



Contract Number: CTN. PW. 14 # 169
Effective Date: 3-11-14
Term Date: Perpetual Term
Cost: _____
Revenue: ✓
Total: _____ NTE: _____
Renewal By: _____ Action: 1-1-2039
Term: 3-11-2039 (AMS Date)
Reviewed by: JL

BOARD OF SUPERVISORS AGENDA ITEM SUMMARY

Requested Board Meeting Date: May 13, 2014

ITEM SUMMARY, JUSTIFICATION &/or SPECIAL CONSIDERATIONS:

On February 12, 2013, the Pima County Board of Supervisors ("BOS") approved a Developer Agreement for Acquisition of Right of Way Across State Lands (the "Agreement") with Vail UPRR North II, LLC; Vail UPRR South, LLC; and Vail UPRR Russo, LLC (collectively, "Developer"). The Agreement stated that Developer owned certain real property in the area of Vail, Arizona, which it wished to develop. Such development would require Developer to acquire Right of Way ("ROW") from the Arizona State Land Department ("ASLD") to construct a sewer line, a railroad crossing (collectively, the "Improvements") and a Temporary Construction Easement ("TCE") across ASLD land. Developer intends to dedicate the Improvements, once constructed, to benefit the public. Pursuant to the referenced Agreement, County was the named applicant and bidder at the ASLD auction for the ROW. Said auction occurred on March 11, 2014 and County was the successful bidder at the auction. Further pursuant to the Agreement, Developer was required to pay the purchase price for the ROW to ASLD and has in fact done so. ASLD has now issued the ROW document, which must be executed by the BOS and returned to ASLD for execution by the Arizona State Land Commissioner.

STAFF RECOMMENDATION(S):

Staff recommends that the Board approve and execute the State Land Right of Way for Construction of an Underground Sewer Line Across State Lands as set forth above, pursuant to the terms of that certain Developer Agreement for Acquisition of Right of Way Over State Lands as approved by the Board of Supervisors on February 12, 2013.

Page 1 of 2
Ver. 1
Vendor - 1
Pgs. 29
To: CoB. 4.30.14
Agenda. 5.13.14 (2)
Procure Dept 04/23/14 PM 04:40

PIMA COUNTY COST: \$ -0- and/or REVENUE TO PIMA COUNTY: \$ -0-

FUNDING SOURCE(S): Not Applicable

(i.e. General Fund, State Grant Fund, Federal Fund, Stadium D. Fund, etc.)

Advertised Public Hearing:

YES NO

Board of Supervisors District:

1 2 3 4 5 All

IMPACT:

IF APPROVED:

Pima County will obtain, at no cost to County, a State Land Right of Way for Construction of an Underground Sewer Line, pursuant to the terms of that certain Developer Agreement for Acquisition of Right of Way Over State Lands as approved by the Board of Supervisors on February 12, 2013.

IF DENIED:

Pima County will not obtain, at no cost to County, a State Land Right of Way for Construction of an Underground Sewer Line, pursuant to the terms of that certain Developer Agreement for Acquisition of Right of Way Over State Lands as approved by the Board of Supervisors on February 12, 2013.

DEPARTMENT NAME: Real Property Services
CONTACT PERSON: Michael D. Stofko TELEPHONE NO.: 520-740-6667

CONTRACT

NO. CTN-PW-140000 0000 0000 169

AMENDMENT NO. _____

This number must appear on all invoices, correspondence and documents pertaining to this contract.

**STATE LAND DEPARTMENT
STATE OF ARIZONA**

Right of Way

R/W No. 16-117055

THIS RIGHT OF WAY ("Right of Way") is entered into by and between the State of Arizona (as "Grantor") by and through the Arizona State Land Department and

PIMA COUNTY

("Grantee"). In consideration of payment and performance by the parties of each of the provisions set forth herein, the parties agree as follows:

EXTENT OF DOCUMENT

"Additional Conditions", "Exhibits", and "Appendixes" are an integral part of this document. In case of a conflict between the printed boiler document and the additional conditions, exhibits, or appendixes, the applicable additional condition, exhibit, or appendix shall be considered the governing document and supersede the printed boiler, but only to the extent necessary to implement the additional condition, exhibit, or appendix, and only if the additional condition, exhibit, or appendix does not conflict with governing state or federal law.

**ARTICLE 1
SUBJECT LAND**

1.1 Grantor grants to Grantee a Right of Way on, over, through, and across the State lands described in Appendix A attached hereto ("Subject Land").

1.2 Grantee makes use of the Subject Land "as is", and Grantor makes no express or implied warranties as to the physical condition of the Subject Land.

**ARTICLE 2
TERM**

2.1 The term of this Right of Way commences on March 11, 2014, ("Commencement Date"), and runs for a perpetual term, ("Expiration Date"), unless sooner canceled or terminated as provided herein or as provided by law.

ARTICLE 3
RENT

3.1 Rental is due in advance for the term of this Right of Way document.

3.2 If the Grantee should fail to pay rental when due, or fail to keep the covenants and agreements herein set forth, the Commissioner, at his option, may cancel said Right of Way or declare the same forfeited in the manner provided by law.

ARTICLE 4
PURPOSE AND USE OF SUBJECT LAND

4.1 The purpose of this Right of Way is the location, construction, operation, and maintenance of:

Underground 8", 12" & 15" sewer distribution line.

4.2 No material may be removed by Grantee or its contractors without the written approval of the Commissioner.

4.3 Grantee shall not exclude from use the State of Arizona, its lessees or grantees, or the general public the right of ingress and egress over this Right of Way.

4.4 Grantee shall acquire required permits prior to construction, and adhere to all applicable rules, regulations, ordinances, and building codes as promulgated by the local jurisdiction and any applicable State or Federal agencies.

4.5 All use of State land outside the Right of Way must be applied for and authorized in accordance with applicable law.

4.6 Grantee shall not sublet or assign this Right of Way or any portion thereof without the written consent of the Grantor.

4.7 The Grantor retains ownership of the Subject Land. The use of this Right of Way is to be non-exclusive. This Right of Way is sold subject to existing reservations, easements, or rights of way heretofore legally obtained and now in full force and effect.

4.8 When necessary for Grantee's reasonable use of this Right of Way for the purposes for which the grant is made, it shall be deemed to include the rights in, upon, over, and across the described Subject Land to erect, construct, reconstruct, replace, repair, and maintain the facilities authorized by this Right of Way.

4.9 Grantee shall have the right to erect, maintain, and use gates in all fences under the control of the Grantor which now cross or shall hereafter cross said Right of

Way, and to trim, cut, and clear away trees or brush whenever in its judgment the same shall be necessary for the convenient and safe exercise of the right herein provided.

4.10 Grantee shall not fence any portion of this Right of Way unless specifically authorized in the attached additional conditions without prior written consent of Grantor, nor shall Grantee exclude from the use of the surface thereof the State of Arizona or its lessees or grantees as reserved in Paragraph 10.1.

ARTICLE 5
CONFORMITY TO LAW

5.1 This Right of Way is subject to applicable laws and covenants relating to State lands.

ARTICLE 6
CANCELLATION, TERMINATION AND ABANDONMENT

6.1 This Right of Way is subject to cancellation pursuant to A.R.S. § 38-511.

6.2 If at any time the Right of Way ceases to be used for the purpose for which it was granted, it shall become void, and the right to use the Subject Land and all the rights of Grantee hereunder shall revert to the Grantor.

6.3 Upon revocation or termination of the Right of Way, the Grantee shall remove all equipment or facilities and, so far as is reasonably possible, restore and/or rehabilitate the Subject Land to its original condition, and to the satisfaction of the Commissioner.

ARTICLE 7
INDEMNITY

7.1 This provision is pursuant to the July 12, 2000 memorandum issued by the Risk Management Section of the Arizona Department of Administration applicable to all political subdivisions of the State.

Each party (as "indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorneys' fees) (hereinafter collectively referred to as "claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or fault of the indemnitor, its officers, officials, agents, employees, or volunteers.

ARTICLE 8
RESERVATIONS; RELINQUISHMENTS

8.1 Grantor reserves the right to grant other rights in, upon, over, and across the described Subject Land for any purpose whatsoever not inconsistent or incompatible with the use allowed by this indenture, and the Grantee agrees not to exclude the Grantor or its lessees or grantees from the use of the Subject Land herein described.

8.2 Grantor reserves all natural resources, timber, and minerals (including oil or gas) in or upon the described Subject Land, and the right to grant leases, permits, easements, and/or rights of way to extract such resources as provided by law and in a manner not inconsistent or incompatible with Grantee rights hereunder. Where inconsistent or incompatible uses exist, the Grantor will require the applicant therefor to indemnify Grantee for loss it might suffer by reason of such use.

8.3 Grantor reserves the right to relinquish to the United States pursuant to the U.S. Act of August 30, 1890, land needed for irrigation works in connection with a government reclamation project.

ARTICLE 9
LOCATION, CONSTRUCTION AND MAINTENANCE

9.1 Grantee shall ensure full compliance with the terms and conditions of this Right of Way by its agents, employees, and contractors (including sub-contractors of any tier), and the employees of each of them and shall include the terms and conditions in all contracts and sub-contracts which are entered into by any of them.

9.2 Failure or refusal of Grantee's agents, employees, contractors, sub-contractors, or their employees to comply with these terms and conditions shall be deemed to be the failure or refusal of Grantee.

ARTICLE 10
NATIVE PLANTS AND CULTURAL RESOURCES

10.1 (a) Pursuant to A.R.S. §§ 41-841 and 41-842, Grantee, Grantee's employees, and Grantee's guests shall not excavate or collect any prehistoric or historic archaeological specimens on the Subject Land without a permit from the Director of the Arizona State Museum and written approval of Grantor pursuant to the terms of this Right of Way. Grantee shall immediately report any unpermitted excavation or collection of archaeological specimens on the Subject Land to the Arizona State Museum and Grantor.

(b) Pursuant to A.R.S. § 41-844, Grantee shall report to the Director of the Arizona State Museum and Grantor any prehistoric or historic archaeological site, or paleontological site, that is discovered on the Subject Land by Grantee, Grantee's

employees, or Grantee's guests, and shall, in consultation with the Director of the Arizona State Museum and Grantor, immediately take all reasonable steps to secure the preservation of the discovery.

10.2 (a) Grantee shall not move, use, destroy, cut or remove or permit to be moved, used, destroyed, cut or removed any timber, cactus, native plants, standing trees or products of the land except that which is necessary for the use of the Subject Land, and then only with the prior written approval of Grantor. For undeveloped land, the Grantee must submit a plant survey prior to the removal of any native plant. If the removal or destruction of plants protected under the Arizona Native Plant Law (A.R.S. § 3-901 et seq., or any successor statutes) is necessary to the use of the Subject Land, Grantee shall also obtain the prior written approval of the Arizona Department of Agriculture. In the event the Grantee removes the native plants, the Grantee must pay a vegetation fee to the Grantor and this fee is not a reimbursable improvement.

(b) Grantee is responsible for treatment of all regulated and restricted noxious weeds listed by the Arizona Department of Agriculture.

ARTICLE 11

GRANTEE SHALL PROTECT AND RESTORE THE SUBJECT LAND

11.1 Grantee shall be required, upon completion of Right of Way construction, to make such rehabilitation measures on the State lands, including but not limited to restoration of the surface, revegetation, and fencing as determined necessary by the Grantor.

11.2 Grantee shall conduct all construction and maintenance activities in a manner that will minimize disturbance to all land values including, but not limited to vegetation, drainage channels, and streambanks. Construction methods shall be designed to prevent degradation of soil conditions in areas where such degradation would result in detrimental erosion or subsidence. Grantee shall take such other soil and resource conservation and protection measures on the Subject Land under grant as determined necessary by the Grantor.

11.3 Costs incurred by the Grantee in complying with restoration and rehabilitation requirements, as determined by the Department, on State lands shall be borne by the Grantee.

11.4 Grantee shall conduct its operations on the Subject Land in such a manner as is consistent with good environmental practices. Grantee shall exert reasonable efforts to avoid damage of protected flora, and restore the surface to its condition prior to the occupancy thereof by Grantee.

ARTICLE 12
MISCELLANEOUS

12.1 The described Subject Land shall be used only for the purpose stated in Paragraph 4.1, and as may be further detailed elsewhere in this document.

12.2 This Document is submitted for examination and shall have no binding effect on the parties unless and until executed by the Grantor (after execution by the Grantee), and until a fully executed copy is delivered to the Grantee.

12.3 In the event of a dispute between the parties to this Right of Way, it is agreed to use arbitration to resolve the dispute, but only to the extent required by A.R.S. § 12-1518. In no event shall arbitration be employed to resolve a dispute which is otherwise subject to administrative review by the Department.

12.4 Insurance provisions are intentionally omitted from this Permit pursuant to the July 12, 2000 memorandum issued by the Risk Management Section of the Arizona Department of Administration to all political subdivisions of the State.

12.5 The Grantor does not represent or warrant that access exists over other State lands which intervene respectively between the above Right of Way and the nearest public roadway.

12.6 If for any reason the State of Arizona does not have title to any of the Subject Land described herein, this Right of Way shall be null and void insofar as it relates to the land to which the State has failed to receive title.

12.7 Every obligation of the State under this Right of Way is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Right of Way, this Right of Way may be terminated by the State at the end of the period for which funds are available. No liability shall accrue to the State in the event this provision is exercised, and the State shall not be obligated or liable for any future payments or any damages as a result of termination under this paragraph.

12.8 The parties agree to be bound by applicable State and Federal rules governing Equal Employment Opportunity, Non-discrimination and Disabilities, including Executive Order No. 2009-09.

12.9 Within 30 days of project completion, Grantee shall submit a completed certificate of construction (copy attached).

ADDITIONAL CONDITIONS

16-117055

Page 1 of 20

1. LEGAL DESCRIPTION, RENT AND PURPOSE

1.1 A legal description and/or a visual depiction of this Right of Way is/are detailed in EXHIBIT A attached hereto. Subject to Grantor's rules and policies then in place, and as a result of construction-related restrictions, Grantor and Grantee may agree to modify the legal description by the Grantee submitting "as built" or "proposed realignment" legal descriptions, depending on the situation, to Grantor for Grantor's review. If approved by Grantor, and additional acreage is impacted, Grantee agrees to pay an appraised or pro-rated charge as Grantor determines is appropriate. No refund will be made for a reduction in acreage.

1.2 Grantor reserves the right to grant additional access rights, or any other rights not in conflict with the rights granted herein, to other parties at the Grantor's sole discretion.

2. CONSTRUCTION, MAINTENANCE AND OPERATION

2.1 Grantee is responsible for complying with all federal, state and local guidelines in regards to the construction, maintenance and operation of this Right of Way grant and its associated appurtenances.

2.2 Prior to construction, and at the request of the Grantor, Grantee shall provide construction plans (no larger than 11" x 17" format) and applicable drainage report(s), engineering infrastructure report(s) or studies, and any Clean Water Act (CWA) Section 401 or 404 documents to the Grantor for the Grantor's review.

2.3 Grantee shall conduct all construction and maintenance activities in a manner that will minimize disturbance to surface features affecting adjacent land values, including, but not limited to, vegetation, drainage channels and stream banks.

2.4 Grantee agrees that any rubbish or debris from construction and maintenance work shall be removed and properly disposed of at its expense. Disposal of construction-related and maintenance-related materials on State Trust land is strictly prohibited.

2.5 Specific sites where construction and maintenance equipment and vehicles shall not be allowed (e.g. archaeological sites, areas with threatened or endangered species, or fragile watersheds) shall be clearly marked onsite by the Grantee prior to the beginning

ADDITIONAL CONDITIONS

16-117055

Page 2 of 20

of any construction, maintenance or other ground disturbing activities. Grantee shall take any and all steps necessary to ensure that these sites are not touched.

2.6 All equipment shall be removed from the site within seven (7) days of project completion.

2.7 Grantee shall be responsible for weed control on disturbed areas within the limits of this Right of Way, and shall be responsible for consultation with the Grantor and/or local authorities for acceptable weed control methods.

2.8 For construction after Commencement Date of this Right of Way, disturbed areas shall be restored and rehabilitated according to a plan submitted and approved in advance by the Grantor prior to commencement of construction. The plan shall include, but not be limited to, reseeded, reforestation, erosion control, and watershed protection measures.

2.9 For ground disturbance after Commencement Date of this Right of Way, all rock brought to the surface along with topsoil and overburden from the affected State Trust lands shall be salvaged and stockpiled separately in a manner that replacement shall utilize one hundred (100%) percent of the materials upon project completion. Excess rock unsuitable for scattering shall be disposed of in a manner and location that is authorized by the Grantor.

2.9.1 Disturbed areas shall be restored and rehabilitated according to a plan submitted and approved in advance by the Grantor prior to commencement of construction. The plan shall include, but not be limited to, reseeded, reforestation, erosion control, and watershed protection measures.

2.10 Grantee shall maintain the Right of Way grant area in the manner described above during the term of this easement. Grantee agrees to complete any necessary restoration and rehabilitation to the satisfaction of the Grantor within ninety (90) days of written notification of non-compliance.

3. ENVIRONMENTAL MATTERS AND INDEMNITY

The following conditions shall supplement the terms and provisions governing environmental matters as set forth in the Right of Way boiler to which these Conditions are stated below.

ADDITIONAL CONDITIONS

16-117055

Page 3 of 20

3.1 For purposes of this Right of Way, the term "Environmental Laws" shall include but not be limited to any relevant federal, state or local environmental laws, and the regulations, rules and ordinances, relating to environmental matters, and publications promulgated pursuant to the local, state, and federal laws and any rules or regulations relating to environmental matters. For the purpose of this Right of Way, the term "Regulated Substances" shall include but not be limited to substances defined as "regulated substance", "solid waste", "hazardous waste", "hazardous materials", "hazardous substances", "toxic materials", "toxic substances", "inert materials", "pollutants", "toxic pollutants", "herbicides", "fungicides", "rodenticides", "insecticides", "contaminants", "pesticides", "asbestos", "environmental nuisance", "criminal littering", or "petroleum products" as defined in Environmental Laws.

3.2 Grantee shall strictly comply with all Environmental Laws, including, without limitation, water quality, air quality; and handling, transportation, storage, treatment, or disposal of any Regulated Substance on, under, or from the Premises. Without limiting the foregoing, compliance includes that Grantee shall: (1) comply with all reporting obligations imposed under Environmental Laws; (2) obtain and maintain all permits required by Environmental Laws, and provide a copy to Grantor within ten (10) business days of receipt of the Right of Way; (3) provide copies of all documentation required by Environmental Laws to Grantor within ten (10) business days of Grantee's submittal and/or receipt of the documentation; (4) during the term of Right of Way, provide copies of all information it receives or obtains regarding any and all environmental matters relating to the Premises, including but not limited to environmental audits relating to the Premises regardless of the reason for which the information was obtained or whether or not the information was required by Environmental Laws; (5) prevent treatment, storage, disposal, handling or use of any Regulated Substances within the Premises without prior written authorization from Grantor.

3.3 Grantee at all times shall employ or designate an existing employee (the "Designated Compliance Officer") who is responsible for knowing all Environmental Laws affecting Grantee and Grantee's business and monitoring Grantee's continued compliance with applicable Environmental Laws. Upon request by Grantor, Grantee shall make the Designated Compliance Officer available to discuss Grantee's compliance, answer any questions, and provide such reports and confirming information as Grantor may reasonably request.

ADDITIONAL CONDITIONS

16-117055

Page 4 of 20

3.4 At any time, Grantor may request Grantee to provide an environmental audit of the Premises performed by an Arizona registered professional engineer or an Arizona registered geologist. Grantee shall pay the entire cost of the audit.

3.5 At any time, during the term of the Right of Way, Grantor may require Grantee to obtain one Phase I environmental assessment of the Premises performed by an Arizona registered professional engineer or an Arizona registered geologist. If based upon the Phase I environmental assessment or its own independent investigation, Grantor identifies any possible violation of Environmental Laws or the terms of this Right of Way, Grantor may require Grantee to conduct additional environmental assessments as Grantor deems appropriate for the purpose of ensuring that the Premises are in compliance with Environmental Laws. The Phase I assessment, or any other assessment required by Grantor, shall be obtained for the benefit of both Grantee and Grantor. A copy of the Phase I report shall be provided both to Grantee and Grantor. Grantor, in its sole discretion, shall have the right to require Grantee to perform additional assessments of any damage to the Premises arising out of any violations of Environmental Laws. If Grantee fails to obtain any assessments required by Grantor, Grantee shall pay the entire costs of any and all assessments required by Grantor, notwithstanding the expiration or termination of the Right of Way.

3.6 Prior to the termination of the Right of Way, Grantee shall restore the Premises by removing any and all Regulated Substances. In addition, the restoration shall include, but not be limited to, removal of all waste and debris deposited by Grantee. If the Premises or any portions thereof are damaged or destroyed from the existence or presence of any Regulated Substance or if the Premises or any portions thereof are damaged or destroyed in any way relating to or arising out of the removal, treatment, storage, disposition, mitigation, cleanup or remedying of any Regulated Substance, Grantee shall arrange, at its expense, for the repair, removal, remediation, restoration, and reconstruction to the Premises to the original condition existing on the date that Grantee first occupied the Parcel, to the satisfaction of Grantor. In any event, any damage, destruction, or restoration by Grantee shall not relieve Grantee from its obligations and liabilities under this Right of Way. Grantee's restoration obligations under this Section shall survive the expiration or the termination of the Right of Way.

3.7 If any ground disturbing activities (e.g., road maintenance or improvement, utility installation, etc.) associated with Application 16-117055 are to occur on Arizona State Trust land in areas not previously subjected to cultural resources survey and

ADDITIONAL CONDITIONS

16-117055

Page 5 of 20

reported in the document reviewed herein (Doak 2/14/2013), additional cultural resources inventory will be required **PRIOR TO** any such disturbance.

3.8 Should previously undocumented cultural resources be identified during any road-related construction or maintenance activities, all such work shall cease in the immediate vicinity of the remains, and pursuant to A.R.S. §41-844, the Director of the Arizona State Museum shall be immediately notified; the Manager of the Cultural Resources Management Program at ASLD shall also be notified. Should human remains be identified, the Repatriation Coordinator of the Arizona State Museum will be notified immediately; the Manager of the Cultural Resources Management Program at ASLD shall also be notified.

3.9 Grantee shall ensure that any prehistoric, historic, or paleontological remains discovered during monitoring, construction or maintenance are reported to the Grantor and the Arizona State Museum, and that any such discoveries are otherwise treated according to A.R.S. § 41-844.

3.10 Grantee shall supply Grantor with any documentation required to consult with the State Historic Preservation Office, as required pursuant to the State Historic Preservation Act (A.R.S. § 41-861 et seq).

3.11 Prior to any ground disturbance, and at the request of Grantor, Grantee agrees to conduct and submit a plant inventory/plant salvage plan to the Grantor. Payment will be required prior to any ground disturbance for any flora cut, removed and/or destroyed.

3.12 Grantee shall not alter nor cause ponding, nor any damage up or down stream of any water crossing.

3.13 No altering of existing drainages or drainage structures is authorized under this instrument.

3.14 Current records show that the species listed under Threatened/Endangered Species within EXHIBIT C of these Additional Conditions have been documented as occurring in the project vicinity.

3.15 Grantee shall defend, indemnify and hold Grantor harmless from and against any and all liability, obligations, losses, damages, penalties, claims, environmental

ADDITIONAL CONDITIONS

16-117055

Page 6 of 20

response and cleanup costs and fines, and actions, suits, costs, taxes, charges, expenses and disbursements, including legal fees and expenses of whatever kind or nature (collectively, "claims" or "damages") imposed on, incurred by, or reserved against Grantor in any way relating to or arising out of any non-compliance with any Environmental Laws, the existence or presence of any Regulated Substance, on, under, or from the Subject Land, and any claims or damages in any way relating to or arising out of the removal, treatment, storage, disposition, mitigation, cleanup or remedying of any Regulated Substance on, under, or from the Subject Land by Grantee, its agents, contractors, or subcontractors.

3.16 This indemnity shall include, without limitation, claims or damages arising out of any and all violations of Environmental Laws regardless of any real or alleged fault, negligence, willful misconduct, gross negligence, breach of warranty, or strict liability on the part of any of the indemnitees. This indemnity shall survive the expiration or termination of this Right of Way and/or transfer of all or any portion of the Subject Land and shall be governed by the laws of the State of Arizona.

3.17 In the event any action or claim is brought or asserted against Grantor which is or may be covered by this indemnity, Grantee shall fully participate, at Grantee's expense, in the defense of the action or claim including but not limited to the following: (1) the conduct of any required cleanup, removal or remedial actions and/or negotiations, (2) the conduct of any proceedings, hearings, and/or litigation, and (3) the negotiation and finalization of any agreement or settlement. Grantor shall retain the right to make all final decisions concerning the defense. Grantee's obligations to participate in the defense under this Section shall survive the expiration or termination of the Right of Way.

4. SERVICE ROADS

4.1 Grantee shall acquire any permits necessary prior to the construction and maintenance of its service roads. Grantee shall construct new service roads with widths as narrow as possible.

4.2 Material for service road construction and maintenance (i.e. fill dirt, sand and gravel, etc.) may not be acquired from State Trust lands without the proper permits and authorization.

4.3 Service roads shall be maintained in substantially the same condition as they exist at the time the Right of Way is issued except, if not drivable, they may be made drivable.

ADDITIONAL CONDITIONS

16-117055

Page 7 of 20

4.4 Grantee shall not fence nor gate the service roads without the prior written permission of the Grantor.

4.5 Grantee shall relocate service roads to a route selected by the Grantor, upon the Grantor's request, and at the Grantee's expense.

4.6 The service roads shall only be used by the Grantee in conjunction with said Right of Way grant and associated appurtenances.

4.7 Grantee shall avoid using service roads during wet weather or when too soft to travel over. The soil shall be deemed too wet to adequately support equipment if such equipment creates ruts in excess of six (6) inches deep.

4.8 Maintenance of the service roads may include dust control measures for the term of this Right of Way.

5. EXISTING LESSEES

5.1 Grantee shall keep all gates closed and ensure its contractors do the same. Grantor reserves the right to require cattle guards if Grantor determines gates are being left open or fencing has been removed or damaged by the Grantee, its employees or contractors.

5.2 Any grazing-related improvements removed or damaged due to construction, operation and maintenance of this Right of Way shall be replaced and/or reconstructed immediately. Cost of replacement and reconstruction shall be the responsibility of the Grantee.

5.3 If construction or maintenance occurs during periods of livestock grazing, Grantee will take necessary measures to insure livestock protection and containment.

6. TEMPORARY CONSTRUCTION EASEMENTS

6.1 Issuance of this power line Right of Way includes a temporary construction easement ("T.C.E.") associated with the purpose of this Right of Way.

ADDITIONAL CONDITIONS

16-117055

Page 8 of 20

6.2 The use of the T.C.E. (See EXHIBIT B) shall be allowed for a total onsite period of 12 months.

6.3 The T.C.E. shall expire upon the earlier of a.) the finalization of construction for this Right of Way, or b.) the term use of the site described in Paragraph 6.2 above.

6.4 No equipment will be parked overnight nor any material stored on the T.C.E. without the prior written approval of the Grantor.

6.5 Fencing of the T.C.E. is not allowed without the prior written approval of the Grantor.

6.6 All activity on the T.C.E. will be subject to the provisions of this Right of Way including, but not limited to, restoration of the land impacted by the T.C.E. upon its expiration as detailed in Paragraph 34 above.

6.7 Grantee must contact the Grantor in writing if the Grantee requires an extension of this T.C.E. Any extension of the T.C.E. may require an additional payment.

7. MISCELLANEOUS

7.1 If any provision or agreement of this Right of Way is found invalid by any tribunal, such invalidity shall not affect the validity of the remaining provisions hereof.

7.2 The following provision shall be deemed added at the end of Section 6.2 of Article 6 of the Right of Way to which these Additional Conditions are attached as if set forth therein verbatim:

“Any violation by Grantee of any of the terms of this Right of Way constitutes a breach. Upon a breach by Grantee which is not cured within sixty (60) days after the date a notice of breach is sent by certified mail to Grantee to the most recent address for Grantee as shown in the files of Grantor, this Right of Way shall become void and the right to use the Subject Land and all of the rights of Grantee hereunder shall revert to Grantor at the expiration of the aforesaid sixty (60) day period.”

ADDITIONAL CONDITIONS

16-117055

Page 9 of 20

7.3 Attached hereto as EXHIBIT D is an insurance rider which shall supplement the terms and provisions governing insurance as set forth in the Right of Way form to which these Additional Conditions are attached.

8. EXHIBITS

8.1 The following exhibits are attached to these Additional Conditions and made a part hereof:

<u>EXHIBIT A</u>	Legal Description and/or Visual Depiction of Right of Way
<u>EXHIBIT B</u>	Legal Description and/or Visual Depiction of Temporary Construction Easement
<u>EXHIBIT C</u>	Additional Specific Compliance Requirements
<u>EXHIBIT D</u>	Insurance Rider

ADDITIONAL CONDITIONS

16-117055
Page 10 of 20

EXHIBIT A

LEGAL DESCRIPTION AND/OR VISUAL DEPICTION OF RIGHT OF WAY

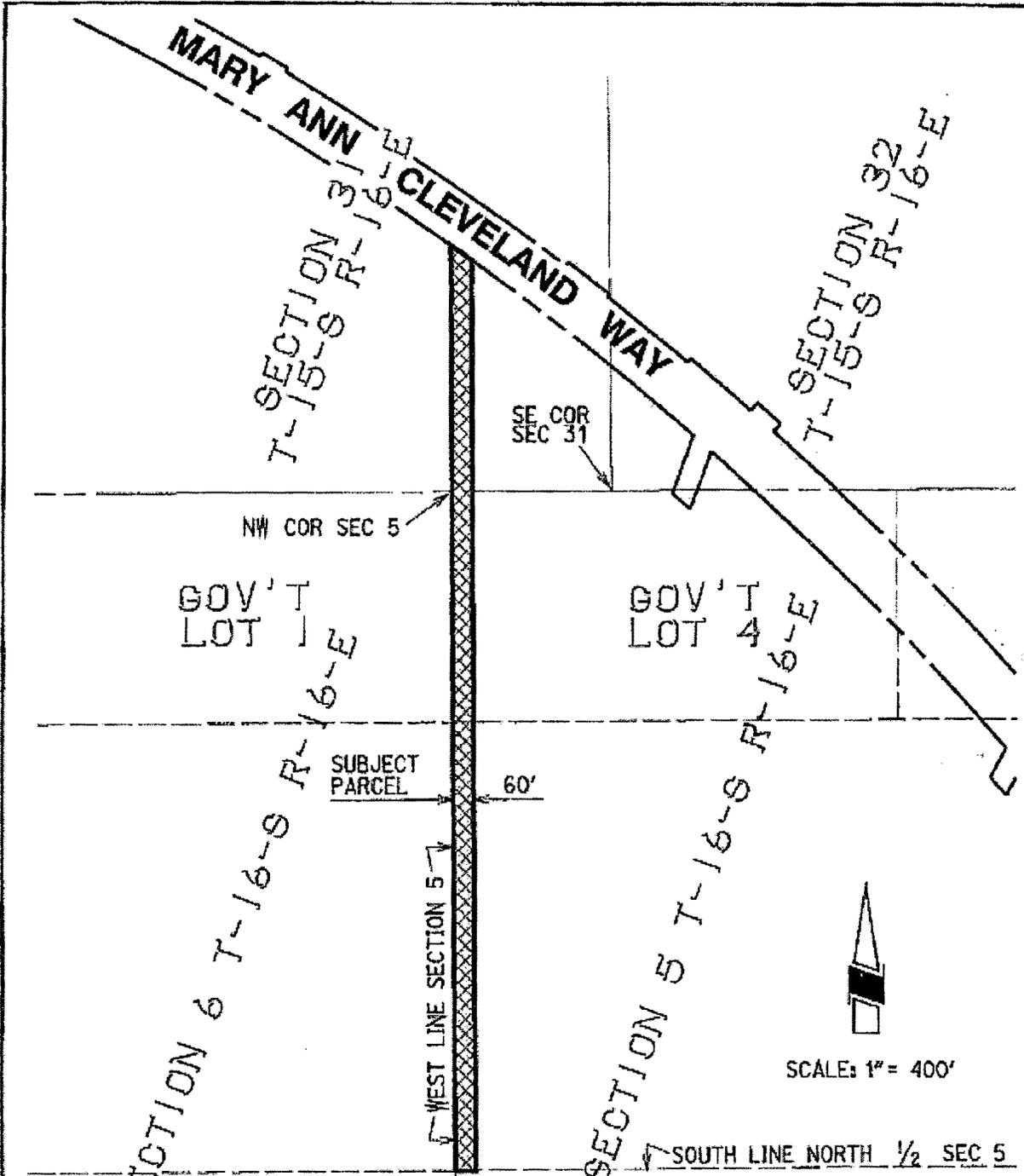


EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION WITHIN A PORTION OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 16 EAST & A PORTION OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 16 EAST G&SRM, PIMA COUNTY, ARIZONA

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520.795.1000
(FAX) 520.322.6956

ADDITIONAL CONDITIONS

16-117055
Page 11 of 20

EXHIBIT A

LEGAL DESCRIPTION AND/OR VISUAL DEPICTION OF RIGHT OF WAY



LEGAL DESCRIPTION

THOSE PORTIONS OF THE NORTH HALF OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 16 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA AND THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 16 EAST, SAID GILA AND SALT RIVER MERIDIAN, DESCRIBED AS FOLLOWS:

A 60.00 FOOT WIDE STRIP BOUNDED AS FOLLOWS:

ON THE WEST BY THE WEST LINE OF SAID NORTH HALF OF SECTION 5 AND THE NORTHERLY PROLONGATION THEREOF;

ON THE NORTH BY THE SOUTHWEST RIGHT OF WAY LINE OF MARY ANN CLEVELAND WAY AS SHOWN ON THE RECORD OF SURVEY RECORDED IN BOOK 45 OF SURVEYS AT PAGE 72, RECORDS OF THE PIMA COUNTY RECORDER;

ON THE EAST BY A LINE BEING 60.00 FEET EASTERLY OF AND PARALLEL WITH SAID WEST LINE OF THE NORTH HALF OF SECTION 5 AND THE NORTHERLY PROLONGATION THEREOF;

AND ON THE SOUTH BY THE SOUTH LINE OF SAID NORTH HALF OF SECTION 5.

CONTAINING 160,250 SQUARE FEET OR 3.6788 ACRES MORE OR LESS.

F:\3745_Corp\Survey\Legals\3745LG13_SEWER_ESMT_STATE.docx



ADDITIONAL CONDITIONS

16-117055
Page 13 of 20

EXHIBIT B

LEGAL DESCRIPTION AND/OR VISUAL DEPICTION OF TEMPORARY CONSTRUCTION EASEMENT

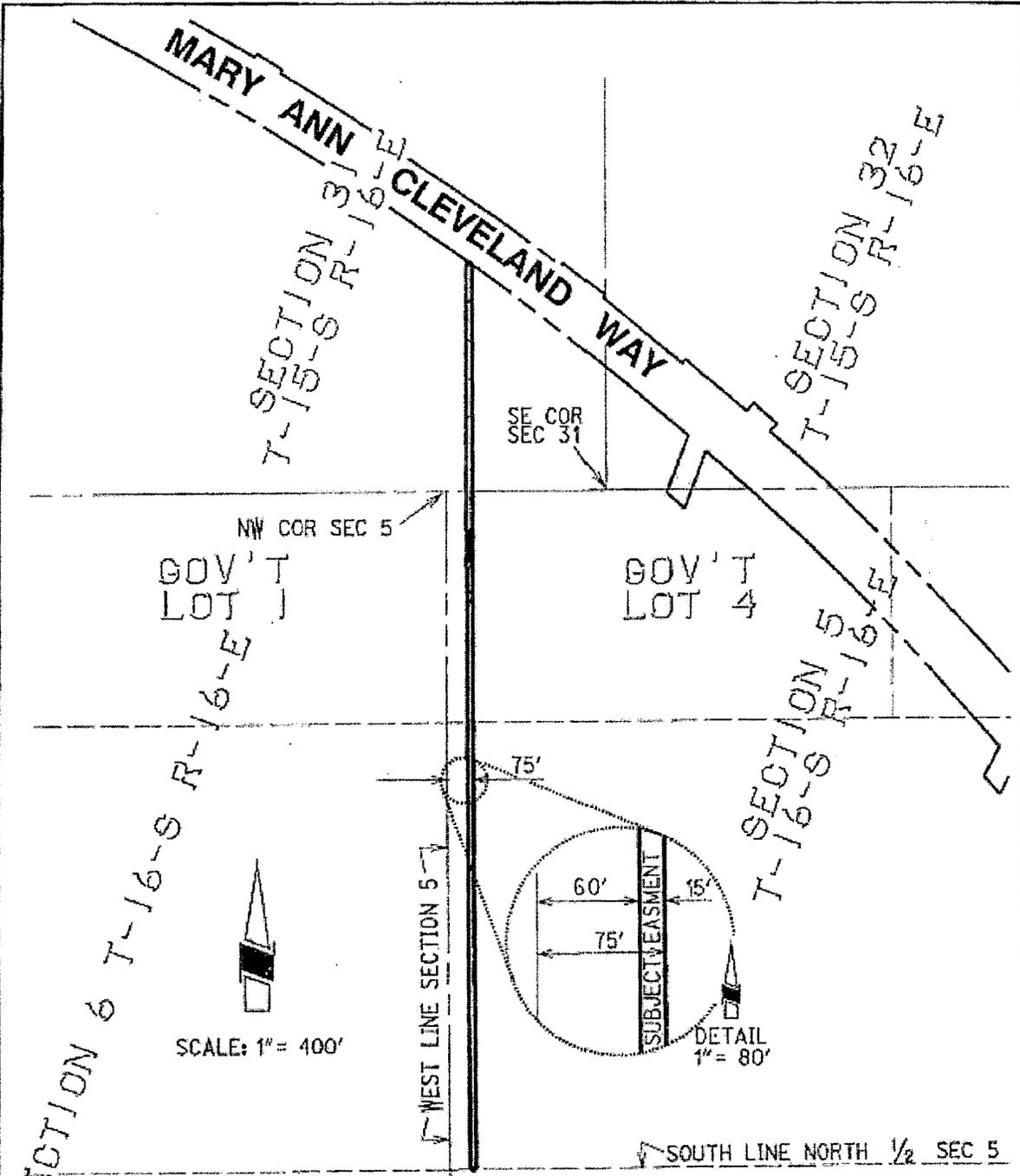


EXHIBIT TO ACCOMPANY TEMPORARY CONSTRUCTION EASEMENT LEGAL DESCRIPTION
WITHIN A PORTION OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 16 EAST
& A PORTION OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 16 EAST
G&SRM, PIMA COUNTY, ARIZONA

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RICK
ENGINEERING COMPANY

3945 EAST FORT LOWELL ROAD - SUITE 111
TUCSON, AZ 85712
520.795.1000
(FAX) 520.322.6956

ADDITIONAL CONDITIONS

16-117055
Page 14 of 20

EXHIBIT B

LEGAL DESCRIPTION AND/OR VISUAL DEPICTION OF TEMPORARY CONSTRUCTION EASEMENT



LEGAL DESCRIPTION TEMPORARY CONSTRUCTION EASEMENT

THOSE PORTIONS OF THE NORTH HALF OF SECTION 5, TOWNSHIP 16 SOUTH, RANGE 16 EAST, GILA AND SALT RIVER MERIDIAN, PIMA COUNTY, ARIZONA AND THE SOUTHEAST QUARTER OF SECTION 31, TOWNSHIP 15 SOUTH, RANGE 16 EAST, SAID GILA AND SALT RIVER MERIDIAN, DESCRIBED AS FOLLOWS:

A 15.00 FOOT WIDE STRIP BOUNDED AS FOLLOWS:

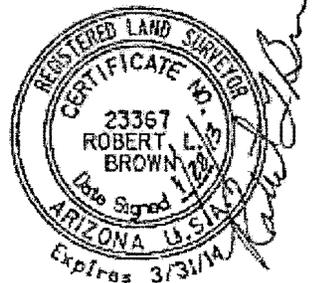
ON THE WEST BY A LINE BEING 60.00 FEET EASTERLY OF AND PARALLEL WITH THE WEST LINE OF THE NORTH HALF OF SAID SECTION 5 AND THE NORTHERLY PROLONGATION THEREOF;

ON THE NORTH BY THE SOUTHWEST RIGHT OF WAY LINE OF MARY ANN CLEVELAND WAY AS SHOWN ON THE RECORD OF SURVEY RECORDED IN BOOK 45 OF SURVEYS AT PAGE 72, RECORDS OF THE PIMA COUNTY RECORDER;

ON THE EAST BY A LINE BEING 75.00 FEET EASTERLY OF AND PARALLEL WITH SAID WEST LINE OF THE NORTH HALF OF SECTION 5 AND THE NORTHERLY PROLONGATION THEREOF;

AND ON THE SOUTH BY THE SOUTH LINE OF SAID NORTH HALF OF SECTION 5.

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ADDITIONAL CONDITIONS

16-117055
Page 15 of 20

EXHIBIT C

ADDITIONAL SPECIFIC COMPLIANCE REQUIREMENTS

1. THREATENED / ENDANGERED SPECIES

The Arizona Game of Fish Department's Heritage Date Management System has been accessed and current records show that one or more listed, proposed, or candidate species or Critical Habitat (Designated or Proposed) have been documented in the vicinity of this Right of Way.

1.1 Threatened / Endangered Species of Concern:

Common Name	Scientific Name	Status
Pima Pineapple Cactus	Coryphantha scheeri var, robustispina	Listed Endangered

1.2 Grantee shall contact U.S. Fish & Wildlife Service to determine if further coordination is necessary as appropriate under the National Environmental Policy Act (NEPA) and/or Endangered Species Act (ESA).

2. PROTECTED NATIVE PLANT SPECIES

2.1 Minimize the removal of existing vegetation within the project area to the greatest extent possible.

2.2 Salvage or replant cactus and other protected plants.

2.3 Hazardous material generated (motor oil, paint, etc.) shall be disposed of properly or used in a way which will minimize impact on vegetation.

ADDITIONAL CONDITIONS

16-117055
Page 16 of 20

EXHIBIT D

INSURANCE RIDER TO STATE LAND DEPARTMENT

This Rider is attached to and made a part of the above-referenced Right of Way as if set forth therein verbatim.

R-1 Indemnity. Each party (as "Indemnitor") agrees to indemnify, defend, and hold harmless the other party (as "Indemnitee") from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as "Claims") arising out of bodily injury of any person (including death) or property damage, but only to the extent that such Claims which result in vicarious/derivative liability to the Indemnitee are caused by the act, omission, negligence, misconduct, or other fault of the Indemnitor, its officers, officials, agents, employees, or volunteers.

In addition, Grantee shall cause its contractor(s) and subcontractors, if any, to indemnify, defend, save and hold harmless the State of Arizona, any jurisdiction or agency issuing any permits for any work arising out of this Agreement, and their respective directors, officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Grantee's contractor or any of the directors, officers, agents, or employees or subcontractors of such contractor. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by such contractor from and against any and all claims. It is agreed that such contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable.

R-2 Insurance Requirements for Any Contractors Used by a Party to the Intergovernmental Agreement. *(Note: this applies only to Contractors used by a governmental entity, not to the governmental entity itself.)* The insurance requirements herein are minimum requirements and in no way limit the indemnity covenants contained in the Intergovernmental Agreement. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the governmental entity or Contractor from

ADDITIONAL CONDITIONS

16-117055
Page 17 of 20

liabilities that might arise out of the performance of the work under this Right of Way by the Contractor, his agents, representatives, employees or subcontractors, and Contractor and the governmental entity are free to purchase additional insurance.

A. **Minimum Scope and Limits of Insurance:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability.

General Aggregate:	\$2,000,000.00
Products-Completed Operations Aggregate:	\$1,000,000.00
Personal and Advertising Injury:	\$1,000,000.00
Each Occurrence:	\$1,000,000.00
Blanket Contractual Liability-Written and Oral:	\$1,000,000.00
Damage to Rented Premises:	\$ 50,000.00
Each Occurrence	\$1,000,000.00

The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor." Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Right of Way.

Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Business Automobile Liability.** Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Right of Way.

- Combined Single Limit (CSL) \$1,000,000

a. The policy shall be endorsed to include the following additional insured language: "The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional

ADDITIONAL CONDITIONS

16-117055
Page 18 of 20

insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor". Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Right of Way.

b. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

c. Policy shall contain a severability of interest provision.

IF GRANTEE HAS CERTIFIED IN THE APPLICATION ADDENDUM FOR THIS RIGHT OF WAY THAT GRANTEE WILL NOT BE ENGAGED IN THE CONDUCT OF BUSINESS WITHIN THE SUBJECT LAND GRANTEE SHALL NOT BE REQUIRED TO CARRY THE FOREGOING BUSINESS AUTOMOBILE LIABILITY INSURANCE.

3. Worker's Compensation and Employers' Liability

Workers' Compensation Employers' Liability	Statutory
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

a. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

GRANTEE HAS CERTIFIED IN THE APPLICATION ADDENDUM FOR THIS RIGHT OF WAY THAT GRANTEE WILL NOT BE ENGAGED IN THE CONDUCT OF BUSINESS WITHIN THE SUBJECT LAND GRANTEE SHALL NOT BE REQUIRED TO CARRY THE FOREGOING WORKER'S COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE.

B. Additional Insurance Requirements: The policies are to contain, or be endorsed to contain, the following provisions:

1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the

ADDITIONAL CONDITIONS

16-117055

Page 19 of 20

Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S § 41-621 (E).

2. The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of its Contract with the other governmental entity(ies) party to the IGA.

C. Notice of Cancellation: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this Right of Way in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to the Arizona State Land Department, 1616 W. Adams, Phoenix, Arizona 85007, and shall be sent by certified mail, return receipt requested.

D. Acceptability of Insurers: Contractors insurance shall be placed with companies duly licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an "A.M. Best" rating of not less than A- VII or duly authorized to transact Workers' Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. Verification of Coverage: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Right of Way. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Right of Way must be in effect at or prior to commencement of work under this Right of Way and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Right of Way, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Right of Way shall be sent directly to the Arizona State Land Department, 1616 W. Adams, Phoenix, Arizona 85007. The Right of Way number and project description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Right of Way at any time.

ADDITIONAL CONDITIONS

16-117055

Page 20 of 20

F. **Subcontractors:** Contractor's certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate certificates for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

G. **Approval:** Any modification or variation from the *insurance requirements* in any Intergovernmental Agreement must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal Right of Way amendment, but may be made by administrative action.

H. **Exceptions:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.

THE APPLICATION ADDENDUM IS INCORPORATED INTO THIS RIGHT OF WAY AS IF SET FORTH HEREIN VERBATIM.

APPENDIX A

STATE OF ARIZONA LAND DEPARTMENT
1616 W. ADAMS
PHOENIX, AZ 85007

RUN DATE: 17 March 2014
RUN TIME: 20:25 PM
PAGE: 1

KE-LEASE# 016-117055-00-000 APPTYPE: NEW
AMENDMENT#: 0

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LAND#	LEGAL DESCRIPTION	AUS	ACREAGE
15.0-S-16.0-E-31-10-053-9007	M&B THRU SESE	0.00	0.950
16.0-S-16.0-E-05-10-046-9008	W 60FT OF LOT 4 SWNW	0.00	2.730
	TOTALS	0.00	3.680

IN WITNESS HEREOF, the parties hereto have signed this Right of Way effective the day and year set forth previously herein.

STATE OF ARIZONA, GRANTOR
Arizona State Land Commissioner

PIMA COUNTY
GRANTEE

By: _____
Date

✓

Address

✓

City State Zip

(SEAL)

✓

By: Chairman, Board of Supervisors

ATTEST:

Approved as to
Content:

✓

Clerk, Board of Supervisors Date
Jason Jenkin 4/15/14

Director, of the Date
Regional Wastewater Reclamation Dept.

Approved as to
Form:

✓

TOBIN ROSEN 4/14/14

Deputy County Attorney Date

GRANTEE'S CERTIFICATE OF CONSTRUCTION

RIGHT OF WAY NUMBER: _____

NAME OF GRANTEE: _____

DATE ISSUED: _____

PERMITTED USE: _____

LAND DEPARTMENT ADMINISTRATOR: _____

DATE CONSTRUCTION STARTED: _____

DATE CONSTRUCTION COMPLETED: _____

I hereby certify that the facilities authorized by the State Land Commissioner, were actually constructed and tested in accordance with the terms of the grant, in compliance with any required plans and specifications, and applicable Federal and State laws and regulations.

Grantee's Signature

Date

Title _____

**Return To: Arizona State Land Department
R/W Section
1616 W. Adams Street
Phoenix, AZ 85007**