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WHEN RECORDED SEND TO:
ICR Sanitary District
P. O. Box 215
Chino Valley, AZ 86323

AMENDED AND RESTATED DEVELOPMENT AGREEMENT

This AMENDED AND RESTATED DEVELOPMENT AGREEMENT (the "Agreement") is made this 1st day of March, 2012 by and between the ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. (the "District"), HARVARD SIMON I, L.L.C., an Arizona limited liability company ("Talking Rock"), WHISPERING CANYON DEVELOPMENT LLC, an Arizona limited liability company and OLD CAPITOL INVESTMENTS LLC, an Arizona limited liability company (collectively "Whispering Canyon" and individually (with Talking Rock) a "Developer" and collectively as "Developers").

RECITALS

A. Talking Rock is the Second Beneficiary under the First American Title Insurance Agency of Yavapai, Inc., Trust No. 4750 (the "Trust 4750"), which trust when established owned approximately 3,470 acres of real property situated in Yavapai County, Arizona. Talking Rock affiliates have purchased approximately 1,400 acres from the Trust and are developing a master planned community containing approximately 1600 residential lots, common areas, a golf course, a ranch compound with a clubhouse, swimming pool, tennis courts and a health and fitness center known as Talking Rock Ranch pursuant to various Yavapai County approved plats (the "Talking Rock Property") as described on Exhibit "A".

B. Talking Rock and the District entered into an agreement entitled DEVELOPMENT AGREEMENT AND ORDER TO EXTEND THE BOUNDARIES OF THE ICR SANITARY DISTRICT dated December 8, 2000 which agreement was recorded with the Yavapai County Recorder's Office on December 13, 2000. The Development Agreement was subsequently amended as of May 11, 2001 and the amendment was likewise recorded with the Yavapai County Recorder's Office on May 15, 2001 (collectively, the "Development Agreement").

C. Pursuant to Resolution No. 2002-03 recorded with the Yavapai County Recorder's Office on December 19, 2002 (Book 3986, Page 129, Instrument No. 3529301), the District ratified its prior annexation of the Talking Rock Property.

D. Old Capitol Investments LLC is the Second Beneficiary under the Capital Title Agency Trust No. 1043 (the "Trust 1043"), which trust when established owned approximately 893 acres of real property situated in Yavapai County, Arizona. Whispering Canyon affiliates purchased the land from Trust 1043 and are in the process of developing a residential subdivision known as Whispering Canyon pursuant to various Yavapai County approved plats (the



“Whispering Canyon Property” and collectively with the Talking Rock Property, the “Developers Property”) as described on Exhibit “B”.

E. Pursuant to Resolution No. 2002-04 recorded with the Yavapai County Recorder’s Office on December 19, 2002 (Book 3986, Page 130, Instrument No. 3529382), the District extended its annexed boundary to include the Whispering Canyon Property (the “Whispering Canyon Annexation”).

F. Talking Rock entered into a Wastewater Utility Facilities Development Agreement dated May 15, 2001 (as amended) with Pivotal Utility Management Company LLC, a Colorado limited liability company (“Pivotal”). Whispering Canyon Development, LLC likewise entered into separate Wastewater Utility Facilities Development Agreement with Pivotal dated December 2, 2002 (as amended). Both agreements were acknowledged by the District (the “Facility Development Agreements”) and contained certain provisions concerning the design, construction and installation of a wastewater treatment plant and related infrastructure, including an effluent lift station on the wastewater treatment plant site.

G. The subject wastewater treatment plant was designed by Santec Corporation, a Colorado corporation (the “Santec Plant”) and constructed by Pivotal and was completed in approximately June 2003 on certain property owned by the District in Yavapai County consisting of Arizona tax parcel numbers 306-55-100(B) and 306-55-029(G) (the “District Property”).

H. The Santec Plant provides service to the Talking Rock Property, the Whispering Canyon Property, The Preserve at the Ranch, a residential subdivision of 38 homes/lots (the “Preserve”) and to Inscription Canyon Ranch, a residential subdivision with approximately 356 homes/lots (the “ICR Subdivision”) all within the District’s annexed boundary (collectively, the “Existing District Annexed Boundary”) as shown on Exhibit “C”. Sewage from the Talking Rock Property, the Whispering Canyon Property, the Preserve and the ICR Subdivision is delivered to the Santec Plant through infrastructure constructed by the respective developers. To date, Developer constructed on and off-site infrastructure within the Existing District Annexed Boundary (including the Santec Plant) has not been accepted by the District.

I. In 2006, the District adopted a moratorium barring new connections to the Santec Plant (the “2006 Moratorium”) and terminated Pivotal. The 2006 Moratorium was later lifted pursuant to a Memorandum of Agreement entered into by the District and Talking Rock dated October 16, 2006 (the “MOU”). Pursuant to the MOU, Talking Rock agreed, among other things, to establish a joint escrow account with the District to hold collected fees from third party lot sales that were in amounts established pursuant to the Facility Development Agreements.

J. Talking Rock subsequently entered into an escrow agreement with the District and First American Title Insurance Agency, Inc. of Yavapai, an Arizona corporation on October 25, 2006 (the “Escrow Agreement”). An amendment to include Whispering Canyon as a party to the Escrow Agreement was executed by Whispering Canyon on April 30, 2007 but was later modified by the District prior to the District’s signature calling into question Whispering Canyon’s consent thereto (the “Escrow Agreement Amendment”).

K. Talking Rock and Whispering Canyon terminated the Facility Development Agreements pursuant to an agreement entitled Termination of Wastewater Utility Facilities

Development Agreements dated April 13, 2007 (the "Termination Agreement"). The Termination Agreement specified that Pivotal collected \$809,587.80 in lot fees and obligated Pivotal to transfer the entire balance of collected fees to the Escrow Account. To date, Pivotal has returned most of the collected fees and the remaining balance is secured by a recorded Notice of Lien on certain real property owned by Pivotal in Summit County, Colorado filed by Harvard Simon I, LLC.

L. In 2009, the District adopted a second moratorium prohibiting any connections to the Santec Plant alleging capacity constraints, operational deficiencies and outstanding payment of invoices by Whispering Canyon (the "2009 Moratorium"). The Developers filed suit against the District alleging violations of Arizona's Open Meeting Laws, arbitrary and capricious action and inaccurate capacity assumptions (Yavapai County Superior Court Case No. Yavapai County Case No. P1300CV201000036). The Developers were granted a Motion for Summary Judgment by order of the Court dated April 29, 2011 declaring the 2009 Moratorium to be null and void.

M. The Developers and the District now wish to establish: (i) an orderly basis for operating the Santec Plant and the existing infrastructure, (ii) clear procedures for the expansion of sewer capacity when needed in the future, (iii) a protocol for approving future phases of Developers property, and (iv) provide for the acceptance of the existing Santec Plant, the Talking Rock infrastructure, on-site and off-site and confirmation of the acceptance of the Whispering Canyon infrastructure pursuant to the terms and conditions set forth in this Amended Development Agreement.

NOW, THEREFORE, in consideration of the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENT

1. Construction of Collection System Facilities by Developers.

a. Collection System Facilities. If and when the Developers desire to improve additional lots and obtain service from the District, the Developers shall at their sole expense construct and install, or shall cause to be constructed and installed, collection system facilities, which may generally consist of collector sewers and collection and transmission mains, manholes, catch basins, pumps, lift stations, and all other related items, as determined to be necessary to extend sewer service to each lot, building or other customer within the Developer's Property (the "New Facilities") so that influent (i.e., wastewater flows from customers within the Existing District Annexed Boundary) can be treated at the Santec Plant, any expansion thereof, or a future treatment plant constructed on District Property. In no event will the term New Facilities include any Developer funded expansion of the existing Santec Plant, except as otherwise set forth in Section 5 herein.

i. Timing, Design and Material Selection. The District hereby acknowledges and agrees that the Developers' Property may be developed in separate phases and the Developers may construct and install these New Facilities in phases in a manner that will



allow for the provision of sewer utility services to each phase as necessary and in a timely manner and in the Developers sole and absolute discretion depending upon each Developers' marketing desires. The size, design, type and quality of materials used to construct the New Facilities, as well as the design, location and construction of the New Facilities upon and under the ground, shall be in accordance with all applicable standards of the Yavapai County Development or Environmental Services Departments (collectively "Yavapai County") and/or Arizona Department of Environmental Quality ("ADEQ").

ii. Talking Rock Phase 10 Lift-Station Improvements. If Talking Rock elects to design and construct gravity sewer lines on the Talking Rock Property in Phases 11, 12 or 14, Talking Rock shall provide the District with a generator for the existing Phase 10 sewer lift station that is properly designed to power all of the lift station pumps.

b. District's Use of the Facilities. District covenants and agrees that it shall use its best efforts to ensure that neither any prior Developer constructed facilities or any New Facilities are used to serve customers outside the Existing District Annexed Boundary in a manner that adversely impacts the provision of sewer utility service to customers located within the Existing District Annexed Boundary. If prior Developer constructed facilities or New Facilities are used to serve property outside the Existing District Annexed Boundary, the District shall enter into appropriate annexation and related reimbursement agreements with such land owners to require the reimbursement to the Developers of the new property owner's pro-rata share for the to-date cost of the prior Developer constructed facilities and/or any New Facilities. In addition, the newly served property owner shall be required by the District to pay its pro-rata share of costs related to operations, maintenance and repair. Further, no request for service outside of the Existing District Annexed Boundary shall be used as justification by the District to require expansion of the Santec Plant or New Facilities by the Developers.

c. Engineering Plans; Regulatory Approvals. The Developers may retain engineers or other consultants as determined in Developers' sole discretion to be necessary in connection with the design and installation of the New Facilities. All plans and specifications shall be submitted to District and its engineers at the same time as said plans and specifications (the "Plans") are submitted to Yavapai County for review and approval together with a copy of the subdivision plat for the Developer Property and drawings depicting the infrastructure improvements for the subdivision (the "Joint Submittal"). District explicitly agrees that if Developer has delivered the Plans in accordance with the Joint Submittal described above, the time period District has to fully review, identify changes required and/or approve the Plans shall be thirty (30) calendar days from the Joint Submittal or ten (10) calendar days following Yavapai County review if County review exceeds thirty (30) days and changes are made by the County to the Plans submitted (the "District Review Period"). In the event the District has not fully reviewed and approved the Plans by the end of the District Review Period, the Developer shall provide written notice to the District requesting completion within ten (10) days. If the District has not completed its review and approval following the ten (10) day period, the Plans shall be deemed fully approved by District. Prior to construction of any New Facilities, Developer shall obtain approval from Yavapai County. Upon completion of the New Facilities, Developer shall obtain approval for the constructed New Facilities from Yavapai County. Developer shall also be responsible for obtaining any additional permits, licenses and/or approvals required for the construction of the New Facilities. District shall cooperate with and assist Developer promptly,

as may be reasonably required, in obtaining such certificates and approvals. All contractors employed by Developer in connection with the construction of the Facilities shall be licensed by the Arizona Registrar of Contractors and shall be qualified in the construction of public wastewater systems.

d. Construction Standards and Future Modifications. All New Facilities constructed by Developer hereunder shall be in strict conformance with the Plans, and the applicable regulations of Yavapai County and ADEQ. In the event that any current or future District ordinance, policy, rule or standard conflicts with the terms, conditions and standards described in this Agreement, the terms, conditions and standards described herein shall prevail. The District by its actions hereby approving this Agreement agree and consent to bind the District, its successors and assigns to full compliance with the terms, conditions and standards described in this Agreement. Furthermore, should the District desire to implement any term, condition or standard which is in conflict with this Agreement, the District agrees to first obtain as a condition precedent thereto, written approval from the Developers or as an alternative, in approving such term, condition or standard, the Developers shall be exempted therefrom as a result of prior vested rights hereunder.

e. Right of Inspection; Corrective Action. District shall have the right to have its engineers inspect and test the New Facilities at reasonable times during the course of any construction as necessary to ensure conformance with the Plans and Yavapai County or ADEQ approvals. If at any time before the final acceptance by Yavapai County, any construction, materials or workmanship are found to be defective or deficient or the New Facilities fail to conform to the Yavapai County/ADEQ Plans (the "Defective Work"), then the District may reject in writing such Defective Work and require Developer to fully pay for all necessary corrective construction efforts ("Corrective Action"). District reserves the right to withhold approval and to forbid connection of any defective portion of the New Facilities to District's system when Defective Work is identified unless and until the New Facilities have been constructed in accordance with the Plans or other commitments the Developers may have agreed to in writing. Further, Developer shall promptly undertake any Corrective Action required to remedy such Defective Work upon receipt of notice by the District. Within thirty (30) days of completion of any Corrective Action by the Developer, the District shall (following concurrence of the District's engineer) promptly issue its final acceptance. The foregoing notwithstanding, District shall not unreasonably withhold or delay acceptance of the New Facilities. Notwithstanding any Defective Work described above, once approval has been issued by Yavapai County, the District shall have no further right to reject the New Facilities.

2. District Acceptance of Ownership.

a. The Santec Plant and Existing Facilities. Within thirty (30) days of the execution of this Agreement, the Developers agree to complete the respective identified and agreed upon items set forth on Exhibit "D" (the "Punch List Items"). The District shall, upon each respective Developer's completion of its Punch List Items, but in no event more than sixty (60) calendar days from execution of this Agreement (the "District Approval Period") or 30 days after the completion of the Punch List whichever occurs later, accept the Santec Plant and those other on and off-site improvements constructed by Talking Rock identified on the bill of sale attached as Exhibit "E" (the "Talking Rock Bill of Sale") and accept the on and off-site improvements constructed by Whispering Canyon on the bill of sale attached as Exhibit "F" (the

“Whispering Canyon Bill of Sale”). Thereafter, Talking Rock shall record the Talking Rock Bill of Sale and the Whispering Canyon shall record the Whispering Canyon Bill of Sale and the respective improvements shall become and remain the sole property and responsibility of the District in “as-is, where-is” condition without warranty by Talking Rock and/or Whispering Canyon.

b. New Facilities. Upon proper completion of construction, testing and final inspection of any New Facilities by Yavapai County and ADEQ, and the District (as to any conducted inspections and testing), the District shall issue a written notice of acceptance to Developer which shall not be unreasonably conditioned or delayed and which, in the case of underground facilities, shall occur prior to cover and/or paving by the Developer. Absent the occurrence of Correction Action related matters, the District’s approval shall be issued no later than the District’s next regularly scheduled meeting following Yavapai County’s approval. If the District fails to issue its approval, the respective Developer shall provide written notice to the District requesting approval and if the District fails to timely issue its approval within ten (10) business days of receipt thereof, the District’s acceptance shall be deemed approved. Immediately thereafter, Developer shall convey to District, via a bill of sale in the form attached hereto as Exhibits “G” and “H”, the New Facilities together with any permanent easements and/or rights-of-way required. All New Facilities so transferred shall thereafter become and remain the sole property and responsibility of District. Developer covenants and agrees that, at the time of transfer, the New Facilities shall be free and clear of all liens and encumbrances, and Developer shall provide evidence in the form of lien waivers in accordance with state law that all claims of contractors, subcontractors, mechanics and material suppliers have been paid and are fully satisfied.

i. As-Built Plans. At the time of transfer of any New Facilities, the respective Developer shall provide to District three (3) sets of “as-built” drawings and specifications for the Facilities, certified and sealed by Developer’s engineers to be true and correct and the District shall, upon receipt, acknowledge same in writing.

ii. New Facilities Warranty. Developers warrants that, upon their completion, the New Facilities will be free from all defects and deficiencies in construction, materials and workmanship for no more than two (2) years and no less than (1) year from the date of Yavapai County approval. During the warranty period, Developer agrees to cause their respective contractors to promptly undertake any Corrective Action required to remedy such defects and deficiencies upon notice by District. Upon Yavapai County’s acceptance of the New Facilities, as provided herein, the District shall be deemed to have accepted the New Facilities in “as is” and “as-constructed” condition, subject only to the warranty period set forth above. The District acknowledges that warranty requirements in its current adopted Ordinance No. 2008-01 are inconsistent with its agreement herein and that this Agreement supersedes the District’s relevant adopted ordinance and that no future adopted ordinance shall modify the District’s warranty agreement herein.

3. Reimbursement for Plan Review, Inspection Costs, Overhead and Other Expenses of District. The respective Developer(s) shall reimburse the District for direct third party fees and costs incurred by the District for engineering services incurred for the initial Plan Review during the District Review Period and for inspection and testing of New Facilities during construction (the “Direct Costs”). Except for costs associated with Corrective Action inspections

for which the Developers shall be responsible, all other costs associated with Plan review following the District Review Period (along with related administrative, finance or other fees and costs) shall be the responsibility of the District.

i. Establishment of Direct Costs. Prior to Plan Review, the District's engineer will confer with the respective Developer and their engineer to identify appropriate Plan Reviews and inspection points during construction. The District's engineer will provide a bid for the Direct Costs to the District. The District will confer with the Developer and agree in advance to a mutually agreeable total Direct Cost, which shall include a 10% contingency amount to cover unknown circumstances.

ii. Reimbursement Timing. On a monthly basis, the District shall provide Developer with a written statement describing with specificity all Direct Costs incurred by District during the preceding month, together with complete copies of all bills, statements and invoices supporting such Direct Costs. Payment shall be made by Developer on or before the fifteenth (15th) day of the calendar month following the month in which District's statement is received. In the event of a disputed invoice, the provisions set forth in Section 12 hereunder shall govern.

4. Public Streets and Rights-of-Way; Easements; Spacing of Lines. At the time of transfer of ownership of any New Facilities, the Developer shall provide District with a copy of the final recorded plat(s). In the event that any collector sewers and mains are not located within dedicated streets and/or public rights-of-way, then at the time of transfer of ownership of such New Facilities, Developer shall grant to District, or shall cause to be granted to District, easements, licenses and/or rights-of-way, free from all liens and security interests thereon, over, under, and across all pipeline routes and all portions of the Developer's Property necessary to operate, maintain and repair such New Facilities. Such grant shall include, but not be limited to, Talking Rock's grant of an easement to the District for a sewer main on property known as Phases 21-25 when that that property is platted. Unless otherwise mutually agreed upon in writing, such easements, licenses and/or rights-of-way within the Property shall be free of physical encroachments, encumbrances or obstacles, and shall have a minimum width of ten (10) feet. The collector sewers and mains constructed and installed by Developers within the Developers' Property shall, to the extent practicable based on existing conditions, be separated by a reasonable distance from other District lines and facilities to prevent damage or conflicts in the event of repairs or maintenance.

5. Funding for Plant Expansion, Operation and Maintenance and Decommissioning.

a. Santec Plant Expansion and Capital Funding. Utilizing the existing treatment technology in place at the Santec Plant, the District will determine appropriate modifications for capacity and/or efficiency enhancements. All permitting, design and construction will be undertaken by the District. Funding for the modifications identified by the District will be provided 50% by the District and 50% by the Developers. The Developers funding will be on a matching basis equal to funds expended by the District and the collective expenditure of funds by the Developers will be capped at \$150,000.00. Matching fund contributions by the Developers will be made within thirty (30) days of the District's submittal of executed service proposals, awarded bids, and/or construction progress payments. The Developers agree that matching fund contributions shall be shared prorata between Talking Rock



and Whispering Canyon as follows: Talking Rock shall be responsible for 80% of the matching fund contribution and Whispering Canyon shall be responsible for 20% of the matching fund contribution.

b. Future Plant Expansion and Capital Funding. Upon completion of the Santec Plant modification set forth in Section 5(a) above, all future expansions (regardless of technology utilized) shall be accordance with the phased approach specified in the Aquifer Protection Permit issued by Arizona Department of Environmental Quality dated December 31, 2002 (an application related thereto) at the specified flow volumes and timing identified on the documents attached at Exhibit "I". Treatment technology utilized for any future expansion shall be the sole choice of the District and the District will be responsible for all design, permitting, construction and costs. The District shall only use the Developer Lot Fees deposited in the District Treasury Account for funding of any future expansion of the Santec Plant and/or any replacement plant and/or the decommissioning of any plant (as defined in Section 9). No other monetary contributions from the Developers will be provided.

c. Operation, Maintenance and Repair Funding. The District shall fund the ongoing costs of operation, maintenance and repair of the Santec Plant (or any future expansion or replacement thereof) using property tax assessments, effluent fees paid by Talking Rock, availability fees, and/or user fees assessed by the District as authorized by law subject to the provisions of Section 7 herein.

d. Plant Decommissioning. If the District terminates use of the Santec Plant or any replacement plant, the District shall have sole and absolute discretion relative to the decommissioning of any plant and the re-use or salvage of any components thereof.

6. Effluent.

a. Availability and Purchase. The District hereby agrees to make treated effluent produced by the treatment of wastewater flows from District customers within the Existing District Annexed Boundary ("Effluent"), available for purchase by Talking Rock and/or Talking Rock's successors and assigns, for use on the golf course and/or common or other areas within the Talking Rock Property. The District acknowledges its obligation to deliver Effluent to Talking Rock in accordance with said Yavapai County Development Agreement for the Talking Rock Property entered into by and among Harvard Inscription Canyon Ranch Partners LLC (now known as Talking Rock Land LLC), Williamson Valley Investors II, LLC and Yavapai County on October 06, 1999 (as amended); provided, however, that the District's obligation shall be subject to emergency circumstances that may dictate temporary delivery in an alternative location and Talking Rock's obligation to construct facilities as required to deliver such effluent to the golf course, common or other areas within the Property where Talking Rock desires to use effluent for any lawful purpose.

b. Pricing. The price to be paid by Talking Rock for Effluent shall be \$4,000.00 per month for the first 1,000,000 gallons of effluent delivered per month and for every thousand gallons of effluent delivered thereafter during the same month the following amounts for the years specified: years one through five - \$1.10; years six through ten - \$1.20; years eleven through fifteen - \$1.30; years sixteen through twenty - \$1.40. After the initial twenty (20) year

period, the rate for Effluent may be renegotiated at the request of either party for subsequent twenty (20) year terms.

c. Delivery. The point of delivery of Effluent shall be to the Talking Rock Golf Course Storage Lake(s) and the volume of Effluent for purposes of payment by Talking Rock shall be measured by the meter located at the existing lift station on the District Property. The distribution line used for delivery of Effluent from the Santec Plant to the lift station and from the lift station to the Talking Rock Golf Course Storage Lake(s) (the "Effluent Line") shall be owned, operated and maintained by Talking Rock and the District shall have no responsibility for the Effluent Line. The District agrees to grant Talking Rock an easement on the District Property for purposes of operation and maintenance of the Effluent Line in the form attached hereto as Exhibit "J".

7. District User Fees. The District and Developers hereby acknowledge that, pursuant to this Agreement, the Developers are obligated to construct and install, or cause to be constructed and installed, any sewer facilities within their respective developments necessary for the District to establish and provide sewer utility service to and within each Developers' Property to the extent the respective Developer chooses to develop and sell lots within the Existing District Annexed Boundary. These facilities may also be used by the District to provide sewer service to existing customers consistent with the Agreement. Therefore, the District hereby agrees that neither the Developer nor any individual lot owner or other sewer utility customer within the Developers' Property shall be subject to any hook-up or similar fee related to the establishment of sewer service including, without limitation, the tie-in (hook-up) or in the schedule of rates and charges established by the District, which fees are used by the District to pay the costs of constructing and installing fees necessary to extend service to new customers. This provision shall not be construed to preclude the District from requiring that lot owners and other customers within the Developers' Property establishing accounts with the District pay an account establishment or similar fee. Further, the District agrees it will not adopt any impact fees or other fees inconsistent with the fees authorized by A.R.S. § 48-2027(G) as a source of funding for operations and maintenance. Other than authorized user fees and other administrative fees designed to recover costs incurred for approving hook-ups, etc., the District agrees it will not charge the Developers or any lot or home purchasers in Talking Rock or Whispering Canyon any additional fees pursuant to A.R.S. § 48-2027(G)(2)-(5).

8. District Sewer Service Agreement Approvals. As consideration for the Developer's covenants in Sections 5(a), 9(b), (c) and (d), the District agrees it will not withhold approval of any Sewer Service Agreement (or future Yavapai County equivalent requirement) for Talking Rock or Whispering Canyon plat approval for any reason or no reason. The District and the Developers agree that the Whispering Canyon Annexation and Talking Rock Annexation and the covenants set forth in this Agreement ensure the District's existing and future willingness to serve the Developers property within the Existing District Annexed Boundary.

9. Monetary Matters.

a. Outstanding Invoices. Upon execution of this Agreement:

i. Whispering Canyon agrees to pay, and the District agrees to accept \$1,296.00 as full and complete satisfaction of all outstanding invoices and associated late fees



and penalties for incurred District expenses for engineering review of infrastructure; and

ii. Talking Rock agrees to pay, and the District agrees to accept \$100,000.00 as full and complete satisfaction of all outstanding invoices and associated late fees and penalties for incurred District expenses through December 2011. The District agrees to waive any accrued penalties and interest because the ordinance upon which alleged penalties and interest were based was improperly adopted and such charges may exceed the District's legal authority. Said amount is equal to the agreed base monthly effluent rate set forth herein (i.e., \$4,000.00) for a period of twenty-five (25) months commencing December 2009 and ending December 31, 2011. The District acknowledges that Talking Rock paid a portion of said payment prior to the execution of this Agreement in the amount of \$52,000.00 and agrees the remaining balance owed hereunder is \$56,000.00, which includes additional monthly payments pursuant to Section 6(b) through February 29, 2011.

1. Talking Rock shall be entitled to a credit against the remaining amount due in Section 9 (a) (ii) in an amount agreed upon but not to exceed \$47,000 for maintenance costs incurred by Talking Rock resulting from the District's refusal to maintain certain facilities in conjunction with the 2009 Moratorium. The credit will accrue in \$2,000 monthly increments against the effluent payments Harvard will make to the District under Section 6(b) until exhausted.

2. As consideration for the agreed upon but not to exceed \$47,000 credit, Talking Rock agrees to waive all claims Talking Rock has against the District related to the District's prior failure to accept the Santec Plant and Talking Rock's on and off-site infrastructure.

b. Escrow Account Fund Transfer; Escrow Agreement Termination. All monies in the current Escrow Account will be transferred into a new account with the Yavapai County Treasurer's office (the "District Treasury Account") within thirty (30) days of the execution of this Agreement. Upon transfer of the funds from the Escrow Account to the District Treasury Account, the Escrow Agreement and Escrow Agreement Amendment shall automatically terminate and no longer be of any force or effect. The District agrees to use current and future District Treasury Account funds only for capital improvements to the Santec Plant (or any expansion or replacement thereof) and for no other purpose.

c. Pivotal Funds Owed. Talking Rock and Whispering Canyon agree to collect \$117,494.30 owed by Pivotal. The collected Pivotal funds shall be deposited into the District Treasury Account and utilized in accordance with the terms of this Agreement. In the event Talking Rock and Whispering Canyon do not collect the full amount owed by Pivotal, any remaining shortfall will be paid by Talking Rock and Whispering Canyon in their respective 80% and 20% pro-rata share. These funds will be provided to the District within one (1) year of execution of this Agreement.

d. Developer Lot Fees. The Developers agree to assess an increased per lot fee at the time of the sale of each individual lot sale within the District's Annexed Boundary (the "Developer Lot Fee"). Except for the Developer contributions set forth in Section 5(a) herein, the collected and remitted Developer Lot Fees shall constitute the sole obligation of the



Developers toward funding future capital improvements to the Santec Plant (or any replacement thereof). As of the date of this Agreement:

i. Any outstanding and future collected Developer Lot Fees shall be deposited into the District Treasury Account; and

ii. The amount of the Developer Lot Fee commencing as of the date of this Agreement to their respective lot purchasers shall be as follows: years one through five - \$3,000 per lot; years six through ten - \$3,250 per lot; years eleven through fifteen - \$3,500 per lot; years sixteen through twenty - \$3,750 per lot. Thereafter fees may be increased in five year increments to adjust for inflation but any increase shall be capped at \$250 for each five year period.

e. Developer Reimbursement. Commencing 2014 the District shall refund annually to the Developers an amount equal to ten percent (10%) of the District's gross annual income (including prior, or to-be-collected, ad valorem property taxes, user and availability fees but excluding the effluent fee paid by Talking Rock) as a pro-rata reimbursement for the Developer Constructed Facilities (as defined herein). For purposes of this Section, "Developer Constructed Facilities" shall mean collector sewers, collection and transmission mains, manholes, lifts, pumps and other sewer utility facilities both on-site and off-site necessary for the District to furnish sewer service to each lot, building or other customer within the Developer's Property, including but not limited to, existing infrastructure identified in the Talking Rock and Whispering Canyon Bills of Sale, any New Facilities and the Santec Plant (or any expansion or modification thereof) directly funded by Developers. In the event of the sale or other transfer of the District's assets that includes the sale or transfer of the Santec Plant, District agrees to ensure that the District's refund obligations are assumed by the buyer or transferor.

i. Timing of Payment and Reimbursement Cap. Refunds for existing Developer Constructed Facilities shall be paid by the District to each respective Developer on or before January 31 of each calendar year commencing in January, 2014 for the 2013 calendar year continuing thereafter in each succeeding calendar year. Developer Constructed Facilities are eligible for a refund for a period of twenty (20) years from the date of District acceptance. Any unpaid balance remaining at the end of twenty (20) years period shall become non-refundable. No interest shall accrue or be payable on the amounts to be refunded hereunder. In no event shall the total amount of the refunds paid by District pursuant to this Agreement exceed fifty percent (50%) of the total amount of the refundable advances paid by Developers in connection with the Developer Constructed Facilities.

ii. Reimbursement Amounts and Fund Sources. The District acknowledges that all Developer Constructed Facilities will be eligible for the reimbursement and that the District will properly account for reimbursements for a period of twenty (20) years following acceptance thereof. As of the date of this Agreement, the District acknowledges eligibility for reimbursement of the following costs for Developer Construction Facilities:

- Talking Rock – \$708,522 for the Santec Plant plus improvements identified on Talking Rock Bill of Sale in the approximate amount of \$4,388,591.



- Whispering Canyon – \$177,130 for the Santee Plant plus improvements identified on Whispering Canyon Bill of Sale in the approximate amount of \$1,184,000.

The gross annual income from eligible fees and property taxes revenues collected from all subdivisions within the Existing District Annexed Boundary are eligible funds for Developer reimbursement purposes for the Santee Plant. Thereafter, the eligible funds for Developer reimbursement shall exclude eligible fees and property tax revenue from the ICR Subdivision.

iii. Allocation of Reimbursement. The allocation among the Developers shall be on the basis of total funds contributed for the Developer Constructed Facilities less any prior District reimbursements. All reimbursements to be made to the Developers shall first be allocated toward Santee Plant costs (continuing until the sooner of repayment of 50% of the cost of the Santee Plant or twenty (20) years). The District, in its sole discretion, will specify the annual reimbursement amounts and pay each Developer in accordance with the methodology contained in Exhibit "K".

10. Right of Assignment. Each of the Developers may assign this Agreement, or any of their rights and obligations hereunder, to another party provided that written notice of such assignment is given to the District prior to the effective date of assignment and that the assignee agrees in writing to fully perform the Developer's obligations hereunder and to be bound by this Agreement.

11. Notice. All notices and other written communications required hereunder shall be provided to the parties by registered mail as follows:

ICR Sanitary District
P. O. Box 215
Chino Valley, AZ 86323

Harvard Simon I, L.L.C.
c/o Harvard Investments, Inc.
17700 N. Pacesetter Way
Scottsdale, AZ 85255

Whispering Canyon Development LLC and
Old Capitol Investments LLC
c/o Cole Johnson
P. O. Box 4337
Prescott, AZ 86302

Each party shall advise the other parties in writing of any change in the manner in which notice is to be provided hereunder.

12. Alternative Dispute Resolution. The parties hereto agree that each will use good faith efforts to resolve, through negotiation, disputes arising hereunder without resorting to mediation, arbitration or litigation. Further, the parties hereto acknowledge that no future moratorium shall be adopted by the District unless it is in accordance with A.R.S. § 48-2033. To



the extent that a dispute arises which cannot be resolved through negotiation, the parties agree to the following dispute resolution mechanism:

a. Mediation. The parties shall first attempt, in good faith, to resolve the dispute through mediation administered by a mutually agreed mediator or, failing agreement, by the American Arbitration Association (“AAA”) both using AAA Commercial Mediation Rules.

b. Arbitration. If the dispute cannot be resolved through mediation, the matter shall be submitted to binding arbitration in accordance with the rules of commercial arbitration (“Rules”) then followed by the AAA in Phoenix, Arizona. If the claim in dispute does not exceed \$250,000, then there shall be a single arbitrator selected by mutual agreement of the parties, and in the absence of agreement, appointed according to the Rules. If the claim in dispute exceeds \$250,000, the arbitration panel shall consist of three (3) members, one of whom shall be selected by Developers, one of whom shall be selected by District, and the third, who shall serve as chairman, whom shall be selected by the AAA. The arbitrator or arbitrators must be knowledgeable in the subject matter of the dispute. The costs and fees of the arbitrator(s) shall be divided equally between the parties. Any decision of the arbitrator(s) shall be supported by written findings of fact and conclusions of law, and shall be based upon sound engineering practice. The decision of the arbitrator(s) shall be final, subject to the exceptions outlined in the Arizona Uniform Arbitration Act, A.R.S. Section 12-1502, et seq., and judgment may be entered upon the same; provided, however, that any decision of the arbitrator(s) may be appealed to the Superior Court of Maricopa County if it is based on an erroneous interpretation, application or disregard of the law applicable to the dispute. The arbitrator(s) shall control discovery in the proceedings and shall award the prevailing party its reasonable attorneys’ fees and costs.

13. Attorneys’ Fees. The prevailing party in any litigation or other proceeding concerning or related to this Agreement, or the enforcement of thereof, shall be entitled to recover its costs, taxable costs, expert witness fees and reasonable attorneys’ fees.

14. Time of the Essence. Time is of the essence of every provision hereof.

15. Entire Agreement. This Agreement constitutes the sole understanding and entire agreement of the parties hereto and supersedes any and all representations or agreements, oral or written, made prior or contemporaneous hereto by the parties or any of them pertaining to the Developers’ Property including but not limited to the Development Agreement, the MOU associated with the 2006 Moratorium and related Escrow Agreement, Escrow Agreement Amendment and the December 2011 Memorandum of Agreement. To the extent there is any conflict with prior representations or agreements of the parties hereto and this Agreement, the representations and agreements set forth herein shall control.

16. Miscellaneous.

a. Governing Law/Binding Effect. This Agreement shall be governed by the laws of the State of Arizona. This Agreement, and each and every term and condition contained herein, shall be binding upon and inure to the benefit of the successors and assigns of District and Developers. No change in, addition to, or waiver of any provisions of this Agreement shall be binding upon any party unless in writing and signed by all parties.



b. Execution. This Agreement may be executed in two or more original or facsimile counterparts, each of which shall be deemed an original and all of which together shall constitute but one and the same instrument.

c. Legality/Enforceability. In case any provision of this Agreement shall be determined to be invalid, illegal or unenforceable, it shall, to the extent possible, be modified in such manner as to be valid, legal and enforceable but so as most nearly to retain the intent of the parties. If such modification is not possible, such provision shall be severed from this Agreement. In either case the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected or impaired thereby.

d. Headings/Interpretation. The headings in this Agreement are inserted for convenience only, and shall not constitute a part of this Agreement or be used to construe or interpret any of its provisions. The parties have participated jointly in the negotiation and drafting of this Agreement. If a question of interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provision of this Agreement.

e. Termination. The District may terminate this Agreement pursuant to the provisions of A.R.S. § 38-511.

f. Legal Arizona Worker's Act. The parties hereby warrant that they will, at all times during the terms of this Agreement, comply with all federal immigration laws applicable to the employment of their respective employees, the requirements of A.R.S. § 41-4401, and with the e-verification requirements of A.R.S. § 23-214(A) (together the "state and federal immigration laws"). Both parties further agree to ensure that each subcontractor that performs any work under this Agreement likewise complies with the state and federal immigration laws. A breach of a warranty regarding compliance with the state and federal immigration laws shall be deemed a material breach of the Agreement and the parties who breach may be subject to penalties up to and including termination of the Agreement. The District retains the legal right to inspect the papers of any contractor or subcontract employee working under the terms of the Agreement to ensure that the other party is complying with the warranties regarding compliance with the state and federal immigration laws.

g. Restricted Investment. As required by A.R.S. §§ 35-391.06(A) and 35-393.06(B), each party certifies that it does not have any scrutinized business operations (as defined in A.R.S. §§ 35-391 and 35-393) in Sudan or Iran.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

[signatures on following page]



ICR SANITARY DISTRICT

By: Bob Hill

Its: Board Chair

By: Brian Ray

Its: Board Member

By: Scott Robbins

Its: Board Member

HARVARD SIMON I, L.L.C., an Arizona limited liability company

By: Harvard Talking Rock LLC, an Arizona limited liability company

Its: Member

By: Harvard Investments Inc, a Nevada corporation

Its: Manager

By: _____

Its: President

OLD CAPITOL INVESTMENTS LLC, an Arizona limited liability company

By: Four Capital Group, Inc, an Arizona corporation

Its: Member

By: _____

Its: President

WHISPERING CANYON DEVELOPMENT LLC, an Arizona limited liability company

By: Four Capital Group, Inc., an Arizona corporation

Its: Member

By: _____

Its: President



ICR SANITARY DISTRICT

By: Bob Hilb

Its: Board Chair

By: Brian Ray

Its: Board Member

By: Scott Robbins

Its: Board Member

HARVARD SIMON I, L.L.C., an Arizona
limited liability company

By: Harvard Talking Rock LLC, an Arizona
limited liability company

Its: Member

By: Harvard Investments Inc, a Nevada
corporation

Its: Manager

By: 

Its: President

OLD CAPITOL INVESTMENTS LLC, an
Arizona limited liability company

By: Four Capital Group, Inc, an Arizona
corporation

Its: Member

By: 

Its: President

WHISPERING CANYON DEVELOPMENT
LLC, an Arizona limited liability company

By: Four Capital Group, Inc., an Arizona
corporation

Its: Member

By: 

Its: President



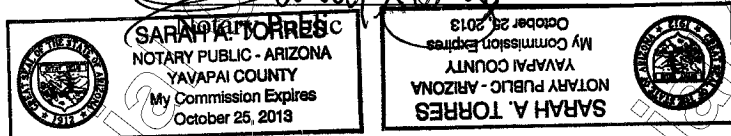
NOTARIAL CERTIFICATE

STATE OF ARIZONA
COUNTY OF YAVAPAI

}
SS

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: March, 2012
Number of Pages (including this notarial certificate): February 22
78 pages
Names of Signer: Bob Hilb, Board Chair

The above-described instrument was acknowledged before me this 1 day of March, 2012 by Bob Hilb, Board Chair of ICR Sanitary District, a special taxing district.



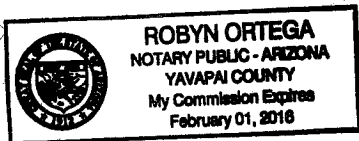
NOTARIAL CERTIFICATE

STATE OF ARIZONA
COUNTY OF YAVAPAI

}
SS

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: March 1, 2012
Number of Pages (including this notarial certificate): 78 pages
Names of Signer: Brian Ray, Board Member

The above-described instrument was acknowledged before me this 1st day of March, 2012 by Brian Ray, Board Member of ICR Sanitary District, a special taxing district.





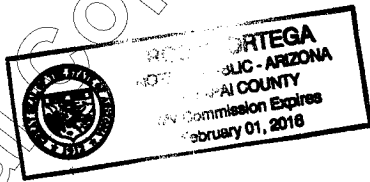
NOTARIAL CERTIFICATE

STATE OF ARIZONA
COUNTY OF YAVAPAI

}
} ss.

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: March 1, 2012
Number of Pages (including this notarial certificate): 78 pages
Names of Signer: Scott Robbins, Board Member

The above-described instrument was acknowledged before me this 1st day of March, 2012 by Scott Robbins, Board Member of ICR Sanitary District, a special taxing district.



R. Ortega
Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA
COUNTY OF Maricopa

}
} ss.

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: _____
Number of Pages (including this notarial certificate): _____ pages
Names of Signer: Craig L. Krumwiede, President

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by Craig L. Krumwiede, President of Harvard Investments, Inc., Manager of Harvard Talking Rock, L.L.C., Operating Member of Harvard Simon I, L.L.C.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA

}
} ss.
}

COUNTY OF YAVAPAI

Title/Type of Document: Amended and Restated Development Agreement

Date of Document: _____

Number of Pages (including this notarial certificate): _____ pages

Names of Signer: Scott Robbins, Board Member

The above-described instrument was acknowledged before me this _____ day of _____ 2012 by Scott Robbins, Board Member of ICR Sanitary District, a special taxing district.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA

}
} ss.
}

COUNTY OF Maricopa

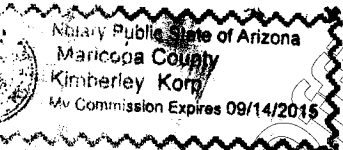
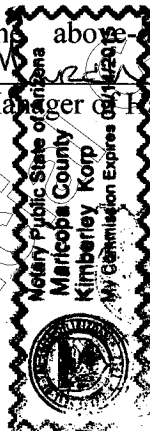
Title/Type of Document: Amended and Restated Development Agreement

Date of Document: March 1, 2012

Number of Pages (including this notarial certificate): 78 pages

Names of Signer: Craig L. Krumwiede, President

The above-described instrument was acknowledged before me this 1st day of March 2012 by Craig L. Krumwiede, President of Harvard Investments, Inc., Manager of Harvard Talking Rock, L.L.C., Operating Member of Harvard Simon I, L.L.C.



[Signature]

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA

COUNTY OF Maricopa

} ss.

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: March 1, 2012
Number of Pages (including this notarial certificate): 78 pages
Names of Signer: COLE JOHNSON

The above-described instrument was acknowledged before me this 1st day of March, 2012 by COLE JOHNSON, PRESIDENT of Four Capital Group, Inc., Member of Old Capitol Investments, LLC.

Sharon Powell

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA

COUNTY OF Maricopa

} ss.

Title/Type of Document: Amended and Restated Development Agreement
Date of Document: March 1, 2012
Number of Pages (including this notarial certificate): 78 pages
Names of Signer: COLE JOHNSON

The above-described instrument was acknowledged before me this 1st day of March, 2012 by COLE JOHNSON, PRESIDENT of Four Capital Group, Inc., Member of Whispering Canyon Development LLC.

Sharon Powell

Notary Public





EXHIBIT LIST

Exhibit "A" - Talking Rock Ranch Plats/Surveys

Exhibit "B" - Whispering Canyon Plats/Survey

Exhibit "C" - Existing District Annexed Boundary

Exhibit "D" - Punch List Items

Exhibit "E" - Santec Plant Bill of Sale and Talking Rock Bill of Sale (Existing Infrastructure)

Exhibit "F" - Whispering Canyon Bill of Sale (Existing Infrastructure)

Exhibits "G" and "H" - Forms of Future Bills of Sale (Future Infrastructure)

Exhibit "I" - Expansion Parameter Documents

Exhibit "J" - Form of Easement for Portion of Effluent Line on District Property

Exhibit "K" - Developer Reimbursement Allocation Methodology

2330580

EXHIBIT "A"

TO


AMENDED AND RESTATED DEVELOPMENT AGREEMENT

TALKING ROCK RANCH PLATS/SURVEYS

TALKING ROCK RANCH

1	Land Boundary Survey recorded on April 25, 2000 at Book 53 of Maps, at Pages 24 through 33 inclusive, in the official records of Yavapai County Recorder's Office.
2	Amended Land Boundary Survey recorded on August 9, 2000 at Book 55 of Maps, at Pages 37 through 38 inclusive, in the official records of Yavapai County Recorder's Office.
3	Talking Rock Ranch - Phase One-B Final Plat recorded on June 24, 2002 at Book 45 of Maps, at Page 45, in the official records of Yavapai County Recorder's Office.
4	Talking Rock Ranch Phase One-A Amended Final Plat recorded on August 16, 2002 at Book 45 of Maps, at Page 62 in the official records of Yavapai County Recorder's Office.
5	Talking Rock Ranch Phase Four-A Final Plat recorded on October 4, 2002 at Book 45 of Maps, at Page 82 in the official records of Yavapai County Recorder's Office.
6	Talking Rock Ranch Phase Three-A Final Plat recorded on April 2, 2003 at Book 47 of Maps, at Page 30 in the official records of Yavapai County Recorder's Office.
7	Talking Rock Ranch Phase Two-A Final Plat recorded on May 30, 2003 at Book 47 of Maps, at Page 77 in the official records of Yavapai County Recorder's Office.
8	Talking Rock Ranch Phase Two-B Final Plat recorded on November 3, 2003 at Book 48 of Maps, at Page 96 in the official records of Yavapai County Recorder's Office.
9	Results of Survey recorded on January 30, 2004 at Book 97 of Maps, at Page 17 in the official records of Yavapai County Recorder's Office.
10	Talking Rock Ranch Phase Two-C Final Plat recorded on February 4, 2004 at Book 49 of Maps, at Page 64 in the official records of Yavapai County Recorder's Office.
11	Talking Rock Ranch Phase Twenty-Seven Final Plat recorded on March 23, 2004 at Book 49 of Maps, at Page 98 in the official records of Yavapai County Recorder's Office.
12	"Amended" Results of Survey recorded on July 27, 2004 at Book 106 of Maps, at Page 97 in the official records of Yavapai County Recorder's Office.
13	Talking Rock Ranch Phase Eight-C Final Plat recorded on August 17, 2004 at Book 50 of Maps, at Page 97 in the official records of Yavapai County Recorder's Office.
14	Talking Rock Ranch Phase Five-A "Amended" Final Plat recorded on November 15, 2004 at Book 51 of Maps, at Page 66 in the official records of Yavapai County Recorder's Office.
15	Talking Rock Ranch Phase Eight-A "Amended" Final Plat recorded on January 27, 2005 at Book 52 of Maps, at Page 34 in the official records of Yavapai County Recorder's Office.
16	Talking Rock Ranch Phase Nine-A Final Plat recorded on February 10, 2005 at Book 52 of Maps, at Page 55 in the official records of Yavapai County Recorder's Office.
17	Talking Rock Ranch Phase Nine-B Final Plat recorded on February 10, 2005 at Book 52 of Maps, at Page 57 in the official records of Yavapai County Recorder's Office.
18	Talking Rock Ranch Phase One-C Final Plat recorded on May 2, 2005 at Book 53 of Maps, at Page 19 in the official records of Yavapai County Recorder's Office.
19	Talking Rock Ranch Phase Eight-B Final Plat recorded on May 2, 2005 at Book 53 of Maps, at Page 22 in the official records of Yavapai County Recorder's Office.

A-2

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TALKING ROCK RANCH

20	Talking Rock Ranch Phase Nine-C Final Plat recorded on August 10, 2005 at Book 54 of Maps, at Page 8 in the official records of Yavapai County Recorder's Office.
21	Talking Rock Ranch Phase Nine-D Final Plat recorded on August 10, 2005 at Book 54 of Maps, at Page 10 in the official records of Yavapai County Recorder's Office.
22	Talking Rock Ranch Phase Three-B Final Plat recorded on August 10, 2005 at Book 54 of Maps, at Page 4 in the official records of Yavapai County Recorder's Office.
23	Talking Rock Ranch Phase Three-C Final Plat recorded on August 10, 2005 at Book 54 of Maps, at Page 6 in the official records of Yavapai County Recorder's Office.
24	Talking Rock Ranch Phase Three-D Final Plat recorded on August 10, 2005 at Book 54 of Maps, at Page 12 in the official records of Yavapai County Recorder's Office.
25	Talking Rock Ranch Phase Ten Final Plat recorded on April 5, 2006 at Book 56 of Maps, at Page 76 in the official records of Yavapai County Recorder's Office.
26	Talking Rock Ranch Phase Five-B Final Plat recorded on May 1, 2006 at Book 57 of Maps, at Page 20 in the official records of Yavapai County Recorder's Office.
27	Talking Rock Ranch Phase Twelve Final Plat recorded on June 28, 2006 at Book 60 of Maps, at Page 41 in the official records of Yavapai County Recorder's Office.
28	Talking Rock Ranch Phase Thirteen Final Plat recorded on June 28, 2006 at Book 60 of Maps, at Page 38 in the official records of Yavapai County Recorder's Office.

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EXHIBIT "B"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
WHISPERING CANYON PLATS/SURVEY



WHISPERING CANYON

1	Whispering Canyon – Phases 1 and 2 “Amended” Final Plat recorded on February 7, 2003 at Book 46 of Maps, Page 72, in the official records of Yavapai County Recorder’s Office.
2	Whispering Canyon – Phase 3 Final Plat recorded on July 10, 2006 at Book 57 of Maps, Page 75, in the official records of Yavapai County Recorder’s Office.
3	Whispering Canyon – Phase 4 Final Plat recorded on July 10, 2006 at Book 57 of Maps, Page 78, in the official records of Yavapai County Recorder’s Office.
4	Legal description dated January 20, 2000 by Thomas G. Callahan, Dava and Associates, attached hereto.

format done by RDA
[Signature]



A portion of Sections 33 and 34 of Township 16 North, Range 3 West of the Gila and Salt River Meridian, Yavapai County, Arizona.

BEGINNING at the corner common to Sections 27, 28, 33 and 34 of Township 16 North, Range 3 West of the Gila and Salt River Meridian, monumented with brass cap stamped, "W.J. CHEEK, P.E. NO. 2398;

thence, along the line common to Sections 33 and 34, South 00°23'28" West, 382.57 feet;

thence, departing the line common to Sections 33 and 34, South 55°49'36" West, 5,326.57 feet;

thence, South 89°47'13" West, 1,051.14 feet, to the west line of Section 33;

thence, along the west line of Section 33, South 00°12'47" East, 1,992.80 feet; to the southwest corner of Section 33, monumented with a General Land Office Survey brass cap;

thence, along the south line of Section 33, South 89°38'18" East, 2,710.90 feet, to the south quarter corner of Section 33, monumented with a General Land Office Survey brass cap;

thence, continuing along the south line of Section 33, South 89°43'13" East, 2,705.54 feet, to the southeast corner of Section 33 and the southwest corner of Section 34, monumented with a General Land Office Survey brass cap;

thence, along the south line of Section 34, South 87°44'28" East, 2,693.48 feet, to the south quarter corner of Section 34, monumented with a General Land Office Survey brass cap;

thence, continuing along the south line of Section 34, South 87°50'49" East, 1,547.40 feet;

thence, departing the south line of Section 34, North 45°32'06" East, 249.67 feet;

thence, North 46°27'18" East, 227.64 feet;
thence, North 28°06'24" West, 95.72 feet;
thence, North 40°18'23" West, 149.00 feet;
thence, North 57°38'52" West, 261.34 feet;
thence, North 51°03'55" West, 98.30 feet;
thence, North 23°31'58" West, 107.05 feet;
thence, North 39°49'43" West, 576.55 feet;
thence, North 89°59'59" West, 332.00 feet;
thence, North 57°35'51" West, 111.89 feet;
thence, North 31°49'09" West, 253.35 feet;
thence, North 23°51'50" East, 96.11 feet;
thence, North 68°53'54" East, 385.86 feet;
thence, North 33°26'09" East, 493.95 feet, to the southwesterly line of the Western
Power Authority electrical power transmission line;
thence, along said southwesterly line, North 31°52'34" West, 957.74 feet;
thence, departing said southwesterly line North 64°52'55" East, 453.56 feet;
thence, North 25°09'04" East, 559.18 feet;
thence, North 78°37'30" East, 520.03 feet;
thence, North 58°10'11" East, 813.86 feet;



thence, South 84°51'52" East, 90.87 feet, to a point on the westerly right of way of Williamson Valley Road (a.k.a. Prescott-Simmons Highway), per the map filed and recorded in Book 10 of Maps and Plats, Page 17 in the office of the Recorder of Yavapai County, said point being a point of curvature;

thence, along the westerly right of way, along a curve to the right, having a chord bearing North 05°02'17" West, a chord length of 642.38 feet, a radius of 1,959.86 feet, a central angle of 18°51'53", and an arc length of 645.29 feet (recorded as having a radius of 1959.86, a central angle of 18°52' and an arc length of 645.35 feet);

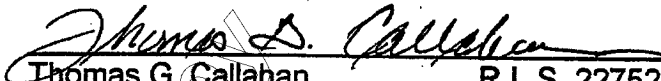
thence, continuing along the west right of way, North 04°24'08" East, (recorded as North 04°21' East) 554.93 feet, to a point on the north line of Section 34;

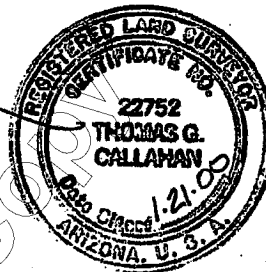
thence, along the north line of Section 34, North 88°21'20" West, 2,488.09 feet, to the north quarter corner of Section 34 monumented with brass cap stamped, "W.J. CHEEK; P.E. NO. 2398;

thence, continuing along the north line of Section 34, North 88°20'49" West, 2,738.88 feet to the **POINT OF BEGINNING**.

Containing 923.87 acres.

I certify that, I, Thomas G. Callahan, am a Registered Land Surveyor in the State of Arizona, that this description was prepared under my direction and contains adequate information to allow retracement thereof.


Thomas G. Callahan, R.L.S. 22752





SKETCH

A PORTION OF
SECTIONS 33 AND 34
T. 16 N., R. 3 W., G. & S. R. M.



SCALE 1" = 1250'

AREA DESCRIBED
923.87 ACRES

33

34

WESTERN POWER AUTHORITY POWER LINE

WILLIAMSON VALLEY ROAD

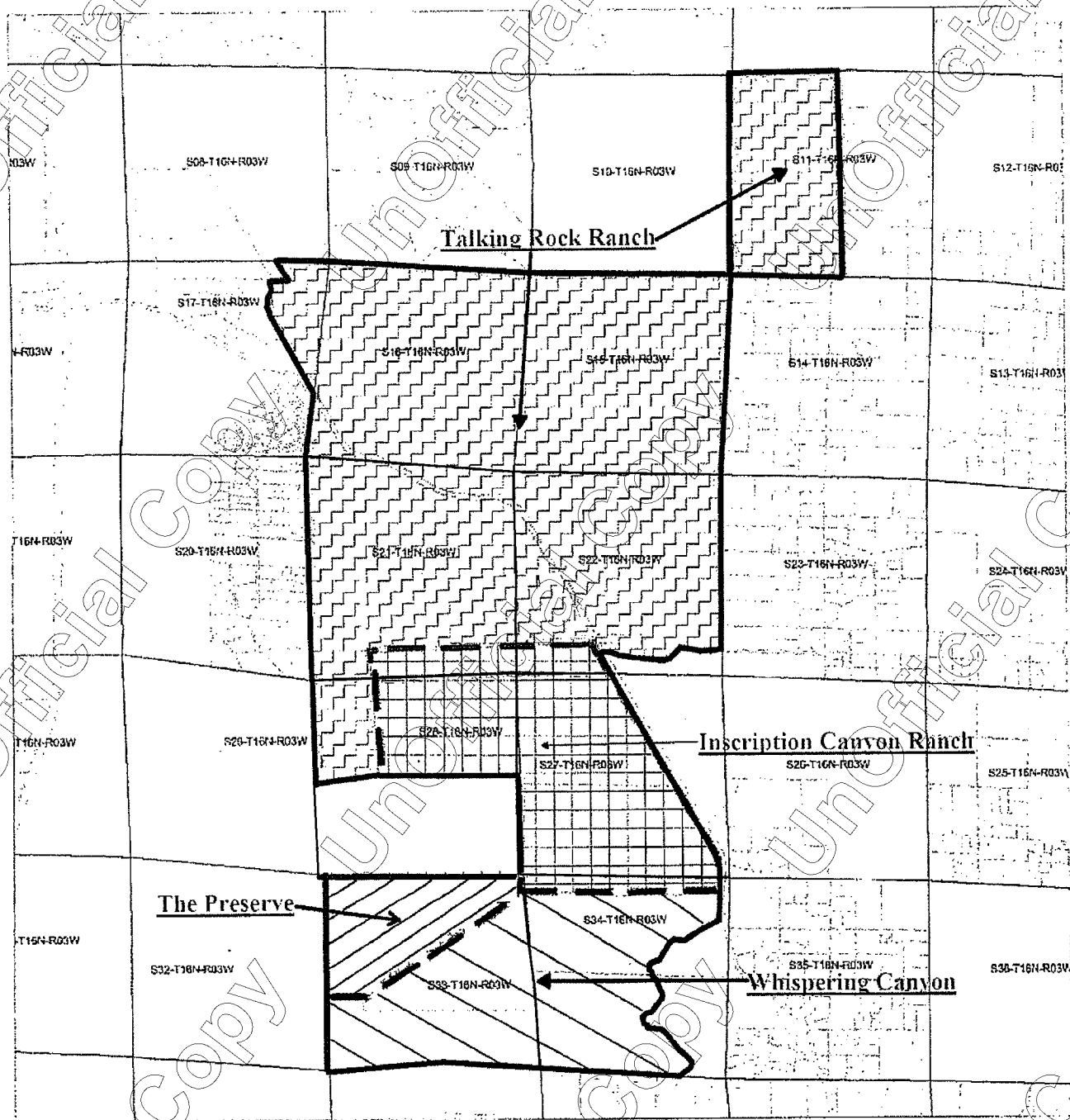
PRESCOTT AREA
ACTIVE MANAGEMENT AREA
BOUNDARY

DAVA AND ASSOCIATES
310 EAST UNION STREET
PRESCOTT, ARIZONA 86303
520-778-7587
EXH-003.DWG T.G.C. 01/21/00



EXHIBIT "C"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
EXISTING DISTRICT ANNEXED BOUNDARY

ICR SANITARY DISTRICT EXISTING BOUNDARIES



LEGEND

SUBDIVISION BOUNDARIES



ICR SANITARY DISTRICT
EXISTING BOUNDARIES



RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION

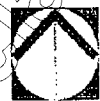




EXHIBIT "D"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
PUNCH LIST ITEMS

Talking Rock:

1. Replace generator to 50KW at main lift stations.

Whispering Canyon:

1. Transfer license for force main gravity main in Power Easement.
2. Manholes – agree to raise 3 manholes on main gravity line to prevent water infiltration.
3. Lots 145-156, 163 & 164 individual onsite pumps undersized.
Prove letter of notice to these lots having a need for more storage, give to Title Company for future escrows and send certified letters to lot owners for lots that have been sold.
4. Commence efforts to obtain WAPA license transfer or acceptable access authorization.

**EXHIBIT "E"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
FORM OF SANTEC PLANT BILL OF SALE**

When Recorded, Please Mail To:

ICR SANITARY DISTRICT
P.O. Box 215
Prescott, AZ 86232
Attn: Bob Hilb

BILL OF SALE

SANTEC WASTEWATER TREATMENT FACILITY PHASE 1

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, TALKING ROCK LAND, L.L.C., an Arizona limited liability company and OLD CAPITOL INVESTMENTS, LLC, an Arizona limited liability company, (together "Transferors"), hereby transfer, convey and absolutely sets over to ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. ("Transferee"), the wastewater treatment facilities constructed on Transferee's property as described on Exhibit "A" including but not limited to those treatment facilities and related equipment, valves, meters, electrical systems and control systems (together, the "Facilities") at a total cost shown on Exhibit "A" and further described in the as-built improvement plans provided to Transferee and approved by Yavapai County Development Services Department.

Transferee has fully reviewed the design of the Facilities and has inspected the Facilities and accepts title, operation, maintenance and repair responsibilities to the Facilities as of the _____, 2012. Upon Transferee's execution of this Bill of Sale, Transferee shall be deemed to have accepted the Facilities in "as is" and "as-constructed" condition without representation or warranty of the Transferors.

IN WITNESS WHEREOF, Assignor and Assignee have duly executed this Bill of Sale (Santec Wastewater Treatment Facility Phase 1) as of this _____ day of _____, 2012.

SIGNATURES ON NEXT PAGE



TRANSFERORS:

TALKING ROCK LAND, LLC.,
an Arizona limited liability company

By: Harvard Simon I, L.L.C.
an Arizona limited liability company

Its: Manager

By: Harvard Talking Rock, L.L.C.,
an Arizona limited liability company

Its: Operating Member

By: Harvard Investments, Inc.
a Nevada corporation

Its: Manager

By: _____
Its: _____

OLD CAPITOL INVESTMENTS, LLC,
An Arizona limited liability company,

By: Four Capital Group, Inc.,
An Arizona corporation,
Its Manager-Member

By: _____
Its: _____

TRANSFeree:

I.C.R. SANITARY DISTRICT,
a political subdivision of the State of Arizona

By: Bob Hilb
Its: Chairman

By: Brian Ray
Its: Board Member

By: Scott Robbins
Its: Board Member



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: Bill of Sale – Santec Wastewater Treatment Facility Phase 1
Date of Document: _____
Number of Pages (including this notarial certificate: _____ pages
Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of Harvard Investments, Inc., in its capacity as Manager of Harvard Talking Rock, L.L.C., in its capacity as Operating Member of Harvard Simon I, L.L.C., in its capacity as Manager of Talking Rock Land, L.L.C.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF _____ }

Title/Type of Document: Bill of Sale – Santec Wastewater Treatment Facility Phase 1
Date of Document: _____
Number of Pages (including this notarial certificate: _____ pages
Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of Four Capital Group, Inc., in its capacity as Member-Manager of Old Capital Investments, LLC, an Arizona limited liability company.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: Bill of Sale – Santec Wastewater Treatment Facility Phase 1
Date of Document: _____
Number of Pages (including this notarial certificate: _____ pages
Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: Bill of Sale – Santec Wastewater Treatment Facility Phase 1
Date of Document: _____
Number of Pages (including this notarial certificate: _____ pages
Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA
} ss.
COUNTY OF YAVAPAI }

Title/Type of Document: Bill of Sale – Santec Wastewater Treatment Facility Phase I

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public

6756422/S.0049



EXHIBIT "A"
DESCRIPTION OF
TRANSFEEE'S PROPERTY and FACILITIES

Legal Description of Transferee's Property:

A portion of the following described property:

TRACT A, as shown on Final Plat of INSCRIPTION CANYON RANCH SUBDIVISION – UNIT ONE, PHASE ONE, recorded in Book 32, at Page 38 in the official records of Yavapai County, Arizona Recorder's Office.

Description of Facilities:

Santec Wastewater Treatment Plant Phase 1

Initial Deposit (per Utility Dev Agr)	\$	50,000
1st Progress Pmt (per Utility Dev Agr)	\$	50,000
2nd Progress Pmt (per Utility Dev Agr)	\$	50,000
Final Payment	\$	150,000
Permits	\$	10,406
Lot Fees	\$	575,246
Total Costs:		\$ 885,652

Cost for WWTP Phase 1 are the total monies paid to Pivotal.

**RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION**

EXHIBIT "E"

TO

**AMENDED AND RESTATED DEVELOPMENT AGREEMENT
FORM OF TALKING ROCK BILL OF SALE
(EXISTING INFRASTRUCTURE)**

When Recorded, Please Mail To:

ICR SANITARY DISTRICT
P.O. Box 215
Chino Valley, AZ 86323
Attn: Bob Hilb

BILL OF SALE

TALKING ROCK RANCH

OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, TALKING ROCK LAND, L.L.C., an Arizona limited liability company ("Transferor"), hereby transfers, conveys and absolutely sets over to ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. ("Transferee"), wastewater improvements constructed in Transferor's development known as Talking Rock Ranch, including but not limited to the following: a wastewater lift station, and wastewater transmission mains together with all wastewater system equipment, valves, meters, electrical systems, control systems and related collection infrastructure and appurtenances (together, the "Facilities" as itemized in Exhibit "A") and further described in the as-built improvement plans provided to Transferee and approved by Yavapai County Development Services Department.

Transferee has fully reviewed the design of the Facilities and has inspected the Facilities and accepts title, operation, maintenance and repair responsibilities to the Facilities as of the _____, 2012. Upon Transferee's execution of this Bill of Sale, Transferee shall be deemed to have accepted the Facilities in "as is" and "as-constructed" condition without representation or warranty of Transferor.

SIGNATURES ON NEXT PAGE



IN WITNESS WHEREOF, Transferor and Transferee have duly executed this Bill of Sale (Off-Site, On-Site and Other Related Wastewater Facilities) as of this _____ day of _____, 2012.

TRANSFEROR:

TALKING ROCK LAND, L.L.C.,
an Arizona limited liability company

By: Harvard Simon I, L.L.C.
an Arizona limited liability company

Its: Manager

By: Harvard Talking Rock, L.L.C.,
an Arizona limited liability company

Its: Operating Member

By: Harvard Investments, Inc.
a Nevada corporation

Its: Manager

By: _____

Its: _____

TRANSFEE:

ICR SANITARY DISTRICT,
a special taxing district

By: Bob Hilb

Its: Chairman

By: Brian Ray

Its: Board Member

By: Scott Robbins

Its: Board Member



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: Bill of Sale – Talking Rock Ranch Off-Site, On-Site
and Other Related Wastewater Facilities

Date of Document: _____

Number of Pages (including
this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of Harvard Investments, Inc., in its capacity as Manager of Harvard Talking Rock, L.L.C., in its capacity as Operating Member of Harvard Simon I, L.L.C., in its capacity as Manager of Talking Rock Land, L.L.C.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: Bill of Sale – Talking Rock Ranch Off-Site, On-Site
and Other Related Wastewater Facilities

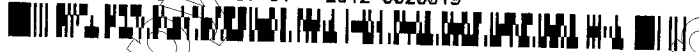
Date of Document: _____

Number of Pages (including
this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona, Buyer.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: Bill of Sale – Talking Rock Ranch Off-Site, On-Site
and Other Related Wastewater Facilities

Date of Document: _____

Number of Pages (including
this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of
_____, 2012 by _____ of I.C.R.
Sanitary District, a special taxing district in the State of Arizona.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: Bill of Sale – Talking Rock Ranch Off-Site, On-Site
and Other Related Wastewater Facilities

Date of Document: _____

Number of Pages (including
this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of
_____, 2012 by _____ of ICR
Sanitary District, a special taxing district in the State of Arizona.

Notary Public

EXHIBIT "A"

TALKING ROCK RANCH - BILL OF SALE

OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

SUMMARY

Master Infrastructure:

Master Infrastructure	\$	477,564.75
Double Adobe Phase 1	\$	21,775.66
Double Adobe Phase 2 - Utility Extension	\$	38,735.59
Double Adobe Phase 3 - Utility Extension	\$	70,718.22
Double Adobe Phase 3D - Utility Extension	\$	31,896.87
Double Adobe Phase 9D - Utility Extension	\$	74,082.96
Phase 9D Water Loop	\$	60,124.34
Phase 9 - Sewer Lift Station (Three Forks Rd)	\$	112,341.73
Double Adobe Phase 10 - Utility Extension	\$	501,099.93
	\$	1,388,340.06

Talking Rock Ranch Subdivisions:

TRR PHASE ONE-A, Bk 45, Pg 62 - 8/16/02	\$	273,230.37
TRR PHASE ONE-B, Bk 45, Pg 45 - 6/24/02	\$	76,805.71
TRR PHASE ONE-C, Bk 53, Pg 19 - 5/2/05	\$	382,349.16
TRR PHASE TWO-A, Bk 47, Pg 77 - 5/30/03	\$	82,087.65
TRR PHASE TWO-B, BK 48, Pg 96 - 11/3/03	\$	99,954.12
TRR PHASE TWO-C, Bk 49, Pg 64 - 2/4/04	\$	94,769.38
TRR PHASE THREE-A, Bk 47, Pg 30 - 4/2/03	\$	56,437.37
TRR PHASE THREE-B, Bk 54, Pg 4 - 8/10/05	\$	29,647.97
TRR PHASE THREE-C, Bk 54, Pg 6 - 8/10/05	\$	31,814.50
TRR PHASE THREE-D, Bk 54, Pg 12 - 8/11/05	\$	75,409.31
TRR PHASE FOUR-A, Bk 45, Pg 82 - 10/4/02	\$	22,147.25
TRR PHASE FIVE-A, Amended Bk 51, Pg 66 - 11/15/04 & FIVE-B, Bk 57, Pg 20 - 5/1/06	\$	140,300.45
TRR PHASE EIGHT-A, Amended Bk 52, Pg 34 - 1/27/05	\$	138,345.28
TRR PHASE EIGHT-B, Bk 53, Pg 22 5/2/05	\$	110,498.77
TRR PHASE EIGHT-C, Bk 50, Pg 97 - 8/17/04	\$	166,647.02
TRR PHASE NINE-A, Bk 52, Pg 55 - 2/10/05	\$	173,984.81
TRR PHASE NINE-B, Bk 52, Pg 57 - 2/10/05	\$	193,839.11
TRR PHASE NINE-C, Bk 54, Pg 8 - 8/10/05	\$	173,140.90
TRR PHASE NINE-D, Bk 54, Pg 10 - 8/10/05	\$	116,209.06
TRR PHASE TEN, Bk 56, Pg 10 - 4/5/06	\$	414,493.96
TRR PHASE TWENTY-SEVEN, Bk 49, Pg 98 - 3/23/04	\$	148,138.48
	\$	3,000,250.63

TOTAL SEWER DEVELOPMENT COSTS: \$ 4,388,590.68 *

*Detailed on the following pages.

Page One of Ten

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

E-11

Format change of RB


EXHIBIT "A"

TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR OFF-SITE & ON-SITE MASTER INFRASTRUCTURE

As of 12/31/11

Master Infrastructure	Quantity	UM	Unit Price	Extended Cost
8" Class 200 PVC Sewer	7,984	LF	25.00	199,600.00
8" SDR 35 PVC Sewer	351	LF	32.00	11,232.00
4" Low Pressure Sewer	1,561	LF	14.00	21,854.00
Pressure Sewer Air Release Valve	12	EA	2,500.00	30,000.00
Combination Air/Vacuum Valve	17	EA	1,200.00	20,400.00
Sewer Pump Station	1	LS	35,000.00	35,000.00
Williamson Valley Street Repair	1	EA	3,500.00	3,500.00
WWWT Sewer Tie In	1	EA	3,500.00	3,500.00
4" Force Main	717	LF	14.00	10,038.00
Excise Tax	1		0.04095	13,733.00
Road Crossing and Slurry Backfill	1	EA	5,116.27	5,116.27
Manhole Installation	2	EA	3,331.00	6,662.00
Sewer Lift Station Control Panels	1	EA	5,750.00	5,750.00
Wastewater analysis submitted to ADEQ	1	EA	4,140.00	4,140.00
<i>Phase 1A Off-sites:</i>				
8" SDR 35 PVC Sewer	3,273	LF	25.00	81,825.00
Manholes	8	EA	2,602.00	20,816.00
Manhole Adjustment	8	EA	364.00	2,912.00
2" Low Pressure Sewer	238	LF	6.25	1,486.48
				477,564.75

Double Adobe Phase 1	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR	575	LF	32.80	18,860.00
48" MANHOLES	1	EA	2,915.66	2,915.66
				21,775.66

Double Adobe Phase 2-Utility Extension	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR	800	LF	33.32	26,656.80
48" MANHOLES	2	EA	2,915.57	5,831.14
4" LATERALS	5	EA	1,249.53	6,247.65
				38,735.59

Double Adobe Phase 3-Utility Extension	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR 35	446	LF	34.62	15,440.52
48" SEWER MANHOLES	1	EA	2,915.57	2,915.57
4" SEWER LATERALS	1	EA	1,249.53	1,249.53
3" PRESSURE SEWER	1,460	LF	24.99	36,486.86
2 1/2" PRESSURE SEWER	93	LF	22.91	2,130.44
1 1/2" PRESSURE LATERALS	7	EA	1,249.53	8,746.71
ONLINE FLUSH	3	EA	624.77	1,874.30
VERTICAL REALIGNMENT	1	EA	1,874.30	1,874.30
				70,718.22

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

Format change of RFA


EXHIBIT "A"

TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR OFF-SITE & ON-SITE MASTER INFRASTRUCTURE

As of 12/31/11

Double Adobe Phase 3D-Utility Extension	Quantity	UM	Unit Price	Extended Cost
5" PRESSURE SEWER	29	LF	30.20	875.80
3" PRESSURE SEWER	838	LF	28.11	23,556.18
2 1/2" PRESSURE SEWER	32	LF	26.55	849.70
1 1/2" PRESSURE LATERALS	1	EA	1,149.57	1,149.57
ONLINE FLUSH	3	EA	1,275.55	3,826.66
ENCASE SEWER	2	EA	819.48	1,638.97
				31,896.87

Double Adobe Phase 9D-Utility Extension	Quantity	UM	Unit Price	Extended Cost
6" PRESSURE SEWER	570	LF	30.20	17,214.00
2 1/2" PRESSURE SEWER	513	LF	26.55	13,621.69
1 1/2" PRESSURE SEWER	1	EA	1,149.57	1,149.57
ONLINE FLUSH	1	EA	1,275.56	1,275.56
AIR RELEASE	2	EA	3,696.53	7,393.05
VERTICAL REALIGNMENT	1	EA	1,561.91	1,561.91
ENCASE SEWER	1	EA	819.48	819.48
3" SEWER - C.O.	838	EA	29.16	24,432.48
ONLINE FLUSH - C.O.	3	EA	1,275.56	3,826.69
1 1/2" SEWER LATERALS - C.O.	1	EA	1,149.57	1,149.57
SEWER ENCASEMENTS - C.O.	2	EA	819.48	1,638.97
				74,082.96

Phase 9D Water Loop	Quantity	UM	Unit Price	Extended Cost
6" C-900 PRESSURE SEWER	1,600	LF	29.61	47,376.00
6" VB&C	1	EA	911.12	911.12
AIR RELEASE VALVE	1	EA	3,540.34	3,540.34
SEWER ENCASEMENT	1	EA	691.41	691.41
TIE IN TO EXISTING	2	EA	1,355.74	2,711.48
48" MANHOLE	1	EA	3,332.08	3,332.08
SOIL ODER FILTER ALLOWANCE	1	EA	1,561.91	1,561.91
				60,124.34

Phase 9 Sewer Lift Station (Three Forks Rd)	Quantity	UM	Unit Price	Extended Cost
Sewer Lift Station	1	EA	52,988.40	52,988.40
Sewer Lift Station-C.O. Deleted Gravity Sewer	1	EA	41,624.00	41,624.00
Air Testing Gravity Sewer Lines at Lift Station	1	EA	234.29	234.29
Vacuum Testing & Sealing Two Manholes	1	EA	546.67	546.67
Pouring two Manholes Bases at Lift Station	1	EA	572.70	572.70
Electrical Gear at Lift Station	1	EA	14,336.00	14,336.00
Generator and Labor	1	EA	1,079.67	1,079.67
Electrical Trenches Backfill	1	EA	960.00	960.00
				112,341.73

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

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EXHIBIT "A"

TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR OFF-SITE & ON-SITE MASTER INFRASTRUCTURE

As of 12/31/11

Double Adobe Phase 10-Utility Extension	Quantity	UM	Unit Price	Extended Cost
6" PRESSURE SEWER	1,600	LF	36.45	58,312.00
4" PRESSURE SEWER	1,925	LF	34.36	66,146.85
3" PRESSURE SEWER	1,740	LF	31.24	54,354.12
2.5" Sch 40LPS	1,620	LF	29.16	47,232.72
2" Sch 40 LPS	420	LF	28.11	11,807.88
1.5" Sch 40LPS	490	LF	27.07	13,265.77
1.5" LPS Services	45	EA	676.83	30,457.31
4" Laterals	11	EA	1,405.72	15,462.93
8" SDR-35 gravity main	1,574	LF	56.23	88,504.45
48" MANHOLES	6	EA	3,332.08	19,992.48
60" MANHOLES	2	EA	3,956.85	7,913.69
Air Release Valve	6	EA	3,019.70	18,118.19
Online Flush	10	EA	1,041.28	10,412.75
Endline Flush	8	EA	1,874.30	14,994.36
Concrete encasements	8	EA	1,249.53	9,996.24
Check/Plug valves	4	EA	3,123.83	12,495.30
Pressure Sewer Clean Out testing	2	EA	7,184.80	14,369.60
	9,300	LF	0.78	7,263.30

501,099.93

COSTS FOR OFF-SITE & ON-SITE MASTER SEWER INFRASTRUCTURE: \$ 1,388,340.05

Page Four of Ten

RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION

E-14

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EXHIBIT "A"
 TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE ONE-A, Bk 45, Pg 62-8/16/02	Quantity	UM	Unit Price	Extended Cost
MOBILIZATION	1	EA	26,023.75	\$ 26,023.75
TEMP PIPE	1	EA	10,409.50	\$ 10,409.50
ADJUST MANHOLES	13	EA	364.33	\$ 4,736.32
8" SDR 35 PVC SEWER	1,095	LF	24.98	\$ 27,356.17
SEWER MANHOLE	5	EA	2,602.38	\$ 13,011.88
6" SDR 35 PVC SEWER	34	LF	20.82	\$ 707.85
3" LOW PRESS SEWER	7,045	LF	12.49	\$ 88,001.91
2" LOW PRESS SEWER	4,647	LF	6.25	\$ 29,023.77
1-1/2" SEWER SERVICES	109	EA	364.33	\$ 39,711.97
AIR/VACUUM VALVE	9	EA	1,769.62	\$ 15,926.54
ONLINE FLUSH STATION	28	EA	520.48	\$ 14,573.30
FLUSH STATION	12	EA	312.29	\$ 3,747.42
				\$ 273,230.37

TRR PHASE ONE-B, Bk 45, Pg 45-6/24/02	Quantity	UM	Unit Price	Extended Cost
3" LOW PRESS SEWER	1,966	LF	17.18	\$ 33,767.38
2" LOW PRESS SEWER	1,243	LF	15.61	\$ 19,408.51
1-1/2" SEWER SERVICES	33	EA	520.48	\$ 17,175.68
ONLINE FLUSH STATION	10	EA	520.48	\$ 5,204.75
END OF LINE FLUSHING STATION	4	EA	312.29	\$ 1,249.14
				\$ 76,805.71

TRR PHASE ONE-C, Bk 53, Pg 19 - 5/2/05	Quantity	UM	Unit Price	Extended Cost
4" PRESSURE SEWER	1,554	LF	37.09	\$ 57,637.86
3" PRESSURE SEWER	3,323	LF	36.60	\$ 121,621.80
2" LOW PRESS SEWER	1,810	LF	35.11	\$ 63,549.10
1-1/2" SEWER SERVICES	59	EA	1,651.46	\$ 97,436.14
ONLINE FLUSH STATION	14	EA	1,004.83	\$ 14,067.62
END OF LINE FLUSHING STATION	5	EA	650.80	\$ 3,254.00
AIR RELEASE VALVE	7	EA	3,540.34	\$ 24,782.38
				\$ 382,349.16

TRR PHASE TWO-A, Bk 47, Pg 77-5/30/03	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR	1,380	LF	32.80	\$ 45,264.00
48" MANHOLES	4	EA	2,915.57	\$ 11,662.28
3" PRESS SEWER	25	LF	22.91	\$ 572.70
2" LOW PRESS SEWER	367	LF	20.83	\$ 7,642.96
1-1/2" PRES. SEWER LATERALS	96	LF	19.78	\$ 1,899.28
1-1/2" SEWER LATERALS	17	EA	780.96	\$ 13,276.26
ONLINE FLUSH STATION	1	EA	624.77	\$ 624.77
END LINE FLUSH	2	EA	572.70	\$ 1,145.40
				\$ 82,087.65

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EXHIBIT "A"
 TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE TWO-B, BK 48, Pg 96-11/3/03	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR	1,520	LF	32.80	\$ 49,856.30
48" MANHOLES	3	EA	2,915.57	\$ 8,746.71
3" PRESS SEWER	75	LF	22.91	\$ 1,718.11
2" LOW PRESS SEWER	565	LF	20.83	\$ 11,766.41
1-1/2" PRES. SEWER LATERALS	248	LF	19.78	\$ 4,906.48
1-1/2" SEWER LATERALS	25	EA	780.96	\$ 19,523.90
AIR RELEASE	1	EA	1,666.04	\$ 1,666.04
ONLINE FLUSH STATION	1	EA	624.77	\$ 624.77
END LINE FLUSH	2	EA	572.70	\$ 1,145.40
				\$ 99,954.12

TRR PHASE TWO-C, Bk 49, Pg 64 - 2/4/04	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR	1,296	LF	32.80	\$ 42,508.80
2" PRESSURE SEWER	938	LF	20.83	\$ 19,534.79
1 1/2" PRESSURE SEWER	191	LF	19.78	\$ 3,778.74
1 1/2" SEWER LATERALS	14	EA	780.96	\$ 10,933.38
48" MANHOLES	3	EA	2,915.57	\$ 8,746.71
4" SEWER LATERALS	5	EA	1,041.28	\$ 5,206.38
ONLINE FLUSH	2	EA	624.77	\$ 1,249.54
ENDLINE FLUSH	2	EA	572.10	\$ 1,144.20
AIR VAC	1	EA	1,666.84	\$ 1,666.84
				\$ 94,769.38

TRR PHASE THREE-A, Bk 47, Pg 30 - 4/2/03	Quantity	UM	Unit Price	Extended Cost
3" PRESSURE SEWER	410	LF	28.11	\$ 11,523.32
2 1/2" PRESSURE SEWER	390	LF	27.06	\$ 10,555.23
2" PRESSURE SEWER	389	LF	26.02	\$ 10,123.24
1 1/2" PRESSURE SEWER	140	LF	24.98	\$ 3,497.59
1 1/2" SEWER SERVICES	13	EA	832.76	\$ 10,825.88
ONLINE FLUSH STATION	3	EA	676.62	\$ 2,029.85
END OF LINE FLUSH STATION	3	EA	499.66	\$ 1,498.97
FLUSHING STATION ADJUSTMENT	6	EA	338.31	\$ 2,029.85
3" PRESSURE SEWER	369	LF	3.64	\$ 1,343.16
2 1/2" PRESSURE SEWER	351	LF	3.64	\$ 1,277.64
2" PRESSURE SEWER	350	LF	3.64	\$ 1,274.00
1 1/2" PRESSURE SEWER	126	LF	3.64	\$ 458.64
				\$ 56,437.37

TRR PHASE THREE-B, Bk 54, Pg 4 - 8/10/05	Quantity	UM	Unit Price	Extended Cost
2" PRESSURE	466	LF	31.87	\$ 14,851.42
1 1/2" LATERAL	10	EA	1,304.72	\$ 13,047.20
ON LINE FLUSH	1	EA	1,098.55	\$ 1,098.55
END LINE FLUSH	1	EA	650.80	\$ 650.80
				\$ 29,647.97

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

format change OK RLB



EXHIBIT "A"
 TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE THREE-C, Bk 54, Pg 6 - 8/10/05				
	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	542	LF	26.03	\$ 14,109.34
1 1/2" PRESSURE SEWER	129	LF	26.03	\$ 3,358.13
1 1/2" PRESSURE LATERALS	10	EA	1,149.57	\$ 11,495.68
ON LINE FLUSH	1	EA	1,275.56	\$ 1,275.56
ENDLINE FLUSH	1	EA	819.48	\$ 819.48
HAUL SHADE	1	EA	756.30	\$ 756.30
				\$ 31,814.50

TRR PHASE THREE-D, Bk 54, Pg 12 - 8/11/05				
	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	964	LF	28.74	\$ 27,704.40
2" PRESSURE SEWER	338	LF	27.07	\$ 9,150.67
1 1/2" PRESSURE SEWER	122	LF	27.03	\$ 3,302.91
1 1/2" PRESSURE LATERAL	23	EA	1,149.57	\$ 26,440.06
ONLINE FLUSH	3	EA	1,275.56	\$ 3,826.69
ENDLINE FLUSH	1	EA	819.48	\$ 819.48
ENCASE SEWER	10	EA	416.51	\$ 4,165.10
				\$ 75,409.31

TRR PHASE FOUR-A, Bk 45, Pg 82 - 10/4/02				
	Quantity	UM	Unit Price	Extended Cost
2" LOW PRESSURE SEWER	711	LF	16.66	\$ 11,841.85
1 1/2" SEWER SERVICES	10	EA	728.67	\$ 7,286.65
ONLINE FLUSH	1	EA	520.48	\$ 520.48
ENDLINE FLUSH	3	EA	832.76	\$ 2,498.28
				\$ 22,147.25

TRR PHASE FIVE-A, Amended Bk 51, Pg 66 - 11/15/04 & FIVE-B, Bk 57, Pg 20 - 5/1/06				
	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	2,666	LF	22.91	\$ 61,078.06
1 1/2" PRESSURE SEWER	438	LF	21.87	\$ 9,577.75
1 1/2" PRESSURE LATERALS	46	EA	957.97	\$ 44,066.76
ONLINE FLUSH	15	EA	889.25	\$ 13,338.74
ENDLINE FLUSH	6	EA	764.30	\$ 4,585.78
AIR RELEASE	1	EA	4,269.23	\$ 4,269.23
ENCASE SEWER	13	EA	260.32	\$ 3,384.15
				\$ 140,300.45

TRR PHASE EIGHT-A, Amended Bk 52, Pg 34-1/27/05				
	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	1,692	LF	24.47	\$ 41,403.24
2" PRESSURE SEWER	2,050	LF	23.95	\$ 49,095.45
1 1/2" PRESSURE LATERAL	32	EA	1,041.28	\$ 33,320.80
ONLINE FLUSH	3	EA	624.77	\$ 1,874.30
END FLUSH	4	EA	572.70	\$ 2,290.80
AIR RELEASE	2	EA	1,666.04	\$ 3,332.08
ENCASE SEWER	3	EA	468.57	\$ 1,405.72
VERTICAL REALIGNMENT	3	EA	1,874.30	\$ 5,622.89
				\$ 138,345.28

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

format change OK PCH



EXHIBIT "A"
 TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE EIGHT-B, Bk 53, Pg 22 5/2/05	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	1,381	LF	30.16	\$ 41,644.06
2" PRESSURE SEWER	1,061	LF	28.79	\$ 30,547.25
1 1/2" PRESSURE LATERALS	24	EA	1,068.35	\$ 25,640.35
AIR VAC	3	EA	2,577.16	\$ 7,731.47
ONLINE FLUSH	1	EA	1,207.88	\$ 1,207.88
ENDLINE FLUSH	2	EA	926.74	\$ 1,853.47
VERTICAL REALIGNMENTS	1	EA	1,874.30	\$ 1,874.30
				\$ 110,498.77

TRR PHASE EIGHT-C, Bk 50, Pg 97 - 8/17/04	Quantity	UM	Unit Price	Extended Cost
8" PVC SDR 35	1,843	LF	35.40	\$ 65,242.20
2" PRESSURE SEWER	1,394	LF	24.99	\$ 34,836.06
48" SEWER MANHOLES	8	EA	2,915.57	\$ 23,324.56
60" SEWER MANHOLES	2	EA	3,540.34	\$ 7,080.68
DROP MANHOLES	1	EA	2,365.78	\$ 2,365.78
SEWER CLEANOUTS	1	EA	468.57	\$ 468.57
4" SEWER LATERALS	11	EA	1,132.91	\$ 12,462.01
1 1/2" PRESSURE SEWER LATERALS	15	EA	1,249.53	\$ 18,742.95
END LINE FLUSH	3	EA	708.07	\$ 2,124.21
				\$ 166,647.02

TRR PHASE NINE-A, Bk 52, Pg 55 - 2/10/05	Quantity	UM	Unit Price	Extended Cost
3" PRESSURE SEWER	1,460	LF	28.69	\$ 41,887.40
2 1/2" PRESSURE SEWER	2,754	LF	27.70	\$ 76,285.80
1 1/4" PRESSURE SEWER	253	LF	26.71	\$ 6,757.63
1 1/2" SEWER LATERAL	25	EA	957.97	\$ 23,949.25
ONLINE FLUSH	7	EA	1,193.30	\$ 8,353.10
ENDLINE FLUSH	3	EA	645.59	\$ 1,936.77
AIR VACS	4	EA	3,019.70	\$ 12,078.80
SEWER ENCASEMENTS	3	EA	431.09	\$ 1,293.27
PIPE INCREASE	1	EA	1,442.79	\$ 1,442.79
				\$ 173,984.81

TRR PHASE NINE-B, Bk 52, Pg 57 - 2/10/05	Quantity	UM	Unit Price	Extended Cost
3" PRESSURE SEWER	1,775	LF	28.69	\$ 50,924.75
2 1/2" PRESSURE SEWER	1,347	LF	27.70	\$ 37,311.90
2" PRESSURE SEWER	1,059	LF	28.19	\$ 29,853.21
1 1/2" PRESSURE SEWER	150	LF	27.20	\$ 4,080.00
1 1/4" PRESSURE SEWER	235	LF	27.69	\$ 6,507.15
1 1/2" SEWER LATERALS	25	EA	957.97	\$ 23,949.25
SEWER ENCASEMENTS	3	EA	431.09	\$ 1,293.27
AIR VACS	6	EA	3,019.70	\$ 18,118.20
ONLINE FLUSH	10	EA	1,193.30	\$ 11,933.00
ENDLINE FLUSH	2	EA	645.59	\$ 1,291.18
VERTICAL REALIGNMENTS	4	EA	1,874.30	\$ 7,497.20
PIPE INCREASE	1	EA	1,080.00	\$ 1,080.00
				\$ 193,839.11

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

format change OK kdt

EXHIBIT "A"
 TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE NINE-C, Bk 54, Pg 8 - 8/10/05	Quantity	UM	Unit Price	Extended Cost
2 1/2" PRESSURE SEWER	1,541	LF	29.16	\$ 44,929.40
2" PRESSURE SEWER	1,183	LF	28.64	\$ 33,875.21
1 1/2" PRESSURE SEWER	625	LF	28.11	\$ 17,571.25
1 1/4" PRESSURE SEWER	284	LF	28.11	\$ 7,984.38
1 1/2" PRESSURE SEWER LATERALS	35	EA	957.97	\$ 33,529.06
ONLINE FLUSH	10	EA	1,193.30	\$ 11,933.01
ENDLINE FLUSH	5	EA	645.59	\$ 3,227.96
AIR VAC	3	EA	3,019.70	\$ 9,059.09
SEWER ENCASEMENTS	5	EA	431.09	\$ 2,155.44
VERTICAL REALIGNEMENTS	3	EA	2,811.44	\$ 8,434.33
PIPE INCREASE	1	EA	441.79	\$ 441.79
				\$ 173,140.90

TRR PHASE NINE-D, Bk 54, Pg 10 - 8/10/05	Quantity	UM	Unit Price	Extended Cost
6" PRESSURE SEWER	740	LF	30.20	\$ 22,348.00
2 1/2" PRESSURE SEWER	1,324	LF	26.55	\$ 35,156.17
2" PRESSURE SEWER	621	LF	26.03	\$ 16,165.87
1 1/2" PRESSURE SEWER	60	LF	26.03	\$ 1,561.92
1 1/2" PRESSURE LATERALS	20	EA	1,149.57	\$ 22,991.36
ONLINE FLUSH	6	EA	1,275.56	\$ 7,653.37
ENDLINE FLUSH	2	EA	819.48	\$ 1,638.97
AIR RELEASE	1	EA	3,696.53	\$ 3,696.53
ENCASE SEWER	3	EA	819.48	\$ 2,458.45
PRICE INCREASE	1	EA	2,538.42	\$ 2,538.42
				\$ 116,209.06

TRR PHASE TEN, Bk 56, Pg 10 - 4/5/06	Quantity	UM	Unit Price	Extended Cost
6" Pressure Sewer	330	LF	36.45	\$ 12,026.85
2 1/2" Pressure Sewer	470	LF	25.51	\$ 11,990.17
2.5" Sch 40LPS	2,150	LF	27.07	\$ 58,206.95
2" Sch 40 LPS	2,700	LF	26.03	\$ 70,286.40
1.5" Sch 40LPS	1,650	LF	24.99	\$ 41,235.15
1.5" LPS Services	62	EA	676.83	\$ 41,963.40
4" Laterals	9	EA	1,015.24	\$ 9,137.19
8" SDR-35 gravity main	1,630	LF	45.82	\$ 74,680.08
48" Manholes	11	EA	3,123.83	\$ 34,362.08
Air Release Valve	6	EA	1,978.42	\$ 11,870.54
Online Flush	10	EA	833.02	\$ 8,330.20
Endline Flush	8	EA	1,822.23	\$ 14,577.85
Concrete encasements	8	EA	1,249.53	\$ 9,996.24
Check/Plug valves	2	EA	624.77	\$ 1,249.53
testing	8,000	LF	0.78	\$ 6,248.00
Sewer Trenching (1/3rd of joint trenching)	1	EA	8,333.34	\$ 8,333.34
				\$ 414,493.96

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

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MA
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EXHIBIT "A"
TALKING ROCK RANCH - BILL OF SALE

SEWER DEVELOPMENT COSTS FOR TALKING ROCK RANCH SUBDIVISIONS

As of 12/31/11

TRR PHASE TWENTY-SEVEN, Blk 49, Pg 98-3/23/04	Quantity	UM	Unit Price	Extended Cost
8" C-900	2,313	LF	33.32	\$ 77,071.47
48" MANHOLES	11	LF	2,915.57	\$ 32,071.27
4" SEWER LATERALS	38	EA	989.21	\$ 37,590.02
CONCRETE ENCASEMENTS	3	EA	312.38	\$ 937.15
SEWER CLEANOUTS	1	EA	468.57	\$ 468.57
				\$ 148,138.48

TOTAL COSTS FOR SUBDIVISION SEWER INFRASTRUCTURE: \$ 3,000,250.63

RECORDERS MEMO: LEGIBILITY
QUESTIONABLE FOR GOOD REPRODUCTION

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EXHIBIT "F"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
WHISPERING CANYON BILL OF SALE
(EXISTING INFRASTRUCTURE)

When Recorded, Please Mail To:

ICR SANITARY DISTRICT
P.O. Box 215
Chino Valley, AZ 86323
Attn: Bob Hilb

BILL OF SALE
WHISPERING CANYON

OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, OLD CAPITOL INVESTMENTS, LLC, an Arizona limited liability company ("Transferor"), hereby transfers, conveys and absolutely sets over to ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. ("Transferee"), wastewater improvements constructed in Transferor's development known as Talking Rock Ranch, including but not limited to the following: wastewater transmission mains together with all wastewater system equipment, valves, meters, electrical systems, control systems and related collection infrastructure and appurtenances (together, the "Facilities") as itemized in Exhibit "A", and further described in the as-built improvement plans provided to Transferee and Yavapai County Development Services Department.

Transferee has fully reviewed the design of the Facilities and has tested and inspected the Facilities and accepts title, operation, maintenance and repair responsibilities to the Facilities as of the _____, 2012. Upon Transferee's execution of this Bill of Sale, Transferee shall be deemed to have accepted the Facilities in "as is" and "as-constructed" condition without representation or warranty of Transferor.

SIGNATURES ON NEXT PAGE



IN WITNESS WHEREOF, Transferor and Transferee have duly executed this Bill of Sale (Off-Site, On-Site and Other Related Wastewater Facilities) as of this _____ day of _____, 2012.

TRANSFEROR:

OLD CAPITOL INVESTMENTS, LLC,
an Arizona limited liability company,

By: Four Capital Group, Inc.,
An Arizona corporation,
Its Manager-Member

By: _____
Its: _____

TRANSFEEE:

ICR SANITARY DISTRICT,
a special taxing district

By: Bob Hilb
Its: Chairman

By: Brian Ray
Its: Board Member

By: Scott Robbins
Its: Board Member



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF MARICOPA } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of Four Capital Group, Inc., in its capacity as Member-Manager of Old Capital Investments, LLC, an Arizona limited liability company.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona, Buyer.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of I.C.R. Sanitary District, a special taxing district in the State of Arizona.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 2012 by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public

EXHIBIT "A"

**WHISPERING CANYON - BILL OF SALE
 SEWER DEVELOPMENT COSTS FOR WHISPERING CANYON**

OFF-SITE WASTE WATER

Description	Quantity	UM	Unit Price	Extended Cost
8" PVC Sewer Main	4,160	Lf	28.00	\$ 116,480.00
8" DIP Sewer Main	126	Lf	40.00	\$ 5,040.00
6' Sewer Manhole	2	Ea	12,000.00	\$ 24,000.00
5' Sewer manhole	1	Ea	2,400.00	\$ 2,400.00
5' Drop Sewer Manhole	1	Ea	2,600.00	\$ 2,600.00
4' Sewer Manhole	13	Ea	1,500.00	\$ 19,500.00
4' Drop Sewer Manhole	1	Ea	1,800.00	\$ 1,800.00
LPS Manhole Connection	1	Ea	730.00	\$ 730.00
6" SCH40 LPS	2,606	Lf	24.00	\$ 62,544.00
6" LPS Gate Valve	3	Ea	700.00	\$ 2,100.00
6" LPS Inline Flushing Connection	3	Ea	1,050.00	\$ 3,150.00
6" LPS Air Release Valve	2	Ea	3,300.00	\$ 6,600.00
LPS Horizontal Alignment	8	Ea	800.00	\$ 800.00
Sewer Service	1	Ea	100.00	\$ 100.00
2" LPS Gate Valve	1	Ea	360.00	\$ 360.00
4" SCH 40 LPS	960	Lf	22.00	\$ 21,120.00
4" LPS Air Release Valve	2	Ea	3,500.00	\$ 7,000.00
4" Forced Main Tee	1	Ea	350.00	\$ 350.00
4" Forced Main Gate Valve	2	Ea	600.00	\$ 1,200.00
4" Forced Main Blind Flange	1	Ea	50.00	\$ 50.00
Sewer Lift Station	1	Ea	25,400.00	\$ 25,400.00
Remove/Replace Chain Link Fence	30	Lf	25.00	\$ 750.00
Mobilization (20%)	1	Ea	10,800.00	\$ 10,800.00
Blasting (33%)	1	Ls	9,914.03	\$ 9,914.03
CO # 4 - Lift Station Tie-in	1	Ls	7,845.00	\$ 7,845.00
CO #4 - Delete 4" Forced Main	1	Ls	1,600.00	\$ 1,600.00
Subtotal Off-site Waste Water				\$ 334,233.03

**ON-SITE WASTE WATER
 PHASES 1 & 2, BK 46, Pg 72 - 2/7/03**

Description	Quantity	UM	Unit Price	Extended Cost
LPS Trench/Dig/Backfill	14,786	Lf	16.00	\$ 236,576.00
4" SCH 40 LPS	2,560	Lf	1.50	\$ 3,840.00
4" LPS Gate Valve	16	Ea	470.00	\$ 7,520.00
3" SCH 40 LPS	1,100	Lf	1.25	\$ 1,375.00
3" LPS Gate Valve	5	Ea	480.00	\$ 2,400.00
2.5" SCH 40 LPS	2,520	Lf	1.00	\$ 2,520.00
2.5" LPS Gate Valve	3	Ea	375.00	\$ 1,125.00
2" SCH 40 LPS	3,826	Lf	0.75	\$ 2,869.50
2" LPS Gate Valve	15	Ea	360.00	\$ 5,400.00
1" SCH 40 LPS	4,440	Lf	0.50	\$ 2,220.00
LPS Inline Flushing Connection	22	Ea	1,200.00	\$ 26,400.00
LPS ARV	13	Ea	3,500.00	\$ 45,500.00
LPS Terminal Cleanout	10	Ea	850.00	\$ 8,500.00
LPS Sewer Service	92	Ea	600.00	\$ 55,200.00
LPS Sewer Service Sleeve	44	Ea	205.00	\$ 9,020.00
LPS/FM Vertical Realignment	8	Ea	720.00	\$ 5,760.00
Mobilization (20%)	1	Ls	18,000.00	\$ 18,000.00
Blasting (33%)	1	Ls	27,607.90	\$ 27,607.90
Subtotal On-site Phases 1 & 2 Waste Water				\$ 461,833.40

F-5

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

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EXHIBIT "A"
WHISPERING CANYON - BILL OF SALE

ON-SITE WASTE WATER
PHASE 3, Bk 57, Pg 75 - 7/10/06

<u>Description</u>	<u>Quantity</u>	<u>UM</u>	<u>Unit Price</u>	<u>Extended Cost</u>
JMS Excavating & Grading, LLC				
3" Pressure Sewer	977	LF	28.00	\$ 27,356.00
2" Pressure Sewer	2,752	LF	27.75	\$ 76,368.00
1 1/4" Sewer Lateral	41	Ea	1,013.00	\$ 41,533.00
Inline Flush	8	Ea	1,350.00	\$ 10,800.00
Endline Flush	6	Ea	633.00	\$ 3,798.00
Sewer Encasements	21	Ea	350.00	\$ 7,350.00
Raise Manholes	14	Ea	350.00	\$ 4,900.00
Raise Sewer Valve Boxes	10	Ea	250.00	\$ 2,500.00
Mobilization (20%)	1	Ls	2,200.00	\$ 2,200.00
CO#1 Water & Sewer Material Increase (46%)	1	Ls	6,705.00	\$ 6,705.00
JBT Contractors, LLC				
Finish Sewer System - retest & repair CO#1	1	Ls	19,538.89	\$ 19,538.89
Subtotal On-Site Phase 3 Waste Water				\$ 203,048.89

ON-SITE WASTE WATER
PHASE 4, Bk 57, Pg 78 - 7/10/06

<u>Description</u>	<u>Quantity</u>	<u>UM</u>	<u>Unit Price</u>	<u>Extended Cost</u>
JMS Excavating & Grading, LLC				
2" Pressure Sewer	3,261	LF	27.75	\$ 90,492.75
1 1/4" Sewer Lateral	42	Ea	1,013.00	\$ 42,546.00
Inline Flush	5	Ea	1,350.00	\$ 6,750.00
Endline Flush	3	Ea	633.00	\$ 1,899.00
Sewer Encasements	21	Ea	350.00	\$ 7,350.00
Raise Manholes	8	Ea	350.00	\$ 2,800.00
Raise Sewer Valve Boxes	8	Ea	250.00	\$ 2,000.00
Mobilization (20%)	1	Ls	2,200.00	\$ 2,200.00
CO#1 Water & Sewer Material Increase (42%)	1	Ls	6,622.00	\$ 6,622.00
JBT Contractors, LLC				
Finish Sewer System	1	Ls	22,426.36	\$ 22,426.36
Subtotal On-Site Phase 3 Waste Water				\$ 185,086.11

TOTAL OFF-SITE & ON-SITE WASTE WATER **\$ 1,184,201.43**

RECORDERS MEMO: LEGIBILITY
 QUESTIONABLE FOR GOOD REPRODUCTION

Format Change of R/A



EXHIBIT "G"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT

FORMS OF FUTURE BILLS OF SALE

When Recorded, Please Mail To:

ICR SANITARY DISTRICT

[Insert Address]

Attn: _____

BILL OF SALE

TALKING ROCK RANCH

OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, TALKING ROCK LAND, L.L.C., an Arizona limited liability company ("Transferor"), hereby transfers, conveys and absolutely sets over to ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. ("Transferee"), wastewater improvements constructed in Transferor's development known as Talking Rock Ranch, including but not limited to the following: wastewater transmission mains together with all wastewater system equipment, valves, meters, electrical systems, control systems and related collection infrastructure and appurtenances (together, the "Facilities") as itemized in Exhibit "A", and further described in the as-built improvement plans dated _____ provided to Transferor and Yavapai County Development Services Department.

Transferor represents and warrants: (i) the Facilities are free and clear of any liens and encumbrances and that all claims of contractors, subcontractors, mechanics and materialmen relating to the construction and installation of the Facilities have been paid and satisfied and (ii) that for a period of two (2) years from the date hereof the Facilities shall remain free from all defects and deficiencies in construction, materials and/or workmanship, and (iii) the Facilities comply with all standards as set forth in the applicable Federal, State and local laws and regulations that pertain to such Facilities.

Transferee has fully reviewed the design of the Facilities and has tested and inspected the Facilities and accepts title, operation, maintenance and repair responsibilities to the Facilities as of the _____, 201_.

SIGNATURES ON NEXT PAGE



IN WITNESS WHEREOF, Transferor and Transferee have duly executed this Bill of Sale (Off-Site, On-Site and Other Related Wastewater Facilities) as of this _____ day of _____, 201_.

TRANSFEROR:

TALKING ROCK LAND, LLC.,
an Arizona limited liability company

By: Harvard Simon I, L.L.C.
an Arizona limited liability company

Its: Manager

By: Harvard Talking Rock, L.L.C.,
an Arizona limited liability company

Its: Operating Member

By: Harvard Investments, Inc.
a Nevada corporation

Its: Manager

By: _____
Its: _____

TRANSFEE:

ICR SANITARY DISTRICT,
a special taxing district

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF MARICOPA }

Title/Type of Document: BILL OF SALE - TALKING ROCK RANCH OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of Harvard Investments, Inc., in its capacity as Manager of Harvard Talking Rock, L.L.C., in its capacity as Operating Member of Harvard Simon I, L.L.C., in its capacity as Manager of Talking Rock Land, L.L.C.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
 } ss.
COUNTY OF YAVAPAI }

Title/Type of Document: BILL OF SALE - TALKING ROCK RANCH OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

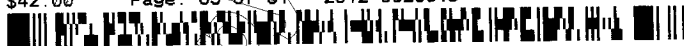
Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of ICR Sanitary District, a special taxing district in the State of Arizona, Buyer.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE - TALKING ROCK RANCH OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of I.C.R. Sanitary District, a special taxing district in the State of Arizona.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE - TALKING ROCK RANCH OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public



EXHIBIT "H"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
FORMS OF FUTURE BILLS OF SALE

When Recorded, Please Mail To:

ICR SANITARY DISTRICT

[Insert address]

Attn: _____

BILL OF SALE

WHISPERING CANYON

OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, OLD CAPITOL INVESTMENTS, LLC, an Arizona limited liability company ("Transferor"), hereby transfers, conveys and absolutely sets over to ICR SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 et seq. and 48-2001 et seq. ("Transferee"), wastewater improvements constructed in Transferor's development known as Talking Rock Ranch, including but not limited to the following: wastewater transmission mains together with all wastewater system equipment, valves, meters, electrical systems, control systems and related collection infrastructure and appurtenances (together, the "Facilities") as itemized in Exhibit "A", and further described in the as-built improvement plans dated _____ provided to Transferor and Yavapai County Development Services Department.

Transferor represents and warrants: (i) the Facilities are free and clear of any liens and encumbrances and that all claims of contractors, subcontractors, mechanics and materialmen relating to the construction and installation of the Facilities have been paid and satisfied and (ii) that for a period of two (2) years from the date hereof the Facilities shall remain free from all defects and deficiencies in construction, materials and/or workmanship, and (iii) the Facilities comply with all standards as set forth in the applicable Federal, State and local laws and regulations that pertain to such Facilities.

Transferee has fully reviewed the design of the Facilities and has tested and inspected the Facilities and accepts title, operation, maintenance and repair responsibilities to the Facilities as of the _____, 201_.

SIGNATURES ON NEXT PAGE



IN WITNESS WHEREOF, Transferor and Transferee have duly executed this Bill of Sale (Off-Site, On-Site and Other Related Wastewater Facilities) as of this _____ day of _____, 201_.

TRANSFEROR:

OLD CAPITOL INVESTMENTS, LLC,
an Arizona limited liability company,

By: Four Capital Group, Inc.,
An Arizona corporation,
Its Manager-Member

By: _____
Its: _____

TRANSFEEE:

ICR SANITARY DISTRICT,
a special taxing district

By: _____
Its: _____

By: _____
Its: _____

By: _____
Its: _____



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF MARICOPA } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201__ by _____, _____ of Four Capital Group, Inc., in its capacity as Member-Manager of Old Capital Investments, LLC, an Arizona limited liability company.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201__ by _____ of ICR Sanitary District, a special taxing district in the State of Arizona, Buyer.

Notary Public



NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of I.C.R. Sanitary District, a special taxing district in the State of Arizona.

Notary Public

NOTARIAL CERTIFICATE

STATE OF ARIZONA }
COUNTY OF YAVAPAI } ss.

Title/Type of Document: BILL OF SALE – WHISPERING CANYON OFF-SITE, ON-SITE AND OTHER RELATED WASTEWATER FACILITIES

Date of Document: _____

Number of Pages (including this notarial certificate: _____ pages

Name(s) of Signer(s): _____

The above-described instrument was acknowledged before me this _____ day of _____, 201_ by _____ of ICR Sanitary District, a special taxing district in the State of Arizona.

Notary Public



EXHIBIT "I"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
EXPANSION PARAMETER DOCUMENTS

WATER PERMITS
SEP 04 2002
RECEIVED

**SANTEC DESIGN CALCULATIONS
FOR MULTI-PHASE SYSTEM OPERATION**

PROJECT NAME: Inscription Canyon Ranch
PROJECT LOCATION: Yavapai County, Arizona
DATE: 9/3/02
PREPARED BY: Daniel R. [Redacted]

DESIGN CAPACITY (gpd) PER PHASE
PHASE ONE: 62,500
PHASE TWO: 131,000
PHASE THREE: 131,000
PHASE FOUR: 131,000
TOTAL CAPACITY: 455,500

INFLUENT FLOW VOLUME (gpd)	PHASE ONE		PHASE TWO		PHASE THREE		PHASE FOUR		DESIGN CAPACITY
	gpd	gpm	gpd	gpm	gpd	gpm	gpd	gpm	
10,000	10,000	7	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	62,500
20,000	20,000	14	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	62,500
30,000	30,000	21	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	62,500
40,000	40,000	28	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	62,500
50,000	50,000	35	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	62,500
53,125	53,125	37	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	193,500
60,000	60,000	40	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
70,000	0	0	70,000	49	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
80,000	0	0	80,000	56	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
90,000	0	0	90,000	63	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
100,000	0	0	100,000	69	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
110,000	0	0	110,000	76	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
120,000	0	0	120,000	83	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
130,000	25,000	17	105,000	73	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
140,000	30,000	21	110,000	76	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
150,000	35,000	24	115,000	80	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
160,000	40,000	28	120,000	83	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	NOT CONSTRUCTED	193,500
164,475	39,475	27	125,000	87	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	193,500
170,000	45,000	31	125,000	87	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	CONSTRUCTION START	193,500
180,000	0	0	115,000	80	65,000	45	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
190,000	0	0	115,000	80	75,000	52	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
200,000	0	0	115,000	80	85,000	59	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
210,000	0	0	115,000	80	95,000	66	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
220,000	0	0	115,000	80	105,000	73	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
230,000	0	0	115,000	80	115,000	80	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
240,000	20,000	14	110,000	76	110,000	76	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
250,000	30,000	21	110,000	76	110,000	76	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
260,000	40,000	28	110,000	76	110,000	76	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
270,000	40,000	28	115,000	80	115,000	80	NOT CONSTRUCTED	NOT CONSTRUCTED	324,500
275,815	45,825	32	115,000	80	115,000	80	CONSTRUCTION START	CONSTRUCTION START	324,500
280,000	50,000	35	115,000	80	115,000	80	CONSTRUCTION START	CONSTRUCTION START	324,500
290,000	0	0	120,000	83	120,000	83	50,000	35	455,500
300,000	0	0	120,000	83	120,000	83	60,000	42	455,500
310,000	0	0	120,000	83	120,000	83	70,000	49	455,500
320,000	0	0	120,000	83	120,000	83	80,000	56	455,500
330,000	0	0	120,000	83	120,000	83	90,000	63	455,500
340,000	0	0	120,000	83	120,000	83	100,000	69	455,500
350,000	0	0	120,000	83	120,000	83	110,000	76	455,500
360,000	0	0	120,000	83	120,000	83	120,000	83	455,500
370,000	20,000	14	110,000	76	120,000	83	120,000	83	455,500
380,000	20,000	14	120,000	83	120,000	83	120,000	83	455,500
390,000	30,000	21	120,000	83	120,000	83	120,000	83	455,500
400,000	40,000	28	120,000	83	120,000	83	120,000	83	455,500
410,000	45,000	31	125,000	87	125,000	87	125,000	87	455,500
420,000	45,000	31	125,000	87	125,000	87	125,000	87	455,500
430,000	40,000	28	130,000	90	130,000	90	130,000	90	455,500
440,000	47,000	33	131,000	91	131,000	91	131,000	91	455,500
455,500	62,500	43	131,000	91	131,000	91	131,000	91	455,500

Construction of additional phases will commence when the average monthly flow rate into the WWTP exceeds 85% of design capacity for a period of two consecutive months.

Average reported monthly flows as of December 2011 was 35,000 GPD.

RECORDERS MEMO: LEGIBILITY QUESTIONABLE FOR GOOD REPRODUCTION



 Pivotal Utility Management

June 25, 2002

Matthew Hodge
ADEQ – Water Permits Section
3033 N. Central Ave.
Phoenix, AZ 85012

Re: Inscription Canyon Ranch WWTP Significant Amendment
APP file no. 103119

Dear Mr. Hodge;

As requested, I have enclosed formal responses, herewith, to the items outlined in Kathleen's memo, forwarded to me in a letter dated June 12, 2002 letter.

- 1) Revised site layout drawings have been enclosed removing the note for potable water line installation.
 - a) As discussed via telephone, as-built plans for this line are unavailable to us.
 - b) Certification letter signed by Steve Herman, P.E. confirms construction will be in accordance with the rules relative to pipe-coding and separation requirements.
 - c) The backflow preventer specifications will be sent as soon as I receive them from the operator (within the next few days).
- 2)
 - a) The 6" PVC crossover between equalization tanks showing in drawing 5 of section six provides the mechanism for wastewater transfer between the equalization tanks. With this connection at the same elevation on each tank, the equalization tanks function as a single large tank. The level in the phase one eq. tank will be same as the level in the phase four eq. tank.
 - b) Flow to each treatment phase (excluding the flow equalization basin) is achieved through a duplex set of pumps, level controller, actuated valve and flow meter for each phase. Pumps, flow meters, valves and controllers are designed to operate independently for each phase.
 - c) The hydraulic profile for phase three and four will be identical to the phase two hydraulic profile. Flow control is as discussed in item (b) above.

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WATER PERMITS

JUN 26 2002

DEV 602340-D



Pivotal Utility Management

- d) Reference to the process control section has been removed and a revised page 29 enclosed. Process flow rate to each phase is controlled by the level in the flow equalization basin(s). As the level rises, the actuated valve which controls the flow to each phase opens and increases the flow to the phase. The valve will be set-up during start-up to feed the design flow rate to the process at the full open position.
- e) The addition of the control valve to the process force main is a relatively new addition to the treatment process. Facilities currently operating with the actuated valve are:
- i) Palm Shadows (Yuma, AZ 200,000 gpd, .5 mgd build-out)
 - ii) Del Pueblo (Yuma, AZ 56,000 gpd)
 - iii) Teen Mania (Lindale, Texas 56,000 gpd)
 - iv) Petro Stopping Center (Glendale, KY, 90,000 gpd, two phases)
 - v) Strohecker Mobile Home Park (Halifax, PA, 32,000 gpd)

Phase facilities with multiple equalization basins (no actuated valve) in operation are:

- vi) Eagle Mountain (Eagle Mountain, UT 250,000 gpd, .5 mgd build-out design flow).
- 3)
- a) Addressed in clarification letter dated June 12, 2002.
 - b) During multi-phase operation, each phase will operate independently allowing each phase to receive its flows from the equalization basin at or below its individual design capacity. As new phases are brought on-line, the flow rate directed to the previous phases is typically reduced, so that 1) each phase receives a similar amount of flow (relative to its design capacity) and 2) so that the new phase has sufficient flow and biomass to function properly. Oftentimes, after new phases are brought on-line, a smaller sized earlier phase is taken off-line (for example: Phase three expansion in the project will take the capacity of the system from 193,500 gpd to 324,500 gpd. Since the flow into the plant is likely to be around 200,000 gpd at the time the construction of phase three is complete, the operator may choose to take phase one (62,500 gpd capacity) offline, and feed 100,000 gpd each into phases two and three. As discussed above, this will allow the operator to maintain sufficient biomass and biological activity in the two larger trains more efficiently than if the new train saw a very small amount of flow. In addition, because the first phase can be temporarily taken off-line, operations costs can be saved.
- 4) This issue was discussed with Kathleen; sludge will be processed and thickened in the Santec treatment process, then hauled, when appropriate, via pump truck to an approved dump that accepts and is permitted to receive "activated sludge". The

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DEV002341



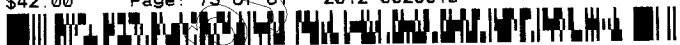
Pivotal Utility Management

dump from which we received a confirmation letter is approved for this type of disposal.

- 5) Done
- 6) Done
- 7) Done
- 8) Per our telephone conversations, this is a "grey area" in the new rules. As such, I would like to request the department provide a resolution between the two different standards for fecal coliform offered by BADCT and B+ effluent. We request (and have been granted in the past) that the less-stringent standard be included in this permit.
 - a) See above
 - b) See enclosed - Revised drawings #1 for phase one, #1 and #2 for phase two and #5 overall show dechlorination tablet feeders following chlorination. Specifications on the tablet feeder are enclosed.
- 9) Done
- 10) As per telephone discussion with Kathleen, please see certified letter from John Wesnitzer of Shephard Wesnitzer engineering discussing water level elevation of the storm water retention pond that borders the plant site to the west and north. Also note the hydraulic profiles in the Santec drawing set with relation to this elevation. The new site plan stamped by Shephard Wesnitzer should provide sufficient clarity on this request. With regard to dechlorination, see item 8.b. above.
- 11) As discussed with Kathleen, the existing generator will be sufficient for emergency backup during phase one, with an additional generator capacity planned to be added during phase two and beyond.
- 12) As discussed with you and Kathleen, we feel our previous submissions with regard to items 12-15 meet the basic requirements of the rule, however, we would like to improve their quality for future submissions. As such, we request you send examples or templates that we can integrate into our submittal documentation such that we can improve their clarity, completeness and overall professionalism.
- 13) See item #12
- 14) See item #12
- 15) See item #12
- 16) Done
- 17) Phase integration (also refer to discussion in response item #3.b.). In general, construction of additional phases will commence when the average monthly flow rate into the WWTP exceeds 85% of design capacity for a period of two consecutive months. As mentioned in the discussion of flow control, item #3, each phase will operate independently, which supports our assertion that phases three and four will

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DEV002342



 **Pivotal Utility Management**

operate identically the same as phase two. All flow process diagrams, hydraulic profiles and tank sizes will be identical to phase two.

18) Done (See letter from Steve Herman dated June 13, 2002.

We hope, that with the inclusion of the backflow prevention device details (which will follow shortly), that we have now sufficiently addressed the remaining technical review issues. However, if additional questions arise, or clarifications are required, please feel free to contact me to discuss them, and/ or to request the supplemental information.

Regards,

Jason Williamson
Executive Director, Pivotal Utilities

Enclosures

6825 E. Tennessee Ave. Suite 401; Denver, CO 80224

DEV002343

**EXHIBIT "J"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
FORM OF EASEMENT FOR
PORTION OF EFFLUENT LINE ON DISTRICT PROPERTY**

WHEN RECORDED, RETURN TO:

Talking Rock Land, L.L.C.
c/o Harvard Investments, Inc.
Attn: Kim Korp
17700 N. Pacesetter Way
Scottsdale, AZ 85255

EFFLUENT LINE EASEMENT AGREEMENT

THIS EFFLUENT LINE EASEMENT AGREEMENT ("Agreement") is made this _____ day of _____, 2012, by and between INSCRIPTION CANYON RANCH SANITARY DISTRICT, a special taxing district formed pursuant to A.R.S. §§ 48-101 *et seq.* and 48-2001 *et seq.* ("Grantor"), and TALKING ROCK LAND, L.L.C., an Arizona limited liability company ("TRL") and TALKING ROCK GOLF CLUB, L.L.C., an Arizona limited liability company ("TRGC") (collectively the "Talking Rock Parties") ("Grantee").

AGREEMENT

Subject to the terms and conditions set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto state, confirm and agree as follows:

1. Grant of Easements.

Grantor hereby grants to Grantee a non-exclusive, permanent easement twenty (20) feet in width, for purposes of installation, construction, operation, repair, replacement, and maintenance of an underground pipeline and other components of a water delivery system for the delivery of effluent (the "Easement"), to certain property owned by Grantee generally located in Sections 11, 15, 16, 17, 21, 22 and 28 in Township 16 North, Range 3 West, Gila and Salt River Base and Meridian, Yavapai County, Arizona (the "Benefitted Property") at Grantee's sole cost and expense, upon, across and under the surface of the real property described on **Exhibit "A"**, attached hereto and made a part hereof (the "Easement Property") together with the right of reasonable ingress and egress to and from the Easement Property which ingress and egress shall be over existing public roads and other property designated by Grantor and the right to operate, repair, replace, maintain, and remove any improvements or appurtenant facilities from the Easement Property, and to trim, prune, or remove any trees or shrubs located within or outside the limits of the Easement Property, that in the judgment of Grantee may interfere with the construction or endanger the use or operation of Grantee's improvements/facilities on the Easement Property.



2. No Implied Rights; No Representations or Warranties.

Grantor makes no representations or warranties, express or implied, including representations as to the accuracy or completeness of the information shown on the Exhibits attached hereto, and Grantee agrees to accept and use the Easement Property in "AS IS" "WHERE IS" condition and to bear all risks associated with the condition of the Easement Property. Grantee is entering into this Agreement and shall use the Easement Property based on Grantee's inspection and investigation of all matters pertaining thereto and not in reliance on any representation, warranty or agreement of Grantor. Grantee agrees that its use of the Easement Property is subject to all prior existing easements, rights-of-way and other rights, including, without limitation, all matters of record and all matters that can be disclosed by a physical inspection and survey of the Easement Property.

3. Duties and Obligations of Grantee.

Grantee shall exercise reasonable care in its use of the Easement Property. Grantee shall have the obligation to maintain and repair, at Grantee's sole cost and expense, but in a manner which Grantee shall determine from time to time in light of Grantee's use of the Easement Property and the marginal cost of such maintenance and repair, the Easement Property in substantially the condition in which it exists at the date hereof, reasonable wear and tear excepted. Grantee shall repair and replace, at its expense, any present or future improvement, structure, building, fence or gate that is disturbed, destroyed or damaged as a result of Grantee's construction, maintenance, protection, repair, replacement or removal of improvements on the Easement Property. By accepting this Easement, Grantee agrees to provide Grantor with a copy of all plans and specifications for any material improvements constructed within the Easement Property. In addition, Grantee shall obtain any and all necessary approvals and right-of-way use permits from the County of Yavapai, State of Arizona, at Grantee's sole cost and expense, for installation of any improvements on the Easement Property.

4. No Liens.

Grantee shall at all times keep and maintain the Easement Property free and clear of any and all liens, claims, demands, obligations, liabilities and causes of action arising out of or in any manner relating to any work, including construction and installation of the Easement and maintenance and repair work, performed on the Easement Property for or on behalf of Grantee or arising out of the use of the Easement Property by Grantee and its guests, invitees, agents and employees. If any demand, claim, lien or cause of action is filed, asserted or made on, against or with respect to the Easement Property as a result of any of such work or use, Grantee shall cause such lien, demand, claim or cause of action to be dismissed, released, and discharged therefrom no later than ten (10) days thereafter or commence proceedings to dismiss, release and discharge within ten (10) days and diligently pursue such proceedings until completed.

5. Indemnification and Release.

To the extent, allowable by law, Grantee, and Grantee's individual assigns that access and use the Easement Property, agree to indemnify, defend, protect and hold Grantor, its successors and assigns harmless from, of, for and against any and all liabilities, claims, damages, demands, obligations, expenses, costs, including attorneys' fees and court costs, and causes of action resulting from, arising out of or relating to the use of the Easement Property, except claims, damages, liabilities, costs and expenses (including reasonable attorney's fees) caused solely by the negligence or intentional misconduct of Grantors or Grantors' successors

and assigns. Grantee's obligations under this Paragraph survive the termination of this Agreement for a period of two (2) years.

6. Environmental Issues.

Grantee's operations and uses of the Easement Property shall substantially comply, as shall the operations and uses of all of its employees, agents, representatives, contractors and invitees (collectively, the "Grantee's Parties"), with all applicable federal, state and local laws, statutes, rules, ordinances, codes and regulations relating to environmental protection, public health and safety, nuisance or menace, and the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601-et seq., and its state and local counterparts presently in effect or amended or promulgated in the future (collectively, "Environmental Laws").

7. Assignment.

This Easement is personal to Grantee or any related successor in interest to Grantee which continues residential real estate development and/or golf course operations on Grantee's project known as Talking Rock Ranch. Grantee shall have no other right to make any assignment of its rights, benefits or obligations hereunder and any such assignment shall be null and void and shall result in the immediate termination of this Agreement unless such assignment is previously approved in writing by Grantor. Any such assignment shall require the assignee to be obligated by the terms and conditions of this Agreement and shall not release Grantee of its liabilities and obligations under this Agreement which accrue prior to such assignment, but future liabilities shall be deemed released.

8. Fees and Costs.

If either party to this Agreement shall institute suit against the other to enforce its rights under this Agreement or to seek damages by reason of a breach of this Agreement and obtain a valid judgment against the other, the prevailing party shall be entitled to receive all attorneys' fees, witness fees (including expert witness fees) and other litigation-related expenses incurred, with the attorneys' fees to be fixed by the judge of the court of the applicable jurisdiction, sitting without a jury.

9. Time of Essence.

Time is of the essence of this Agreement.

10. Governing Law.

This Agreement shall be governed by the laws of the State of Arizona. Any action, claim, dispute or litigation arising under this Agreement shall be brought and maintained in the Superior Court of Arizona in and for the County of Yavapai.

11. Notices.

Any notice, demand, request, consent, approval or other communication which any party is required to or desires to give or make to the other party shall be in writing and shall be given by delivery in person, by telecopy or by postage prepaid, registered or certified mail, return receipt requested, addressed as follows:



If to Grantor:

ICR Sanitary District
P. O. Box 215
Prescott, AZ 86323

If to Grantee:

Harvard Simon I, L.L.C.
c/o Harvard Investments, Inc.
17700 N. Pacesetter Way
Scottsdale, AZ 85255

12. Rights Reserved by Grantor; Relocation Right.

Grantor and its agents, employees, tenants, contractors, invitees, licensees, and representatives (collectively "Grantor's Permittees") shall have the right to use and occupy the Easement Property for any and all purposes, including, without limitation, ingress and egress, the operation, maintenance, construction, relocation, repair of any other utilities on the Easement Property, and the placement of any structures upon and within the Easement Property, provided that such other utility easements and structures constructed by Grantor and Grantor's Permittees do not hinder, conflict or cause detriment to Grantee's facilities, create a safety hazard or otherwise unreasonably interfere with Grantee's use of the Easement Property.

13. Termination of Grantor's Liability.

Grantor shall not be liable for any matter occurring or obligation arising hereunder after conveyance and assignment of all its rights, title and interest in and to the Easement Property.

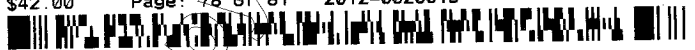
14. No Dedication.

Nothing in this Agreement shall be construed to create a public dedication or conveyance to the public or to any governmental agency or to any third party or to give any party other than Grantee and its successors and assigns any rights hereunder.

15. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

[SIGNATURE BLOCKS APPEAR ON NEXT PAGE.]



IN WITNESS WHEREOF, the parties hereto have executed this Effluent Easement Agreement the day and year first herein above written.

ICR SANITARY DISTRICT

By: Bob Hilb

Its: Board Chair

By: Brian Ray

Its: Board Member

By: Scott Robbins

Its: Board Member

TALKING ROCK LAND, L.L.C.

By: Harvard Simon I, L.L.C.
Its Manager,

By: Harvard Talking Rock, L.L.C.
Its Operating Member,

By: Harvard Investments, Inc.
Its Manager

By: _____
Its: _____

TALKING ROCK GOLF CLUB, L.L.C.

By: Harvard Simon I, L.L.C.
Its Manager,

By: Harvard Talking Rock, L.L.C.
Its Operating Member,

By: Harvard Investments, Inc.
Its Manager

By: _____
Its: _____



EXHIBIT "K"
TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT
DEVELOPER REIMBURSEMENT ALLOCATION METHODOLOGY

Appendix "K"
 Developer Repayment Matrix

Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Income District	\$300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Income Except ICR	\$200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Payment to Preserve	REF. ONLY	11,056	11,056	0	0	0	0	0	0	0	0	0
Payment to TRR	0	0	0	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000	24,000
Payment to WC	0	0	0	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000
Total Payments	0	11,056	11,056	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Cost Amount Santec	\$885,652	\$885,652	\$885,652	885,652	855,652	825,652	795,652	765,652	735,652	705,652	675,652	645,652
Cost Amount Preserve	\$215,424	204,368	193,312	0	0	0	0	0	0	0	0	0
Cost Amount TRR	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591
Cost Amount WC	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000
Example Cost Amt: TRR PH X	\$0	\$0	\$0	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Cost Amt. TRR/PH Y	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amt. TRR PH Z	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase B	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$6,673,667	\$6,662,611	\$6,458,243	\$6,458,243	\$6,428,243	\$6,398,243	\$6,368,243	\$6,338,243	\$6,308,243	\$6,278,243	\$6,248,243	\$6,218,243

Notes:

1. Refunds go to the Preserve for years 1, 2, and then are suspended.
2. All refunds due to TRR, WC from 2014 through 2029 are allocated to the Santec Plant. Following that the reimbursements are made on a proportional basis to TRR and WC
3. The ICR sub-division income is not used for reimbursements except for the Santec Plant.
4. There are 6 potential phases shown for WC and TRR. When these phases are developed, the methodology used in this spreadsheet will be updated to include the added amount of the new infrastructure.
5. The numbers will be updated annually to reflect the actual District Gross Income. Because of this, the write off years and amounts may vary accordingly.



Appendix "K"
 Developer Repayment Matrix

Year	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Income District	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000	300,000
Income Except ICR	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
Payment to Preserve	0	0	0	0	0	0	0	0	0	0	0	0
Payment to TRR	24,000	24,000	24,000	24,000	24,000	24,000	24,000	15,968	15,968	15,968	15,968	20,000
Payment to WC	6,000	6,000	6,000	6,000	6,000	6,000	6,000	4,032	4,032	4,032	4,032	4,032
Total Payments	30,000	30,000	30,000	30,000	30,000	30,000	30,000	20,000	20,000	20,000	20,000	20,000
Cost Amount Santeac	615,652	585,652	555,652	525,652	495,652	465,652	435,652	0	0	0	0	0
Cost Amount Preserve	0	0	0	0	0	0	0	0	0	0	0	0
Cost Amount TRR	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,388,591	\$4,372,623	\$4,356,655	\$4,340,687	\$4,324,719	0
Cost Amount WC	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,184,000	\$1,179,968	\$1,175,936	\$1,171,904	\$1,167,872	\$0
Example Cost Amt. TRR PH X	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$280,000
Cost Amt. TRR PH Y	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amt. TRR PH Z	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase B	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cost Amount WC Phase C	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$6,188,243	\$6,158,243	\$6,128,243	\$6,098,243	\$6,068,243	\$6,038,243	\$5,972,591	\$5,852,591	\$5,832,591	\$5,812,591	\$5,792,591	\$0

Simple example:

1. The \$300,000 addition in 2014 is ignored because all reimbursement goes toward the Santeac plant.
2. When the Santeac Plant is 50% paid off, the balance is written off.
3. At the point where the Santeac is written off, the \$300,000 is added
4. In 2033 the remaining TRR (Basic) and the WC amounts are written off, and
5. at this point all reimbursement is applied against the \$300,000 addition.
6. In 2033, after making 1 payment, the phase added in 2014 is written off.
7. This thought process will be used on any other additions.

Written off
 Added
 Ignored