

Flagstaff Settlement Agreement

January 6, 2012

Executive Summary

In late 2009, MAC began a mediation process with the City of Flagstaff to attempt to recoup additional funding for reimbursable public infrastructure at the Mall and Marketplace under the 2004 Development Agreement (deal between the City and MAC to build the Marketplace and significant associated public improvements). Unable to reach agreement, in February 2011, we filed a claim against the City in Coconino Superior Court. After further negotiations, a final settlement was reached on December 20, 2011. The Settlement Agreement involves four (4) documents:

1. Settlement Agreement and Release, and incorporates the following Exhibits:
2. Easement Agreement (Monument Sign)
3. Option Agreement for City Property
4. Option Agreement for Auto Mall Property

The benefits of the Settlement to MAC are the following:

- \$400,000 cash – received and deposited on Friday 12/30/11
- Free Option for 10 years for two strips of property adjacent to the mall and Ph2 Market sites - potential to add for parking capacity in the future if needed
- Option for a 10 acre parcel adjacent to Home Depot at a price of \$2.50/sf for 3 years – tenant driven, will require an amendment to the Auto Mall CCR's to allow non-auto uses
- Sign Easement to do an "off-premise" sign along Country Club Drive leading from I-40 to the Mall and Marketplace. 22.5 foot high monument sign, up to 216 square feet of sign area on each side
- Lessening of requirement to maintain a resource area on our Ph2 site – only have to maintain trees of "6 inches in diameter or greater at breast height". Will allow us to utilize more property for parking
- Expedited reviews - all city reviews receive 50% less review times than city standard - for 10 years

We originally asked the City for an additional \$1MM reimbursement for overage on costs we accrued during construction of infrastructure improvements for the Market. A conservative estimate values the monetary benefits in this deal (cash plus options) at approximately \$1.2M, plus the non-monetary items that will benefit the property into the future.

The attached exhibit provides a graphic depiction of the locations of some of the benefits. See the four Settlement documents for more detailed information.

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release ("Agreement") is entered into by and between The Westcor Company Limited Partnership, an Arizona limited partnership, Flagstaff Mall SPE LLC, a Delaware limited liability company, and Railhead Associates, L.L.C., an Arizona limited liability company (hereinafter collectively referred to as "Westcor") and City of Flagstaff, an Arizona municipal corporation (the "City"). Westcor and the City are sometimes referred to herein collectively as the "Parties."

RECITALS

A. On February 18, 2004, Westcor and the City entered into a Development Agreement (which together with the First Amendment to Development Agreement dated January 16, 2008, hereinafter referred to as the "Development Agreement") which defined the responsibilities and obligations of the parties with regard to their development and construction of certain public and private improvements, including a commercial retail center called the Flagstaff Marketplace (collectively, the "Flagstaff Project"), in the East Flagstaff Gateway Redevelopment Area.

B. As the improvements associated with the Flagstaff Project were being completed, the parties encountered several disputes arising from Westcor's contention that the City had failed to reimburse Westcor for significant costs that it had incurred that were subject to reimbursement by the City under the Development Agreement. The City denied any responsibility for such reimbursements.

C. On February 11, 2010, Westcor served its Notice of Claim and Demand for Mediation upon the City, after which the parties engaged in an unsuccessful mediation on July 22, 2010. Westcor then filed and served its Verified Complaint (hereinafter "Verified Complaint" or "Lawsuit") against the City on or about January 31, 2011. Thereafter, the parties agreed that the City's response to the Verified Complaint should be stayed, pending the parties' further negotiations. Those negotiations have resulted in the settlement embodied in this Agreement.

D. The Development Agreement expired by its own terms on or about February 28, 2009, except as to certain surviving provisions referenced in Section 8 of this Agreement.

NOW, THEREFORE, in exchange for and in consideration of the foregoing recitals and the mutual covenants and obligations contained herein, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereby state, confirm, warrant, represent and agree as follows:

SETTLEMENT TERMS AND CONDITIONS

1. Recitals. The foregoing recitals, which the parties agree are true and correct, are incorporated by this reference into these Settlement Terms and Conditions.

2. No Admission of Liability. This Agreement is intended as a full accord and satisfaction of those disputed claims set forth in Westcor's Verified Complaint. Nothing in this Agreement is to be considered, construed or asserted as an admission of liability or wrongdoing on the part of any entity or person. The City and Westcor each expressly deny any liability for any alleged wrongdoing of any kind.

3. Effective Date. This Agreement shall be deemed to be effective and fully enforceable as of the date of its approval by the Flagstaff City Council (the "Effective Date").

4. Consideration to Westcor. In consideration of the terms, conditions and mutual releases contained in this Agreement, the City agrees to provide the following to Westcor:

4.1 Payment. The City shall cause to be paid to Westcor the sum of \$400,000.00, which shall be paid in one (1) installment on or before December 30, 2011. Such payment by the City shall be made by check made payable to The Westcor Company Limited Partnership and sent to Chet Cramin, SVP, Associate General Counsel, c/o Macerich Company, 401 Wilshire Blvd., Suite 700, Santa Monica, CA 90401, or by electronic funds transfer arranged by contacting Mr. Cramin by email addressed to Chet.Cramin@macerich.com.

4.2 Signage. The City shall grant to Westcor an easement on City-owned property for the sole purpose of the erection and maintenance of a 22.5 foot high monument sign, with a maximum signage area of 216 square feet on each of two sides, which City property is located near Interstate 40 and more particularly described in the Easement Agreement attached hereto and incorporated in this Agreement as Exhibit "1". Said Easement Agreement shall be properly executed and notarized by the City and delivered to Westcor on or before the Effective Date of this Agreement. Notwithstanding the grant of the easement by the City to Westcor pursuant to the Easement Agreement, it shall be the sole responsibility of Westcor to obtain all required governmental approvals in connection with the erection of such monument sign, including, without limitation, any and all approvals required to be obtained from the Arizona Department of Transportation.

4.3.1 Option Agreements. On or before the Effective Date of this Agreement, the City shall execute and deliver to Westcor, or cause to be executed and delivered to Westcor, in care of its counsel, Don P. Martin at Quarles & Brady LLP, One Renaissance Square, Two North Central Avenue, Phoenix, AZ 85004-2391, two (2) Option Agreements, in the form attached hereto as Exhibits "2" and "3", and incorporated in this Agreement, granting to Westcor certain options to acquire real property, two (2) parcels of which are owned by the City and three (3) parcels of which are owned by Flagstaff Auto Mall Development, LLC. These parcels are located adjacent to Flagstaff Mall and the Flagstaff Marketplace.

4.3.2 The City hereby acknowledges that, pursuant to the terms of the Option Agreement between Flagstaff Auto Mall Development, LLC and Westcor, Flagstaff Auto Mall Development, LLC will agree to use commercially reasonable efforts to work with the owners of lots and parcels within Flagstaff Auto Park to amend certain terms and conditions of the covenants, conditions and restrictions applicable to the Flagstaff Auto Park (the "Auto Park CC&Rs"), including, among other things, amending the use restrictions applicable to the lots and

When recorded, return to:

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

EASEMENT AGREEMENT
(Monument Sign)

This Easement Agreement (this "**Agreement**") is made and entered into as of the 20th day of December, 2011, by and among CITY OF FLAGSTAFF ("**Grantor**"), and FLAGSTAFF MALL SPE LLC, a Delaware limited liability company ("**Grantee**").

RECITALS

A. Grantor is the fee owner of certain real property located in Coconino County, Arizona, which property is legally described on Exhibit A attached hereto and incorporated herein by this reference, and which property (designated by cross-hatching) is shown on Exhibit C attached hereto ("**Easement Area**"). Grantee is the fee owner of certain real property located in Coconino County, Arizona, which property is legally described on Exhibit B attached hereto (the "**Grantee Property**").

B. Grantor and Grantee are parties to that certain Settlement Agreement and Release of even date herewith (the "**Settlement Agreement**").

C. In furtherance of the specific provisions of the Settlement Agreement, Grantor and Grantee desire to establish an easement and related rights for monument signage to be located within the Easement Area.

D. Grantor and Grantee may be referred to herein individually as a "**Party**" and collectively as the "**Parties**."

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and other good and valuable consideration, the receipt, validity and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. MONUMENT SIGNAGE.

1.1 Rights Granted.

(a) Grant of Easement. Grantor hereby grants to Grantee an easement for the benefit of Grantee and its Affiliates and licensees over and across the Easement Area for the purpose of the installation, operation, maintenance, repair, restoration and replacement of a

monument sign with a maximum height of twenty-two and one-half (22.5) feet above finish grade of (a) the Easement Area or (b) the adjacent public street, whichever is higher, and with a maximum signage area (excluding architectural features) of 216 square feet on each of two sides (the "Monument Sign"). In addition to the grant of the easement over the Easement Area, Grantor hereby grants to Grantee the reasonable right of access to the Easement Area and the right to install, maintain, operate, repair, restore and replace landscaping, lighting, irrigation facilities, utility lines and facilities, and other improvements related to operation and maintenance of the Monument Sign.

(b) Use. Grantee's rights under this Agreement provide Grantee with an exclusive right to have signage within the Easement Area; provided, however, that it shall be the sole responsibility of Grantee to obtain all required governmental approvals in connection with the erection of the Monument Sign, including, without limitation, any and all approvals required to be obtained from the Arizona Department of Transportation. Grantor agrees that it will not unreasonably withhold, condition or delay any approvals required from Grantor in connection with the Monument Sign. Grantor shall not use the Easement Area for any purpose that is not consistent with the rights granted to Grantee under this Agreement or that would materially interfere with the visibility of the Monument Sign from public streets. Grantee, in exercising its rights under this Agreement, shall use reasonable care to minimize disruption to the Easement Area.

(c) Maintenance. At all times during the term of this Agreement, Grantee shall maintain and operate the Monument Sign and other improvements it installs within the Easement Area in good condition and repair and in accordance with applicable laws and regulations, all at Grantee's sole cost and expense. Any damage (other than any ordinary wear and tear) to the Easement Area that results from any use thereof by Grantee, or anyone claiming use rights under any Grantee, shall be promptly repaired by Grantee to the condition existing prior to such damage.

1.2 Intentionally Omitted.

1.3 Limitation on Users. Notwithstanding anything contained herein to the contrary, the Grantee hereby acknowledges and agrees that, unless otherwise agreed by Grantor, the Monument Sign shall be used solely for the purpose of marketing and advertising the Flagstaff Mall, Flagstaff Marketplace and the tenants and occupants thereof and no other parties.

2. DEFAULT REMEDIES.

2.1 Remedies Upon Default. In the event of any breach or default of any term or provision hereof, if such breach or default is not cured within (i) ten (10) days after written notice thereof is given to the defaulting Party by the non-defaulting Party, in the case of monetary default, or (ii) within thirty (30) days after notice thereof is given to the defaulting Party by the non-defaulting Party, in the case of non-monetary default (provided, however, that if such default cannot reasonably be cured within thirty (30) days, then the breaching Party shall not be deemed in default if the curing is commenced within said thirty (30) days and thereafter diligently pursued to completion), the non-defaulting Party shall have any and all rights and remedies available pursuant to this Agreement, or existing at law or in equity, including, without

limitation, the right to an injunction and the right to cure the default at the expense of the defaulting Party. The foregoing notwithstanding, no default under this Agreement shall entitle any Party to cancel, rescind or otherwise terminate this Agreement, but this limitation shall not affect in any manner any other rights or remedies that any Party may have by reason of such default.

2.2 Cumulative Remedies. The remedies permitted or available pursuant to the provisions of this Agreement, at law or in equity shall be cumulative.

2.3 Attorneys' Fees and Costs. In the event suit is brought for the enforcement of, or the declaration of rights pursuant to, this Agreement or as the result of any alleged breach of any restriction, covenant or other provision of this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees, from the losing Party, and any judgment or decree rendered in such proceedings shall include an award thereof. The amount of attorneys' fees and costs shall be set by the court and not a jury.

3. GENERAL.

3.1 Notices. No notice, consent, approval or other communication provided for herein or given in connection herewith shall be validly given, made, delivered or served unless it is in writing and delivered personally, sent by overnight courier, or sent by registered or certified United States mail, postage prepaid, with return receipt requested, to:

To Grantor: City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001
Attention: City Manager
Tel: (928) 774-5281

With a copy to: City of Flagstaff
211 West Aspen Avenue
Flagstaff, Arizona 86001
Attention: City Attorney
Tel: (928) 213-2025

To Grantee: Flagstaff Mall SPE LLC
11411 North Tatum Boulevard
Phoenix, Arizona 85028
Attention: Garrett Newland, VP Development
Tel: (602) 953-6200

With a copy to: The Macerich Company
401 Wilshire Boulevard, Suite 700
Santa Monica, California 90401
Attention: General Counsel
Tel: (310) 394-6000

and

Quarles & Brady LLP
One Renaissance Square
Two North Central Avenue
Phoenix, Arizona 85004-2391
Attention: Derek L. Sorenson, Esq.
Tel: (602) 229-5320

Any Party hereto may from time to time change its address by notice to the other parties given in the manner provided herein. Notices, consents, approvals, and communications given by mail shall be deemed delivered upon the earlier of forty-eight (48) hours after deposit in the United States mail in the manner provided above or upon delivery to the respective addresses set forth above if delivered personally or sent by overnight courier.

3.2 Interpretation. The captions of the Sections of this Agreement are for convenience only and shall not govern or influence the interpretation hereof. This Agreement is the result of negotiations between the parties and, accordingly, shall not be construed for or against either Party regardless of which Party drafted this Agreement or any portion thereof.

3.3 Not a Public Dedication. Nothing contained in this Agreement shall be deemed to be a gift or dedication of any portion of the Easement Areas to the general public or for the general public or for any public purpose whatsoever, and this Agreement shall be strictly limited to and for the purposes expressed herein.

3.4 Severability. Invalidation of any of the restrictions or other provisions of this Agreement shall in no way affect any of the other restrictions or provisions of this Agreement.

3.5 Covenants to Run with Land. The provisions of this Agreement shall run with the land and shall be binding upon and inure to the benefit of the heirs, assigns, successors and personal representatives of Grantor and Grantee.

3.6 No Partnership, Third Person. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other similar arrangement among the Parties. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, corporation or other entity not a Party hereto, and no such Party shall have any right or cause of action hereunder.

3.7 Entire Agreement. This Agreement constitutes the entire agreement between and reflects the reasonable expectations of the Parties pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the Parties relating to the subject matter hereof, oral or written, are hereby superseded and merged herein.

3.8 Termination; Amendment. This Agreement may be amended, terminated or canceled, in whole or in part, only by the agreement of all Parties. No such amendment, termination or cancellation shall be effective until a written instrument setting forth its terms has been executed by all Parties, acknowledged and recorded in the records of Coconino County, Arizona. No person, tenant or other entity other than the Parties shall be required to join in the execution of or consent to any Amendment. Notwithstanding anything contained in the

foregoing or elsewhere in this Agreement to the contrary, this easement shall automatically terminate and be of no further force or effect at such time as Grantee removes its Monument Sign from the Easement Area with no present intention to replace such Monument Sign with a replacement sign.

3.9 Further Assurances. Grantor and Grantee shall execute and deliver all such documents and perform all such acts as reasonably requested by the other Party from time to time as expressly required by this Agreement.

3.10 Incorporation of Exhibits. All exhibits attached to this Agreement are by this reference incorporated herein and restated as though set forth in full.

3.11 Headings. The captions and headings of the various Articles and Sections of this Agreement are for convenience and identification only, and shall not be deemed to limit or define the contents of their respective Articles or Sections.

3.12 Arizona Law. This Agreement shall be governed by the laws of the State of Arizona.

3.13 Counterparts. This Agreement may be executed in any number of counterparts. Each such counterpart hereof shall be deemed an original, but all counterparts shall constitute but one agreement.

3.14 Due Authority. Each Party acknowledges and warrants that it is fully authorized and empowered to execute this Agreement by and through the individuals executing below.

3.15 Conflicts of Interest. This Agreement is subject to, and may be terminated by the City in accordance with, the provisions of A.R.S. § 38-511.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

Easement Agreement
(Monument Sign)
Flagstaff Mall SPE LLC

ATTEST:


CITY CLERK

APPROVED AS TO FORM:


CITY ATTORNEY

GRANTEE:

FLAGSTAFF MALL SPE LLC, a Delaware limited liability company

By: *Don M. Foster*
Name: Don M. Foster
Title: SVP- Construction & Design

STATE OF ARIZONA)
COUNTY OF Maricopa) ss.

On this 16th day of December, 2011, before me, the undersigned officer, personally appeared Don M. Foster, who acknowledged her/himself to be Senior Vice President of FLAGSTAFF MALL SPE LLC, a Delaware limited liability company:

whom I know personally;
 whose identity was proven to me on the oath of _____, a credible witness by me duly sworn;
 whose identity I verified on the basis of her/his _____,

and s/he, in such capacity, being authorized so to do, executed the foregoing instrument for the purposes therein contained on behalf of that entity.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

NOTARY SEAL:

Monica Panza
Notary Public



Description of document this notarial certificate is being attached to:	
Type/Title	Easement Agreement (Monument Sign)
Date of Document	
Number of Pages	
Add'l Signers (other than those named in this notarial certificate)	

LIST OF EXHIBITS

EXHIBIT A	LEGAL DESCRIPTION OF THE EASEMENT AREA
EXHIBIT B	LEGAL DESCRIPTION OF GRANTEE PROPERTY
EXHIBIT C	SITE PLAN

EXHIBIT A

LEGAL DESCRIPTION OF THE EASEMENT AREA

LEGAL DESCRIPTION

Exhibit A

#311016A (12/05/11)

The following is a legal description of a parcel of land lying within the northeast quarter of Section 7, Township 21 North, Range 8 East, of the Gila Salt River Meridian, Coconino County, Arizona, more particularly described as follows:

Commencing at a found 2" aluminum cap "C1/4, S7, LS 22258" at the center quarter corner of Section 7 as shown on Final Plat of Southeast Industrial Park, recorded at Case 7, Map 48, Official Recorders of Coconino County (herein referred to as R1), from which a found 2" aluminum cap in asphalt "1/4, S7, LS 22258" at the east quarter corner of said Section bears North 89°52'06" East, a distance of 2655.05 feet (measured, and basis of bearing for this description) (North 89°41'52" East, a distance of 2654.94 feet as shown on Results of Survey, ADOT Right of Way Plans, Flagstaff-Cameron Highway, Federal ID #U 089-C-801);

Thence along said mid-Section line North 89°52'06" East, a distance of 658.71 feet (North 89°42'20" East, a distance of 658.57 feet as described in Final Order of Condemnation, recorded at Docket 520, Page 68, Official Recorders of Coconino County, herein referred to as R2) to a point on the southerly Right of Way line of Interstate I-40 interchange, said point being at the cusp of a non-tangent curve concaved to the southwest, having a radius of 496.06 feet (R1) (a radius of 496.11 feet R2) and a central angle 23°58'15", from which the chord bearing of said curve bears North 27°04'49" West, a distance of 194.81 feet;

Thence leaving said mid-Section line, along said Right of Way line northwesterly along said curve, a distance of 196.24 feet (a distance of 196.70 feet R2);

Thence continuing along said Right of Way line North 39°12'55" West, a distance of 295.91 feet (North 39°22'23" West, a distance of 295.91 feet R1) (North 39°17'00" West, a distance of 295.56 feet R2) to a found 1/2" rebar,

Thence continuing along said Right of Way line North 43°39'26" West, a distance of 362.39 feet (North 43°52'13" West, a distance of 362.39 feet R1) (North 43°47'00" West, a distance of 362.03 feet R2) to a point on the southerly Right of Way line of Burlington Northern Santa Fe Railway,

Thence along said Railway Right of Way line North 69°18'02" East, a distance of 326.08 feet (North 69°17'28" East, a distance of 326.08 feet R2) to a found 1/2" rebar with plastic cap "LS 26406" on the northerly Right of Way line of said Interstate I-40 interchange;

Thence along said Interstate Right of Way line South 43°39'26" East (South 43°47'00" East R2), a distance of 54.34 feet (South 43°47'00" East, a distance of 54.34 feet as described in Quit Claim Deed, recorded at Docket 585, Page 138, Official Recorders of Coconino County) to a point on the southerly Right of Way line of Industrial Drive;

Thence leaving said Right of Way line South 29°24'20" West, a distance of 145.93 feet and the **TRUE POINT OF BEGINNING**;

Thence South 37°24'18" West, a distance of 22.00 feet, from which a traffic sign post being 2 feet in diameter bears North 48°22'59" West, a distance of 24.09 feet;

Thence South 52°35'42" East, parallel with and 4.00 feet northeast of the existing back of concrete sidewalk, a distance of 10.00 feet;

Thence North 37°24'18" East, a distance of 22.00 feet;

Thence North 52°35'42" West, a distance of 10.00 feet to the **TRUE POINT OF BEGINNING**.

Containing 220 Square Feet, more or less.

See exhibit B attached hereto and made apart hereof.

This legal description was prepared by Thomas J. Butler, RLS 40640, on behalf of and at the request of The WLB Group, Inc., Flagstaff, Az.



Expires 3/31/13

Sign Easement

Descriptive Title

04-00195

City File No.

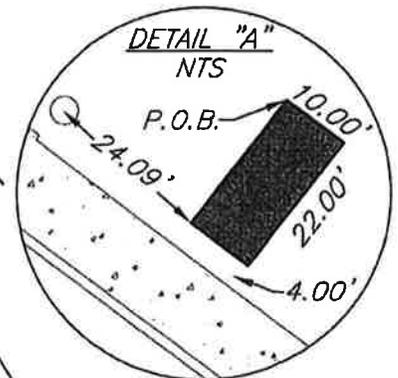
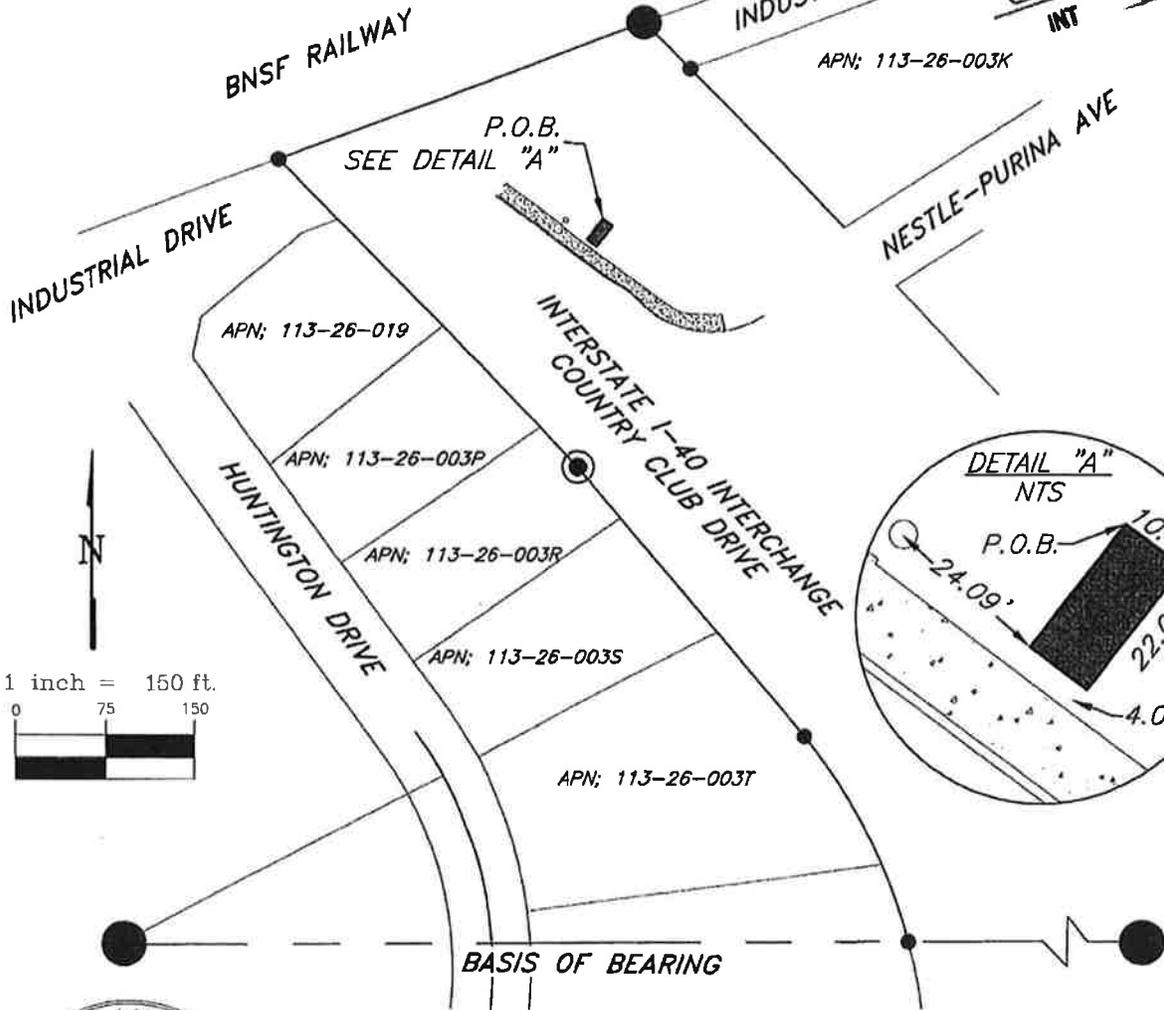
ACCEPTED
CITY OF FLAGSTAFF
ENGINEERING DIV.
CJD 12.5.11
INT DATE

EXHIBIT B TO ACCOMPANY LEGAL DESCRIPTION

A PORTION OF NE 1/4, SECTION 7,
TOWNSHIP 21 NORTH, RANGE 8 EAST OF THE GILA SALT RIVER MERIDIAN,
COCONINO COUNTY, ARIZONA

NOTE:
THIS EXHIBIT DOES NOT REPRESENT A
BOUNDARY SURVEY AND SHOULD NOT BE
CONSTRUED AS ONE.
ITS PURPOSE IS SOLELY TO GRAPHICALLY
DEPICT THE LOCATION OF THE AREA DESCRIBED.

ACCEPTED
CITY OF FLAGSTAFF
ENGINEERING DIV
CHD 12.5.11
INT DATE



LEGEND

- PROPERTY/RIGHT OF WAY LINE
- ADJOINER PROPERTY LINE
- SECTION LINE
- PROPOSED AREA
- FOUND 1/2" REBAR WITH PLASTIC CAP "LS 26406"
- FOUND 1/2" REBAR (NO CAP OR TAG)
- FOUND 2" ALUMINUM CAP
- CALCULATED POINT

The WLB Group, INC. **WLB**
WLB No. 311016A001

DATE = 12/05/11
PAGE 3 OF 3

04-00185
City File No.

EXHIBIT B

LEGAL DESCRIPTION OF GRANTEE PROPERTY

DESCRIPTION

PARCEL NO. 1: - (Developer Tract - Fee Parcel)

A parcel of land consisting of a portion of the Northeast quarter of Section 7, Township 21 North, Range 8 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, and being more particularly described as follows:

BEGINNING at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 7;
thence South $00^{\circ} 59' 30''$ East along the West line of said Northeast quarter of the Northeast quarter, 240.63 feet to a point lying on the South right of way line of U.S. Highway 89, said point being the TRUE POINT OF BEGINNING;
thence along said South right of way, along a curve to the left, having a radius of 3874.72 feet, a tangent bearing of North $46^{\circ} 28' 34''$ East, a central angle of $03^{\circ} 59' 02''$, an arc distance of 269.42 (record 267.16) feet to a point on the curve lying on the South right of way line of Railhead Avenue;
thence North $89^{\circ} 33' 44''$ East (record North $89^{\circ} 34' 37''$ East) along said South right of way, along a line 50.00 feet South of and parallel to the North line of said Section 7, a distance of 155.70 feet;
thence South $30^{\circ} 32' 35''$ West 293.00 feet;
thence South $59^{\circ} 27' 25''$ East 663.54 feet;
thence North $30^{\circ} 32' 35''$ East 256.46 feet;
thence North $01^{\circ} 07' 52''$ West 372.91 feet to a point lying on said South right of way line of Railhead Avenue;
thence North $89^{\circ} 33' 44''$ East (record North $89^{\circ} 34' 37''$ East) along said South right of way, along a line 50.00 feet South of and parallel to the North line of said Section 7, a distance of 153.01 feet;
thence South $01^{\circ} 07' 52''$ East along a line 274.35 feet West of and parallel to the East line of said Section 7, a distance of 486.03 feet;
thence South $30^{\circ} 32' 35''$ West 521.92 feet;
thence South $47^{\circ} 53' 31''$ East 196.34 feet to a point lying on a curve on the North right of way line of U.S. Highway 66;
thence continuing the next four courses along said North right of way commencing with said curve to the left, having a radius of 5829.65 feet, a tangent bearing of South $86^{\circ} 00' 06''$ West, a central angle of $02^{\circ} 07' 17''$, an arc distance of 215.86 feet to a point on a curve;
thence along said curve to the left having a radius of 5829.65 feet, a tangent bearing of South $83^{\circ} 54' 57''$ West, a central angle of $00^{\circ} 47' 09''$, an arc distance of 79.96 feet to a point on a curve;
thence along said curve to the left, having a radius of 5829.65 feet, a tangent bearing of South $82^{\circ} 58' 11''$ West, a central angle of $06^{\circ} 12' 21''$, an arc distance of 631.41 feet to a point on the curve;
thence South $75^{\circ} 32' 35''$ West 298.81 feet;

continued

PARCEL NO. 1 (continued)

thence North 38° 01' 32" West 483.10 feet to a point lying on the Northwest line of a 30.00 foot wide alley, as recorded in Book 2 of Maps, page 15, records of Coconino County, Arizona;
thence South 51° 58' 28" West along said North line, 51.31 feet;
thence North 37° 58' 40" West, 188.96 feet to a point lying on the South right of way line of U.S. Highway 89;
thence continuing the next four courses along said South right of way commencing with North 51° 58' 00" East (record North 52° 00' 55" East) 485.83 (record 486.27) feet to the P.C. of a curve;
thence along said curve to the left having a radius of 2914.79 feet, a central angle of 01° 45' 47", an arc distance of 89.70 feet to a point on the curve;
thence South 39° 16' 38" East 6.51 feet to a point on a curve;
thence along said curve to the left having a radius of 3874.72 feet, a tangent bearing of North 51° 45' 15" East, a central angle of 05° 16' 41", an arc distance of 356.94 (record 357.01) feet to the TRUE POINT OF BEGINNING;
EXCEPT the following described parcel:
BEGINNING at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 7;
thence South 00° 59' 30" East along the West line of said Northeast quarter of the Northeast quarter, 240.63 feet to a point lying on the South right of way line of U.S. Highway 89;
thence continuing the next four courses along said South right of way, commencing with a curve to the right having a radius of 3874.72 feet, a tangent bearing of South 46° 28' 34" West, a central angle of 05° 16' 41", an arc distance of 356.94 feet;
thence North 39° 16' 38" West 6.51 feet to a point on a curve;
thence along said curve to the right having a radius of 2914.79 feet, a tangent bearing of South 50° 12' 13" West, a central angle of 01° 45' 47", an arc distance of 89.70 feet;
thence South 51° 58' 00" West 116.54 feet to the TRUE POINT OF BEGINNING;
thence leaving said right of way South 38° 02' 00" East 85.03 feet, to a point on a curve lying on the Northwest line of a public alley as recorded in Docket 673, page 166, records of Coconino County, Arizona;
thence continuing the next two courses along said Northwest line, commencing with said curve to the left having a radius of 480.00 feet, a tangent bearing of South 51° 19' 37" West, a central angle of 23° 05' 35"; an arc distance of 193.46 feet to a point of compound curvature;
thence along a curve to the left having a radius of 210.00 feet, a central angle of 13° 19' 46", an arc distance of 48.85 feet to a point on the curve;
thence leaving said Northwest line North 37° 51' 14" West 150.26 feet to a point lying on the South right of way of U.S. Highway 89;
thence North 51° 58' 00" East along said right of way, 229.40 feet to the TRUE POINT OF BEGINNING;

continued

PARCEL NO. 1 (continued)

EXCEPT BEGINNING at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 7;
thence South $00^{\circ} 59' 30''$ East, along the West line of said Northeast quarter of the Northeast quarter, 240.63 feet to a point on a curve lying on the South right-of-way line of U.S. Highway 89;
thence continuing along said right-of-way along said curve to the right having a radius of 3874.72 feet, a tangent bearing of South $46^{\circ} 28' 34''$ West, a central angle of $05^{\circ} 16' 41''$, an arc distance of 356.94 feet to a point on the curve;
thence North $39^{\circ} 16' 38''$ West, 6.51 feet to a point on a curve;
thence along said curve to the right having a radius of 2914.79 feet, a tangent bearing of South $50^{\circ} 12' 13''$ West, a central angle of $01^{\circ} 45' 47''$ an arc length of 89.70 feet to the P.T. of the curve;
thence South $51^{\circ} 58' 00''$ West, 345.94 feet to the TRUE POINT OF BEGINNING;
thence leaving said right-of-way South $37^{\circ} 51' 14''$ East, 150.26 feet to a point to the North line of a Public Easement recorded in Docket 673, page 166, records of Coconino County, Arizona;
thence along said North line being a curve to the left having a radius of 210.00 feet, a chord bearing of South $07^{\circ} 21' 40''$ West, and a central angle of $15^{\circ} 05' 04''$ an arc distance of 55.29 feet;
thence continuing along said Easement South $51^{\circ} 58' 28''$ West, 100.35 feet;
thence North $37^{\circ} 58' 40''$ West, 188.96 feet to a point on the aforementioned South right-of-way line of U.S. Highway 89;
thence along said right-of-way line North $51^{\circ} 58' 00''$ East, 139.89 feet to the TRUE POINT OF BEGINNING; and;
EXCEPT BEGINNING at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 7;
thence South $00^{\circ} 59' 30''$ East, along the West line of said Northeast quarter of the Northeast quarter, 240.63 feet to a point on a curve lying on the South right-of-way line of U.S. Highway 89;
thence along said right-of-way along said curve to the right having a radius of 3874.72 feet, a tangent bearing of South $46^{\circ} 28' 34''$ West, a central angle of $02^{\circ} 48' 12''$, an arc distance of 189.56 feet to a point on the West line of a Public Easement recorded in Docket 673, page 166, records of Coconino County, Arizona;
thence continuing the next five courses along said Easement commencing along a curve to the right having a radius of 40.00 feet, a chord bearing of South $67^{\circ} 35' 37''$ East, and a central angle of $52^{\circ} 28' 03''$ an arc length of 36.63 feet to a point of tangency;
thence South $41^{\circ} 21' 35''$ East, 133.93 feet to a point of curvature of a curve to the right;

PARCEL NO. 1 (continued)

thence along said curve to the right having a radius of 25.00 feet, a central angle of $114^{\circ} 39' 58''$ an arc distance of 50.03 feet;

thence South $73^{\circ} 18' 23''$ West, 198.37 feet to a point of curvature of a curve to the left;

thence along said curve to the left having a radius of 480.00 feet, a central angle of $21^{\circ} 58' 50''$ an arc distance of 184.14 feet;

thence North $38^{\circ} 02' 00''$ West, 85.03 feet to a point on the aforementioned South right-of-way of U.S. Highway 89;

thence continuing the next five courses along said right-of-way commencing North $51^{\circ} 58' 00''$ East 116.40 feet to a point of curvature of a curve to the left;

thence along said curve to the left having a radius of 2914.79 feet, a central angle of $01^{\circ} 45' 47''$ an arc distance of 89.70 feet;

thence South $39^{\circ} 16' 38''$ East 6.51 feet to a point on a curve to the left;

thence along said curve to the left having a radius of 3874.72 feet, a chord bearing of North $50^{\circ} 31' 01''$ East, a central angle of $02^{\circ} 28' 29''$ an arc distance of 167.36 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 2: - (Developer Tract - Lease Parcel)

A parcel of land consisting of a portion of the Northeast quarter of Section 7, Township 21-North, Range 8 East of the Gila and Salt River Base and Meridian, Coconino County, Arizona, and being more particularly described as follows:

BEGINNING at the Northwest corner of the Northeast quarter of the Northeast quarter of said Section 7;
thence South $00^{\circ} 59' 30''$ East along the West line of said Northeast quarter of the Northeast quarter, 240.63 feet to a point lying on the South right of way line of U.S. Highway 89;
thence continuing the next four courses along said South right of way, commencing with a curve to the right having a radius of 3874.72 feet, a tangent bearing of South $46^{\circ} 28' 34''$ West, a central angle of $05^{\circ} 16' 41''$, an arc distance of 356.94 feet;
thence North $39^{\circ} 16' 38''$ West 6.51 feet to a point on a curve;
thence along said curve to the right having a radius of 2914.79 feet, a tangent bearing of South $50^{\circ} 12' 13''$ West, a central angle of $01^{\circ} 45' 47''$, an arc distance of 89.70 feet;
thence South $51^{\circ} 58' 00''$ West 116.54 feet to the TRUE POINT OF BEGINNING;
thence leaving said right of way South $38^{\circ} 02' 00''$ East 85.03 feet, to a point on a curve lying on the Northwest line of a public alley as recorded in Docket 673, page 166, records of Coconino County, Arizona;
thence continuing the next two courses along said Northwest line, commencing with said curve to the left having a radius of 480.00 feet, a tangent bearing of South $51^{\circ} 19' 37''$ West, a central angle of $23^{\circ} 05' 35''$, an arc distance of 193.46 feet to a point of compound curvature;
thence along a curve to the left having a radius of 210.00 feet, a central angle of $13^{\circ} 19' 46''$, an arc distance of 48.85 feet to a point on the curve;
thence leaving said Northwest line North $37^{\circ} 51' 14''$ West 150.26 feet to a point lying on the South right of way of U.S. Highway 89;
thence North $51^{\circ} 58' 00''$ East along said right of way, 229.40 feet to the TRUE POINT OF BEGINNING.

EXHIBIT C

SITE PLAN

