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MEMORANDUM **Transportation & Development - PZ Memo No. 12-114**

DATE: OCTOBER 31, 2012

TO: PLANNING AND ZONING COMMISSION

THRU: R.J. ZEDER, TRANSPORTATION & DEVELOPMENT DIRECTOR
JEFF KURTZ, PLANNING ADMINISTRATOR
KEVIN MAYO, PLANNING MANAGER

FROM: ERIK SWANSON, CITY PLANNER

SUBJECT: PDP12-0013 AZ 202

Request: Preliminary Development Plan amendment approval for site layout and building architecture for a retail, office, and hotel development

Location: Southwest corner of Arizona Avenue and Pecos Road

Applicant: Mike Withey; Withey Morris PLC

RECOMMENDATION

The request is for Preliminary Development Plan (PDP) amendment approval for site layout and building architecture for a retail, office, and hotel development on an approximate 45-acre site. Staff, upon finding consistency with the General Plan and Planned Area Development zoning, recommends approval with conditions.

BACKGROUND

The subject site is located at the southwest corner of Arizona Avenue and Pecos Road, and is the last undeveloped quadrant of the Loop 202/Arizona Avenue interchange. The site is bounded by Arizona Avenue, Pecos Road, the Loop 202 San Tan Freeway, and the existing Stonebridge Ranch Apartment Complex, and is currently farmed, agricultural land. The other three interchange quadrants have been developed as retail power centers anchored by Wal-Mart, Sam's Club, and Kohl's. To the north across Pecos Road is an apartment complex along Arizona Avenue with single family homes to the west of it. The northeast corner of Arizona Avenue and Pecos is occupied by the Pecos Lounge bar. East is a Wal-Mart anchored commercial center.

The subject site received PAD zoning for office, retail, and hotel uses in 1987 as part of a larger master plan that included the adjacent Stonebridge Ranch Apartment Complex. The zoning was

extended in 1989, and was vested when the apartments were constructed in 2000. The site's zoning was amended in 2007 to allow a mid-rise overlay with heights up to 120' – no changes to the uses were requested; however a PDP was also approved with the proposal. An extension was granted in 2011 for the development.

With the zoning and Preliminary Development Plan approval in 2007, site layout, building architecture, and phasing of construction were approved. The current request is to modify site layout and phasing requirements, as well as approve the hotel building architecture. Elevations of the hotel have not been previously reviewed. Site layout is slightly modified by relocating the proposed hotel from a central location to a more southeastern location. Additionally the proposed parking garage will be relocated from the southwest to be centrally located on the site.

The second request is for development phasing. The 2007 approval included three different phases. Phase I included five buildings on the site's eastern end: the four-story office building, Retail Shops A, Pad F, and Retail Shops C and D. Phase II included the six-story office building, Retail Shops B, Pads A-E, G, and H, and the parking garage. Phase III included the hotel and commercial parcels, which will require separate PDP approval.

The proposed Phase I will include a minimum of 12,000 square feet, with future phasing to be restricted to no more than four pads being constructed prior to an office building or the hotel, and no more than six pads being constructed before the second office building or hotel is built. Staff is supportive of the request due to the fact that the proposed phasing meets the requirements as outlined in the Zoning Code's Commercial Design Standards. All Arizona Avenue and a portion of Pecos Road off-sites will be completed as part of Phase I.

Lastly, with the 2007 approval, representation was made as to how the overall architectural motif of the buildings was to be provided with the requirement that the hotel and individual commercial parcels requiring separate Preliminary Development Plan approval.

The proposed hotel integrates a number of the dominant architectural features of the previous approval including large expansive glass areas, horizontal eyebrow elements, stone wainscot, and metallic entryway. As represented, the hotel architecture sets the level of expectation, and once a hotel user is identified administrative review will be provided. Staff is recommending that modifications to the plan be made in an effort to make the architectural design more correlative with the remainder of the site, and therefore is recommending the addition of condition no. 3 requiring the applicant to work with Staff to incorporate additional architectural elements as found on the remainder of the site. All other buildings will architecturally remain the same as how was previously approved.

DISCUSSION

Staff is supportive of the Preliminary Development Plan amendment for the site layout modification, phasing plan, and architecture of the hotel. Staff supports the phasing plan as the current request takes a more calculated approach at development of the site while maintaining consistency with requirements outlined in the Zoning Code. Additionally, Staff is supportive of

the architectural design of the hotel with the added condition addressing the requirement for additional elements.

PUBLIC/NEIGHBORHOOD NOTIFICATION

This request was noticed in accordance with the requirements of the Chandler Zoning Code.

- A neighborhood meeting was held on Tuesday, September 18, 2012. Two neighbors were in attendance and had general questions regarding the development.

At the time of this writing, Staff has received no telephone calls or letters opposed to this application.

RECOMMENDED ACTION

Staff, upon finding consistency with the General Plan and Planned Area Development zoning, recommends approval of PDP12-0013 AZ 202, subject to the following conditions:

1. Development shall be in substantial conformance with the Development Booklet, entitled "AZ 202", kept on file in the City of Chandler Planning Division, in File No. PDP12-0013, except as modified by condition herein.

2. Compliance with original conditions adopted by the City Council as Ordinance No. 3951 in case DVR07-0009 ARIZONA 202, except as modified by condition herein.

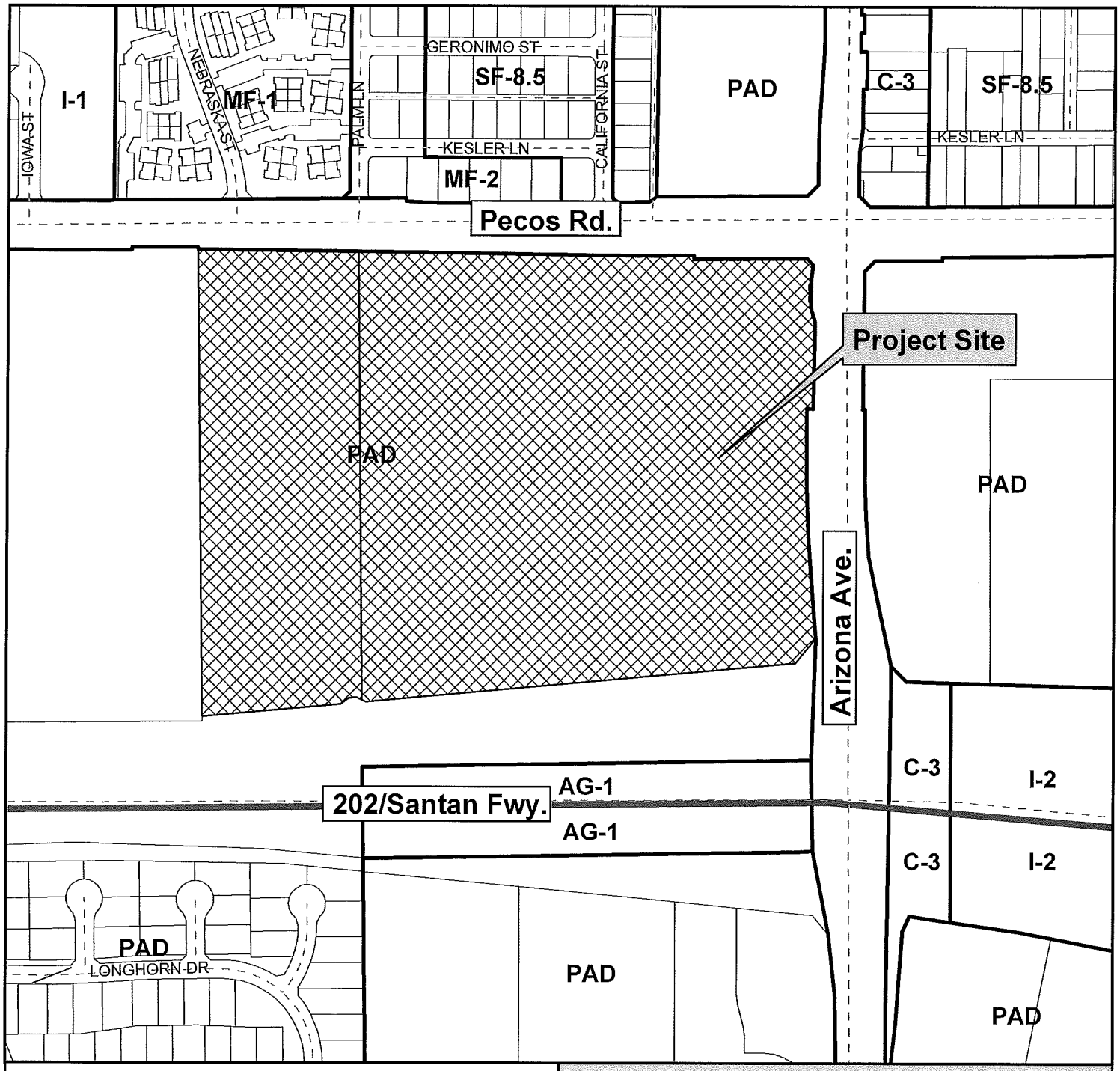
3. The applicant shall work with Staff to incorporate additional architectural elements for the hotel in order that the hotel provides a stronger architectural tie to the larger development.

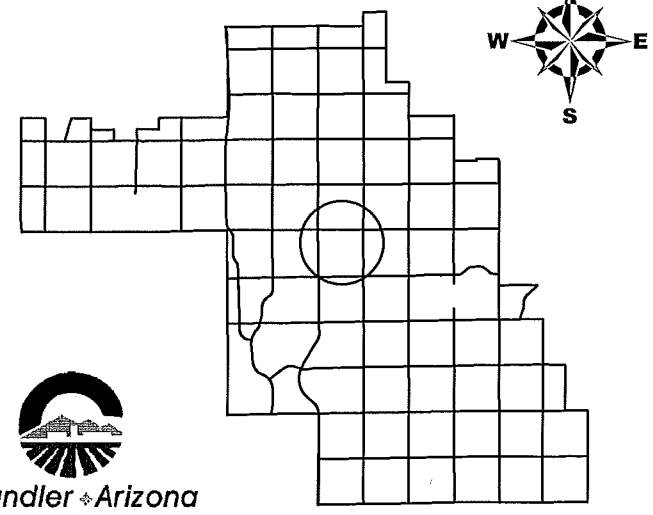
PROPOSED MOTION

Motion to recommend approval of PDP12-0013 AZ 202, Preliminary Development Plan approval amending site layout and building architecture for a retail, office, and hotel development, subject to the conditions recommended by Staff.

Attachments

1. Vicinity Maps
2. Site Plan – Previous Approval
3. Site Plan – Proposed
4. Hotel Perspective Elevation
5. Ordinance No. 3951
6. Development Booklet





Chandler Arizona
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Vicinity Map

PDP12-0013

AZ 202

CITY OF CHANDLER 7/8/2012

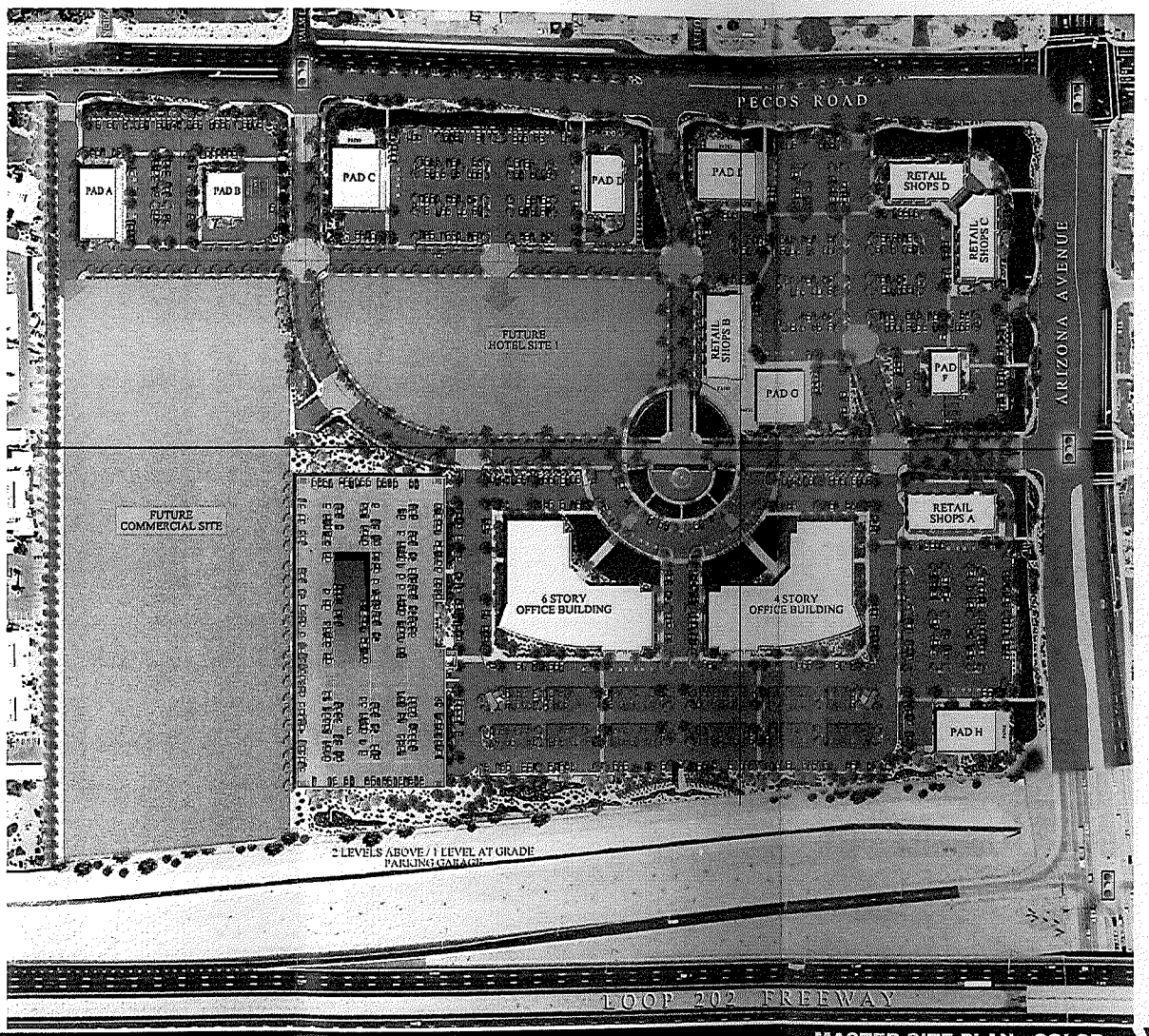
Vicinity Map

PDP12-0013

AZ 202

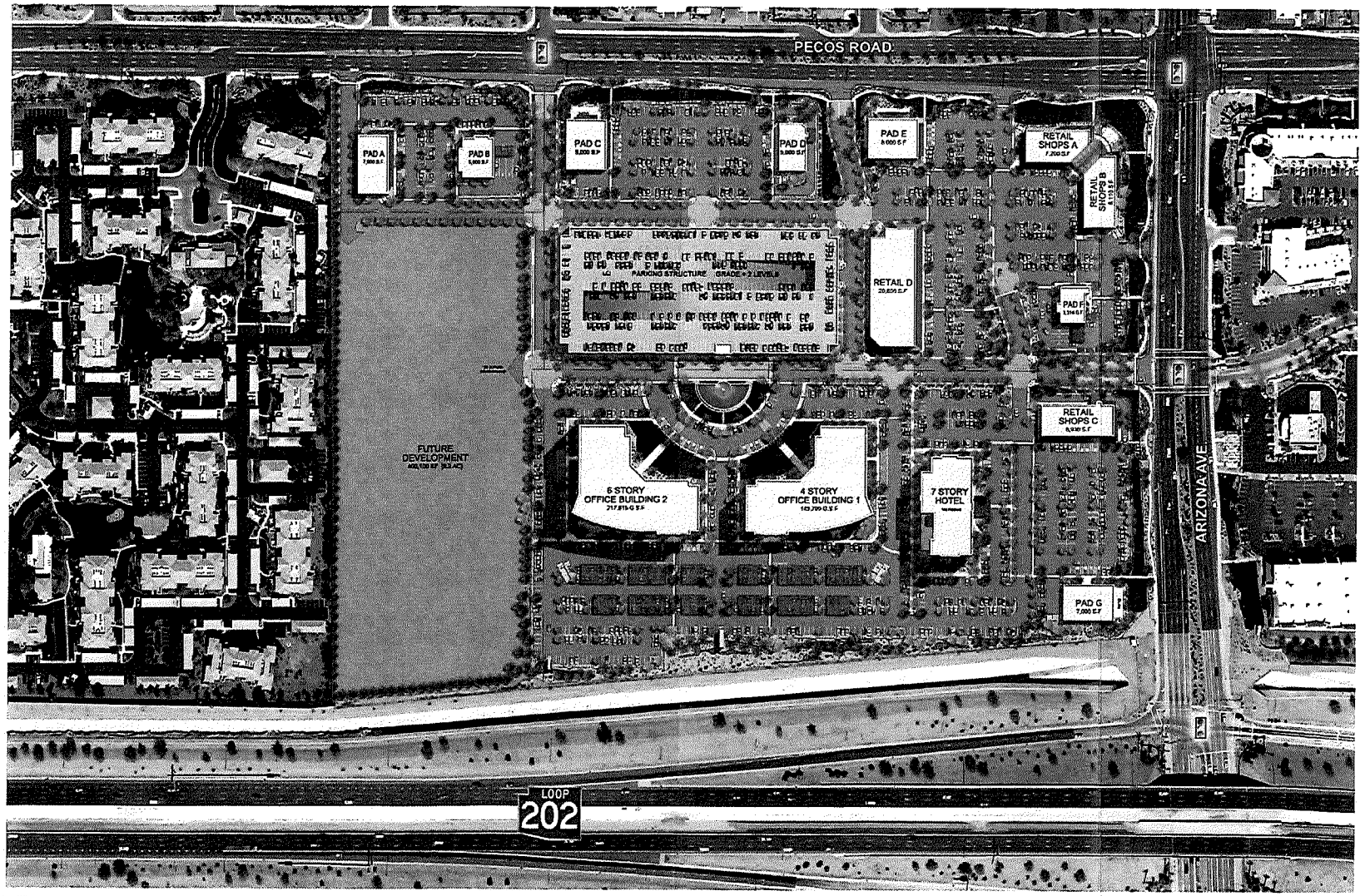
Chandler ◇ Arizona
Where Values Make The Difference

CITY OF CHANDLER 7/8/2012



MASTER SITE PLAN - COLOR 22

SITE PLAN - PREVIOUS APPROVAL



PROPOSED SITE LAYOUT

HOTEL PERSPECTIVE ELEVATION

ORDINANCE NO. 3951

AN ORDINANCE OF THE CITY OF CHANDLER, ARIZONA, AMENDING THE ZONING CODE AND MAP ATTACHED THERETO, BY REZONING A PARCEL FROM PLANNED AREA DEVELOPMENT (PAD) TO PAD AMENDED (DVR07-0009 AZ 202) LOCATED WITHIN THE CORPORATE LIMITS OF THE CITY OF CHANDLER, ARIZONA.

WHEREAS, application for rezoning involving certain property within the corporate limits of Chandler, Arizona, has been filed in accordance with Article XXVI of the Chandler Zoning Code; and

WHEREAS, the application has been published in a local newspaper with general circulation in the City of Chandler, giving fifteen (15) days notice of time, place and date of public hearing; and

WHEREAS, a notice of such hearing was posted on the property at least seven (7) days prior to said public hearing; and

WHEREAS, a public hearing was held by the Planning and Zoning Commission as required by the Zoning Code

NOW, THEREFORE, BE IT ORDAINED by the City Council of the City of Chandler, Arizona, as follows:

SECTION I. Legal Description of Property:

See Attachment 'A'

Said parcel is hereby rezoned from Planned Area Development (PAD) to PAD Amended subject to the following conditions:

1. Right-of-way dedications to achieve full half-widths, including turn lanes and deceleration lanes, per the standards of the Chandler Transportation Plan.

2. Undergrounding of all overhead electric (less than 69kv), communication, and television lines and any open irrigation ditches or canals located on the site or within adjacent right-of-ways and/or easements. Any 69kv or larger electric lines that must stay overhead shall be located in accordance with the City's adopted design and engineering standards. The aboveground utility poles, boxes, cabinets, or similar appurtenances shall be located outside of the ultimate right-of-way and within a specific utility easement.

3. Future median openings shall be located and designed in compliance with City adopted design standards (Technical Design Manual # 4).

4. Completion of the construction of all required off-site street improvements including but not limited to paving, landscaping, curb, gutter and sidewalks, median improvements and street lighting to achieve conformance with City codes, standard details, and design manuals.

5. The developer shall be required to install landscaping in the arterial street median(s) adjoining this project. In the event that the landscaping already exists within such median(s), the developer shall be required to upgrade such landscaping to meet current City standards.

6. Construction shall commence above foundation walls within three (3) years of the effective date of the ordinance granting this rezoning or the City shall schedule a public hearing to take administrative action to extend, remove or determine compliance with the schedule for development or take legislative action to cause the property to revert to its former zoning classification.

7. Development shall be in substantial conformance with Exhibit A, Development Booklet, entitled "AZ 202", kept on file in the City of Chandler Planning Services Division, in File No. DVR07-0009, except as modified by condition herein.

8. Approval by the Director of Planning and Development of plans for landscaping and perimeter walls and the Director of Public Works for arterial street median landscaping.

9. Sign packages, including free-standing signs as well as wall-mounted signs, shall be designed in coordination with landscape plans, planting materials, storm water retention requirements, and utility pedestals, so as not to create problems with sign visibility or prompt the removal of required landscape materials.

10. The source of water that shall be used on the open space, common areas, and landscape tracts shall be reclaimed water (effluent). If reclaimed water is not available at the time of construction, and the total landscapable area is 10 acres in size or greater, these areas will be irrigated and supplied with water, other than surface water from any irrigation district, by the owner of the development through sources consistent with the laws of the State of Arizona and the rules and regulations of the Arizona Department of Water Resources. If the total landscapable area is less than 10 acres in size, the open space common areas, and landscape tracts may be irrigated and supplied with water by or through the use of potable water provided by the City of Chandler or any other source that will not otherwise interfere with, impede, diminish, reduce, limit or otherwise adversely affect the City of Chandler's municipal water service area nor shall such provision of water cause a credit or charge to be made against the City of Chandler's gallons per capita per day (GPCD) allotment or allocation. However, when the City of Chandler has effluent of sufficient quantity and quality which meets the requirements of the Arizona Department of Environmental Quality for the purposes intended available to the property to support the open space, common areas, and landscape tracts available, Chandler effluent shall be used to irrigate these areas.

In the event the owner sells or otherwise transfers the development to another person or entity, the owner will also sell or transfer to the buyer of the development, at the buyer's option, the water rights and permits then applicable to the development. The limitation that the water for the development is to be owner-provided and the restriction provided for in the preceding sentence shall be stated on the final plat governing the development, so as to provide notice to any future owners. The Public Report, Purchase Contracts, and Final Plats shall include a disclosure statement outlining that the Able Engineering development shall use treated effluent to maintain open space, common areas, and landscape tracts.

11. The landscaping shall be maintained at a level consistent with or better than at the time of planting. The site shall be maintained in a clean and orderly manner.

12. Palm trees and associated landscaping shall be provided in the medians adjacent to the project near the intersection of Pecos Road and Arizona Avenue. The landscape design shall be consistent with the median landscaping at the intersection of Chandler Boulevard and Arizona Avenue.

13. Additional shade trees shall be placed in the central fountain area in order to enhance comfort for the pedestrian-oriented seating areas.

14. Any patio additions to Retail Shops B, C, or D or to Pad G must maintain generous public pedestrian spaces and pedestrian pathways of at least six feet in width.

15. The monument sign's sign panels shall have an integrated or decorative cover panel until a tenant name is added to the sign.

16. The landscaping in all open-spaces and rights-of-way shall be maintained by the adjacent property owner or property owners' association.

17. Applicant will update the Category 1 Traffic Study and identify any necessary improvements to be made.

18. The median break at the driveway across from California Street must be left-in only access, in accordance with City of Chandler Standard Detail No. C-226 as amended to address safety concerns.

19. The applicant shall work with staff to provide stronger pedestrian connections from Pads A, B, C, and D to the site's center and between the pads.

20. All ground-mounted equipment shall be painted to match adjacent buildings and screened from view.

21. An easement not to exceed 12' in width shall be provided along the southeastern property boundary along Arizona Avenue in order to aid future road construction by others at the

Arizona Avenue/Loop 202 Santan Freeway interchange. The developer and future land owners shall not be responsible for said construction or associated relocation of site elements.

SECTION II. Except where provided, nothing contained herein shall be construed to be an abridgment of any other ordinance of the City of Chandler.

SECTION III. The Planning & Development Department of the City of Chandler is hereby directed to enter such changes and amendments as may be necessary upon the Zoning Map of said Zoning Code in compliance with this ordinance.

INTRODUCED AND TENTATIVELY APPROVED by the City Council this 23rd day of August 2007.

ATTEST:

CITY CLERK MAYOR

PASSED AND ADOPTED by the City Council this 6th day of September 2007.

ATTEST:

CITY CLERK MAYOR

CERTIFICATION

I, HEREBY CERTIFY, that the above and foregoing Ordinance No. 3951 was duly passed and adopted by the City Council of the City of Chandler, Arizona, at a regular meeting held on the 6th day of September 2007, and that a quorum was present thereat.

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

PUBLISHED: September 14 and 21, 2007

EXHIBIT "A"

LOT 1, SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 33.00 FEET; AND

EXCEPT THE EAST 33.00 FEET; AND

EXCEPT THE EAST 45.00 FEET OF THE NORTH 63.00 FEET OF LOT 1, SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT THE NORTH 33.00 FEET; AND

EXCEPT THE EAST 33.00 FEET; AND

EXCEPT THAT PORTION OF LOT 1, SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 4;

THENCE SOUTH 00 DEGREES 22 MINUTES 27 SECONDS EAST, 33.03 FEET ALONG THE EAST LINE OF SAID SECTION 4;

THENCE DEPARTING SAID EAST LINE SOUTH 89 DEGREES 37 MINUTES 33 SECONDS WEST, 45.00 FEET TO THE WESTERLY RIGHT-OF-WAY LINE OF ARIZONA AVENUE AND THE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 22 MINUTES 27 SECONDS EAST, 30.00 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE;

THENCE NORTH 89 DEGREES 35 MINUTES 18 SECONDS EAST, 12.00 FEET;

THENCE SOUTH 00 DEGREES 22 MINUTES 27 SECONDS EAST, 1400.77 FEET TO THE SOUTH LINE OF SAID LOT 1;

THENCE DEPARTING SAID WESTERLY RIGHT-OF-WAY SOUTH 89 DEGREES 04 MINUTES 50 SECONDS WEST, 13.24 FEET ALONG SAID SOUTH LINE OF LOT 1;

THENCE DEPARTING SAID SOUTH LINE NORTH 04 DEGREES 21 MINUTES 47 SECONDS WEST, 537.40 FEET TO THE BEGINNING OF A CURVE CONCAVE TO THE NORTHEAST HAVING A RADIUS OF 3884.72 FEET;

THENCE NORTHERLY 339.29 FEET ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 05 DEGREES 00 MINUTES 15 SECONDS;

THENCE NORTH 00 DEGREES 38 MINUTES 28 SECONDS EAST, 311.49 FEET;

THENCE NORTH 14 DEGREES 44 MINUTES 07 SECONDS WEST, 41.48 FEET;

THENCE NORTH 00 DEGREES 38 MINUTES 28 SECONDS EAST, 75.00 FEET;

THENCE NORTH 08 DEGREES 15 MINUTES 17 SECONDS EAST, 83.03 FEET;

THENCE NORTH 44 DEGREES 53 MINUTES 07 SECONDS WEST, 42.03 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 18 SECONDS WEST, 87.09 FEET;

THENCE NORTH 84 DEGREES 42 MINUTES 04 SECONDS WEST, 100.50 FEET;

THENCE NORTH 88 DEGREES 24 MINUTES 25 SECONDS WEST, 200.12 FEET TO THE SOUTHERLY RIGHT-OF-WAY LINE OF PECOS ROAD;

THENCE NORTH 89 DEGREES 35 MINUTES 18 SECONDS EAST, 454.98 FEET ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE POINT OF BEGINNING;

EXCEPT

THAT PORTION OF LOT 1 OF SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST, GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, LYING WEST OF THE EXISTING WEST RIGHT OF WAY LINE OF ARIZONA AVENUE AND SOUTH AND EAST OF THE FOLLOWING DESCRIBED LINE:

LINE DESCRIPTION:

COMMENCING AT A CITY OF CHANDLER (C.O.C.) BRASS CAP IN A HAND HOLE MARKING THE NORTHEAST CORNER OF SAID SECTION 4 FROM WHICH A C.O.C. BRASS CAP IN A HAND HOLE MARKING THE EAST QUARTER CORNER OF SAID SECTION 4 BEARS SOUTH 00 DEGREES 22 MINUTES 08 SECONDS EAST 2788.00 FEET;

THENCE ALONG THE NORTH LINE OF SAID SECTION 4, SOUTH 89 DEGREES 35 MINUTES 04 SECONDS WEST 16.97 FEET TO THE SURVEY CENTERLINE OF SAID ARIZONA AVENUE;

THENCE ALONG SAID SURVEY CENTERLINE OF ARIZONA AVENUE SOUTH 00 DEGREES 38 MINUTES 45 SECONDS WEST 514.56 FEET;

THENCE NORTH 89 DEGREES 21 MINUTES 15 SECONDS WEST 65.00 FEET TO SAID EXISTING WEST RIGHT OF WAY LINE OF ARIZONA AVENUE AND THE POINT OF BEGINNING FOR THIS LINE DESCRIPTION;

THENCE CONTINUING NORTH 89 DEGREES 21 MINUTES 15 SECONDS WEST 17.00 FEET;

THENCE SOUTH 00 DEGREES 38 MINUTES 45 SECONDS WEST 75.56 FEET;

THENCE ALONG A CURVE TO THE LEFT, HAVING A RADIUS OF 3901.72 FEET, A LENGTH OF 340.77 FEET;

THENCE SOUTH 04 DEGREES 21 MINUTES 30 SECONDS EAST 71.09 FEET TO A POINT HEREINAFTER CALLED POINT "A";

THENCE CONTINUING SOUTH 04 DEGREES 21 MINUTES 30 SECONDS EAST 135.00 FEET;

THENCE SOUTH 39 DEGREES 46 MINUTES 12 SECONDS WEST 88.25 FEET;

THENCE SOUTH 84 DEGREES 46 MINUTES 14 SECONDS WEST 1169.47 FEET;

THENCE NORTH 65 DEGREES 15 MINUTES 24 SECONDS WEST 27.85 FEET;

THENCE SOUTH 84 DEGREES 46 MINUTES 04 SECONDS WEST 23.25 FEET;

THENCE SOUTH 53 DEGREES 46 MINUTES 53 SECONDS WEST 27.03 FEET;

THENCE SOUTH 84 DEGREES 46 MINUTES 14 SECONDS WEST 429.29 FEET;

THENCE NORTH 89 DEGREES 14 MINUTES 08 SECONDS WEST 833.05 FEET TO THE POINT OF ENDING ON THE NORTH-SOUTH MIDSECTION LINE OF SAID SECTION 4 BEING SOUTH 00 DEGREES 55 MINUTES 16 SECONDS EAST 1325.07 FEET FROM A BRASS CAP IN A HANDHOLE MARKING THE NORTH QUARTER CORNER OF SAID SECTION 4;

EXCEPT

THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SECTION 4, SAID CORNER BEING MONUMENTED WITH A BRASS CAP IN HAND HOLE;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, ALONG THE NORTH LINE OF SAID NORTHEAST QUARTER, A DISTANCE OF 1326.02 FEET TO THE NORTHWEST CORNER OF GLO LOT 1 OF SAID SECTION 4, SAID CORNER BEING MONUMENTED WITH A BRASS CAP FLUSH;

THENCE SOUTH 00 DEGREES 39 MINUTES 09 SECONDS EAST, ALONG THE WEST LINE OF SAID GLO LOT 1 A DISTANCE OF 33.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 89 DEGREES 35 MINUTES 03 SECONDS EAST, PARALLEL WITH AND 33.00 FEET SOUTH OF SAID NORTH LINE A DISTANCE OF 825.88 FEET TO THE MOST WESTERLY CORNER OF THAT CERTAIN PARCEL DESCRIBED IN INSTRUMENT 97-0044507, RECORDS OF SAID COUNTY;

THE NEXT FIVE CALL FOLLOW THE BOUNDARY OF SAID CERTAIN PARCEL;

THENCE SOUTH 88 DEGREES 24 MINUTES 40 SECONDS EAST, A DISTANCE OF 200.12 FEET;

THENCE SOUTH 84 DEGREES 42 MINUTES 19 SECONDS EAST, A DISTANCE OF 100.49 FEET;

THENCE NORTH 89 DEGREES 35 MINUTES 03 SECONDS EAST, A DISTANCE OF 87.09 FEET;

THENCE SOUTH 44 DEGREES 53 MINUTES 22 SECONDS EAST, A DISTANCE OF 42.03 FEET;

THENCE SOUTH 08 DEGREES 15 MINUTES 02 SECONDS WEST, A DISTANCE OF 43.13 FEET;

THENCE DEPARTING SAID BOUNDARY OF CERTAIN PARCEL NORTH 41 DEGREES 04 MINUTES 57 SECONDS WEST, A DISTANCE OF 24.56 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, PARALLEL WITH AND 104.00 FEET SOUTH OF SAID NORTH LINE A DISTANCE OF 307.60 FEET;

THENCE NORTH 00 DEGREES 24 MINUTES 58 SECONDS WEST, A DISTANCE OF 10.00 FEET;

THENCE SOUTH 89 DEGREES 35 MINUTES 03 SECONDS WEST, PARALLEL WITH AND 94.00 FEET SOUTH OF SAID NORTH LINE A DISTANCE OF 149.80 FEET;

THENCE NORTH 89 DEGREES 16 MINUTES 03 SECONDS WEST, A DISTANCE OF 762.47 FEET TO A POINT ON SAID WEST LINE OF GLO LOT 1;

THENCE NORTH 00 DEGREES 39 MINUTES 09 WEST, ALONG SAID WEST LINE A DISTANCE OF 45.72 FEET TO THE TRUE POINT OF BEGINNING.

EXHIBIT "A"

A PORTION OF LOT 2 OF SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 2;

THENCE SOUTH 00 DEGREES 16 MINUTES 39 SECONDS WEST (SOUTH 00 DEGREES 16 MINUTES 20 SECONDS WEST, RECORD), ALONG THE EAST LINE OF SAID LOT 2, A DISTANCE OF 33.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF PECOS ROAD, SAID POINT BEING THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00 DEGREES 16 MINUTES 39 SECONDS WEST, ALONG THE EAST LINE OF SAID LOT 2, A DISTANCE OF 1316.88 FEET TO A POINT;

THENCE NORTH 89 DEGREES 29 MINUTES 05 SECONDS WEST, PARALLEL WITH THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 1319.72 FEET (1320.40 FEET, RECORD) TO A POINT ON THE WEST LINE OF SAID LOT 2, (SAID WEST LINE ALSO BEING THE NORTH-SOUTH MID-SECTION LINE OF SAID SECTION 4);

THENCE NORTH 00 DEGREES 01 MINUTES 02 SECONDS EAST, ALONG THE WEST LINE OF SAID LOT 2, A DISTANCE OF 1316.91 FEET TO A POINT ON THE AFOREMENTIONED SOUTH RIGHT OF WAY LINE OF PECOS ROAD;

THENCE SOUTH 89 DEGREES 29 MINUTES 05 SECONDS EAST, ALONG SAID SOUTH RIGHT OF WAY LINE, A DISTANCE OF 1325.70 FEET (1325.74 FEET, RECORD), TO THE TRUE POINT OF BEGINNING;

EXCEPT THE WEST 890.00 FEET, AS MEASURED ALONG THE NORTH LINE THEREOF; AND ALSO

EXCEPT THAT PORTION LYING SOUTH OF THE NORTH LINE OF PROPERTY DESCRIBED IN FINAL ORDER OF CONDEMNATION RECORDED AS 2004-1080917 OF OFFICIAL RECORDS; AND ALSO

EXCEPT THAT PORTION TAKEN BY FINAL ORDER OF CONDEMNATION RECORDED AS 2004-1228051 OF OFFICIAL RECORDS, DESCRIBED AS FOLLOWS:

THAT PORTION OF GLO LOT 2 OF SECTION 4, TOWNSHIP 2 SOUTH, RANGE 5 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID LOT 2, SAID CORNER BEING MONUMENTED WITH A BRASS CAP FLUSH;

THENCE SOUTH 00 DEGREES 39 MINUTES 09 SECONDS EAST ALONG THE EAST LINE OF SAID LOT 2, A DISTANCE OF 33.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING SOUTH 00 DEGREES 39 MINUTES 09 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 45.72 FEET;

THENCE NORTH 89 DEGREES 16 MINUTES 03 SECONDS WEST, A DISTANCE OF 435.10 FEET TO A POINT ON THE EAST LINE OF STONEBRIDGE RANCH APARTMENTS ACCORDING TO BOOK 595 OF MAPS, PAGE 18, RECORDS OF SAID COUNTY;

THENCE NORTH 00 DEGREES 55 MINUTES 20 SECONDS WEST, ALONG LAST SAID EAST LINE A DISTANCE OF 37.00 FEET;

THENCE NORTH 89 DEGREES 35 MINUTES 03 SECONDS EAST PARALLEL WITH AND 33.00 FEET SOUTH OF THE NORTH LINE OF SAID LOT 2, A DISTANCE OF 435.15 FEET TO THE TRUE POINT OF BEGINNING; AND

EXCEPT ALL MINERALS, COAL, CARBONS, HYDROCARBONS, OIL, GAS, CHEMICAL ELEMENTS AND COMPOUNDS, WHETHER IN SOLID, LIQUID OR GASEOUS FORMS, AND ALL STEAM AND OTHER FORMS OF THERMAL ENERGY ON, IN OR UNDER THE LAND AS RESERVED BY PROPERTY RESERVE ARIZONA, LLC, AN ARIZONA LIMITED LIABILITY COMPANY IN DEED RECORDED OCTOBER 10, 2006 AS 06-1336201 OF OFFICIAL RECORDS.