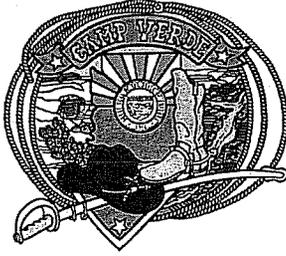


ADDITIONAL INFORMATION
COUNCIL HEARS PLANNING & ZONING MATTERS
SEPTEMBER 22, 2010
ITEM #10



Town of Camp Verde
Community Development
473 S. Main St., Suite 108
Camp Verde, AZ 86322
Tel: (928) 567-8513
Fax: (928) 567-7401
Email: mjenkins@cvaz.org
Web: www.cvaz.org

MEMO

TO: Russ Martin, Town Manager

FROM: Michael Jenkins

Acting Community Development Director

**Re: Ringo Rio request for time extension
to acquire entitlements.**

DESCRIPTION

As you directed this morning in our meeting with the Town Engineer, I am providing further clarification to the purpose and the effect of the Developer requested time extension, to acquire entitlements, for the Ringo Rio project through the current Development and Grading Agreement.

Purpose for the time extension request:

Per exhibit "D", item 3 of the Development and Grading Agreement the following was agreed to by the Developer:

"The developer does hereby agree that during the period of time (estimated at two years) while the rough grading of the property is being conducted, (being described herein as **Phase One**), he shall diligently work towards obtaining all entitlements from the Town to include, but not limited to approval of all submitted Design and Engineering drawings, amendment to the current PAD, a Use Permit for the development of the RV Park, Design Review Approval of the development and all required building permits to develop the site as proposed in this plan."

It seems to be clear in the above statement that the two year period to complete the Phase One (rough grading) portion of the project is an ESTIMATE. With this in mind, the Development and Grading Agreement provided for Annual extensions of time to the entitlement acquisition process at the sole discretion of the Council. It appears that the allowance to extend the time frame for the entitlements, on an annual basis, was to provide the Council and Staff to review the status of the project and possibly require or adjust the requirements for such things as Storm Water Pollution Prevention and Assurances for remediation.

Per Article 4 (Construction), item 4.4, (Additional Assurances to the Town of Camp Verde) and per a finding by the Town Attorney on July 15, 2010, "ADDITIONAL ASSURANCES MAY BE REQUIRED BY THE TOWN FROM THE DEVELOPER".

Additional Assurances apply to the other Phases of the project to be put in place at the time of permitting those Phases for construction.

Revised Staff Recommended Motion:

Move to approve an annual (One Year) extension of time, that will begin on September 24, 2010 and expire on September 24, 2011, as requested by Dugan McDonald (Owner of Cherry Creek Trail, LLC) through a LETTER OF AGREEMENT to acquire the entitlements, including but not limited to receiving approvals for a Use Permit for the R.V. Park, Appearance Standards and all Building Permits, during Phase One of the Ringo Rio Project as allowed under the original Development and Grading Agreement by and between the Town of Camp Verde and Mr. McDonald with the following conditions to be included in the LETTER OF AGREEMENT:

- That Mr. McDonald is financially responsible to pay for all Town Attorney and Staff review costs to accomplish the annual (One Year) extension of time to acquire entitlements.
- That the Engineer for the Developer (Engineer of Record) shall prepare a revised Engineer's Cost Estimate for the remediation of the project as based on the current conditions that would consider the method of excavation being utilized at this time. This Cost Estimate is to be reviewed and approved by the Town Engineer in writing prior to the Town accepting any revised or additional bonds from the developer.
- That if any extensions of time are requested by the developer for the current grading permit for the Ringo Rio Project, those extensions will duplicate the expiration dates of the Council approved annual extensions of time for the developer to acquire his entitlements to include but not be limited to the approval of a Use Permit for the R.V. Park, Appearance Standards Approval and all Building Permits.



Signature: Michael Jenkins
Acting Community Development Director

SEPTEMBER 22, 2010
Date

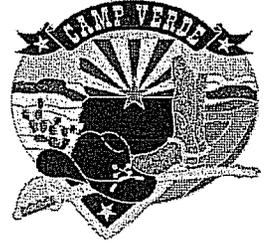
ADDITIONAL INFORMATION

REGULAR SESSION

SEPTEMBER 22, 2010

ITEM #10

TOWN OF CAMP VERDE



Memorandum Public Works Department

To: Russ Martin, Town Manager
From: Ron Long, Public Works Director
Date: September 20, 2010
Re: Ringo Rio Rough Grading Estimate

I have estimated that the excavation contractor has removed between 326,301 and 391,560 Cubic Yards of material from the Ringo Rio RV Resort site (approximately 45% complete). The total amount of material to be removed per the grading permit is 800,000 CY.

This estimate was based on an approximate excavated footprint of 489,451.56 Square Feet and a cut depth of 18 Feet (based on the Grading Plan and the September 2, 2010 survey by Dugan McDonald).

Even though the Developer has had approval to grade since October 2008, there has only been grading activity on site for about one year, off and on, with most of the activity occurring within the last 3 months. Based on the progress that has made in the last 3 months, I believe that the developer could complete the rough grading by September of 2011 if the current level of activity continues without interruption.

Ron Long, P.E.
Public Works Director
Town of Camp Verde
395 S. Main Street
Camp Verde, AZ 86322
Office: (928) 567-0534
Ron.Long@campverde.az.gov



It's in your hands ~ "Build a stronger community – shop locally"

AGENDA
COUNCIL HEARS PLANNING & ZONING MATTERS
MAYOR AND COUNCIL
COUNCIL CHAMBERS · 473 S. Main Street, Room #106
WEDNESDAY, SEPTEMBER 22, 2010
at 6:30 P.M.

1. **Call to Order**
2. **Roll Call**
3. **Pledge of Allegiance**
4. **Consent Agenda** – All those items listed below may be enacted upon by one motion and approved as consent agenda items. Any item may be removed from the Consent Agenda and considered as a separate item if a member of Council requests.
 - a) **Approval of the Minutes:**
 - 1) There are no minutes for approval
 - b) **Set Next Meeting, Date and Time:**
 - 1) October 6, 2010 at 6:30 p.m. – Regular Session
 - 2) October 20, 2010 at 6:30 p.m. – Regular Session
 - 3) October 27, 2010 at 6:30 p.m. – Council Hears Planning & Zoning Matters
5. **Special Announcements & Presentations – There are no announcements or presentations.**
6. **Council Informational Reports.** These reports are relative to the committee meetings that Council members attend. The Committees are Camp Verde Schools Education Foundation; Chamber of Commerce, Intergovernmental Association, NACOG Regional Council, Verde Valley Transportation Planning Organization, Yavapai County Water Advisory Committee, and shopping locally. In addition, individual members may provide brief summaries of current events. The Council will have no discussion or take action on any of these items, except that they may request that the item be placed on a future agenda.
7. **Call to the Public for Items not on the Agenda.**
8. **Discussion, consideration, and possible selection of the firm to provide Professional Auditing Services and approval of the agreement to include authorization for the Mayor to execute contract documents.** This is a budgeted item in the General Fund. Staff Resource: Lisa Elliott
9. **Public Hearing, discussion, consideration, and possible approval of Resolution 2010-816, a Resolution of the Common Council of the Town of Camp Verde, Arizona, approving Use Permit 2010-01, amending Use Permit 2007-733 for parcels 403-17-001M, 403-17-001L, & 403-17-001K to allow for the continued operation of a Ranch Style Community for 170 adults with developmental disabilities with the following additional uses: the 1986 Hyde Park Manufactured Home to remain on the property as a "Health Clinic", to allow an equestrian center to be placed on parcel 403-17-001K, to allow for a charter school to be located in existing buildings, all of the current and proposed uses to continue with no time limit. Any changes to these uses must come before the Planning and Zoning Commission and the Town Council for approval. Rainbow Acres is located at 2120 W. Reservation Loop Road.**
 - Call for STAFF PRESENTATION
 - Declare PUBLIC HEARING OPEN
 - Call for APPLICANT'S STATEMENT
 - Call for COMMENT FROM OTHER PERSONS (either in favor or against)
 - Call for APPLICANT'S REBUTTAL (if appropriate)
 - Declare PUBLIC HEARING CLOSED
 - Call for COUNCIL DISCUSSION

10. **Discussion, consideration, and possible approval and authorization for the Mayor to sign a Letter of Agreement that allows for an annual extension of time to acquire entitlements for a Use Permit for the R.V. Park developed by owner Dugan L. McDonald, Cherry Creek Trail, LLC, appearance standards and all building permits under Phase One of the Ringo Rio Project as originally approved by the Council in a Development and Grading Agreement on September 24, 2008 (Effective Date). The original agreement was entered into pursuant to Resolution 2008-755. Staff Resource: Mike Jenkins**
11. **Call to the Public for Items not on the Agenda.**
12. **Advanced Approvals of Town Expenditures.** There are no advanced approvals.
13. **Manager/Staff Report** Individual members of the Staff may provide brief summaries of current events and activities. These summaries are strictly for informing the Council and public of such events and activities. The Council will have no discussion, consideration, or take action on any such item, except that an individual Council member may request that the item be placed on a future agenda.
14. **Adjournment**

Posted by: *D Jones* Date/Time: *9-16-2010* *8:45 a.m.*
Note: Pursuant to A.R.S. §38-431.03.A.2 and A.3, the Council may vote to go into Executive Session for purposes of consultation for legal advice with the Town Attorney on any matter listed on the Agenda, or discussion of records exempt by law from public inspection associated with an agenda item.

The Town of Camp Verde Council Chambers is accessible to the handicapped. Those with special accessibility or accommodation needs, such as large typeface print, may request these at the Office of the Town Clerk.



**TOWN OF CAMP VERDE
Agenda Action Form**

Meeting Date: September 22, 2010

Meeting Type: Council Hears P&Z

Consent Agenda Regular Business

Reference Document: Proposed agreements to provide Professional Auditing Services.

Agenda Title (be exact): Discussion, consideration, and possible selection of the firm to provide Professional Auditing Services and the acceptance of the agreement with the selected firm to provide Professional Auditing Services.

Purpose and Background Information:

The Finance Department conducted a Request for Proposals (RFP) process to solicit proposals for Professional Auditing Services. Six proposals were received in response to the Request for Proposals. The proposals were reviewed by the Town's Financial Consultants and ranked based on the criteria listed in the RFP as requested by the Audit Committee.

The top two firms as ranked by the Town's Financial Consultants made presentations and answered questions at the Work Session with Council held on September 22, 2010.

In order for Staff to proceed, Council must select the firm with which to award the agreement and authorize the Town Manager to execute the agreement with said firm.

Recommendation (Suggested Motion):

Award of the agreement to provide Professional Auditing Services to _____ and authorization for the Town Manager to execute the proposed agreement with said firm.

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

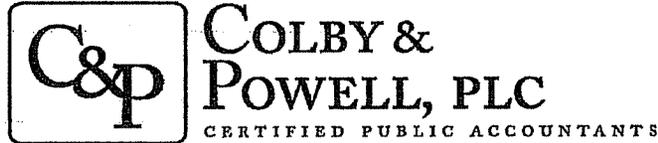
Attorney Review: Yes No N/A

Attorney Comments: The Attorney has reviewed and approved the proposed agreements from both firms.

Submitting Department: Finance Department

Contact Person: Lisa Elliott, Senior Accountant

Action Report Prepared By: Lisa Elliott, Senior Accountant



1535 W. Harvard Avenue, Suite 101 · Gilbert, Arizona 85233

Tel: (480) 635-3200 · Fax: (480) 635-3201

September 14, 2010

Town of Camp Verde, Arizona
473 S. Main Street, Suite 102
Camp Verde, AZ 86322

We are pleased to confirm our understanding of the services we are to provide the Town of Camp Verde, Arizona, for the year ended June 30, 2010. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of the Town of Camp Verde, Arizona, as of and for the year ended June 30, 2010. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany the Town of Camp Verde, Arizona's basic financial statements. As part of our engagement, we will apply certain limited procedures to the Town of Camp Verde, Arizona's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's Discussion and Analysis.

Supplementary information other than RSI also accompanies the Town of Camp Verde, Arizona's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole:

1. Schedule of expenditures of federal awards (if required).
2. Annual Expenditure Limitation Report

Audit Objectives

The objective of our audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of Town of Camp Verde, Arizona and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that Town of Camp Verde, Arizona is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities include adjusting the financial statements to correct material misstatements that are brought to your attention and for confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to obtain reasonable rather than absolute assurance in accordance with United States generally

accepted accounting principles about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit is designed to provide reasonable, but not absolute assurance in accordance with United States generally accepted auditing standards and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the Town of Camp Verde's compliance with the

provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Audit Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the Town of Camp Verde, Arizona; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Colby and Powell, PLC, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to cognizant or oversight agencies or their designees, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Colby and Powell, PLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the date the auditor's report is issued or for any additional period requested by the cognizant agency or oversight agency for the audit, or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the parties contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately October 14, 2010, and to issue a draft of our reports for your review no later than December 16, 2010. Scott Graff is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be \$20,000. If a Single Audit is required, our fee will be \$22,000. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our July 2010 peer review report accompanies this letter.

We appreciate the opportunity to be of service to the Town of Camp Verde, Arizona, and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Colby and Powell, PLC

RESPONSE:

This letter correctly sets forth the understanding of the Town of Camp Verde, Arizona.

By: _____

Title: _____

Date: _____



Walker & Armstrong LLP

CERTIFIED PUBLIC ACCOUNTANTS

4000 North Central Avenue
Suite 1100
Phoenix, Arizona 85012
602.230.1040
602.230.1065 (Fax)

www.wa-cpas.com

September 14, 2010

Town Council
Town of Camp Verde, Arizona
437 South Main Street, Suite 102
Camp Verde, Arizona 86322

Ladies and Gentlemen:

We are pleased to confirm our understanding of the services we are to provide Town of Camp Verde, Arizona (the Town) for the year ended June 30, 2010. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements, of Town of Camp Verde, Arizona as of and for the year ended June 30, 2010. U. S. generally accepted accounting standards provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Town of Camp Verde, Arizona's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Town of Camp Verde, Arizona's RSI in accordance with U.S. generally accepted auditing standards. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by the Government Auditing Standards Board and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.
- 2) Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– General Fund
- 3) Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– HURF Fund
- 4) Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual
– Parks Fund

Supplementary information other than RSI also accompanies Town of Camp Verde, Arizona's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with U. S. generally accepted auditing standards and will provide an opinion on it in relation to the financial statements as a whole:

- 1) Combining and individual fund statements and schedules

The following other information accompanying the financial statements will not be subjected to the auditing procedures applied in our audit of the financial statements, and for which our auditor's report will not provide an opinion or any assurance.

- 1) Introductory section
- 2) Statistical section

Arizona Annual Expenditure Limitation Report

We will also report on the Arizona Annual Expenditure Limitation Report for the year ended June 30, 2010 in accordance with Arizona Revised Statutes (A.R.S.) Section 41-1279-07.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. The objective also includes reporting on:

- Internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*:

The reports on internal control and compliance will each include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, specific legislative or regulatory bodies, federal awarding agencies, and if applicable, pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of accounting records, and other procedures we consider necessary to enable us to express such opinions and to render the required reports. If our opinions on the financial statements are other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. Management is also responsible for identifying government award programs and understanding and complying with the compliance requirements, and, if, applicable for preparation of the schedule of expenditures of federal awards in accordance with the requirements of OMB Circular A-133. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including internal controls over compliance, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met and that there is reasonable assurance that government programs are administered in compliance with compliance requirements. You are also responsible for the selection and application of accounting principles; for the fair presentation in the financial statements of the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Camp Verde, Arizona and the respective changes in financial position and, where applicable, cash flows in conformity with U.S. generally accepted accounting principles; and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management and financial information is reliable and properly recorded. Your responsibilities also include identifying significant vendor relationships in which the vendor has responsibility for program compliance and for the accuracy and completeness of that information. Your responsibilities include adjusting the financial statements to correct material misstatements that are brought to your attention and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Town Council
Town of Camp Verde
September 14, 2010
Page four

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants. You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to present the supplementary information with the audited financial statements.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the audit objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit in accordance with U.S. generally accepted auditing standards to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because an audit in accordance with U.S. generally accepted auditing standards is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements or noncompliance may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or major programs. However, we will inform you of any material errors and any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform you of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential, and of any material abuse that comes to our attention. We will include such matters in the reports required for a single audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Town of Camp Verde, Arizona's compliance with applicable laws and regulations and the provisions of contracts and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected by us for testing.

The audit documentation for this engagement is the property of Walker & Armstrong and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to the Town's oversight agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Walker & Armstrong personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the Town's oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately October 14, 2010, and to issue our reports no later than December 30, 2010. Randall Ottaway is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$27,000. Our fee quote does not include the performance of a single audit under OMB Circular A-133. Should the Town require a single audit, we will issue an addendum to our engagement letter for the additional fees related to a single audit.

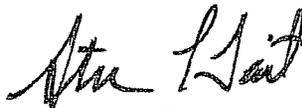
Town Council
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Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 60 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2007 peer review report accompanies this letter.

We appreciate the opportunity to be of service to Town of Camp Verde, Arizona and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



Steven L. Tait

SLT\ers

Response:

This letter correctly sets forth the understanding of Town of Camp Verde, Arizona.

By: _____

Title: _____

Date: _____

#9



**TOWN OF CAMP VERDE
Council Hears Planning & Zoning
Agenda Action Form**

Meeting Date: September 22, 2010

Meeting Type: Council Hears Planning & Zoning

Consent Agenda

Regular Business

Reference Document: Use Permit 2010-01

Agenda Title (be exact):

Public Hearing, Discussion and Possible approval or denial of Resolution 2010-816 a Use Permit 2010-01, for Rainbow Acres to continue the current use of the operation of a ranch style community for 170 adults with developmental disabilities and to add the following activities on parcel 403-17-001M, 403-17-001L & 403-17-001K: To allow the manufactured unit on the property to remain for the use of the Health and Wellness Program. Add an Equestrian Center and Corrals for "Total Equine Training." Add a Charter School for alternative education for 30-60 students, ages 14-22 yrs, 9-12 grades. Rainbow Acres is requesting a Use Permit with no time limit. Rainbow Acres is located at 2120 W. Reservation Loop Rd.

Purpose and Background Information:

Mr. Steve Ricci, agent for President & CEO Mr. Gary W. Wagner of Rainbow Acres, is requesting a use permit to utilize a manufactured unit currently called the "Murphy House" that has been in place since 1991. This manufactured unit provides office space for the Nurse and her Admin. Asst.; records room and medical supply storage.

The following is a history of the "Health Clinic":

In 2001 Rainbow Acres amended their original Use Permit, Resolution 1995-08, to add an 8 space RV Park and a "Thrift Store." The "Thrift Store" was located in a 1986 Hyde Park manufactured home. This amendment created Resolution 2001-05.

In 2002 Rainbow Acres amended Resolution 2001-05 to change the "Thrift Store" to a "Health Clinic." The 1986 Hyde Park manufactured home, which is being used for the "Health Clinic," was allowed to remain for not more than five years or until 2007. This amendment created Resolution 2002-541. Five (5) years later, Rainbow Acres amended Resolution 2002-541 to add three (3) additional residential structures and to grant a time extension not to exceed three (3) years on removing the manufactured home structure housing the "Health Clinic." The main concern is that the 1986 Hyde Park manufactured home currently being used is not built to commercial standards.

Resolution 2002-541 expires this year, 2010, Rainbow Acres would like to request that the "Health Clinic" be allowed to remain permanently.

In addition, they would like to request the following uses:

An Equestrian Center and Corrals to create a "Total Equine Training" program to be located on parcel 403-17-001K, zoned RCU-2A. The "Ranchers" will learn the physiology and anatomy of the horse, nutrition, feeding, grooming, tack, harness, exercising and maintenance of horse quarters. In the fall of 2010, the "Ranchers" will be introduced to training for riding. A new multipurpose Barn will serve as the center for the "Total Equine Training." The new multipurpose Barn will be a 42'x80' building with five stalls and have a Tack Room, Feed, Supplies, Storeroom and horse stalls.

Phase one will include the construction of the first barn, corrals, turn-outs, non-perimeter fencing and installation of water and electrical services.

Phase two will include the construction of an additional barn with five stalls, additional feed storage and storage for horse drawn equipment.

Rainbow Acres Charter School

The Mission of Rainbow Acres Charter School is to be an alternative educational community that empowers youth with developmental disabilities of the Verde Valley to complete Arizona's secondary education requirements and explore vocational opportunities. Special emphasis will be to empower the "Ranchers" to live to their fullest potential with dignity and purpose. Target enrollment is 30-60 students ages 14 to 22 to complete grades 9 thru 12.

The Charter School is in the early planning and design stage. The initial planning proposes utilizing the existing facilities. The objective will be to submit a Charter School Application to the Arizona charter School Board on July 1, 2011. The earliest classes would open in August 2012.

A neighborhood meeting was held on July 15, 2010 at the Rainbow Acres facility which was attended by staff. Two neighbors attended the meeting, Mr. Ricci explained the proposed changes. Neither neighbor had any questions.

300' letters:

A total of 8 letters were mailed to adjacent property owners on August 12, 2010 to property owners within 300' of parcels 403-17-001M, 403-17-001L, and 403-17-001K upon which the proposed additional uses are to be located. As of the writing of this staff report, no response letters have been received.

Agency responses were received with the following comments:

- Ron Long – Town Engineer, had no comment.
- Barbara Rice – Camp Verde Fire, had no comment.
- Robert Foreman – Building Official, had comments on the manufactured home:
 1. Any change of use or expansion of use of the "Health Clinic" would require a building permit and would need to meet current building codes at the time of such change of use or expansion.
 2. Any new structures erected would require a building permit.
 3. Any change of use of an existing building for educational classroom would need a building permit and would need to meet current building codes at the time of such change of use.
- Yavapai Co. Flood Control – No objections. Any future work in water course will require engineering.
- Yavapai Co. Environmental Services -
 1. Have no concerns with making the "Health & Wellness" building a permanent fixture on the property as long as there is not an increase to this facility.
 2. Equine Center - Require that if there are any proposed restrooms in the new barn/tum-out area be accommodated by a form of sanitary sewage disposal. Permits will be required for the septic system through ADEQ.
 3. Charter School – Any new buildings constructed as part of the proposed charter school shall be accommodated by a form of sanitary sewage disposal.

Planning & Zoning Commission recommendation:

On a motion by Hough, seconded by Buchanan, the Commission unanimously recommended approval of Use Permit 2010-01, for Rainbow Acres to add the following activities on parcels 403-17-001M, 403-17-001L and 403-17-001K: To allow the manufactured unit on the property to remain for the use of the Health & Wellness Program, Equestrian Center and Corrals for "Total Equine Training," Charter School for alternative education for 30-60 students, ages 14-22 years, 9-12 grades; the Use permit to have no time limit on it; the property is located at 2120 Reservation Loop Road.

Recommendation (Suggested Motion):

A motion to approve or deny Resolution 2010-816, a Use Permit 2010-01, for the operation of a ranch style community for 170 adults with developmental disabilities with the following uses: The 1986 Hyde Park manufactured home to remain on the property as a "Health Clinic", to allow an Equestrian Center to be placed on parcel 403-17-001K, and to allow for a Charter School to be located in existing buildings. Buildings must meet any current building code requirements. All of the current and proposed uses to continue with no time limit. Any future additional, or change in uses, must come before the Planning & Zoning Commission and Town Council for approval.

Finance Review: Budgeted Unbudgeted N/A

Finance Director Comments/Fund:

Attorney Review: Yes No N/A

Attorney Comments:

Submitting Department: Community Development

Contact Person: Jenna Owens – Asst. Planner

Action Report prepared by: Jenna Owens – Asst. Planner



RESOLUTION 2010-816

A RESOLUTION OF THE COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA, APPROVING USE PERMIT 2010-01 AMENDING USE PERMIT 2007-733 FOR PARCELS 403-17-001M, 403-17-001L, & 403-17-001K TO ALLOW FOR THE CONTINUED OPERATION OF A RANCH STYLE COMMUNITY FOR 170 ADULTS WITH DEVELOPMENTAL DISABILITIES WITH THE FOLLOWING ADDITIONAL USES: THE 1986 HYDE PARK MANUFACTURED HOME TO REMAIN ON THE PROPERTY AS A "HEALTH CLINIC," TO ALLOW AN EQUESTRIAN CENTER TO BE PLACED ON PARCEL 403-17-001K, TO ALLOW FOR A CHARTER SCHOOL TO BE LOCATED IN EXISTING BUILDINGS. ALL OF THE CURRENT AND PROPOSED USES TO CONTINUE WITH NO TIME LIMIT. ANY CHANGES TO THESE USES MUST COME BEFORE THE PLANNING & ZONING COMMISSION AND TOWN COUNCIL FOR APPROVAL.

The Common Council of the Town of Camp Verde hereby resolves as follows:

1. The Common Council hereby finds as follows:

- A. A request for approval of Use Permit 2010-01 was filed by Steve Ricci, agent for Rainbow Acres Inc. owners of parcels 403-17-001M, 403-17-001L, & 403-17-001K located at 2120 W. Reservation loop Rd. All such parcels are zoned RCU 2A, and the proposed uses are permitted under such zoning.
- B. The request was reviewed by the Planning and Zoning Commission on September 2, 2010 and by the Common Council on September 22, 2010 in public hearings that were advertised and posted according to state law.
- C. A neighborhood meeting was held on July 15, 2010 by the applicant as required by Arizona Revised Statute and the Town of Camp Verde Ordinance Section 113.
- D. The purpose of the Use Permit is for the continued operation of a ranch style community with 170 adults with developmental disabilities to include the 1986 Hyde Park manufactured home to remain on the property as a "Health Clinic", adding an Equestrian Center on parcel 403-17-001K, adding a Charter School to be located in existing buildings. All of the current and proposed uses to continue with no time limit.
- E. The proposed use will not constitute a threat to the health, safety, welfare or convenience to the general public and should be approved.

The Common Council of the Town of Camp Verde hereby approves UP 2010-01 For the purpose of continuing the operation of a ranch style community with 170 adults with developmental disabilities to include the 1986 Hyde Park manufactured home to remain on the property as a "Health Clinic", adding an Equestrian Center on parcel 403-17-001K, adding a Charter School to be located in existing buildings. Also no time limit on this Use Permit. Changes to the allowed uses will have to come before the Planning & Zoning Commission and the Town Council.

PASSED AND ADOPTED AT A REGULAR SESSION OF THE COMMON COUNCIL OF THE TOWN OF CAMP VERDE, ARIZONA ON SEPTEMBER 22, 2010.

Bob Burnside, Mayor

Date: _____

Approved as to form: _____
Town Attorney

Attest: _____
Deborah Barber, Town Clerk

Use Permit Check List

Pre-Application Conference with staff and the Acting Community Development Director

***Directions to Property**

Legal Description

***Letter of Intent (Narrative)**

Public Participation, Neighborhood meeting, completed. Date: JULY 15, 2010

- Copy of letter sent to neighbor's within 300'
- Posting of Property by applicant (photo)
- Affidavit attesting to notification of neighbors
- Sign in sheet
- ***Affidavit of summary of meeting**
- ***Statement of how the applicant addressed neighborhood concerns.**

ADOT outdoor advertising permit (if applicable) for commercial signage

Traffic Impact Analysis or ADOT approval of site access (if applicable)

***Site Plan**

***Vicinity Map with adjacent land use**

***Resolution**

***Staff Report**

Will include summary of agency & citizen's comments, Traffic Impact Analysis or ADOT approval of site access (if applicable), Town requirements, applicant's narrative as it addresses requirements for application and recommended stipulations if approved (if any).

Advertising & Posting has been completed & meet State Law Requirements.

Reviewed and approved by Town Attorney (For Council Hears P & Z)

NOTE: *Indicates included in packet

Revised 10/09

CASE NO. 2010-24

PROJECT NO. UP 2010-01

TOWN OF CAMP VERDE
COMMUNITY DEVELOPMENT DEPARTMENT
473 S. MAIN STREET, SUITE 108
CAMP VERDE, ARIZONA 86322
(928) 567-8513 • FAX (928) 567-7401

RECEIVED
JUL 08 2010

USE PERMIT APPLICATION Fee: Current Fee Schedule

*Paid
\$1800.00
7-8-10*

APPLICATION DATE 7-8-2010
ASSESOR'S PARCEL NO. 403-17-001M, 001L, 001K
PRESENT ZONING RCU-2A 27.160 AC
SUBDIVISION _____
ADDRESS OF PROPERTY 2120 RESERVATION LOOP RD, CAMP VERDE, AZ

TAKEN BY J Owens
CLASSIFICATION OF UP _____
FEES \$1800.00
HEARING DATE Pt 2 9/2 Council 9/22

REQUEST:

① AMEND USE PERMIT TO INCLUDE HORSE PROGRAM INCLUDING 2 45X80 BARNs WITH TURNOUTS AND ARENAS. ② INCLUDE CHARTER SCHOOL FOR YOUTH WITH DEVELOPMENTAL DISABILITIES. ③ INCLUDE HEALTH + WELLNESS BUILDING AS PERMANENT ADDITION.

OWNER RAINBOW ACRES PHONE 928-567-5231 FAX 928-567-9059
ADDRESS P.O. BOX 1326 CITY CAMP VERDE STATE AZ ZIP 86322
CONTACT PERSON STEVE RICCI

If the applicant is not the property owner, the owner shall complete and sign the following statement. I hereby authorize

STEVEN RICCI
Name of Agent

[Signature] 7/8/2010
Signature of Owner Date

AGENT STEVEN RICCI PHONE 928-300-7888 FAX 928-567-9059
ADDRESS P.O. BOX 1326 CITY CAMP VERDE STATE AZ ZIP 86322
CONTACT PERSON STEVE RICCI

I hereby file the above request and declare that all information submitted is true and correct to the best of my knowledge and belief. I further acknowledge that any omission of information or any error in my application may be cause for delay in it's normal scheduling.

[Signature] 7-8-2010
Signature of Applicant Date

DIRECTIONS TO PROPERTY

Assessor's Parcel Number 403-17-001M/001L/001K

Applicants Name RAINBOW ACRES

Property Address 2120 RESERVATION LOOP RD

Directions To TOWN HALL LEFT AND BEAR LEFT AT Y TO MIDDLE VERDE RD

Property MIDDLE VERDE RD ~~RT~~ WEST TO

VERDE RIVER DRIVE, RT ON RESERVATION LOOP

3/4 MILE - RAINBOW ACRES ON RT.

Rainbow Acres Camp Verde, Arizona

Brief Historical Overview

From its very beginnings in 1974, Rainbow Acres Founder, Dr. Ralph K. & Marilyn Showers and Larry & Joy Goehner built the ministry on the twin emphasis of Christian Community and Total Life Concept. And these two defining characteristics continue to define Rainbow Acres today. The Showers family provided leadership for Rainbow Acres from 1974-1995.

The Ranch is comprised of 27 acres; the first 10-acre parcel was purchased in 1973. Originally housing for the Ranchers and staff was provided by mobile homes, double wide trailers and/or manufactured homes. Over the years an additional 17 acres was added to the Ranch.

Rainbow Acres is Chartered by the State of Arizona as a Not-For-Profit Educational Organization and recognized by the Internal Revenue Service as a 501 (c) 3 Charitable Organization. Rainbow Acres is licensed by the State of Arizona Department of Health Services as an Assisted Living Facility. Rainbow Acres is currently licensed for 97 residents, with long range goals of 130 residents.

There are currently 90 residents at Rainbow Acres. Each individual is privately funded and pays a monthly fee ranging from \$2050 to \$2,580 per month. No one is on public assistance; rather they are productive citizens of the Verde Valley. In the event that an individual resident exhausts their personal or family resources, Rainbow Acres provides financial assistance to bridge the gap between the fees and the Rancher's resources. Through the Adopt-A-Rancher program, friends of Rainbow may become monthly sponsors for Rancher needing an extra measure of financial assistance. Rainbow Acres has not turned a resident away because they have run out of funds.

Rainbow Acres is governed by a self-perpetuating Board of Trustees, currently comprised of 17 members with representation from the Verde Valley, across Arizona and throughout the United States. Board Members may serve two terms of three years. Board members are expected to work for the betterment of Rainbow Acres, make annual contributions, and pay their own expenses to Board Meetings. The Chair of the Board is Mr. Robert J. Crandall of Wabash, Indiana; Vice Chair is Claudia Ault of Sedona, Arizona; Secretary is Dino Viotti of Clarkdale, Arizona, and the Treasure is Chuck Gunderson of Sedona, Arizona.

In 1996, Gary W. Wagner became the third President & CEO for Rainbow Acres. Under his leadership and over the past 13 years, Rainbow Acres has been involved in an extensive capital funds raising campaign to underwrite over \$14 Million investment in the infrastructure and construction of nine new residences for the Ranchers and a new Community Center. All new facilities are paid in full by the end of construction.

Over the past 10 years, Rainbow Acres has been able to create both a "reserve fund" and Endowment Fund totaling over \$3 Million to provide financial stability for the long term.

Rainbow Acres operates on a \$3.1 million annual budget! The largest expenditure is for personnel which is 73% of the budget or slightly more than \$2.2 million. Rainbow Acres has 49 full and part-time employees. Payroll dollars have economic impact of over \$7 million in the Verde Valley!

Christian Community

At Rainbow Acres our residents are called "Rancher" to convey dignity, worth and enhance self-esteem. The Ranchers live in "single family dwellings," comprised of 7-10 Ranchers with Caregivers who provide round the clock care and support. The homes are clustered in neighborhoods. And three distinct neighborhoods comprise the "community."

However, in the truest form of community, "Christian Community" is more than an assembly of buildings. Christian Community is where members of the community share mutual responsibilities, share in the common good, abide by shared rules and develop a mutual concern for one another.

In the homes, Ranchers are taught responsibility for the Activities of Daily Living which include developing skills for personal self-care, household chores that contribute to a homes quality of life, and crew activities for the daily operation of the Ranch. Examples of Crew activities include Kitchen Crew, Landscaping Crew, Housekeeping Crew, and In-kind Crew. Participation in crew activities is voluntary.

Membership in the Community of Rainbow Acres is voluntary and by mutual agreement of each individual, the Community members, and Rainbow leadership.

Mission Statement & Total Life Concept

Rainbow Acres, a Christian Community with heart, empowers persons with developmental disabilities to live to his/her fullest potential with dignity and purpose. The Ranch community is dedicated to enhancing the quality of life for adults with developmental disabilities by assisting each individual to achieve emotional, cognitive, physical, social, vocational and spiritual growth.

Unlike group homes and other residential services for persons with mental retardation/developmental disabilities, Rainbow Acres Total Life Concept is unique.

In order to fulfill this mission, Rainbow Acres Total Life Concept provides a wide range of integrated programs for persons with developmental disabilities:

- Center for Life Long Learning is where daily living skills, communication skills, social skills and cognitive skills are taught and reinforced.
- Health & Wellness program where Ranchers' physical health and mental health are monitored, healthy living skills and wellness attitudes are developed. Each Rancher's emotional health is nurtured in small groups, around the dinner table and in participation in activities throughout the Verde Valley.
- Special Olympics and its accompanying conditioning, training and competition provides the avenue for developing and maintaining strong and healthy bodies physically.
- Social skills are developed and maintained in the Rancher Homes, Learning Center and through a wide range of "on Ranch" social occasions, including Holiday Dances, talent shows, cooperative activities with visiting Volunteers and Volunteer Work Groups, and additional programs.
- Vocational Development & Rancher Industries programs provide the framework for Vocational Growth. Crews blend Vocational Training, Occupational Therapy, Artistic Expression and cognitive exercises. Crews include:
 - Kitchen Crew, learning how to set tables, prepare the Community's noon meal, housekeeping skills.
 - Landscaping Crew, learning how to use all the tools involved in caring for lawn and garden.
 - Green House Crew (inactive) learning how to grow vegetables that can be used and enjoyed in Ranch meals.
 - In-Kind Crew, learning how to sort merchandise based on quality, size and quantity; reinforcing math and higher level thinking skills; and providing the Ranch Community quality used clothing, appliances and furniture.
 - Weaving Crew, learning a craft that is vocational, recreational, artistic and cognitive. Higher level thinking skills and reinforcement of cognitive skills are additional
 - Ceramics Crew, artistic expression, learning a hobby, and developments of fine motor skills, eye – hand coordination are a few of the benefits.
 - Stepping Stones Crew, artistic expression, cognitive skills and higher thinking skills and developing vocational skills are benefits of this crew.

Over the past three years Rainbow Acres has added three therapeutic programs:

- Clavinova Connection utilizing music for both pleasure and stress reduction;
- Neurodevelopment utilizing a wide range of methods to rebuild neurological pathways in the brain and recover lost potential; and
- Total Equine Training, utilizing horses in educations, riding and building self esteem.

From the beginning, Rainbow Acres has accepted men and women into the program who were unable to pay their full monthly fees, with the expectation that as a Christian Community, all members of the community work together to contribute further to the overall support of the ministry of Rainbow Acres.

Caregivers also serve as Crew leaders. While Ranchers may develop specific skills and are able to complete specific tasks in the Crew assignment, none of the Ranchers are able to serve as Crew leaders and effectively complete all of the tasks the Crew performs.

Several of the Crews generate modest income. Those Crews are In-kind, Ceramics & Crafts, Stepping Stones, and Weaving. The proceeds are very small and do not cover the cost of materials for the respective programs. Purpose of the In-Kind is to provide supplies, clothing, appliances and furniture for the Ranch.

Rancher Industries and Employment

As Ranchers develop vocational skills their desire for employment increases. Employment is a voluntary activity.

Rainbow Acres offers "on Ranch" employment primarily in the Bulk Mail Service. The Bulk Mail Service provides mailing services and assembly services for community-based clients and for Rainbow Acres mailing projects.

Rainbow Acres also supports Rancher employment in the Verde Valley. The Ranchers contact the Job Coach who evaluates the Ranchers skills and matches each Rancher to the employment positions. The Job Coach also serves as Rainbow Acres liaison with the community employer and the Rancher.

Sedona Recycling has employed as many as 17 Ranchers to work four-hour shifts at the prevailing minimum wage. Other community based employers have included: Babe's Restaurant, Comfort Inn, Basha's, ALCO Department Store, and the Camp Verde Flower Shop.

Pending Developments at Rainbow Acres

Health and Wellness Program. Since the fall of 1996, Rainbow Acres has engaged a Registered Nurse and another medical assistant to provide the health and wellness programs and services that address the needs of the Ranchers. Central to the programs effectiveness is the centralized Medical Records System and the new Internet Medication Administration Record system.

The Health and Wellness Program is located in Murphy House, a manufactured unit that has been on the Ranch since 1991. It is well maintained and provides office space for the Nurse and her Administrative Assistant; Record Room and Medical Supply storage.

In this "Use Permit Application," Rainbow Acres seeks to make this facility a permanent addition to the Ranch property. It is in an ideal location for easy access by Ranchers and employees. We are prepared to make desired improvements requested by Planning and Zoning.

Equestrian Center and Corrals. Every Ranch needs horses! At Rainbow Acres, our Ranchers are drawn to the horses and it is one of our most popular elective programs!

In the Total Equine Training Rainbow Acres (TEtRA) every Ranchers learns the Physiology and Anatomy of the Horse, Nutrition and Feeding, Grooming, Tack and Harness, Exercising and maintenance of horse quarters. In the fall of 2010, the Ranchers will be introduced to training for riding.

Rainbow Acres has received the gifts of several horses and several other gifts of horses are in consideration. Soon we will out grow our current horse paddock and facilities. And thankfully we have room to grow! We are planning to move TEtRA to the northwestern five acre vacant field on the Ranch.

Our Greatest Need: A new multipurpose Barn that will serve as the center for TEtRA! It will be a 42' X 80' building ~~that will have Classroom~~, Tack Room, Feed & Supplies Store Room and horse stalls. The estimated cost for the first phase of building the new barn, paddocks and riding arena is in the range of \$40,000. These funds will provide the building materials needed and volunteer groups and individuals will provide the labor for construction.

The Blazin' M Ranch hosted a fundraiser in April 2010, with \$44,434 raised. Many folks stepped up to the plate, with Dan & Lori Mabery and her family at Blazin' M Ranch leading the way.

The Total Equine Training Program has been so successful in fulfilling its educational objectives; popular with the Ranchers, and the demand is high by other Ranchers wanting to participate; the Board of Trustees voted to move the horse facilities to an unoccupied five acre tract of the Ranch and build permanent facilities. The plot plan is attached.

The ultimate goal will be to host ten horses on the site, five for the Rainbow Equine Training Program, and boarding up to five additional horses to compliment our program.

Phase #1 of the development of the Equestrian Center is to build corrals, turn-outs and perimeter fences, install water and electrical services, and build a 42' X 80' Barn. The Barn will serve as a multipurpose building, with five horse stalls, feed & tack storage, a training classroom and office.

Phase #2 includes the construction of an additional barn with five stalls, additional feed storage, and storage for horse drawn equipment.

Rainbow Acres Charter School.

The Mission of Rainbow Acres Charter School...is to be an alternative educational Community with heart that empowers youth with developmental disabilities of the Verde Valley to complete Arizona's secondary education (9-12th grade) requirements and explore vocational opportunities. Special emphasis is serving persons with developmental disabilities and empowering them to live to his/her fullest potential with dignity and purpose. (This will be a public school, and as such will be required to accept any applicant, except those expelled from other schools. However, Rainbow Acres has the prerogative to set behavioral standards, dress code, and attendance standards consistent with the core values, mission and purpose of Rainbow Acres).

Target Enrollment: 30-60 Student 9-12th grades, (actually ages 14-22).

Scope of Educational Program: The Alternative Core Curriculum will be based upon academic subjects required for secondary schools, however, the Rainbow Acres Charter School will have strong transitional components in vocational education, life skills, Neurodevelopment, Clavinova Connection and Therapeutic Riding. The goal is to enable Verde Valley youth with developmental disabilities to become productive citizens of the community.

Support for the Special Education Charter School at Rainbow Acres. The current economy of the State of Arizona is putting such pressure on Public School Districts, continuing Special Education Programs is in serious jeopardy. The drop out rate for students 16 years or older in Yavapai County is 4.1%, the majority of whom are Special Education Students who are not thriving in the Public School Districts, in 2008 that represented 589 students. That same year, High School Seniors had the highest dropout rate of 7.6%

Facilities for the Charter School. The Charter School program is in the early planning and design stage. The objective will be to submit a Charter School Application to the Arizona Charter School Board on July 1, 2011. The earliest classes would open in August of 2012.

The initial planning proposes utilizing the existing facilities of the Daehler Building, Worden Life Long Learning Center and the new Community Center classroom spaces to meet the needs of the Charter School Student. Vocational Education programs will utilize existing facilities such as the Community Center Kitchen or off Ranch sites such as the job site.

Request for Permanent Permit. It is the request of Rainbow Acres that our temporary use permit be changed to a permanent use permit.

Affidavit

I STEVE RICCI ~~AGRA~~^{owner} of parcel 403-17-001M/001L^{001K} have notified my neighbors within 300' of my residence, by sending letters on 7-2-2010 to notify them of the neighborhood meeting that I conducted on the 15 day of JULY 2009.

I posted my property with meeting date and time on the 2 day of JULY 2009.

I STEVE RICCI ~~AGRA~~^{owner} of parcel 403-17-001M/001L^{001K} have provided a summary of Neighborhood meeting I conducted to the Planning & Zoning Department of Camp Verde within 15 days attesting to the issues and concerns discussed at the Neighborhood Meeting held on the 15 day of JULY 2009. 2010

Summary

Statement: MEETING OPENED @ 6:30 P.M. WITH TWO PEOPLE
IN ATTENDANCE, JOHN WATSON AND GEORGE PYM. THE
PROPOSED CHANGES TO THE USE PERMIT WERE EXPLAINED.
THERE WERE NO QUESTIONS WITH BOTH PARTIES AMENDABLE
TO THE CHANGES PROPOSED. MEETING CLOSED @ 7:30 PM

If Summary statement is too long, attach a copy.

State of Arizona}

County of Yavapai}

Steve Ricci

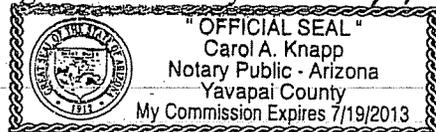
Signature of Document Signer No. 1

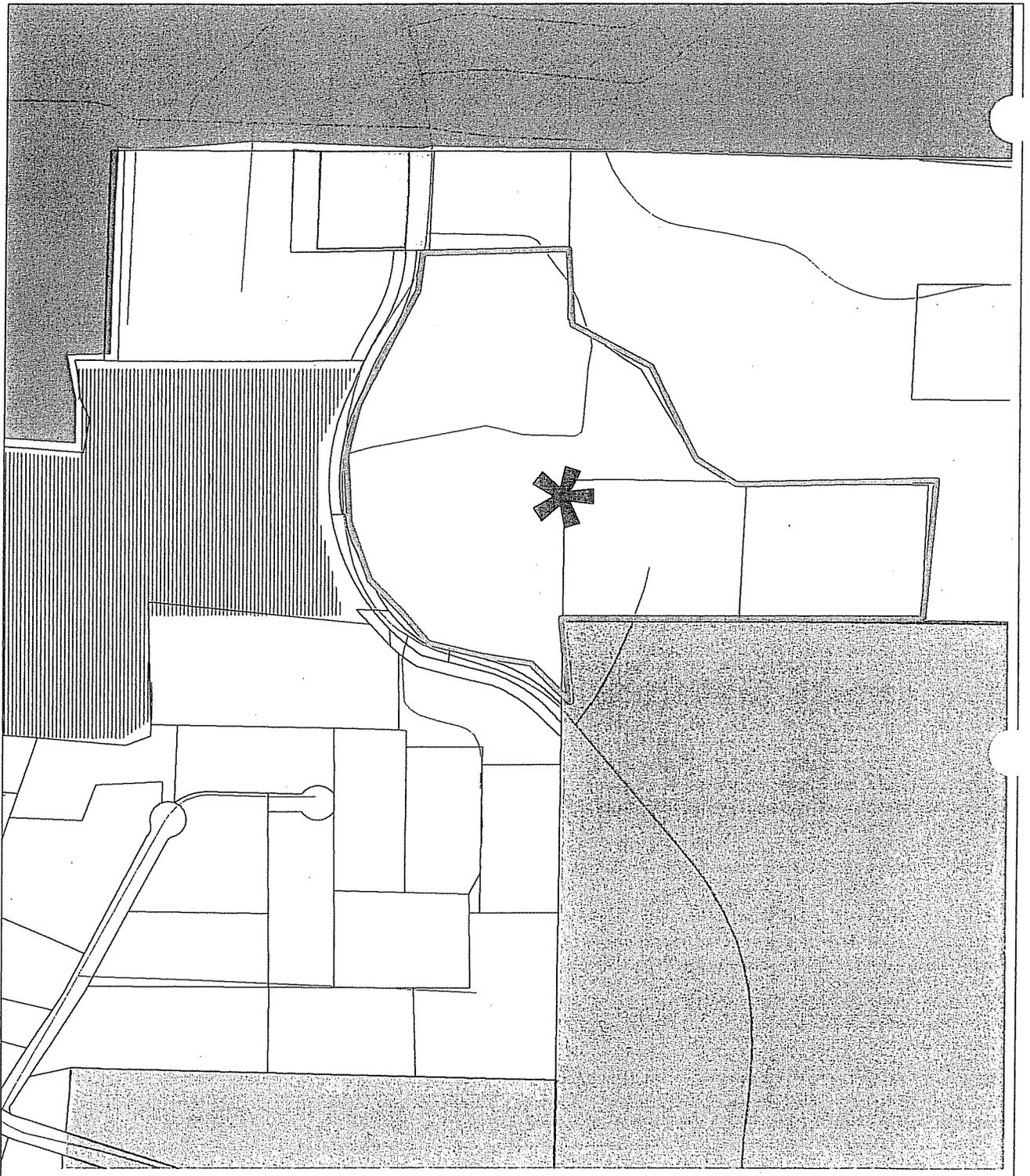
Carol A. Knapp

Signature of Document Signer No. 2

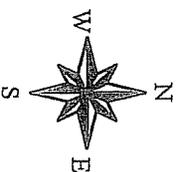
Subscribed and sworn to (or affirmed) before me this 16th day of JULY ~~2009~~ 2010

Carol A. Knapp
Signature of Notary





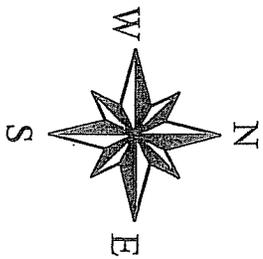
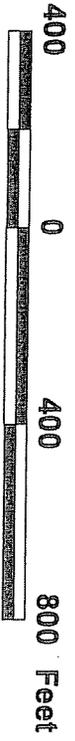
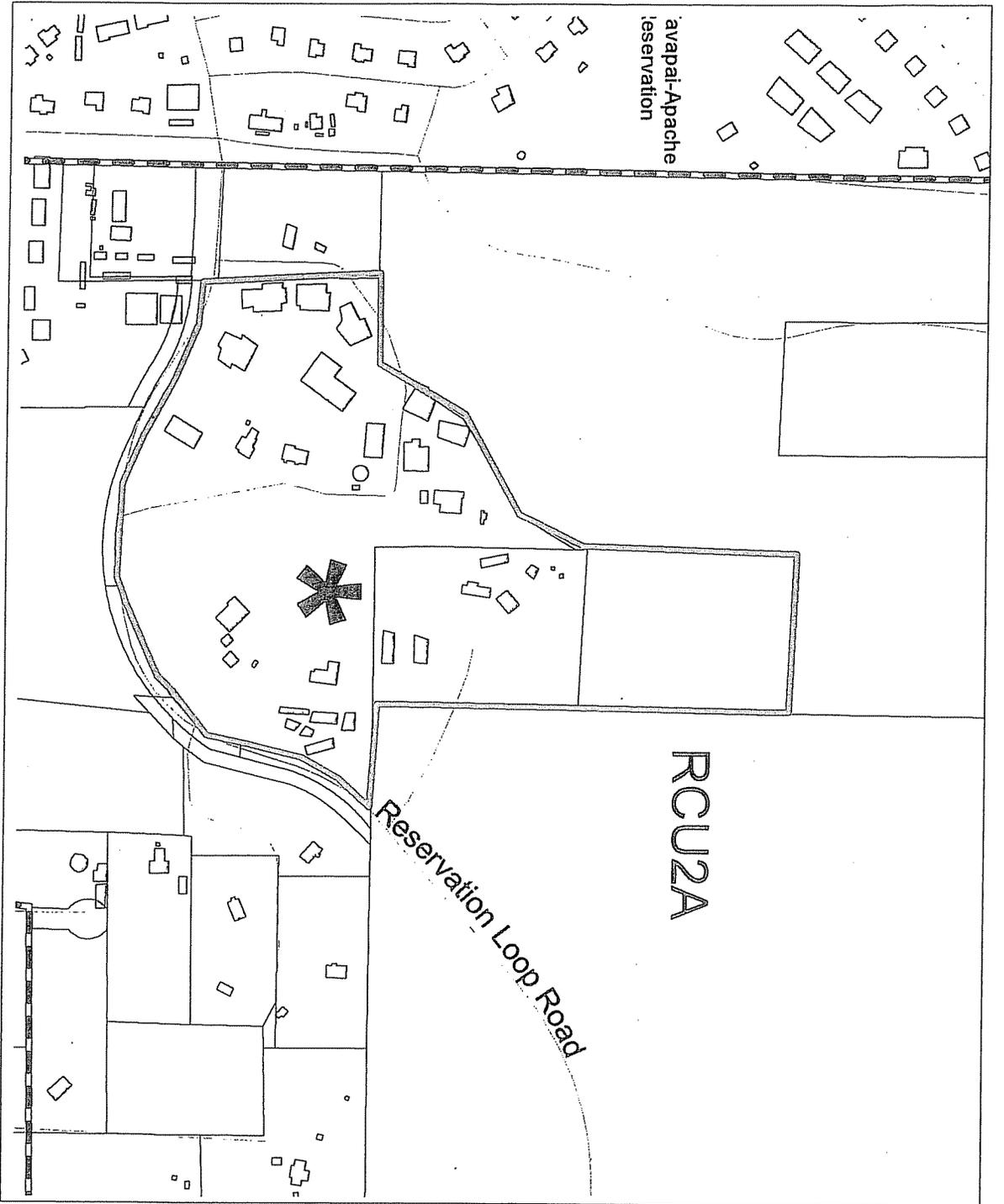
-  Parcels 2-07.shp
-  Regional roads
-  Amended land use map.shp
-  Agriculture > 5 Acres
-  Commercial
-  High Density - 11 Units AC Max
-  Industrial
-  Low Density - 1 AC Min
-  Medium Density - 1/4 AC Min
-  Mixed Use
-  Mixed Use - Com/Ind
-  National Forest
-  Natural Resource
-  Open Space
-  Public Facilities
-  Rural Residential - 2 AC Min
-  Yavapai-Apache Nation
-  Town Boundary



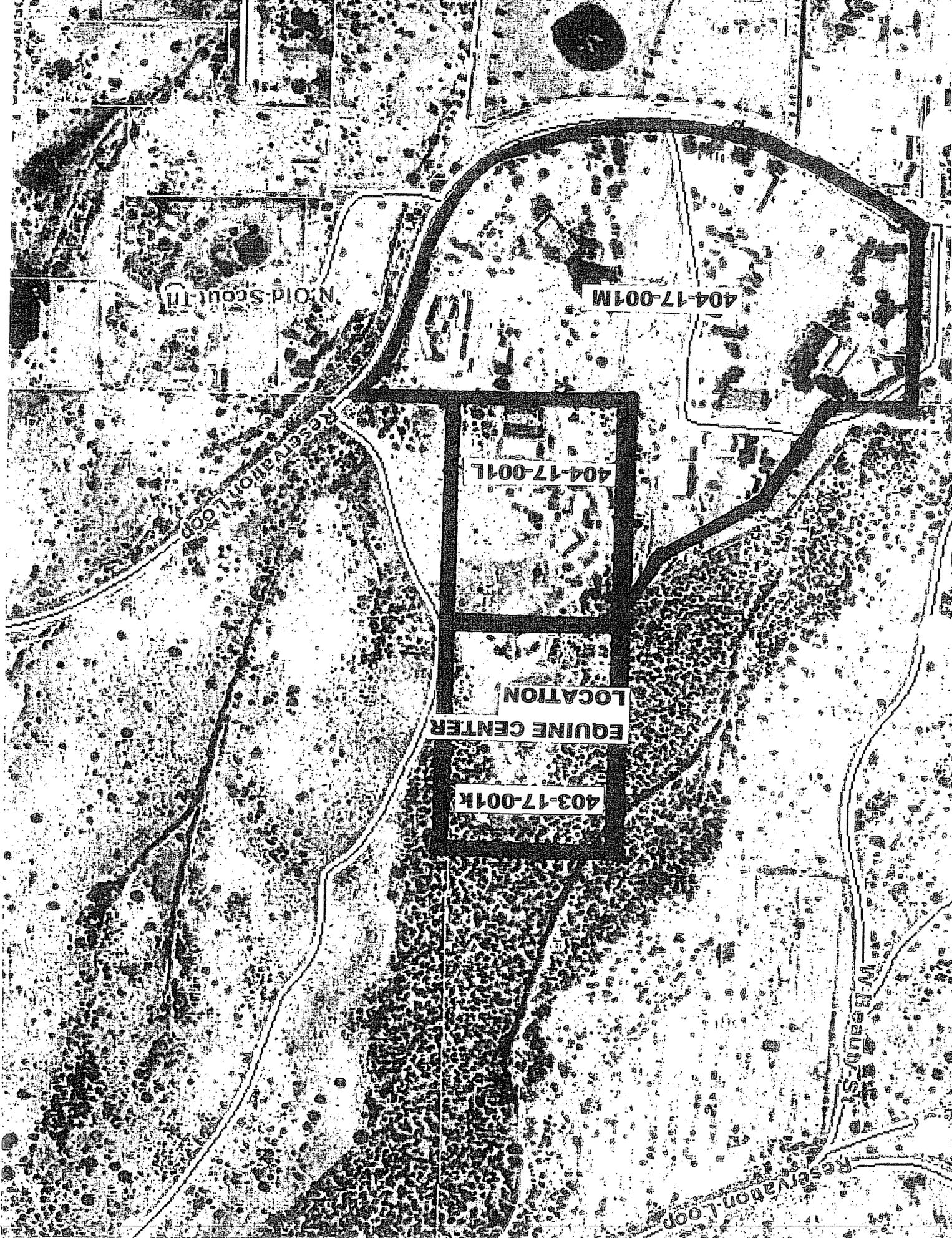
LAND USE MAP

For UP 2010-01 – Rainbow Acres
on Parcels 403-17-001M, -001L, 001K





Vicinity & Zoning Map
 For UP 2010-01
 on Parcels
 403-17-001M
 403-17-001L
 403-17-001K



404-17-001M

N. Old Scout Trl

404-17-001L

EQUINE CENTER
LOCATION

403-17-001K

Reservation Loop

W. Reun. St.

Reservation Loop



**TOWN OF CAMP VERDE
Agenda Action Form**

Meeting Date: September 22, 2010

Meeting Type: Regular: Council Hears Planning & Zoning

Consent Agenda **Regular Business**

Reference Document: Letter of Agreement

Agenda Title (be exact): A request by Dugan L. McDonald (Owner and Developer: Cherry Creek Trail, LLC) for an annual extension of time to acquire entitlements for a Use Permit for the R.V. Park, Appearance Standards and all required Building Permits under Phase One of the Ringo Rio Project as originally approved by the Town Council in a Development and Grading Agreement on September 24, 2008 (Effective Date). The original Agreement was entered into pursuant to Town Resolution Number 2008-755.

Purpose and Background Information: It has been recognized by the Developer (Dugan L. McDonald) that an Annual Extension will be needed from the Town Council in order to acquire the entitlements for the Ringo Rio (Phase One) project. These entitlements are, but not limited to, a Use Permit for the R.V. Park, Appearance Standards and all Building Permits for the said Phase One improvements for the project.

On August 25, 2010 the Developer submitted, to staff, the Use Permit application for the R.V. Park. That submittal is being reviewed by staff to insure that a complete submittal has been submitted. It is understood that all entitlements as listed above cannot be acquired by the Developer by the end of the two year period, allowed under the original agreement. The expiration of this two year period occurs on September 24, 2010.

The Town Engineer and the Community Development Director have been making regular inspections of the rough grading for the project that included the removal of approximately 800,000 cubic yards of earthen material. The Developer has provided the Town Engineer with current grade stakes, in those areas being excavated, to determine the progress of the rough grading which is considered as Phase One under the original Development and Grading Agreement. The Town Engineer and the Community Development Director have determined that the project is proceeding within a reasonable rate of performance under the requirement of the Development and Grading Agreement.

Recommendation (Suggested Motion): Move to approve an annual (One Year) extension of time as requested by Dugan McDonald (Owner of Cherry Creek Trail, LLC) through a LETTER OF AGREEMENT to acquire the entitlements, including but not limited to receiving approvals for a Use Permit for the R.V. Park, Appearance Standards and all Building Permits, during Phase One of the Ringo Rio Project as allowed under the original Development and Grading Agreement by and between the Town of Camp Verde and Mr. McDonald with the condition that Mr. McDonald will be financially responsible to pay for all Town Attorney and Staff review costs to accomplish this request.

Attorney Review: **Yes** **No** **N/A**

Attorney Comments: N/A

Submitting Department: Community Development Department

Contact Person: Michael Jenkins, Acting Community Development Director

Action Report prepared by: Michael Jenkins, Acting Community Development Director

Letter of Agreement

September 22, 2010

Cherry Creek Trail, LLC (Dugan McDonald, Owner)
738 South Parks Drive
Camp Verde, Arizona 86322

Reference: Development and Grading Agreement (**Agreement**) by and between the Town of Camp Verde ("**Town**") and Cherry Creek Trail, LLC, Owner Dugan L. McDonald, a married man dealing with his sole and separate property, the "**Developer**" and the Town of Camp Verde, an Arizona municipal corporation. This agreement was entered into pursuant to Town Resolution Number 2008-755 and has an Effective Date of September 24th, 2008. Agreement recorded in Book 4629, Page 643, YCR.

Dear Mr. McDonald:

The Town of Camp Verde and Cherry Creek Trail, LLS, entered into the Agreement, dated as of September 24th, 2008 (Effective Date). Article 3 (TERM) allowed for a two year Term, commencing of the effective date of September 24th, 2008 and providing for annual extensions at the sole discretion of the Town Council until the completion of the project. It has now been realized by the developer that an annual extension will be needed by the town to obtain all entitlements for the project that includes but, not limited to approval of a Use Permit for the R.V. Park, Appearance Standards and all required Building Permits under Phase One of the project. As per the Agreement, this extension will be granted by the Town Council for a one year period and if all entitlements are not completed by the Developer then, additional annual extensions for acquiring the entitlements from the Town Council will need to be requested by the Developer until the completion of phase one of the project as sited in exhibit "D" of the agreement under item 3, page 2 of said exhibit "D" (Schedule of Performance). The Town Council may approve or deny any subsequent requests for extension in the sole discretion of the Town Council pursuant to Article 3, Section 3.1 of the Agreement. All other terms and conditions of the Agreement shall remain in full force and affect.

Sincerely,

Bob Burnside, Mayor: Town of Camp Verde

Date:

APPROVED AS TO FORM:

Bill Sims: Town Attorney

Date:

ACCEPTED AND AGREED:

Dugan L. McDonald, Owner (Cherry Creek Trail, LLC)

Date:

When recorded, return to:



B-4629 P-643
Page: 1 of 26
AG 4272282

Town of Camp Verde
473 S. Main Street, Suite 102
Camp Verde, Arizona 86322

Caption Heading: Development Agreement

Handwritten notes in a vertical column on the left margin:
\$3
\$5
\$1
\$4.5
35



RESOLUTION 2008-755

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF CAMP VERDE, YAVAPAI COUNTY, ARIZONA APPROVING THE DEVELOPMENT AGREEMENT BETWEEN THE TOWN AND CHERRY CREEK TRAIL, LLC. DUGAN MCDONALD, OWNER FOR THE DEVELOPMENT OF PROPERTY KNOWN AS RINGO RIO AND LOCATED BETWEEN OLD HIGHWAY 279 AND SR 260 ON PARCELS 403-16-001F AND 403-15-002P, AND AUTHORIZING THE MAYOR TO EXECUTE THE AGREEMENT.

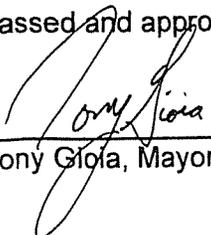
RECITALS:

- A. The Town has the authority to enter into development agreements pursuant to ARS §9-500.05.
- B. The Developer has met the requirements pursuant to Section 108 S.4. of the Planning and Zoning Ordinance to obtain a Development Grading Permit by providing a Development Agreement and a Bond of Assurance to ensure the completion of the grading and/or the reclamation of the property.
- C. It is determined in the best interest of the Town that it enters into the Development Agreement with Dugan McDonald for the proposed development of property located between Old Highway 279 and State Route 260 on parcels 403-16-001F and 403-15-002P.

NOW THEREFORE, BE IT RESOLVED:

- 1. That the development agreement between the Town and Cherry Creek Trail LLC, Dugan McDonald owner, with the effective date of September 24, 2008 is approved; and
- 2. That the Mayor is authorized to execute the agreement for and on behalf of the Town.

Passed and approved this 24th day of September 2008.



Tony Gioia, Mayor

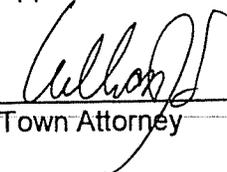
Date: 9/25/08

Attest:



Deborah Barber, Town Clerk

Approved as to form:



Town Attorney



When Recorded Please

Return To:

Town of Camp Verde
Office of the Clerk
473 South Main Street, Suite 102
Camp Verde AZ 86322

DEVELOPMENT AND GRADING AGREEMENT

THIS DEVELOPMENT AND GRADING AGREEMENT (the “**Agreement**”) is entered into this 24th day of September, 2008 (“**Effective Date**”), by and between CHERRY CREEK TRAIL, LLC, OWNER DUGAN L. McDONALD, a married man dealing with his sole and separate property, the “**Developer**” and the TOWN OF CAMP VERDE, an Arizona municipal corporation (the “**Town**”). This Agreement is entered into pursuant to Town Resolution Number 2008-755.

RECITALS

A. WHEREAS, A.R.S. § 9-500.05 authorizes the Town to enter into development agreements with landowners and persons having an interest in real property that is located in the Town; and

B. WHEREAS, this Agreement is entered into pursuant to Section 108 (S) COMPREHENSIVE GRADING REGULATIONS of the Town’s Planning and Zoning Ordinance.

C. WHEREAS, the Developer is the owner of Ringo Rio (the “**Property**”) real property located roughly Section 9 and 10, Township 14 North, Range 4E, Gila and Salt River Base and Meridian, Yavapai County, Arizona, which is more specifically described on Exhibit A; and

D. WHEREAS, the Property is located within the Town limits; and

E. WHEREAS, this Agreement is consistent with the portions of the Town’s General Plan applicable to the Property on the date this Agreement is executed; and

F. WHEREAS, the Town’s governing body has authorized execution of this Agreement by Resolution No. 2008-755 a copy of which is attached to this Agreement.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

ARTICLE 1. DEFINITIONS

The following terms shall have the meanings set forth below whenever used in this Agreement, except where the context clearly indicates otherwise:



1.1. Certificate of Completion as used in this Agreement, shall mean a final written acceptance of the completed and inspected project issued by the Director of the Community Development Department. A certificate of completion will not be issued until the entire project is completed in conformance with the Agreement and accepted by the Town.

1.2. Town shall mean and refer to the Town of Camp Verde, an Arizona municipal corporation, and any successor public body or entity.

1.3. Developer shall mean and refer to Dugan L. McDonald, a married man dealing with his sole and separate property or any successor, if the property is sold before completion of the proposed development.

1.4. Improvements shall mean and refer to all public and private improvements which may be constructed from time to time on the Property, including, without limitation, all structures, buildings, roads, driveways, parking areas, walls, landscaping and other improvements of any type or kind, or any other alteration of the natural terrain to be built by the Developer or the Town, as the case may be, pursuant to the terms of this Agreement. The Improvements are generally described on Exhibit B. (collectively, the "Project")

1.5. Preliminary PAD shall mean and refer to that Preliminary PAD which sets forth specific uses, densities, features and other development matters with respect to the Property.

1.6. Property as used in this Agreement shall mean and refer to all of the real property which is legally described in Exhibit A. This approved development agreement will be recorded and attached to the deed for the described property.

1.7. Grading Plan as used in this Agreement shall refer and relate to the intended use of the property for purposes of this Agreement and is set forth in Exhibit C. Exhibit C sets forth those portions of the property that are currently in the process of being designed and engineered, as well as the preliminary "pre-formal design" rough Grading Plan being designated herein and hereafter as "Phase One" of the overall project.

1.8. Schedule of Performance shall mean and refer to that schedule of performance agreed to by the Town and the Developer as set forth in Exhibit D attached hereto and incorporated herein by this reference, which supercedes all previous schedules of performance applicable to the Property.

1.9. Project shall mean the work described in the Grading Plan and the Improvements.

ARTICLE 2. DEVELOPMENT PLAN

2.1. Duration of Development Agreement. The term of this Agreement shall continue and exist from the Effective Date of this Agreement until a "Certificate of Completion" for the Improvements is issued by the Town, unless sooner cancelled as provided in Sections 2.3 and 3.2 of this Agreement.



2.2. Schedule of Performance. The Town and the Developer intend that the planning and development of the Property shall be achieved pursuant to the Schedule of Performance attached hereto as Exhibit D.

2.3. Failure of Timely Performance. In the event that the Developer fails to perform any of its obligations which are set forth in or contemplated by this Agreement or in the Schedule of Performance in a timely manner, and should such failure not otherwise be excused by written agreement between the parties or by the terms of this Agreement, such failure shall be considered to be a breach of this Agreement and the Town shall have the right to terminate this Agreement and any and all other remedies available at law or equity.

2.4. Approval and Processing of Plans and Permits. The Town hereby acknowledges and agrees that the grading of the Property may occur over a span of two (2) years after the Effective Date and may require the Town's ongoing participation in the review and approval of modifications and amendments to any site plans, grading plans, grading permits, building permits, archaeological and historic preservation review and disposition, and other plans, permit applications and inspections which are a part of the Town's current building and development requirements.

2.5. Review Process. The Town acknowledges the necessity for expeditious review by the Town of all plans and other materials ("Submitted Materials") submitted by the Developer to the Town hereunder and agrees to use its reasonable efforts to accomplish such an expeditious review of the Submitted Materials whenever possible.

ARTICLE 3. TERM

3.1. Term. The term of this Agreement shall be for two (2) years, commencing on the Effective Date and subject to annual extensions at the sole discretion of the Town Council until the completion of the "Project".

3.2. Early Termination. The Town shall have the right to terminate this Agreement early if, in the discretion of the Town, the Developer has failed to perform, as defined in Section 2.3 above, including (without limitation) the Developer's failure to timely commence or continue grading and development of the Property.

ARTICLE 4. CONSTRUCTION

4.1. Construction Duration. The Developer shall obtain a grading permit pursuant to the requirements of Section 3306 of the 1997 Uniform Building Code, (or a similar requirement under a later adopted building code) and a development grading permit pursuant to Section 108 (S) Comprehensive Grading Regulations of the Town's Planning and Zoning Ordinance, as may be amended from time to time no later than 60 days from the approval of this Development Agreement.

4.2. Construction of Improvements. Developer, at his own expense, does hereby agree to construct and or grade the designated site of the project in strict accordance with the approved Grading Plan therefore. (Exhibit C) as described in Exhibit D as "Phase One". Final Grading



and improvements for each additional phase must be built to the development and grading plans as approved and permitted by the Town of Camp Verde.

4.3. Assurance. The Developer does hereby agree to post a bond or other approved and acceptable form of assurance (“**Assurance**”) to the Town of Camp Verde for the rehabilitation of the Property or completion of any infrastructure improvements required by the Town for all phases of the development should there be any delay in the completion of any and each phase of the Project. The Assurances to the Town of Camp Verde for each phase of this Project shall be based on the Project Engineers’ cost estimate subject to the approval of the Town Engineer.

4.4. Additional Assurances to the Town of Camp Verde. Prior to the construction and/or rehabilitation of each and every phase of the Project, the Developer shall provide such additional assurances as are required by the Town based upon the Town engineers’ cost estimate. The amount of the additional required assurance then shall be posted and made available to the Town prior to commencing construction on any specific phase.

4.5. No Other Work to be Done During the Grading Process. The Developer does hereby agree that during the period of time that the rough grading of the Property is being conducted, unless earlier terminated as set forth herein, Developer shall not commence, construct, or perform any other work on the Project other than that which has been approved as shown on the Phase One Grading Plan (Exhibit C), or as otherwise been approved in writing by the Town of Camp Verde.

4.6. Formal Design and Engineering Drawings. The Developer does hereby acknowledge and agree that formal design and engineering drawings must be completed by the Developer’s design engineer, Luke A. Sefton, P.E., Southwest Engineering Consultants, and shall be presented to the Town of Camp Verde for review and approval. The Developer also acknowledges that proper assurances must be posted prior to commencing construction on any other phase of construction, including any finish grading or construction of any kind other than what is shown on the Grading Plan designated herein as Phase One (Exhibit C).

4.7. Issuance of Permits. The Town shall not issue any permit for development of the Property or any portion of the Property, unless the Town has agreed to and received an acceptable form and amount of Assurance.

4.8. Substitution of Assurance. The Developer may submit substitute Assurance in the form and amount acceptable to the Town at any time during which the Developer is not in default under the terms of this Agreement. Should the ownership of the Property change, the responsibility for the Assurance may be transferred to Developer’s successors or assigns. However, prior to any transfer or substitution of assurance, the Developer must first receive the written approval of the Town Engineer. Any subsequent sale, lease, or other assignment of the Property shall be subject to all of the provisions contained in this Agreement. Pursuant to A.R.S. §9-500.05(D), the benefits and burdens of this Agreement are binding on and inure to the parties’ respective successors in interest and assigns.



4.9. Assurance of Construction. This Agreement is submitted as an Assurance that the Developer will construct the Improvements as required by State and local law and as set forth in the Plats and/or Construction Drawings accepted and approved by the Town of Camp Verde.

4.10. Commencement of Construction. Developer agrees to commence construction of the rough grading "Phase One" of this Project within ninety (90) days after the Effective Date. All other Improvements and construction shall be commenced and conducted in accordance with a mutually agreed upon written timeline between the parties. Said timeline shall substantially conform to the formal design and engineering plan as described in the Grading Plan. The grading of the Project shall begin within ninety (90) days after the Effective Date.

ARTICLE 5. INDEMNIFICATION

5.1. Developer agrees to defend, indemnify and hold harmless the Town, its officers, officials, employees and consultants ("**Indemnified Group**") for liability from and against claims, damages, losses and expenses of any nature whatsoever (including but not limited to reasonable attorney fees, court costs, the costs of appellate proceedings, and all claim adjusting and handling expense), relating to, arising out of, resulting from or alleged to have resulted from the Developer's acts, errors, mistakes or omissions relating to any action or inaction of the Developer under this Agreement, including but not limited to work or services in the performance of this Agreement by any subcontractor or anyone directly or indirectly employed by or contracting with the Developer or a subcontractor or anyone for whose acts any of them may be liable.

5.2. If any claim, action or proceeding is brought against the Indemnified Group, by reason of any event that is the subject of this Agreement, including but not limited to the mere act of entering into this Agreement, Developer (at its sole cost and expense) shall pay, resist or defend such claim or action on behalf of the Indemnified Group by the attorney of the Developer, or if covered by insurance, Developer's insurer, all of which must be approved by the Town, which approval shall not be unreasonably withheld or delayed. The Town shall cooperate with all reasonable efforts in the handling and defense of such claim. Notwithstanding the foregoing, the Town may engage its own attorney to defend or assist in its defense, and the Developer shall pay the reasonable costs and expenses thereof.

5.3. Any settlement of claims must fully release and discharge the Indemnified Group from any liability for such claims. The release and discharge shall be in writing and shall be subject to approval by the Town, which approval shall not be unreasonably withheld or delayed. If Developer neglects or refuses to defend any of the Indemnified Group as required by this Agreement, any recovery or judgment against the Indemnified Group for a claim covered by this Agreement shall conclusively establish Developer's liability to the Indemnified Group in connection with such recovery or judgment. If the Town desires to settle such dispute, the Town shall be entitled to settle such dispute in good faith and Developer shall be liable for the amount of such settlement, and all expenses in connection with such settlement.

5.4. The indemnity provisions of this Agreement shall survive the termination of this Agreement.



ARTICLE 6. MEDIATION AND DEFAULT

6.1. Mediation. If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiation, the parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation or some other dispute resolution procedure. In the event that the parties cannot agree upon the selection of a mediator within seven (7) days, either party may request the presiding judge of the Superior Court of Yavapai County to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

6.2. Default. Failure or unreasonable delay by any party to perform any term or provision of this Agreement for a period of ten (10) days after written notice thereof from another party shall constitute a default under this Agreement. If the default is of a nature which is not capable of being cured within ten (10) days, the cure shall be commenced within such period, and diligently pursued to completion. The notice shall specify the nature of the alleged default and the manner in which the default may be satisfactorily cured. In the event of a default hereunder by any party, the non-defaulting party shall be entitled to all remedies at both law and in equity, including, without limitation, specific performance and the right to perform the obligation(s) of which the defaulting party is in default and to immediately seek reimbursement from the defaulting party of all sums expended in order to cure such default, together with interest on all such sums from the date said sums are expended by the non-defaulting party for the purpose of curing the default to the date such sums are paid in full.

ARTICLE 7. TERMINATION

7.1. Development Rights in the Event of Termination. Upon the termination of this Agreement as provided herein, the Developer shall have no further rights to develop the Property pursuant to this Agreement.

ARTICLE 8. CONFLICT OF INTEREST; REPRESENTATIVES NOT INDIVIDUALLY LIABLE

8.1. Conflict of Interest. Pursuant to Arizona law, rules and regulations, no member, official or employee of the Town shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official or employee participate in any decision relating to this Agreement which affects his or her personal interest or the interest of any corporation, partnership or association in which he or she is, directly or indirectly, interested.

8.2. No Personal Liability. No member, official or employee of the Town shall be personally liable to Developer, or any successor or assignee, (a) in the event of any default or breach by the Town, (b) for any amount which may become due to the Developer or its successor or assign, or (c) pursuant to any obligation of the Town under the terms of this Agreement.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1. Notices. All notices and communications provided for herein, or given in connection herewith, shall be validly made if in writing and delivered personally or sent by



registered or certified United States Postal Service mail, return receipt requested, postage prepaid to:

If to the Town: Town Manager
 Town of Camp Verde
 473 South Main Street, Suite 102
 Camp Verde, Arizona 86322

With a copy to: Town Attorney
 Town of Camp Verde
 473 South Main Street, Suite 102
 Camp Verde, Arizona 86322

If to the Developer: Dugan L. McDonald
 PO Box 3270
 Camp Verde, Arizona 86322

or to such other addresses as either party may from time to time designate in writing and deliver in a like manner. Any such change of address notice shall be given at least ten (10) days before the date on which the change is to become effective. Notices given by mail shall be deemed delivered 72 hours following deposit in the United States Postal Service in the manner set forth above.

9.2. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by the parties of the breach of any provision of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or of any other provision of this Agreement.

9.3. Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only, and shall not control or affect the meaning or construction of any of the provisions of the Agreement.

9.4. Authority. The undersigned represent to each other that they have full power and authority to enter into this Agreement, and that all necessary actions have been taken to give full force and effect to this Agreement. The Developer represents and warrants that it is duly formed and validly existing under the laws of the State of Arizona and that it is duly qualified to do business in the State of Arizona and is in good standing under applicable state laws. The Developer and the Town warrant to each other that the individuals executing this Agreement on behalf of their respective parties are authorized and empowered to bind the party on whose behalf each individual is signing. The Developer represents to the Town that by entering into this Agreement, the Developer has bound the Property and all persons and entities having any legal or equitable interest therein to the terms of the Agreement.

9.5. Entire Agreement. This Agreement, including the following exhibits, constitutes the entire agreement between the parties.

- Exhibit A Legal Description of Property
- Exhibit B Description of Improvements



Exhibit C Grading Plan
Exhibit D Schedule of Performance

9.6. Amendment of the Agreement. This Agreement may be amended, in whole or in part and with respect to all or any portion of the Property, only with the mutual written consent of the parties to this Agreement or by their successors in interest or assigns. The Town shall record the amendment or cancellation in the official records of the Yavapai County Recorder.

9.7. Severability. If any other provision of the Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect.

9.8. Governing Law. The laws of the State of Arizona shall govern the interpretation and enforcement of this Agreement. The parties agree that venue for any action commenced in connection with this Agreement shall be proper only in a court of competent jurisdiction located in Yavapai County, Arizona, and the parties hereby waive any right to object to such venue.

9.9. Recordation of Agreement and Subsequent Amendment; Cancellation. This Agreement, and any amendment or cancellation of it shall be recorded in the official records of the Yavapai County Recorder no later than ten (10) days after the Town and the Developer execute such agreement, amendment, or cancellation, as required by A.R.S. § 9-500.05.

9.10. Attorneys' Fees and Costs. If either party brings a legal action either because of a breach of this Agreement or to enforce a provision of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and court costs.

9.11. Notice of Conveyance or Assignment. The Developer shall give notice to the Town of any sale of any portion of the Property at least ten (10) days prior to the effective date of the sale.

9.12. No Third-Party Beneficiaries. There are no third-party beneficiaries to this Agreement, and no person or entity not a party hereto shall have any right or cause of action hereunder.

9.13. No Agency Created. Nothing contained in this Agreement shall create any partnership, joint venture, or agency relationship between the parties.

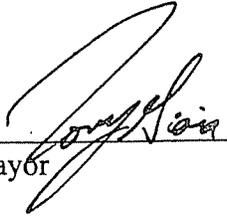
9.14. Non-Liability of City Officials and Employees. Except for mandamus and other special actions, no member, official or employee of the Town shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Town or for any amount that may become due to the Developer or successor, or under any obligation under the terms of this Agreement.

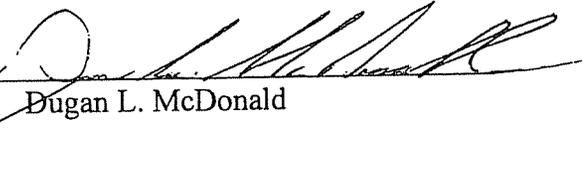


IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

THE TOWN OF CAMP VERDE, an
Arizona municipal corporation

THE DEVELOPER:

By:  9/29/08
Mayor

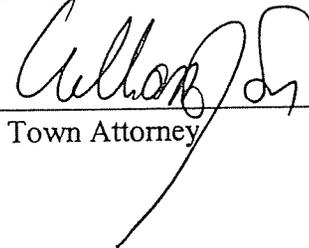
By: 
Dugan L. McDonald

Date: 9.29.08

ATTEST:

By: 
Town Clerk

APPROVED AS TO FORM:


Town Attorney



STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 29th day of Sept, 2008, by Tony Gioia, Mayor of the Town of Camp Verde, Arizona, a municipal corporation.

Jennie Chavez
Notary Public

My Commission Expires: 2-5-11



STATE OF ARIZONA)
) ss.
County of Yavapai)

The foregoing instrument was acknowledged before me this 29th day of Sept, 2008, by Dugan L. McDonald.

Jennie Chavez
Notary Public

My Commission Expires: 2-5-11





B-4598 P-243
Page: 2 of 2
CD 4237841



B-4594 P-525
Page: 2 of 2
WD 4233712



B-4629 P-643
Page: 13 of 26
AG 4272282

EXHIBIT "A"

LEGAL DESCRIPTION
FOR

A PARCEL OF LAND LOCATED IN SECTIONS 9 AND 10, TOWNSHIP 14 N.,
RANGE 4 E., G&SRB&M, CAMP VERDE, YAVAPAI COUNTY, ARIZONA, MORE
PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE 1/4 CORNER COMMON TO SAID SECTIONS 9 AND 10.

THENCE N. 0° 26' 25" E. (BASIS OF BEARINGS), ALONG THE SECTION
LINE, A DISTANCE OF 1284.45 FEET.

THENCE N. 32° 18' 10" W., ALONG THE CENTER LINE OF OLD HIGHWAY
279, A DISTANCE OF 58.23 FEET.

THENCE N. 88° 30' 21" W., ALONG THE 1/16TH LINE, A DISTANCE OF
375.96 FEET.

THENCE S. 41° 53' 54" W. A DISTANCE OF 1402.09 FEET.

THENCE ALONG A NON-TANGENT CURVE TO THE LEFT, ALONG THE NORTHERLY
R/W LINE OF STATE HIGHWAY 260, SAID CURVE HAVING A CENTRAL ANGLE
OF 5° 12' 10", A RADIUS OF 7537.27 FEET, A CHORD BEARING OF S.
55° 55' 58" E., A CHORD DISTANCE OF 684.19 FEET, A CURVE LENGTH
OF 684.42 FEET.

THENCE S. 58° 25' 06" E. ALONG SAID R/W A DISTANCE OF 403.71 FEET.

THENCE ALONG A CURVE TO THE RIGHT ALONG SAID R/W LINE HAVING A
CENTRAL ANGLE OF 8° 21' 07", A RADIUS OF 7739.44 FEET, A CHORD
BEARING OF S. 54° 14' 23" E., A CHORD DISTANCE OF 1127.18 FEET,
A CURVE LENGTH 1128.18 FEET.

THENCE, NON TANGENT, N. 40° 32' 29" E., A DISTANCE OF 99.92 FEET.

THENCE N. 38° 34' 07" E. A DISTANCE OF 734.74 FEET.

THENCE N. 32° 23' 14" W. ALONG THE CENTER LINE OF OLD HIGHWAY
279, A DISTANCE OF 333.92 FEET.

THENCE N. 88° 32' 47" W. A DISTANCE OF 836.38 FEET TO THE
BEGINNING.

A PARCEL CONTAINING 49.58. ACRES MORE OR LESS.



Exhibit B

DESCRIPTION OF THE RINGO RIO DEVELOPMENT AT CHERRY CREEK

Ringo Rio RV Resort:

The RV resort as shown on the attached Conceptual Master Plan of the project, being made a portion hereof by the reference, includes approximately 100 RV spaces and 100 park model spaces. All of these spaces are located within a park like setting that includes: walking trails, fishing ponds, swimming pool, recreation areas and ample green space for the enjoyment of the residents.

With the construction of the park will also come the construction of the Welcome Center Building. This building will be of Rural Western design and shall include:

Guest check in, Park Maintenance Office, Convenience Store, Laundry and Shower facilities. Free shuttle rides to Cliff Castle Casino will also be provided

All of the RV spaces within the park will have full hookup facilities, and are thoughtfully designed in such a way that backing-up of the RV Units will not be necessary.

All of the Park Model units within the park will be outfitted with wrap-around porches for the enjoyment of the residents.

Tract A shown on the Conceptual plan is reserved for a Gas Station and Maintenance Facility (This area will be sold or leased for development). Half of the maintenance facility would be made available to the residents to allow them to conduct routine maintenance, if they so desire (Tools and Space would be rented from the RV Park).

Ringo Rio Commercial & Retail Area:

The commercial & retail area of the development is situated within a park like setting. Our over all design concept for this area is to create an environment where the enjoyment of the grounds is as enjoyable as the shopping and dining experiences offered.

**Please make reference to the attached Conceptual Drawing.

The steak house, country store and cantina within this area will be constructed first as attributes to the RV park (they will also be open to the public). The thought being that the 200 + unit RV Park would help support these ventures financially, and also the availability of the steak house, country store and the cantina would help make the RV a popular place to stay.



Please note that there is a Special Event Area located between the steakhouse and the lake. This space allows ample room for events such as music and art performances.

The over all building designs shall be of rural, western design and will set the tone for the remainder of the retail sites.

The wastewater treatment plant will be located within the commercial and retail area; this plant will be installed as a portion of the first phase of the R.V. Park. The treated reclaimable water from this plant will be utilized throughout both the RV and the Retail areas for irrigation purposes.

DESCRIPTION OF THE PHASES

Phase One (31 acres)

Activity during this phase will include the rough grading of the site. This grading shall take place on the northerly 31 acres of the project site and includes the removal and/or re-distribution of approximately 800,000 cubic yards of earth.

The purpose of this rough grading project is to take out the large hills and mounds located on the project site that are not conducive to the development of the RV Resort. This design principle is based on accessibility issues associated with maneuverability of large RV units. Providing ease of access and maneuverability within the park will make the park very attractive to the customer. Currently, the main access point off of Old 279 is a steep hill and must be drastically reduced during the grading phase to create an inviting entrance to the park. All of the roadway within the park will be paved and there will be concrete pads and fire places for each of the RV sites.

Phase Two (31 acres total)

Finish grading of the RV Park, including roadways, ponds, pool, RV pads and spaces, the installation of all underground utilities and drainage structure and the construction of the building pads.

80,000 cubic yards of earth moved during the phase.

Phase two also includes finishing the second 1/2 of the RV Park of 50 RV spaces, and 50 park model spaces, the construction of the 14,000 square foot Welcome Center building, the paving of the roadways, pouring the concrete RV pads, installation of the package wastewater plant, building of the ponds, and landscaping.

Phase Three (15 of the original 31 acres)

Completion of the remainder of the RV Park, (50 RV spaces and 50 park model spaces), the paving of the roadway, cleaning up of the RV pad sites, the pouring of the concrete pads and the completion of landscaping.

* Water for drinking and fire protection to be provided by Camp Verde Water.



* Irrigation and pond water being provided from two wells located on the site, and is to be supplemented by the wastewater treatment plant.

Phase Four (15 acres total)

The grading of the retail site will be done during this phase, and the creation of a park area will include the installation of all of the underground utilities and drainage structures, building pads, trail systems, pond and green space, the paving of the parking and roadways as shown on the conceptual plan.

The construction of a 6,000 square foot steak house, a 4,000 square foot cantina, and 3,500 square foot country store, will be complete the build out to provide additional attributes to the public and for the enjoyment of the RV Park residents.

The historic Post Office, originally the Cornville Post Office, will be somewhat restored and added to the area as a charming centerpiece.

The remaining building pads will be for lease. This vacant land may be used as a meeting area or utilized as a festival area, until all of the spaces are leased.

EXHIBIT C-1

RINGO RIO RV RESORT PRELIMINARY GRADING PLAN

SITUATED IN THE NW4, NE4 & SE4 OF SECTION 9 & THE SW4 OF SECTION 10, TOWNSHIP 14 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE, YAVAPAI COUNTY, ARIZONA
PARCEL NOS. 403-16-001F & 403-15-002P

DESIGNER/ENGINEER:
ADVANCE LAND SURVEYING AND IMPROVEMENT, INC.
 1000 W. GILBERT AVENUE
 P.O. BOX 3270
 TUCSON, ARIZONA 85701
 TEL: 520-797-7171
 FAX: 520-797-7172

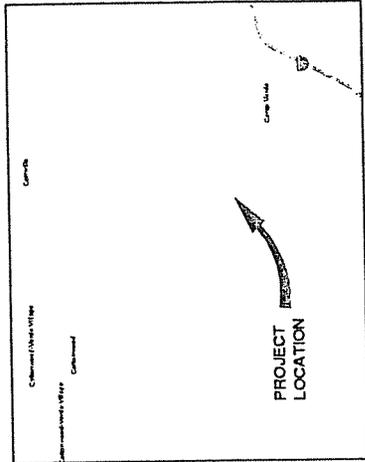
ENGINEER/LAND PLANNER:
DR. J. W. BROWN, JR.
 1000 W. GILBERT AVENUE
 P.O. BOX 3270
 TUCSON, ARIZONA 85701
 TEL: 520-797-7171
 FAX: 520-797-7172

DESIGNER:
ADVANCE LAND SURVEYING & IMPROVEMENT, INC.
 1000 W. GILBERT AVENUE
 P.O. BOX 3270
 TUCSON, ARIZONA 85701
 TEL: 520-797-7171
 FAX: 520-797-7172

ALL NOTES:
 1. THIS PLAN IS A PRELIMINARY GRADING PLAN FOR A DEVELOPMENT MAP.
 2. THE PLAN IS BASED ON THE SURVEY DATA AND THE EXISTING GRADE.
 3. THE PLAN IS SUBJECT TO THE APPROVAL OF THE APPLICABLE AGENCIES.
 4. THE PLAN IS SUBJECT TO THE APPROVAL OF THE APPLICABLE AGENCIES.
 5. THE PLAN IS SUBJECT TO THE APPROVAL OF THE APPLICABLE AGENCIES.



LIST OF SHEETS
SHEET 1 MASTER GRADING PLAN
SHEET 2 CONSTRUCTION NOTES
SHEET 3 STORM WATER POLLUTION PREVENTION PLAN

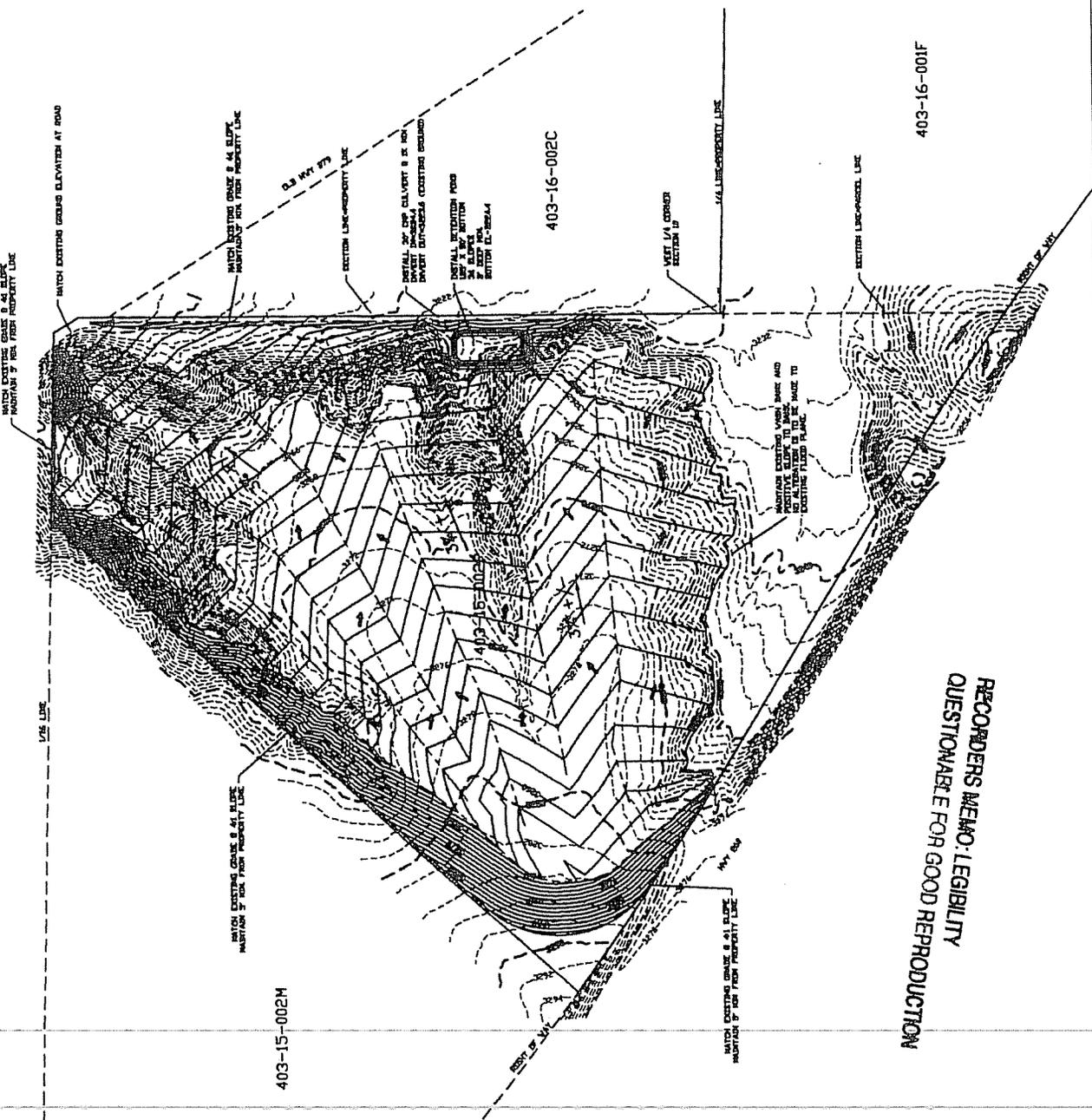


VICINITY MAP
NOT TO SCALE

ESTIMATE OF QUANTITIES
CUT 6,749 CY
FILL 800,048 CY (CUTT)
NET 793,299 CY



RINGO RIO RV RESORT PRELIMINARY GRADING PLAN	
SHEET NO.	1 OF 3
	1 OF 3
DATE	08/15/01
	08/15/01
DRAWN BY	J. W. BROWN, JR.
	J. W. BROWN, JR.
CHECKED BY	J. W. BROWN, JR.
	J. W. BROWN, JR.
MASTER GRADING PLAN	



RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION

RINGO RIO RV RESORT PRELIMINARY GRADING PLAN

SITUATED IN THE NW4, NE4 & SE4 OF
SECTION 9 & THE SW4 OF SECTION 10, TOWNSHIP 14 NORTH, RANGE 4 EAST
OF THE GILA AND SALT RIVER BASE,
YAVAPAI COUNTY, ARIZONA
PARCEL NOS. 403-16-001F & 403-15-002P

CONSULTANTS:

WESTERN LAND SURVEYING AND MAPPING, INC.
P.O. BOX 3370
PHOENIX, ARIZONA 85068
TEL: 314-7170

ENGINEER:

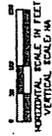
DR. JAMES W. HARRIS, P.E.
20 WHITE SWANWAY DRIVE #1
TUCSON, ARIZONA 85710 (520) 242-0211
MULTIPLYING NUMBER: 415 6327
P.O. BOX 31227

SURVEYS:

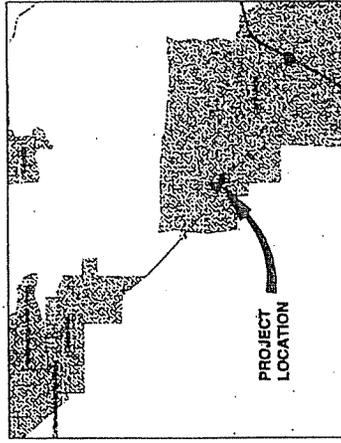
REPLACE LAND SURVEYING & MAPPING, INC.
DUGAN, MICHAEL
C/O WESTERN LAND SURVEYING & MAPPING, INC.
674-667-1170

REVISIONS:

NOTE: ORIGINAL SURVEY COURSES SHOWN WHICH WERE TRACED FROM A RECORDED MAP
PREPARED BY WESTERN SURVEYS, INC., 1140 WESTERN DRIVE, COTTOWOOD AVENUE,
DATE: 9/21/84.



LIST OF SHEETS
SHEET 1 MASTER GRADING PLAN
SHEET 2 CONSTRUCTION NOTES
SHEET 3 STORM WATER POLLUTION PREVENTION PLAN



VICINITY MAP
1/4" = 1" SCALE

ESTIMATE OF QUANTITIES
CUT: 807,347 CY
FILL: 6,499 CY (CUT)
NET: 800,848 CY (CUT)



RINGO RIO RV RESORT PRELIMINARY GRADING PLAN		MASTER GRADING PLAN	
DATE	NOV 1984	PROJECT	NOV 1984
BY	JWH	DESIGNED	JWH
CHECKED	JWH	SCALE	AS SHOWN
APPROVED	JWH	PROJECT NO.	403-16-001F



RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION





Exhibit D

SCHEDULE OF PERFORMANCE

Whereas : The Municipality, in order to protect the Health, Safety, and General Welfare of the community, requires that development take place in conformance to all laws and regulations and also requires the completion of various improvements within the development and thereby limits the harmful effects of substandard developments which leave property undeveloped and unproductive.

The Developer intends to develop that property as described, and as shown on The Results of Survey Map, which is made a part hereof by this reference. The Developer of the property intends to develop the property more fully, all of which is subject to that certain development plan and The Development Agreement attached which is incorporated herein by this reference and includes the Site Plan, The Grading Plan and the Environmental Protection Plan (SWPPP), prepared by Luke A. Sefton, a professional Engineer with Southwest Environmental Consultants of Sedona, Arizona.

An Assurance Bond will be submitted as is required by the Town code (at the cost to the developer of \$30,000.00), to ensure that there is no threat to the Health, Safety, and the General Welfare of the community, and also to ensure that the development takes place in conformance to all laws and regulations, thereby limiting the harmful effects of a substandard development which leave property undeveloped and unproductive.

Now therefore, upon the completion of the working alliance established between the Town of Camp Verde and Dugan Mc Donald that this Development Agreement creates. Thereafter, the Town of Camp Verde and Dugan Mc Donald, the 'Developer', do agree, as is stated in the Development Agreement, that they will continue to work together on this project in the spirit of this agreement to ensure the most positive and productive results possible, both in the interest of the Town and the Developer.

UPON THE APPROVAL OF THE DEVELOPMENT:

1. **Construction of Improvements:** The developer hereby agrees to construct and/or grade the designated **Phase One** of the project in strict accordance with the approved Grading Plan and within the terms of this Development Agreement.
 - A. The Developer wishes to conduct this grading activity before all entitlements have been granted by the Town for the following reasons:
 1. He has an opportunity to enter into an agreement with a 3rd party to perform the grading activity at no cost to the Developer for the material removed from this project.
 2. The Financial Lender is requiring approval from the Town before funding for this project can be released to the Developer. Until such funding is acquired, the Developer is carrying the complete financial responsibility for this project.
 3. By submitting this Development Agreement, the Developer believes he has met all requirements necessary for approval of the grading permit as required by Section 108S.
 - 4.
2. **Posting of Assurance Bond:** The Developer does agree to post a bond or other approved form of assurance to the Town of Camp Verde for the rehabilitation of the property should there be an unlikely



Assurance to the Town of Camp Verde for the rehabilitation of the Phase One of this project shall be based on the engineers estimate and made available to the Town of Camp Verde before any specific phase of construction shall begin.

3. **The Developer does hereby agree** that during the period of time (estimated at two years) while the rough grading of the property is being conducted, (being described herein as **Phase One**), he shall diligently work towards obtaining all entitlements from the Town to include, but not be limited to approval of all submitted Design and Engineering drawings, amendment to the current PAD, a Use Permit for the development of the RV Park, Design Review Approval of the development and all required building permits to develop the site as proposed in this plan. No other work on the project shall be conducted during Phase One, other than what has been approved as shown on the Phase One Grading Plan.

While completing **Phase One** of this development, the Engineering Team lead by Mr. Luke Sefton of SEC, will continue to work on the formal and final plan sets for the development and construction of this project. The cost for the plan is estimated to be about \$110,000.00 dollars and includes the final design plans, final grading plans, final drainage reports, and design plans for the placement of all underground utilities, including Sewer, Water, Phone and Electric drawings. This final plan set will also include all of the drawings and plan sets for the offsite improvements for both Hwy 260 and Hwy 279.

This Process Will Include:

1. Meetings with the Town staff throughout the final design process to ensure the terms of the Development Agreement are being upheld.
2. Submittal of amendments to the existing PAD to the Town for review and approval by the Town Council. (Timeframe: Within the first 6 months of the project)
3. Applying for and Acquiring a Special Use Permit. (Timeframe: Within the first 12 months of the project)
4. Submittal for approval from the Design Review Board. (Timeframe: Within the first 18 months of the project)
5. Meetings with the Town Engineer to ensure that the needs and requirements of the Town are taken care of and addressed as the overall engineering plans are concerned during the final project design phase. (Timeframe: Completion expected within 90 days after the completion of Phase One. Progress reports shall be submitted to the Town staff every 30 days.)
6. Meetings with ADOT to obtain access permits and approvals of access to the Development from Hwy 260. (Timeframe: On going process throughout the final project design phase, completion expected within 90 days after the completion of the Phase One.)



*** Please note that there are some requirements within the engineering design process that cannot be addressed or completed until the rough grading of the project is completed.*

This project shall be built in 4 phases, with the completion of all phases on, or about November 2017. The completion of each phase should take about 2 years based on the economy.

The Developer does hereby acknowledge the formal design and engineering drawings must be completed by the design engineer, S.E.C. and shall be presented to the Town of Camp Verde for review and approval, and also acknowledges that proper assurances must be posted before any other phase of construction could begin, including any finish grading or construction of any kind other than what is shown on the Grading Plan designated herein as Phase One.

Anticipated Phases of construction:

Phase One: Rough Grading of Development Site. (2009 – 2011) 2 years

Phase Two: (2011-2013) this phase of the project shall include at least 1/2 of the units shown on Easterly 1/2 of the conceptual drawing, which includes 50 RV spaces and 50 Park Model spaces. The estimated duration of construction for this phase is 18 to 24 months, and includes the portions of the project as follows:

This Phase will include the following activities:

1. The construction of the site sub-grade in accordance with the final grading plan, including, roadway base grades, drainage structures and the building pad grades for the total RV Park Project
2. The installation of the underground utilities, (phone, irrigation, water, electric, and sewer lines), at least 1/2 Of the total RV Project, the installation of a well for irrigation purposes, and the landscaping of Easterly 1/2 of this project.
3. The finish grading of the project and the final construction of the roadways on at least 1/2 of the site. This second phase of construction also includes the improvements on both Hwy 260 and Hwy 279, after all approvals are received by reviewing agencies.
4. The construction of the Welcome Center Building and the construction of all of the RV and Park Model sites. (Over at Least 1/2 of the Project Site)

*** Please note that this phase of the project shall include at least 1/2 of the units shown on the conceptual drawing, which are approximately 50 RV spaces and 50 Park Model spaces.*

Phase Three: The completion of the R.V. Park in total: The estimated duration of construction for this phase is 18 to 24 months. (2013 – 2015)

Please note the Tract A as shown on the Conceptual Drawing is reserved as designated property for sale or lease. This area is reserved for a service center and gas station.



Phase Four: (2015 – 2017) Retail Center Development

The estimated duration of construction for this phase is 18 to 24 months and will include the following activities:

1. Construction of the site sub-grade in accordance with the final grading plan including, roadway base grades, drainage structures, parking areas, and building pad grades.
2. Installation of the underground utilities, phone, irrigation, water, electric, and sewer lines). This portion of construction also includes installation of a well for irrigation purposes, and landscaping throughout the project site.
3. Finish grading of the project; and the final construction of the roadways and parking areas.
4. Construction of the country store, the cantina, and the steak house.

I hope that this explanation and break down of the time line of this project adds to your understanding of the overall project. As in any phased development, the times provided are approximate and will depend on the economy. Any significant amendment to the phasing time schedule will be submitted to the Community Development Director who may approve extensions of time or may refer to Council for approval.

I am excited about this project. It is well thought out and will be an outstanding addition to the Town of Camp Verde, providing something that everyone can enjoy. Also, I am honored to be one half of the alliance that this Development Agreement creates. I believe that working with the Town Staff will help make this project as good as it possible can be.

Thank you

Dugan Mc Donald



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Page: 2 of 2
CD 4237841



B-4594 P-525
Page: 2 of 2
WD 4233712



B-4629 P-643
Page: 13 of 26
AG 4272282

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