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At the request of ICR Sanitary District



WHEN RECORDED MAIL TO:
ICR Sanitary District
P.O. Box 2344
Prescott, AZ 86302

**SECOND AMENDMENT TO
AMENDED AND RESTATED DEVELOPMENT AGREEMENT**

This SECOND AMENDMENT TO AMENDED AND RESTATED DEVELOPMENT AGREEMENT (the "Second Amendment") is made this 21st day of May, 2022, by and between the ICR SANITARY DISTRICT, a political subdivision of the State of Arizona (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

WHEREAS, the District and the Developers, entered into an Amended and Restated Development Agreement dated March 1, 2012, and recorded in the Yavapai County Recorder's Office on April 13, 2012 at Book 4873, Page 909 (the "Agreement"); and

WHEREAS, thereafter, the District and the Developers entered into a First Amendment to Amended and Restated Development Agreement, dated May 16, 2014, and recorded in the Yavapai County Recorder's Office on June 30, 2014, Instrument No. 2014-0029551 (the "First Amendment"); and

WHEREAS, the District is pursuing possible financing (including, but not limited to a bond election) in conjunction with the contemplated future wastewater treatment plant expansion; and

WHEREAS, at the March 8, 2022 Board meeting, the District Governing Board proposed a possible deferral of its Developer Reimbursement payment required under Section 9(e) of the Agreement, for the year 2021, so as to use the funds previously intended for the 2021 Developer Reimbursement for the District's said contemplated future wastewater treatment plant expansion; and

WHEREAS, such deferral of the 2021 Developer Reimbursement payment would change the period for Developer Reimbursement's from a period of twenty (20) years, to a period of twenty-one (21) years.

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. Section 9(e) (Developer Reimbursement) of the Agreement is hereby amended and restated in its entirety to read as follows:

e. Developer Reimbursement. Commencing in 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, the 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, provided however, that the 2021 refund payment of \$62,719, due January 31, 2022 shall be deferred to January 31, 2034, and recalculated based on the District's income for the year 2033, thus extending the refund payment period from twenty (20) years to a period of twenty-one (21) years from the date of District acceptance. Any unpaid balance remaining at the end of the twenty-one (21) year 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 the District pursuant to this Agreement exceed fifty percent (50%) of the total amount of refundable advances paid by the Developers in connection with the Developer Constructed Facilities. The funds from the deferred 2021 Developer Reimbursement payment will be used by the District toward funding for the contemplated wastewater treatment plant expansion.
- ii. Reimbursement Amounts and Fund Sources. Subject to the limitations set forth in section 9(e)(iv) below, the District acknowledges that all Developer Constructed

3. Exhibit "K" to the Agreement is hereby amended and restated in its entirety with the new Exhibit "K", attached hereto.

IN WITNESS WHEREOF, the parties enter into this Second Amendment to Amended and Restated Developer Agreement the date and year first specified above.

[signatures on following page]

Facilities will be eligible for the reimbursement and that the District will properly account for reimbursements for a period of twenty-one (21) years. As of the date of this Agreement, the District acknowledges the Developer's eligibility for reimbursement of the following costs for Developer Construction Facilities:

- Talking Rock – \$708,522 for the Santec Plant plus improvements identified on the Talking Rock Bill of Sale in the approximate amount of \$4,388,591.
- Whispering Canyon – \$177,130 for the Santec Plant plus improvements identified on the 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 Santec 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 the Santec Plant costs (continuing until the sooner of repayment of 50% of the cost of the Santec Plan or twenty-one (21) 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".
- iv. Notwithstanding the forgoing deferral of payment, in the event that the District's efforts to seek bond financing or other financing for the said contemplated future expansion of the District's wastewater treatment plant is not approved by the District voters or is not otherwise in place by December 31, 2022, the District's Developer Reimbursement payment for the year of 2021 will instead be due and payable by January 31, 2023, and the original reimbursement schedule for Developer Constructed Facilities will otherwise remain at the current period of twenty (20) years.

2. The addresses shown for ICR Sanitary District and Harvard Simon I, L.L.C., in Section 11 (Notice) of the Agreement, are hereby amended in their entirety to read as follows:

ICR Sanitary District
P.O. Box 2344
Prescott, AZ 86302

Harvard Simon I, L.L.C.
c/o TRR Holdings LLLP
8601 N. Scottsdale Road, Suite 335
Scottsdale, AZ 85253

THE DISTRICT:

ICR SANITARY DISTRICT, a political subdivision of the State of Arizona

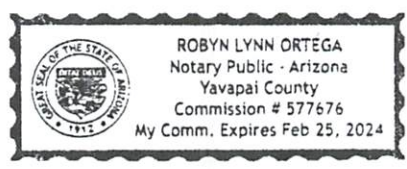
By: 
Bob Summers, Board Chairman

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this 24th day of May, 2022, by Bob Summers, Board Chairman of the Board of Directors of ICR Sanitary District.


Notary Public


My Commission Expires:
2/25/2024



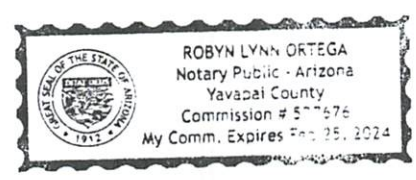
By: 
Gerald DeSantis, Board Member

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this 27th day of May, 2022, by Gerald DeSantis, a member of the Board of Directors of the ICR Sanitary District.


Notary Public

My Commission Expires:
2/25/2024



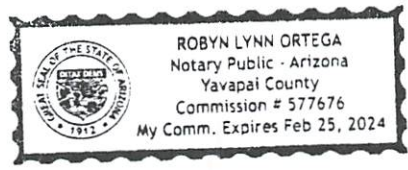
By: *Jeff McLeod*
Jeff McLeod, Board Member

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this 23rd day of May, 2022, by Jeff McLeod, a member of the Board of Directors of the ICR Sanitary District.

Robyn Lynn Ortega
Notary Public

My Commission Expires:
2/25/2024



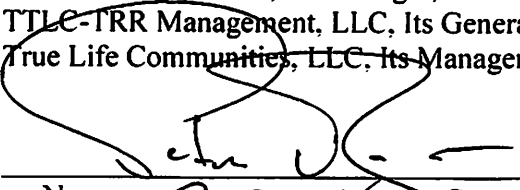
DEVELOPERS:

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

By: TRR Holdings, LLLP, Its Manager,

By: TTLC-TRR Management, LLC, Its General Partner,

By: True Life Communities, LLC, Its Manager.

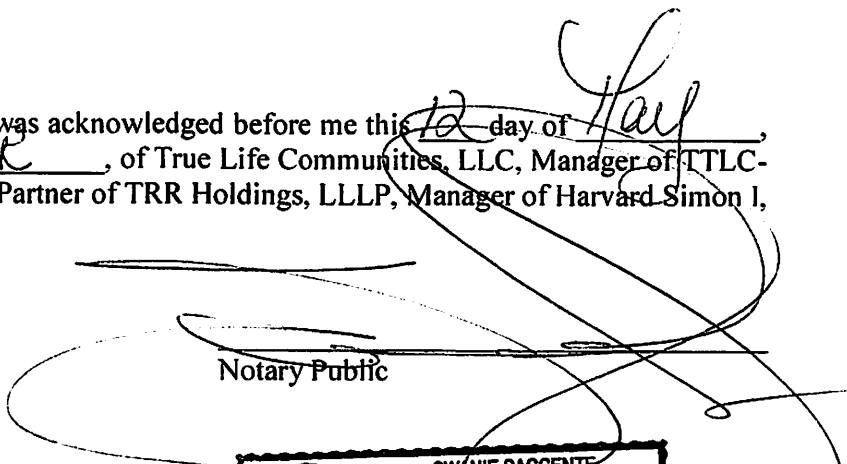
By: 
Name: PETER BUZINGER
Title: Authorized Agent

STATE OF ARIZONA)

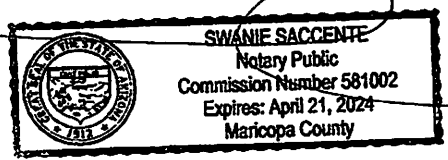
County of Maricopa)

ss:

The foregoing instrument was acknowledged before me this 12 day of July, 2022, by Peter Buzinger, of True Life Communities, LLC, Manager of TTLC-TRR Management, LLC, General Partner of TRR Holdings, LLLP, Manager of Harvard Simon I, L.L.C.


Notary Public

My Commission Expires:
04/21/24



OLD CAPITOL INVESTMENTS, LLC, an Arizona limited liability company.
By: Four Capital Group, Inc., Its Member.

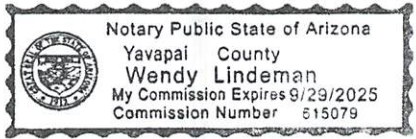
By: *[Signature]*
Name: T.J. EMBERLIN
Title: AGENT

STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this 6th day of May,
2022, by Tim Emberlin, President of Manager of Old Capitol Investments, LLC.

Wendy Lindeman
Notary Public

My Commission Expires:
9/29/2025



WHISPERING CANYON DEVELOPMENT LLC, an Arizona limited liability company.
By: Four Capital Group, Inc., Its Member.

By: *T. J. Emberlin*
Name: T. J. EMBERLIN
Title: AGENT

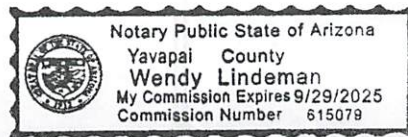
STATE OF ARIZONA)
) ss:
County of Yavapai)

The foregoing instrument was acknowledged before me this 6th day of May, 2022, by Tim Emberlin, President of Manager of Whispering Canyon Development LLC.

Wendy Lindeman
Notary Public

My Commission Expires:

9/29/2025



Appendix "K"
Developer Repayment Matrix

Year of Payment	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Payment for Calendar Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Income District	\$ 300,000	\$ 354,836	\$ 312,589	\$ 311,527	\$ 511,196	\$ 303,562	\$ 421,254	\$ 447,399	\$ 538,897	\$ 626,840	\$ 640,000	\$ 660,000
Income Except ICR												
Payment to Preserve	\$ 11,056											
Payment to TRR		\$ 28,387	\$ 25,007	\$ 24,922	\$ 40,896	\$ 24,285	\$ 33,700	\$ 35,792	\$ 43,112	\$ -	\$ 51,200	\$ 52,800
Payment to WC		\$ 7,097	\$ 6,252	\$ 6,231	\$ 10,224	\$ 6,071	\$ 8,425	\$ 8,948	\$ 10,778	\$ -	\$ 12,800	\$ 13,200
Total Payments		\$ 35,484	\$ 31,259	\$ 31,153	\$ 51,120	\$ 30,356	\$ 42,125	\$ 44,740	\$ 53,890	\$ -	\$ 64,000	\$ 66,000
Cost Amount Santec	\$ 885,652	\$ 850,168	\$ 818,910	\$ 787,757	\$ 736,637	\$ 706,281	\$ 664,156	\$ 619,416	\$ 565,526	\$ 565,526	\$ 501,526	\$ 442,826
Cost Amount Preserve	\$ 193,312											
Cumulative Repayments - Santec		\$ 35,484	\$ 66,743	\$ 97,895	\$ 149,015	\$ 179,371	\$ 221,496	\$ 266,236	\$ 320,126		\$ 384,126	\$ 442,826
Cumulative Repayments - Other												\$ 7,300
TRR WW Facilities Costs (exc Santec)	\$ 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	\$ 4,382,953
WC WW Facilities Costs (exc Santec)	\$ 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	\$ 1,182,338
Example TRR WW Facilities Cost PH X	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
TRR WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TRR WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WC WW Facilities Cost Phase 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,140	\$ 198,140
WC WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WC WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cost	\$ 6,651,555	\$ 6,422,759	\$ 6,391,501	\$ 6,360,348	\$ 6,309,228	\$ 6,278,872	\$ 6,236,747	\$ 6,192,007	\$ 6,138,117	\$ 4,954,117	\$ 6,074,117	\$ 6,506,257
												Written Off
												Added
Notes:	<ol style="list-style-type: none"> 1. Refunds went to the Preserve in 2013 and then were suspended. 2. All refunds due to TRR and WC beginning in 2014 are allocated to the Santec Plant until the Santec Plant is 50% paid off. Following that the reimbursements are made on a proportional basis to TRR and WC WW Facilities Costs 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 of Payment	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Payment for Calendar Year	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Income District	\$ 720,000	\$ 735,000	\$ 750,000	\$ 765,000	\$ 780,000	\$ 796,000	\$ 812,000	\$ 828,000	\$ 845,000	\$ 862,000	\$ 879,000	\$ 879,000
Income Except ICR	\$ 504,000	\$ 514,500	\$ 525,000	\$ 535,500	\$ 546,000	\$ 557,200	\$ 568,400	\$ 579,600	\$ 591,500	\$ 603,400	\$ 615,300	\$ 620,000
Payment to Preserve												
Payment to TRR	\$ 38,925	\$ 39,736	\$ 40,547	\$ 41,358	\$ 42,169	\$ 43,034	\$ 43,899	\$ 44,764	\$ 45,683	\$ 46,602	\$ 47,521	\$ 35,853
Payment to WC	\$ 11,475	\$ 11,714	\$ 11,953	\$ 12,192	\$ 12,431	\$ 12,686	\$ 12,941	\$ 13,196	\$ 13,467	\$ 13,738	\$ 14,009	\$ 26,147
Total Payments	\$ 50,400	\$ 51,450	\$ 52,500	\$ 53,550	\$ 54,600	\$ 55,720	\$ 56,840	\$ 57,960	\$ 59,150	\$ 60,340	\$ 61,530	\$ 62,000
Cost Amount Santec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost Amount Preserve												
Cumulative Repayments - Santec												
Cumulative Repayments - Other												
TRR WW Facilities Costs (exc Santec)	\$ 4,344,028	\$ 4,304,291	\$ 4,263,744	\$ 4,222,386	\$ 4,180,217	\$ 4,137,183	\$ 4,093,284	\$ 4,048,520	\$ 4,002,837	\$ 3,956,234	\$ -	\$ -
WC WW Facilities Costs (exc Santec)	\$ 1,170,863	\$ 1,159,150	\$ 1,147,197	\$ 1,135,005	\$ 1,122,574	\$ 1,109,888	\$ 1,096,947	\$ 1,083,751	\$ 1,070,284	\$ 1,056,547	\$ -	\$ -
Example TRR WW Facilities Cost PH X	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 252,479	\$ 216,626
TRR WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
TRR WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
WC WW Facilities Cost Phase 5	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 198,140	\$ 184,131	\$ 157,984
WC WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
WC WW Facilities Cost Phase next	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Total Cost	\$ 6,013,031	\$ 5,961,581	\$ 5,909,081	\$ 5,855,531	\$ 5,800,931	\$ 5,745,211	\$ 5,688,371	\$ 5,630,411	\$ 5,571,261	\$ 5,510,921	\$ 436,610	\$ 374,610
Simple example:												
<ol style="list-style-type: none"> 1. The hypothetical \$300,000 TR Wastewater Facilities cost and actual \$198,140 WC Wastewater Facilities \$198,140 cost added in 2022 are ignored because all reimbursement goes toward the Santec plant. 2. When the Santec Plant is 50% paid off, the balance is written off. 3. After the Santec remaining balance is written off, the \$498,140 costs noted above are added 4. In 2034 the remaining balances for the initial TRR and WC Facilities costs are written off, and 5. at this point all reimbursement is applied against the \$498,140 additional costs. 6. In this example, the \$498,140 additional costs are fully repaid within the allowed 20 year period. 7. This 20 year reimbursement process will be used for any additional Facilities Costs incurred by TRR or WC for future phases. 												

Appendix "K"
Developer Repayment Matrix

Year of Payment	2037	2038	2039	2040	2041	2042	2043	2044
Payment for Calendar Year	2036	2037	2038	2039	2040	2041	2042	2043
Income District	\$ 879,000	\$ 879,000	\$ 879,000	\$ 879,000	\$ 879,000	\$ 879,000	\$ 879,000	\$ 879,000
Income Except ICR	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000	\$ 620,000
Payment to Preserve								
Payment to TRR	\$ 35,853	\$ 35,853	\$ 35,853	\$ 35,853	\$ 35,853	\$ 35,853	\$ 1,509	\$ -
Payment to WC	\$ 26,147	\$ 26,147	\$ 26,147	\$ 26,147	\$ 26,147	\$ 26,147	\$ 1,101	\$ -
Total Payments	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 62,000	\$ 2,610	\$ -
Cost Amount Santec	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cost Amount Preserve								
Cumulative Repayments - Santec								
Cumulative Repayments - Other								
TRR WW Facilities Costs (exc Santec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
WC WW Facilities Costs (exc Santec)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Example TRR WW Facilities Cost PH X	\$ 180,773	\$ 144,920	\$ 109,068	\$ 73,215	\$ 37,362	\$ 1,509	\$ 0	\$ 0
TRR WW Facilities Cost Phase next								
TRR WW Facilities Cost Phase next								
WC WW Facilities Cost Phase 5	\$ 131,837	\$ 105,690	\$ 79,542	\$ 53,395	\$ 27,248	\$ 1,101	\$ (0)	\$ (0)
WC WW Facilities Cost Phase next								
WC WW Facilities Cost Phase next								
Total Cost	\$ 312,610	\$ 250,610	\$ 188,610	\$ 126,610	\$ 64,610	\$ 2,610	\$ 0	\$ 0