

ORIGINAL

NEW APPLICATION



0000038379

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SALLQUIST, DRUMMOND & O'CONNOR, P.C.  
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Tempe, Arizona 85282  
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Attorneys for Litchfield Park Service Company

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AZ CORP COMMISSION  
DOCUMENT CONTROL

BEFORE THE ARIZONA CORPORATION COMMISSION

5 IN THE MATTER OF THE APPLICATION OF ) DOCKET NO. SW-01428A-06-0021  
6 LITCHFIELD PARK SERVICE COMPANY FOR )  
7 AN EXTENSION OF ITS CERTIFICATE OF ) APPLICATION  
8 CONVENIENCE AND NECESSITY TO )  
PROVIDE WASTEWATER SERVICE IN )  
MARICOPA COUNTY, ARIZONA. )

9 Litchfield Park Service Company ("Litchfield" or the "Company") submits this  
10 Application to extend its wastewater Certificate of Convenience and Necessity. In support of this  
11 Application, Litchfield states as follows:

12 1. Litchfield holds a Certificate of Convenience and Necessity ("CC&N") issued by the  
13 Arizona Corporation Commission ("Commission") to provide water and wastewater service in  
14 portions of Maricopa County, Arizona.

15 2. The Company has received numerous Requests for Service for wastewater service  
16 from several major property owners who's parcels are adjacent to, or within a reasonable distance  
17 of, the Company's existing wastewater CC&N.

18 3. A copy of the completed CC&N Extension Application for the Expansion Area as  
19 required by the Commission is attached hereto as **Attachment One**.

20 4. The Developers have provided formal Requests for Service and have entered into a  
21 Wastewater Facilities Agreements ("WFA's") requesting service as soon as possible, pursuant to  
22 which they will pay their proportionate share of the cost of the Off-Site and On-Site Facilities, as  
23 defined therein, that are necessary to serve that Developer's property. Please note that Parcel 6 is

1 presently being served by the Company. A copy of those Requests for Service, LPSCO's Notice  
2 of Contiguous Service, and the WFA's are attached hereto as **Attachment Two**.

3 5. Based on the Wastewater Facilities Agreements with the Developers within the  
4 Expansion Area, Litchfield will have sufficient wastewater capacity to serve the Expansion Area.  
5 Please see the Carollo Engineers Bethany Estates and Related Sewer Systems Model Analysis,  
6 dated August 22, 2005, attached hereto as **Attachment Three**.

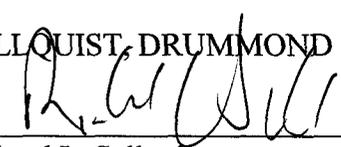
7 6. Litchfield will provide service within the Expansion Area under its existing service  
8 rates, charges, terms and conditions, as those rates may be amended by appropriate regulatory  
9 action.

10 7. Litchfield will publish the form of notice attached hereto as **Exhibit H to Attachment**  
11 **One** in a newspaper of general circulation in Litchfield's service area. An Affidavit of  
12 Publication will be docketed upon completion of the publication.

13 WHEREFORE, Litchfield respectfully requests that the Commission hold a hearing on  
14 this Application as soon as practicable, and thereafter issue an order granting the requested  
15 extension of its wastewater Certificate of Convenience and Necessity.

16 Respectfully submitted this 13<sup>th</sup> day of January, 2006.

17 SALLQUIST, DRUMMOND & O'CONNOR, P.C.

18 By: 

19 Richard L. Sallquist

20 SALLQUIST, DRUMMOND & O'CONNOR P.C.

21 4500 S. Lakeshore Drive, Suite 339

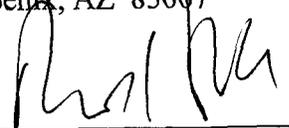
22 Tempe, AZ 85282

23 Attorneys for Litchfield Park Service Company

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The original and ten copies of  
the foregoing were filed this 13<sup>th</sup>  
day of January, 2006:

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



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ATTACHMENTS

- One CC&N Form Application
- Two Requests for Service, LPSCO's Notice of Contiguous Service, and Wastewater Facilities Agreements
- Three Carollo Engineers Bethany Estates and Related Sewer Systems Model Analysis, dated August 22, 2005

1 **ARIZONA CORPORATION COMMISSION**

2 **APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND**  
3 **NECESSITY**

4 **SEWER**

5 A. The name, address and telephone number of the Applicant is:

6 **Litchfield Park Service Company**  
7 **111 W. Wigwam Blvd., Suite B**  
8 **Litchfield Park, Arizona 85340**

9 B. The name, address and telephone number of management contact is:

10 **Mike Weber, General Manager**  
11 **111 W. Wigwam Blvd., Suite B**  
12 **Litchfield Park, Arizona 85340**

13 C. List the name, address and telephone number of the operator certified by the Arizona  
14 Department of Environmental Quality:

15 **Matthew Garlick**  
16 **111 W. Wigwam Blvd., Suite B**  
17 **Litchfield Park, Arizona 85340**

18 D. List the name, address and telephone number of the attorney for the Applicant:

19 **Richard L. Sallquist, Esq.**  
20 **Sallquist, Drummond & O'Connor, P.C.**  
21 **4500 S. Lakeshore Drive, Suite 339**  
22 **Tempe, Arizona 85282**

23 E. Attach the following documents that apply to you:

1. Certificate of Good Standing (if corporation) **Please see Exhibit A**

2. Corporate Resolution Authorizing this application (if required by the corporation's  
Articles of Incorporation) **N/A**

60001.00000.463

**ATTACHMENT ONE**

1 F. Attach a legal description of the area requested by either **CADASTRAL** (quarter section  
2 description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be  
3 accepted. **Please see Exhibit B**

4 G. Attach a detailed map using the form provided as attachment B. Shade and outline the area  
5 requested. Also indicate the present certificated area by using different colors. **Please see**  
6 **Exhibit C**

7 H. Attach a current balance sheet and profit and loss statement. **Please see Exhibit D**

8 I. Provide the following information:

9 1. Indicate the estimated number of customers, by class, to be served in the new area in each  
10 of the next five years: **Please see Exhibit E**

11 **Residential:**

12 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
13 Fifth Year \_\_\_\_\_

14 **Commercial:**

15 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
16 Fifth Year \_\_\_\_\_

17 **Industrial:**

18 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
19 Fifth Year \_\_\_\_\_

20 **Irrigation:**

21 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
22 Fifth Year \_\_\_\_\_

23 **Other: (specify)**

\_\_\_\_\_

First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_ Fourth Year \_\_\_\_\_  
Fifth Year \_\_\_\_\_

1 2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each  
of the customer classes in the new area for each of the next five years: N/A

2 **Residential:**

3 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

4 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

5 **Commercial:**

6 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

7 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

8 **Industrial:**

9 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

10 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

11 **Irrigation:**

12 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

13 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

14 3. Indicate the total estimated annual operating revenue from the new area for each of the  
15 next five years: **Please see Exhibit E**

16 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

17 Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

- 18 • **Complete Attachment "D" (Water Use Data Sheet) for the past 13 months**  
N/A

19 4. Indicate the total estimated annual operating expenses attributable to the new area for  
each of the next five years: **Please see Exhibit E.**

20 First Year \_\_\_\_\_ Second Year \_\_\_\_\_ Third Year \_\_\_\_\_

Fourth Year \_\_\_\_\_ Fifth Year \_\_\_\_\_

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

**On-Site and Off-Site Facilities cost estimates are included in Wastewater Facilities Agreements in accordance with Commission Rules and Regulations and attached to the Application as Attachment Two.**

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

**Please see Paragraph J. above.**

L. Estimated starting and completion date of construction of utility facilities:

Starting date: **Second Quarter 2006**

Completion date: **Fourth Quarter 2007**

M. Attach the following permits:

1. Franchise from either the City or County for the area requested. **To be lated filed as Exhibit F.**
2. Arizona Department of Environmental Quality or designee's approval to construct facilities. **To be late filed as Exhibit G.**
3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.) **N/A**
4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.) **N/A**
5. **(WATER ONLY)** If the area requested is within an Active Management Area, attach a copy of either the utility's Designation of an Assured Water Supply or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources. **N/A**
  - If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.



EXHIBITS

- A. Certificate of Good Standing
- B. Legal Description
- C. Map
- D. December 31, 2004 Annual Report to Utilities Division
- E. Customer, Revenue and Expense Estimates
- F. Late Filed County Franchise
- G. Late Filed ADEQ approvals
- H. Notice to Customers and Property Owners

# 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

**\*\*\*LITCHFIELD PARK SERVICE COMPANY\*\*\***

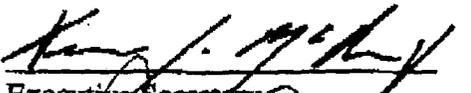
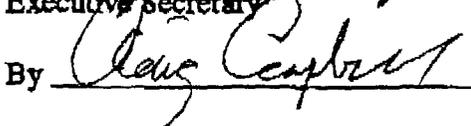
a domestic corporation organized under the laws of the State of Arizona, did incorporate on September 21, 1954.

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 6th Day of January, 2005, A. D.



  
Executive Secretary  
By 

LEGAL DESCRIPTION

**PLEASE SEE ATTACHED**

60001.00000.463

**EXHIBIT B**

## LEGAL DESCRIPTION

That portion of the East half of the Southwest quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Center of said Section 11;  
THENCE South 00°01'43" East, along the East line of said quarter, a distance of 1450.82 feet;  
THENCE South 89°58'09" West, a distance of 1301.90 feet to the West line of said East half;  
THENCE North 00°02'38" West, along said line, a distance of 1470.76 feet to the North line of said quarter;  
THENCE South 89°09'12" East, along said line, a distance of 1302.45 feet to the POINT OF BEGINNING.

Said parcel containing 43.67 acres gross.



**Parcel 1**

## LEGAL DESCRIPTION

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A PARCEL OF LAND LYING IN THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 11, FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS NORTH 89 DEGREES 01 MINUTES 47 SECONDS WEST, A DISTANCE OF 2603.69 FEET, AND THE TRUE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 01 MINUTES 47 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1301.79 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 1157.29 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 9 SECONDS EAST, A DISTANCE OF 1301.90 FEET TO A POINT ON THE NORTH SOUTH MID SECTION LINE OF SAID SECTION 11; THENCE SOUTH 0 DEGREES 01 MINUTES 43 SECONDS EAST, A DISTANCE OF 1180.04 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL CONTAINS 1,521,306 SQUARE FEET (34.924 ACRES) GROSS AREA.

## LEGAL DESCRIPTION

That portion of the Northeast quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northeast corner of said Section;

THENCE North 89°18'03" West, along the North line of said Section, a distance of 1303.39 feet to the Northeast corner of the West half of said Northeast quarter;

THENCE South 00°01'27" East, along the East line of said West half, a distance of 658.54 feet to the POINT OF BEGINNING;

THENCE continuing South 00°01'27" East, along said East line, a distance of 1975.62 feet to a point on the South line of said quarter;

THENCE North 89°10'20" West, along said South line, a distance of 651.16 feet to a point on the West line of the East half of said West half;

THENCE North 00°02'10" West, along said West line, a distance of 1974.53 feet;

THENCE South 89°16'08" East, a distance of 651.56 feet to the POINT OF BEGINNING.

Said parcel containing 29.53 acres gross.



Parcel 3

## **RIVERSIDE ESTATES**

### **LEGAL DESCRIPTION**

That portion of The Southeast Quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

Commencing at the East Quarter Corner of said Section 11 said point being the.

**TRUE POINT OF BEGINNING;**

Thence South 00 degrees 00 minutes 32 seconds East along the East line of said Section 11 a distance of 1318.56 feet;

Thence North 89 degrees 06 minutes 15 seconds West a distance of 1301.91 feet;

Thence North 00 degrees 01 minutes 39 seconds West a distance of 1317.01 feet to a point on the East-West Midsection line of said Section 11;

Thence South 89 degrees 10 minutes 20 seconds East along said Midsection line a distance of 1302.32 feet;

to the **POINT OF BEGINNING.**

The above described parcel contains 1,715,709.41Sq. Ft. (39.39 acres) more or less.

Prepared by: CMX, L.L.C.  
Project No. 7038  
April 28, 2004

**DYSART VILLAGE**  
**LEGAL DESCRIPTION**

PORTION OF THE SW ¼ OF SECTION 11, T 2N, R1 W OF THE G&SRB&M, MARICOPA COUNTY  
DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST ¼ CORNER OF SAID SECTION 11

ENCE: S 89° 05' 41" E ALONG THE EAST-WEST MID-SECTION LINE OF SAID SECTION 11 A  
DISTANCE OF 1302.50 FEET TO THE NE CORNER OF THE NW ¼ OF THE SAID SECTION 11

ENCE: S 0° 00' 54" W A DISTANCE OF 985.53 FEET TO THE SE CORNER OF THE N ½ OF  
THE S ½ OF THE NW ¼ OF THE SW ¼ OF SAID SECTION 11

ENCE: N 89° 02' 59" W A DISTANCE OF 1302.36 FEET TO THE SW CORNER OF THE N ½  
OF THE S ½ OF THE NW ¼ OF THE SW ¼ OF SAID SECTION 11

ENCE: N 0° 00' 19" E ALONG THE WEST BOUNDARY OF SAID SECTION 11 A DISTANCE OF  
984.50 FEET TO THE POINT OF BEGINNING.

# SITE INFO:

---

**PROJECT NAME:**

DYSART CROSSINGS

**PROJECT ADDRESS:**

NOT YET ASSIGNED

**PARCEL NUMBER:**

#501-57-006-H

**LEGAL DESCRIPTION:**

THE EAST 300 FEET OF THE NORTH 464 FEET OF THAT PART OF THE NORTHEAST QUARTER OF SECTION TEN (10), TOWNSHIP TWO (2) NORTH, RANGE ONE (1) WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 10;

THENCE SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST ALONG THE EAST LINE OF SAID SECTION 10, A DISTANCE OF 708.00 FEET, TO A POINT FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 10 BEARS SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST A DISTANCE OF 1,917.52 FEET;

THENCE NORTH 89 DEGREES 10 MINUTES 45 SECONDS WEST, A DISTANCE OF 905.16 FEET;

THENCE SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST, A DISTANCE OF 441.93 FEET TO A POINT ON THE NORTH LINE OF RANCHOS DE LOMA UNIT ONE, AS RECORDED IN BOOK 106 OF MAPS, PAGE 39 OF MARICOPA COUNTY, RECORDS, SAID POINT BEING THE CENTERLINE OF 132ND AVENUE;

THENCE SOUTH 89 DEGREES 10 MINUTES 45 SECOND EAST, A DISTANCE OF 25 FEET TO A CORNER OF SAID RANCHOS DE LOMA UNIT ONE;

THENCE SOUTH 0 DEGREES 01 MINUTE 45 SECONDS WEST, A DISTANCE OF 205.60 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A CENTRAL ANGLE OF 89 DEGREES 03 MINUTES 55 SECONDS, A RADIUS OF 15.25 FEET, A DISTANCE OF 23.70 FEET;

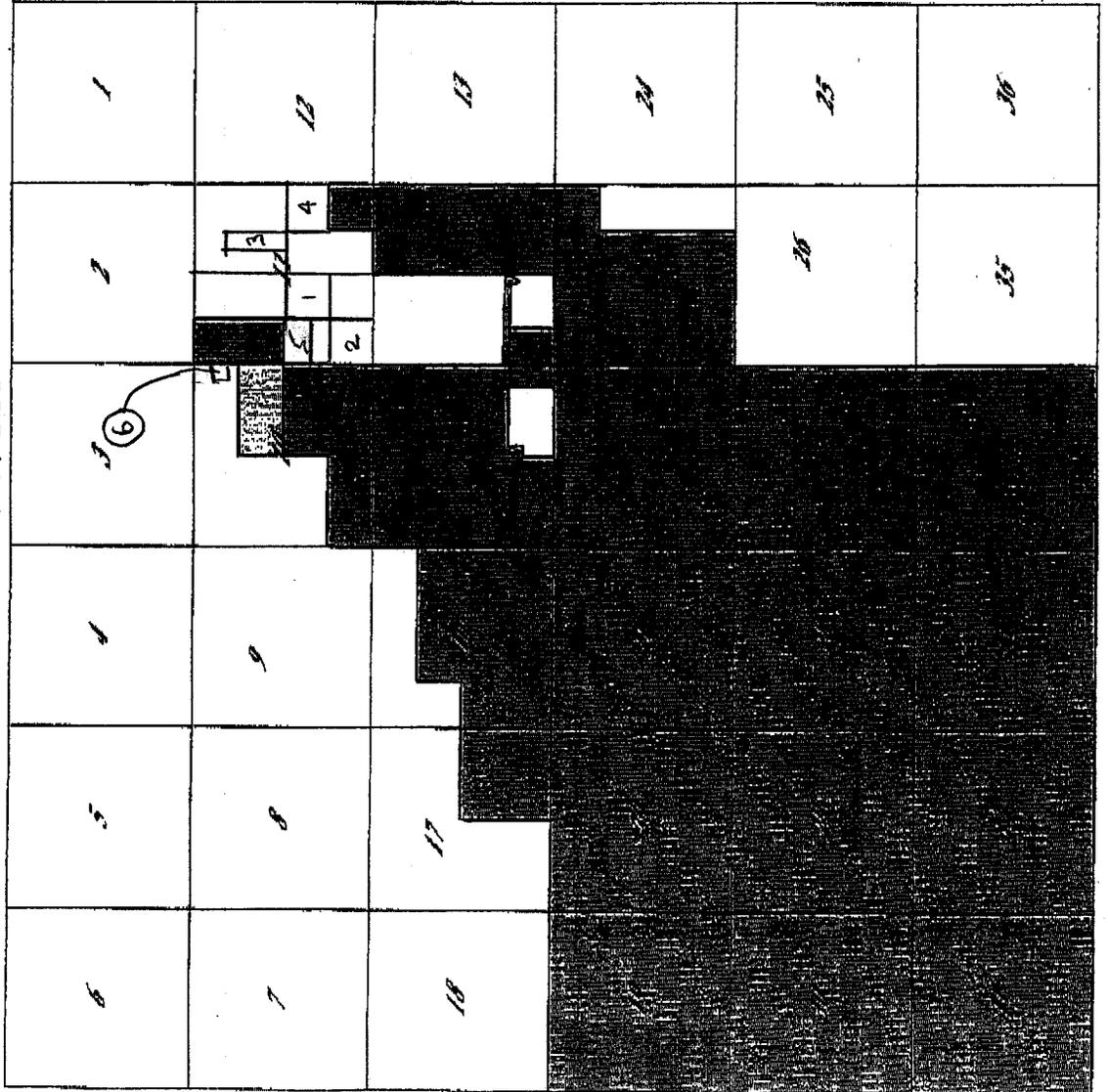
THENCE SOUTH 89 DEGREES 02 MINUTES 10 SECONDS EAST, ALONG THE NORTH RIGHT-OF-WAY LINE OF OCOTILLO ROAD AS SHOWN ON THE PLAT OF SAID RANCHOS DE LOMA, A DISTANCE OF 865.19 FEET;

THENCE NORTH 0 DEGREES 01 MINUTES 45 SECONDS EAST PARALLEL TO AND 55.00 FEET WEST OF THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10, A DISTANCE OF 664.72 FEET TO THE POINT OF BEGINNING.

**COUNTY** Maricopa

**RANGE 1 West**

**TOWNSHIP 2 North**



- SW-1428 (4)  
Litchfield Park Service Company
- 1-6
- Litchfield Park Service Company  
Requested Area
- (1)  
Casitas Bonitas Wastewater Improvement  
District (Nonjurisdictional)

EXHIBIT C

**COPY**

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

ANNUAL REPORT MAILING LABEL - MAKE CHANGES AS NECESSARY

**SW-01428A**

**Litchfield Park Service Company - Sewer**

**111 W. Wigwam Blvd, Suite B**

**Litchfield Park, AZ 85340**



**ANNUAL REPORT**

**FOR YEAR ENDING**

<b>12</b>	<b>31</b>	<b>2004</b>
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FOR COMMISSION USE

<b>ANN05</b>	<b>04</b>
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**EXHIBIT D**

## COMPANY INFORMATION

**Company Name (Business Name)** Litchfield Park Service Company

**Mailing Address** 111 W. Wigwam Blvd., Suite B  
(Street)

Litchfield Park Arizona 85340  
(City) (State) (Zip)

(623) 935-9367 (623) 935-1020  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**Local Office Mailing Address** 111 W. Wigwam Blvd., Suite B  
(Street)

Litchfield Park Arizona 85340  
(City) (State) (Zip)

(623) 935-9367 (623) 935-1020  
Local Office Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

## MANAGEMENT INFORMATION

**Management Contact:** Peter Kampian Chief Financial Officer  
(Name) (Title)

2845 Bristol Circle Oakville, Ontario Canada L6H 7H7  
(Street) (City) (State) (Zip)

(905) 465-4500 (905) 465-4514  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

**On Site Manager:** Mike Weber General Manger  
(Name)

111 W. Wigwam Blvd., Suite B Litchfield Park Arizona 85340  
(Street) (City) (State) (Zip)

(623) 935-9367 (623) 935-1020  
Telephone No. (Include Area Code) Fax No. (Include Area Code) Pager/Cell No. (Include Area Code)

**Email Address** \_\_\_\_\_

Please mark this box if the above address(es) have changed or are updated since the last filing.

**Statutory Agent:** C T Corporation System

(Name)

3225 N Central Ave  
(Street)

Phoenix  
(City)

AZ  
(State)

85012  
(Zip)

(602) 277-4792

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

**Attorney:** Richard Sallquist @ Sallquist & Drummond, P.C.

(Name)

4500 South Lake Shore Drive, Suite 339  
(Street)

Tempe,  
(City)

AZ  
(State)

85282  
(Zip)

(602) 224-9222

Telephone No. (Include Area Code)

(480) 345-0412

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Please mark this box if the above address(es) have changed or are updated since the last filing.

**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

- |   |  |
|---|--|
| <input type="checkbox"/> Sole Proprietor (S)    | <input checked="" type="checkbox"/> C Corporation (C) (Other than Association/Co-op) |
| <input type="checkbox"/> Partnership (P)        | <input type="checkbox"/> Subchapter S Corporation (Z)                                |
| <input type="checkbox"/> Bankruptcy (B)         | <input type="checkbox"/> Association/Co-op (A)                                       |
| <input type="checkbox"/> Receivership (R)       | <input type="checkbox"/> Limited Liability Company                                   |
| <input type="checkbox"/> Other (Describe) _____ |  |

**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

- |                                     |  |                                   |
|-------------------------------------|--|-----------------------------------|
| <input type="checkbox"/> APACHE     | <input type="checkbox"/> COCHISE             | <input type="checkbox"/> COCONINO |
| <input type="checkbox"/> GILA       | <input type="checkbox"/> GRAHAM              | <input type="checkbox"/> GREENLEE |
| <input type="checkbox"/> LA PAZ     | <input checked="" type="checkbox"/> MARICOPA | <input type="checkbox"/> MOHAVE   |
| <input type="checkbox"/> NAVAJO     | <input type="checkbox"/> PIMA                | <input type="checkbox"/> PINAL    |
| <input type="checkbox"/> SANTA CRUZ | <input type="checkbox"/> YAVAPAI             | <input type="checkbox"/> YUMA     |
| <input type="checkbox"/> STATEWIDE  |  |                                   |

**COMPANY NAME**

Litchfield Park Service Company

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
351	Organization			
352	Franchises			
353	Land and Land Rights	1,783,426		1,783,426
354	Structures and Improvements	9,077,845	643,516	8,434,328
355	Power Generation Equipment	305,488	27,637	277,851
360	Collection Sewers - Force	263,636	15,391	248,245
361	Collection Sewers - Gravity	14,003,065	1,179,246	12,823,819
362	Special Collecting Structures		0	0
363	Services to Customers	3,454,790	513,557	2,941,234
364	Flow Measuring Devices	22,188	3,945	18,242
365	Flow Measuring Installations	13,378	2,184	11,194
370	Receiving Wells	855,200	64,037	791,163
380	Treatment and Disposal Equip.	4,300,202	458,971	3,841,231
381	Plant Sewers	23,117	1,541	21,576
382	Outfall Sewer Lines	343,681	25,755	317,926
389	Other Plant and Misc. Equipment	110,308	5,898	104,409
390	Office Furniture and Equipment	126,871	19,180	107,691
391	Transportation Equipment	225	122	103
393	Tools, Shop and Garage Equip.	18,746	1,896	16,851
394	Laboratory Equipment	84,159	16,515	67,644
395	Power Operated Equipment	1,364,823	345,218	1,019,605
398	Other Tangible Plant	334,219	67,882	266,337
	<b>TOTALS</b>	<b>36,485,366</b>	<b>3,392,490</b>	<b>33,092,877</b>

This amount goes on the Balance Sheet Acct. No. 108

**COMPANY NAME****Litchfield Park Service Company****CALCULATION OF DEPRECIATION EXPENSE**

<b>Acct. No.</b>	<b>DESCRIPTION</b>	<b>Original Cost (1)</b>	<b>Depreciation Percentage (2)</b>	<b>Depreciation Expense (1x2)</b>
351	Organization	-		
352	Franchises	-		
353	Land and Land Rights	1,783,426		
354	Structures and Improvements	9,077,845		294,018
355	Power Generation Equipment	305,488		12,405
360	Collection Sewers - Force	263,636		4,693
361	Collection Sewers - Gravity	14,003,065		238,486
362	Special Collecting Structures	-		
363	Services to Customers	3,454,790		68,791
364	Flow Measuring Devices	22,188		1,213
365	Flow Measuring Installations	13,378		1,115
370	Receiving Wells	855,200		28,507
380	Treatment and Disposal Equip.	4,300,202		212,836
381	Plant Sewers	23,117		1,156
382	Outfall Sewer Lines	343,681		11,456
389	Other Plant and Misc. Equipment	110,308		4,291
390	Office Furniture and Equipment	126,871		7,931
391	Transportation Equipment	225		45
393	Tools, Shop and Garage Equip.	18,746		937
394	Laboratory Equipment	84,159		8,075
395	Power Operated Equipment	1,364,823		168,261
398	Other Tangible Plant	334,219		32,701
	<b>SUBTOTAL</b>	<b>36,485,366</b>		<b>1,096,916</b>
	<b>CIAC Amortization</b>			<b>(178,152)</b>
	<b>TOTALS</b>	<b>36,485,366</b>		<b>918,763</b>

This amount goes on Comparative Statement of Income and Expense Acct. 403

**COMPANY NAME**

Litchfield Park Service Company

**BALANCE SHEET**

Acct. No.	ASSETS	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 296,840	\$ 717,794
132	Special Deposits		
135	Temporary Cash Investments	1,156,305	1,123,763
141	Customer Accounts Receivable	849,366	767,181
146	Notes/Receivables from Associated Companies	61,230	49,500
151	Plant Material and Supplies		
162	Prepayments	60,720	64,826
174	Miscellaneous Current and Accrued Assets	7,637,729	10,685,271
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 10,062,190	\$ 13,408,334
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	29,681,423	36,485,366
103	Property Held for Future Use		
105	Construction Work in Progress	1,425,404	2,343,546
108	Accumulated Depreciation - Utility Plant	2,295,574	3,392,490
121	Non-Utility Property	21,632,552	31,628,001
122	Accumulated Depreciation - Non Utility	3,066,551	3,960,190
	<b>TOTAL FIXED ASSETS</b>	\$ 47,377,254	\$ 63,104,234
	<b>TOTAL ASSETS</b>	\$ 57,439,444	\$ 76,512,568

NOTE: Total Assets on this page should equal Total Liabilities and Capital on the following page.

**COMPANY NAME**

Litchfield Park Service Company

**BALANCE SHEET (CONTINUED)**

Acct. No.	LIABILITIES	BALANCE AT BEGINNING OF TEST YEAR	BALANCE AT END OF YEAR
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$ 586,693	\$ 315,981
232	Notes Payable (Current Portion)	140,000	195,000
234	Notes/Accounts Payable to Associated Companies	4,482,113	8,909,278
235	Customer Deposits	220,870	236,210
236	Accrued Taxes	321,296	128,149
237	Accrued Interest	266,054	195,012
241	Miscellaneous Current and Accrued Liabilities	103,778	47,846
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 6,120,804	\$ 10,027,475
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$ 12,327,420	\$ 12,161,759
	<b>DEFERRED CREDITS</b>		
252	Advances in Aid of Construction	\$ 15,203,825	\$ 22,552,904
253	Other Deferred Credits		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	7,507,671	13,646,610
272	Less: Amortization of Contributions	1,283,303	1,529,632
281	Accumulated Deferred Income Tax	474,436	474,436
	<b>TOTAL DEFERRED CREDITS</b>	\$ 21,902,630	\$ 35,144,318
	<b>TOTAL LIABILITIES</b>	\$ 40,350,854	\$ 57,333,552
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 78,200	\$ 78,200
211	Other Paid in Capital	14,118,180	14,118,180
215	Retained Earnings	2,892,209	4,982,635
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 17,088,590	\$ 19,179,015
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 57,439,444	\$ 76,512,568

COMPANY NAME

Litchfield Park Service Company

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

	<b>OPERATING REVENUES</b>	<b>PRIOR YEAR</b>	<b>TEST YEAR</b>
521	Flat Rate Revenues	\$ 3,779,089	\$ 4,833,236
522	Measured Revenues		
536	Other Wastewater Revenues		
	<b>TOTAL REVENUES</b>	\$ 3,779,089	\$ 4,833,236
	<b>OPERATING EXPENSES</b>		
701	Salaries and Wages		
710	Purchased Wastewater Treatment		1,585
711	Sludge Removal Expense	58,959	92,193
715	Purchased Power	425,600	590,184
716	Fuel for Power Production		
718	Chemicals	145,504	143,381
720	Materials and Supplies	40,785	161,255
731	Contractual Services - Professional	254,815	57,908
735	Contractual Services - Testing	799	2,273
736	Contractual Services - Other	549,986	757,491
740	Rents	21,160	33,567
750	Transportation Expense	3,025	2,124
755	Insurance Expense	15,704	16,251
765	Regulatory Commission Expense	8,537	5,960
775	Miscellaneous Expense	61,468	218,763
403	Depreciation Expense	899,944	918,763
408	Taxes Other Than Income		
408.11	Property Taxes	130,357	49,786
409	Income Taxes	37,875	72,000
	<b>TOTAL OPERATING EXPENSES</b>	\$ 2,654,516	\$ 3,123,486
	<b>OTHER INCOME/EXPENSE</b>		
419	Interest and Dividend Income	\$ 309,354	\$ 150,090
421	Non-Utility Income	4,131,794	5,087,196
426	Miscellaneous Non-Utility Expenses	2,835,281	3,804,219
427	Interest Expense	894,664	1,042,392
	<b>TOTAL OTHER INCOME/EXP</b>	\$ 711,203	\$ 390,675
	<b>NET INCOME/(LOSS)</b>	\$ 1,835,776	\$ 2,100,426

**COMPANY NAME** Litchfield Park Service Company

**SUPPLEMENTAL FINANCIAL DATA**  
**Long-Term Debt**

	<b>LOAN #1</b>	<b>LOAN #2</b>	<b>LOAN #3</b>	<b>LOAN #4</b>
Date Issued	04/01/1999	06/01/2001		
Source of Loan	IDA	IDA		
ACC Decision No.	61655	63775		
Reason for Loan	Capital Expansion	Capital Expansion		
Dollar Amount Issued	\$5,335,000	\$7,500,000	\$	\$
Amount Outstanding	\$4,815,000	\$7,500,000	\$	\$
Date of Maturity	10/01/2023	10/01/2031		
Interest Rate	5.88%	6.70%	%	%
Current Year Interest	\$262,887	\$435,402	\$	\$
Current Year Principle	\$140,000	\$0.00	\$	\$

**COMPANY NAME** Litchfield Park Service Company

**WASTEWATER COMPANY PLANT DESCRIPTION**

**TREATMENT FACILITY**

<b>TYPE OF TREATMENT</b> (Extended Aeration, Step Aeration, Oxidation Ditch, Aerobic Lagoon, Anaerobic Lagoon, Trickling Filter, Septic Tank, Wetland, Etc.)	Activated Sludge (SBR)
<b>DESIGN CAPACITY OF PLANT</b> (Gallons Per Day)	4,100,000 GPD

**LIFT STATION FACILITIES**

Location	Quantity of Pumps	Horsepower Per Pump	Capacity Per Pump (GPM)	Wet Well Capacity (gals)
Litchfield Greens	2	5	75	3,000
LPSCO Lift Station No. 2	2	18	350	25,000
LPSCO Lift Station No. 3	2	47	1,050	30,000

**FORCE MAINS**

Size	Material	Length (Feet)
10"	PVC	17,550
12"	PVC	6,100
8"	DIP	3,550
16"	DIP	5,200

**MANHOLES**

Type	Quantity
Standard	3,547
Drop	4

**CLEANOUTS**

Quantity
160

COMPANY NAME Litchfield Park Service Company

**WASTEWATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**COLLECTION MAINS**

Size (in inches)	Material	Length (in feet)
4"	VCP	208,097
6"	VCP	4,602
8"	VCP	908,468
10"	VCP	45,084
12"	VCP	32,021
15"	VCP	64,986
18"	VCP	17,635
21"	VCP	23,016
24"	VCP	10,480
30"	VCP	3,663

**SERVICES**

Size (in inches)	Material	Quantity
4	VCP	69,848
6	VCP	224
8	VCP	3

**FOR THE FOLLOWING FIVE ITEMS, LIST THE UTILITY OWNED ASSETS IN EACH CATEGORY**

<b>SOLIDS PROCESSING AND HANDLING FACILITIES</b>	Aerobic Digester/ Centrifuge
<b>DISINFECTION EQUIPMENT</b> (Chlorinator, Ultra-Violet, Etc.)	Ultra-Violet
<b>FILTRATION EQUIPMENT</b> (Rapid Sand, Slow Sand, Activated Carbon, Etc.)	Aqua Disk-Filter Disk
<b>STRUCTURES</b> (Buildings, Fences, Etc.)	The facility currently contains 4 steel frame buildings w/ concrete masonry unit (CMU) facia on enclosed concrete tank structures. The facility is bordered by aluminum fencing and gates.
<b>OTHER</b> (Laboratory Equipment, Tools, Vehicles, Standby Power Generators, Etc.)	1 Standby Generator, Tools, Lab Equipment, 8 Vehicles, 2 golf carts, 3 trailers

COMPANY NAME Litchfield Park Service Company

**WASTEWATER FLOWS**

<b>MONTH/YEAR (Most Recent 12 Months)</b>	<b>NUMBER OF SERVICES</b>	<b>TOTAL MONTHLY SEWAGE FLOW</b>	<b>SEWAGE FLOW ON PEAK DAY</b>
Jan-04	10,876	73,959,000	2,868,000
Feb-04	10,970	67,201,000	3,591,000
Mar-04	11,092	70,179,000	2,944,000
Apr-04	11,161	70,724,000	3,243,000
May-04	11,278	81,654,000	3,191,000
Jun-04	11,379	62,080,000	2,700,000
Jul-04	11,436	76,669,000	3,310,000
Aug-04	11,569	77,964,000	2,929,000
Sep-04	11,639	76,741,000	3,247,000
Oct-04	11,700	77,174,000	3,241,000
Nov-04	11,770	78,678,000	3,281,000
Dec-04	11,817	75,436,000	3,012,000

**PROVIDE THE FOLLOWING INFORMATION AS APPLICABLE**

<b>Method of Effluent Disposal</b> (leach field, surface water discharge, reuse, injection wells, groundwater recharge, evaporation ponds, etc.)	Reuse, surface discharge
<b>Wastewater Inventory Number</b> (all wastewater systems are assigned an inventory number)	100310
<b>Groundwater Permit Number</b>	N/A
<b>ADEQ Aquifer Protection Permit Number</b>	P100310
<b>ADEQ Reuse Permit Number</b>	R105272, R105472, R105221, R23573, R23618, R23577
<b>EPA NPDES Permit Number</b>	N/A

**STATISTICAL INFORMATION**

Total number of customers 11,817

Total number of gallons treated 888,459,000

COMPANY NAME Litchfield Park Service Company YEAR ENDING 12/31/2004

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported Unable to isolate due to Consolidated Return filed  
Estimated or Actual Federal Tax Liability \_\_\_\_\_

State Taxable Income Reported Unable to isolate due to Consolidated Return filed  
Estimated or Actual State Tax Liability \_\_\_\_\_

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances N/A  
Amount of Gross-Up Tax Collected N/A  
Total Grossed-Up Contributions/Advances N/A

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

  
SIGNATURE

Apr 11/05  
DATE

Peter Kampian  
PRINTED NAME

CFO  
TITLE

COMPANY NAME Litchfield Park Service Company YEAR ENDING 12/31/2004

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2004 was: \$ 264,898.21

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**VERIFICATION  
AND  
SWORN STATEMENT**  
Intrastate Revenues Only

**VERIFICATION**

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

<b>COUNTY OF MARICOPA</b>
<small>NAME (OWNER OR OFFICIAL) TITLE</small> <b>Peter Kampian, Chief Financial Officer</b>
<small>COMPANY NAME</small> <b>Litchfield Park Service Company</b>

**DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

<small>MONTH</small>	<small>DAY</small>	<small>YEAR</small>
12	31	2004

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2004 WAS:**

<small>Arizona Intrastate Gross Operating Revenues Only (\$)</small>
\$ <u>4,977,206</u>

**(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 0  
IN SALES TAXES BILLED, OR COLLECTED)**

**\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**

  
\_\_\_\_\_  
SIGNATURE OF OWNER OR OFFICIAL  
908-465-4523  
\_\_\_\_\_  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 11th **DAY OF**

<small>COUNTY NAME</small> <u>Halton</u>
<small>MONTH</small> <u>April</u>

**ANNE ELIZABETH READE**  
**A COMMISSIONER OF OATHS,**  
**REGIONAL MUNICIPALITY OF HALTON,**  
**FOR ALGONQUIN POWER INCOME FUND.**  
**EXPIRES FEBRUARY 25, 2008.**

(SEAL)  
**MY COMMISSION EXPIRES** 25 Feb '08

**VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY**

VERIFICATION

STATE OF ARIZONA

<b>COUNTY OF MARICOPA</b>	
NAME (OWNER OR OFFICIAL) <b>Peter Kampian</b>	TITLE <b>Chief Financial Officer</b>
COMPANY NAME <b>Litchfield Park Service Company</b>	

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2004

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

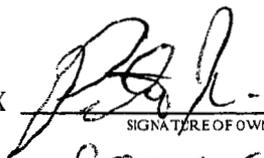
**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2004 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ <u>4,179,317</u>

(THE AMOUNT IN BOX AT LEFT INCLUDES \$ 0 IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED.

X   
SIGNATURE OF OWNER OR OFFICIAL  
905-465-4523  
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

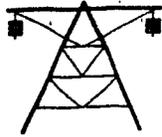
THIS 11<sup>th</sup> DAY OF

NOTARY PUBLIC NAME <u>Anne Reade</u>
COUNTY NAME <u>Halton</u>
MONTH <u>April</u>   YEAR <u>2005</u>

(SEAL)

ANNE ELIZABETH READE  
MY COMMISSION EXPIRES  
REGIONAL MUNICIPALITY OF HALTON,  
FOR ALGONQUIN POWER INCOME FUND.  
EXPIRES FEBRUARY 25, 2008.

X   
SIGNATURE OF NOTARY PUBLIC



**LITCHFIELD PARK SERVICE COMPANY INC.**  
 111 W. Wigwam Blvd., Suite B  
 Litchfield Park, Arizona 85340  
 (623) 935-9367 X 0 Fax: (623) 935-1020 X 0000

Bank One  
 1370 N. Litchfield Road  
 Goodyear, AZ 85338

000980

DATE  
 February 18, 2004

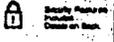
AMOUNT  
 US\$117,420.51  
 U.S. Funds

One Hundred Seventeen Thousand Four Hundred Twenty Dollars and 51 Cents

PAY TO THE ORDER OF  
 Maricopa County Treasurer  
 PO Box 78574  
 Phoenix, AZ 85062-8574

Litchfield Park Service Company Inc.

*Peter J. [Signature]*



⑈000980⑈ ⑆ 122100024⑆ ⑆ 00529182⑈ ⑆ 0011742051⑈

⑈000980⑈ ⑆ 122100024⑆ ⑆ 00529182⑈ ⑆ 0011742051⑈

FEDERAL RESERVE BANK OF PHOENIX  
 SECURITY FEATURES  
 • Watermark  
 • Color-shifting ink  
 • Microprint  
 • Security thread  
 • Ultraviolet features  
 • 3-D effect  
 • Clear window  
 • Security thread  
 • Microprint  
 • Security thread  
 • Ultraviolet features  
 • 3-D effect  
 • Clear window

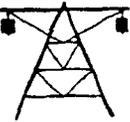
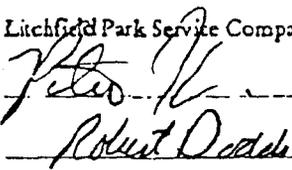
022504 030 700 277 18314 62257920 5 0830322504

CHECK NUMBER  
 NEW YORK  
 CURRENCY  
 ABSENCE OF  
 MENTIONS  
 BANK

0097181784 02/25/2004 3887 0 1  
 BANK ONE, NA-ARIZONA

BANK ONE, NA  
 1119013314  
 02252004

0097181784 WEIGHTED 462 51839292

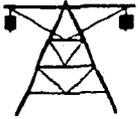
	<b>LITCHFIELD PARK SERVICE COMPANY INC.</b> 111 W. Wigwam Blvd., Suite B Litchfield Park, Arizona 85340 (623) 935-9367 X OFax: (623) 935-1020 X 0000	Bank One 1370N. Litchfield Road Goodyear, AZ 85338	001820
	DATE: September 17, 2004		AMOUNT: US\$137,609.35 U.S. Funds
One Hundred Thirty Seven Thousand Six Hundred Nine Dollars and 35 Cents			
PAY TO THE ORDER OF Maricopa County Treasurer PO Box 78574 Phoenix, AZ 85062-8574	Litchfield Park Service Company Inc.  _____ Robert D. Davis		
@001820 @ 122100024: 00529182 @		@0013760935 @	

072404 268 780 120 013 4 61507262 8 05459724B401\*

BANK ONE, NA  
 1119013314  
 09/24/04  
 5140257543

CREDIT TO ACCT OF  
 NAMED PAYEE WITH-  
 OUT PREJUDICE  
 ABSENCE OF ENDORSE-  
 MENT GUARANTEED BY  
 BANK ONE, NA

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence	Customer Data	Bank #
CD	529182	1820	\$137,609.35		9/24/2004	5140257543		601
GL Category	CD VOID/CIMS Key	CD Label						
00000000000	20040930523301	20040930523301						



**LITCHFIELD PARK SERVICE COMPANY INC.**  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, Arizona 85340  
(623) 935-9367 X OFax: (623) 935-1020 X 0000

Bank One  
1370 N. Litchfield Road  
Goodyear, AZ 85338

001823

DATE  
September 21, 2004

AMOUNT  
US\$9,868.35  
U.S. Funds

Nine Thousand Eight Hundred Sixty Eight Dollars and 35 Cents

**PAY TO THE ORDER OF**  
Maricopa County Treasurer  
PO Box 78574  
Phoenix, AZ 85062-8574

Litchfield Park Service Company Inc.

*[Handwritten Signature]*

⑈001823⑈ ⑆122100024⑆ 00529182⑈

⑈000098835⑈

ED

022804 212 714 112 656 4 59175022 4 0515092801011

DO NOT WRITE  
ON SIGNATURE LINE  
CREDIT TO ACCT OF  
NAMED PAYEE WITH-  
OUT PREJUDICE  
ABSENCE OF ENDORSE-  
MENT GUARANTEED BY  
BANK ONE, NA

BANK ONE, NA  
⑈1119013314  
09282904  
5240315478

Location	Acct #	Check #	Amount	Issue Date	Paid Date	Sequence	Customer Data	Bank #
CD	529182	1823	\$9,868.35		9/28/2004	5240315478		601
GL Category	CD VOID/CIMS Key	CD Label						
000000000000	20040930523301	20040930523301						

	Actual	Prior Year
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash - Operating	\$707,794	\$286,840
Cash - Capacity	10,000	10,000
Short Term Investments	1,123,763	1,156,305
Accounts Receivable	3,377,368	3,032,941
Accounts Receivable - Interco	49,500	61,230
Prepays	64,826	60,720
<b>Total Current Assets</b>	<b>5,333,251</b>	<b>4,608,036</b>
Intercompany	(1,111,410)	226,933
<b>Long Term Assets</b>		
<b>Fixed Assets</b>		
Land	2,464,529	2,423,503
Generating Facility	65,648,839	48,890,473
Less Accum Depreciation	(7,352,680)	(5,362,125)
Water Treatment Plant	2,343,546	
Contribution in Aid of Construction	(13,646,610)	(7,507,671)
Accum Depreciation - CIAC	1,529,632	1,283,303
<b>Net Fixed Assets</b>	<b>50,987,256</b>	<b>39,727,483</b>
<b>Other Assets</b>		
Construction in Process		1,425,404
Intangible Asset - Net	8,021,830	5,370,471
Deferred Costs	382,553	428,282
<b>Total Other Assets</b>	<b>8,404,383</b>	<b>7,224,157</b>
<b>Total Assets</b>	<b>63,613,480</b>	<b>51,786,609</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	3,683,576	1,715,606
Inter group	188,067	
Current Taxes Payable	26,900	204,078
Franchise Tax Payable		
Current Portion of Long Term Debt	195,000	140,000
<b>Total Current Liabilities</b>	<b>4,093,543</b>	<b>2,059,684</b>
<b>Long Term Liabilities</b>		
Intercompany Notes Payable	4,589,469	4,055,000
Third Party Loans	12,491,059	12,672,019
Customer Meter Deposits	2,045,395	2,216,514
Customer Advances in Aid of Construction	20,507,510	12,987,312
Deferred Income Tax	474,436	474,436
<b>Total Long Term Liabilities</b>	<b>40,107,869</b>	<b>32,405,281</b>
<b>Total Liabilities</b>	<b>44,201,412</b>	<b>34,464,965</b>
<b>SHAREHOLDERS EQUITY</b>		
Contributed Capital	14,118,180	14,118,180
Common Shares	78,200	78,200
<b>Total Contributed Capital</b>	<b>14,196,380</b>	<b>14,196,380</b>
<b>Earnings</b>		

LPSCO Consolidated Statement  
BALANCE SHEET  
AS AT December 31, 2004

	<u>Actual</u>	<u>Prior Year</u>
Retained Earnings	\$5,134,450	\$3,298,675
Year to Date Income	2,100,426	1,835,776
Dividends Paid	<u>(2,019,188)</u>	<u>(2,009,188)</u>
<b>Total Earnings</b>	<b><u>5,215,688</u></b>	<b><u>3,125,263</u></b>
<b>Total Shareholders' Equity</b>	<b><u>19,412,068</u></b>	<b><u>17,321,643</u></b>
<b>Total Liabilities and Equity</b>	<b><u>63,613,480</u></b>	<b><u>51,786,608</u></b>

**CURRENT MONTH**

**YEAR TO DATE**

	Actual	Budget	Prior	% Change Budget	% Change Prior	Actual	Budget	Prior	% Change Budget	% Change Prior
<b>Revenue</b>										
Water Sales										
Metered Sales - Residential Customers	\$341,601	\$505,542	\$223,769	-32.43%	52.66%	\$3,130,317	\$5,055,833	\$2,467,517	-38.09%	26.86%
Metered Sales - Commercial Customers	63,069	0	77,072	0.00%	-18.17%	779,867	0	601,854	0.00%	29.58%
Metered Sales - Industrial Customers/	77,014	0	57,062	0.00%	34.97%	877,647	0	670,363	0.00%	30.92%
Fire Protection Revenue	6,517	0	7,793	0.00%	-16.37%	192,315	0	166,636	0.00%	15.41%
	488,201	505,542	365,696	-3.43%	33.50%	4,980,146	5,055,833	3,906,370	-1.50%	27.49%
Waste Water Sales										
Residential Revenues	544,799	414,629	332,275	31.39%	63.96%	4,179,317	4,669,742	3,207,548	-10.50%	30.30%
Commercial Revenues	77,280	0	46,513	0.00%	66.15%	547,718	0	503,943	0.00%	8.69%
Industrial Revenues	13,247	0	8,477	0.00%	56.27%	106,201	0	16,954	0.00%	526.41%
	635,326	414,629	387,265	53.23%	64.05%	4,833,236	4,669,742	3,728,445	3.50%	29.63%
Reclaimed Water Sales (Effluent)	9,151	3,365	3,650	171.95%	150.71%	67,401	40,383	50,643	66.90%	33.09%
Commercial Effluent Revenues										
Other Revenues	3,243	0	39,015	0.00%	-91.69%	183,619	0	496,633	0.00%	-63.03%
	3,243	0	39,015	0.00%	-91.69%	183,619	0	496,633	0.00%	-63.03%
<b>Total Revenue</b>	<b>1,135,921</b>	<b>923,536</b>	<b>795,626</b>	<b>23.00%</b>	<b>42.77%</b>	<b>10,064,402</b>	<b>9,765,958</b>	<b>8,182,091</b>	<b>3.06%</b>	<b>23.01%</b>
<b>Operating Costs</b>										
Sources of Supply, Collections & Expenses										
Purchases Water	359	0	0	0.00%	0.00%	1,585	0	81,185	0.00%	-98.05%
Purchased Power	2,760	0	40,447	0.00%	-93.18%	300,538	0	361,581	0.00%	-16.88%
Fuel for Power Production	0	0	21	0.00%	-100.00%	0	0	265	0.00%	-100.00%
Chemicals	1,263	0	0	0.00%	0.00%	5,569	0	1,880	0.00%	196.22%
Materials & Supplies	823	0	619	0.00%	32.96%	21,481	0	12,131	0.00%	77.08%
Contractual Services	80,369	50,000	54,693	60.74%	46.95%	996,784	600,003	460,286	66.13%	116.56%
Equipment Rental	0	0	0	0.00%	0.00%	6,097	0	0	0.00%	0.00%
Transportation Expenses	686	0	0	0.00%	0.00%	8,988	0	0	0.00%	0.00%
	86,260	50,000	95,780	72.52%	-9.94%	1,341,042	600,003	917,328	123.51%	46.19%
Water Treatment & Pumping Expenses										
Chemicals	0	0	0	0.00%	0.00%	0	0	1,971	0.00%	-100.00%
Materials & Supplies	0	0	0	0.00%	0.00%	7,029	0	726	0.00%	868.18%
Contractual Services	0	0	0	0.00%	0.00%	0	0	1,871	0.00%	-100.00%
Equipment Rental	0	0	0	0.00%	0.00%	1,647	0	0	0.00%	0.00%
	0	0	0	0.00%	0.00%	8,676	0	4,568	0.00%	89.93%
Transportation & Distr, Treatment & Disposal Exp										
Purchased Power	89,870	42,577	0	111.08%	0.00%	741,561	510,928	27	45.14%	*****
Fuel for Power Production	22	0	0	0.00%	0.00%	233	0	0	0.00%	0.00%
Chemicals	10,666	0	0	0.00%	0.00%	141,352	0	3,734	0.00%	3685.54%
Materials & Supplies	8,565	2,990	1,575	186.45%	443.81%	157,476	35,875	28,454	338.96%	453.44%
Contractual Services	18,448	42,079	1,944	-56.16%	848.97%	393,209	504,947	32,491	-22.13%	1110.21%

LPSCO Consolidated Statement  
INCOME STATEMENT  
For the Twelve Months Ending December 31, 2004

**CURRENT MONTH**

**YEAR TO DATE**

	Actual	Budget	Prior	% Change Budget	% Change Prior	Actual	Budget	Prior	% Change Budget	% Change Prior
Sludge & Removal Expense	\$10,240	\$0	\$5,611	0.00%	82.50%	\$92,193	\$0	\$58,959	0.00%	56.37%
Equipment Rental	1,719	0	0	0.00%	0.00%	34,104	0	0	0.00%	0.00%
	139,530	87,646	9,130	59.20%	1428.26%	1,560,128	1,051,750	123,665	48.34%	1161.58%
<b>Effluent Water Treatment Expenses</b>										
Purchased Power	0	0	39,228	0.00%	-100.00%	0	0	425,022	0.00%	-100.00%
Chemicals	0	0	13,983	0.00%	-100.00%	0	0	142,043	0.00%	-100.00%
Materials & Supplies	0	2,990	4,261	-100.00%	-100.00%	349	35,875	29,468	-99.03%	-98.82%
Contractual Services-Other	0	0	41,607	0.00%	-100.00%	0	0	397,537	0.00%	-100.00%
Equipment Rental	0	0	822	0.00%	-100.00%	0	0	8,987	0.00%	-100.00%
	0	2,990	99,901	-100.00%	-100.00%	349	35,875	1,003,057	-99.03%	-99.97%
<b>Effluent Water Distribution Expenses</b>										
Contractual Services-Other	0	0	0	0.00%	0.00%	910	0	6,876	0.00%	-86.77%
	0	0	0	0.00%	0.00%	910	0	6,876	0.00%	-86.77%
<b>Total Operating Costs</b>	<b>225,790</b>	<b>140,636</b>	<b>204,811</b>	<b>60.55%</b>	<b>10.24%</b>	<b>2,911,105</b>	<b>1,687,628</b>	<b>2,055,494</b>	<b>72.50%</b>	<b>41.63%</b>
<b>Maintenance Costs</b>										
Sources of Supply, Collections & Expenses	318	2,733	1,404	-88.36%	-77.35%	32,235	32,800	1,894	-1.72%	1601.95%
Materials & Supplies	0	0	1,435	0.00%	-100.00%	3,939	0	41,185	0.00%	-90.44%
Contractual Services	0	0	334	0.00%	-100.00%	103	0	334	0.00%	-69.16%
Equipment Rental	318	2,733	3,173	-88.36%	-89.98%	36,277	32,800	43,413	10.60%	-16.44%
Water Treatment & Pumping Expenses	0	0	0	0.00%	0.00%	0	0	488	0.00%	-100.00%
Chemicals	0	0	0	0.00%	0.00%	1,395	0	1,105	0.00%	26.24%
Contractual Services-Other	0	0	0	0.00%	0.00%	1,395	0	1,593	0.00%	-12.43%
<b>Transportation &amp; Distr, Treatment &amp; Disposal Exp</b>	<b>0</b>	<b>2,733</b>	<b>0</b>	<b>-100.00%</b>	<b>0.00%</b>	<b>6,826</b>	<b>32,800</b>	<b>3,657</b>	<b>-79.19%</b>	<b>86.66%</b>
Materials & Supplies	1,093	0	2,669	0.00%	-59.05%	1,220	0	10,887	0.00%	-88.79%
Contractual Services-Other	0	0	0	0.00%	0.00%	2,226	0	0	0.00%	0.00%
Equipment Rental	1,093	2,733	2,669	-60.01%	-59.05%	10,272	32,800	14,544	-68.68%	-29.37%
<b>Effluent Water Treatment Expenses</b>										
Materials & Supplies	0	0	0	0.00%	0.00%	0	0	4,104	0.00%	-100.00%
Contractual Services-Other	0	0	0	0.00%	0.00%	0	0	3,917	0.00%	-100.00%
	0	0	0	0.00%	0.00%	0	0	8,021	0.00%	-100.00%
<b>Effluent Water Distribution Expenses</b>										
Contractual Services-Other	0	0	0	0.00%	0.00%	0	0	17,924	0.00%	-100.00%
	0	0	0	0.00%	0.00%	0	0	17,924	0.00%	-100.00%
<b>Total Maintenance Costs</b>	<b>1,411</b>	<b>5,466</b>	<b>5,842</b>	<b>-74.19%</b>	<b>-75.85%</b>	<b>47,944</b>	<b>65,600</b>	<b>85,495</b>	<b>-26.91%</b>	<b>-43.92%</b>

**CURRENT MONTH**

**YEAR TO DATE**

	Actual	Budget	Prior	% Change Budget	% Change Prior	Actual	Budget	Prior	% Change Budget	% Change Prior
	\$2,070	\$0	\$1,861	0.00%	11.23%	\$12,017	\$0	\$20,662	0.00%	-41.84%
	664	14,350	7,695	-95.37%	-91.37%	17,783	172,200	70,805	-89.67%	-74.88%
	78,695	104,125	203,158	-24.42%	-61.26%	1,059,601	1,249,495	1,086,651	-15.20%	-2.49%
	3,588	6,013	6,842	-40.33%	-47.56%	27,259	72,160	66,674	-62.22%	-59.12%
	0	0	0	0.00%	0.00%	874	0	113	0.00%	673.45%
	1,984	0	(1,669)	0.00%	-218.87%	23,242	0	20,507	0.00%	13.34%
	0	0	2,316	0.00%	-100.00%	0	0	5,379	0.00%	-100.00%
	6,967	171	7,446	3974.27%	-6.43%	71,968	2,050	22,756	3410.63%	216.26%
	0	0	120	0.00%	-100.00%	805	0	5,750	0.00%	-86.00%
	0	0	0	0.00%	0.00%	235	0	350	0.00%	-32.86%
	6,256	6,200	13,241	0.90%	-52.75%	81,256	74,400	65,837	9.22%	23.42%
	23,067	20,073	19,580	14.92%	17.81%	248,932	240,875	234,754	3.34%	6.04%
	2,519	0	0	0.00%	0.00%	41,561	0	0	0.00%	0.00%
	1,095	0	1,331	0.00%	-17.73%	29,491	0	28,827	0.00%	2.30%
	0	0	0	0.00%	0.00%	0	0	35,836	0.00%	-100.00%
	<u>126,905</u>	<u>150,932</u>	<u>261,921</u>	<u>-15.92%</u>	<u>-51.55%</u>	<u>1,615,024</u>	<u>1,811,180</u>	<u>1,664,901</u>	<u>-10.83%</u>	<u>-3.00%</u>
	<u>781,815</u>	<u>626,502</u>	<u>323,052</u>	<u>24.79%</u>	<u>142.01%</u>	<u>5,490,329</u>	<u>6,201,550</u>	<u>4,376,201</u>	<u>-11.47%</u>	<u>25.46%</u>
	<u>92,211</u>	<u>65,222</u>	<u>91,626</u>	<u>41.38%</u>	<u>0.64%</u>	<u>1,040,009</u>	<u>782,665</u>	<u>829,691</u>	<u>32.88%</u>	<u>25.35%</u>
	<u>92,211</u>	<u>65,222</u>	<u>91,626</u>	<u>41.38%</u>	<u>0.64%</u>	<u>1,040,009</u>	<u>782,665</u>	<u>829,691</u>	<u>32.88%</u>	<u>25.35%</u>
	<u>178,238</u>	<u>144,799</u>	<u>134,325</u>	<u>23.09%</u>	<u>32.69%</u>	<u>1,978,366</u>	<u>1,737,590</u>	<u>1,633,199</u>	<u>13.86%</u>	<u>21.13%</u>
	<u>178,238</u>	<u>144,799</u>	<u>134,325</u>	<u>23.09%</u>	<u>32.69%</u>	<u>1,978,366</u>	<u>1,737,590</u>	<u>1,633,199</u>	<u>13.86%</u>	<u>21.13%</u>
	<u>30,000</u>	<u>0</u>	<u>(221,434)</u>	<u>0.00%</u>	<u>-113.55%</u>	<u>360,000</u>	<u>0</u>	<u>77,430</u>	<u>0.00%</u>	<u>364.94%</u>
	<u>30,000</u>	<u>0</u>	<u>(221,434)</u>	<u>0.00%</u>	<u>-113.55%</u>	<u>360,000</u>	<u>0</u>	<u>77,430</u>	<u>0.00%</u>	<u>364.94%</u>
	<u>(2,378)</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>11,526</u>	<u>0</u>	<u>111</u>	<u>0.00%</u>	<u>*****</u>
	<u>(2,378)</u>	<u>0</u>	<u>0</u>	<u>0.00%</u>	<u>0.00%</u>	<u>11,526</u>	<u>0</u>	<u>111</u>	<u>0.00%</u>	<u>10283.78%</u>
	<u>483,744</u>	<u>416,481</u>	<u>318,535</u>	<u>16.15%</u>	<u>51.87%</u>	<u>2,100,428</u>	<u>3,687,295</u>	<u>1,835,770</u>	<u>-42.94%</u>	<u>14.42%</u>

Administrative & General Costs

- Telephone
- Materials & Supplies
- Contractual Services
- Rentals-Building & Equipment
- Security
- Transportation Expenses
- Meals & Entertainment
- Licenses & Fees
- Public Relations
- Charitable Donations
- Insurance
- Property Taxes
- Central Office Costs
- Bank Charges
- Capacity Costs

Total Administrative & General Costs

Net Income Before Deprn, Interest & Tax

Interest

Total Interest

Depreciation / Amortization

Total Depreciation & Amortization

Income Taxes

Total Income Taxes

Other Income and Expense

Total Other Income and Expense

Net Income

**LITCHFIELD PARK SERVICE COMPANY**  
**2006 CC&N Extension Application**  
**Customer, Revenue and Expense Estimates**

Developer	2006	2007	2008	2009	2010
<b>Revenues (1)</b>					
Bethany Estates South	\$ 1,402	\$ 9,811	\$ 9,811	\$ 9,811	\$ 9,811
Bethany Estates North	\$ 4,906	\$ 11,914	\$ 11,914	\$ 11,914	\$ 11,914
Falcon View	\$ -	\$ 5,256	\$ 22,426	\$ 22,426	\$ 22,426
Riverside Estates	\$ 7,008	\$ 21,024	\$ 28,032	\$ 28,032	\$ 28,032
Dysart Village	\$ 10,512	\$ 13,666	\$ 13,666	\$ 13,666	\$ 13,666
Buttrum Crossings	\$ 350	\$ 350	\$ 350	\$ 350	\$ 350
	<u>\$ 24,178</u>	<u>\$ 62,021</u>	<u>\$ 86,198</u>	<u>\$ 86,198</u>	<u>\$ 86,198</u>
<b>Expenses (2)</b>	\$ 19,342	\$ 49,617	\$ 68,959	\$ 68,959	\$ 68,959
<b>Annual Customer Growth</b>					
	2006	2007	2008	2009	2010
Bethany Estates South	4	24			
Bethany Estates North	14	20			
Falcon View	-	15	49		
Riverside Estates	20	40	20		
Dysart Village	30	9			
Buttrum Crossings	1	-	-		
Total	<u>69</u>	<u>108</u>	<u>69</u>	<u>-</u>	<u>-</u>
<b>Cumulative Customer Growth</b>					
	2006	2007	2008	2009	2010
Bethany Estates South	4	28	28	28	28
Bethany Estates North	14	34	34	34	34
Falcon View	-	15	64	64	64
Riverside Estates	20	60	80	80	80
Dysart Village	30	39	39	39	39
Buttrum Crossings	1	1	1	1	1
Total	<u>51</u>	<u>100</u>	<u>120</u>	<u>120</u>	<u>120</u>

(1) Average Residential Bill per Tariff is : \$ 29.20  
(2) Estimated to be 80% of Revenues.

**PUBLIC NOTICE OF AN APPLICATION FOR AN  
EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY  
BY LITCHFIELD PARK SERVICE COMPANY**

Litchfield Park Service Company ("LPSCO") has filed with the Arizona Corporation Commission ("Commission") an application for authority for an extension of its Certificate of Convenience and Necessity to provide wastewater service. Our records indicate that you are either currently a customer of LPSCO or are a property owner in the proposed extension area. If the application is granted, LPSCO would be the exclusive provider of wastewater service to the proposed area. LPSCO will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from individually owned facilities on their property. The application is available for inspection during regular business hours at the offices of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona 85007, and at 111 W. Wigwam Blvd., Suite B, Litchfield Park, Arizona 85340

The Commission will hold a hearing on this matter. As a property owner or customer you may have the entitled to intervene in the proceeding. If you do not want to intervene, you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and telephone number listed below for the date and time of the hearing and for more information on intervention. You may not receive any further notice of the proceeding unless requested by you.

If you have any questions or concerns about this application or have any objections to its approval, or wish to make a statement in support of it, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

**Requests for Service, LPSCO's Notice of Contiguous Service, and Wastewater  
Facilities Agreements**

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**ATTACHMENT TWO**

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Michael D. Weber, P.E.  
Litchfield Park Service Company  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, AZ 85340

November 8, 2005

**Re: Request for Sewer Service**

Dear Mr. Weber,

Maracay Bethany Estates, L.L.C., an Arizona limited liability company is the owner of an approximately 80 acre parcel (parcel numbers 501-56-012 and 501-56-013) located in Township 2 North, Range 1 West, Section 11, Gila & Salt River Base & Meridian in Maricopa County as shown on the attached map. This letter sent is to request sewer service from Litchfield Park Service Company (LPSCO) for these parcels. They will be developed in two plats, Bethany Estates South consisting of 28 lots and Bethany Estates North, consisting of 34 lots.

I understand that this area is currently outside the Certificate of Convenience & Necessity (CC&N) of LPSCO and that LPSCO does not currently have the authority to provide sewer service. I also understand that sewer lines would need to be extended pursuant to the terms and conditions of a line extension agreement and/or master utility agreement, and that certain approvals by various regulatory agencies will be required for approval prior to provision of sewer service by LPSCO.

I look forward to working with LPSCO throughout this process. Should you require addition information, please feel free to contact me. My contact information is listed below.

Sincerely,



Tim Goodrich  
Land Acquisition  
Maracay Homes of Arizona I, L.L.C.  
on behalf of Maracay Bethany Estates, L.L.C.

cc: Tony Widowski

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Michael D. Weber, P.E.  
Litchfield Park Service Company  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, AZ 85340

November 10, 2005

**Re: Request for Sewer Service**

Dear Mr. Weber,

Maracay Bethany Estates II, L.L.C., an Arizona limited liability company is the owner of an approximately 30 acre parcel (parcel numbers 501-56-005B, 501-56-005C and 501-56-005G) located in Township 2 North, Range 1 West, Section 11, Gila & Salt River Base & Meridian in Maricopa County as shown on the attached map. This letter sent is to request sewer service from Litchfield Park Service Company (LPSCO) for these parcels. They will be developed into 64 lots under the subdivision name Falcon View.

I understand that this area is currently outside the Certificate of Convenience & Necessity (CC&N) of LPSCO and that LPSCO does not currently have the authority to provide sewer service. I also understand that sewer lines would need to be extended pursuant to the terms and conditions of a line extension agreement and/or master utility agreement, and that certain approvals by various regulatory agencies will be required for approval prior to provision of sewer service by LPSCO.

I look forward to working with LPSCO throughout this process. Should you require addition information, please feel free to contact me. My contact information is listed below.

Sincerely,



Tim Goodrich  
Land Acquisition  
Maracay Homes of Arizona I, L.L.C.  
on behalf of Maracay Bethany Estates II, L.L.C.

cc: Tony Widowski

Michael D. Weber, P.E.  
Litchfield Park Service Company  
111 W. Wigwam Blvd., Suite B  
Litchfield Park, AZ 85340

November 11, 2005

**Re: Request for Sewer Service**

Dear Mr. Weber,

I am the owner of a 29 acre parcel (parcel number 501-56-016-B, 501-56-016-E, 501-56-016-G, 501-56-016-J, 501-56-016-K) located in Township 2 NORTH Range 1 WEST Section 11 in Maricopa county as shown on the attached map. This letter is to request sewer service from Litchfield Park Service Company (LPSCO) for this parcel.

I understand that this area is currently outside the Certificate of Convenience & Necessity (CC&N) of LPSCO and that LPSCO does not currently have the authority to provide sewer service. I also understand that sewer lines would need to be extended pursuant to the terms and conditions of a line extension agreement and/or master utility agreement, and that certain approvals by various regulatory agencies will be required for approval prior to provision of sewer service by LPSCO.

I look forward to working with LPSCO throughout this process. Should you require additional information, please feel free to contact me. My contact information is listed below.

Sincerely,

  
Ernie Lucke  
Adobe West Construction Inc.  
President

11-11-05  
Date

# MARYLAND 40, L.L.C.

Attn: Perry Mathis  
5108 North 40th Street, Suite 3  
Phoenix, Arizona 85018  
Tel: 602-957-1799 Fax: 602-957-2033

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March 22, 2005

Michael Weber  
General Manager  
Litchfield Park Service Company  
111 W. Wigwam Blvd. Suite B  
Litchfield Park, AZ 85340

RE: Riverside Estates  
Approximately 39.6 acres located at the SWC of Maryland and El Mirage

Dear Mr. Weber:

As you know, we are planning a residential development of approximately 80 homes on the above referenced property. Please consider this as our formal request to have Litchfield Park Service Company be the wastewater utility provider for the property. We understand that this will require an expansion of your existing CC&N, and will require us to execute a line extension agreement.

I have attached the following documents as requested:

- Site Plan and Legal Description of the Property
- Table showing estimated customers added over a five year period
- Estimated costs of our onsite and offsite sewer improvements
- Sewer System Design Report for Riverside Heights

Please proceed with the steps necessary to apply for an expansion of your CC&N to serve our property. We understand you will prepare an estimate of the costs to process such expansion, and that we will be required to advance funds to cover such anticipated costs.

Thanks, and please call with any questions. If you have any technical questions, please feel free to contact Vic Pilar at CMX (602-567-1900).

Sincerely,

MARYLAND 40, L.L.C.

Perry A. Mathis, as Manager of  
Cason Tyler Ventures, L.L.C., its Manager

**RIVERSIDE ESTATES**  
**(SWC El Mirage and Maryland)**

**Legal Description**

**RIVERSIDE ESTATES**  
(SWC El Mirage and Maryland)

**Estimated Customers Added Over Five Years**

<b>Year</b>	<b>Homes Added This Year</b>	<b>Cumulative Homes Added</b>
2005	0	0
2006	20	20
2007	40	60
2008	20	80
2009	0	80

6.9  
**LPSCO**

**CHRON.**

LITCHFIELD PARK SERVICE COMPANY

1111 WEST WASHINGTON AVENUE, SUITE B

LITCHFIELD PARK, AZ 85110

(623) 935-9429

Arizona Corporation Commission  
1200 West Washington  
Phoenix, Arizona 85007

June 3, 2004

**Re: Wastewater Service to Contiguous Parcel - Dysart Crossing**

To whom it may concern,

Please accept this as notification of our intent to serve a contiguous parcel under the provisions of R14-2-402.C of the Arizona Administrative Code. The single parcel to be served is a commercial facility located immediately adjacent to our existing sewer CC&N. This parcel will be incorporated into a CC&N expansion request which will include several other parcels owned by developers and landowners with whom LPSCO is now in discussion. The attached exhibit shows the location of the parcel adjacent to our CC&N.

Should you have any questions or require additional information, please do not hesitate to contact me at (623) 935-9429.

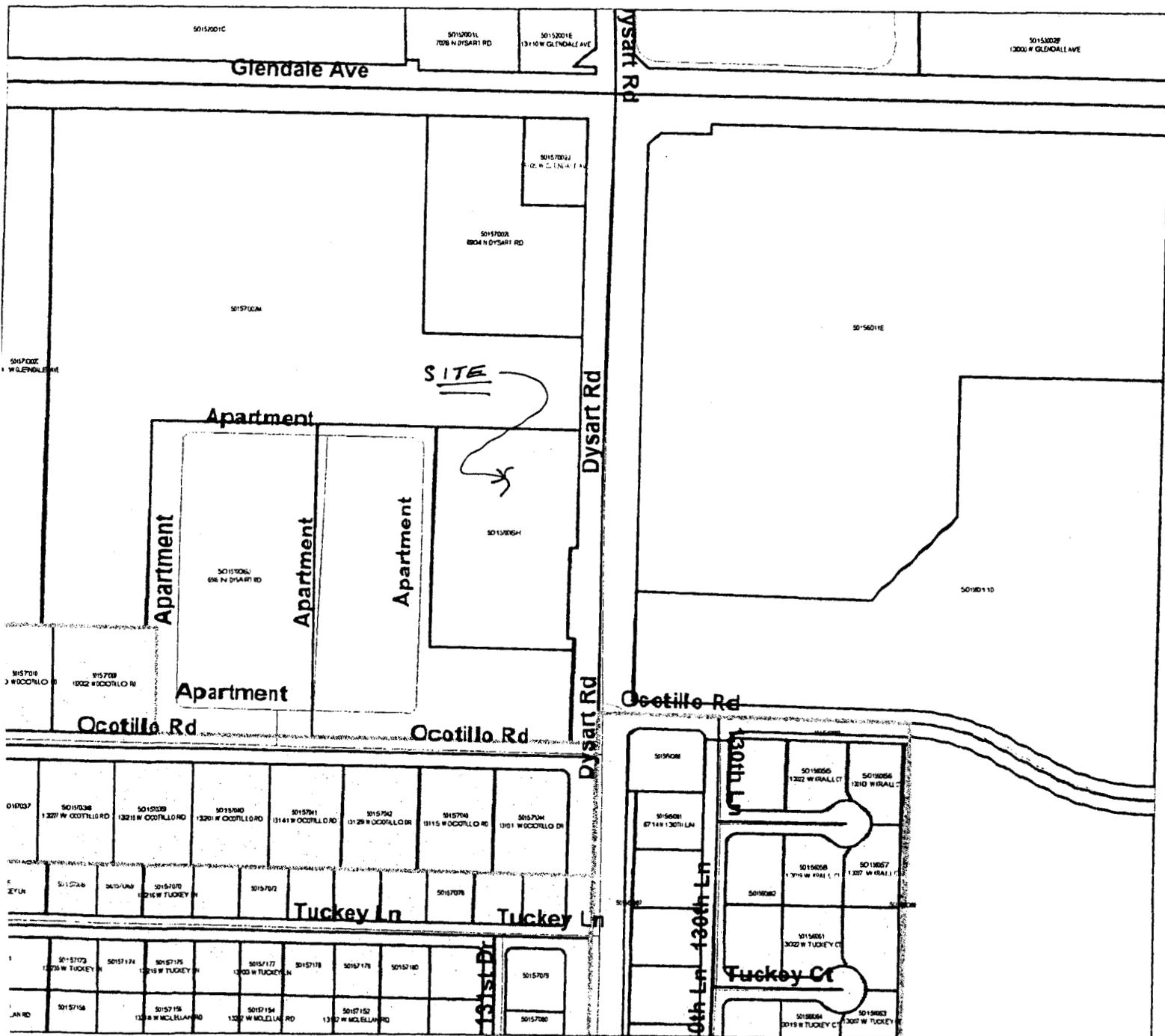
Sincerely,



Michael D. Weber, P.E.  
General Manager

# County Parcels

EXHIBIT A  
CONTINUED



WASTEWATER FACILITIES AGREEMENT ("Agreement") entered into this day 5<sup>th</sup> of November, 2005, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and MARACAY BETHANY ESTATES, L.L.C. (Developer), an Arizona limited liability company

R E C I T A L S

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Development"). The Development, known as Bethany Estates North, consists of 34 residential lots on approximately 43.67 acres. The Development is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Company is willing to file a Notice of Extension ("Notice") with the Commission to seek authority to extend its CC&N to include the Development in its CC&N, and

WHEREAS, Developer acknowledges and agrees that service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission, and

WHEREAS, Developer acknowledges and agrees that in order for Company to provide service, an application for the amendment of the Maricopa Association of Governments (MAG) 208 plan may be required by MAG and the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

*MDW*

## I.

Wastewater FacilitiesA. Construction of Wastewater Facilities by Developer.

Developer will construct, or will cause to be constructed wastewater collection and delivery facilities (Wastewater Facilities) necessary for Company to provide wastewater utility service within the Development. The Wastewater Facilities have been, or will be, designed and constructed in accordance with plans and specifications prepared by Developer and approved by the Company.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. The cost of the Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Development, including all onsite and offsite facilities. Accurate as-built maps must be received by the Company prior to final inspection of the parcels.

B. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per Equivalent Dwelling Unit (EDU). All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TEPD Fee shall be paid at the time of signing this Agreement. The TEPD fee for the Development is attached hereto as Exhibit C. The TEPD fee shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

C. CC&N Extension.

The Company will be required to extend its existing CC&N to serve the Development. Prior to the start of the CC&N extension effort, the Company will inform the Developer of the anticipated cost. Developer will advance to Company the anticipated cost of the CC&N extension or, if the Company includes other developments in the extension application, the Developer's prorated share of the cost. The anticipated cost will be determined by the Company or its legal counsel. Within 30 days following the issuance of the final order by the Commission, the Company will refund any unused balance to the Developer or will invoice the Developer for costs in exceedence of the anticipated costs. Developer agrees to pay to Company the invoiced amount within 30 days of its receipt.

In the event the Company chooses to incorporate other parcels into the filing, the costs will be apportioned equally among all participants.

D. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and AutoCAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Development (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

E. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Development and (2) to operate, maintain and repair the facilities. All easements and rights of way shall be free of

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

obstacles which may interfere with Company's use, operation and maintenance of the facilities.

F. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Development, which acceptance shall not be unreasonably withheld or delayed.

G. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Development, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

H. MAG 208 Amendment.

As a MAG 208 amendment may be required in order to provide service, Developer shall perform at its cost all necessary efforts as may be required to amend the MAG 208 plan. The engineering study, application, and any required submittals or supporting documentation must be approved by the Company before submittal to any agency.

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

## II.

Advances in Aid of Construction; Refunds; TaxesA. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Development. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

## III.

General ProvisionsA. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following: fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect; Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company. Such assignment shall not be unreasonably withheld or delayed.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:

LITCHFIELD PARK SERVICE COMPANY  
Attn.: James Humble  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340

Fax: (623) 935-1020

to the Developer:

MARACAY BETHANY ESTATES, L.L.C.  
Attn.: Jeffery J. Andersen  
15160 N. Hayden Road  
Scottsdale, AZ 85260

Fax: ( ) \_\_\_\_\_

MDW

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
an Arizona corporation

By: Michael D. Telen  
Its: General Manager

Developer:

MARACAY BETHANY ESTATES, L.L.C.  
an Arizona limited liability company

by: Maracay Homes Arizona I, L.L.C., an Arizona  
limited liability company  
Its: Manager

By: Jeffery J. Andersen  
Jeffery J. Andersen

MDW

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES NORTH

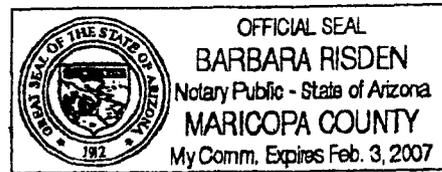
STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of November 2005 by Michael D. Weber, as General Manager of Litchfield Park Service Company, an Arizona corporation on behalf of the corporation.

Barbara Risdin  
Notary Public

My Commission Expires:

Feb 3, 2007



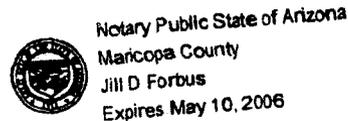
STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 15<sup>th</sup> day of NOVEMBER, 2005 by Jeffery J. Andersen of Maracay Homes Arizona I, L.L.C., an Arizona limited liability company, on behalf of Maracay Bethany Estates, L.L.C., an Arizona Limited Liability Company, an Arizona limited liability company.

Jill D Forbus  
Notary Public

My Commission Expires:

MAY 10, 2006



*MDW*

**EXHIBIT A**

**I. LEGAL DESCRIPTION**

**BETHANY ESTATES NORTH**

See attached.

## LEGAL DESCRIPTION

That portion of the East half of the Southwest quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Center of said Section 11;  
THENCE South 00°01'43" East, along the East line of said quarter, a distance of 1450.82 feet;  
THENCE South 89°58'09" West, a distance of 1301.90 feet to the West line of said East half;  
THENCE North 00°02'38" West, along said line, a distance of 1470.76 feet to the North line of said quarter;  
THENCE South 89°09'12" East, along said line, a distance of 1302.45 feet to the POINT OF BEGINNING.

Said parcel containing 43.67 acres gross.



**EXHIBIT B**

**I WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION  
BETHANY ESTATES NORTH**

See attached.

# LANDAIDE INC.

October 27, 2005

Mr. Tony Widowski  
 %Maracay Homes  
 15160 N. Hayden Rd., #200  
 Scottsdale, AZ 85260

Re: BETHANY ESTATES NORTH - Sewer Construction  
 L.A Job No. 1219

Dear Mr. Widowski:

The following is our engineer's cost estimate for the referenced project:

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Cost</u>
8" PVC SDR-35 w/slurry backfil	4740 L.F.	\$50.00/L.F.	\$237,000.00
Sewer Manhole	14 Ea.	3000.00/Ea.	42,000.00
4" House Connection	34 Ea.	300.00/Ea.	<u>10,200.00</u>
Subtotal			\$289,200.00
Engineering/surveying/inspection	20%		57,840.00
Contingency	10%		28,920.00
		<b>TOTAL</b>	<b>\$375,960.00</b>

Sincerely,

LANDAIDE, INC.

Robert S. Mitchell, P.E., R.L.S.  
 Principal



**EXHIBIT C**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE**

**BETHANY ESTATES NORTH**

**A. TEPD Facilities Fee**

34 EDUs X \$1,500/EDU = \$51,000.00

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

WASTEWATER FACILITIES AGREEMENT ("Agreement") entered into this day 8<sup>th</sup> of November, 2005, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and MARACAY BETHANY ESTATES, L.L.C. (Developer), an Arizona limited liability company

RECITALS

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Development"). The Development, known as Bethany Estates South, consists of 28 residential lots on approximately 34.92 acres. The Development is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Company is willing to file a Notice of Extension ("Notice") with the Commission to seek authority to extend its CC&N to include the Development in its CC&N, and

WHEREAS, Developer acknowledges and agrees that service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission, and

WHEREAS, Developer acknowledges and agrees that in order for Company to provide service, an application for the amendment of the Maricopa Association of Governments (MAG) 208 plan may be required by MAG and the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

MDW

## I.

Wastewater FacilitiesA. Construction of Wastewater Facilities by Developer.

Developer will construct, or will cause to be constructed wastewater collection and delivery facilities (Wastewater Facilities) necessary for Company to provide wastewater utility service within the Development. The Wastewater Facilities have been, or will be, designed and constructed in accordance with plans and specifications prepared by Developer and approved by the Company.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. The cost of the Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Development, including all onsite and offsite facilities. Accurate as-built maps must be received by the Company prior to final inspection of the parcels.

B. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per Equivalent Dwelling Unit (EDU). All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TPED Fee shall be paid at the time of signing this Agreement. The TPED fee for the Development is attached hereto as Exhibit C. The TPED fee shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

MDW

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

C. CC&N Extension.

The Company will be required to extend its existing CC&N to serve the Development. Prior to the start of the CC&N extension effort, the Company will inform the Developer of the anticipated cost. Developer will advance to Company the anticipated cost of the CC&N extension or, if the Company includes other developments in the extension application, the Developer's prorated share of the cost. The anticipated cost will be determined by the Company or its legal counsel. Within 30 days following the issuance of the final order by the Commission, the Company will refund any unused balance to the Developer or will invoice the Developer for costs in exceedence of the anticipated costs. Developer agrees to pay to Company the invoiced amount within 30 days of its receipt.

In the event the Company chooses to incorporate other parcels into the filing, the costs will be apportioned equally among all participants.

D. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and AutoCAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Development (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

E. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Development and (2) to operate, maintain and repair the facilities. All easements and rights of way shall be free of

obstacles which may interfere with Company's use, operation and maintenance of the facilities.

F. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Development, which acceptance shall not be unreasonably withheld or delayed.

G. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Development, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

H. MAG 208 Amendment.

As a MAG 208 amendment may be required in order to provide service, Developer shall perform at its cost all necessary efforts as may be required to amend the MAG 208 plan. The engineering study, application, and any required submittals or supporting documentation must be approved by the Company before submittal to any agency.

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

## II.

Advances in Aid of Construction; Refunds; TaxesA. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Development. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

## III.

General ProvisionsA. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following: fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect: Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company. Such assignment shall not be unreasonably withheld or delayed.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:

LITCHFIELD PARK SERVICE COMPANY  
Attn.: James Humble  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340

Fax: (623) 935-1020

to the Developer:

MARACAY BETHANY ESTATES, L.L.C.  
Attn.: Jeffery J. Andersen  
15160 N. Hayden Road  
Scottsdale, AZ 85260

Fax: ( ) \_\_\_\_\_

## MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
an Arizona corporation

By: Michael D. Weber  
Its: General Manager

Developer:

MARACAY BETHANY ESTATES, L.L.C.  
an Arizona limited liability company

by: Maracay Homes Arizona I, L.L.C., an Arizona  
limited liability company  
Its: Manager

By: Jeffery J. Andersen  
Jeffery J. Andersen

MDW

MARACAY BETHANY ESTATES, L.L.C. - BETHANY ESTATES SOUTH

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 8<sup>th</sup> day of November 2005 by Michael D. Weber, as General Manager of Litchfield Park Service Company, an Arizona corporation on behalf of the corporation.

Barbara Riden  
Notary Public

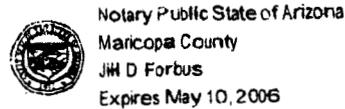


My Commission Expires:  
Feb. 3, 2007

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 21<sup>st</sup> day of OCTOBER, 2005 by Jeffery J. Andersen of Maracay Homes Arizona I, L.L.C., an Arizona limited liability company, on behalf of Maracay Bethany Estates, L.L.C., an Arizona Limited Liability Company, an Arizona limited liability company.

Jim D Forbus  
Notary Public



My Commission Expires:  
MAY 10, 2006

*MDW*

**EXHIBIT A**

**I. LEGAL DESCRIPTION**

**BETHANY ESTATES SOUTH**

**See attached.**

*MDW*

## EXHIBIT A

### LEGAL DESCRIPTION

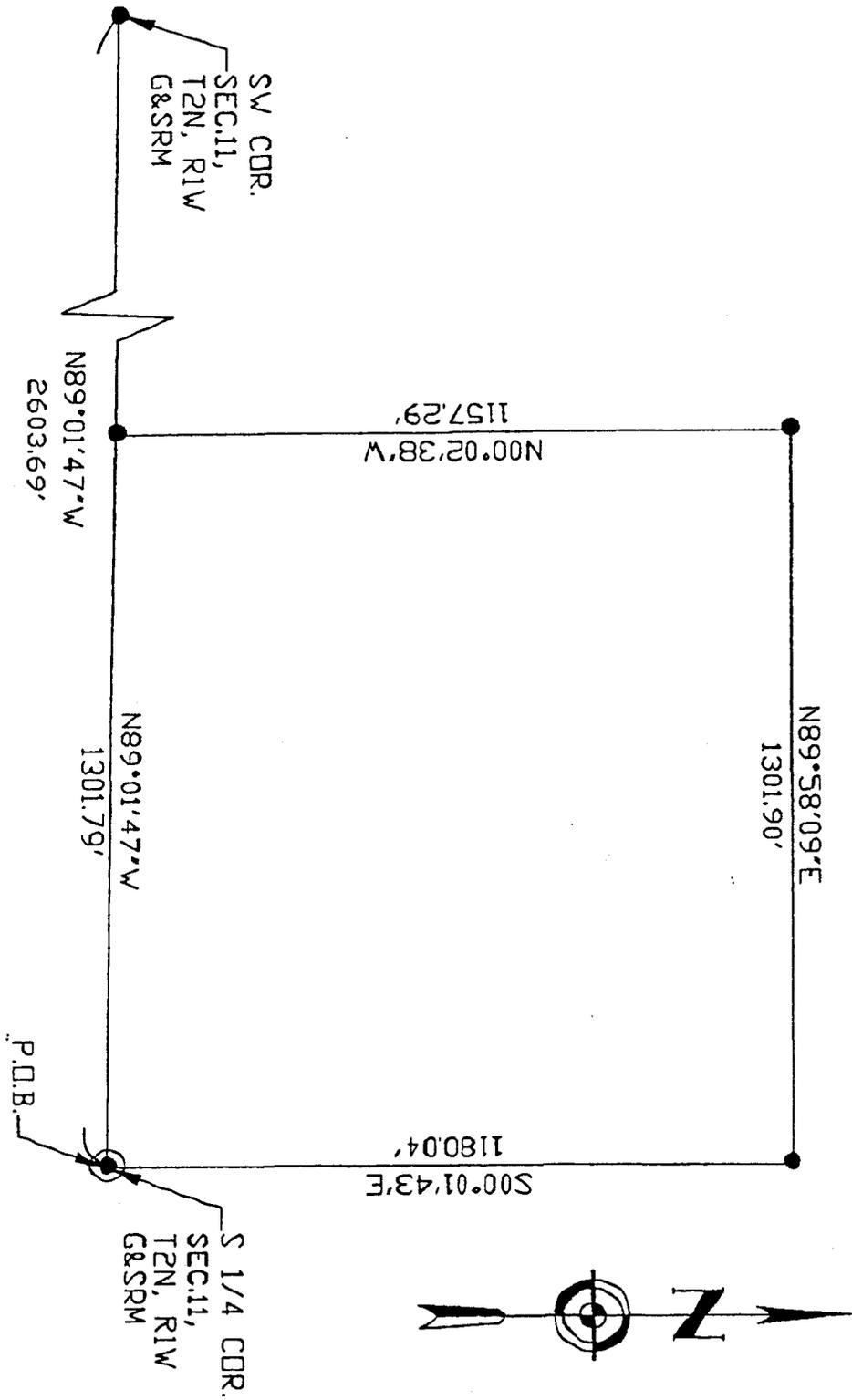
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A PARCEL OF LAND LYING IN THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 11, FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS NORTH 89 DEGREES 01 MINUTES 47 SECONDS WEST, A DISTANCE OF 2603.69 FEET, AND THE TRUE POINT OF BEGINNING; THENCE NORTH 89 DEGREES 01 MINUTES 47 SECONDS WEST, ALONG THE SOUTH LINE OF SAID SOUTHWEST QUARTER, A DISTANCE OF 1301.79 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 38 SECONDS WEST, A DISTANCE OF 1157.29 FEET; THENCE NORTH 89 DEGREES 58 MINUTES 9 SECONDS EAST, A DISTANCE OF 1301.90 FEET TO A POINT ON THE NORTH SOUTH MID SECTION LINE OF SAID SECTION 11; THENCE SOUTH 0 DEGREES 01 MINUTES 43 SECONDS EAST, A DISTANCE OF 1180.04 FEET TO THE TRUE POINT OF BEGINNING.

SAID PARCEL CONTAINS 1,521,306 SQUARE FEET (34.924 ACRES) GROSS AREA.

# EXHIBIT A



**BETHANY ESTATES**  
SOUTH  
EXHIBIT TO ACCOMPANY  
LEGAL DESCRIPTION

**Hoskin & Ryan Consultants Inc.**  
1000 West 10th Street, Suite 111  
Winnipeg, R4T 1P6, MB  
Tel: (204) 786-1111  
Fax: (204) 786-1112  
www.hoskinandryan.com

**EXHIBIT B**

**I WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION**

<u>Item Description</u>	<u>Unit Cost (\$)</u>	<u>Unit</u>	<u>Quantity</u>	<u>Total Cost</u>
8" Sanitary Sewer	\$19.60	L.F.	4102	\$80,399
4" Sanitary Sewer Taps	\$630.00	EA	24	\$15,120
4" Sanitary Sewer Tap in Manhole	\$630.00	EA	4	\$2,520
5' Manhole 30" Ring & Cover (No Steps)	\$2,590.00	EA	12	\$31,080
				<hr/>
			<b>Total</b>	<b>\$129,119.00</b>

*MDW*

**EXHIBIT C**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE  
BETHANY ESTATES SOUTH**

**A. TEPD Facilities Fee**

28 EDUs X \$1,500/EDU = \$42,000.00

*MDW*

WASTEWATER FACILITIES AGREEMENT ("Agreement") entered into this day 3 of ~~November~~, 2005, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and MARACAY BETHANY ESTATES II, L.L.C. (Developer), an Arizona limited liability company

### RECITALS

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Development"). The Development, known as Falcon View, consists of 64 residential lots on approximately 29.5 acres. The Development is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Company is willing to file a Notice of Extension ("Notice") with the Commission to seek authority to extend its CC&N to include the Development in its CC&N, and

WHEREAS, Developer acknowledges and agrees that service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission, and

WHEREAS, Developer acknowledges and agrees that in order for Company to provide service, an application for the amendment of the Maricopa Association of Governments (MAG) 208 plan may be required by MAG and the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

## I.

Wastewater FacilitiesA. Construction of Wastewater Facilities by Developer.

Developer will construct, or will cause to be constructed wastewater collection and delivery facilities (Wastewater Facilities) necessary for Company to provide wastewater utility service within the Development. The Wastewater Facilities have been, or will be, designed and constructed in accordance with plans and specifications prepared by Developer and approved by the Company.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. The cost of the Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Development, including all onsite and offsite facilities. Accurate as-built maps must be received by the Company prior to final inspection of the parcels.

B. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per Equivalent Dwelling Unit (EDU). All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TEPA Fee shall be paid at the time of signing this Agreement. The TEPA fee for the Development is attached hereto as Exhibit C. The TEPA fee shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

MDW

C. CC&N Extension.

The Company will be required to extend its existing CC&N to serve the Development. Prior to the start of the CC&N extension effort, the Company will inform the Developer of the anticipated cost. Developer will advance to Company the anticipated cost of the CC&N extension or, if the Company includes other developments in the extension application, the Developer's prorated share of the cost. The anticipated cost will be determined by the Company or its legal counsel. Within 30 days following the issuance of the final order by the Commission, the Company will refund any unused balance to the Developer or will invoice the Developer for costs in exceedence of the anticipated costs. Developer agrees to pay to Company the invoiced amount within 30 days of its receipt.

In the event the Company chooses to incorporate other parcels into the filing, the costs will be apportioned equally among all participants.

D. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and AutoCAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Development (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

E. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Development and (2) to operate, maintain and repair the facilities. All easements and rights of way shall be free of

obstacles which may interfere with Company's use, operation and maintenance of the facilities.

F. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Development, which acceptance shall not be unreasonably withheld or delayed.

G. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Development, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

H. MAG 208 Amendment.

As a MAG 208 amendment may be required in order to provide service, Developer shall perform at its cost all necessary efforts as may be required to amend the MAG 208 plan. The engineering study, application, and any required submittals or supporting documentation must be approved by the Company before submittal to any agency.

I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

II.

**Advances in Aid of Construction; Refunds; Taxes**

A. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Development. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

III.

**General Provisions**

A. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following: fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with

## MARACAY BETHANY ESTATES II, L.L.C. - FALCON VIEW

any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect; Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company. Such assignment shall not be unreasonably withheld or delayed.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:

LITCHFIELD PARK SERVICE COMPANY  
Attn.: James Humble  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340

Fax: (623) 935-1020

to the Developer:

MARACAY BETHANY ESTATES II, L.L.C.  
Attn.: Jeffery J. Andersen  
15160 N. Hayden Road  
Scottsdale, AZ 85260

Fax: (480) 970-8899

## MARACAY BETHANY ESTATES II, L.L.C. - FALCON VIEW

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the

MARACAY BETHANY ESTATES II, L.L.C. - FALCON VIEW

estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
an Arizona corporation

By: Michael D. Webb  
Its: General manager

Developer:

MARACAY BETHANY ESTATES II, L.L.C.  
an Arizona limited liability company

by: Maracay Homes Arizona I, L.L.C., an Arizona  
limited liability company  
Its: Manager

By: Jeffery J. Andersen  
Jeffery J. Andersen

MDW



**EXHIBIT A**

**I. LEGAL DESCRIPTION**

**FALCON VIEW**

See attached.

EXHIBIT A

## LEGAL DESCRIPTION

That portion of the Northeast quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the Northeast corner of said Section;

THENCE North 89°18'03" West, along the North line of said Section, a distance of 1303.39 feet to the Northeast corner of the West half of said Northeast quarter;

THENCE South 00°01'27" East, along the East line of said West half, a distance of 658.54 feet to the POINT OF BEGINNING;

THENCE continuing South 00°01'27" East, along said East line, a distance of 1975.62 feet to a point on the South line of said quarter;

THENCE North 89°10'20" West, along said South line, a distance of 651.16 feet to a point on the West line of the East half of said West half;

THENCE North 00°02'10" West, along said West line, a distance of 1974.53 feet;

THENCE South 89°16'08" East, a distance of 651.56 feet to the POINT OF BEGINNING.

Said parcel containing 29.53 acres gross.



MDW

**EXHIBIT B**

**I. WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION**

**FALCON VIEW**

See attached.

**LANDAIDE** INC.

October 27, 2005

Mr. Tony Widowski  
 %Maracay Homes  
 15160 N. Hayden Rd., #200  
 Scottsdale, AZ 85260

Re: FALCON VIEW - Sewer Construction  
 LA Job No. 1216

Dear Mr. Widowski:

The following is our engineer's cost estimate for the referenced project:

<u>Item</u>	<u>Quantity</u>	<u>Unit Price</u>	<u>Cost</u>
8" PVC SDR-35 w/slurry backfil	3810 L.F.	\$50.00/L.F.	\$190,500.00
Sewer Manhole	19 Ea.	3000.00/Ea.	57,000.00
4" House Connection	64 Ea.	300.00/Ea.	19,200.00
Subtotal			\$256,700.00
Engineering/surveying/inspection	20%		53,340.00
Contingency	10%		26,670.00
		<b>TOTAL</b>	<b>\$346,710.00</b>

Sincerely,

LANDAIDE, INC.

Robert S. Mitchell, P.E., R.L.S.  
 Principal



MDW

**EXHIBIT C**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE**

**FALCON VIEW**

**A. TEPD Facilities Fee**

64 EDUs X \$1,500/EDU = \$96,000.00

*MDW*

WASTEWATER FACILITIES AGREEMENT ("Agreement") entered into this ~~8th~~ day of ~~NOVEMBER~~ 2005, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and MARYLAND 40, L.L.C. (Developer), an Arizona limited liability company

RECITALS

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Development"). The Development consists of 80 residential lots on approximately 39 acres. The Development is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Company is willing to file a Notice of Extension ("Notice") with the Commission to seek authority to extend its CC&N to include the Development in its CC&N, and

WHEREAS, Developer acknowledges and agrees that service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission, and

WHEREAS, Developer acknowledges and agrees that in order for Company to provide service, an application for the amendment of the Maricopa Association of Governments (MAG) 208 plan may be required by MAG and the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

I.

Wastewater Facilities

A. Construction of Wastewater Facilities by Developer.

Developer will construct, or will cause to be constructed wastewater collection and delivery facilities (Wastewater Facilities) necessary for Company to provide wastewater utility service within the Development. The Wastewater Facilities have been, or will be, designed and constructed in accordance with plans and specifications prepared by Developer and approved by the Company.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. The cost of the Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Development, including all onsite and offsite facilities. Accurate as-built maps must be received by the Company prior to final inspection of the parcels.

B. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per Equivalent Dwelling Unit (EDU). All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TPED Fee shall be paid at ten (10) days after final plat recordation for the Development. The TPED fee for the Development is attached hereto as Exhibit C. The TPED fee shall

constitute a contribution in aid of construction and shall be non-refundable to the Developer.

C. CC&N Extension.

The Company will be required to extend its existing CC&N to serve the Development. Prior to the start of the CC&N extension effort, the Company will inform the Developer of the anticipated cost. Developer will advance to Company the anticipated cost of the CC&N extension or, if the Company includes other developments in the extension application, the Developer's prorated share of the cost. The anticipated cost will be determined by the Company or its legal counsel. Within 30 days following the issuance of the final order by the Commission, the Company will refund any unused balance to the Developer or will invoice the Developer for costs in exceedence of the anticipated costs. Developer agrees to pay to Company the invoiced amount within 30 days of its receipt.

In the event the Company chooses to incorporate other parcels into the filing, the costs will be apportioned equally among all participants.

D. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and AutoCAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Development (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

E. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Development and (2) to operate,

maintain and repair the facilities. All easements and rights of way shall be free of obstacles which may interfere with Company's use, operation and maintenance of the facilities.

F. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Development, which acceptance shall not be unreasonably withheld or delayed.

G. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Development, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

H. MAG 208 Amendment.

As a MAG 208 amendment may be required in order to provide service, Developer shall perform at its cost all necessary efforts as may be required to amend the MAG 208 plan. The engineering study, application, and any required submittals or supporting documentation must be approved by the Company before submittal to any agency.

MDW 

### I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

## II.

### Advances in Aid of Construction; Refunds; Taxes

#### A. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Development. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

## III.

### General Provisions

#### A. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

#### B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following:

## MARYLAND 40, L.L.C. - RIVERSIDE ESTATES

fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect; Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company. Such assignment shall not be unreasonably withheld or delayed.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:

LITCHFIELD PARK SERVICE COMPANY  
Attn.: James Humble  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340

Fax: (623) 935-1020

to the Developer:

MARYLAND 40, L.L.C.  
Attn.: Perry Mathis  
5108 North 40<sup>th</sup> Street, Suite 3  
Phoenix, AZ 85018

Fax: (602) 957-2033

MDW P

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully

perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
an Arizona corporation

By Michael D. Weber  
Its: General manager

Developer:

MARYLAND 40, L.L.C.  
an Arizona limited liability company

By: Cason Tyler, L.L.C., an Arizona limited liability company, its Manager

By Perry A. Mathis  
Perry A. Mathis, its Manager

*MDW P*



**EXHIBIT A**

**I. LEGAL DESCRIPTION**

**RIVERSIDE ESTATES**

**LEGAL DESCRIPTION**

That portion of The Southeast Quarter of Section 11, Township 2 North, Range 1 West of the Gila and Salt River Meridian, Maricopa County, Arizona, described as follows:

Commencing at the East Quarter Corner of said Section 11 said point being the.

**TRUE POINT OF BEGINNING;**

Thence South 00 degrees 00 minutes 32 seconds East along the East line of said Section 11 a distance of 1318.56 feet;

Thence North 89 degrees 06 minutes 15 seconds West a distance of 1301.91 feet;

Thence North 00 degrees 01 minutes 39 seconds West a distance of 1317.01 feet to a point on the East-West Midsection line of said Section 11;

Thence South 89 degrees 10 minutes 20 seconds East along said Midsection line a distance of 1302.32 feet;

to the **POINT OF BEGINNING**.

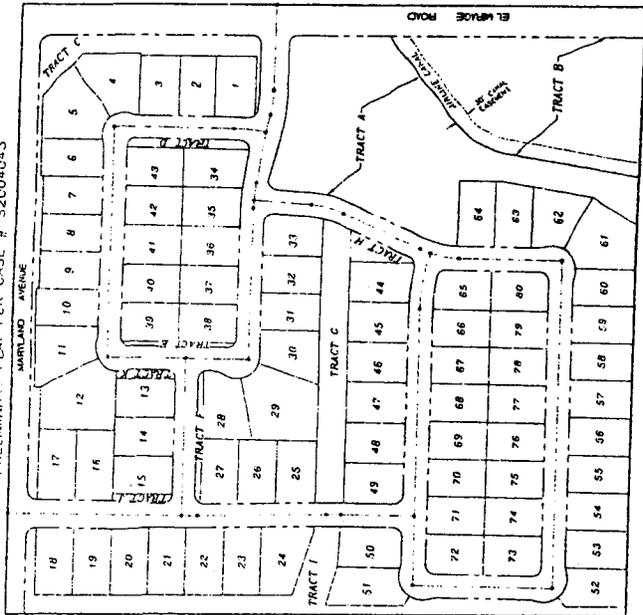
The above described parcel contains 1,715,709.41 Sq. Ft. (39.39 acres) more or less.

Prepared by: CMX, L.L.C.  
Project No. 7038  
April 28, 2004

*MDW*

# PRELIMINARY PLAT FOR RIVERSIDE ESTATES MARICOPA COUNTY, ARIZONA

A SUBDIVISION OF A PORTION OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA  
 PRELIMINARY PLAT PER CASE # S2004043



**PROJECT DESCRIPTION**  
 REQUESTED ZONING FROM RURAL-13 TO R1-10 RUPD WITH A SINGLE-FAMILY RESIDENTIAL PRELIMINARY PLAT IN THE R1-10 RUPD ZONING DISTRICT

**GENERAL NOTES**

- ALL STREETS WILL BE CONSTRUCTED TO MINIMUM COUNTY STANDARDS.
- ALL UTILITIES SHALL BE PLACED UNDERGROUND.
- MAINTENANCE OF ALL OPEN SPACES/RETENTION BASINS SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.
- WITH THE REMAINDER IN ZONE A AS SHOWN ON THE PLAT.
- A FLOODPLAIN AS AN OBSTRUCTION TO 155 NATURAL DRAINAGE PATH, THUS REMOVING THE 2DIE
- ALL OUTDOOR LIGHTING WILL CONFORM WITH SECTION 1112 OF THE M.C.C.O.
- ALL UTILITIES ARE TO BE PLACED UNDERGROUND.
- ALL WATERLINES WILL HAVE A MINIMUM WATER PRESSURE OF 100 PSI ACCEPTANCE BY M.C.C.O.
- EXISTING CONTOURS ARE INDICATED. ALL DEVELOPED AREAS WILL DRAIN TO ON-SITE DETENTION.
- THE SITE SHALL BE MASS GRADED. ALL MATERIALS TO BE SALVAGED SHALL BE REMOVED PRIOR TO ANY CLEARING OR GRADING.
- A LANDSCAPE INVENTORY AND SALVAGE PLAN WILL BE PROVIDED PRIOR TO THE FINAL PLAT.
- FROM ALL DIRECTIONS.
- LOUIS 1-4 AND 62-64 ARE LOCATED WITHIN A DELINEATED FLOODPLAIN AND THAT AN INDIVIDUAL THESE LOTS PERMIT WILL BE REQUIRED FOR EACH LOT BEFORE AND CONSTRUCTION IS PERMITTED ON THESE LOTS.
- THIS SITE IS IN PROXIMITY TO LUKE AIR FORCE BASE.

**LEGAL DESCRIPTION**  
 THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 11 SAID POINT BEING THE TRUE POINT OF BEGINNING.

THENCE SOUTH 00 DEGREES 00 MINUTES 32 SECONDS EAST ALONG THE EAST LINE OF SAID SECTION 11 A DISTANCE OF 1307.01 FEET.

THENCE NORTH 89 DEGREES 04 MINUTES 15 SECONDS WEST A DISTANCE OF 1307.01 FEET.

THENCE NORTH 00 DEGREES 01 MINUTES 39 SECONDS WEST A DISTANCE OF 1317.01 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,715,709 4150 FT. (39.39 ACRES) MORE OR LESS

**SITE SUMMARY TABLE**

EXISTING ZONING	RURAL-13	PROPOSED ZONING	R1-10 RUPD
OVERALL AREA (GROSS)	1,715,709 4150 FT. (39.39 ACRES)		
DEDICATED PERMETER ROW	314 ACRES		
OVERALL AREA (NET)	1,579,058.51 S.F. 36.25 ACRES		
TOTAL NUMBER OF LOTS	80	TOTAL # OF TRACTS	6
DENSITY	2.03 D.U./ACRE		
TAX ASSESSORS PARCEL NUMBERS	501-26-008A, B, C, D, E, & F		
REQUIRED PARKING	160	PROPOSED PARKING	160

**REGULATION**

BASE ZONING DISTRICT REGULATION	R1-10	PROPOSED ZONING DISTRICT REGULATION	R1-10
STREET WIDTH (MINIMUM)	30'		
STREET WIDTH (TYPICAL)	30'		
STREET WIDTH (MAXIMUM)	30'		
LOT AREA (MINIMUM)	10,000 SQUARE FEET		
LOT AREA (TYPICAL)	10,000 SQUARE FEET		
LOT AREA (MAXIMUM)	10,000 SQUARE FEET		
MINIMUM FRONT YARD SETBACK (MINIMUM)	5'		
MINIMUM FRONT YARD SETBACK (TYPICAL)	5'		
MINIMUM FRONT YARD SETBACK (MAXIMUM)	5'		

**REGULATION**

BASE ZONING DISTRICT REGULATION	R1-10	PROPOSED ZONING DISTRICT REGULATION	R1-10
STREET WIDTH (MINIMUM)	30'		
STREET WIDTH (TYPICAL)	30'		
STREET WIDTH (MAXIMUM)	30'		
LOT AREA (MINIMUM)	10,000 SQUARE FEET		
LOT AREA (TYPICAL)	10,000 SQUARE FEET		
LOT AREA (MAXIMUM)	10,000 SQUARE FEET		
MINIMUM FRONT YARD SETBACK (MINIMUM)	5'		
MINIMUM FRONT YARD SETBACK (TYPICAL)	5'		
MINIMUM FRONT YARD SETBACK (MAXIMUM)	5'		

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
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**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**PROJECT DESCRIPTION**  
 REQUESTED ZONING FROM RURAL-13 TO R1-10 RUPD WITH A SINGLE-FAMILY RESIDENTIAL PRELIMINARY PLAT IN THE R1-10 RUPD ZONING DISTRICT

**GENERAL NOTES**

- ALL STREETS WILL BE CONSTRUCTED TO MINIMUM COUNTY STANDARDS.
- ALL UTILITIES SHALL BE PLACED UNDERGROUND.
- MAINTENANCE OF ALL OPEN SPACES/RETENTION BASINS SHALL BE THE RESPONSIBILITY OF THE HOMEOWNERS ASSOCIATION.
- WITH THE REMAINDER IN ZONE A AS SHOWN ON THE PLAT.
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 THAT PORTION OF THE NORTHEAST QUARTER OF SECTION 11, TOWNSHIP 2 NORTH, RANGE 1 WEST OF THE GILA AND SALT RIVER MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 11 SAID POINT BEING THE TRUE POINT OF BEGINNING.

THENCE SOUTH 00 DEGREES 00 MINUTES 32 SECONDS EAST ALONG THE EAST LINE OF SAID SECTION 11 A DISTANCE OF 1307.01 FEET.

THENCE NORTH 89 DEGREES 04 MINUTES 15 SECONDS WEST A DISTANCE OF 1307.01 FEET.

THENCE NORTH 00 DEGREES 01 MINUTES 39 SECONDS WEST A DISTANCE OF 1317.01 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL CONTAINS 1,715,709 4150 FT. (39.39 ACRES) MORE OR LESS

**SITE SUMMARY TABLE**

EXISTING ZONING	RURAL-13	PROPOSED ZONING	R1-10 RUPD
OVERALL AREA (GROSS)	1,715,709 4150 FT. (39.39 ACRES)		
DEDICATED PERMETER ROW	314 ACRES		
OVERALL AREA (NET)	1,579,058.51 S.F. 36.25 ACRES		
TOTAL NUMBER OF LOTS	80	TOTAL # OF TRACTS	6
DENSITY	2.03 D.U./ACRE		
TAX ASSESSORS PARCEL NUMBERS	501-26-008A, B, C, D, E, & F		
REQUIRED PARKING	160	PROPOSED PARKING	160

**REGULATION**

BASE ZONING DISTRICT REGULATION	R1-10	PROPOSED ZONING DISTRICT REGULATION	R1-10
STREET WIDTH (MINIMUM)	30'		
STREET WIDTH (TYPICAL)	30'		
STREET WIDTH (MAXIMUM)	30'		
LOT AREA (MINIMUM)	10,000 SQUARE FEET		
LOT AREA (TYPICAL)	10,000 SQUARE FEET		
LOT AREA (MAXIMUM)	10,000 SQUARE FEET		
MINIMUM FRONT YARD SETBACK (MINIMUM)	5'		
MINIMUM FRONT YARD SETBACK (TYPICAL)	5'		
MINIMUM FRONT YARD SETBACK (MAXIMUM)	5'		

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

**MINIMUM FRONT YARD SETBACK (MINIMUM)**  
 5'

**MINIMUM FRONT YARD SETBACK (TYPICAL)**  
 5'

**MINIMUM FRONT YARD SETBACK (MAXIMUM)**  
 5'

**SIGN IDENTIFYING THE SUBDIVISION (MAXIMUM)**  
 32 SQUARE FEET / 6' HIGH / BASE 1/2 WIDTH

**PROPOSED ZONING DISTRICT REGULATION**  
 R1-10

**STREET WIDTH (MINIMUM)**  
 30'

**STREET WIDTH (TYPICAL)**  
 30'

**STREET WIDTH (MAXIMUM)**  
 30'

**LOT AREA (MINIMUM)**  
 10,000 SQUARE FEET

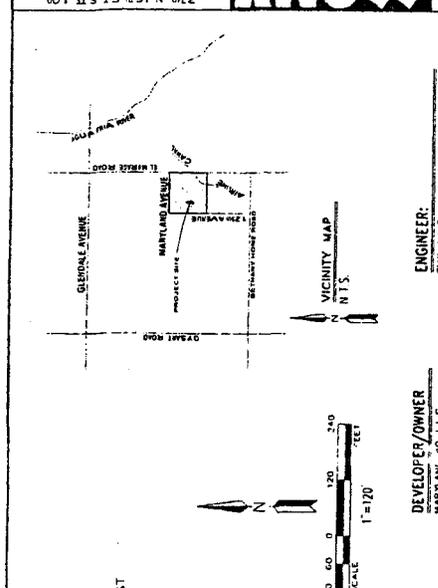
**LOT AREA (TYPICAL)**  
 10,000 SQUARE FEET

**LOT AREA (MAXIMUM)**  
 10,000 SQUARE FEET

ENGINEERS - PLANNERS - LANDSCAPE ARCHITECTS - SURVEYORS - CIVIL ENGINEERS  
**CMX**  
 770 N 18TH ST STE 100  
 PHOENIX, AZ 85008  
 PHONE (602) 567-1100  
 FAX (602) 567-1311  
 WWW.CMX.COM

**RIVERSIDE ESTATES**  
 PRELIMINARY PLAT  
 EL MIRAGE ROAD & MARLOW AVENUE  
 MARICOPA COUNTY, ARIZONA

DATE: JAN 2003  
 SCALE: N.T.S.  
 DRAWN BY: CMX  
 APPROVED BY: CMX  
 REV: SUBMITTAL  
 4-1003



**DEVELOPER/OWNER**  
 MARLOW, L.L.C.  
 5108 NORTH 40TH STREET, SUITE 3  
 PHOENIX, ARIZONA 85018  
 PHONE: 602-957-1789  
 FAX: 602-957-2033  
 CONTACT: GORGE QUINN

**ENGINEER:**  
 CMX, L.L.C.  
 7740 NORTH 16TH STREET, SUITE 100  
 PHOENIX, ARIZONA 85018  
 PHONE: (602) 567-1100  
 FAX: (602) 567-1311  
 PROJECT ENGINEER: VICTOR J. PHILIP  
 PZ REG. NO. 30340

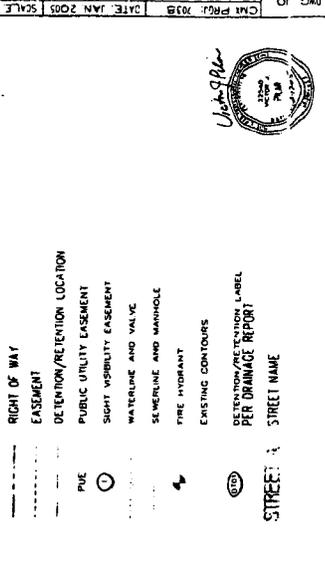
**BENCHMARK**  
 NATIONAL GEODETIC SURVEY MONUMENT DESIGNATION: 'CAT', STEEL ROD IN MANHOLE ON THE SOUTH SIDE OF NORTHERN AVENUE AT 115TH AVENUE.  
 ELEVATION = 1087.244 FEET (NAVD 88 DATUM)

**SHEET INDEX**  
 COVER SHEET  
 LANDSCAPE PLANS

**UTILITY COMPANIES:**  
 WATER: VALLEY UTILITIES  
 GAS: SOUTHWEST GAS COMPANY  
 ELECTRIC: APS  
 CABLE TV: ONE8 COMMUNICATIONS  
 MARICOPA COUNTY SHERIFF'S DEPARTMENT  
 LITCHFIELD FIRE DEPARTMENT  
 FIRE: MARICOPA COUNTY SHERIFF'S DEPARTMENT  
 REFUSE DISPOSAL: PARADISE WASTE N/A

**LEGEND**

- BOUNDARY
- LOT LINES
- RIGHT OF WAY
- EASEMENT
- DEVIATION/REVISION LOCATION
- PUE
- PUBLIC UTILITY EASEMENT
- SIGHT VISIBILITY EASEMENT
- WATERLINE AND VALVE
- SEWERLINE AND MANHOLE
- FIRE HYDRANT
- EXISTING CONTOURS
- DEVIATION OF SECTION LABEL PER DRAINAGE REPORT
- STREET NAME



CV01  
 DATE: JAN 2003  
 SCALE: N.T.S.  
 DRAWN BY: CMX  
 APPROVED BY: CMX  
 REV: SUBMITTAL  
 4-1003

U.S. DEPARTMENT OF THE INTERIOR  
 BUREAU OF LAND MANAGEMENT  
 002-263-1100

EXHIBIT A CONTINUED

*Handwritten signature/initials*

**EXHIBIT B**

**I. WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION**

See attached.

*MDW*

**EXHIBIT B**

**Riverside Estates**  
 El Mirage Road  
 Maricopa County  
**Maryland 40, L.L.C.**

Number of Lots: 0  
 Area (acres): 2  
 Prepared Date: March 15, 2005  
 ROW Width: 65  
 Sewer Line: 1339

**ESTIMATE OF ANTICIPATED DEVELOPMENT COSTS**

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL ITEM COST	COST PER LF
<b>1.00 PLAN REVIEW AND PROCESSING FEES</b>					
1.20 CITY ENGINEERING FEES					
Plan Review	2%	OF	\$ 46,555.50	\$ 931.11	
1.30 COUNTY HEALTH DEPT. FEES (Engr.)					
Plan Review	1	LS	\$ 200.00	\$ 200.00	
Approval to Construct	1	LS	\$ 490.00	\$ 490.00	
TOTAL COUNTY HEALTH DEPT. FEES (Engr.)				\$ 690.00	
<b>TOTAL PLAN REVIEW AND PROCESSING FEES</b>				<b>\$ 1,621.11</b>	<b>\$ 1.21</b>
<b>2.00 PERMIT FEES</b>					
2.10 CITY PERMIT FEES					
City Permits	3.5%	OF	\$ 46,555.50	\$ 1,629.44	
2.20 COUNTY HEALTH DEPT. FEES (Air Qual.)					
Dust Control Permit	1	LS	\$ 110.00	\$ 110.00	
	2	AC	\$ 36.00	\$ 72.00	
TOTAL COUNTY HEALTH DEPT. FEES (Air Qual.)				\$ 182.00	
<b>TOTAL PERMIT FEES</b>				<b>\$ 1,811.44</b>	<b>\$ 1.35</b>
<b>3.00 CONSULTANT SERVICES</b>					
3.10 CONSTRUCTION MANAGEMENT					
Construction Management	1	LS	\$ 4,000.00	\$ 4,000.00	
3.20 ENGINEERING					
Engineering Design	1	LS	\$ 10,000.00	\$ 10,000.00	
3.30 CONSTRUCTION STAKING					
Offsite Construction Staking	1	LS	\$ 3,500.00	\$ 3,500.00	
<b>TOTAL CONSULTANT SERVICES</b>				<b>\$ 17,500.00</b>	<b>\$ 13.07</b>
<b>4.00 CONSTRUCTION TESTING</b>					
4.10 SOIL /COMPACTION TESTING					
Offsite Testing	1	LS	\$ 2,500.00	\$ 2,500.00	
<b>TOTAL CONSTRUCTION TESTING</b>				<b>\$ 2,500.00</b>	<b>\$ 1.87</b>

*MOW*

**Riverside Estates**  
 El Mirage Road  
 Maricopa County  
 Maryland 40, L.L.C.

Number of Lots: 0  
 Area (acres) : 2  
 Prepared Date: March 15, 2005  
 ROW Width: 65  
 Sewer Line 1339

**ESTIMATE OF ANTICIPATED DEVELOPMENT COSTS**

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL ITEM COST	COST PER LF
<b>5.00 WET UTILITIES</b>					
5.20 SEWER					
8" PVC Sewerline (7'-10')	1339	LF	\$ 24.00	\$ 32,136.00	
Manholes (4')	5	EA	\$ 2,300.00	\$ 11,500.00	
Connect to Existing	1	EA	\$ 1,000.00	\$ 1,000.00	
Air Test Manholes	5	EA	\$ 250.00	\$ 1,250.00	
Camera Test Sewer	1339	LF	\$ 0.50	\$ 669.50	
<b>TOTAL WET UTILITIES</b>				<b>\$ 46,555.50</b>	<b>\$ 34.77</b>
<b>6.00 MISCELLANEOUS CLEANUP</b>					
6.10 HYDRO-VAC SEWER	1339	LF	\$ 0.50	\$ 669.50	
6.20 SUPPLEMENTAL DUST CONTROL	1339	LF	\$ 0.25	\$ 334.75	
<b>TOTAL MISCELLANEOUS REMOVALS</b>				<b>\$ 1,004.25</b>	<b>\$ 0.75</b>
<b>7.00 SALES TAX</b>					
7.10 SALES TAX (ITEMS 11-27)	4.095%	OF	\$ 46,555.50	\$ 1,906.45	
<b>TOTAL SALES TAX</b>				<b>\$ 1,906.45</b>	<b>\$ 1.42</b>
<b>8.00 CONTINGENCY</b>					
8.10 CONTINGENCY	10%	OF	\$ 72,898.75	\$ 7,289.88	
<b>TOTAL CONTINGENCY</b>				<b>\$ 7,289.88</b>	<b>\$ 5.44</b>
<b>TOTAL ANTICIPATED DEVELOPMENT COSTS</b>				<b>\$ 80,188.63</b>	<b>\$ 59.89</b>

*MDW*

**Riverside Estates**  
 125th Avenue & Maryland Avenue  
 Maricopa County  
 Maryland 40, L.L.C.

Number of Lots: 80  
 Area (acres) : 40  
 Prepared Date: March 15, 2005  
 ROW Width: 50  
 Sewer Line 4530

**ESTIMATE OF ANTICIPATED DEVELOPMENT COSTS**

DESCRIPTION	QUANTITY UNIT	UNIT PRICE	TOTAL ITEM COST	COST PER LOT
<b>1.00 PLAN REVIEW AND PROCESSING FEES</b>				
1.20 CITY ENGINEERING FEES				
Plan Review	2% OF	\$ 163,585.00	\$ 3,271.70	
1.30 COUNTY HEALTH DEPT. FEES (Engr.)				
Plan Review	1 LS	\$ 200.00	\$ 200.00	
Approval to Construct	1 LS	\$ 490.00	\$ 490.00	
TOTAL COUNTY HEALTH DEPT. FEES (Engr.)			\$ 690.00	
<b>TOTAL PLAN REVIEW AND PROCESSING FEES</b>			<b>\$ 3,961.70</b>	<b>\$ 49.52</b>
<b>2.00 PERMIT FEES</b>				
2.10 CITY PERMIT FEES				
City Permits	3.5% OF	\$ 163,585.00	\$ 5,725.48	
2.20 COUNTY HEALTH DEPT. FEES (Air Qual.)				
Dust Control Permit	1 LS	\$ 110.00	\$ 110.00	
	40 AC	\$ 36.00	\$ 1,440.00	
TOTAL COUNTY HEALTH DEPT. FEES (Air Qual.)			\$ 1,550.00	
<b>TOTAL PERMIT FEES</b>			<b>\$ 7,275.48</b>	<b>\$ 90.94</b>
<b>3.00 CONSULTANT SERVICES</b>				
3.10 CONSTRUCTION MANAGEMENT				
Construction Management	80 LOT	\$ 150.00	\$ 12,000.00	
3.20 ENGINEERING				
Engineering Design	80 LOT	\$ 250.00	\$ 20,000.00	
3.30 CONSTRUCTION STAKING				
Onsite Construction Staking	80 LOT	\$ 125.00	\$ 10,000.00	
<b>TOTAL CONSULTANT SERVICES</b>			<b>\$ 42,000.00</b>	<b>\$ 525.00</b>
<b>4.00 CONSTRUCTION TESTING</b>				
4.10 SOIL /COMPACTION TESTING				
Onsite Testing	80 LOT	\$ 50.00	\$ 4,000.00	
<b>TOTAL CONSTRUCTION TESTING</b>			<b>\$ 4,000.00</b>	<b>\$ 50.00</b>

*MDW*

**Riverside Estates**  
 125th Avenue & Maryland Avenue  
 Maricopa County  
 Maryland 40, L.L.C.

Number of Lots: 80  
 Area (acres): 40  
 Prepared Date: March 15, 2005  
 ROW Width: 50  
 Sewer Line 4530

**ESTIMATE OF ANTICIPATED DEVELOPMENT COSTS**

DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL ITEM COST	COST PER LOT
<b>5.00 WET UTILITIES</b>					
<b>5.20 SEWER</b>					
8" PVC Sewerline (7'-10')	4530	LF	\$ 24.00	\$ 108,720.00	
Manholes (4')	12	EA	\$ 2,300.00	\$ 27,600.00	
Connect to Existing	1	EA	\$ 1,000.00	\$ 1,000.00	
4" Services	80	EA	\$ 300.00	\$ 24,000.00	
Camera Test Sewer	4530	LF	\$ 0.50	\$ 2,265.00	
				\$ 163,585.00	
<b>TOTAL WET UTILITIES</b>				\$ 163,585.00	
<b>6.00 MICELLANEOUS CLEANUP</b>					
6.10 Hydro-Vac Sewer	4530	LF	\$ 0.50	\$ 2,265.00	
6.20 Supplemental Dust Control	4530	LF	\$ 0.25	\$ 1,132.50	
				\$ 3,397.50	
<b>TOTAL MISCELLANEOUS CLEANUP</b>				\$ 3,397.50	
<b>7.00 SALES TAX</b>					
7.10 SALES TAX (ITEMS 11 - 27)	4.095%	OF	\$ 166,982.50	\$ 6,837.93	
<b>TOTAL SALES TAX</b>				\$ 6,837.93	\$ 85.47
<b>8.00 CONTINGENCY</b>					
8.10 CONTINGENCY	10%	OF	\$ 231,057.61	\$ 23,105.76	
<b>TOTAL CONTINGENCY</b>				\$ 23,105.76	\$ 288.82
<b>TOTAL ANTICIPATED DEVELOPMENT COSTS</b>				\$ 254,163.37	\$ 3,177.04

*MDW*

**EXHIBIT C**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE**

**A. TEPD Facilities Fee**

80 EDUs X \$1,500/EDU = \$120,000.00



WASTEWATER FACILITIES AGREEMENT ("Agreement") entered into this day 20<sup>th</sup> of October, 2005, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and ADOBE WEST CONSTRUCTION, INC. (Developer), an Arizona corporation

### RECITALS

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Development"). The Development, known as Dysart Village, consists of 39 residential lots on approximately 29.45 acres. The Development is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Company is willing to file a Notice of Extension ("Notice") with the Commission to seek authority to extend its CC&N to include the Development in its CC&N, and

WHEREAS, Developer acknowledges and agrees that service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission, and

WHEREAS, Developer acknowledges and agrees that in order for Company to provide service, an application for the amendment of the Maricopa Association of Governments (MAG) 208 plan may be required by MAG and the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

I.

Wastewater Facilities

A. Construction of Wastewater Facilities by Developer.

Developer will construct, or will cause to be constructed wastewater collection and delivery facilities (Wastewater Facilities) necessary for Company to provide wastewater utility service within the Development. The Wastewater Facilities have been, or will be, designed and constructed in accordance with plans and specifications prepared by Developer and approved by the Company.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. The cost of the Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Development, including all onsite and offsite facilities. Accurate as-built maps must be received by the Company prior to final inspection of the parcels.

B. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per Equivalent Dwelling Unit (EDU). All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TPED Fee shall be paid at the time of signing this Agreement. The TPED fee for the Development is attached hereto as Exhibit C. The TPED fee shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

C. CC&N Extension.

The Company will be required to extend its existing CC&N to serve the Development. Prior to the start of the CC&N extension effort, the Company will inform the Developer of the anticipated cost. Developer will advance to Company the anticipated cost of the CC&N extension or, if the Company includes other developments in the extension application, the Developer's prorated share of the cost. The anticipated cost will be determined by the Company or its legal counsel. Within 30 days following the issuance of the final order by the Commission, the Company will refund any unused balance to the Developer or will invoice the Developer for costs in exceedence of the anticipated costs. Developer agrees to pay to Company the invoiced amount within 30 days of its receipt.

In the event the Company chooses to incorporate other parcels into the filing, the costs will be apportioned equally among all participants.

D. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and AutoCAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Development (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

E. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Development and (2) to operate, maintain and repair the facilities. All easements and rights of way shall be free of

obstacles which may interfere with Company's use, operation and maintenance of the facilities.

F. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Development, which acceptance shall not be unreasonably withheld or delayed.

G. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Development, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

H. MAG 208 Amendment.

As a MAG 208 amendment may be required in order to provide service, Developer shall perform at its cost all necessary efforts as may be required to amend the MAG 208 plan. The engineering study, application, and any required submittals or supporting documentation must be approved by the Company before submittal to any agency.

I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

II.

**Advances in Aid of Construction; Refunds; Taxes**

A. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Development. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

III.

**General Provisions**

A. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following: fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with

any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect; Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company. Such assignment shall not be unreasonably withheld or delayed.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:

LITCHFIELD PARK SERVICE COMPANY  
Attn.: James Humble  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340

Fax: (623) 935-1020

to the Developer:

ADOBE WEST CONSTRUCTION, INC.  
Attn.: Ernie Lucke  
PO Box 6503  
Mesa, Arizona 85216

Fax: (480) 907-6582

MDW

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the

ADOBE WEST CONSTRUCTION, INC. - DYSART VILLAGE

estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
an Arizona corporation

By Michael D. Weber  
Its: General Manager

Developer:

ADOBE WEST CONSTRUCTION, INC.  
an Arizona corporation

By [Signature]  
Its: [Signature]

*MJW*



**EXHIBIT A**

**I. LEGAL DESCRIPTION**

**DYSART VILLAGE**

See attached.

**DYSART VILLAGE**  
**LEGAL DESCRIPTION**

PORTION OF THE SW ¼ OF SECTION 11, T 2N, R 1 W OF THE G&SRB&M, MARICOPA COUNTY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WEST ¼ CORNER OF SAID SECTION 11

HENCE: S 89° 05' 41" E ALONG THE EAST-WEST MID-SECTION LINE OF SAID SECTION 11 A DISTANCE OF 1302.50 FEET TO THE NE CORNER OF THE NW ¼ OF THE SAID SECTION 11

HENCE: S 0° 00' 54" W A DISTANCE OF 985.53 FEET TO THE SE CORNER OF THE N ½ OF THE S ½ OF THE NW ¼ OF THE SW ¼ OF SAID SECTION 11

HENCE: N 89° 02' 59" W A DISTANCE OF 1302.36 FEET TO THE SW CORNER OF THE N ½ OF THE S ½ OF THE NW ¼ OF THE SW ¼ OF SAID SECTION 11

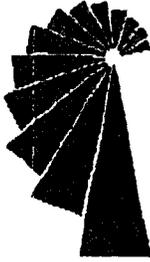
HENCE: N 0° 00' 19" E ALONG THE WEST BOUNDARY OF SAID SECTION 11 A DISTANCE OF 984.50 FEET TO THE POINT OF BEGINNING.

**EXHIBIT B**

**I. WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION  
DYSART VILLAGE**

<u>Item Description</u>	<u>Unit Cost (\$)</u>	<u>Unit</u>	<u>Quantity</u>	<u>Total Cost</u>
SEE ATTACHED				
				_____
			Total	

MDW



# STEELE ENGINEERING, LLC

**ON-SITE  
SEWER COST ESTIMATE  
DYSART VILLAGE  
SEC MARYLAND AVE. & DYSART ROAD  
MARICOPA COUNTY, ARIZONA**

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT PRICE</u>	<u>COST</u>
8" PVC	3495 L.F.	\$16 =	\$55,920
6' DIA MH	13 EA	\$1950 =	25,350
4" SEWER SERVICE	39 EA	300 =	<u>11,700</u>
		<b>TOTAL =</b>	<b>\$92,970</b>





# STEELE ENGINEERING, LLC

OFF-SITE  
SEWER COST ESTIMATE  
DYSART VILLAGE  
SEC MARYLAND AVE. & DYSART ROAD  
MARICOPA COUNTY, ARIZONA

<u>ITEM</u>	<u>QUANTITY</u>	<u>UNIT PRICE</u>	<u>COST</u>
8" PVC	680 L.F.	\$ 16 =	\$10,880
5' DIA MH	3 EA	\$1950 =	<u>5,850</u>
		TOTAL =	\$16,730



**EXHIBIT C**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE**

**A. TEPD Facilities Fee**

39 EDUs X \$1,500/EDU = \$58,500.00



Approval Date: 10/20/05

MCESD Project No. 054032  
SYSTEM: Algonquin Water Services

**CERTIFICATE OF APPROVAL TO CONSTRUCT  
(WITH STIPULATIONS)  
and  
PROVISIONAL VERIFICATION OF GENERAL PERMIT CONFORMANCE  
SEWAGE DISPOSAL SYSTEM EXTENSION**

**PROJECT DESCRIPTION:** Dysart Village - sanitary sewer collection system of approximately 3600 linear feet with a point of connection to the Algonquin Water Services sewer system.

**LOCATION:** Maricopa County  
Section 11, T2N, R1W

**PROJECT OWNER:** Ernie Lucke, President  
Adobe West Construction, Inc.  
P.O. Box 6088  
Glendale, AZ 85312

Pursuant to Arizona Administrative Code (AAC) Title 18: Chapter 9, Article 3 and the Maricopa County Environmental Health Code: Chapters II.

Approval to construct the above described facilities as represented in the approved plan documents on file with the Maricopa County Environmental Services Department is hereby given subject to the following stipulations:

- **MCESD will not issue an Approval of Sanitary Facilities for Subdivisions for Dysart Village until LPSCO is granted the CC&N expansion by the Arizona Corporation Commission to serve this development.**

Operation of this sewer collection system project shall not begin until an Approval of Construction and Verification of General Permit Conformance is issued by the Maricopa County Environmental Services Department.

**WATER AND WASTE MANAGEMENT DIVISION**

By Steven G. Borst  
**Steven G. Borst, PE, Program Manager**  
**Subdivision Infrastructure & Planning Program**

*From the approval date noted above this certificate will expire, if construction has not substantially started within one year or if no Approval OF Construction has been received within two years showing verification of completion.*

WASTEWATER FACILITIES AGREEMENT entered into this day of June 1, 2004, by and between LITCHFIELD PARK SERVICE COMPANY (Company), an Arizona corporation, and Buttrum Dysart Crossings L.L.C. (Developer), an Arizona limited liability corporation

### RECITALS

WHEREAS, Developer is the owner of certain real property situated in Maricopa County, Arizona, more particularly described in Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Property is a single parcel consisting of approximately 3.16 acres on which commercial development is currently planned. The Property is not located within the Certificate of Convenience and Necessity ("CC&N") of the Company or any other certificated sewer utility or within the service area of any municipal or other wastewater service provider, and

WHEREAS, Company is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Company has been granted a CC&N by the Commission, authorizing Company to provide sewer utility service within its certificated service area, and

WHEREAS, the Property is immediately adjacent to the Company's CC&N, the Company is willing to file a Notice of Extension ("Notice") with the Commission, providing that service is being extended to the Property pursuant to A.R.S. § 40-281 and A.A.C. R14-2-602.B and will subsequently seek authority to extend its CC&N to include the Property in its CC&N, and

WHEREAS, Developer acknowledges and agrees that in the event the Commission rejects the Notice, service cannot be provided until the Company files an application for the extension of its CC&N and such extension is granted by the Commission.

NOW, THEREFORE, in consideration of the mutual promises contained in this Agreement and other good and valuable consideration, the receipt of which the parties acknowledge, the parties agree as follows.

DYSART CROSSING COMMERCIAL FACILITIES

I.

Wastewater Facilities

A. Construction of On-Site Wastewater Facilities by Developer.

Developer has constructed, or will cause to be constructed, an 8-inch service line from the property line to extend onto the Property. Onsite facilities located on the Property will be privately owned.

B. Construction of Off-Site Wastewater Facilities by Developer.

Developer has constructed, or caused to be constructed, an 8-inch service line (the "Wastewater Facilities") from the Company's existing sewer main located within the right-of-way of Dysart Road to the property line of the Property. The cost of constructing the off-site Wastewater Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

An itemized list of the Wastewater Facilities and the cost thereof is attached hereto as Exhibit B. Where the Wastewater Facilities have been installed, the cost shown on Exhibit B is the actual installed construction cost. Where the facilities have not yet been installed, the cost shown in Exhibit B represents the estimated cost subject to amendment upon completion of construction. Upon final construction and inspection by the Company of the Wastewater Facilities constructed and installed by Developer, the Company shall provide Developer with a written acceptance of the facilities. The Company will use its best efforts to issue such written acceptance within 10 working days but failure to issue written acceptance within ten (10) days shall not be deemed an acceptance of the facilities. Issuance by the Company of written acceptance to Developer is conditioned upon transfer to the Company of all contractors' warranties of any kind. Developer shall provide the Company with accurate as-built maps (Mylar and CAD) describing the exact location of the Wastewater Facilities and the configuration of such facilities in the Property, including all onsite and offsite facilities. Accurate as-built maps must be received by LPSCo prior to final inspection of the parcels.

C. Construction of Additional Off-Site Wastewater Facilities by Company.

In addition, certain wastewater system improvements will ultimately be required to be constructed by the Company. These improvements, hereinafter referred to as the "Phase II Casitas Bonitas Facilities", entail the construction of offsite mains and appurtenances and the upsizing of pumping equipment at the Company's existing Casitas Bonitas Lift Station serving this Property. The Developer agrees to participate in the cost of the Phase II Casitas Bonitas Facilities based on an equivalent dwelling unit (EDU) pro-rata capacity basis.

An itemized list of the Phase II Casitas Bonitas Facilities, the cost thereof, and the Developer's pro-rata share is attached hereto as Exhibit C. The Developer's pro-rata

## DYSART CROSSING COMMERCIAL FACILITIES

share of constructing the Phase II Casitas Bonitas Facilities shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

D. Treatment Plant and Effluent Disposal Facilities.

The Company presently has Wastewater Treatment Plant and Effluent Disposal Facilities ("TPED") at its Palm Valley Water Reclamation Facility ("PVWRF") that are capable of serving this facility subject to this Agreement. However, those facilities were designed and built to serve existing and future customers within the Company's existing CC&N area. To fund the future expansion of the PVWRF, the Developer agrees to advance as a non-refundable advancement in aid of construction, the cost of that expansion. The Developer further agrees that the cost of the TPED expansion is \$4.69 per gallon per day ("GPD") for the average residential unit demand of 320 GPD, equaling \$1,500 per ERU. All costs of expanding the PVWRF or other TPED facilities in excess of the \$1,500 per ERU shall be borne by the Company. Said TEPD Fee shall be paid in at the time of signing this agreement. The TEPD fee for the Property is attached hereto as Exhibit D.

The TEPD fee shall constitute a contribution in aid of construction and shall be non-refundable to the Developer.

E. Transfer of Facilities to Company; Bill of Sale.

Upon written acceptance of the offsite Wastewater Facilities by the Company and receipt by the Company of accurate as-built in Mylar and CAD format for the facilities, Developer shall provide Company with a Bill of Sale. The Bill of Sale shall be provided where practicable upon the completion of the construction of the Wastewater Facilities and shall be accompanied by a detailed itemization of all amounts paid in connection with the construction of the Wastewater Facilities, together with satisfactory evidence of full and final payment of all amounts due and payable in connection with such construction.

In the Bill of Sale, Developer shall warrant and represent that for Property (1) the offsite Wastewater Facilities have been properly constructed and installed in accordance with the plans and specifications therefor; (2) the offsite Wastewater Facilities are free and clear of all liens and encumbrances of any nature; and (3) the offsite Wastewater Facilities have been inspected and approved by the Company and all governmental agencies having jurisdiction over the construction of the facilities. In addition, Developer shall warrant that the offsite Wastewater Facilities will be free from all defects and deficiencies in construction, materials and workmanship for a period of two years from the date of Company's written acceptance. During the warranty period, Developer agrees to promptly undertake any actions required to repair or correct any defects or deficiencies in construction, materials or workmanship upon receipt of written notice thereof from Company. The foregoing notwithstanding upon the transfer of facilities, the Developer shall retain no right, title or interest in any facilities.

## DYSART CROSSING COMMERCIAL FACILITIES

F. Easements.

Developer shall provide to the Company satisfactory evidence of easements and right-of-way over, under and across all portions of the main and pipeline routes of the Wastewater Facilities as may be necessary in order (1) to serve the Property and (2) to operate, maintain and repair the facilities. All easements and rights of way shall be free of obstacles which may interfere with Company's use, operation and maintenance of the facilities.

G. Company's Right to Inspect During Construction.

The Company shall have the right at all times during construction to inspect the progress of the work performed and to determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties. The Company will use its best efforts to inspect the progress of the work performed and determine whether the work is being performed in accordance with the plans and Company specifications and all agreements between the parties, within forty-eight (48) hours after the Developer requests an inspection (excluding Saturdays, Sundays, and holidays). Failure to inspect within forty-eight (48) hours shall not constitute a waiver of the Company's right to inspect the work performed and determine whether the work is being performed in accordance with the plans and Company Specifications and all agreements between the parties. If, in the Company's reasonable opinion, the work has not been, or is not being, performed in a good and workmanlike manner and in accordance with the plans and Company specifications and applicable governmental requirements, the Company shall have the right to require Developer to correct any defects by providing written notice to the Developer describing the defect to be remedied. Complete and satisfactory completion of the Wastewater Facilities in accordance with the plan and Company specifications and applicable governmental requirements, is a condition precedent to the Company's acceptance of the transfer of the facilities and the furnishing of wastewater utility service to the Property, which acceptance shall not be unreasonably withheld or delayed.

H. Jurisdiction of the Arizona Corporation Commission.

All rights and obligations hereunder including those regarding sewer utility service to the Property, shall be subject to the rules and regulations of the Commission and all applicable rates, fees, charges, and tariffs of the Company as approved by the Commission now or as they may be changed in the future. However, the provisions for refunds to Developer shall be as set forth herein. Company shall have the unilateral right to apply to the Commission for changes or modifications in any of its rates or charges and to alter or amend its terms and conditions of service and to otherwise charge for its services as may be permitted by the Commission.

## DYSART CROSSING COMMERCIAL FACILITIES

I. Survey.

In the event of a dispute over the location of an easement, or a discrepancy from the recorded plat, the Company may require Developer to conduct a survey at Developer's cost, but only to the extent necessary to identify the legal description or to resolve the discrepancy.

## II.

Advances in Aid of Construction; Refunds; TaxesA. Non-Refundable Contributions in Aid of Construction.

The amounts set forth in Exhibits B, C, and D hereto representing the cost of the Wastewater Facilities, Phase II Casitas Bonitas Facilities, and the TPED fee are a contribution in aid of construction and are non-refundable to Developer.

B. Changes to Construction Costs; Unforeseen Conditions.

The parties acknowledge that the costs set forth in Exhibit B hereto are based on specifications in the plans for the improvement for the Property. If adjustments are made to the Wastewater Facilities cost due to changes in the final wastewater plans or changes in the cost of the final installed plant, the final amount representing the installed and constructed Wastewater facilities contribution shall be adjusted accordingly. If during construction, difficult trenching or other unforeseen construction conditions are encountered or any increase in the cost of construction caused by circumstances that could not have been reasonably known or are beyond the control of the parties hereto, the amount set forth in Exhibit B shall be adjusted to reflect the actual total cost of construction together with any appropriate engineering fees, overheads, and attorneys' fees incurred as a result of the unforeseen construction conditions and such final amount shall be made as an adjustment to Exhibit B.

## III.

General ProvisionsA. Non-Liability for Loss.

The Company shall not be liable for any loss, additional cost or damage incurred by the Developer as a result of any delay, action, inaction or failure to perform by any employee, agent, contractor, or subcontractor of the Company, unless the loss, cost or damage is the result of gross negligence or intentional misconduct of the Company, or its employees, agents, contractors or subcontractors.

B. Uncontrollable Forces.

Company shall not be liable to Developer, nor to Developer's agents, nor to any other person, firm or corporation whatsoever, for or on account of any interruption or failure in the delivery of water or wastewater service in accordance with this Agreement, or for or on account of any loss, injury or damage occasioned hereby where such interruption or failure, either directly or indirectly, is caused by or results from any of the following: fire, lightning, flood, windstorm, Act of God, invasion or force majeure; compliance with any orders, rules, regulations or determination, whether valid or invalid, of any governmental authority or agency, including but not limited to, administrative or judicial determinations as to the status or ownership of water curtailment plans adopted by the Commission; strikes, lockouts or labor disputes; breakdown, repair or replacement of any well, machinery, equipment, transmission line, pipeline or other facility; shortage of any fuel, supplies, material or labor, or where such interruption or failure is directly or indirectly due to any cause not reasonably preventable by Company or not reasonably within its control; any action or omission on the part of Company which is not grossly negligent or is the result of willful misconduct.

C. Binding Effect; Assignments.

This Agreement shall be binding upon and inure to the benefit of the successors, and assigns of the parties, provided, however, that an assignment or other transfer of this Agreement or any rights or obligations thereunder by Developer shall not be binding upon the Company or create any rights in the assignee until such assignment or other transfer is approved and accepted in writing by the Company.

D. Notices.

Any notice required or permitted to be given under this Agreement shall be deemed delivered and be effective on the date physically delivered to the party of whom notice is being provided or two (2) calendar days following the date on which the notice is deposited in the United States Mail, postage prepaid, certified delivery, and address to the party to whom notice is being provided as follows:

to the Company:  
LITCHFIELD PARK SERVICE COMPANY  
111 West Wigwam Boulevard, Suite B  
Litchfield Park, Arizona 85340  
Fax: (623) 935-1020

DYSART CROSSING COMMERCIAL FACILITIES

to the Developer:  
Roger Buttrum  
Buttrum Dysart Crossings, L.L.C.  
1617 West Williams Drive  
Phoenix, Arizona 85027  
Fax: (623) 298. 2050

Each party shall promptly provide written notice to the other party, as provided herein, of any subsequent change of address, and the failure to do so shall preclude any subsequent claim that notice was improperly given hereunder.

E. No Agency Relationship or Third Party Beneficiaries.

Nothing set forth herein shall imply any agency or partnership between Company and Developer, nor shall third persons who are not parties to this Agreement, including but not limited to those who are purchasers of real property from Developer, be entitled to claim that they are third party beneficiaries of the rights and obligations set forth hereunder.

F. Miscellaneous.

This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona. This Agreement, together with the attachments hereto, sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them. No change in, addition to, or waiver of any of the provisions of this Agreement shall be binding upon any party unless in writing and signed by the parties. Time is of the essence of this Agreement and each and every term contained herein. Each party irrevocably warrants to the other that it has all applicable power and authority, actual representative or otherwise, to enter into this Agreement and bind each party's performance hereunder.

G. Authority to Execute and Perform.

Each party represents and warrants to the other party that it has been duly authorized to execute and perform this Agreement and all of its duties and obligations hereunder.

H. Approval of Agreement.

This Agreement shall be governed by the laws of the State of Arizona and shall be subject to such approvals of regulatory agencies as may be required under the said state.

DYSART CROSSING COMMERCIAL FACILITIES

I. Successors and Assigns; Sale or Transfer of Company.

This Agreement and each and every term and condition hereof, shall be binding upon and inure to the benefit of the successors and assigns of Company and Developer. Any assignment or transfer of this Agreement, or any rights or obligation hereunder, by Developer shall not be binding upon Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by Company, which approval shall not be unreasonably withheld. In the event of a condemnation of the company or sale of Company or its utility plant and assets under threat of condemnation, the successor in interest to Company shall either agree in writing to be bound by and fully perform all of Company's duties under this Agreement, above, or in the alternative Developer shall have the right to receive as compensation an amount equal to the estimated present value of the refunds, if any, remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds remaining to be paid, the discount rate to be used shall be equal to the average daily federal funds rate as reported in the Wall Street Journal for the date on which the transfer of the Company's assets occurs, or if later, the date on which the Company actually receives payment from its successor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their authorized individuals on the day, month and year first above written.

Company:

LITCHFIELD PARK SERVICE COMPANY,  
An Arizona corporation

By Michael D. Walsh  
Its: General Manager

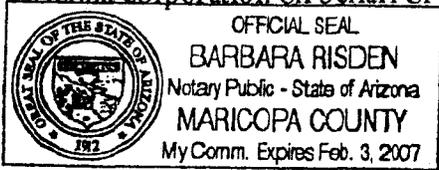
Developer:

Buttrum Dysart Crossings L.L.C.  
An Arizona limited liability corporation

By [Signature]  
Its: MEMBER

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 1st day of June, 2004  
by Michael D. Weber, as General Manager of Litchfield Park Service Company, an  
Arizona corporation on behalf of the corporation.



Barbara Risdien  
Notary Public

My Commission Expires:

Feb 3 2007

STATE OF ARIZONA )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 27<sup>th</sup> day of May, 2004  
By ROGER BUTTRUM, as MEMBER of Buttrum Dysart Crossing  
L.L.C., an Arizona Limited Liability Corporation on behalf of the corporation.

Karen M. Fay  
Notary Public

The image shows the official notary seal for Karen M. Fay. It is a rectangular stamp with a circular emblem on the left containing the state seal of Arizona. To the right of the emblem, the text reads: "OFFICIAL SEAL", "KAREN M. FAY", "Notary Public - State of Arizona", "MARICOPA COUNTY", and "My Comm. Expires Sept. 8, 2004".

My Commission Expires:

SEPTEMBER 8, 2004

**EXHIBIT A**

**I. LEGAL DESCRIPTION**

See attached.

EXHIBIT A

# SITE INFO:

---

**PROJECT NAME:**

DYSART CROSSINGS

**PROJECT ADDRESS:**

NOT YET ASSIGNED

**PARCEL NUMBER:**

#501-57-006-H

**LEGAL DESCRIPTION:**

THE EAST 300 FEET OF THE NORTH 464 FEET OF THAT PART OF THE NORTHEAST QUARTER OF SECTION TEN (10), TOWNSHIP TWO (2) NORTH, RANGE ONE (1) WEST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA

BEGINNING AT THE NORTHEAST CORNER OF SAID SECTION 10;

THENCE SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST ALONG THE EAST LINE OF SAID SECTION 10, A DISTANCE OF 708.00 FEET, TO A POINT FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 10 BEARS SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST A DISTANCE OF 1,917.52 FEET;

THENCE NORTH 89 DEGREES 10 MINUTES 45 SECONDS WEST, A DISTANCE OF 905.16 FEET;

THENCE SOUTH 0 DEGREES 01 MINUTES 45 SECONDS WEST, A DISTANCE OF 441.93 FEET TO A POINT ON THE NORTH LINE OF RANCHOS DE LOMA UNIT ONE, AS RECORDED IN BOOK 106 OF MAPS, PAGE 39 OF MARICOPA COUNTY, RECORDS, SAID POINT BEING THE CENTERLINE OF 132ND AVENUE;

THENCE SOUTH 89 DEGREES 10 MINUTES 45 SECOND EAST, A DISTANCE OF 25 FEET TO A CORNER OF SAID RANCHOS DE LOMA UNIT ONE;

THENCE SOUTH 0 DEGREES 01 MINUTE 45 SECONDS WEST, A DISTANCE OF 205.60 FEET;

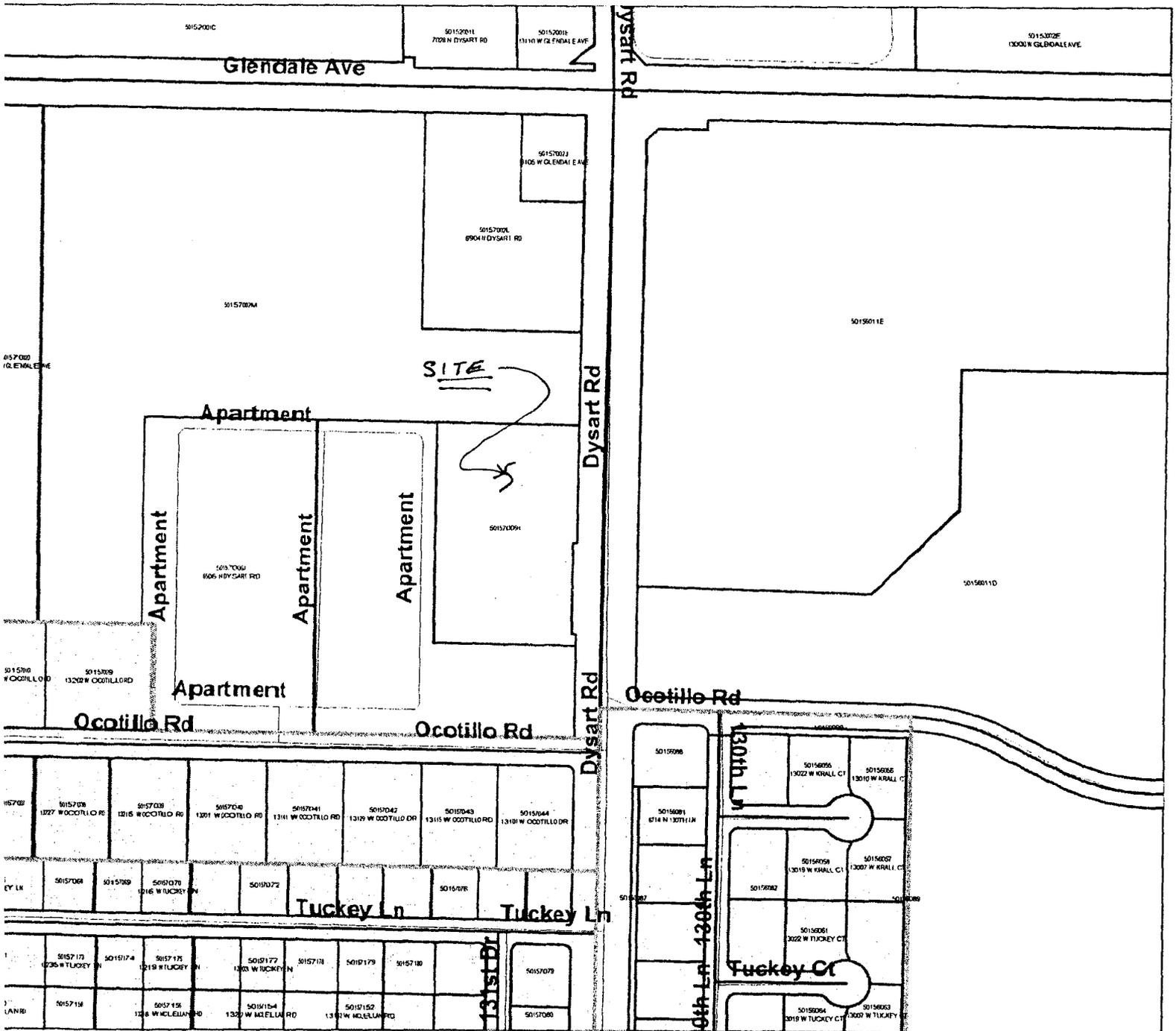
THENCE ALONG THE ARC OF A CURVE TO THE LEFT, SAID CURVE HAVING A CENTRAL ANGLE OF 89 DEGREES 03 MINUTES 55 SECONDS, A RADIUS OF 15.25 FEET, A DISTANCE OF 23.70 FEET;

THENCE SOUTH 89 DEGREES 02 MINUTES 10 SECONDS EAST, ALONG THE NORTH RIGHT-OF-WAY LINE OF OCOTILLO ROAD AS SHOWN ON THE PLAT OF SAID RANCHOS DE LOMA, A DISTANCE OF 865.19 FEET;

THENCE NORTH 0 DEGREES 01 MINUTES 45 SECONDS EAST PARALLEL TO AND 55.00 FEET WEST OF THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 10, A DISTANCE OF 664.72 FEET TO THE POINT OF BEGINNING.

# County Parcels

EXHIBIT A  
CONTINUED



**EXHIBIT B**

**I. WASTEWATER FACILITIES CONTRIBUTION IN AID OF CONSTRUCTION**  
(as provided by Developer)

<u>Item Description</u>	<u>Unit Cost (\$)</u>	<u>Unit</u>	<u>Quantity</u>	<u>Total Cost</u>
8-inch PVC Sewer Service (installed)	17.00	LF	105	\$1,785.00
Engineering	1,500.00	LS	1	\$1,500.00
			Total	<u>\$3,285.00</u>

**EXHIBIT C**

**I. PHASE II CASITAS BONITAS FACILITIES**

See attached for line item descriptions and total cost of 1.0 MGD expansion of facility.

**A. Added Capacity**

1.0 MGD additional capacity ÷ (320 gpd/dwelling unit) = 3,125 EDU additional capacity

**B. Cost per Added EDU**

\$725,236.80 ÷ 3,125 EDU = \$232.08/EDU

**C. Equivalent Dwelling Units**

1. Wastewater Flow Calculation

3.16 commercial acres X 2,000 gpd/commercial acre = 6,320 gpd

2. Equivalent Dwelling Units (EDUs)

6,320 gpd ÷ 320 gpd/dwelling unit = 19.75 EDUs

**D. Developer's Pro-rata Share**

\$232.08/EDU X 19.75 EDUs = \$4,583.58

Notes:

1. "EDU" is equivalent dwelling unit.
2. "gpd" is gallons per day.
3. "MGD" is millions of gallons per day.

EXHIBIT C - continued

LITCHFIELD PARK SERVICE COMPANY  
Casitas Bonitas Phase II Sewer Improvements

Lift Station Modifications, 1/2 mile Force Main, 1/2 mile Gravity Sewer	Unit	Cost / Unit	Number of units	Cost	Comments/Data Source
Replace pump Impellers - Increase Capacity 350 - 500 gpm	EA	\$1,500.00	2	\$3,000.00	James Cook and Hobson
8" Force main from Maryland to Bethany Home -System Piping and Valves	LF	\$38.60	2640	\$101,904.00	RS Means - 2003
8" Force main from Maryland to Bethany Home - Trenching and Backfill	LF	\$9.50	2640	\$25,080.00	RS Means - 2003
18" Gravity Main from Bethany Home to Missouri-System Piping and Valves	LF	\$77.50	2640	\$204,600.00	RS Means - 2003
18" Gravity Main from Bethany Home to Missouri- Trenching and Backfill	LF	\$9.50	2640	\$25,080.00	RS Means - 2003
12" gravity main from 2300 LF north of Indian School -System Piping	LF	\$60.00	2600	\$156,000.00	RS Means - 2003
12" gravity main from 2300 LF North of Indian School - Trenching and Backfill	LF	\$7.50	2600	\$19,500.00	RS Means - 2003
LS Pump and Motor Modifications - Increase Capacity 500 - 835 gpm	EA	\$22,500.00	2	\$45,000.00	James Cook and Hobson
5' - Diameter Manhole - Installed	EA	\$1,600.00	12	\$19,200.00	RS Means - 2003
Electrical Upgrades (Clean-up existing MCC)	EA	\$5,000.00	1	\$5,000.00	James Cook and Hobson
Engineering Design, Const. Management and Contingency @ 20%	EA	\$120,872.80	1	\$120,872.80	Estimated
<b>Total</b>				<b>\$725,236.80</b>	

Avg Day

Casitas Bonitas Lift Station and Forcemain Upgrade Capacity (MGD)	1.00
Equivalent Dwelling Units (EDU) - 320 gpd/du	3125
\$/EDU	\$232.08

**EXHIBIT D**

**I. TREATMENT PLANT AND EFFLUENT DISPOSAL (TEPD) FACILITIES FEE**

**A. Wastewater Flow Calculation**

3.16 commercial acres X 2,000 gpd/commercial acre = 6,320 gpd

**B. Equivalent Dwelling Units (EDUs)**

6,320 gpd ÷ 320 gpd/dwelling unit = 19.75 EDUs

**C. TEPD Facilities Fee**

19.75 EDUs X \$1,500/EDU = \$29,625.00

Notes:

1. "EDU" is equivalent dwelling unit.
2. "gpd" is gallons per day.



*Dedicated to creative,  
responsive, quality solutions  
for those we serve.*

August 22, 2005

Maracay Homes  
15160 North Hayden Road  
Scottsdale, Arizona 85260

Attention: Tim Goodrich

Subject: Bethany Estates and Related Sewer Systems Model Analysis

Dear Mr. Goodrich:

Carollo Engineers has completed a hydraulic model analysis of the LPSCO sanitary sewer system with sewer mains associated with the proposed developments of Bethany Estates, Riverside Estates, Dysart Village, and the development at Maryland Avenue and 125th Avenue. The purpose of this study is to determine whether LPSCO's existing mains can convey wastewater to the treatment plant from the proposed developments. This letter contains the results of this study, which is documented in the following sections:

- Study area and assumptions
- Performance criteria and model assumptions
- Wastewater loads and peaking factors
- Model analysis
- Conclusions

#### **Study Area Assumptions**

Figure 1 shows a layout for the study area. Figure 2 shows a detailed view of the proposed developments. The following is the list of the assumptions regarding the study areas:

1. Drawings provided by Hoskin Ryan Consultants, Inc., working for Maracay Homes; CMX, L.L.C., working for Riverside Estates; Steele Engineering, working for Dysart Village; and drawings provided by Maracay Homes for the Maryland Avenue and 125th Avenue development were used to obtain an understanding of the collection mains in each development.
2. Wastewater from the Bethany Estates Development would enter the existing collection system through an eight-inch main at the end of a cul-de-sac south of Bethany Home Road and east of 127th Avenue. The mains between manholes 2840, 2839, 5612, and 5614 were modeled as ten-inch diameter mains in order to have a slope for these mains that would allow all mains farther upstream to be buried at least four feet in the ground.

## **ATTACHMENT THREE**

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3. An eight-inch main on 129th Avenue and on the east side of the Dysart Village development was assumed to be built as part of the Bethany Estates development. This main would also serve as the entrance for the wastewater from the Dysart Village development into the existing system based on the assumption that the Bethany Estates development sewer system would be built before the Dysart Village development.
4. Wastewater from the Riverside Estates would enter the existing collection system through an eight-inch main at the northeast corner of the Wigwam Creek development on North El Mirage Road. Alternatively, it may be possible for this development to connect directly into the gravity main on El Mirage Road.
5. A 2,000-foot long eight-inch main is assumed to be built on Maryland Avenue and El Mirage Road running across the north side of Riverside Estates as a part of the Maryland Avenue and 125th Avenue development. This main would discharge the wastewater from this development into the existing system, assuming that the Riverside Estates sewer system would be build before this development.

#### **Performance Criteria and Model Assumptions**

1. The maximum allowable wastewater depth ratio (depth/diameter, d/D) was set at 0.75 for new gravity mains, consistent with LPSCO's development guide.
2. The model analysis was completed using the H<sub>2</sub>OMAP Sewer modeling software. The analysis was conducted under steady state conditions.
3. Slope, length, diameter, invert elevations for pipes and rim elevations for the manholes were set based on the values in the master wastewater study report for Riverside Estates. Length and diameter for pipes in other developments were based on corresponding drawings. The rim elevation of the manholes was based on USGS topographic maps. Invert elevations for pipes in these developments were calculated by assuming a minimum slope of 0.0033 for an eight-inch main sewer main, and a minimum slope of 0.0025 for ten-inch mains.
4. The Mannings equation was used to calculate friction losses in the mains. The Mannings friction coefficient n was set at 0.013.
5. The model included the existing LPSCO system, as developed for the LPSCO Water and Wastewater Master Plan.

#### **Wastewater Loads and Peaking Factors**

For all the new developments, unit loads were set at 100 gallons per capita per day (gpcd), and the population density was set at 3.2 people per household. Table 1 gives a summary of housing lots, population, and flow for each development based on the above values. Wastewater loads for the remainder of the collection system were established as documented in the master plan report.

<b>Table 1 Total Flow for Each Development Bethany Estates and Related Sewer Systems Model Analysis</b>			
<b>Development Name</b>	<b>Housing Lots</b>	<b>Population, 3.2 people/lot</b>	<b>Average Daily Flow, gpm</b>
Bethany Estates Development	60	192	13.3
Dysart Village	39	125	8.7
Riverside Estates	80	256	17.8
Maryland Avenue and 125th Avenue Development	71	227	15.8
<b>TOTALS</b>	<b>250</b>	<b>800</b>	<b>55.6</b>

The peaking factors for the steady state simulation that was made for this study was set based on the Arizona Administrative Code guidelines. Table 2 shows these peaking factors, which use population to calculate peaks.

<b>Table 2 Peaking Factors Bethany Estates and Related Sewer Systems Model Analysis</b>	
<b>Upstream Population</b>	<b>Peaking Factor</b>
100	3.62
200	3.14
300	2.9
400	2.74
500	2.64
600	2.56
700	2.5
800	2.46
900	2.42
1000	2.38
1001 to 10,000	$PF = (6.330 * p^{-0.231}) + 1.094$
10,001 to 100,000	$PF = (6.177 * p^{-0.233}) + 1.128$
More than 100,000	$PF = (4.5 * p^{-0.174}) + 0.945$
<i>PF</i> = Peaking Factor	
<i>p</i> = Upstream Population	

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### **Modifications to the Existing Model**

Slopes for pipes at the junction of Thomas Road and Litchfield Road were changed based on actual survey data. The original model study that was presented in a letter report dated January 4, 2005, indicated that one pipe section had a slope that was insufficient to convey the wastewater flows that were expected for this main. A data error was suspected so the invert elevations upstream and downstream of this main were surveyed by Hoskin Ryan Consultants to determine the slope of this main. The survey showed that the main in question had a steeper slope, so the model was adjusted accordingly.

### **Model Analysis and Conclusions**

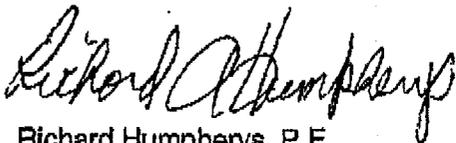
Table 3 shows the results of the model study. The table shows each main, which can be referenced to Figure 1 or Figure 2 by the manhole ID. The table shows the main diameter, predicted peak flow, water depth,  $d/D$ , and full pipe flow velocity at  $d/D = 0.75$ .

The model prediction is that all of the mains in the new developments as well as the existing mains that convey wastewater to the Palm Valley Water Reclamation Plant have a  $d/D$  less than 0.75 for peak conditions, so the existing mains should carry the additional flows from the new developments. Excess capacity in the collection system for each of the mains in this study is shown in Table 3.

Please contact us if you have any questions regarding this study.

Sincerely,

CAROLLO ENGINEERS, P.C.



Richard Humpherys, P.E.

RAH:jh

Table 3 Sewer Model Results Bethany Estates and Related Sewer Systems Model Analysis												
Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/Pipe Diameter d/D	Pipe Capacity (@ d/D=0.75) (gpm)	Remaining Capacity (gpm)
Bethany Estates Development												
5662	5660	1058.94	1057.19	8	513.02	0.0034	2.0	0.6	0.04	0.06	288	286
5660	5658	1057.09	1055.21	8	553.97	0.0034	4.8	0.7	0.06	0.09	288	284
5658	5656	1055.11	1053.77	8	394.94	0.0034	5.9	0.8	0.06	0.09	288	282
5656	5654	1053.67	1052.34	8	389.82	0.0034	7.9	0.9	0.07	0.11	288	280
5654	5636	1052.24	1051.04	8	353.95	0.0034	9.6	0.9	0.08	0.12	288	279
5664	5674	1058.98	1058.77	8	60.18	0.0034	1.4	0.5	0.03	0.05	288	287
5674	5646	1058.67	1057.85	8	242.44	0.0034	13.5	1.0	0.09	0.14	288	275
5648	5646	1059.02	1057.85	8	343.69	0.0034	3.5	0.7	0.05	0.07	288	285
5646	5672	1057.75	1056.87	8	258.17	0.0034	18.1	1.1	0.11	0.16	288	270
5672	5644	1056.77	1055.73	8	306.04	0.0034	35.0	1.3	0.15	0.22	288	253
5644	5642	1055.63	1054.37	8	369.44	0.0034	36.2	1.3	0.15	0.23	288	252
5642	5640	1054.27	1053.03	8	364.21	0.0034	38.6	1.4	0.16	0.24	288	250
5650	5652	1055.24	1054.18	8	312.88	0.0034	3.4	0.7	0.05	0.07	288	285
5652	5640	1054.08	1053.03	8	307.92	0.0034	6.1	0.8	0.06	0.10	288	282
5640	5638	1052.93	1051.94	8	292.41	0.0034	44.2	1.4	0.17	0.25	288	244
5638	5636	1051.84	1051.04	8	236.00	0.0034	45.9	1.4	0.17	0.26	288	242
5636	5626	1050.94	1049.02	8	564.23	0.0034	53.4	1.5	0.19	0.28	288	235
5634	5632	1053.26	1052.37	8	261.64	0.0034	2.2	0.6	0.04	0.06	288	286
5632	5630	1052.27	1051.07	8	353.95	0.0034	5.3	0.8	0.06	0.09	288	283
5630	5628	1050.97	1049.76	8	353.95	0.0034	8.9	0.9	0.08	0.11	288	280
5628	5626	1049.66	1049.02	8	189.85	0.0034	11.6	1.0	0.09	0.13	288	277
5626	5616	1048.92	1046.97	8	574.49	0.0034	61.6	1.6	0.20	0.30	288	227
5624	5622	1051.19	1050.30	8	261.79	0.0034	2.2	0.6	0.04	0.06	288	286
5622	5620	1050.20	1049.00	8	353.95	0.0034	5.3	0.8	0.06	0.09	288	283
5620	5618	1048.90	1047.68	8	359.19	0.0034	8.8	0.9	0.08	0.11	288	280
5618	5616	1047.58	1046.97	8	179.59	0.0034	11.4	1.0	0.09	0.13	288	277
5616	5614	1046.87	1046.01	10	343.69	0.0025	69.5	1.4	0.21	0.25	448	379
5614	5612	1045.91	1044.97	10	374.43	0.0025	70.5	1.4	0.21	0.26	448	378
5612	2839	1044.87	1044.41	10	182.16	0.0025	71.0	1.4	0.21	0.26	448	377

Table 3 Sewer Model Results Bethany Estates and Related Sewer Systems Model Analysis												
Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/ Pipe Diameter d/D	Pipe Capacity (@ d/D= 0.75) (gpm)	Remaining Capacity (gpm)
<b>Dysart Village Development</b>												
5684	5682	1063.20	1062.54	8	198.08	0.0033	3.2	0.6	0.05	0.07	284	281
5682	5698	1062.44	1061.89	8	166.58	0.0033	3.2	0.6	0.05	0.07	284	281
5698	5678	1061.79	1061.24	8	167.16	0.0033	3.2	0.6	0.05	0.07	284	281
5680	5678	1061.89	1061.24	8	196.25	0.0033	3.2	0.6	0.05	0.07	284	281
5678	5676	1061.14	1060.02	8	339.24	0.0033	8.0	0.9	0.07	0.11	284	276
5676	5702	1059.92	1058.45	8	447.25	0.0033	11.3	0.9	0.09	0.13	284	273
5702	5672	1058.35	1056.87	8	447.72	0.0033	17.7	1.1	0.11	0.16	284	266
5700	5686	1061.90	1060.75	8	349.19	0.0033	0.8	0.4	0.02	0.04	284	283
5694	5686	1061.39	1060.75	8	194.38	0.0033	3.2	0.6	0.05	0.07	284	281
5692	5686	1061.41	1060.75	8	199.88	0.0033	3.2	0.6	0.05	0.07	284	281
5686	5688	1060.65	1059.48	8	355.82	0.0033	7.2	0.8	0.07	0.11	284	277
5696	5688	1060.12	1059.48	8	194.38	0.0033	2.4	0.6	0.04	0.06	284	282
5690	5688	1060.15	1059.48	8	205.38	0.0033	2.4	0.6	0.04	0.06	284	282
5688	5674	1059.38	1058.77	8	183.41	0.0033	12.1	1.0	0.09	0.13	284	272
<b>Maryland Avenue &amp; 125th Ave Development</b>												
5752	5750	1056.64	1054.88	8	534.15	0.0033	4.8	0.7	0.06	0.09	284	279
5750	5746	1054.78	1053.76	8	309.23	0.0033	10.5	0.9	0.08	0.13	284	274
5748	5746	1055.78	1053.76	8	612.14	0.0033	4.8	0.7	0.06	0.09	284	279
5746	5742	1053.66	1052.58	8	328.71	0.0033	20.1	1.1	0.11	0.17	284	264
5744	5742	1054.33	1052.58	8	531.96	0.0033	4.8	0.7	0.06	0.09	284	279
5742	5740	1052.48	1051.40	8	326.55	0.0033	29.0	1.2	0.14	0.21	284	255
5740	5738	1051.30	1049.68	8	490.98	0.0033	32.9	1.3	0.15	0.22	284	251
5738	5732	1049.58	1048.48	8	333.01	0.0033	36.4	1.3	0.15	0.23	284	248
5736	5734	1050.16	1050.08	8	25.95	0.0033	4.0	0.7	0.05	0.08	284	280
5734	5732	1049.98	1048.48	8	454.29	0.0033	4.0	0.7	0.05	0.08	284	280
5732	5718	1048.38	1047.27	8	335.20	0.0033	42.4	1.4	0.17	0.25	284	242
5730	5728	1048.96	1048.87	8	25.95	0.0033	4.8	0.7	0.06	0.09	284	279
5728	5718	1048.77	1047.27	8	454.35	0.0033	4.8	0.7	0.06	0.09	284	279
5718	5720	1047.17	1047.04	8	39.87	0.0033	48.5	1.4	0.18	0.27	284	236
5720	5722	1046.94	1046.72	8	66.79	0.0033	48.5	1.4	0.18	0.27	284	236

Sewer Model Results												
Bethany Estates and Related Sewer Systems Model Analysis												
Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/Pipe Diameter d/D	Pipe Capacity (@ d/D=0.75) (gpm)	Remaining Capacity (gpm)
5722	5724	1046.62	1046.43	8	58.54	0.0033	48.5	1.4	0.16	0.27	284	236
5724	5726	1046.33	1041.65	8	1418.76	0.0033	48.5	1.4	0.18	0.27	284	236
5726	MH-OFF-01	1041.55	1039.66	8	571.98	0.0033	48.5	1.4	0.18	0.27	284	236
Riverside Estates Development												
MH-MAR-01	MH-MAR-02	1050.01	1047.53	8	254.00	0.0098	3.2	0.9	0.04	0.06	490	486
MH-MAR-18	MH-MAR-02	1048.26	1047.53	8	222.00	0.0033	3.2	0.6	0.05	0.07	284	281
MH-MAR-02	MH-MAR-03	1047.43	1045.51	8	335.00	0.0057	10.5	1.1	0.07	0.11	373	363
MH-MAR-03	MH-MAR-4	1045.41	1044.99	8	127.00	0.0033	12.9	1.0	0.09	0.14	284	271
MH-MAR-4	MH-MAR-5	1044.89	1041.38	8	325.00	0.0108	16.9	1.6	0.08	0.12	514	497
MH-MAR-19	MH-MAR-21	1051.76	1047.76	8	309.00	0.0129	3.2	1.0	0.03	0.05	562	559
MH-MAR-21	MH-MAR-20	1047.66	1046.51	8	290.00	0.004	8.0	0.9	0.07	0.11	313	305
MH-MAR-20	MH-MAR-12	1046.41	1042.97	8	109.00	0.0316	11.3	2.1	0.05	0.08	879	868
MH-MAR-13	MH-MAR-22	1053.01	1045.26	8	347.00	0.0223	4.0	1.3	0.03	0.05	739	735
MH-MAR-22	MH-MAR-14	1045.16	1044.10	8	322.00	0.0033	10.5	0.9	0.08	0.13	284	274
MH-MAR-14	MH-MAR-15	1044.00	1043.25	8	227.00	0.0033	16.1	1.0	0.10	0.15	284	268
MH-MAR-15	MH-MAR-12	1043.15	1042.97	8	55.00	0.0033	16.9	1.1	0.11	0.16	284	267
MH-MAR-12	MH-MAR-16	1042.87	1042.21	8	198.00	0.0033	29.0	1.2	0.14	0.21	284	255
MH-MAR-16	MH-MAR-17	1042.11	1041.89	8	67.00	0.0033	29.0	1.2	0.14	0.21	284	255
MH-MAR-17	MH-MAR-5	1041.79	1041.38	8	126.00	0.0033	29.0	1.2	0.14	0.21	284	255
MH-MAR-5	MH-MAR-6	1041.28	1040.74	8	163.00	0.0033	43.4	1.4	0.17	0.25	284	241
MH-MAR-09	MH-MAR-24	1047.51	1044.96	8	435.00	0.0059	5.6	0.9	0.05	0.08	380	374
MH-MAR-24	MH-MAR-10	1044.86	1042.76	8	21.00	0.1	10.5	3.0	0.04	0.06	1564	1554
MH-MAR-10	MH-MAR-11	1042.66	1041.51	8	230.00	0.005	12.1	1.1	0.08	0.12	350	338
MH-MAR-11	MH-MAR-6	1041.41	1040.74	8	79.00	0.0085	14.5	1.4	0.08	0.12	456	441
MH-MAR-6	MH-MAR-7	1040.64	1040.30	8	103.00	0.0033	53.4	1.5	0.19	0.28	284	231
MH-MAR-7	MH-OFF-01	1040.20	1039.66	8	146.00	0.0037	53.4	1.6	0.18	0.27	301	247
MH-OFF-01	MH-OFF-02	1039.56	1037.28	8	378.00	0.006	89.1	2.1	0.21	0.31	383	294
MH-OFF-02	MH-OFF-03	1037.18	1034.32	8	484.00	0.0062	89.1	2.2	0.21	0.31	389	300
MH-OFF-03	MH-OFF-04	1034.22	1032.90	8	396.00	0.0033	89.1	1.7	0.24	0.36	284	195
MH-OFF-04	1944	1032.80	1032.58	8	66.00	0.0033	89.1	1.7	0.24	0.37	284	195

Table 3 Sewer Model Results												
Bethany Estates and Related Sewer Systems Model Analysis												
Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/ Pipe Diameter d/D	Pipe Capacity (@ d/D= 0.75) (gpm)	Remaining Capacity (gpm)
<b>LPSCO Collection System - West Branch</b>												
2839	2840	1044.31	1043.97	10	137.96	0.0025	72.6	1.4	0.22	0.26	448	376
2840	1963	1043.87	1043.78	8	41.89	0.0021	73.0	1.4	0.25	0.37	227	154
1963	1964	1043.68	1043.47	8	139.85	0.0015	78.7	1.2	0.28	0.42	192	113
1964	1961	1043.47	1043.03	8	51.11	0.0086	79.6	2.4	0.18	0.27	459	379
1961	1970	1043.00	1038.44	8	189.82	0.024	80.6	3.4	0.14	0.21	766	686
1970	1971	1038.29	1034.42	8	174.92	0.0221	82.0	3.3	0.14	0.22	735	653
1971	1968	1034.42	1029.06	8	233.96	0.0229	83.7	3.4	0.14	0.22	748	665
1968	1969	1029.06	1028.45	8	169.50	0.0036	94.0	1.8	0.25	0.37	297	203
1969	1980	1028.41	1028.14	8	85.90	0.0031	104.0	1.8	0.27	0.40	275	171
1980	1924	1028.08	1026.99	8	301.18	0.0036	105.4	1.9	0.26	0.39	297	191
1924	1925	1026.92	1026.35	8	160.60	0.0032	107.4	1.8	0.27	0.41	280	172
1925	1926	1026.30	1025.07	8	340.33	0.0036	108.2	1.9	0.27	0.40	297	188
1926	1907	1025.07	1023.92	8	328.63	0.0035	111.5	1.9	0.27	0.41	293	181
1907	1906	1023.87	1023.23	8	254.04	0.0025	130.7	1.7	0.32	0.49	247	117
1906	1905	1023.16	1022.42	8	286.69	0.0026	137.9	1.8	0.33	0.50	252	114
1905	1897	1022.38	1021.61	8	233.05	0.0033	139.2	1.9	0.31	0.47	284	145
1897	1898	1021.63	1021.16	8	121.19	0.0039	152.5	2.1	0.31	0.47	309	156
<b>LPSCO Collection System - East Branch</b>												
1944	1945	1032.48	1032.11	8	123.52	0.003	89.8	1.7	0.25	0.38	271	181
1945	1943	1032.11	1031.55	8	169.41	0.0033	90.2	1.7	0.25	0.37	284	194
1943	1939	1031.72	1030.69	8	220.99	0.0047	96.2	2.0	0.23	0.35	339	243
1939	1938	1030.69	1030.36	8	60.77	0.0054	98.6	2.1	0.23	0.34	363	265
1938	1937	1030.36	1029.82	8	156.27	0.0035	98.9	1.8	0.25	0.36	293	194
1937	1936	1029.82	1029.21	8	184.11	0.0033	99.4	1.8	0.26	0.39	284	185
1936	1932	1029.11	1028.23	8	268.01	0.0033	100.0	1.8	0.26	0.39	284	184
1932	1928	1028.13	1027.75	8	84.75	0.0045	106.5	2.0	0.25	0.37	332	225
1928	2837	1027.65	1026.23	8	367.57	0.0039	106.8	1.9	0.26	0.39	309	202
2837	2838	1026.23	1026.02	8	71.34	0.0029	107.5	1.7	0.28	0.42	266	159
2838	1923	1026.02	1025.63	8	71.57	0.0054	108.0	2.2	0.24	0.35	363	255
1923	1126	1025.63	1024.69	8	327.12	0.0029	115.9	1.8	0.29	0.44	266	150

Table 3 Sewer Model Results Bethany Estates and Related Sewer Systems Model Analysis												
Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/ Pipe Diameter d/D	Pipe Capacity (@ d/D=0.75) (gpm)	Remaining Capacity (gpm)
1126	1127	1024.69	1023.45	8	355.42	0.0035	117.0	1.9	0.28	0.42	293	176
1127	1128	1023.45	1022.33	8	313.17	0.0036	118.2	1.9	0.28	0.42	297	179
1128	1898	1022.33	1021.16	8	321.51	0.0036	119.1	1.9	0.28	0.42	297	178
LPSO Southern Collection System												
1898	1895	1021.14	1020.30	10	354.27	0.0024	251.3	2.0	0.43	0.51	439	188
1895	1890	1020.30	1019.80	10	275.09	0.0018	260.3	1.8	0.47	0.57	380	120
1890	1882	1019.80	1019.27	10	272.76	0.0019	267.3	1.9	0.47	0.57	391	124
1882	1129	1019.27	1018.89	10	179.54	0.0021	273.4	1.9	0.47	0.56	411	138
1129	1130	1018.79	1018.69	10	34.59	0.0029	273.7	2.2	0.42	0.51	483	209
1130	1131	1018.66	1018.31	10	248.26	0.0014	274.3	1.7	0.53	0.84	336	61
1131	1873	1018.31	1017.73	10	248.09	0.0023	275.2	2.0	0.45	0.54	430	155
1873	1132	1017.73	1017.29	10	222.34	0.002	287.4	1.9	0.49	0.59	401	114
1132	1866	1017.19	1016.51	10	215.89	0.0032	288.2	2.3	0.43	0.51	507	219
1866	3305	1016.47	1015.81	12	419.58	0.0016	378.9	1.9	0.56	0.56	583	204
3305	3301	1015.81	1015.20	12	295.24	0.0021	380.4	2.1	0.51	0.51	668	288
3301	3302	1015.10	1014.52	15	430.41	0.0013	452.9	1.9	0.57	0.45	953	500
3302	3303	1014.52	1014.05	15	228.04	0.0021	455.0	2.2	0.51	0.41	1212	757
3303	3304	1013.98	1013.93	15	28.50	0.0018	456.8	2.1	0.53	0.42	1122	665
3304	1635	1013.91	1013.56	15	348.78	0.001	456.9	1.7	0.62	0.50	836	379
1635	1634	1013.50	1013.34	15	185.51	0.0009	459.6	1.6	0.65	0.52	793	334
1634	1633	1013.34	1013.12	15	261.90	0.0008	464.6	1.6	0.66	0.53	748	283
1633	1632	1013.08	1012.49	15	442.55	0.0013	470.9	1.9	0.58	0.47	953	482
1632	1636	1012.49	1012.08	15	440.07	0.0009	475.9	1.6	0.65	0.52	793	317
1636	1631	1012.08	1011.70	15	454.00	0.0008	477.3	1.6	0.67	0.54	748	271
1631	1630	1011.70	1011.36	15	413.38	0.0008	478.3	1.5	0.69	0.55	748	270
1630	1629	1011.38	1011.05	15	429.54	0.0008	479.3	1.5	0.69	0.56	748	268
1629	1121	1011.03	1010.80	18	396.11	0.0006	480.2	1.4	0.68	0.45	1053	573
1121	1788	1010.80	1010.62	18	208.57	0.0009	500.4	1.6	0.62	0.42	1290	789
1788	1120	1010.62	1010.52	21	352.92	0.0003	533.5	1.1	0.82	0.47	1123	590
1120	1119	1010.52	1010.27	18	269.65	0.0009	555.0	1.7	0.65	0.43	1290	735
1119	1118	1010.27	1010.05	18	199.93	0.0011	556.2	1.8	0.62	0.41	1426	870
1118	1769	1010.05	1009.85	18	199.35	0.001	557.1	1.7	0.63	0.42	1360	802

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Upstream Manhole ID	Downstream Manhole ID	Upstream Invert Elevation (ft)	Downstream Invert Elevation (ft)	Pipe Diameter (in)	Pipe Length (ft)	Pipe Slope (ft/ft)	Predicted Peak Flow (gpm)	Predicted Peak Velocity (ft/s)	Predicted Maximum Flow Depth (ft)	Maximum Flow Depth/Pipe Diameter d/D	Pipe Capacity (@ d/D=0.75) (gpm)	Remaining Capacity (gpm)
1769	1117	1009.85	1009.70	18	377.69	0.0004	570.4	1.2	0.84	0.56	860	289
1117	1110	1009.70	1009.54	18	106.20	0.0015	586.7	2.1	0.58	0.39	1665	1078
1110	1779	1009.54	1009.13	18	362.73	0.0011	670.7	1.9	0.68	0.45	1426	755
1779	1109	1009.13	1008.90	18	303.92	0.0008	686.0	1.7	0.77	0.52	1216	530
1109	1767	1008.90	1008.51	18	315.83	0.0012	686.9	2.0	0.67	0.45	1489	802
1767	1108	1008.51	1008.36	18	313.64	0.0005	707.0	1.4	0.91	0.61	961	254
1108	1107	1008.36	1008.10	18	244.41	0.0011	708.1	1.9	0.71	0.48	1426	718
1107	1106	1008.10	1007.62	18	295.33	0.0016	729.6	2.2	0.64	0.43	1720	990
1106	1105	1007.62	1007.22	18	311.71	0.0013	771.4	2.1	0.71	0.47	1550	779
1105	1816	1007.22	1006.70	18	378.57	0.0014	799.1	2.2	0.71	0.47	1609	809
1816	1104	1006.70	1006.12	18	363.47	0.0016	828.3	2.3	0.70	0.46	1720	891
1104	2160	1006.12	1005.68	18	300.76	0.0015	833.9	2.2	0.72	0.48	1665	831
2160	3474	1004.78	1004.24	18	495.92	0.0011	836.7	2.0	0.78	0.52	1426	589
3474	3475	1004.20	1003.64	18	499.78	0.0011	844.4	2.0	0.78	0.52	1426	581
3475	3476	1003.60	1003.25	18	503.41	0.0007	851.8	1.7	0.91	0.61	1137	286
3476	3477	1003.21	1002.55	18	503.39	0.0013	856.8	2.2	0.75	0.50	1550	693
3477	3473	1002.52	1001.69	18	500.76	0.0017	860.7	2.4	0.70	0.47	1773	912
3473	3468	1001.43	1000.50	18	300.42	0.0031	1699.8	3.5	0.88	0.59	2394	694
3468	3466	1000.30	999.63	21	451.63	0.0015	1701.4	2.7	1.00	0.57	2512	810
3466	3467	999.58	999.39	24	249.29	0.0008	1702.1	2.1	1.12	0.56	2619	917
3467	3469	999.37	999.03	21	252.51	0.0013	1703.0	2.6	1.03	0.59	2338	635
3469	3470	999.01	998.61	21	201.77	0.002	1704.8	3.0	0.91	0.52	2900	1195
3470	3471	998.61	998.33	21	313.62	0.0008	1705.7	2.2	1.18	0.68	1946	240
3471	3472	998.29	997.45	21	499.27	0.0017	1705.7	2.8	0.96	0.55	2674	868
3472	3478	997.42	996.84	21	501.18	0.0012	1705.7	2.4	1.08	0.62	2246	541
3478	3479	996.80	996.19	24	502.19	0.0012	1705.7	2.5	0.98	0.49	3207	1502
3479	3480	996.16	995.50	24	500.12	0.0013	1709.5	2.6	0.96	0.48	3338	1629
3480	3481	995.46	994.73	24	501.16	0.0015	1713.7	2.7	0.93	0.46	3586	1872
3481	3465	994.71	994.11	24	450.44	0.0013	1715.9	2.6	0.96	0.48	3338	1622
3465	3464	994.11	993.73	24	347.50	0.0011	1717.8	2.4	1.01	0.51	3071	1353
3464	3463	993.63	993.49	24	33.83	0.0041	1717.8	3.9	0.70	0.35	5929	4211
3463	3462	993.46	993.23	24	204.31	0.0011	1717.8	2.4	1.00	0.50	3071	1353

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3462	3461	993.21	992.41	24	490.10	0.0016	1717.8	2.8	0.90	0.45	3704	1986
3461	3460	992.39	981.82	24	500.61	0.0011	1717.8	2.4	1.00	0.50	3071	1353
3460	3459	991.79	991.09	24	498.66	0.0014	1717.8	2.6	0.94	0.47	3464	1747
3459	3458	991.05	990.48	24	505.30	0.0011	1717.8	2.4	1.00	0.50	3071	1353
3458	3457	990.44	989.91	24	445.89	0.0012	1717.8	2.5	0.99	0.49	3207	1490
3457	3456	989.88	989.22	24	481.71	0.0014	1717.8	2.6	0.95	0.47	3464	1747
3456	3454	989.20	988.56	24	500.60	0.0013	1721.5	2.5	0.97	0.48	3338	1617
3454	3455	988.54	988.30	24	245.88	0.001	1725.5	2.3	1.05	0.52	2928	1202
3455	1660	988.31	987.77	24	230.05	0.0024	1725.6	3.2	0.82	0.41	4536	2810
1660	1624	987.75	987.33	24	160.55	0.0026	1735.9	3.3	0.80	0.40	4721	2985
1624	2611	987.23	986.93	24	101.26	0.003	1736.8	3.5	0.77	0.38	5071	3334
2611	1625	986.83	985.86	24	330.89	0.0029	2347.0	3.8	0.91	0.46	4986	2639
1625	1626	985.86	984.60	24	471.48	0.0027	2348.2	3.6	0.94	0.47	4811	2463
1626	1627	984.60	983.21	24	481.03	0.0029	2349.4	3.7	0.92	0.46	4986	2637
1627	1628	983.21	981.46	24	604.84	0.0029	2367.8	3.7	0.92	0.46	4986	2618
1628	1619	981.46	979.27	24	387.67	0.0056	2369.7	4.8	0.76	0.38	6929	4559
1619	1594	979.17	977.80	24	225.55	0.0061	2369.7	4.9	0.75	0.37	7231	4862
1594	1620	977.80	976.37	24	596.59	0.0024	2486.8	3.5	1.00	0.50	4536	2049
1620	1621	976.37	974.80	24	598.75	0.0026	2488.7	3.7	0.97	0.49	4721	2232
1621	1622	974.80	973.32	24	604.84	0.0024	2489.2	3.6	0.99	0.50	4536	2047
1622	1623	973.32	972.43	24	361.28	0.0025	2537.3	3.6	1.00	0.50	4629	2092
1623	1566	972.43	970.52	24	482.34	0.004	2537.9	4.3	0.88	0.44	5856	3318
1566	2665	969.82	969.21	30	624.86	0.001	3054.7	2.7	1.29	0.52	5309	2254
2665	1565	969.21	968.56	30	577.78	0.0011	3061.5	2.8	1.24	0.50	5568	2506
1565	1564	968.47	968.09	30	149.56	0.0025	3065.6	3.8	0.99	0.40	8394	5328
1564	1563	968.05	966.96	30	310.22	0.0035	3070.8	4.3	0.91	0.36	9932	6861
1563	1561	966.96	966.28	30	321.44	0.0021	3077.7	3.5	1.04	0.42	7693	4615
1561	1560	966.28	966.20	30	91.41	0.0009	3107.9	2.6	1.35	0.54	5036	1928
1560	2286	965.60	965.05	36	202.71	0.0027	7400.1	4.9	1.45	0.48	14185	6785
2286	2287	965.05	964.67	36	150.09	0.0025	7401.3	4.7	1.48	0.49	13649	6248
2287	WWTP	964.67	964.03	36	51.19	0.0125	7421.9	6.5	0.96	0.32	30520	23088