

RESOLUTION NO. 13-02

LITTLE COLORADO SANITARY DISTRICT

RESOLUTION FOR CONSIDERATION OF GRANT OF EASEMENT AND AGREEMENT TO REPAIR AND RELOCATE EXISTING SEWER LINE, AS NECESSARY, LOCATED AT LOT 2 IN SECTION 35, TOWNSHIP 8 NORTH, RANGE 27 EAST OF THE GILA AND SALT RIVER MERIDIAN

WHEREAS, the Little Colorado Sanitary District (the "District") owns and operates a sewer pipeline with certain hook-ups and related components located underground on Lot 2 in Section 35, Township 8 North, Range 27 East of the Gila and Salt River Meridian ("Lot 2"); and

WHEREAS, the District and United States Forest Service ("USFS") disagree as to the location of the sewer line and the ability of the District to enter onto Lot 2 to make repairs to the sewer line, and whether the location of the sewer line is authorized by the USFS; and

WHEREAS, the USFS is presently in negotiations with Precision Components, Inc., an Arizona corporation ("PCI"), for a land swap, sometimes referred to as the "Black River Land Exchange", that includes Lot 2; and

WHEREAS, the District is aware that the sewer line on Lot 2 is in need of maintenance and repair; and

WHEREAS, the USFS takes the position that the District is trespassing and threatened litigation and will not allow the District access to Lot 2 to perform repairs on the sewer line; and

WHEREAS, the District takes the position that because of the expense and uncertainties of litigation it is in the best interests of the District to negotiate with PCI to grant the District an easement on Lot 2 following the Land Swap; and

WHEREAS, the District and PCI have negotiated an agreement wherein, among other things, PCI will grant the District an easement on Lot 2 in exchange for consideration by the District when the Land Swap is finalized between PCI and the USFS.

**THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF
THE LITTLE COLORADO SANITARY DISTRICT THAT:**

The District agrees to the terms and conditions of the document known as the Agreement, Grant of Easement and Escrow Instructions between the District and PCI.

ADOPTED THIS 11th DAY OF February, 2013.

LITTLE COLORADO SANITARY DISTRICT

Mike Bisgel - acting chairman
Board Chairman

ATTEST

Ronald P. Maurice
Board Member