

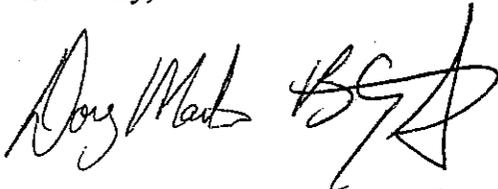
Ray Erlandsen  
Community Development Department  
Town of Payson  
303 N. Beeline Highway  
Payson, AZ 85541-4306

RE: Sanctuary at the Rim

Dear Ray,

SATR Holdings, L.L.C. requests an amendment to Resolution 1450 dated October 12, 2000 and recorded January 8, 2001 between Highlands at The Rim, L.L.C, and the Town of Payson. SATR Holdings, L.L.C. purchased the townhouse portion of The Highlands at The Rim property from Highlands at The Rim, L.L.C. approximately two years ago. SATR Holdings, L.L.C. has proceeded to construct four completed townhomes and has two additional townhomes under construction pursuant to the existing Development Agreement. It has come to our attention that the subject property has a fire flow of approximately 1000 gallons per minute and has the standard fire hydrant placement for a development of this type. Therefore we respectfully request consideration to remove the fire sprinkler requirement from the townhome portion of the Highlands at The Rim Property.

Sincerely,



Doug Martin Craig Swartwood  
Managing Members

**RECEIVED**

FEB 03 2009

COMMUNITY DEVELOPMENT  
DEPARTMENT

RESOLUTION NO. 1450

A RESOLUTION OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, APPROVING AND AUTHORIZING THE MAYOR TO EXECUTE A DEVELOPMENT AGREEMENT BETWEEN THE TOWN OF PAYSON AND HIGHLANDS AT THE RIM L.L.C.

WHEREAS, pursuant to A.R.S. § 9-500.05, the Town of Payson has negotiated a development agreement with Highlands at the Rim L.L.C.; and

WHEREAS, it is in the best interests of the Town of Payson to provide for the orderly development of the Highlands at the Rim property through such a development agreement,

NOW, THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY RESOLVE AS FOLLOWS:

Section 1. That the Mayor and Common Council find that the development agreement attached hereto as Exhibit "A" conforms with the general plan adopted by the Town of Payson.

Section 2. That the development agreement between the Town of Payson and Highlands at the Rim L.L.C., a copy of which is attached hereto as Exhibit "A" and incorporated herein as though set forth in full at this point, be and is hereby approved in substantially the form as set forth in said Exhibit "A".

Section 3. That Ray Schum, Mayor of the Town of Payson, be and is hereby authorized to execute such Agreement in substantially the form attached.

Section 4. That the Town of Payson be and hereby is authorized to take such other and further actions as are necessary or appropriate to carrying out the purposes of such Agreement.

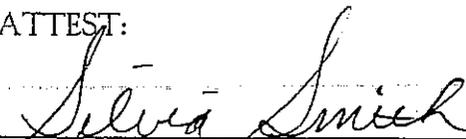
Section 5. That a true and correct copy of said development agreement shall be recorded in the Office of the Gila County Recorder not later than ten (10) days after the date such development agreement is executed.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON this 12th day of October, 2000, by the following vote:

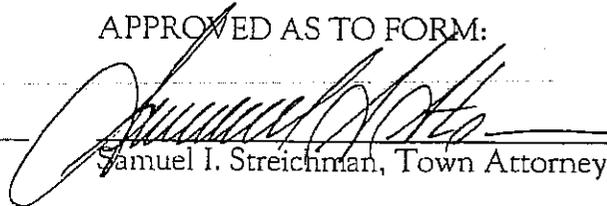
AYES 6 NOES 1 ABSTENTIONS 0 ABSENT 0

  
Ray Schum, Mayor

ATTEST:

  
Silvia Smith, Town Clerk

APPROVED AS TO FORM:

  
Samuel I. Streichman, Town Attorney

southern most boundary line of the Property. The Town, having exercised its discretion in approving this Agreement, agrees to consider for approval and/or issuance such permits, plans, specifications and/or plats of or for the Property as may be requested by the Developer which substantially comply with the Development Plan and Site Plan, and that comply with all applicable rules, regulations and ordinances of the Town and State of Arizona, provided that Developer pays all applicable development fees and permit fees, including without limitation, grading fees and building permit fees.

➔ (b) Amendment. The Town and the Developer acknowledge that amendments to the Development Plan or Site Plan may be necessary from time to time. In order for an amendment to become effective, the party seeking the amendment shall submit its proposed amendment in writing to the other party for review. Amendments sought by the Developer shall be reviewed by the Community Development Director and the Planning and Zoning Commission, and approved by the Town Council, prior to becoming effective. Amendments shall be signed by both parties and attached to this Agreement as addenda. Amendments shall not be necessary, so long as the preliminary plat substantially conforms to the Development Plan and Site Plan.

(c) Residential Hillside Development. The Development Plan requires implementation of development strategies that will minimize disturbance of natural vegetation and promote a project in harmony with the mountainous terrain, which is the goal of the Town's hillside ordinance. Strategies to be employed shall include the use of building envelopes and constructing two-story structures on piers to minimize the size of each building envelope, both of which strategies will result in less disturbance than is permitted by the Town's hillside ordinance. The Developer agrees to obtain grading permits prior to commencing any grading of any lot. Grading permits shall be reviewed by the Town Engineer for compliance with this Agreement, and no grading permit shall be issued until engineered grading plans for each lot are approved. In all situations, lot grading shall be limited to an area consisting of the building envelope and driveway. Mass grading shall not be permitted.

(d) Unified Development Code. Unless modified by this Agreement, the Development Plan or the Site Plan, the development of the Property shall be in conformance with the rules and regulations and provisions contained in the Payson Unified Development Code ("UDC"). The entire commercial component of the development shall be governed by and be in conformance with the UDC. Any deviations from current development standards provided for in this Agreement shall apply only to the residential component of the development.

1.2 Development Regulation/Vesting. The rules, regulations, development fees and official policies (collectively, "Regulations") of the Town applicable to and governing the development of the Property shall be those Regulations that are existing and in force for the Town as of the recording of this Agreement. In the event future land use Regulations are enacted as necessary to comply with future state and federal laws and regulations, or future land use Regulations are enacted which are reasonably necessary to alleviate legitimate and bona fide harmful and noxious uses, such affected provisions of this Agreement shall be modified as may be necessary to meet the requirements of such state and federal laws and/or regulations. This Agreement shall be subject to the future imposition of taxes or filing or review fees, or modifications thereto, or development fees, so long as such taxes or fees are imposed or charged uniformly by the Town to all persons and entities. In the event the Town creates "infill incentive districts", the fees being charged in such districts shall not be considered when determining the uniform application of fees Town wide.

**DEVELOPMENT PLAN - INTRODUCTION AND OVERVIEW  
HIGHLANDS AT THE RIM - PAGE 2 OF 4**

Retail, Restaurant, and Clubhouse Facility will be of a design consistent with the office building with materials of stone, glass and pitched metal roofs to blend with the forest community.

Mountain Villas. (88 townhomes) Duplex attached units each with 2-car garages.

Forest Homes. (38) Single family homes each with 2-car garages.

All single family residences shall be built on concrete piers (sauna tubes). The residence can accommodate hillside conditions; the hillside slopes work with the post and beam design system without the need for mass grading. In fact, the residence can be situated on a hillside with little grading outside the footprint of the structure. By parking under the residence, no additional area is needed for garage, preserving a greater forested area on each lot.

 In addition, we propose to have Payson's first fully fire sprinkled community. Both commercial and residential units will be sprinkled. We are providing these systems for fire protection for our owners, potentially reducing homeowners' insurance cost and saving 50% of water required for fire flow. This provides a superior product and will provide peace of mind to our buyers as well as possible long-term savings on insurance costs.

Since we are building the residences, we can create a greater harmony in design. Our goal is to maintain a forest setting, featuring native trees and maintaining a native natural environment. Homes shall be designed and placed within building envelopes with each lot being reviewed by our architect to complement views of the Rim and concern for rock outcroppings, trees and solar orientation. Large glass walls characterize a home that brings the outdoors in. The decks and porches create an outdoor recreation area for each home.

**Development Standards**

The property will be developed pursuant to the site plan, which is attached to the Development Agreement as an Exhibit.

**Residential Streets**

Excluding Tyler Parkway, residential streets shall be designed to maximize native forest. This 24' width is similar to Rim Club and Chaparral Pines streets. The Payson Fire Department has approved the site plan for emergency vehicle access and fire hydrant number and locations. The roadways within the project are intended to be private and will be designed using the development standards depicted in the site plan which is an Exhibit of the Development Agreement. The design intent is to minimize pavement width and to

(Exhibit B of Development Agreement)

Excerpt of Development Plan