

MEMORANDUM OF AGREEMENT  
BETWEEN  
COCHISE COUNTY FLOOD CONTROL DISTRICT ("Cochise County")  
AND  
US ARMY GARRISON, FORT HUACHUCA  
AND  
UPPER SAN PEDRO PARTNERSHIP EXECUTIVE COMMITTEE

SUBJECT: Purchase of Palominas area property and imposition of conservation easement

1. Purpose. The purpose of this MOA is to outline the responsibilities of the respective parties concerning the Palominas area conservation easement.
2. Background.
  - a. On 20 September 2013 the Preserve Petrified Forest LLC listed for sale approximately 480 acres of property in the Palominas area for 2.9 million dollars. This irrigated agricultural land has used up to 2,592 acre feet of water for growing alfalfa when in production.
  - b. Cochise County has determined to make an offer to Preserve Petrified Forest LLC to purchase this property for \$2.7 million dollars.
  - c. Preserve Petrified Forest LLC accepted said offer.
  - d. The intended closing date on this property is within a reasonable amount of time and not more than 90 days following the execution of the MOA.
  - e. Cochise County requires that a buyer of a conservation easement on this property have all the funds in escrow or obligated prior to September 30, 2013. The U.S. Army has set the value of the conservation easement on this property at 2.6 million dollars.
  - f. Fort Huachuca has a requirement in its Biological Assessment to purchase a conservation easement on this property and has determined that by placing a conservation easement on the property it will receive approximately 2,592 acre feet of water credit as part of its compliance responsibility under the Endangered Species Act, less the amount of water that may be used pursuant to 3.a below.
  - g. The expenditure by Fort Huachuca of this money with FY 13 dollars was necessary because Cochise County requires the assurance of the partial funding now as part of their agreement to purchase the property. This is a bona fide need in this fiscal year for this Palominas area conservation easement.
  - h. There is an existing environmental contract between Fort Huachuca and the Upper San Pedro Partnership for environmental related projects in the Sierra Vista Subwatershed which are required for compliance with the Fort's legal

obligations under the Endangered Species Act and its Biological Assessment/Biological Opinion.

3. Responsibilities.

a. Cochise County.

- Cochise County will develop a conservation easement agreeable to Fort Huachuca and Cochise County. It is understood by the parties hereto that the conservation easement will permit the County to use the property for water recharge; and further, the County will be permitted to make up to twelve (12) conveyances of parts of the property in parcels for use as single family dwellings, with appropriate restrictions on water use to ensure that purchasers will use no more water than a typical single family dwelling. It is further understood that there will be no restrictions on the County's use of any proceeds from any such conveyances
- Cochise County will identify a legally authorized holder of the conservation easement and shall impose and record this conservation easement on the property in return for Fort Huachuca's payment to the USPP of \$2.6 million dollars, the value of a conservation easement.
- Cochise County will utilize the property consistent with the conservation easement thereafter and ensure that the easement is perpetual and included in all future transfers of all or part of the property.
- Cochise County will close on the property within a reasonable time which is deemed to be 90 days from the date of this agreement

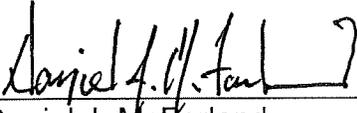
b. US Army Garrison, Fort Huachuca

- Fort Huachuca shall pay 2.6 million dollars for the purchase of the Palominas area conservation easement to the Upper San Pedro Partnership (USPP) pursuant to an existing contract.

c. Upper San Pedro Partnership

- Upon recordation of the conservation easement by Cochise County, the Upper San Pedro Partnership Executive Committee shall transfer to Cochise County 2.6 million dollars received from Fort Huachuca as part of the existing environmental contract for the purchase of the Palominas area conservation easement

This Memorandum of Agreement is effective and binding upon all the parties immediately upon signature.

  
Daniel J. McFarland  
Colonel, MI  
Commander, US Army Garrison

Date 31 OCT 2013

\_\_\_\_\_  
Ann English, Chair  
Cochise County Flood Control District

Date \_\_\_\_\_

Attest:

\_\_\_\_\_  
Arlenthe Rios, Clerk of the Board

Date \_\_\_\_\_

\_\_\_\_\_  
Upper San Pedro Partnership  
Executive Committee

Date \_\_\_\_\_