

**AGENDA
REGULAR SESSION
MAYOR AND COUNCIL
473 S MAIN STREET, SUITE 106
WEDNESDAY, NOVEMBER 18, 2015 at 6:30 P.M.**

**ADDITIONAL INFORMATION
ITEM 12A.**

After recording, return to:
Rick Peterson, Vice President
Verde Valley Medical Center
1200 North Beaver Street
Flagstaff, Arizona 86001

SEWER LINE BUY-IN AGREEMENT

THIS SEWER LINE BUY-IN AGREEMENT, ("Agreement") is entered into by and between Verde Valley Medical Center, an Arizona non-profit corporation ("VVMC"), Camp Verde Sanitary District ("CVSD") which is currently being operated by the Town of Camp Verde, an Arizona municipal corporation ("Town") and Simonton Ranch 18, an Arizona limited liability company ("SR-18") (VVMC, CVSD, Town and SR-18 are referred to individually as a "Party" or, collectively, as the "Parties").

RECITALS

VVMC Property

- A. VVMC owns the property described in "Exhibit A".
- B. VVMC is developing a medical center on a portion of the VVMC property (the "Medical Center") and may sell the balance of the VVMC property to a third party in the future for other types of development.
- C. To facilitate the development of the Medical Center and the future development of the balance of the VVMC property, VVMC requested IMH Special Asset NT 228, LLC, an Arizona limited liability company ("IMH"), and Verde River Properties, LLC, an Arizona limited liability company ("VRP") to grant VVMC certain easements (the "Easements") to install an underground sewer line (the "Sewer Line") and other underground utilities in the proposed alignment for Simonton Ranch Road (the "Easement Property").
- D. IMH and VRP agreed and executed an Easement Agreement (Sewer Line and Utilities) that, among other things, granted the Easements, which has been recorded in the Records of Yavapai County Recorder on 08/14/2015 as Document No. 2015-0038705E (the "Sewer Line Easement Agreement"). In connection with the recording of the Sewer Line Easement Agreement, VRP and Camp Verde Homestead, LLC, an Arizona limited liability company ("CV Homestead") executed a Ratification, Joinder and Non-Exclusive Assignment of Rights, dated August 13, 2015 (the "CV Homestead Ratification"), which was attached to and recorded with the Sewer Line Easement Agreement
- E. VVMC intends to construct and install the Sewer Line, at its expense, and thereafter, transfer ownership of the Sewer Line to CVSD, which along with the Town will incorporate the Sewer Line into, operate and maintain the Sewer Line as a part of CVSD's waste water collection system (the "CVSD System").

SR-18 Property

- F. SR-18 owns the property described in "Exhibit B" (the "SR-18 Property").
- G. SR 18 wants the right to obtain sewer service for the SR-18 Property through the Sewer Line located on the Easement Property.

Sewer Line Buy-In

- H. Because VVMC has designed, constructed and installed or paid for the design, construction and installation of an oversized sewer line which will accommodate properties other than VVMC's property, CVSD and the Town have agreed to collect a "buy-in" or "recapture" fee from the owners or developers of other benefited properties ("Benefited Properties") and remit such fees to VVMC in order to reimburse VVMC for those costs.
- I. As the owner of the SR-18 Property, SR-18 is a "Benefited" party and is willing to pay a designated share of the expense for VVMC's design, construction and installation of the Sewer Line as provided in this Agreement. A depiction and legal description of the Sewer Line is set forth in "Exhibit C".
- J. Other third parties may also benefit from the design, construction and installation of the Sewer Line and those third parties should also pay their respective pro-rata share or shares of the Sewer Line design, construction and installation costs.

Camp Verde Sanitary District

- K. CVSD is a Sanitary District which is currently being governed by the Town and operated by the Town under contract with the District.
- L. The Sewer Line will connect to and run from the CVSD trunk line (which is located along the south side of the Verde Ditch) south within the Easement Property to a point adjacent to the SR-18 Property where the planned access road to the proposed future subdivision known as the "Elk Creek Ranch at Simonton Ranch" will connect to the future Simonton Ranch Road.
- M. To accommodate the anticipated use of the Sewer Line to service the VVMC's property and other Benefited Properties, the Sewer Line shall be a main sewer line with a minimum pipe diameter of eight inches. The specifications for the Sewer Line are set forth in "Exhibit D".

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated herein by reference, and the mutual promises set forth in this Agreement, VVMC, CVSD, the Town and SR-18 agree as follows:

- 1. Sewer Line. VVMC has financed, designed, engineered, permitted, and is in the process of constructing and installing the Sewer Line. The Town, on behalf of the CVSD, acknowledges and agrees that the Sewer Line has been sized to receive total estimated flow from

the VVMC Property, the SR-18 Property and other Benefited Properties in an amount of 165,000 gallons per day (the "Total Planned Sewer Line Flow").

1.1 Sewer Line Costs. The Town Acknowledges that VVMC has or will incur the hard and soft costs in connection with the design, construction and installation of the Sewer Line including, but not limited to, costs of labor, materials and suppliers, architectural, engineering, design and consultant fees and costs, blue printing services, construction staking, demolition, soil amendments or compaction, any processing, plan check or permit fees, legal and engineering services required to obtain a permit for and complete the Sewer Line, costs of insurance, any corrections, changes or additions to work required by the Town or necessitated by site conditions, state and county sales taxes imposed in connection with construction of the Sewer Line and any construction management fees (the "Sewer Line Costs"). Anything in this Agreement to the contrary notwithstanding, the Sewer Line Costs shall only include costs paid to third parties and shall not include any overhead or internal costs of VVMC. The Town acknowledges and agrees that the Sewer Line Costs are costs that should be borne not only by VVMC, but also by SR-18 and each of the Benefited Properties as provided in this Agreement or as otherwise agreed by VVMC. The benefit received by each Benefited Property will be based upon each project's projected percentage of use of the Total Planned Sewer Line Flow as determined below or as otherwise agreed to by VVMC.

1.2 Reimbursement of Sewer Line Costs. The Sewer Line is oversized as described above and beyond the needs of VVMC. VVMC shall be reimbursed the Sewer Line Costs, minus the portion of the Sewer Line Costs allocable to VVMC ("Sewer Line Reimbursable Amount"), without interest, as provided in this Agreement. For the purpose of determining the Sewer Line Reimbursable Amount, the portion of the Sewer Line Costs allocable to VVMC shall be the amount obtained by multiplying the Sewer Line Costs by the projected percentage of use of the Total Planned Sewer Line Flow by: (a) the Medical Center; and (b) the future development of the balance of the VVMC Property.

1.2.1 Method of Reimbursement. The Sewer Line Reimbursable Amount shall be reimbursed using the fees assessed against SR-18 and the other Benefited Properties (the "Sewer Line Buy-In Fees") in the manner and to the extent provided in this Section 1.2.

1.2.2 Sewer Line Buy-In Fees. The Town shall collect the Sewer Line Buy-In Fee when and as provided below from each owner of a Benefited Property or portion thereof that is developed and receives sewer service for such development using the Sewer Line (each a "Development Property"). The Town shall collect the Sewer Line Buy-In Fee for each Development Property: (A) as a condition to recording, the final subdivision plat for such Development Property; or (B) if a final plat will not be recorded in connection with the development of such Development Property, at the time the first building permit is issued for construction on such Development Property. The Town shall only collect one Sewer Line Buy-In Fee for each Development Property upon the first to occur of (A) or (B) above for each Development Property. If the Sewer Line Buy-In Fee has been paid for a Development Property, no additional Sewer Buy-In Fee will be payable and no refund of any previously paid Sewer Buy-In Fee will be due upon any additional development or redevelopment of a Development Property Fee regardless of whether such additional development or redevelopment changes the Buy-In Percentage (as defined below) for such Development Parcel.

1.2.3 Payments to VVMC. The Town shall account for the Sewer Line Buy-In Fees separately and make payments to VVMC on a semi-annual basis (i.e., May 31 and November 30) within thirty (30) days after the end of each six (6) month period, or within thirty (30) days after

the accumulation of Fifty Thousand and No/100 Dollars (\$50,000.00), whichever occurs first. The Town shall collect the Sewer Line Buy-In Fees but no payments shall be made to VVMC until such time as Sewer Line Reimbursable Amount has been approved, as evidenced by an amendment hereto pursuant to the procedure set forth in Paragraph 1.2.5 below.

1.2.4 Determination of Sewer Line Buy-In Fee. The following formula shall be used to determine the Sewer Line Buy-In Fee for a particular Development Property.

- a.) Identify the final approved Sewer Line Costs.
- b.) Calculate the estimated sewage flow for the proposed development of the Development Property (the "Projected Sewage Flow") using CVSD's then-current standards for calculating estimated sewer flows (the "CVSD Flow Estimate Standards"). The owner of the Development Property, at its expense, shall cause its engineer to prepare and deliver to the Town and CVSD a written itemized calculation of the Projected Sewage Flow, which shall include the engineer's signed certification to the Town and CVSD that the engineer's calculation is correct and is based on and accurately reflects the proposed development of the Development Property as described in the applications and submissions delivered to the Town and CVSD with respect to such development. The parties acknowledge the current CVSD Flow Estimate Standards are set forth in Section 4 of the Policies, Procedures, Rules and Regulations of the Camp Verde Sanitary District Adopted May 5, 2010.
- c.) Calculate the Development Property's percentage use of the Total Planned Sewer Line Flow by dividing the Projected Sewage Flow for the Development Property (as determined above) by the Total Planned Sewer Line Flow (the "Buy-In Percentage").
- d.) Calculate the Development Property's Sewer Line Buy-In Fee by multiplying the final approved Sewer Line Costs by the Development Property's Buy-In Percentage.

Notwithstanding this process, the Buy-In Percentage for the SR-18 Property, in its entirety, shall not exceed 12%. VVMC acknowledges that as a result of the foregoing limitation and the uncertainty of the future development of the Benefited Properties, VVMC may not be reimbursed the entire Sewer Line Reimbursable Amount prior to the termination of this Agreement under Section 5.18 below. In no event shall VVMC be entitled to accumulated total reimbursements in excess of the Sewer Line Reimbursable Amount.

1.2.5 Accounting Procedures. Once actual expenditures have been made by VVMC for all of the Sewer Line Costs, the Parties will execute and record an amendment to this Agreement that specifies the amount of the final approved Sewer Line Costs with a breakdown of such Sewer Line Costs and a calculation of the Sewer Line Reimbursable Amount. The Parties will have reasonable discretion to approve the Sewer Line Costs and the Sewer Line Reimbursable Amount consistent with the terms of this Agreement.

1.2.6 Dollar General Store. The Parties acknowledge that a Dollar General store has been developed on a portion of the Benefited Properties (the "Dollar General Property") and uses a septic system for its sewer service. If an owner, tenant, occupant or developer of the Dollar General Property desires to obtain sewer service from CVSD by using the Sewer Line, then as a condition to connecting and using such sewer service, the Town or CVSD, as applicable, shall collect a Sewer Line Buy-In Fee from such owner, tenant, occupant or developer before any sewage is allowed to flow from the Dollar General Property to the Sewer Line. Such Sewer Line Buy-In

Fee shall be calculated and determined in the same manner as the Sewer Line Buy-In Fee is calculated and determined for a Development Property under this Section 1.2 and shall be used to reimburse VVMC as provided in this Section 1.2.

2. Construction and Dedication of the Sewer Line.

2.1 Design and Construction. The design, construction and installation of the Sewer Line shall be pursuant to the Town's review and approval process and shall be in accordance with the rules, regulations, ordinance, policies and procedures of the Town. The Town shall review and approve all plans and specifications prior to the work being put to bid and, if there are any revisions to those plans and specifications after the work is put to bid, the Town shall review and approve changes to the revised plans and specifications prior to the award of the contract, and any significant change orders thereafter. In addition, the Town shall have the right and authority to inspect the ongoing construction and installation of the Sewer Line in order to ensure that such is being performed in accordance with the final approved plans, specifications and applicable Town standards; however, VVMC is ultimately responsible for ensuring that the Sewer Line is constructed in accordance with the final approved plans. VVMC shall provide the Town with a videotape of the completed Sewer Line.

2.2 Conveyance of Sewer Line. After the Town has inspected and approved the Sewer Line, VVMC shall convey to the Town (A) the personal property included in the Sewer Line, by bill of sale free and clear of all liens and encumbrances that could affect marketability of title and (B) any real property acquired or owned by VVMC for the construction and installation of the Sewer Line, and the Town shall conditionally accept the Sewer Line (subject only to the warranty period) and shall thereafter own, operate and maintain the Sewer Line at its sole cost and expense (subject only to VVMC's warranty obligations). VVMC shall warrant the Sewer Line against defects in materials or workmanship for two (2) years after conditional acceptance thereof by the Town.

2.3 Construction Access. VVMC and its employees, agents and contractors shall have the right to enter, remain upon and cross over any Town easement or right-of-way to the extent reasonably necessary to design, construct or install the Sewer Line, provided that (A) VVMC's use does not materially impede or adversely affect the use and enjoyment of the subject property, (B) VVMC shall obtain any required permit and pay any required fee for the use of such easement or right-of-way and (C) VVMC shall restore such easement or right-of-way to substantially the same condition as existed prior to VVMC's entry.

3. Miscellaneous Provisions.

3.1 Amendments. In order for an amendment to become effective, the Party seeking the amendment shall submit its proposed amendment in writing to all of the other Parties for review. All amendments sought by VVMC shall be reviewed by the Water Services Director and subject to approval by the VVMC and the Town Council prior to becoming effective. Amendments shall be signed by the Parties and recorded in the official records of Yavapai County, Arizona, as an amendment to this Agreement.

3.2 Fees. VVMC shall pay all Town fees related to the Sewer Line that are in effect at the time construction is occurring, or permit application is submitted. The fees contemplated by this Section 3.2 shall be considered as part of the Sewer Line Costs.

4. Cooperation and Development Regulation.

4.1 Representatives. The Parties agree to designate and appoint a representative to act as a liaison between the Town and its various departments and VVMC. The initial representative for VVMC shall be Rick Peterson. The initial representative for the Town and CVSD shall be Russ Martin. The initial representative for SR-18 shall be Scott Simonton. Any Party may change its representative upon prior written notice to the other Party. The representatives shall be available at all reasonable times to discuss and review the performance of the Parties relative to the terms of this Agreement.

4.2 Review Process. The implementation of this Agreement shall be in accordance with the Town's development review process. To the extent available and qualified, independent consultants and advisors may be retained by the Town at VVMC's request in order to expedite the review process to the extent reasonably possible; provided, however, that the retention of such consultants shall not guarantee that the development review process will be significantly expedited. In addition to the Town's standard fee, VVMC shall pay all costs incurred by the Town for any private, independent consultants and advisors retained by the Town, at VVMC's request, for assistance in the review process, and such consultants and advisors shall take instruction from, be controlled by and be responsible to the Town, not VVMC.

5. General Provisions.

5.1 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered to the party at the address set forth below, (B) deposited in the U.S. Mail, registered or certified, return receipt requested, to the address set forth below, (C) given to a recognized and reputable overnight delivery service, to the address set forth below or (D) delivered by facsimile transmission to the number set forth below:

If to VVMC: Verde Valley Medical Center
ATTN: Rick Peterson, Vice President
Professional and Support Services
1200 North Beaver Street
Flagstaff, AZ 86001
Facsimile: 928.639.6052

With copies to: Frederick M. "Fritz" Aspey, Esq.
Aspey, Watkins & Diesel, P.L.L.C.
123 North San Francisco Street, Suite 300
Flagstaff, AZ 86001
Facsimile: 928.774.8404

If to the Town
and/or CVSD: Town of Camp Verde and/or CVSD
ATTN: Russ Martin, Town Manager
473 South Main Street, Suite 102
Camp Verde, AZ 86322
Facsimile: 928.567.9061

With copies to: William J. Sims, III, Esq.
Simms Murray, LTD
2020 North Central Avenue, Suite 670

Phoenix, AZ 85004
Facsimile: 602.952.2600

If to SR-18: Simonton Ranch 18, LLC
ATTN: Scott Simonton
310 N. Portland Avenue
Gilbert, AZ 85234
Facsimile: None

With copies to: Paul Ellsworth, Esq.
4041 E. Grove Circle
Mesa, AZ 85206
Facsimile: 480.396.3200

or at such other address, and to the attention of such other person or officer, as any party may designate in writing by notice duly given pursuant to this Paragraph 5.1. Notices shall be deemed received (A) when delivered to the party, (B) three business days after being placed in the U.S. Mail, properly addressed, with sufficient postage, (C) the following business day after being given to a recognized overnight delivery service, with the person giving the notice paying all required charges and instructing the delivery service to deliver on the following business day, or (D) when received by facsimile transmission during the normal business hours of the recipient. If a copy of a notice is also given to a Party's counsel or other recipient, the provisions above governing the date on which a notice is deemed to have been received by a party shall mean and refer to the date on which the party, and not its counsel or other recipient to which a copy of the notice may be sent, is deemed to have received the notice.

5.2 Default. Failure or unreasonable delay by any Party to perform or otherwise act in accordance with any term or provision hereof shall constitute a breach of this Agreement by such Party. Any failure to pay money not cured within ten (10) days after written notice is received for another Party shall constitute a default under this Agreement by the non-paying Party. Any other breach not cured within thirty (30) days after written notice is received from another Party, shall constitute a default by the breaching Party under this Agreement; provided, however, that if the failure is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then the breaching Party shall have such additional time as may be necessary to perform or comply so long as the breaching Party commences performance or compliance within said thirty (30) day period and diligently proceeds with and completes such performance or fulfills such obligation within ninety (90) days after written notice is received from another Party. Any notice of a breach shall specify the nature of the alleged breach and the manner in which said breach may be satisfactorily cured, if possible. The thirty (30) day cure period shall not apply where requirement requires the Town to perform or otherwise act in a period in excess of thirty (30) days.

5.3 Dispute Resolution. In the event that there is a dispute hereunder which the Parties cannot resolve between themselves, the Parties agree that there shall be a forty-five (45) day moratorium on litigation during which time the Parties agree to attempt to settle the dispute by non-binding mediation before commencement of litigation. The mediation shall be held under the commercial mediation rules of the American Arbitration Association, but not under the jurisdiction of the American Arbitration Association. The matter in dispute shall be submitted to a mediator mutually selected by the Parties. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, then within three (3) days thereafter, the VVMC, Town and SR-18 shall request the presiding judge of the Superior Court in and for the County of Yavapai, State of

Arizona, to appoint an independent mediator. The mediator selected shall have at least five (5) years' experience in mediating or arbitrating disputes relating to real estate development. The cost of any such mediation shall be divided equally between the VVMC, Town and SR-18, with each Party paying its own attorney's fees. The results of the mediation shall not be binding on the Parties, and any Party shall be free to initiate litigation subsequent to the moratorium set forth in this Paragraph 5.3. The foregoing to the contrary notwithstanding, if such dispute does not directly involve SR-18, SR-18 may elect not to participate in any such dispute, in which case SR-18 shall not be responsible for the costs of fees of mediating or otherwise resolving such dispute.

5.4 Choice of Law, Venue and Attorney's Fees. Any dispute, controversy, claim or cause of action arising out of or related to this Agreement (a "Dispute") shall be governed by Arizona law. The venue for any such Dispute shall be Yavapai County, Arizona, and each party waives the right to object to venue in Yavapai County for any reason. The prevailing party in any such dispute shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with the resolution of such dispute from the losing party, as determined by mediator, arbitrator or court sitting without a jury, including, without limitation, appellate fees and costs.

5.5 Good Standing and Authority VVMC represents and warrants that it is a non-profit corporation duly formed and validly existing under the laws of the State of Arizona. The Town represents and warrants that it is duly formed and validly existing municipal corporation within the State of Arizona. The Town further warrants that it is governing the CVSD for its benefit. CVSD represents that it is a Sanitary District duly formed and existing under the laws of the State of Arizona and that the Town is governing the CVSD for its benefit. SR-18 represents and warrants that it is an Arizona limited liability company and validly existing under the laws of Arizona. Each Party represents and warrants that the individuals executing this Agreement on behalf of its respective Party are authorized and empowered to bind the Party on whose behalf each such individual is signing.

5.6 Assignment. The provisions of this Agreement are binding upon and shall inure to the benefit of the Parties, and all of their successors in interest and assigns.

5.7 Covenants Run with Land. This Agreement, rights and obligations in this Agreement and all provisions of this Agreement shall. (A) run with the land; (b) be binding on and inure to the benefit of all subsequent owners of the VVMC Property, the SR-18 Property or any portion thereof; provided that upon the completion of the Sewer Line, the reimbursement rights of VVMC under this Agreement shall become personal to the owner of the VVMC Property that completed the Sewer Line and shall no longer run with the VVMC Property.

5.8 Not Joint Venture; No Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other agreement between the Parties. No term or provision of this Agreement is intended to, or shall be for the benefit of any person or entity not a Party hereto, and no such other person or entity shall have any right or cause of action hereunder.

5.9 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver of any breach shall be construed as a waiver of any preceding or succeeding breach of the same of any other covenant, or condition of this Agreement. No waiver shall be effective unless it is in writing and is signed by the Party asserted to have granted such waiver.

5.10 Further Documentation. The Parties agree in good faith to execute such further or additional instruments and documents and to take such further acts as may be necessary or appropriate to fully carry out the intent and purpose of this Agreement.

5.11 Fair Interpretation. The Parties have been represented by counsel in the negotiation and drafting of this Agreement and this Agreement shall be construed according to the fair meaning of its language. The rule of construction that ambiguities shall be resolved against the Party who drafted a provision shall not be employed in interpreting this Agreement.

5.12 Headings. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provision of this Agreement.

5.13 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which shall constitute one and the same instrument.

5.14 Computation of Time. In computing any period of time under this Agreement, the date of the act or event from which the designated period of time begins to run shall not be included. The last day of the period so completed shall be included unless it is Saturday, Sunday or legal holiday, in which event the period shall run until the end of the next day that is not a Saturday, Sunday or legal holiday. The time for performance of any obligation or taking any action under this Agreement shall be deemed to expire at 5.00 p.m. (Phoenix time) on the last day of the applicable time period provided herein.

5.15 Conflict of Interest. This Agreement is subject to the terms of A.R.S. §38-511.

5.16 Entire Agreement. This Agreement, together with the following Exhibits attached hereto (which are incorporated herein by this reference) constitutes the entire agreement among the Parties.

- A. Exhibit A: Legal description of VVMC Property.
- B. Exhibit B: Legal description of SR-18 Property.
- C. Exhibit C: Legal description and depiction of Sewer Line.
- D. Exhibit D: Sewer Line specifications.

All prior and contemporaneous agreements, representations and understandings of the Parties, oral or written, are superseded by and merged into this Agreement.

5.17 Time. Time is of the essence of this Agreement and with respect to the performance required by each Party

5.18 Term. This Agreement shall become effective on the date the last Party executes this Agreement and shall automatically terminate on the twentieth (20th) anniversary of such date; provided, however, that the Town's obligation to continue providing municipal services to the portions of the Benefited Properties shall survive the termination of this Agreement.

[Signatures on following pages.]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) written below.

Verde Valley Medical Center,
an Arizona non-profit corporation

By: _____
Rick Peterson, Vice President

Dated: _____

State of Arizona)
County of Yavapai) ss.
)

The foregoing Agreement acknowledged before me this _____ day of _____, 2015 by Rick Peterson, Vice President of Verde Valley Medical Center, an Arizona non-profit corporation, on behalf of such corporation.

Notary Public

My Commission Expires:

Camp Verde Sanitary District,
an Arizona municipal corporation

By: _____
Russ Martin, Town Manager

Dated: _____

State of Arizona)
County of Yavapai) ss.
)

The foregoing Agreement acknowledged before me this _____ day of _____, 2015 by Russ Martin, Town Manager of Camp Verde, an Arizona municipal corporation, on behalf of such corporation.

Notary Public

My Commission Expires:

Town of Camp Verde,
an Arizona municipal corporation

By: _____
Russ Martin, Town Manager

Dated: _____

State of Arizona)
County of Yavapai) ss.
)

The foregoing Agreement acknowledged before me this _____ day of _____, 2015 by Russ Martin, Town Manager of Camp Verde, an Arizona municipal corporation, on behalf of such corporation.

Notary Public

My Commission Expires:

Simonton Ranch 18, LLC,
an Arizona limited liability company

By: _____
G. Scott Simonton
Authorized Representative

Dated: _____

State of Arizona)
County of Yavapai) ss.

The foregoing Agreement acknowledged before me this _____ day of _____, 2015 by G. Scott Simonton, Authorized Representative of Simonton Ranch 18, LLC, an Arizona limited liability company, on behalf of such company.

Notary Public

My Commission Expires:

**POLICIES, PROCEDURES, RULES AND REGULATIONS OF THE
CAMP VERDE SANITARY DISTRICT**

Adopted May 5, 2000

(Revised 7/1/2010)

SECTION 4. TABLES

The following Tables are provided for information only purposes to summarize mean values of the following:

Table A is based on fixture units as determined by the UPC and shall be used to compute user charges based on actual fixtures in use, with a monetary value assigned per unit. **Table B** – Sewage Producing Units (SPU), **Table C** - User Strength Characteristics and **Table D** - Estimated Sewage Generation Rates. Extreme values were not included in the data compiled.

TABLE A – FIXTURE UNITS AS DETERMINED BY UPC

Note: Unit equivalent of fixtures and devices not shown in this table shall be based on the rated discharge capacity in gpm (gallons per minute) as shown on discharge capacity table below.

Kind of Fixture	Units	Kind of Fixture	Units
Bathtubs	2	Sinks, bar, private	1
Bidets	2	Sinks, commercial or industrial, schools, etc. including dishwashers, wash up sinks, and wash fountains (2" waste)	3
Clothes washers*	2	Sinks, flushing rim, clinic	6
Dental units or cuspidors	1	Sinks, service	3
Drinking fountains	1	Urinals, pedestal, trap arm only	6
Floor drains	2	Urinals, stall, separate trap	2
Interceptors* for grease, oil, solids, etc.	3	Urinals, wall-mounted, blowout, Integral trap, trap arm only	6
Interceptors* for sand, auto wash, etc.	6	Urinals, wall-mounted, wash down, Or siphon jet, integral trap	2
Laundry tubs	2	Urinals, wall-mounted, washout, Separate trap (2" waste)	2
Mobile home park traps (1/per trailer)	6	Wash basins, in sets	2
Receptors* (floor sinks), indirect waste		Wash basins (lavatories) single	1
Receptors for refrigerators, coffee urns		Water closet,* private installation	4
Water stations, etc.	1	Water closet, public installation	6
Receptors,* indirect waste receptors for Commercial sinks, dishwashers, air- washers, etc.	3		
Shower, single stalls	2		
Sinks, bar, commercial (2" waste)	2		
Sinks, and or dishwashers (residential)	2		

*The size and discharge rating of each indirect waste receptor and each interceptor shall be based on the total rated discharge capacity of all fixtures, equipment, or appliances discharging therein to, based on discharge capacity table below.

Drainage piping serving batteries of appliances capable of producing continuous flows shall be adequately sized to provide for peak loads. Clothes washers in groups of three (3) or more shall be rated at six (6) units each.

Water closets shall be computed as six (6) fixture units if determining septic tank size.

**POLICIES, PROCEDURES, RULES AND REGULATIONS OF THE
CAMP VERDE SANITARY DISTRICT**

Adopted May 5, 2000

(Revised July 1, 2010)

Discharge Capacity Table For Intermittent Flow Only

GPM	(L/s)		
Up to 7-1/2	(Up to .47)	Equals	1 Unit
8-15	(.50 to .95)	Equals	2 Units
16-30	(1 to 1.89)	Equals	4 Units
31 to 50	(1.95 to 3.15)	Equals	6 Units

Over 50 gals. Per minute (3.15 L/s) shall be determined by the Administrative Authority

Residential fixture units will be valued at \$1.75 per unit.

Commercial fixture units will be valued at \$2.50 per unit.

TABLE B – SEWAGE PRODUCING UNITS (SPU)

Sewage Producing units are defined as a unit loading on the sewerage collection, treatment and reuse system composed of flow, organic loading and suspended solids, categorized as follows:

<u>CATEGORY</u>	<u>DEFINITION</u>
Single family residences, condominiums and townhouses, apartments, trailer parks	.7 per residential unit
Hotels, motels, resorts, lodges, nursing homes and supervisory care facilities	1.0 unit per room and 1.0 unit per washing machine
Commercial offices, business and stores	1.0 unit per bathroom, and 1.0 unit per sink in barbershops or beauty salons, or 1.0 unit per 200 gallons of metered water per day
Restaurants	1.0 unit per 20 meals served per day, based on audited data, or 1.0 per 45 gallons of metered water per day
Laundromats	1.0 unit per washing machine, or 1.0 unit per 8 washes based on audited data
Schools	1.0 unit per stool, shower or washing machine, or 1.0 unit per 70 gallons of metered water per day
Gas Stations and Car Washes	1.0 unit per stall, bay and restroom, or 1.0 unit per 100 gallons of metered water per day

The SPU can represent a fraction of the total loading on the system, and can be defined for each category of user. If a category does not exist the number of SPU's are based on projected flow for the fixtures in the application as designed and speced.

**POLICIES, PROCEDURES, RULES AND REGULATIONS OF THE
CAMP VERDE SANITARY DISTRICT**

Adopted May 5, 2000

(Revised July 1, 2010)

TABLE C – USER STRENGTH CHARACTERISTICS

Standard Classifications	Characteristic Strength	
	B.O.D. (ppm)	SS (ppm)
Average Residential (can vary depending on average water use per capita)	175 & up	175 & up
Auto Steam Cleaning	1,150	1,250
Bakery, Wholesale	1,000	600
Bars, without dining facilities	200	200
Car Wash	20	150
Department & Retail Stores	150	150
Hospital & Convalescent	250	100
Hotel, with dining facilities	500	600
Hotel, without dining facilities	310	120
Industrial Laundry	670	680
Laundromat	150	110
Commercial Laundry	450	240
Markets, with Garbage Disposals	800	800
Mortuaries	800	800
Professional Office	130	80
Repair Shop & Service Stations	180	280
Restaurant	1,000-1,200	600
School and College	130	100
Soft Water Service	3	55
Septage	5,400	12,000

TABLE D – SEWAGE GENERATION RATES

<u>Description</u>	<u>GPD/UNIT</u>
Dwelling Units – Residential (Single Family)	250
Overnight Accommodations	
Hotels/Motels/Lodges (room)	125
Trailer Park/Recreational with sewer (space)	175
Medical Care Facilities	
Hospital (bed)	324
Convalescent care home (bed)	100
Schools	
Elementary (student)	15
Middle School/High School (student)	25
Commercial (Miscellaneous)	
Shops/Offices (sq. ft.)	0.1
Service Station (pump)	200
Laundries (machine)	300
Factory (person)	25
Theatres (seat)	3
Bowling Alley (lane)	75
Assembly Hall/Banquet Room (seat)	2
Swimming Pool (swimmer)	10
Restaurants	
Average Full Service (per seat)	35
24-hour (per seat)	50
Bar/Cocktail Lounge (per seat)	20
Short Order/Take Out (per seat)	2