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BEFORE THE ARIZONA CORPORATION COMMISSION Commission

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2 WILLIAM A. MUNDELL
CHAIRMAN
3 JIM IRVIN
COMMISSIONER
4 MARC SPITZER
COMMISSIONER
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6 IN THE MATTER OF THE APPLICATION OF ICR
WATER USERS ASSOCIATION, INC. TO
7 EXTEND ITS CERTIFICATE OF CONVENIENCE
AND NECESSITY.

DOCKET NO. W-02824A-01-0450

DECISION NO. 64360

OPINION AND ORDER

8
9 DATE OF HEARING: September 6, 2001
10 PLACE OF HEARING: Phoenix, Arizona
11 ADMINISTRATIVE LAW JUDGE: Marc E. Stern
12 APPEARANCES: Lewis and Roca, L.L.P., by Mr. Michael T. Hallam, on
13 behalf of ICR Water Users Association, Inc.;
14 Fenmore Craig, P.C., by Ms. Karen E. Errant, on
15 behalf of Intervenor Harvard Simon I, L.L.C.; and
16 Ms. Janice M. Alward, Assistant Chief Counsel, Legal
Division, on behalf of the Arizona Corporation Utilities
Division.

17 **BY THE COMMISSION:**

18 On June 1, 2001, ICR Water Users Association, Inc. ("ICR" or "Applicant") filed with the
19 Arizona Corporation Commission ("Commission") an application for an extension of its Certificate
20 of Convenience and Necessity ("Certificate") to provide public water utility service to various parts
21 of Yavapai County, Arizona.

22 On June 7, 2001, Harvard Simon I, L.L.C. ("Harvard") filed a Motion to Intervene
23 ("Motion"). There were no objections to the Motion.

24 On June 26, 2001, by Procedural Order, the above-captioned matter was scheduled for a
25 hearing on September 6, 2001 and Applicant was ordered to publish notice of the application and
26 hearing thereon. Intervention was also granted to Harvard.

27 On August 8, 2001, the Commission's Utilities Division ("Staff") filed its Staff Report in this
28 matter.

1 On September 6, 2001, a full public hearing was convened before a duly authorized
2 Administrative Law Judge of the Commission at its offices in Phoenix, Arizona. ICR, Harvard and
3 Staff appeared with counsel. At the conclusion of the hearing, the matter was taken under
4 advisement pending submission of a Recommended Opinion and Order to the Commission.

5 * * * * *

6 Having considered the entire record herein and being fully advised in the premises, the
7 Commission finds, concludes, and orders that:

8 **FINDINGS OF FACT**

9 1. Pursuant to authority granted by the Commission, ICR is engaged in providing water
10 service to approximately 85 residential customers approximately 12 miles northwest of Prescott,
11 Yavapai County, Arizona.

12 2. ICR's existing Certificate area contains approximately 300 residence sized lots.

13 3. ICR's existing plant includes 110,000 gallons of storage and is valued at \$250,000.

14 4. To serve its existing certificated area, since ICR does not own a well, it purchases all
15 of its water under the terms of a 100-year water purchase agreement for \$.15 per 1,000 gallons from
16 Pierce Properties, a nearby property owner located approximately 2 miles from ICR's certificated
17 service area.

18 5. On June 1, 2001, ICR filed an application for an extension of its existing Certificate in
19 order to provide water service to approximately 3,070 acres of land adjacent to its existing
20 certificated service area which is more fully described in Exhibit A attached hereto.

21 6. ICR has requested the above-described extension of its Certificate because it has
22 received a request from Harvard to provide water service to the area described in Exhibit A for a
23 planned development, Talking Rock Ranch ("Ranch"), a residential subdivision which will contain
24 approximately 1,500 residences when it is entirely built out.

25 7. The Ranch will also include common areas, a club house, swimming pool, fitness
26 center and an 18-hole golf course with storage lakes. Besides the extension area requested herein, the
27 Ranch also includes 400 acres already owned by Harvard in ICR's existing Certificate area.

28 8. In order to provide service to the extension area, ICR and Harvard have entered into a

1 Main Extension Agreement (“Agreement”). Pursuant to the Agreement, Harvard will construct all of
2 the required facilities¹ necessary to serve the Ranch and advance them to ICR which in turn will
3 refund to Harvard, over a period of 25 years, 15 percent of the revenues derived from the provision of
4 service to the extension area. However, refund payments will not start until five years after ICR first
5 provides service in the extension area.

6 9. Pursuant to the terms of the Agreement, the facilities will be constructed in conformity
7 with the rules of the Yavapai County Environmental Services Department and the Arizona
8 Department of Environmental Quality (“ADEQ”).

9 10. In the event that any of the facilities are not located in the public rights of way,
10 Harvard will convey permanent easements and rights-of-way to ICR to allow for access to its
11 facilities in the future.

12 11. Any unpaid balance at the end of the 25-year term of the Agreement will become a
13 non-refundable contribution to ICR.

14 12. There are no other public water utilities in the area to provide water service to the area
15 sought to be certificated herein by ICR.

16 13. During the proceeding, Mr. Swayze McCraine, the president of ICR, testified that ICR
17 will comply with all conditions recommended by Staff in its report.

18 14. According to the Agreement, at build out, the facilities to be constructed in phases by
19 Harvard will be worth approximately \$15,160,578.

20 15. ICR has indicated that it will charge those customers in the expansion area its existing
21 rates and charges of \$20 per month for its base rate and \$2 per 1,000 gallons for water usage.

22 16. Under the terms of the Agreement, ICR consents to Harvard using water from its well
23 to provide its golf course and storage lakes within the Ranch subdivision with water. There is also a
24 provision within the Agreement which states that ICR agrees to provide water at the lawful tariff rate
25 to the golf course upon written request from Harvard in the future, consistent with the rules of the
26 Commission. However, the Agreement does not address the issue of priority of use in the event of a

27 _____
28 ¹ Although ICR’s utility plant will increase greatly as a result of the Agreement, there is no provision for the transfer of
any wellsites, wells or related water production facilities.

1 water shortage.

2 17. A Harvard representative indicated that the plat for the Ranch's first phase has already
3 been approved and construction has commenced on the golf course.

4 18. According to Harvard's representative, the developer had a number of water
5 hydrology tests performed, which indicate that there is more than ample water available to ICR's
6 existing certificated service area and the extension area where the Ranch is located.

7 19. Under the Agreement, ICR covets that it shall use its best efforts to ensure that the
8 plant advanced by Harvard will not be used to provide water to customers outside of the Ranch area
9 such that it will not adversely impact service to the Ranch area.

10 20. Harvard has drilled two test wells, one of which produces approximately 700 gallons
11 of water per minute. However, water production from it has been lowered to 525 gallons of water per
12 minute because the Ranch's demands at full build-out including the golf course and all residential
13 units are projected at 523 gallons of water per minute. Additionally, Harvard will utilize the second
14 well as a back-up emergency well and has the ability to add a third well, if needed.

15 21. Harvard's well-site is located slightly outside of the extension area on property owned
16 by Harvard.

17 22. Harvard does not wish to transfer its well-sites to ICR because, from a development
18 view point, since it will take more than a decade to build out the project, Harvard believes it is
19 important to retain ownership and control over its wells.

20 23. As the utility plant is constructed by Harvard for ICR and phased into service, ICR's
21 water storage capacity will increase by 600,000 gallons.

22 24. Staff is recommending approval of ICR's application herein.

23 25. Since ICR's certificated service area and the extension area are located outside of the
24 Prescott Active Management Area, Applicant will not be required to file a copy of the developer's
25 Certificate of an Assured Water Supply. Instead, Staff is recommending that ICR file a copy of a
26 certificate of adequate physical availability.

27 26. Staff believes that ICR's existing rates and charges will enable it to continue viable
28 operations because much of ICR's projected expenses with the expected expansion will be related to

1 non-cash depreciation expenses.

2 27. Applicant is in compliance with the rules of ADEQ and is providing water which does
3 not exceed any MCLs and meets the water quality standards of the Safe Drinking Water Act.

4 28. Applicant is current on the payment of its property and sales taxes.

5 29. Applicant will obtain a Yavapai County franchise for the extension area where it is
6 presently not certificated.

7 30. Staff is recommending approval of ICR's application herein subject to the following
8 conditions:

- 9
- 10 • that Applicant file, with the Director of the Commission's Utilities Division,
11 within 365 days of the effective date of this Decision, a copy of the developer's
12 water adequacy report for Phase I which is to be issued by the Arizona Department
13 of Water Resources;
 - 14 • that ICR file, with the Director of the Commission's Utilities Division, within 365
15 days of the effective date of this Decision, a copy of the developer's Certificate of
16 Approval to Construct with the appropriate main extension agreement;
 - 17 • that Applicant file, with the Director of the Commission's Utilities Division,
18 within 365 days from the date of this Decision, a copy of its Yavapai County
19 franchise for the extension area where it is not presently certificated; and
 - 20 • that Applicant continue to charge its existing rates and charges in the extension
21 area.

22 31. Staff is further recommending that, in the event that ICR fails to meet the above
23 recommendations of Staff in a timely fashion, the approval granted hereinafter shall be null and void
24 without further Order by the Commission.

25 32. Staff is also recommending that Applicant file, within five years from the date of this
26 Decision, a rate application.

27 33. Under the circumstances herein, we believe that Staff's recommendations on balance
28 are reasonable and should be adopted.

34. However, we are concerned with the fact that ICR does not own or have its own water
production facilities and that the issue was not addressed adequately. We believe that, as an
additional condition for the extension of the Certificate herein, as part of the Agreement, Harvard

1 should include in its advance, the wells which it has drilled for the purpose of providing water to the
2 extension area described in Exhibit A to ensure that the utility has adequate water for its customers
3 and to ensure that they are not subject to relying for their water on a third party over which the
4 Commission lacks jurisdiction.

5 35. We believe that this additional condition can be met by amending the Agreement
6 between the parties and we shall require ICR to file a copy of the relevant documents transferring
7 ownership of the wells and related water production facilities to ICR within 365 days of the effective
8 date of this Decision or the approval granted herein shall be rendered null and void without further
9 Order by the Commission.

10 CONCLUSIONS OF LAW

11 1. Applicant is a public service corporation within the meaning of Article XV of the
12 Arizona Constitution and A.R.S. §§ 40-252, 40-281 and 40-282.

13 2. The Commission has jurisdiction over Applicant and of the subject matter of the
14 application.

15 3. Notice of ICR's application as described herein was given in the manner prescribed by
16 law.

17 4. The public convenience and necessity require and the public would benefit by the
18 extension of ICR's Certificate so that its certificated service area includes the area more fully
19 described in Exhibit A.

20 5. Applicant is a fit and proper entity to receive an amended Certificate which
21 encompasses the area more fully described in Exhibit A.

22 6. ICR's application for the extension of its Certificate should be approved as
23 recommended by Staff in Findings of Fact Nos. 30 and 31 and consistent with Findings of Fact Nos.
24 34 and 35 hereinabove.

25 ORDER

26 IT IS THEREFORE ORDERED that the application of ICR Water Users Association, Inc. for
27 an extension of its Certificate of Convenience and Necessity for the operation of water facilities in
28 the area more fully described in Exhibit A be, and is hereby approved, as conditioned herein.

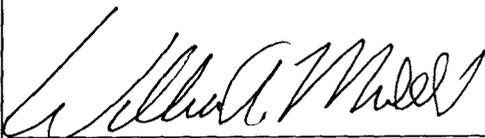
1 IT IS FURTHER ORDERED that ICR Water Users Association, Inc. shall comply with all
2 conditions as described in Findings of Fact Nos. 30, 31, 34 and 35 and Conclusion of Law No. 6
3 hereinabove.

4 IT IS FURTHER ORDERED that the approval granted herein to ICR Water Users
5 Association, Inc. shall be conditioned upon ICR Water Users Association, Inc. complying with the
6 conditions as set forth in Findings of Fact Nos. 30, 31, 34 and 35 and Conclusion of Law No. 6
7 hereinabove or the approval granted herein shall be rendered null and void without further Order of
8 the Commission.

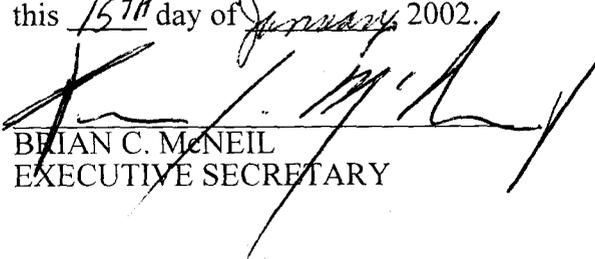
9 IT IS FURTHER ORDERED that ICR Water Users Association, Inc. shall file, within five
10 years from the date of this Decision, a rate application.

11 IT IS FURTHER ORDERED that this Decision shall become effective immediately.

12 BY ORDER OF THE ARIZONA CORPORATION COMMISSION.

13 
14 
15 CHAIRMAN COMMISSIONER COMMISSIONER

17 IN WITNESS WHEREOF, I, BRIAN C. McNEIL, Executive
18 Secretary of the Arizona Corporation Commission, have
19 hereunto set my hand and caused the official seal of the
20 Commission to be affixed at the Capitol, in the City of Phoenix,
21 this 15th day of January, 2002.

22 
BRIAN C. McNEIL
EXECUTIVE SECRETARY

23 DISSENT _____

24 MES:mlj

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SERVICE LIST FOR: ICR WATER USERS ASSOCIATION, INC.
DOCKET NO. W-02824A-01-0450

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PARCEL I:

All of Sections 15 and 16, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona.

PARCEL II:

A portion of the Northeast quarter of Section 17, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, more particularly described as follows:

Beginning at the northeast corner of said Section 17, thence along the north line of said Section 17 South $89^{\circ}48'52''$ West, a distance of 1155.64 feet; thence along the east line of the old Prescott-Simmons Road as it existed on June 10, 1920, South $34^{\circ}48'23''$ East, a distance of 514.97 feet; thence South $89^{\circ}51'21''$ West, a distance of 527.42 feet to a point of cusp on a curve concave to the west having a radius of 567.99 feet and a central angle of $7^{\circ}13'38''$ and being subtended by a chord which bears South

$21^{\circ}01'55''$ East 71.60 feet; thence southeasterly and southerly along said curve, a distance of 71.65 feet; thence South $17^{\circ}24'21''$ East, a distance of 44.11 feet to the beginning of a curve tangent to said line; thence southerly and southwesterly a distance of 203.97 feet along the curve concave to the west, having a radius of 284.00 feet and a central angle of $41^{\circ}09'03''$; thence South $23^{\circ}44'43''$ West tangent to said curve, a distance of 80.13 feet to the beginning of a curve tangent to said line; thence southwesterly and southerly a distance of 87.20 feet along the curve concave to the east, having a radius of 366.00 feet and a central angle of $13^{\circ}39'05''$; thence South $10^{\circ}05'36''$ West tangent to said curve, a distance of 322.23 feet to the beginning of a curve tangent to said line; thence southerly a distance of 117.67 feet along the curve concave to the east, having a radius of 366.00 feet and a central angle of $18^{\circ}25'17''$; thence South $08^{\circ}19'41''$ East tangent to said curve, a distance of 107.97 feet to the beginning of a curve concave to the northeast having a radius of 566.00 feet and a central angle of $31^{\circ}32'23''$ and being subtended by a chord which bears South $24^{\circ}09'13''$ East 307.65 feet; thence southerly and southeasterly along said curve, a distance of 311.57 feet; thence South $39^{\circ}59'53''$ East, a distance of 501.97 feet to the beginning of a curve tangent to said line; thence southeasterly and southerly a distance of 222.25 feet along the curve concave to the southwest, having a radius of 634.00 feet and a central angle of $20^{\circ}05'07''$; thence South $19^{\circ}54'45''$ East tangent to said curve, a distance of 211.70 feet to the beginning of a curve concave to the east having a radius of 2966.00 feet and a central angle of $1^{\circ}44'11''$ and being subtended by a chord which bears South $20^{\circ}49'16''$ East 89.88 feet; thence southerly along said curve, a distance of 89.88 feet; thence South $21^{\circ}41'22''$ East tangent to said curve, a distance of 61.81 feet to a point on the latitudinal centerline of Section 17; thence along the latitudinal centerline of Section 17, South $89^{\circ}38'48''$ East, a distance of 547.78 feet to the east quarter corner of said Section 17; thence along the east line of said Section 17 North $4^{\circ}56'35''$ East a distance of 2,644.48 feet to the point of BEGINNING.

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PARCEL III:

All of Sections 21 and 22, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian.

EXCEPT THEREFROM all coal, oil, gas and other mineral deposits as reserved in the Patent recorded in Book 25 of Official Records, page 106.

(Affects Section 22, Township 16 North, Range 3 West)

EXCEPT for that portion lying within the following described Parcels:

PARCEL A:

Section 21 and Section 22 of Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, County of Yavapai, State of Arizona, described as follows:

BEGINNING at the intersection of the South line of said Section 22 and the Westerly sideline of Williamson Valley Road, 100 feet wide (also known as Prescott-Simmons Highway), whence the south quarter corner of said Section 22 bears South 88 degrees, 51 minutes, 40 seconds East, a distance of 112.82 feet;

Thence along said Westerly line, North 30 degrees, 31 minutes, 54 seconds West, 945.97 feet;

Thence parallel with the Southerly line of said Section 22, North 88 degrees, 54 minutes, 05 seconds West, 2,215.12 feet to the East line of said Section 21;

Thence parallel with the Southerly line of said Section 21, South 86 degrees, 23 minutes, 15 seconds West 2,826.98;

Thence continuing along said parallel line, South 88 degrees, 48 minutes, 30 seconds, West, 1,170.00 feet;

Thence South 03 degrees, 42 minutes, 29 seconds East, 805.67 feet to the South line of said Section 21;

Thence along said Section line, North 88 degrees, 48 minutes, 30 seconds East, 1,151.53 feet to the Southerly quarter corner of said Section, said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJ Cheek 1961 PE 2398";

Thence continuing along said South line North 86 degrees, 23 minutes, 15 seconds East, 2,804.18 feet to the Southeast corner of said Section 21; said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJCHEEK 1961 PE 2398";

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Thence along the Southerly line of said Section 22, South 88 degrees, 54 minutes, 05 seconds East, 2,684.88 feet to the POINT OF BEGINNING.

PARCEL B

Section 21 and Section 22 described as follows:

COMMENCING at the intersection of the South line of said Section 22 and the Westerly sideline of said Williamson Valley Road;

Thence along said Westerly line, North 30 degrees, 21 minutes, 54 seconds West, 945.97 feet to the POINT OF BEGINNING.

Thence parallel with the southerly line of said Section 22, North 88 degrees, 54 minutes, 05 seconds West, 2,215 feet to the East line of said Section 21:

Thence parallel with the southerly of said Section 21, South 86 degrees, 23 minutes, 15 seconds West, 2,826.98 feet;

Thence continuing along said parallel line, South 88 degrees, 48 minutes, 30 seconds West, 1,170 feet:

Thence North 3 degrees, 42 minutes, 29 seconds West, 2,001.74 feet;

Thence North 89 degrees, 13 minutes, 31 seconds East, 5,210.05 feet to the Westerly sideline of Williamson Valley Road;

Thence along said sideline South 30 degrees, 32 minutes, 28 seconds East 1,961.02 feet:

Thence South 30 degrees, 31 minutes, 54 seconds East, 254.31 feet to the POINT OF BEGINNING.

PARCEL C:

Any portion lying south of the northerly right of way line of Nancy Drive as recorded in Book 16 of Maps, page 63, and East of the Easterly right of way of Williamson Valley Road, generally described as follows:

Beginning at the southeast corner of said Section 22; thence along the east line of the section, North 00°24'03" West, a distance of 733.34 feet to a point on the north right-of-way line of Nancy Drive; thence generally along said right-of-way line, South 84°20'32" West, a distance of 532.77 feet; thence North 86°51'41" West, a distance of 71.48 feet; thence North 77°34'10" West, a distance of 330.48 feet; thence South 89°24'59" West, a distance of 172.39 feet; thence South 65°15'47" West, a distance of 128.62 feet; thence South 50°39'08" West, a distance of 317.42 feet; thence South 65°21'35" West, a distance of 118.18 feet; thence South 89°09'58" West, a distance of 126.26 feet; thence North 83°07'30" West, a distance of 992.49 feet; thence North 77°41'53" West, a distance of 120.26

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feet; thence North $61^{\circ}38'09''$ West, a distance of 195.37 feet; thence North $85^{\circ}52'18''$ West, a distance of 132.45 feet; thence South $70^{\circ}08'27''$ West, a distance of 56.13 feet to a point on the easterly right-of-way line of Williamson Valley Road; thence along the easterly right-of-way line of Williamson Valley Road South $30^{\circ}29'25''$ East, a distance of 718.99 feet to a point on the south line of said Section 22; thence along the south line of said Section 22, South $88^{\circ}50'59''$ East, a distance of 2793.16 feet to the Point of Beginning.

PARCEL IV:

The North half of Section 28, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian.

EXCEPT for the following described Parcel:

That portion of Section 28, Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Northeast corner of said Section 28, said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJ Cheek PE 2398";

Thence, along the North line of said Section 28, South 86 degrees 23 minutes, 15 seconds West, 2,804.18 feet to the North quarter corner of said Section 28, said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJ Cheek PE 2398";

Thence, continuing along said North line of Section 28, South 88 degrees, 48 minutes, 30 seconds West, 1,151.53 feet to a line parallel with the East line of said Section 28;

Thence, along said parallel line, South 03 degrees, 42 minutes, 29 seconds East, 2,614.40 feet to the mid-section line of said Section 28;

Thence, along said mid-section line, North 88 degrees, 26 minutes, 14 seconds East, 3,957.37 feet to the East quarter corner of said Section 28, said corner is monumented with a 3 inch diameter brass disk set in concrete stamped "WJ Cheek PE 2398";

Thence, along the East line of said Section 28, North 03 degrees, 42 minutes, 29 seconds West, 2,707.30 feet to the POINT OF BEGINNING.

PARCEL V:

Section 33 of Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, County of Yavapai, State of Arizona, lying Northerly and Northwesterly of the following described line:

BEGINNING on the West line of the said Section, North 0 degrees, 12 minutes, 47 seconds West, 1,992.80 feet from the Southwest corner of said Section, said corner is monumented with a General Land Office survey monument;

Thence North 89 degrees, 47 minutes, 13 seconds East, 1,051.14 feet to an existing 4 strand barbed wire fence;

Thence generally, along said fence line North 55 degrees, 49 minutes, 36 seconds East, 5,326.57 feet to the East line of said section.

EXCEPT THAT PORTION DESCRIBED AS FOLLOWS:

An Irregular shaped portion of Section 33 of Township 16 North, Range 3 West of the Gila and Salt River Base and Meridian, County of Yavapai, State of Arizona, described as follows:

Beginning at the Northeast corner of said Section, said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJ Cheek 1961 PE 2398";

Thence, along the North line of said Section, South 89 degrees, 15 minutes, 14 seconds West 2,737.46 feet, to the North quarter corner of said Section, said corner is monumented with a 3 inch diameter brass disk set in concrete, stamped "WJ Cheek 1961 PE 2398";

Thence, continuing along said line, South 89 degrees, 16 minutes, 37 seconds West 1,222.44;

Thence, departing said line, South 3 Degrees, 42 minutes, 29 seconds East, 2,896.81 feet to an existing 4 strand barbed wire fence line;

Thence, generally along said fence line, North 55 degrees 49 minutes 36 seconds East 4,556.29 feet to the East line of said Section;

Thence along said line, North 0 degrees, 23 minutes, 28 seconds East 382.57 feet to the POINT OF BEGINNING.

EXCEPT from all Parcels I, II and III, any portion lying within Prescott-Simmons Highway right of way.

PARCEL VI:

A portion of Section 11, Township 16 North, range 3 West of the Gila and Salt River Meridian Yavapai County, Arizona, described as follows:

BEGINNING at the Southwest corner of said Section 11, as depicted on the Survey Plat recorded in Book 53 of Land Surveys, Page 30, records of said Yavapai County;

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Thence South 88 degrees, 11 minutes, 05 seconds east along the South line of said Section 11, a distance of 2,711.26 feet to the South Quarter corner of said Section 11, as depicted on said Plat.

Thence South 88 degrees, 10 minutes, 26 seconds East (of record South 88 degrees, 13 minutes East), along said South line, a distance of 164.88 feet (of record 165.00 feet) to the Southwest corner of that certain parcel described in Book 2195 of Official Records, Page 746 and Book 3603 of Official Records, Page 873, records of Yavapai County, said corner being monumented with a one-half inch bar;

Thence North 00 degrees, 08 minutes, 09 seconds west (of record North 00 degrees, 06 minutes, 45 seconds West), along the West line thereof, a distance of 1,826.06 feet (of record 1,826.19 feet) to the Northwest corner of said parcel, being also the Southwest corner of that certain parcel described in Book 2633 of Official Records, Page 474, records of said Yavapai County, said corner being monumented with a one-half inch iron bar;

Thence North 00 degrees, 05 minutes, 23 seconds West (record North 00 degrees. 06 minutes, 45 seconds West) along the West line of said parcel described in Book 2633 of Official Records, Page 474, a distance of 1,829.86 feet (of record 1,837.24 feet) to the Northwest corner thereof, being also the Southwest corner of that certain parcel described in Book 2439 of Official Records, page 517, records of said Yavapai County, said corner being monumented with a one-inch iron bar;

Thence North 00 degrees, 07 minutes, 54 seconds West (of record of 00 degrees, 07 minutes, 00 seconds West), along the West line of said parcel described in Book 2439 of Official Records, Page 517, a distance of 1,832.47 feet (of record 1,832.48 feet) to the Northwest corner of said parcel, said corner being a point on the North line of said Section 11 and being monumented with a on-half inch iron bar;

Thence North 88 degrees, 56 minutes, 36 seconds West (of record North 88 degrees, 56 minutes, 06 seconds West) along said North line, a distance of 165.03 feet (of record 165.00 feet) to the North quarter corner of said Section 11, as depicted on said Plat.

Thence North 88 degrees, 56 minutes, 16 seconds West along said North line, a distance of 2,778.19 feet to the Northwest corner of said Section 11, as depicted on said Plat;

Thence South 00 degrees, 50 minutes, 19 seconds, East along the West line of said Section 11, a distance of 2,726.26 feet to the West quarter corner of said Section 11, as depicted on said Plat;

Thence South 00 degrees, 49 minutes, 50 seconds East along said West line, a distance of 2726.10 feet to the POINT OF BEGINNING.