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2006 JAN -6 P 12: 37

AZ CORP COMMISSION
DOCUMENT CONTROL

December 16, 2005

Docket#:
SW-20431A-050840

Jacob Hansen
Scott Communities
2151 E. Broadway Road, Suite 210
Tempe, Arizona 85282

Green Acres, LLC
9532 E. Riggs Road
Sun Lakes, AZ 85248

RE: KJ Morton Insignia; CC&Ns

Dear Mr. Hansen:

As you know, this law firm represents KJ Morton in the development of the Insignia project. We have reviewed Green Acres Water, LLC and Green Acres Sewer, LLC's applications to the Arizona Corporation Commission for CC&Ns. We have a few comments.

First, the applications have inadvertently left out 20 acres of the 563 acres of KJ Morton's property. We would appreciate it if you would amend the application to cover this excluded property. The legal description of this property is attached.

Second, it appears that the amount of customers that Green Acres estimated on its applications may be insufficient to adequately serve the Insignia development. KJ Morton's consultants are reviewing this issue. If necessary, we may request you to amend these estimates as well.

For your information, KJ Morton never received written notice of Green Acres filings as certified in the applications, which is why we only recently discovered the issues addressed in this letter. These issues may have been avoided if Green Acres gave KJ Morton an opportunity to review the applications. To avoid this in the future, we will file the appropriate papers with the Arizona Corporation Commission to keep our client up to speed as to any new developments. This will give KJ Morton an opportunity to cooperate with Green Acres in developing a viable water and sewer solution to this region; become an active partner with Green Acres; and give our client the ability to monitor the proceedings.

Jacob Hansen
December 16, 2005
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KJ Morton is committed to cooperating with Green Acres to provide a regional water and sewer solution to this area. And it looks forward to working with you in the future on this matter. Please copy me on the amendment of Green Acres' CC&N applications. Once our consultants are done reviewing the applications, I will be in touch regarding any further amendments.

In the meantime, if you have any questions or comments, please do not hesitate to call.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kenneth M. Frakes". The signature is written in a cursive style with a prominent initial "K" and a long, sweeping underline.

Kenneth M. Frakes

Cc: Arizona Corporation Commission Docket Control
Beth A. Heath
Ken Lowman
Jeff Taylor