

ORIGINAL

NEW APPLICATION



Water Utility of Greater Tonopah, Inc.
3800 N. Central Ave. #770
Phoenix, AZ 85012
602-224-0711

June 9, 2005

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Arizona Corporation Commission
DOCKETED

JUN 10 2005

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AZ CORP COMMISSION
DOCUMENT CONTROL

2005 JUN 10 A 11:46

RECEIVED

Re: West Phoenix Water Company CC&N transfer to Water Utility of Greater Tonopah
W-02450A-05-0430

To Whom It May Concern:

Attached is an application by Water Utility of Greater Tonopah for the approval to transfer the certificate of convenience and necessity (CC&N) from West Phoenix Water Company located in Maricopa County. The purpose of this application is to transfer the remaining CC&N of West Phoenix Water Company to Water Utility of Greater Tonopah.

West Phoenix Water Company was granted its CC&N by ACC decision #40701 in June 1970. West Phoenix Water Company's assets were then transferred to West Buckeye Water Company on April 1, 1985 by ACC decision #54419. However, due to an oversight not all of the CC&N of West Phoenix Water Company was transferred to West Buckeye Water Company. West Buckeye Water Company changed its name to Water Utility of Greater Tonopah on July 31, 1985.

Please transfer the CC&N for the following locations in Maricopa County to Water Utility of Greater Tonopah: (please see attached ACC CC&N map)

Township 2.0 North, Range 6.0 West
Section 30: W½
31: All

Currently there are no water customers in these sections. Additionally, Water Utility of Greater Tonopah currently holds the water utility Franchise for the above property that was issued by the Board of Supervisors of Maricopa County on April 17, 1989.

Water Utility of Greater Tonopah has attached the following exhibits:

1. Copy of letter which conveys the CC&N to Water Utility of Greater Tonopah. J. John Mihlik is the President of West Phoenix Water Company and Water Utility of Greater Tonopah.
2. CC&N map produced by the ACC
3. ACC Decision #54419 April 1, 1985
4. Articles of Incorporation and Name Change
5. By-Laws
6. Certificate of Good Standing
7. County Franchise that includes the above mentioned sections 30 W½ and 31 all

Please contact me for any additional information #602-224-0711.

Thank you.

A handwritten signature in black ink, appearing to read "J. John Mihlik, Jr.", written in a cursive style.

John Mihlik, Jr.
CFO

ARIZONA CORPORATION COMMISSION

**APPLICATION FOR APPROVAL OF THE SALE OF ASSETS AND/OR TRANSFER OF
CERTIFICATE OF CONVENIENCE AND NECESSITY**

WATER AND/OR SEWER

A. The name, address and telephone number of the Transferor (Company) is:

West Phoenix Water Co.
3800 N. Central Ave., #770, Phoenix, AZ 85012
602-224-0711

B. If doing business under a name other than the Transferor (Company) name, specify:

N/A

C. The Transferor is a:

<input checked="" type="checkbox"/> Corporation: <input checked="" type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Specify)	

D. List the name, address and telephone number of the attorney for the Transferor.

JOHN F. GOODSON
2025 N. 3rd St. #200, Phoenix, AZ 85004
602-252-5110

E. List the name, address and telephone number of management contact:

John Miblik - President
3800 N. Central Ave. #770, Phoenix, AZ 85012
602-224-0711

F. The name, address and telephone number of the Transferee (Company) is:

Water Utility of Greater Tempe, Inc.
3800 N. Central Ave. #770, Phoenix, AZ 85012
602-224-0711

G. If doing business under a name other than the Transferee (Company) name, specify:

N/A

H. List the name, address and telephone number of the attorney for the Transferee.

Bill Sullivan
2712 N. Seventh St., Phoenix, AZ 85006
602-248-0372

I. List the name, address and telephone number of management contact:

John Miblik - President
3800 N. Central Ave. #770, Phoenix, AZ 85012
602-224-0711

J. (Transferee) List the name, address and telephone number of the on-site manager of the utility:

Leonard Scheid

401 E. Jackson Ave., Buckeye, AZ 85326
623-386-4252

K.(Transferee) List the name, address and telephone number of the certified operator as authorized by the Arizona Department of Environmental Quality:

Leonard Scheid
401 E. Jackson Ave., Buckeye, AZ 85326
623-386-4252

L. The Transferee is a:

<input checked="" type="checkbox"/> Corporation: <input checked="" type="checkbox"/> "C", <input type="checkbox"/> "S", <input type="checkbox"/> Non-Profit <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign	<input type="checkbox"/> Partnership <input type="checkbox"/> Limited, <input type="checkbox"/> General <input type="checkbox"/> Arizona, <input type="checkbox"/> Foreign
<input type="checkbox"/> Sole Proprietorship	<input type="checkbox"/> Limited Liability Company
<input type="checkbox"/> Other (Specify)	

M. If Transferee is a corporation:

1. List names of Officers and Directors:

Officers

J. JOHN MIHLIK
JOHN F. GOODSON
ARTHUR BUGS BAER
JAMES MIHLIK

Directors

J. JOHN MIHLIK
JOHN F. GOODSON
ARTHUR J. PICCINATI
MIKE SHERRY

2. Indicate the number of shares of stock authorized to issue:

1,000,000

3. If stock has been issued, indicate the number of shares issued and the date of issue:

13,500 8/1/1983

N. If Transferee is a partnership:

1. List the names of general partners:

N/A

2. List name, address and telephone number of managing partner:

N/A

◆ If Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" with the Arizona Secretary of State

O. If Transferee is a sole proprietor, list name, address and telephone number of individual:

N/A

P. Have all customer security deposits been refunded? Yes No ^{N/A}. If no, mark the block below which describes the proposed disposition of security deposits.

All security deposits will be refunded at time of closing.

All security deposits will be transferred to the Transferee.

Other (explain).

N/A - There are no customers

Q. Are there any refunds due on Main Extension Agreements? Yes No . If Yes, mark the block below which describes the proposed disposition of the refunds.

Transferor will continue to refund after the transfer.

Transferee will assume the refunding obligations.

A full refund will be made at closing by Transferor.

Other (explain).

R. (WATER ONLY) Are there any refunds due on meter and service line installations?
Yes No . If Yes, mark the block below that describes the proposed disposition of refunds.

Transferor will continue to refund after the transfer.

Transferee will assume the refunding obligations.

A full refund will be made at closing by Transferor.

Other (explain).

S. (Transferee) Attach the following exhibit(s):

1. Copy of bill of sale, purchase contract or other instrument, which conveys the assets to the transferee.
2. Articles of Incorporation (if corporation)
3. By-Laws (if corporation)
4. Certificate of Good Standing (if corporation)
5. Articles of Partnership (if partnership)
6. Articles of Organization (if limited liability company)
7. Corporate Resolution if required by Articles of Incorporation
8. Attach a copy of the transfer of City or County Franchise from the Transferor to Transferee.

T. List names and addresses of any other public utility interest Transferee has:

1. Valencia Water Co. } 3800 N. Central Ave. #770
2. Water Utility of Greater Buckeye } Phoenix, AZ 85012

U. Indicate the date that notice of the application was sent, or will be sent to the customers.

N/A, 20 .
There are no customers.

DATED the 9 day of June, 2005

[Signature]
(Signature of Authorized Representative of Transferor)

J. JOHN MIHLIK
(Type Name Here)

President
(Title)

SUBSCRIBED AND SWORN to before me on this 9th day of June 2005

[Signature]

NOTARY PUBLIC



CHRISTINA VAN GOETHEM
Notary Public - Arizona
Maricopa County
Expires 10/31/06

My Commission Expires 10/31/06

[Signature]
(Signature of Authorized Representative of Transferee)

J. JOHN MIHLIK
(Type Name Here)

President
(Title)

SUBSCRIBED AND SWORN to before me on this 9th day of June 2005

[Signature]

NOTARY PUBLIC



CHRISTINA VAN GOETHEM
Notary Public - Arizona
Maricopa County
Expires 10/31/06

My Commission Expires 10/31/06

Exhibit 1

WEST PHOENIX WATER COMPANY
3800 NORTH CENTRAL AVENUE, SUITE 770
PHOENIX, ARIZONA 85012
TEL. 602-224-0711
FAX 602-224-5455

June 8, 2005

WATER UTILITY OF GREATER TONOPAH, INC.
3800 NORTH CENTRAL AVENUE, SUITE 770
PHOENIX, ARIZONA 85012

Re: Transfer of the Certificate of Convenience and Necessary for all of Section 31 and
W ½ of Section 30, Township 2 North, Range 6 West, Maricopa County Arizona.

Dear Mr. Mihlik:

West Phoenix Water Company hereby transfers all of its right, title and interest in the
Certificate of Convenience and Necessary for the above real estate parcels to Water
Utility of Greater Tonopah, Inc., an Arizona corporation.

This transfer was intended to take place on April 1, 1985, the date West Phoenix Water
Company transferred to Water Utility of Greater Tonopah, Inc. the other CC&Ns by the
ACC decision #54419. All of Section 31 and the W ½ of Section 30, Township 2 North,
Range 6 West were omitted in error and should have been included as indicated by the
CC&N of West Phoenix Water Company granted in decision #40701 in June of 1970.

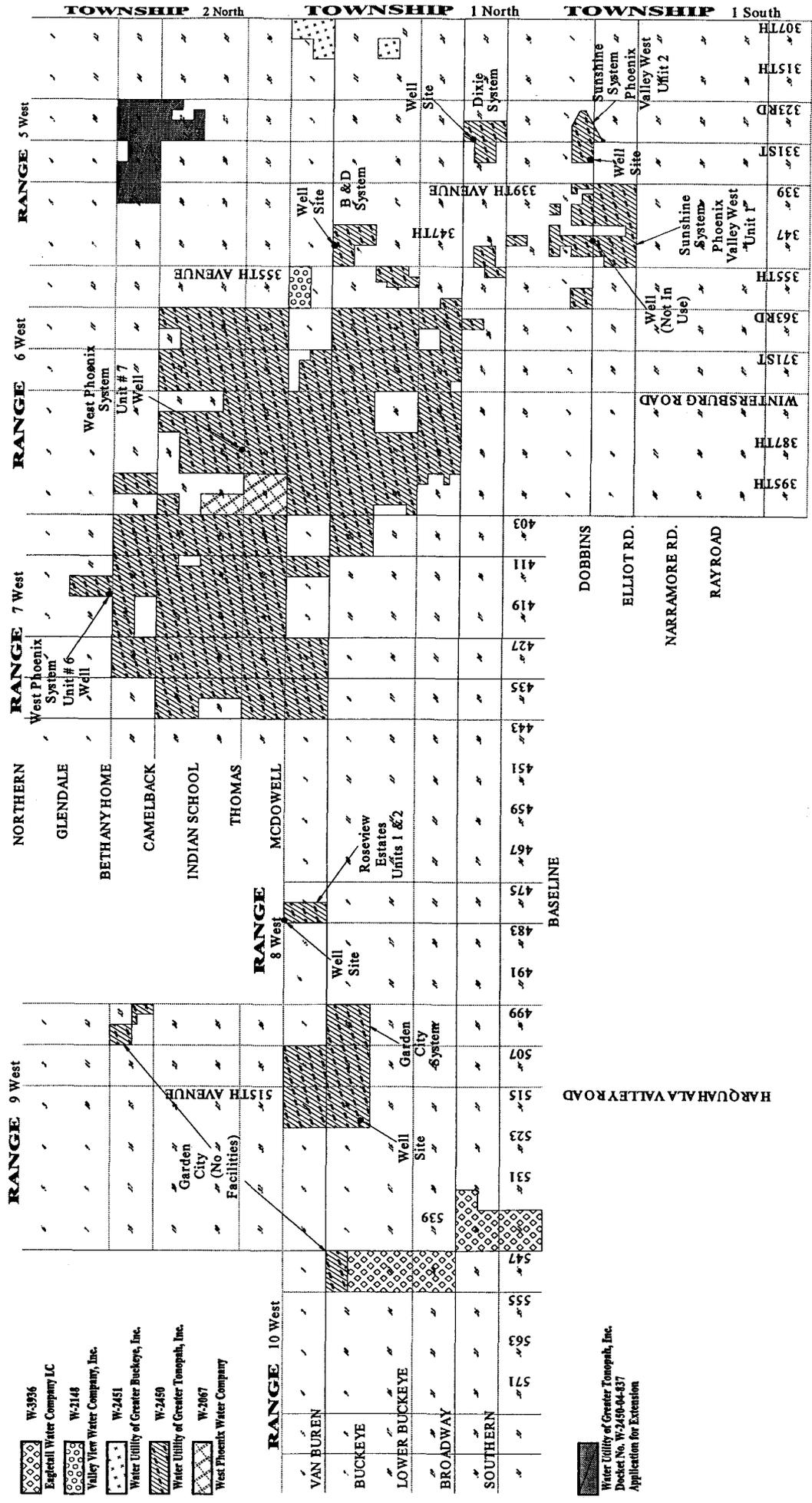
Yours truly,



John Mihlik
President

WATER UTILITY OF GREATER TONOPAH, INC.
DOCKET NO. W-2450-04-837

COUNTY: Maricopa



- W-3936 Eagletail Water Company LC
- W-2148 Valley View Water Company, Inc.
- W-2451 Water Utility of Greater Buckeye, Inc.
- W-2450 Water Utility of Greater Tonopah, Inc.
- W-2067 West Phoenix Water Company

Water Utility of Greater Tonopah, Inc.
Docket No. W-2450-04-837
Application for Extension



STATE OF ARIZONA CORPORATION COMMISSION

To all to Whom these Presents shall Come Greeting:

I, BRIAN C. MCNEIL, EXECUTIVE SECRETARY OF THE ARIZONA CORPORATION COMMISSION, DO HEREBY CERTIFY THAT

The attached is a true, complete and correct copy of the MICROFILMED OPINION AND ORDER, as issued by this Commission on April 1, 1985, in DOCKET NUMBERS U-2107-84-183 and U-2067-84-183, bearing Decision NO. 54419, IN THE MATTER OF SUNSHINE LAND AND CATTLE CORP. dba SUNSHINE WATER COMPANY AND WEST PHOENIX PROPERTIES, INC., dba WEST PHOENIX WATER CO., INC. FOR A TRANSFER OF CORPORATE ASSETS TO WEST BUCKEYE WATER CO., (U-2450).



IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 18th DAY OF JUNE 2004 A.D.


EXECUTIVE SECRETARY

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Arizona Corporation Commission
DOCKETED

BEFORE THE ARIZONA CORPORATION COMMISSION APR 1 1985

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RICHARD KIMBALL
CHAIRMAN
MARCIA WEEKS
COMMISSIONER
RENZ D. JENNINGS
COMMISSIONER

DOCKETED BY *Leah*

IN THE MATTER OF THE APPLICATION OF)
SUNSHINE LAND AND CATTLE CORP. dba)
SUNSHINE WATER COMPANY AND WEST PHOENIX)
PROPERTIES, INC. dba WEST PHOENIX)
WATER CO., INC. FOR A TRANSFER OF)
CORPORATE ASSETS TO WEST BUCKEYE WATER)
CO. (U-2450))

DOCKET NO. U-2107-84-183
U-2067-84-183

DECISION NO. 54419

OPINION AND ORDER

DATE OF HEARING: February 7, 1985
PLACE OF HEARING: Phoenix, Arizona
PRESIDING OFFICER: Jerry L. Rudibaugh

APPEARANCES: Christopher Kempley, Attorney for the Legal
Division, on behalf of the Arizona Corporation
Commission Staff

Cunningham, Goodson & Tiffany, Ltd., by John F.
Goodson, Attorneys for the Applicants.

BY THE COMMISSION:

On July 24, 1984, West Phoenix Properties, Inc. dba West Phoenix Water
Company, Inc. ("West Phoenix"), Sunshine Land and Cattle Corporation dba
Sunshine Water company ("Sunshine"), and West Buckeye Water Company ("West
Buckeye") filed an Application with the Arizona Corporation Commission
("Commission") seeking authorization to transfer to West Buckeye a portion of
West Phoenix's and all of Sunshines' Certificate of Public Convenience and
Necessity ("Certificates") and the corresponding corporate assets.

Pursuant to Notice dated January 24, 1985, the Application came on for
hearing before a duly authorized Hearing Officer of the Commission at its
offices in Phoenix, Arizona, on February 7, 1985. West Phoenix, Sunshine, West
Buckeye, and the Commission's Utilities Division Staff ("Staff") appeared
through counsel. Evidence was presented in support of the Application and

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1 after a full public hearing, the matter was adjourned pending submission of a
2 recommended Opinion and Order by the Presiding Officer to the Commission.

3 DISCUSSION

4 In 1970, West Phoenix and Sunshine were granted Certificates to provide
5 water service to large areas on both sides of the I-10 Freeway, north of the
6 Palo Verde Nuclear Generating Plant ("Palo Verde") and the Town of Buckeye
7 ("Town"). The development of the area has lagged due to delays in completion
8 of the freeway into Phoenix as well as the scare resulting from the Three Mile
9 Island Nuclear accident. As discussed in West Phoenix's companion
10 application, (Docket No. U-2067-84-182), the primary purpose of the transfers
11 was to bring in persons with financial capabilities to assist development as
12 needed and to divide the areas to be serviced into two discrete areas separated
13 by the Hassayampa River ("River")

14 The proposed area to be transferred is located west of the River and
15 primarily north of Palo Verde with a center near the Town of Tonopah. It
16 encompasses approximately 50 or 60 square miles. There are currently twelve
17 customers being served by either West Phoenix and Sunshine.

18 Because of the very large area involved, two members of the Tonopah Valley
19 Association asserted that many of the people in the area were unaware whether
20 their land was in the certificated area. One of the members, Mr. Richard
21 Wrublick requested that his land holdings be deleted from the certificated area
22 to be transferred to West Buckeye. At the request of Mr. Wrublick, West
23 Buckeye agreed to provide a map showing the certificated area to the Tonopah
24 Valley Association for its monthly newsletter. Further, West Buckeye agreed to
25 allow land owners to be removed from its requested certificated area if they
26 notify West Buckeye within 60 days of the Tonopah newsletter. Although West
27 Buckeye and the landowners might be in agreement as to deletion, this
28 Commission can not approve/disapprove any deletions until a determination is

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1 made on the overall affect to the public in the current and remaining
2 certificated areas. Furthermore, that determination can not be made until
3 those parties desiring deletion request and have a hearing.

4 * * * * *

5 Having considered all the evidence herein and being fully advised in the
6 premises, the Commission finds, concludes and orders that:

7 FINDINGS OF FACT

8 1. West Phoenix and Sunshine are Arizona corporations certificated by
9 this Commission in 1970 pursuant to Decision Nos. 40701 and 41072 respectively,
10 to provide water utility service in certain portions of Maricopa County,
11 Arizona.

12 2. On July 24, 1984, West Phoenix, Sunshine, and West Buckeye filed an
13 Application with the Commission seeking authorization to transfer to West
14 Buckeye a portion of West Phoenix's and all of Sunshines' Certificates and the
15 corresponding corporate assets.

16 3. The area proposed to be transferred from Sunshine is as follows:

- 17 A) Phoenix Valley West, Unit I
- 18 T1S, R5W
- 19 Section 6:: E 1/2, SW 1/4 &
- 20 W 1/2, SE 1/4
- 21 Section 7: All W 1/2 Except
- 22 NW 1/4, NW 1/4
- 23 Section 7: W 1/2, E 1/2 &
- 24 SE 1/4, SE 1/4
- 25 B) Phoenix Valley West, Unit II
- 26 T1S, R5W, Sec. 4 SE 1/4
- 27 C) Township 1 North, Range 6 West
- 28 Section 24: W 1/2, SW 1/4
- 29 25: E 1/2, SE 1/4
- 30 26: W 1/2, NE 1/4
- 31 D) Township 1 South, Range 6 West
- 32 Section 1: SW 1/4

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E) Township 1 North, Range 5 West
Section 30: S 1/2, NW 1/4 and
N 1/2, SW 1/4
Section 31: W 1/2, NE 1/4

F) Township 1 South, Range 5 West
Section 6: N 1/2, NE 1/4 and
SW 1/4, NE 1/4 and
NE 1/4, NW 1/4
Section 5: NE 1/4, NW 1/4
SW 1/4 & SW 1/4,
SE 1/4 & E 1/2
E 1/2, SE 1/4 &
NW 1/4, NE 1/4,
SW 1/4
Section 8: All
Section 3: All S 1/2 lying South of Hassayampa
right of way and North of Ward Road right of way.
Section 10: NW 1/4 lying North of Ward Road right of way

4. The area proposed to be transferred from West Phoenix is as follows:

- A) West Phoenix Estates, Unit I
T2N, R7W, Sec. 20, SW 1/4
- B) West Phoenix Estates, Unit II
T2N, R7W, Sec. 20, NW 1/4
- C) West Phoenix Estates, Unit III
T2N, R7W, Sec. 22 N 1/2
- D) West Phoenix Estates, Unit V
T2N, R7W, Sec. 15, NE 1/4
- E) West Phoenix Estates, Unit VII
T2N, R6W, Sec. 29, S 1/2
- F) Rose View Estates, Units I & II
T1N, R8W, Sec. 6, W 1/2
- G) Township 2 North, Range 7 West
Section 13: All
14: S 1/2 and NE 1/4
15: N 1/2
16: All
20: E 1/2
21: All
22: All
23: All Except E 1/2, SE 1/4
24: All
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26: All
27: All
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- 29: All
- 32: All
- 33: All
- 34: All
- 35: All
- 36: All

H) Township 1 North, Range 7 West
 Section 2: E 1/2
 4: All
 5: All
 12: All

I) Township 2 North, Range 6 West
 Section 18: E 1/2
 19: NW 1/4
 20: S 1/2
 21: W 1/2
 22: All
 23: All Except NW 1/4
 26: All
 27: All
 28: All Except NE 1/4
 29: All
 32: All
 33: All
 34: All
 35: All

J) Township 1 North, Range 6 West
 Section 3: S 1/2 and S 1/2, NW 1/4 and SW 1/4, NE 1/4
 4: All
 5: All
 6: All
 7: All
 8: All
 9: All
 10: All
 11: All
 14: All
 15: All
 17: All
 18: All Except W 1/2, NW 1/4 and SW 1/4, SE 1/4
 19: NE 1/4, NE 1/4 and S 1/2, NE 1/4, SE 1/4
 20: All
 21: All
 22: All Except SW 1/4, SW 1/4
 23: All Except NW 1/4

5. Maricopa County Board of Supervisors has consented to the transfer of franchises from West Phoenix and Sunshine to West Buckeye for the area proposed to be transferred.

6. There are no other water companies servicing the area.

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ORDER

WHEREFORE, IT IS ORDERED: That West Phoenix Water Company, Inc. and Sunshine Water Company are hereby authorized to transfer their Certificates of Public Convenience and Necessity for the area west of the Hassayampa River as described in Finding of Facts No. 3 and 4 and their corresponding corporate assets to West Buckeye Water Company, Inc.

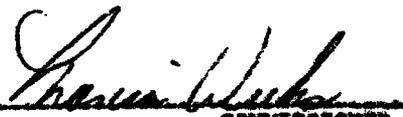
IT IS FURTHER ORDERED: That the rates to be charged by West Buckeye Water Company, Inc. to the area west of the Hassayampa River shall remain the same as rates for West Phoenix Water Company, Inc. and Sunshine Water Company and their former corresponding areas.

IT IS FURTHER ORDERED: That this Decision shall be effective immediately.

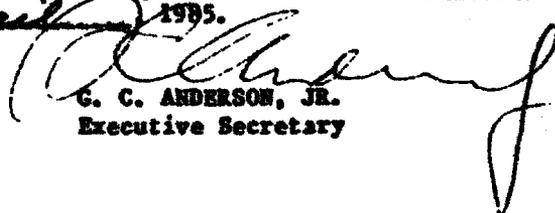
BY ORDER OF THE ARIZONA CORPORATION COMMISSION.


CHAIRMAN


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, G. C. ANDERSON, JR., Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this 1st day of April, 1985.


G. C. ANDERSON, JR.
Executive Secretary

DISSENT _____
dp

ARTICLES OF INCORPORATION
OF
WEST BUCKEYE WATER COMPANY, INC.
an Arizona corporation

RECEIVED
OCT 17 1983

ARIZONA CORP. COMMISSION
INCORPORATING DIVISION

The undersigned persons have associated themselves for the purpose of forming a corporation under the laws of Arizona and adopt the following Articles of Incorporation.

1. Name. The name of this corporation is WEST BUCKEYE WATER COMPANY, INC.

2. Purpose. This corporation is organized for the transaction of any and all lawful business for which corporations may be incorporated under the laws of the State of Arizona, as they may be amended from time to time, and specifically but not in limitation thereof, the purpose of operating a water company and engaging in all other endeavors that are not incompatible with that purpose.

This corporation shall have the broad general powers set forth in A.R.S. §10-004.

3. Initial Business. The general nature of the business proposed to be transacted initially by the corporation, at any place within the United States, is operating a water company and generally to do all acts reasonable and necessary for the furtherance of such business.

4. Capital Stock. The authorized capital stock of the corporation shall consist of 100,000 shares of Class "A" common voting stock with a \$1.00 par value and 900,000 shares of Class "B" common non-voting stock with a \$1.00 par value.

a. All or any portion of the capital stock may be issued in consideration for cash, real or personal property, services rendered, or any other thing of value for the uses and purposes of the corporation and, when so issued, will become and be fully paid, the same as though paid for in cash at par. The Board of Directors will be the sole judge of the value of any property, services, right or thing acquired in exchange for capital stock. Payment for the capital stock will be made at such time or times and upon such conditions as the Board of Directors may from time to time designate.

b. The shares of capital stock of the corporation are to be non-assessable. The right to notice of and to vote at any meeting

John F. Goodson
CUNNINGHAM, GOODSON,
& TIFFANY, Ltd.
ATTORNEYS AT LAW
2700 Arizona Bank Building
101 North First Avenue
Phoenix, Arizona 85003
(602) 257-5100

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of the shareholders of the corporation shall be vested in the holders of the Class "A" voting stock, and every share of Class "A" stock shall be entitled to equal voting rights, i.e., one vote per share. The Board of Directors shall have the sole authority to determine the manner and method of declaring dividends on the issued stock, but must declare dividends equally on the Class "A" and Class "B" common stock.

c. In the event of any dissolution or liquidation of the corporation, the assets and funds of the corporation shall be divided among and paid equally to the holders of the Class "A" and Class "B" common stock, voting and non-voting, according to the number of shares of common stock held by them respectively.

d. The Class "B" non-voting shareholders shall be entitled to receive notice of and to attend and participate in the discussions at all shareholders meetings.

e. The shareholders of the corporation are to be entitled to pre-emptive rights in the event of the issuance and sale of stock of the corporation or securities convertible into stock of the corporation, and each shareholder of the corporation will be entitled to purchase the same proportion of such stock or securities to be sold by the corporation as the proportion of the stock owned by such shareholder bears to the total outstanding stock of the corporation at that time.

f. The shareholders of the corporation at any duly constituted meeting may, by resolution having unanimous approval of all holders of stock outstanding and issued and recorded in writing in the minutes of a meeting, place such restrictions upon the transfer or encumbrance of the capital stock of the corporation as they deem advisable, so long as such restriction is reasonable and not an undue restraint or alienation of stock. At such meeting the shareholders may determine the method by which the restrictions upon transfer or encumbrance of the capital stock of the corporation may thereafter be rescinded or modified, and in the absence of such a determination, such restrictions shall be rescinded or modified only by unanimous approval of all the shareholders at a meeting called for such purpose. All such restrictions on the transfer or encumbrance of stock of this corporation shall be recorded on all certificates of stock in compliance with the laws of the State of Arizona and shall be binding upon every shareholder, his heirs, assigns and personal representatives.

g. The corporation may issue rights and options to purchase shares of common stock of the corporation to directors, officers or employees of the corporation or of any affiliate thereof, and no shareholder approval or ratification of any such issuance of rights and options shall be required.

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h. In addition to common stock, the corporation may, for the purposes of financing, from time to time issue bonds with such rights, interest rates, payment schedules, face amounts and maturity dates as the Board of Directors may determine.

5. Statutory Agent. This corporation appoints JOHN F. GOODSON, 2700 Arizona Bank Building, 101 North First Avenue, Phoenix, Arizona 85003, who has been a bona fide resident of Arizona for at least three years, its statutory agent in and for the State of Arizona. This appointment may be revoked at any time by the Board of Directors authorizing and directing the filing with the Arizona Corporation Commission of a statement in accordance with A.R.S. §10-013(A) and (B).

6. Known Place of Business. The known place of business of the corporation shall be 4250 East Camelback Road, Suite 154-K, Phoenix, Arizona 85018.

7. Board of Directors. The number of directors of the corporation shall be fixed and may be altered from time to time as may be provided in the by-laws. In case of any increase in the number of directors, the additional directors may be elected by the directors or by the shareholders at an annual or special meeting, as shall be provided in the by-laws.

The initial Board of Directors shall consist of two persons, who shall serve until their successors are qualified according to the by-laws, and whose names and addresses are:

JOHN F. GOODSON
1117 West Coronado Road
Phoenix, Arizona 85007

COLLEEN C. GOODSON
1117 West Coronado Road
Phoenix, Arizona 85007

8. Incorporators. The names and addresses of the undersigned incorporators are:

JOHN F. GOODSON
1117 West Coronado Road
Phoenix, Arizona 85007

4

COLLEEN C. GOODSON
1117 West Coronado Road
Phoenix, Arizona 85007

All powers, duties and responsibilities of the incorporators shall cease at the time of delivery of these Articles of Incorporation to the Arizona Corporation Commission for filing.

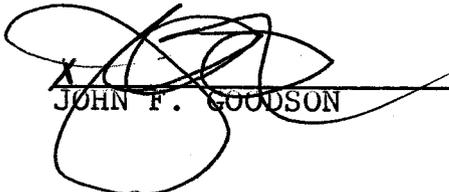
9. Dealings by Directors. No contract or other transaction between the corporation and any other corporation, whether or not a majority of the shares of the capital stock of such other corporation is owned by this corporation, and no act of the corporation shall in any way be affected or invalidated by the fact that any of the directors of this corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation; any director individually, or any firm of which such director may be a member, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of this corporation, provided that the fact that he or such firm is so interested shall be disclosed or shall have been known to the Board of Directors or a majority thereof; and any director of the corporation who is also a director or officer of such other corporation, or who is so interested, may be counted in determining the existence of a quorum at any meeting of the Board of Directors of this corporation which shall authorize such contract or transaction, and may vote thereat to authorize such contract or transaction, with like force and effect as if he were not such director or officer of such other corporation or not so interested.

10. Indemnification of Officers, Directors, Employees and Agents. Subject to the provisions of this Article, the corporation shall indemnify any and all its existing and former directors, officers, employees and agents against all expenses incurred by them and each of them, including but not limited to legal fees, judgments, penalties and amounts paid in settlement or compromise, which may arise or be incurred, rendered or levied in any legal action brought or threatened against any of them for or on account of any action or omission alleged to have been committed while acting within the scope of employment as director, officer, employee or agent of the corporation, whether or not any action is or has been filed against them and whether or not any settlement or compromise is approved by a court. Indemnification shall be made by the corporation whether the legal action brought or threatened is by or in the right of the corporation or by any other person.

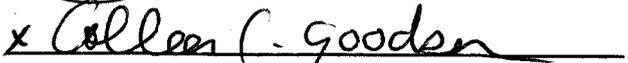
Whenever any existing or former director, officer, employee or agent shall report to the president of the corporation or the chairman of the Board of Directors that he or she has incurred or may incur expenses, including but not limited to legal fees, judgments, penalties, and amounts paid in settlement or compromise in a legal action brought or threatened against him or her for or on account of any action or omission alleged to have been committed by him or her while acting within the scope of his or her employment as a director, officer, employee or agent of the corporation, the Board of Directors shall, at its next regular or at a special meeting held within a reasonable time thereafter, determine in good faith whether, in regard to the matter involved in the action or contemplated action, such person acted, failed to act, or refused to act willfully or with gross negligence or with fraudulent or criminal intent.

If the Board of Directors determines in good faith that such person did not act, fail to act, or refuse to act willfully or with gross negligence or with fraudulent or criminal intent in regard to the matter involved in the action or contemplated action, indemnification shall be mandatory and shall be automatically extended as specified herein; provided, however, that no such indemnification shall be available with respect to liabilities under the Securities Act of 1933 and provided further that the corporation shall have the right to refuse indemnification in any instance in which the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

IN WITNESS WHEREOF, the following incorporators have signed these Articles of Incorporation, intending that they be effective as of August 1, 1983.



 JOHN F. GOODSON

x 

 COLLEEN C. GOODSON

John F. Goodson
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& TIFFANY, Ltd.
ATTORNEYS AT LAW
 2700 Arizona Bank Building
 101 North First Avenue
 Phoenix, Arizona 85003
 (602) 257-5100

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this day, August 1, 1983, before me, the undersigned Notary Public, personally appeared JOHN F. GOODSON and COLLEEN C. GOODSON, known to me or satisfactorily proven to be the persons whose names are subscribed to the foregoing instrument, and acknowledged that they executed the same for the purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the day and year first above written.

ROSEMARIE HUSTED
My Commission Expires
June 18, 1987
Notary Expiration Date

x Rosemarie Husted
Notary Public

BY-LAWS

OF

WEST BUCKEYE WATER COMPANY, INC.

an Arizona Corporation

Effective Date of Incorporation: August 1, 1983

State of Incorporation: ARIZONA

Fiscal Year Ending: July 31st

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PROFIT CORPORATION
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PART ONE
Stock, Stock Certificates and Shareholders

1.1 Stock Certificates. The certificates for shares of the capital stock of the corporation shall be in a form not inconsistent with the Articles of Incorporation, and shall be prepared or be approved by the board of directors. The certificates shall be signed by the president or vice president and the secretary or assistant secretary.

1.2 Stock Records. A stock register shall be kept by the transfer agent, in which shall be accurately recorded the issuance of each certificate of stock, the date of issuance thereof, the name and post office address of the person, firm or corporation to whom issued, a record of the transfer in whole or in part of the shares represented thereby, with a similar record of any certificate or certificates representing any shares so transferred.

1.3 Transfer. Shares of the capital stock of the corporation shall be transferable upon the books of the corporation by the holders thereof presenting certificates evidencing ownership to the secretary or the duly authorized transfer agent or agents of the company, properly endorsed, and the corporation shall not be bound to recognize any rights of any transferee until such transfer is so made upon the books of the corporation.

1.4 Replacement of Mutilated Certificates. A new certificate may be issued in lieu of any certificate previously issued that may be defaced or mutilated, upon surrender for cancellation of a part of the old certificate, sufficient, in the opinion of the secretary or the duly authorized transfer agent, to fully identify the defaced or mutilated certificate. Where sufficient identification is lacking, evidence satisfactory to the board may be required.

1.5 Replacement of Lost Certificates. A new certificate may be issued in lieu of any certificate lost or destroyed upon the owner or claimant thereof establishing its loss or destruction by evidence satisfactory to the board and giving to the corporation indemnity satisfactory to the board.

1.6 Record Date. For the purpose of determining shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other purpose, the board of directors may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, 60 days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of or to vote at a meeting of shareholders, such books shall be closed for at least 10 days immediately preceding such meeting.

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If the stock transfer books are not closed for any reason, the date on which notice of the meeting is mailed or the date on which the resolution of the board of directors declaring such dividend is adopted, as the case may be, shall be the record date for determination of shareholders.

1.7 Stock Rules and Regulations. The board of directors may make such rules and regulations as it may deem expedient not inconsistent with the By-Laws or with the Articles of Incorporation concerning the issue, transfer and registration of certificates for shares of the corporation.

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PART TWO
Shareholders Meetings

2.1 Regular and Special Meetings; Place of Meetings. The annual meetings shall be the only regular meetings of the shareholders. Special meetings of the shareholders may be held when called as hereinafter provided. Any shareholders meetings may be held within or without the State of Arizona but shall always be held at the time and place fixed in the call for such meeting or in any resolution adjourning the same. If no other place is designated in the resolution adjourning such meeting, the adjourned meeting shall be held at the place designated in the call for the meeting.

2.2 Annual Meeting. The annual meeting of the shareholders for the election of directors shall be held on a date in the third week of the month preceding the end of the corporation's fiscal year. If, for any reason, such meeting shall not be held or a board of directors shall not be elected at such meeting or at an adjournment thereof, a board of directors may be elected at a special meeting to be called by the board of directors then in office or upon their order.

2.3 Special Meetings. Special meetings of the shareholders, for any purpose or purposes other than the election of directors as hereinabove provided, may be held at the call of the chairman of the board, or the president of the corporation, or the board of directors, and shall be called by the president at the request of the holders of one-tenth of all the outstanding shares of the corporation entitled to vote at the meeting.

2.4 Quorum. Except as otherwise provided by law, a majority of the outstanding shares of stock entitled to vote at any meeting shall constitute a quorum of such meeting.

2.5 Notice. Notice of all shareholders meetings shall be in writing, signed by the chairman, the president, the secretary, the treasurer, or an assistant secretary or assistant treasurer, or such other officer or person as may be designated by the board of directors. A copy of such notice shall be sent by mail not less than ten calendar days nor more than 50 calendar days prior to the date of the meeting, unless a longer period is required by law, to each shareholder of record entitled to notice of such meeting, at the registered post office address of such shareholder as it appears upon the records of the corporation. Such notice shall state the time and place of the meeting and the purpose for which it is called, so far as is known at the date of the notice, and if the call be for an annual meeting, the notice shall so state. Such notice shall be sufficient for such meeting and any adjournment thereof. If any shareholder shall transfer any of his stock after notice of such meeting, it shall not be necessary to notify the transferee. Any shareholder may waive notice of any meeting either before, at or after the meeting.

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2.6 Proxies. Any shareholder of the corporation entitled to vote at any meeting may be represented and vote at such meeting by a proxy appointed by an instrument in writing signed by him or by his duly authorized agent or attorney-in-fact. In the event such instrument shall designate two or more persons to act as proxy, the majority of such persons present at such meeting, or if only one should be present then that one, shall have and may exercise all the powers conferred by such instrument upon all the persons so designated, unless such instrument shall otherwise provide. All proxies will be received and taken in charge and all questions touching the qualifications of voters and the validity of proxies will be decided and all ballots shall be received and counted by two referees, who shall be appointed by the presiding officer of the meeting by and with the consent of the majority of the shares represented.

2.7 Business to be Transacted. Any question may be considered and acted upon at an annual meeting, but no question not stated in the call for a special meeting shall be acted upon thereat except by the consent of the holders of a majority of the shares as reflected in the records of the corporation.

2.8 Election of Directors. The directors shall be elected by a majority of the shares at the annual shareholders meeting, subject to the cumulative voting provisions set forth in paragraph 2.10 below. Prior to each annual election of directors, the shareholders shall pass a resolution designating the number that shall constitute the board of directors for the ensuing year, and such number shall not be increased or diminished during any year except by the vote of the holders of a majority of the outstanding stock of the corporation at a meeting legally held.

2.9 Voting. Except as provided in paragraph 2.10 below, the holders of common stock of the corporation shall be entitled to one vote for each share of common stock held, at any shareholders' meeting. For purposes of this provision, the "holder" is to be determined by the name appearing on the corporation's books; except that shares standing in the name of a deceased person may be voted by his legal representative, and a receiver may vote shares not standing in his name if he has the authority to do so by an appropriate order of the court which appointed him.

2.10 Cumulative Voting. At all elections for directors, each shareholder shall be entitled to as many votes as shall equal the number of his shares of stock multiplied by the number of directors to be elected, and he may cast all of such votes for a single director, or may distribute them among the number to be voted for, or any two or more of them, as he may see fit.

2.11 Removal of Director. The shareholders of the corporation may, at any meeting called for that purpose, remove any director

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from office, with or without cause, by a vote of a majority of the outstanding shares of the class of stock which elected the director or directors to be removed; provided, however, that no director shall be removed in case the votes of a sufficient number of shares are cast against his removal, which, if cumulatively voted at an election of the entire board of directors, would be sufficient to elect him.

2.12 Informal Action by Shareholders. Any action which may be taken by the shareholders at a meeting may be taken without a meeting if a consent in writing setting forth the action so taken shall be signed by all the shareholders entitled to vote with respect to the subject matter of that action.

2.13 Waiver. When the holders of all the shares issued and outstanding and entitled to vote shall be present or expressly waive their presence at a meeting, and shall sign a written consent thereto on the record thereof, all the acts of such meeting shall be binding, regardless of the manner in which the meeting is called.

2.14 Inspection of Records. The books of account and stock records of the corporation shall be available for inspection at reasonable times by any shareholder.

PART THREE
Board of Directors

3.1 Number and Eligibility. The board of directors shall consist of not less than two nor more than 25 persons, all of whom shall be of lawful age and all of whom may be or may not be shareholders of the corporation.

3.2 Annual Meeting and Election of Chairman of the Board. Immediately after the adjournment of the annual shareholders meeting, the board of directors elected thereat shall convene in annual meeting and shall elect a chairman from among its number, who shall hold office for a period of one year or until his successor has been duly elected and qualified. It shall be the duty of the chairman to preside at all meetings of the shareholders and board of directors, and to insure compliance with the rules and regulations as herein set forth, and to perform such duties as may be delegated to him and prescribed by the board of directors.

3.3 Election of Officers. At the annual meeting of the board of directors, the board shall elect the officers of the corporation as follows: a president, a vice president, a secretary, a treasurer, and such other officers with such titles and with such powers and duties as may be deemed necessary by the board of directors. The officers need not be shareholders of the corporation.

3.4 Special Meetings. Special meetings of the board of directors may be held from time to time upon call issued by the chairman, the president, a majority of the directors, or the holders of a majority of the outstanding stock of the corporation. Such meetings may be held either within or without the State of Arizona and may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this provision shall constitute presence in person at such meetings.

Attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Notice of special meetings of the board shall be signed by the person or persons calling the same as aforesaid, or by someone designated and so authorized and instructed by the person or persons calling the same, and shall be sent by mail to each director at his post office address of record with the corporation not less than five calendar days and not more than 20 calendar days prior to the date of the meeting. Such notice shall state the time and place of the meeting and the purposes for which it is called.

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3.5 Quorum and Waiver of Notice. A majority of the members of the board at the time holding office shall constitute a quorum for the transaction of business. No special meeting of the board shall be valid unless notice of the meeting has been mailed to each member of the board as provided in paragraph 3.4 above, or the giving of such notice shall have been waived in writing.

3.6 Voting. Each director present shall be entitled to one vote at each directors' meeting. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

3.7 Presumption of Assent. A director of the corporation who is present at a meeting of the board of directors or of any committee, at which action is taken on any corporate matter, will be presumed to have assented to the action taken unless his dissent is entered in the minutes of the meeting, or unless he filed his written dissent of such action with the person acting as secretary of the meeting before the adjournment of the meeting, or forwards his dissent by registered mail to the secretary of the corporation immediately after the adjournment of the meeting. The right to dissent will not be available to a director who voted in favor of the action.

3.8 Filling Vacancies. Any vacancy in the board of directors or in the officers of the corporation caused by the death, resignation, removal or other disqualification of a director or an officer may be filled by a majority vote of the remaining directors by the election of some other person who shall hold such office of director or officer by like tenure for the unexpired term. However, prior to such action by the board, the shareholders shall have the right, at any special meeting called for that purpose, to fill any vacancy occurring in the board.

3.9 Tenure. The directors shall hold office from the time of their election until the next annual election of directors, as provided by these By-Laws, or until their successors are duly elected and qualified.

3.10 Compensation. By resolution of the board, the directors may be paid their expenses, if any, of attending board meetings or any committee meetings. Directors may be paid a fixed sum for each meeting they attend, or may be paid a stated salary as a director or committee member. These payments will not preclude any director from serving the company in any other capacity and receiving compensation for that service.

3.11 Powers. The business of this corporation shall be conducted by the board of directors, and the board shall have the right to fix the compensation of all officers and directors for

services rendered and, except as prescribed in these By-Laws to the contrary, prescribe their duties and powers.

3.12 Dividends. The board of directors may declare dividends on the stock of the corporation as provided for by the laws of the State of Arizona.

3.13 Action by Resolution. The board of directors shall, except as otherwise herein provided by law, have power to act in the following manner: A resolution in writing, signed by all the members of the board of directors shall be deemed to be action by such board to the effect therein expressed, with the same force and effect as if the same had been duly passed by the same vote at a duly convened meeting, and it shall be the duty of the secretary of the corporation to record such resolution in the minute book of the corporation under its proper date.

3.14 Arbitration of Deadlocks Within Board of Directors. If the Board of Directors of this corporation ever is composed of an even number of directors and these directors are deadlocked as to a major issue affecting the corporation, which deadlock prevents a necessary decision of the corporation, then, in that event, the directors shall agree on an arbiter, who will arbitrate the issue; or, if they cannot agree on a disinterested, objective, qualified arbiter, then the then existing attorney and CPA for the corporation shall select a disinterested arbiter, and the corporate attorney, who is familiar with the legal problems, and the corporate CPA, who is familiar with the financial problems of the company, and the disinterested third person, whom these two professionals believe is objective and qualified to decide the issue involved, shall arbitrate the issue at a meeting of the Board of Directors held for that purpose, and the directors agree to be bound by their decision with regard to the deadlock.

Prior to the decision by the arbitrator or board of arbitrators, all directors shall have the opportunity to present facts and arguments with regard to the issue before a decision is rendered by the arbitrators. This provision recognizes that in all human endeavors there will be times when honest and reasonable men cannot agree. It further recognizes that the directors and other persons who have chartered and formed this company are interested in continuity and interested in having the corporate purposes placed above what may be an honest difference of opinion. Therefore, this By-Law has been enacted to allow the corporation to move past impasses caused by such deadlocks.

3.15 Executive Committee. The Board of Directors, by resolution adopted by a majority of the full board, may designate two or more of its members to constitute an Executive Committee. The designation of such committee and the obligation thereto of authority

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shall not operate to relieve the Board of Directors, or any members thereof, of any responsibility imposed by law.

3.15.a Authority. The Executive Committee, when the Board of Directors is not in session, shall have and may exercise all the authority of the Board of Directors except to the extent, if any, that such authority shall be limited by the resolution appointing the Executive Committee and except also that the Executive Committee shall not have the authority of the Board of Directors in reference to amending the Articles of Incorporation, adopting a plan of merger or consolidation, recommending to the shareholders the sale, lease or other disposition of all or substantially all the property and assets of the corporation otherwise than in the usual and regular course of its business, recommending to the shareholders a voluntary dissolution of the corporation or a revocation thereof, or amending the By-Laws of the corporation.

3.15.b Tenure and Qualifications. Each member of the Executive Committee shall hold office until the next regular annual meeting of the Board of Directors following his designation and until his successor is designated as a member of the Executive Committee and is elected and qualified.

3.15.c Meetings. Regular meetings of the Executive Committee may be held without notice at such times and places as the Executive Committee may fix from time to time by resolution. Special meetings of the Executive Committee may be called by any member thereof upon not less than one day's notice stating the place, date and hour of the meeting, which notice may be written or oral, and if mailed, shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Executive Committee at his business address. Any member of the Executive Committee may waive notice of any meeting and no notice of any meeting need be given to any member thereof who attends in person. The notice of a meeting of the Executive Committee need not state the business proposed to be transacted at the meeting.

3.15.d Quorum. A majority of the members of the Executive Committee shall constitute a quorum for the transaction of business at any meeting thereof and action of the Executive Committee must be authorized by the affirmative vote of a majority of the members present at a meeting at which a quorum is present.

3.15.e Action without a Meeting. Any action that may be taken by the Executive Committee at a meeting may be taken without a meeting if a consent in writing, setting forth the action so to be taken, shall be signed before such action by all the members of the Executive Committee.

3.15.f Vacancies. Any vacancy in the Executive Committee may be filled by a resolution adopted by a majority of the full Board of Directors.

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3.15.g Resignations and Removal. Any member of the Executive Committee may be removed at any time with or without cause by resolution adopted by a majority of the full Board of Directors. Any member of the Executive Committee may resign from the Executive Committee at any time by giving written notice to the president or secretary of the corporation, and unless otherwise specified, the acceptance of such resignation shall not be necessary to make it effective.

3.15.h Procedure. The Executive Committee shall elect a presiding officer from its members and may fix its own rules of procedure which shall not be inconsistent with these By-laws. It shall keep regular minutes of its proceedings and report the same to the Board of Directors for its information at the meeting thereof held next after the proceedings shall have been taken.

3.16 Special Committees. The board of directors may also, from time to time, appoint any other special committees deemed by it expedient, and refer to such special committees any special matters with instructions and/or powers to act. All such special committees shall keep regular minutes of the transaction of their meeting and make such minutes available to the board of directors at the next meeting thereof following the proceedings of the special committee.

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PART FOUR
Officers, Powers and Duties

4.1 Officers. The officers of this corporation shall consist of a president, a vice president, a secretary, a treasurer, and such other officers with such titles, powers and duties as may be prescribed by the board of directors.

4.2 Tenure. All officers shall hold office from the time of their election until the next annual election of officers or until their respective successors are elected and qualified, provided, however, any officer may be removed from office by a majority vote of the directors at any legally held meeting of the board.

4.3 Bonds and Other Requirements. The board of directors may require any officer to give bond to the corporation (with sufficient surety and conditioned for the faithful performance of the duties of his office) and to comply with such other conditions as may from time to time be required of him by the board.

4.4 Removal of Officers. If the majority of the board concurs, the board of directors may at any time, with or without cause, remove any officer or agent of the corporation and declare his office or offices vacant or, in the case of the absence or disability of any officer or for any other reason considered sufficient, the board may temporarily delegate his powers and duties to any other officer or to any director.

4.5 President. In the absence of the chairman, the president shall preside at all meetings of the shareholders and board of directors. The president, along with other authorized officers, shall sign for and on behalf of the corporation, or in its name, all certificates of stock, deeds, mortgages, contracts and other instruments in writing, except that contracts may be signed with like effect by any other officer or employee of the corporation specified in these By-Laws or designated by the board of directors. While actively engaged in conducting the business of the corporation, he shall be charged with all the duties and have all the authority customarily performed and exercised by the chief executive of a corporation organized under the laws of Arizona, and shall perform such other duties as may be prescribed by the board.

4.6 Vice President. The vice president shall have and may exercise such powers and shall perform such duties as may be delegated to him by the board of directors or the president of the corporation. The vice president shall, in the event of the death, absence, or other disability of the president, perform all the duties and exercise all the authority of the president.

4.7 Secretary. It shall be the duty of the secretary to record and keep the minutes of all meetings of the shareholders, the board

of directors, and the executive committee of the board of directors. At the discretion of the board, he shall give bond made by a duly authorized surety company in such sum as may be required of him by the board, conditioned for the proper accounting of all monies and property coming into his hands by virtue of this office. The premium on such bond shall be paid by the corporation. He shall fill in and countersign all certificates of stock and keep the stock records of the corporation so as to show the aggregate number of shares outstanding and the date, the number of shares, the name of the holders, and all other necessary information relating to each outstanding stock certificate. He shall keep the seal of the corporation and affix and attest the same upon any instrument executed by the corporation requiring a seal, except as otherwise ordered by the board of directors. At the expiration of his term, from whatever cause, he shall surrender all books, monies, papers and property of the corporation to his successor.

4.8 Treasurer. The treasurer shall be the custodian of all monies belonging to the corporation and shall hold all funds of the corporation subject to the order of the board of directors or persons thereunto authorized by the board of directors. He shall deposit the funds of the corporation with such bank or banks as the board of directors may approve and designate. At each annual meeting of the shareholders, and at each annual meeting of the directors, and whenever called upon at any other directors' meeting, he shall make a complete and correct report of his accounts and disclose the true financial condition of the corporation. He shall submit his books and accounts for audit when so requested by the board of directors. At the discretion of the board, he shall give bond, made by a duly authorized surety company, in such sum as may be required of him by the board, conditioned for the proper accounting of all monies and property coming into his hands by virtue of his office. The premium on such bond shall be paid by the corporation. At the expiration of his term of office, from whatever cause, he shall deliver up all books, papers and monies of the corporation to his successor.

4.9 Other Officers. If an assistant secretary be elected by the board of directors, he shall have and may exercise the same powers and perform the same duties as the secretary; and if an assistant treasurer be elected by the board, he shall have and may exercise the same powers and perform the same duties as the treasurer. Such assistant secretary, assistant treasurer, and any and all other officers elected by the board, shall have and may exercise such powers and perform such duties as may be assigned to them by the board.

4.10 Salaries. Officers' salaries may from time to time be fixed by the board of directors or (except as to his own) be left to the discretion of the president. No officer will be prevented from receiving a salary by reason of the fact that he is also a director of the corporation.

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4.11 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

PART FIVE
Corporate Seal

5.1 Description. The corporation shall have a corporate seal in the form of two circular conforming metal discs bearing the imprint and inscription of the name of the corporation with, in the center, the words "Corporate Seal, Arizona" and the year of incorporation.

5.2 Use. The corporate seal shall be impressed upon all instruments executed by the corporation upon which a seal is required by law.

5.3 Authorization. In the absence of the secretary or assistant secretary, any officer authorized by the board of directors so to do may affix the seal of the corporation to any instrument requiring a seal.

PART SIX
Fiscal and Legal

6.1 General. All monies of every kind belonging to the corporation shall be deposited to its credit in a bank or banks designated by the board of directors, and no monies shall be withdrawn therefrom unless the checks or other orders evidencing such withdrawals are signed by such officers or employees of the corporation as may be designated by resolution of the board of directors duly adopted.

6.2 Contracts. The board of directors may authorize any officer or officers, agent or agents of the corporation, in addition to the officers so authorized by these By-Laws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

6.3 Checks, Drafts, Etc. All checks, drafts, orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors. In the absence of such determination by the board of directors, such instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the corporation.

6.4 Deposits. All funds of the corporation shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositories as the board of directors may select.

6.5 Gifts. The board of directors may accept on behalf of the corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the corporation.

6.6 Fiscal Year. The fiscal year of this corporation shall be that set forth on the caption page of these By-Laws.

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PART SEVEN
Amendments

7.1 Vote Required. These By-Laws may be enlarged, amended or repealed by a majority vote of the outstanding stock of the corporation at any regular meeting of the shareholders or at any special meeting of the shareholders called for that purpose, or by a two-thirds vote of the board of directors at any meeting of the board of directors called for that purpose.

7.2 Meetings for Adoption. Such amendment, enlargement or repeal may be adopted at any annual meeting of the shareholders without previous notice, but if contemplated at a special shareholders meeting, notice thereof shall be given in the call for the meeting.

PART EIGHT
Pre-Emptive and Preferential Rights

8.1 Pre-Emptive and Preferential Rights. Each shareholder or subscriber shall be entitled to full pre-emptive or preferential rights, as such rights have heretofore been defined at common law, to purchase and/or subscribe for his or her proportionate part of any shares which may be issued at any time by this corporation.

8.1.a Sale or Transfer. Before there can be a valid sale or transfer of any of the shares of this corporation by the holders thereof, the holder of the shares to be sold or transferred shall first give notice in writing to the Secretary of this corporation of his intention to sell or transfer such shares. Such notice shall specify the number of shares to be sold or transferred, the price per share, and the terms upon which such holder intends to make such sale or transfer. The Secretary shall, within five days thereafter, mail or deliver a copy of such notice to each of the other shareholders of record of this corporation. Such notice may be delivered to such shareholder personally or may be mailed to the last known addresses of such shareholders, as the same may appear on the books of this corporation. Within 40 days after mailing or delivering these notices to such shareholders, any such shareholder or shareholders desiring to acquire any part or all of the shares referred to in that notice shall deliver by mail or otherwise to the Secretary of this corporation a written offer or offers to purchase a specified number or numbers of such shares at the price and upon the terms stated in that notice.

If the total number of shares specified in such offers exceeds the number of shares referred to in the notice, each offering shareholder shall be entitled to purchase such proportion of the shares referred to in the notice as the number of shares of this corporation which he holds bears to the total number of shares held by all such shareholders desiring to purchase the shares referred to in the notice to the Secretary.

If all the shares referred to in the notice to the Secretary are not disposed of under such apportionment, each shareholder desiring to purchase shares in a number in excess of his proportionate share, as provided above, shall be entitled to purchase such proportion of those shares which remain thus undisposed of, as the total number of shares which he holds bears to the total number of shares held by all the shareholders desiring to purchase shares in excess of those to which they are entitled under such apportionment.

If none or only part of the shares referred to in the notice to the Secretary are purchased, as aforesaid, in accordance with offers made within the 40-day period, the shareholders desiring to sell or transfer may dispose of all shares of stock re-

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ferred to in that notice not so purchased by the other shareholders, to any person or persons he may so desire, provided, however, that he shall not sell or transfer such shares at a lower price or on terms more favorable to the purchaser or transferee than those specified in the notice to the Secretary.

Any sale or transfer, or purported sale or transfer, of the shares of this corporation shall be null and void unless the terms, conditions and provisions of this paragraph 8.1.a are strictly observed and followed.

8.1.b Written Consent. No sale, lease, conveyance, transfer, exchange or other disposition or all, or substantially all, of the property and assets of this corporation, and no mortgage, deed of trust, pledge or hypothecation of all or substantially all of the property, real or personal, of this corporation shall be made unless approved by the vote or written consent of the shareholders entitled to exercise a majority of the voting power of this corporation.

8.2 New Issues of Stock. As long as the original incorporators own stock in the corporation, it shall not issue new stock unless all incorporators approve that issue.

8.3 Endorsement of Stock Certificates. Upon the issuance of shares, each certificate of capital stock in the corporation shall be endorsed as follows:

NOTICE IS HEREBY GIVEN that the redemption, sale, assignment, transfer, pledge or other disposition of the shares of capital stock represented by this certificate are subject to certain restrictions which are set forth in the Articles of Incorporation and the By-Laws of this corporation, copies of which are on file in the office of the Secretary of the corporation, and the corporation will furnish upon request and without charge a list of designations, preferences, limitations and relative rights.

All stock of the corporation shall be subject to these restrictions and have endorsed thereon the appropriate notice contained in this paragraph.

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PART NINE
Miscellaneous

9.1 Election of Chairman Pro-Tem. In the absence of the chairman, the president, and any vice president at any shareholders or directors meeting, the shareholders or directors present shall elect a chairman pro tem, who shall preside at the meeting and exercise the same powers as the chairman, the president, or the vice president could if present.

9.2 Parliamentary Law. When not in conflict with these By-Laws, Robert's Rules of Order, Revised, 75th Anniversary Edition, shall establish the rule of procedure at all shareholders and directors meetings, and the provisions of that publication are incorporated by reference herein as the ruling law for this corporation.

9.3 Power to Vote Shares Held by the Corporation. In the event that this corporation owns shares of stock of another corporation, the president of this corporation shall be authorized to vote those shares on behalf of this corporation. A certified copy of this By-Law shall be prepared to accompany the president at any shareholders' meeting which he attends for purposes of voting stock on behalf of this corporation, or a certified copy of this By-Law should be attached to any proxy which the president may execute for the purpose of permitting another person to act as his proxy to vote the stock of another corporation.

Shares of its own stock held by this corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any time, except that shares of its own stock held by the corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

9.4 Corporate Minute Books and Stock Records. The minute books of this corporation shall be prepared in triplicate, with the original placed in the office of the corporate attorney, who shall act as assistant secretary and transfer agent for the corporation at all times, a duplicate in the office where the corporation has its principal place of business, and a second duplicate in the office of the CPA or accountant of the corporation. Whenever any minutes, reports or other corporate documents are prepared, they shall be prepared in at least three copies, with one copy executed and placed in the original minute book and two conformed copies placed in the respective duplicate minute books.

Both the president and the attorney shall have at all times a legal-size file which shall contain originals or copies of all legal documents which do not readily fit in the corporate minute book and which have any effect upon the legal rights and duties of the corporation.

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The attorney, other individual or entity who serves as transfer agent for the corporation shall have in his possession at all times a duplicate corporate seal, the blank copies of corporate stock certificates, and the stock records, which shall be available to the shareholders at all times.

9.5 Loans to Corporation. Should any of the shareholders be asked to lend money to the corporation in the form of either promissory notes or bonds, these loans shall be executed in writing in the usual form for promissory notes or bonds, and shall bear the maximum rate of interest which the law permits a corporation to pay for money that the corporation may borrow. This provision applies to all monies or assets which a shareholder may transfer to the corporation with the intent that such monies or assets be treated as loans.

9.6 Dealings by Directors. No contract or other transaction between this corporation and any other corporation, whether or not a majority of the shares of the capital stock of such other corporation is owned by this corporation, and no act of this corporation shall in any way be affected or invalidated by the fact that any of the directors of this corporation are pecuniarily or otherwise interested in, or are directors or officers of, such other corporation. Any director individually, or any firm of which that director may be a member, may be a party to or may be pecuniarily or otherwise interested in any contract or transaction of this corporation, provided that the fact that he or his firm have an interest in the transaction shall be disclosed to a majority of the board of directors of this corporation. Any director of this corporation who is also a director or officer of another corporation dealing with this corporation, or who has any personal interest in a matter before the board of this corporation, may be counted in determining the existence of a quorum at any meeting of the board of directors of this corporation which shall authorize any action that may affect that director or that other corporation. That director may vote at such a meeting as if he were not a director or officer of the other corporation or was not personally interested.

9.7 Seniority of Articles of Incorporation. Any reference made in these By-Laws to the corporation's "Articles" refers to this corporation's Articles of Incorporation and all amendments on file with the Arizona Corporation Commission. The Articles will in all respects be considered senior and superior to these By-Laws, with any inconsistency to be resolved in favor of the Articles.

9.8 Arbitration of Disputes. Any dispute arising out of or in connection with these By-Laws, including disputes between or among the corporation, the incorporators, the shareholders, and the directors, shall be settled by arbitration in accordance with the rules of the American Arbitration Association, and any decision rendered in such arbitration shall have the same effect as if rendered by a court having proper jurisdiction.

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In any dispute arising between or among the incorporators, directors and shareholders of this corporation, the losing party shall pay to the prevailing party reasonable costs and expenses incurred in connection with any suit or arbitration as determined by the court or arbitrator, including attorneys' fees, court costs and the value of time lost by the prevailing party or any agent or employee of the prevailing party in participating in any arbitration or litigation in connection herewith.

9.9 Interpretation. Should there be any question in the interpretation of any provision of the Articles of Incorporation or By-Laws of this corporation, then an interpretation given in writing by JOHN F. GOODSON, the attorney who drew these documents, shall be binding. If that attorney is no longer practicing law at the time such interpretation is required, then a written interpretation by a senior member of the last law firm with which the named attorney practiced shall be binding. If that law firm has ceased to be in existence at the time of such interpretation, then written interpretation shall be obtained by the Board of Directors from three disinterested attorneys specializing in corporate law in the state of incorporation, and the interpretation rendered by a majority of them shall be binding.

9.10 Non-Liability of Shareholders, Officers and Directors. The shareholders, officers and directors of this corporation shall not be individually liable for the corporation debts or other liabilities, and private property of such individuals shall be exempt from corporation debts or liabilities.

9.11 Indemnification of Officers. The corporation shall indemnify every person, his heirs, executors and administrators, against all expenses reasonably incurred by such person in connection with any action, suit or proceeding to which such person may be made a party by reason of that person being or having been a director or officer of this corporation, or by reason of that person being or having been a director or officer of any other corporation of which this corporation is a shareholder or creditor, and from which other corporation such person is not entitled to be indemnified, or by reason of such officer or director or former officer or former director becoming a party to any such action, suit or proceeding at the request of or at the direction of this corporation or any successor hereto; provided, however, there shall be no indemnification in relation to any matter as to which such person shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct. In the event of a settlement of such action, suit or proceeding, indemnification of such person shall be provided only in connection with such matters covered by such settlement as to which the corporation is advised by counsel that such person to be indemnified did not commit such a breach of duty. This right of indemnification shall be exclusive of other rights to which such person may be entitled. As used in this By-Law, ex-

penses shall include, but shall not be limited to amounts of judgments, penalties or fines and interest thereon for reasonable periods of time, rendered, levied or adjudged against such persons, costs of the action, suit or proceeding, attorneys' fees, expert witness fees and amounts paid in settlement by such persons, provided that such settlement shall have been or is thereafter approved by the board of directors of this corporation. This By-Law is made a part of these By-Laws to comply with and to take full advantage of Arizona laws governing such indemnification.

9.12 Authority to Sell Corporate Assets. With the consent or ratification in writing or pursuant to the vote of the holders of a majority in interest of the capital stock issued and outstanding, the board of directors will have the powers and authority to lease, sell, assign, transfer, convey or otherwise dispose of the entire property of the corporation, irrespective of the effects thereof upon the continuance of the business of the corporation and the exercise of its franchise; but the corporation may not be dissolved except as provided by the laws of the State of Arizona.

PART TEN
Emergency By-Laws

10.1 When Operative. The emergency by-laws provided herein shall be operative during any emergency in the conduct of the business of the corporation resulting from an attack on the United States or any nuclear or atomic disaster, notwithstanding any different provision in other paragraphs of these By-Laws, in the Articles of Incorporation, or in the Arizona Business Corporation Act. To the extent not inconsistent with the provisions of this Part Ten, the other provisions of the By-Laws shall remain in effect during such emergency, and upon its termination these emergency by-laws shall cease to be operative.

10.2 Event of Emergency. During any such emergency as described in provision 10.1, the following actions shall be taken:

10.2.a A meeting of the Board of Directors may be called by any officer or director of the corporation. Notice of the time and place of the meeting shall be given by the person calling the meeting to such of the directors as it may be feasible to reach by any available means of communication. Such notice shall be given at such time in advance of the meeting as circumstances permit in the judgment of the person calling the meeting.

10.2.b At any such meeting of the Board of Directors, a quorum shall consist of any two directors, one director and one officer, or any two officers. For the purpose of attaining a quorum in times of such emergency to effect the continued conduct of the business, all officers of the corporation shall immediately become temporary directors of the corporation until the termination of the emergency, without election by the shareholders or appointment by the Board of Directors.

10.2.c The Board of Directors, either before or during any such emergency, may provide, and from time to time modify, lines of succession in the event that during such an emergency any or all officers or agents of the corporation shall for any reason be rendered incapable of discharging their duties.

10.2.d The Board of Directors, either before or during any such emergency, may, effective in the emergency, change the head office or designate several alternative head offices or regional offices, or authorize the officers so to do.

10.3 Non-Liability. No officer, director or employee acting in accordance with these emergency by-laws shall be liable except for willful misconduct.

10.4 Amendment or Repeal. These emergency by-laws shall be subject to repeal or change by further action of the Board of Direc-

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tors or by action of the shareholders, but no such repeal or change shall modify the provisions of the next preceding paragraph with regard to action taken prior to the time of such repeal or change. Any amendment of these emergency by-laws may make any further or different provision that may be practical and necessary for the circumstances of the emergency.

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PART ELEVEN
Buy and Sell

11.1 Stock Purchase Arrangement in Event of Death of Shareholder or Desire to Sell Out. In the event that a shareholder dies or mails to the president of the corporation, at the principal place of business of the corporation, a written notice stating that the shareholder desires to sell his interest in the corporation, then, in that event, this provision shall become applicable.

Within ten days after the death of a shareholder or the notice of sell-out, the directors of the corporation shall call a meeting for determining the fair market value of the stock of the corporation as of the date of death of a deceased shareholder or as of the date of the written notice of a shareholder desiring to sell out. The shareholder desiring to sell out, or the lawful representative of a deceased shareholder, shall attend the board of directors meeting thus called, and every attempt shall be made by the parties present to establish an agreed fair market value for the stock. If at this meeting the parties attending are unable to agree as to the fair market value of the stock, then, in that event, the board of directors shall select a disinterested arbitrator, and a representative of the deceased shareholder or the shareholder desiring to sell out shall select a disinterested arbitrator. These arbitrators shall meet with the officers of the corporation and have access to the books and records of the corporation, and shall make every attempt to arrive at the fair market value of the stock as of the day prior to the date of death of a deceased shareholder or as of the date of the written notice of a shareholder desiring to sell out, unless the parties agree to fix the value as of another date.

In the event that these arbitrators are unable to arrive at the fair market value of the stock within ten days, they shall agree to a third disinterested arbitrator, and the three shall meet with the officers of the corporation and shall examine the books and records of the corporation and determine within ten days the fair market value of the stock.

If the three are unable to agree, then the figure established by the majority of these three arbitrators shall be binding as to the fair market value of the stock. Having thus established the fair market value of the stock, the arbitrators shall dispatch this decision to the president of the corporation, who shall then send a notice to all shareholders of the value thus established and offer the shares to the remaining shareholders on a pro-rata basis. If the shareholders fail to purchase their pro-rata share of the stock within 15 days after the mailing of this notice for the price offered, then the shares which have not been purchased shall be purchased by the corporation in the following manner: The corporation shall execute a promissory note for 75% of the full value of

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the unsold shares of a shareholder voluntarily selling out, or for 90% of the full value of the unsold shares in the case of a deceased shareholder, with the successor of the deceased shareholder as the payee or the shareholder desiring to sell out as the payee. This promissory note shall be payable in regular monthly installments over a five-year period, and shall bear interest on the unpaid balance at 1% over the prime rate then being charged by the largest bank in the city where the principal place of business of the corporation is located. The promissory note shall be in the usual form and shall be prepared by the corporate attorney. The shares sold in the corporation shall be pledged by the corporation as security for the promissory note thus executed.

11.2 Optional Method of Fixing Purchase Price. The shareholders may, at the annual meeting of shareholders, determine the value of the stock of the corporation. If a valuation is set by the shareholders at the annual meeting under this provision, a certificate of value in a form exemplified in Exhibit A attached shall be used for this purpose and signed by each shareholder as evidence of the value. This value, if set at the annual meeting, shall control the value should a shareholder die thereafter, and the provisions of paragraph 11.1 relating to the special meeting of the directors to determine value or to the selection of arbitrators to determine the value shall not apply in situations of the death of a shareholder only.

Shareholders desiring to sell out (and not being deceased) cannot use the valuation set by the shareholders at the annual meeting, but are limited to the valuation methods set forth in paragraph 11.1 above.

11.3 Failure to Fix Price at Annual Meeting. Should the shareholders fail to agree on the value for the stock of the corporation at the annual meeting of shareholders in accordance with paragraph 11.2 above, then the purchase price shall be the total sum of the following:

11.3.a The most recent agreed value as set forth in the latest schedule reflecting the per share value of the stock, plus

11.3.b The per share amount of the net earnings or losses, less dividends, of the corporation from the date of each fiscal year closing after the annual meeting of shareholders following the date of the last fixing of an agreed value, up through the end of the month in which the death occurred.

At the option of the representative of a deceased shareholder, if, upon the death of a shareholder, a redetermination has not been endorsed on a schedule reflecting the per share value within 12 months preceding the death, then, in that event, three parties shall be appointed to establish a valuation: one by and to

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represent the surviving shareholders; one by and to represent the legal representative; and the two so appointed to select a third. The decision of the parties shall be by majority vote.

Notwithstanding the above procedures, the legal representative and the surviving shareholders may accept as controlling the last valuation made by the shareholders. It is the intent of the parties that the value of the shareholders' interest as herein determined does include good will.

11.4 Method of Determining Net Earnings or Losses. The determination of net earnings or losses, in accordance with paragraph 11.3.b. above, shall be made in accordance with generally accepted accounting practices used in determining the net earnings or losses of the corporation and shall include a reasonable allowance for federal and state income taxes for the year in which death shall occur.

11.5 Fixes Full Value. The execution by all shareholders of the schedule reflecting the per share value of the stock shall reflect the agreement between and among the shareholders that the purchase price determined by that schedule is the full value of each share of the stock of the corporation, and that purchase price shall in no manner be altered, and that all assets, both tangible and intangible, if any, as well as all liabilities, including mortgages, liens or other encumbrances of any kind whatsoever, if any, of or upon the assets of the corporation have been considered in determining that value.

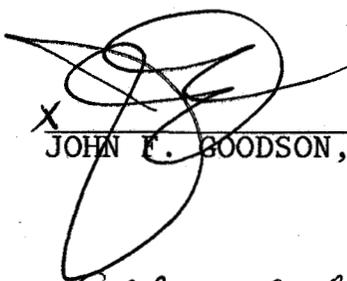
11.6 Reduction in Discount. Notwithstanding the percentages set forth in provision 11.1 above (Stock Purchase Arrangement in Event of Death of Shareholder or Desire to Sell Out), for every year that a shareholder has owned stock in the corporation, the above stated discount charged against the retiring shareholder shall be reduced by 1%. The purpose of this provision is to encourage shareholders to remain in the corporation as long as possible before withdrawing from participation in the corporation. For instance, if the discount is 25% and the shareholder has held stock in the corporation for three full years, then the discount would be reduced to 22%. If a shareholder died, having held corporate stock for eight years, then the discount would be reduced accordingly, and the heirs of the shareholder would be paid 98% of the value of the stock.

11.7 Compliance with Arizona Law. In no event shall the corporation enter into an agreement whereby the corporation repurchases its own stock pursuant to a redemption without complying with ARS §10-006(A), (B) and (D).

CERTIFICATION

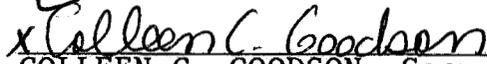
We, the undersigned, the duly elected and acting Directors of WEST BUCKEYE WATER COMPANY, INC., an Arizona corporation, do hereby certify that the within and foregoing By-Laws were adopted as the By-Laws of that corporation on the 1st day of August, 1983, and that the same do now constitute the By-Laws of that corporation.

IN WITNESS WHEREOF, we have hereunto subscribed our names and affixed the seal of the corporation this date:



X

JOHN F. GOODSON, President



X

COLLEEN C. GOODSON, Secretary

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****WATER UTILITY OF GREATER TONOPAH, INC.*****
a domestic corporation organized under the laws of the State of Arizona, did incorporate on October 17, 1983.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capital, this 4th Day of January, 2005, A. D.



[Signature]
Executive Secretary

By *Kayla Flaker*

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BEFORE THE BOARD OF SUPERVISORS

OF

MARICOPA COUNTY, STATE OF ARIZONA

IN THE MATTER OF THE APPLICATION) FRANCHISE
OF THE WATER UTILITY OF GREATER)
TONOPAH, INC. FOR A WATER UTILITY)
FRANCHISE IN MARICOPA COUNTY.)

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MARICOPA COUNTY, STATE OF ARIZONA, THAT:

WHEREAS, the Water Utility of Greater Tonopah, Inc. hereinafter designated as the Grantee, doing business in Maricopa County, Arizona, bearing date of March 2, 1989, praying for the right, privilege, license and Franchise to construct, maintain and operate a domestic water distribution system for a period not to exceed 25 years or for a period of one (1) year after the franchised area or a portion thereof is annexed by a municipality, whichever is shorter, for the transmission and delivery of water for domestic purposes, along, upon, under and across public highways, roads, alleys and thoroughfares (excepting State

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Highways), within that portion of Maricopa County, Arizona, known and described as follows, to-wit:

Legal Description: See Exhibit A, attached.

and not within the confines of any incorporated city or town, and under such restrictions and limitations and upon such terms as the Board of Supervisors may provide, not inconsistent with the laws of the State of Arizona, or the orders and rules of the Corporation Commission of the State of Arizona, and that the Board take such proceedings herein as is provided by the laws of the State of Arizona; and

WHEREAS, upon filing said Application, the said Board of Supervisors on the 20th day of March, 1989, ordered that public notice of the intention of said Board to make such grants be given by publishing a notice in the official newspaper of Maricopa County, State of Arizona, and that 9:00 a.m., on the 17th day of April, 1989, at the meeting room of said Board of Supervisors located at 205 West Jefferson Street in the City of Phoenix, Arizona, be set as the time and place of hearing the said Application; and

WHEREAS, the said Application coming on regularly for hearing on said day and it appearing by the affidavit of the duly authorized agent of the newspaper said time and place set for the consideration of such Application has been published for at least once a week for the three-week period prior to said date set forth herein, to wit:

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March 29, April 5,

In the issues of the said newspaper on and 12, 1989,
and it appearing that no sufficient protest has been filed by the
qualified electors of the said County petitioning said Board of
Supervisors to deny such license and franchise, and it further
appearing the best interest of Maricopa County will be served by
the granting of said Application and the Franchise referred to
therein;

NOW, THEREFORE, the Board of Supervisors of Maricopa
County, State of Arizona, acting on behalf of said County does
hereby grant unto the Water Utility of Greater Tonopah, Inc.,
doing business in Maricopa County, Arizona, subject to the terms,
conditions and limitations hereinafter contained, the right,
privilege, license and franchise to construct, maintain and
operate a domestic water distribution system, for a period not to
exceed 25 years or for a period of one (1) year after the
franchised area is annexed by a municipality, whichever is
shorter, for the supplying of this service along, upon, under and
across the public highways, roads, alleys and thoroughfares
(excepting State Highways) within that portion of Maricopa County,
Arizona, hereinabove described, under such restrictions and
limitations and upon such terms as this Board at any time may
provide, not inconsistent with the laws of the State of Arizona,
or the orders and rules of the Corporation Commission of the State
of Arizona, specifically providing, however, that:

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- 1) All rights hereunder are granted under the express condition that the Board of Supervisors of said Maricopa County shall have the power at any time to impose such restrictions and limitations and to make such regulations on such highways, roads, and thoroughfares as may be deemed best for the public safety, health, welfare and convenience.
- 2) All rights hereby granted shall be exercised so as not to interfere or conflict with any easements, or rights-of-way heretofore granted by said Board of Supervisors and now in force.
- 3) All rights hereby granted shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highway, roads, and thoroughfares, or any portion thereof.
- 4) All rights hereby granted shall be exercised so as not to interfere or conflict with or endanger in any way the proper use by the public of said highways, roads, and thoroughfares, or any portion thereof.
- 5) That the said Grantee shall bear all expenses incurred including damages and compensation for the alteration of the course, direction, surface, grade

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or alignment of any of the said highways, roads and thoroughfares necessarily made by the said Grantee for the purpose of this Franchise; that said Grantee will maintain his equipment from time to time as the same may be needed, without the necessity of notice from Maricopa County. In the event the said Grantee shall fail to make any repairs within ten days from the time same becomes necessary, then Maricopa County may cause the same to be made, and said Grantee agrees to pay Maricopa County the cost thereof.

- 6) That all property of the franchise be installed and operated by the said Grantee and shall be placed, removed or relocated, initially and throughout the term of this Franchise, along, in, over, under and across the said highways, roads and thoroughfares, in such a manner and location as the Board of Supervisors or its duly authorized agents may designate. Such placement, removal or relocation shall be done at the sole expense of the Grantee upon a determination by the Board of Supervisors of Maricopa County that such placement, removal or relocation is necessary.

If the Grantee fails or refuses to so remove or relocate, Maricopa County may so remove or relocate, at the sole

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expense of Grantee, such expense to include any and all damages and compensation of whatsoever nature arising therefrom.

In this section the term "property" includes conduits, pipe, wires, poles, or other structures and appliances used to supply or deal in gas, electricity, lights, water, heat, refrigeration, power, telephones, telegraph, television and other public utilities.

Any finding or determination made by the Board of Supervisors pursuant hereto shall be final and binding upon the Grantee whether or not such findings or determinations relate to the requirements of public safety or welfare, the use of public roads or the need for proposed improvements, and whether or not the function to be served by such removal or relocation is of a governmental or proprietary nature.

7) That said Grantee shall indemnify and save harmless the said County of Maricopa from all costs, expenses and liabilities in connection with the granting of this Franchise and exercise of the same by them.

8) That the rights of any person claiming to be injured in any manner by the maintenance of said projects and equipment shall not be affected hereby.

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9) That the terms and conditions of this Franchise shall inure to the benefit of, and be binding upon, all the heirs and assigns of the said Grantee.

10) That the franchise and privilege herein granted shall not be deemed to be exclusive and the said Board of Supervisors hereby expressly reserves the right and power to grant from time to time similar franchises and privileges over the same territory and highways, roads and thoroughfares.

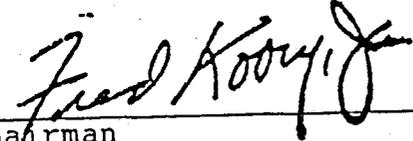
11) This Franchise is granted upon the express condition that a Certificate of Convenience and Necessity be procured from the Corporation Commission of the State of Arizona within six months from the date of granting of this Franchise; and if such Certificate is not granted within twelve months from said date, then this Franchise to be void, otherwise to be in full force and effect for the time herein specified.

12) All materials and construction methods used within the public right-of-way shall conform to the applicable standards, specifications and special provisions currently in effect in Maricopa County.

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13) The Franchise holder shall obtain a construction permit from the office of the County Engineer prior to construction of any facilities in the public right-of-way.

DATED this 17th day of April, 1989.


Chairman

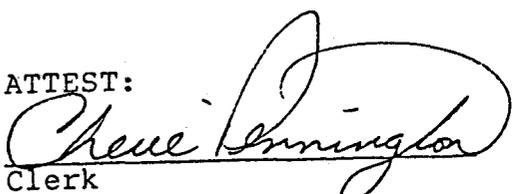
ATTEST:

Clerk

EXHIBIT A

LEGAL DESCRIPTION

FRANCHISE: WATER UTILITY OF GREATER TONOPAH, INC.

T1N R10W: §§ 12,13

T1N R9W: §§ 1,2,3,7,8,9,10,11,12,16,17,18

T1N R8W: §§ 1,2,3,4,5,6

T2N R9W: §§ 12,13,24,25,36

T2N R8W: §§ 7,8,9,10,11,12,
13,14,15,16,17,18,
19,20,21,22,23,24,
25,26,27,28,29,30
31,32,33,34,35,36

T2N R7W: §§ 7,8,9,10,11,
13,14,15,16,17,18,
19,20,21,22,23,24,
25,26,27,28,29,30,
31,32,33,34,35,36

T1N R7W: §§ 1,2,3,4,5,6,
10,11,12,13,14,15,
22,23,24

T2N R6W: §§ 18,19,20,21,22,23 25,26,27,28,29,30, 31,32,33,34,35,36
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T1N R6W: §§ 1,2,3,4,5,6,
7,8,9,10,11,12,
13,14,15,16,17,18,
19,20,21,22,23,24,
25, E1/2 26,36

T1S R6W: § 1

T2N R5W: §§ 27,28,29,30
31,32,33,34

T1N R5W: §§ 3,4,5,6,
7,8,9,10,
15,16,17,18,
19,20,21,22,
27,28,29,30,
31,32,33,34

T1S R5W: §§ 3,4,5,6,7,8,9,10

of the Gila and Salt River Base and Meridian, Maricopa
County, Arizona.