

2-15



When recorded, return to:

Inscription Canyon Water Company
302 West Willis Street, Suite 105
Prescott, Arizona 86301
Attention: Cynthia Wallace

**AMENDMENT NUMBER FOUR
TO WATER PURCHASE AGREEMENT**

This Amendment Number Four to Water Purchase Agreement (Amendment Number Four) is made and entered into as the date last signed below, by and among ICR Water Users Association, Inc., an Arizona non-profit corporation (“ICR”), Inscription Canyon Water Company, an Arizona non-profit corporation (“IC Water Company”) and Aqua Meadows, LLC, an Arizona limited liability company (“Aqua Meadows”).

RECITALS

WHEREAS, ICR and Pierce Properties Limited Partnership, and Arizona limited partnership (“Pierce”) are parties to that certain Water Purchase Agreement (the “Original Agreement”) dated August 1, 1995 and recorded in the Yavapai County Official Records on January 24, 2002 at Book Number 3895, Page 877, that certain Amendment Number One to Water Purchase Agreement (“Amendment Number One”) dated July 24, 2001, that certain Amendment Number Two to Water Purchase Agreement (“Amendment Number Two”) dated April 6, 2004, and that certain Revised Amendment Number Three to Water Purchase Agreement (“Revised Amendment Number Three”) dated July 13, 2009 (collectively, the Original Agreement and each of the Amendments are referred to herein as the “Water Purchase Agreement”).

WHEREAS, Pierce sold its interest in its real property that was subject to the Water Purchase Agreement and assigned its interest in the Water Purchase Agreement to Aqua Meadows.

WHEREAS, the original term of the Water Purchase Agreement is for 25 years, which term may be extended for three successive 25-year terms, provided that certain conditions are satisfied as of the commencement of each renewal term.

WHEREAS, ICR desires to assign its rights under the Water Purchase Agreement to a newly formed entity, namely, IC Water Company.

WHEREAS, the parties desire to amend the Water Purchase Agreement as follows.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and in consideration of the mutual covenant, promises and agreements contained herein, ICR, IC Water Company and Aqua Meadows agree as follows:

AGREEMENT

1. Accuracy of Recitals. The parties hereby acknowledge the accuracy of the Recitals which are incorporated herein by this reference.
2. Satisfaction of Conditions. The parties acknowledge and agree that ICR has satisfied the conditions set forth in Section 20 of the Original Agreement that are required prior to the renewal of the Water Purchase Agreement.
3. Extension of Term. The term of the Water Purchase Agreement is hereby extended for a period of 25 years effective on August 1, 2020. Thereafter, ICR shall have the option to renew the Water Purchase Agreement for two successive 25-year terms (at a Base Price to be determined as set forth below and as adjusted in accordance with Paragraph 2(c) of the Original Agreement), provided that ICR or its assigns shall have satisfied the conditions set forth in Section 20 of the Original Agreement as of the commencement of each renewal term.
4. One-Time Payment. ICR acknowledges that it missed the 2009 rate adjustment and has calculated the one-time payment necessary to compensate for its error. The calculation is based on a 15% average rate increase per year, re-calculating the Consumer Price Index increase for each year since 2009, applying the new rates to each years' water usage and crediting the difference, and adding 20% interest and penalties. Upon execution hereof, ICR will pay Aqua Meadows the amount of \$13,062.00. Aqua Meadows agrees to accept such payment and upon receipt thereof, deems all payments due under the Water Purchase Agreement to be paid and current.
5. New Base Price. As of August 1, 2020, the new Base Price (as defined in Section 2 of the Original Agreement) shall be \$0.35 per 1000 gallons of water delivered. On January 1, 2021 and on each January 1 of each calendar year thereafter, the Base Price will be adjusted in accordance with 2 of the Original Agreement.
6. Assignment of ICR's Rights under the Water Purchase Agreement. Aqua Meadows hereby agrees that ICR may assign its rights under the Water Purchase Agreement to IC Water Company, an Arizona non-profit corporation. By its signature below, IC Water Company accepts the assignment of ICR's rights and obligations under the Water Purchase Agreement.
7. Area of Service. Effective August 1, 2020, IC Water Company shall have the right to use any of the water within the area of its Certificate of Convenience and Necessity that was granted by the Arizona Corporation Commission is Decision 64667 (March 25 2002).
8. Right of First Refusal. If Owner receives a bona fide offer from a third party for the purchase of any of its Wells that are subject to the Water Purchase Agreement, or if Owner otherwise intends to offer for sale such Wells to a third party, Owner shall first offer the Wells to

IC Water Company on substantially the same terms and conditions of such offer (the “Right of First Refusal”). The Right of First Refusal shall be a right that IC Water Company has during the term of the Water Purchase Agreement, as such term may be extended.

9. Notices. Section 17 of the Original Water Purchase Agreement is hereby deleted and replaced with the following:

Notices. All notices and communications required or permitted to be given hereunder shall be in writing and hand delivered or mailed by certified or registered mail, postage prepaid, or by Federal Express, or similar overnight delivery service, addressed as follows:

If to Owner:

Aqua Meadows, LLC
Attention: Stephen M. Pierce
428 East Thunderbird Road,
Suite 545
Phoenix, AZ 85022
Telephone: 602-908-1136

If to IC Water Company:

Inscription Water Company
302 West Willis Street, Suite 105
Prescott, Arizona 86301
Attention: Cynthia Wallace
Telephone: 928-445-5606

Notice shall be deemed to have been given upon receipt or refusal. The telephone numbers listed above are for purposes of providing the same to overnight delivery services and are not to be otherwise used for notice purposes.

10. Effect of Amendment. Except as specifically modified by this Amendment, the Water Purchase Agreement remains in full force and effect and is in all events ratified, confirmed and approved.

11. General Provisions.

A. Construction, Governing Law and Venue. The Water Purchase Agreement, as amended hereby, will be interpreted according to Arizona law, and will be construed as a whole and in accordance with its fair meaning and without regard to, or taking into account, any presumption or other rule of law requiring construction against the party preparing the Water Purchase Agreement, as amended, or any part hereof.

B. Time. Time is strictly of the essence of each and every provision of the Water Purchase Agreement, as amended.

C. Attorneys’ Fees. If any action is brought by any party in respect to its rights under the Water Purchase Agreement, as amended, the prevailing party will be entitled to reasonable attorneys’ fees and court costs as determined by the court, including attorneys’ fees incurred prior to any court or enforcement action that relate to the enforcement hereof.

D. Binding Effect. The Water Purchase Agreement, as amended, and all instruments or documents entered into pursuant hereto are binding upon and will inure to the benefit of the parties and their respective successors and assigns.

E. Further Assurances and Documentation. Each party agrees in good faith to take such further actions and execute such further documents as may be necessary or appropriate to fully carry out the intent and purpose of the Water Purchase Agreement, as amended.

F. Time Periods. If the time for the performance of any obligation under the Water Purchase Agreement, as amended, expires on a Saturday, Sunday or legal holiday, the time for performance will be extended to the next succeeding day which is not a Saturday, Sunday or legal holiday.

G. Headings. The headings of the Water Purchase Agreement, as amended, for purposes of reference only and will not limit or define the meaning of any provision of the Water Purchase Agreement, as amended.

H. Entire Agreement. The Water Purchase Agreement, as amended, together with all exhibits referred to herein, which are incorporated herein and made a part hereof by this reference, constitute the entire agreement between the parties pertaining to the subject matter contained in this Agreement. No supplement, modification or amendment of this Agreement will be binding unless in writing and executed by the Parties.

I. Counterparts. This Amendment may be executed in one or more counterparts, each of which may be executed by one or more of the signatory parties hereto. Signature pages may be detached from the counterparts and attached to a single copy of this Amendment to form one legally binding document.

Signatures on following pages.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the last date set forth below.

ICR WATER USERS ASSOCIATION, an
Arizona non-profit corporation

By Robert C Hilb
Robert C. Hilb, President

Date: 6/18/20

STATE OF ARIZONA

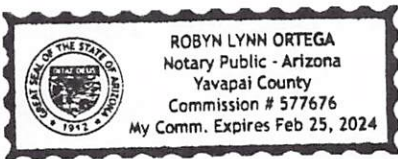
COUNTY OF Yavapai

On this 18th day of June, 2020, before me personally appeared Robert C. Hilb, the President of ICR Water Users Association, an Arizona non-profit corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed this Amendment Number Four to Water Purchase Agreement, consisting of 7 pages, including this page and all exhibits, on behalf of the corporation.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Robyn Lynn Ortega
Notary Public in and for the State of Arizona



INSCRIPTION CANYON WATER COMPANY, an
Arizona non-profit corporation

By Robert C Hilb
Robert C. Hilb, President

Date: 6/18/20

STATE OF ARIZONA

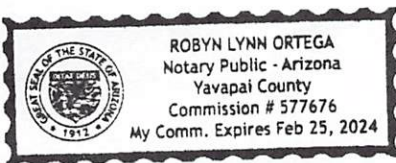
COUNTY OF Yavapai

On this 18th day of June, 2020, before me personally appeared Robert C. Hilb, the President of Inscription Canyon Water Company, an Arizona non-profit corporation, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed this Amendment Number Four to Water Purchase Agreement, consisting of 7 pages, including this page and all exhibits, on behalf of the corporation.

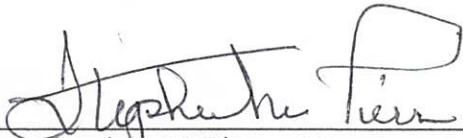
I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Robyn Lynn Ortega
Notary Public in and for the State of Arizona



AQUA MEADOWS, an
Arizona limited liability company

By 
Stephen M. Pierce, Manager

Date: June 19, 2020

STATE OF ARIZONA

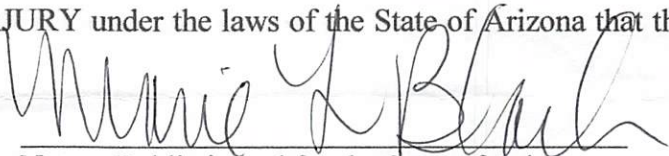
COUNTY OF Yavapai

On this 19th day of June, 2020, before me personally appeared Stephen M. Pierce, the Manager of Aqua Meadows, LLC, an Arizona limited liability company, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed this Amendment Number Four to Water Purchase Agreement, consisting of 7 pages, including this page and all exhibits, on behalf of the company.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

August 11, 2023


Notary Public in and for the State of Arizona



AQUA MEADOWS, an
Arizona limited liability company

By *C. Michael Pierce*
C. Michael Pierce, Manager

Date: June 19 2020

STATE OF ARIZONA

COUNTY OF Maricopa

C. Michael Pierce

On this 19th day of June, 2020, before me personally appeared Stephen M. Pierce, the Manager of Aqua Meadows, LLC, an Arizona limited liability company, whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he/she signed this Amendment Number Four to Water Purchase Agreement, consisting of 7 pages, including this page and all exhibits, on behalf of the company.

I certify under PENALTY OF PERJURY under the laws of the State of Arizona that the foregoing paragraph is true and correct.

(Seal and Expiration Date)

Suzanne Wolff
Notary Public in and for the State of Arizona

