel guests for dog walking.
- Cannot leave dogs unattended in hotel rooms.

The Oxford Suites Pet Behavior Guidelines (attached) shall be enforced at the hotel.

Complaint Response Policy and Procedure:

Complaints regarding noise, landscape maintenance, parking, and pet management will be handled by the designated on-site contact person. In the event of a complaint, the following procedures will be implemented:

- Gather contact information of complainant
- Investigate complaint
- Document resolution
- Communicate with interested parties

With respect to noise complaints, the designated contact person will provide an initial response to the complainant within one hour and provide a follow-up report within two hours of the initial complaint.

Exhibit D - PZ19-00005 (ZC) Development Agreement Good Neighbor Policy

Amendment

The "Contact Info" section of this Policy may be amended by the Owner as necessary to ensure that Saddlerock residents have current and accurate contact information for the designated contact(s). The remaining sections of this Policy may be amended through the following procedures:

- 1. All requested amendments shall be submitted to the Community Development Director for review and approval.
- 2. The Owner shall mail notice of the proposed amendment to all residents of the Saddlerock Homes neighborhood a minimum of fifteen (15) days prior to any action by the Community Development Director to approve the request (the "Notice Period").
- 3. If the Community Development Department receives no protests or opposition to the proposed amendment during the Notice Period, the Community Development Director may administratively approve requested amendment.
- 4. If the Community Development Department receives any protests or opposition to the proposed amendment, the Owner may attempt to resolve the protest or opposition directly with the resident(s). If the opposition has been resolved to the satisfaction of the Community Development Director, the Director may administratively approve the requested amendment.
- 5. If the Owner is unable to resolve the protest directly with the resident, the Community Development Department shall schedule the request for review and action by the Sedona Planning and Zoning Commission in accordance with the public hearing procedures in Section 8.3(F) of the Land Development Code.
- 6. An updated copy of this Policy shall be mailed to all residents of the Saddlerock neighborhood within fifteen (15) days of approval of any amendment.

Pet Behavior Guidelines



	come you and your four-legged friend(s)! Our designated pet-friendly ors of our hotels. We allow small to medium sized cats and dogs only.
·	per pet, per day. The fee is not included in your room rate and will be able taxes. A refundable cleaning deposit of \$ will be taken on
Please carefully review our guideline	?S:
We accept domesticated dog breeds, and/or exotic pets are	s and cats only, with a limit of two pets per reservation. Aggressive not permitted.
• •	comfort animals, companion animals, and other domestic therapy s under Title II and Title III of the ADA and are subject to our pet fee.
🏶 For your pet's safety, please k	eep it always leashed.
, , ,	y. We have disposable bags for your use and we ask that the used the trash cans outside of the hotel (initials)
	would be convenient for housekeeping to service your room. daily service, and your pet should not be in the room during
advantage of some of our loca	t unattended in our guest rooms or suites. If you decide to take Il attractions, please contact a Hospitality Specialist and we will assist ake care of your pet while you are out.
Should your pet need medica you with finding a local vet.	l attention, please contact a Hospitality Specialist and we will assist
Due to health regulations, ani with the exception of service d	imals are not allowed in the dining area or the pool and spa area, logs.
	be a problem. However, should your pet cause damage to any portion ancially responsible for any lost room revenue and damaged goods.
	uites. We hope your stay surpasses your expectations. Upon check- inspect your room. Thank you for your cooperation and adherence to
I have read the Oxford Suites Pet Behav	rior Guidelines and agree to all terms and conditions.
Guest Signature	Print Guest's Name
Date(s) of Stay	Pet(s) Name

Alternative phone number

Cell phone number