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 5 3003 N. Central Ave., Suite 2600
 6 Phoenix, Arizona 85012
 7 Telephone (602) 916-5000

2006 MAR -7 P 4: 35
 AZ CORP COMMISSION
 DOCUMENT CONTROL

8 Attorneys for Coronado Utilities, Inc.

BEFORE THE ARIZONA CORPORATION COMMISSION

9 IN THE MATTER OF THE
 10 APPLICATION OF CORNADO
 11 UTILITIES, INC. FOR A CERTIFICATE
 12 OF CONVENIENCE AND NECESSITY
 13 TO PROVIDE WASTEWATER SERVICE
 14 IN PINAL COUNTY, ARIZONA.

DOCKET NO: SW-04305A-05-0086

15 IN THE MATTER OF THE
 16 APPLICATION OF CORONADO
 17 UTILITIES, INC., AN ARIZONA
 18 CORPORATION, FOR AUTHORITY TO
 19 ISSUE SHORT AND LONG-TERM
 20 DEBT INSTRUMENTS IN
 21 CONNECTION WITH FINANCING
 22 THE ACQUISITION OF THE
 23 WASTEWATER UTILITY PLANT OF
 24 BHP COPPER, INC. AND
 25 CONSTRUCTING IMPROVEMENTS
 26 THERETO.

DOCKET NO. ~~SW-04305A-05-0087~~

(Consolidated)

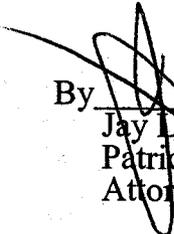
**NOTICE OF FILING SEWER
FRANCHISE**

19 Coronado Utilities, Inc., an Arizona corporation, hereby submits this Notice of
 20 Filing the Coronado Utilities, Inc. Sewer Franchise in the above-referenced matter.

21 ...
 22 ...
 23 ...
 24 ...
 25 ...
 26 ...

1 DATED this 7th day of March, 2006.

2 FENNEMORE CRAIG, P.C.

3
4 By  _____
5 Jay L. Shapiro
6 Patrick J. Black
7 Attorneys for Coronado Utilities, Inc.

8 ORIGINAL and 15 copies of the foregoing
9 filed this 7th day of March, 2006 with:

10 Arizona Corporation Commission
11 Docket Control
12 1200 West Washington Street
13 Phoenix, Arizona 85007

14 COPY of the foregoing hand-delivered
15 this 7th day of March, 2006 to:

16 Jason Gellman
17 Arizona Corporation Commission
18 Legal Division
19 1200 West Washington Street
20 Phoenix, AZ 85007

21 COPIES of the foregoing sent via
22 U.S. mail this 7th day of March, 2006 to:

23 Jane Rodda, Administrative Law Judge
24 Hearing Division
25 Arizona Corporation Commission
26 400 West Congress
Tucson, AZ 85701

Kim Eggleston
Park Management & Investments
7373 N. Scottsdale Road, Suite A-280
Scottsdale, AZ 85253

Gayle Carnes, Editor
San Manuel Miner
P.O. Box 60
San Manuel, AZ 85631

1 Betty Thomas, Chairman
2 San Manuel Library
3 108 Fifth Avenue
4 San Manuel, AZ 85631

5 By Jandra Baker

6 1770420.1/12923.001

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**AGENDA FORM
FOR
PINAL COUNTY BOARD of SUPERVISORS**

Budgeted: N/A
 Generates Revenue for County: No
 Revenue Generated : N/A
 Uses County Funds: No
 Source of Funds: N/A
 Cost to County: N/A
 Reduces/Contains: N/A
 Expenditure Reduced/Contained: N/A

Competitive negotiations (PC1-347 D1) N/A
 Two step competitive negotiation (PC1-347 D2) N/A
 Review of Qualifications (PC1-347D3) N/A
 Multi step sealed bidding (PC1-328) N/A
 Intergovernmental Agreement (PC1-1003) N/A
 Competitive sealed proposals RFP (PC1-329) N/A
 Expenditures for County: Other (PC1-____) N/A

1. **REQUESTED BY:**
 Fund No: 10 Dept No: 1037 Dept. Name: Assistant County Manager Director: Manuel González

2. **BRIEF DESCRIPTION OF AGENDA ITEM AND REQUESTED BOARD ACTION:** Agenda Item for February 15, 2006
 9:30 a.m. PUBLIC HEARING to discuss, approve or disapprove the creation of the Coronado Utilities, Inc. sewer franchise, located in the community of San Manuel, Pinal County, Arizona.

3. **MOTION:** It is moved that the Pinal County Board of Supervisors ...
SUGGESTED MOTION: Approve the creation of the Coronado Utilities, Inc. sewer franchise and further move that the Board authorize its Chairman and Clerk to execute the documents as presented.

4. **DEPARTMENT:**
 Action recommended by *[Signature]* Date 1/25/06

7. **ASSISTANT COUNTY MANAGER:**
[Signature] Date 1/25/06
 Approve Disapprove

5. **GRANTS AND CONTRACTS ADMINISTRATOR:**
 _____ Date _____
 Approve Disapprove

8. **PURCHASING DEPARTMENT:**
 _____ Date _____
 Approve Disapprove

6. **COUNTY ATTORNEY'S OFFICE:**
[Signature] Date 1/25/06
 Approved as to form and within the powers and authority granted under the laws of the State of Arizona to the Pinal County Board of Supervisors.

9. **FINANCE OFFICE:**
 _____ Date _____
 Approve Disapprove

10. **COUNTY MANAGER:** _____ Date _____
 APPROVE DISAPPROVE

11. **BOARD OF SUPERVISORS:**
 Action Taken: Approve Amend Disapprove Delete
 CHAIRMAN: *[Signature]* Date 2-15-06
 CLERK OF THE BOARD: *[Signature]* Date 2-15-06



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLER

When recorded mail to:

Clerk of the Board Office
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 02/17/06 1647
FEE: \$0.00
PAGES: 18
FEE NUMBER: 2006-024095

(The above space reserved for recording information)

CAPTION HEADING

Sewer franchise

Creation of the Coronado Utilities, Inc. Sewer franchise
located in the community of San Manuel, Pinal County, Arizona.

When recorded mail to:

Clerk of the Board
P.O. Box 827
Florence, Arizona 85232

Creation Of The Coronado Utilities Inc. Sewer Franchise

WHEREAS, Coronado Utilities Inc. , an Arizona Corporation, duly authorized to conduct business in the State of Arizona, has filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for a new public utility franchise for the purpose of constructing, operating and maintaining wastewater lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Application").

WHEREAS, upon filing of the Application for the public utility franchise, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the public utility franchise to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Application was set for 9:30 a.m. on February 15, 2006, at the Pinal County Board of Supervisors' Hearing Room, Administration Building A, Florence, Arizona.

WHEREAS, said Application having come before this Board for hearing at 9:30 a.m. on February 15, 2006; and it appearing from the affidavit of the publishers of the Florence Reminder and Blade Tribune, and the San Manuel Miner, that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder and Blade Tribune published on January 26, 2006, February 2, 2006 and February 9, 2006 and the San Manuel Miner published on January 25, 2006, February 1, 2006 and February 8, 2006 and the matter being called for hearing at 9:30 a.m. on February 15, 2006 and an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to create a wastewater franchise under Arizona Revised Statute §40-283, as well as other applicable sections.

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this franchise shall have the following meanings:

- A. County: Pinal County, Arizona.
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors.
- D. Grantee: Coronado Utilities Inc., an Arizona Corporation, its successors and assigns.

E. Grantee's Facilities: Wastewater structures, equipment, lines, plants and related appurtenances.

Section 2: GRANT

A. Grantor, on February 15, 2006, hereby grants to Grantee, for a period of twenty-five years, this new public utility franchise (hereinafter "Franchise") for the purpose of constructing, operating and maintaining wastewater lines and related appurtenances along, under and across public streets, alleys and highways, and other rights of way, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Application (hereinafter "Franchise Area").

B. Nonexclusive Franchise.

(1) The Franchise granted hereby shall not be exclusive and shall not restrict in any manner the right of County in the exercise of any regulatory power which it now has or which may hereafter be authorized or permitted by the laws of the State of Arizona. Nothing herein shall be construed to prevent County from granting other like or similar franchises to any other person, firm or corporation. County retains and shall ever be considered as having and retaining the right and power to allow and to grant to any other person, firm, corporation or other companies, franchise rights and privileges to be exercised in and upon its public streets, alleys, highways, rights of way and public places, and such of the same and parts thereof as County may deem best or choose to allow, permit, give or grant.

(2) Nothing herein shall be construed to prevent County and its proper authorities from constructing and installing water lines, sewers, gutters, or improvements to its public highways, streets and alleys, and for that purpose, to require Grantee at Grantee's own expense to remove Grantee's Facilities to conform thereto and facilitate the same.

(3) Grantor makes no assurances that through its grant of this Franchise Agreement to Grantee that Grantor will endorse, support, or otherwise encourage approval of Grantee's 208 Plan Amendment, Certificate of Need and Necessity, permit requests, zoning, or any other approval from a governmental or regulatory agency.

C. Reservation of Rights.

(1) County reserves the right to alter and amend the Franchise at any time and in any manner necessary for the safety or welfare of the public or to protect the public interests, and County reserves the right to impose at any time restrictions and limitations upon the use of the public streets, alleys, rights of way and highways as County deems best for the public safety or welfare.

(2) County expressly reserves the right, after thirty (30) days written notice to Grantee, to modify, amend, alter, change or eliminate any of the provisions of the Franchise which may become obsolete or impractical; and to impose such additional conditions upon Grantee as may be just and reasonable, such conditions to be those deemed necessary for the purpose of insuring adequate service to the public; provided however, County shall not modify, amend, alter, change or eliminate any of said provisions until after thirty (30) days and a public hearing, if such is legally required or requested by Grantee.

Section 3: RENEWAL/SUBSEQUENT APPLICATION/REMOVAL OF SYSTEM

A. The Franchise herein granted shall expire on February 15, 2021; and upon its termination, Grantee shall cease to exercise under the terms of the Franchise the privileges herein granted. In the event Grantee desires a renewal of the Franchise herein granted, or a new franchise for a subsequent period, Grantee shall apply to and open negotiations with County for that purpose at least six (6) months before the expiration of the Franchise herein granted; but nothing herein shall be construed to bind County to grant such renewal or subsequent franchise.

B. Upon termination of the Franchise, Grantee shall remove Grantee's Facilities from the streets, alleys, ways, highways, rights of way and bridges within the Franchise Area and shall restore the areas to their original condition. If such removal is not completed within six (6) months of such termination, County may deem any property not removed as having been abandoned.

Section 4: REGULATION

Grantee shall be subject to reasonable regulations for the maintenance by Grantee of such portion of the public streets, alleys, rights of way and highways altered, damaged or destroyed by Grantee, its agents, employees or contractors, in exercising the privileges granted by the Franchise, including, but not limited to provisions for repair as set forth in Section 9(B) herein.

Section 5: CONSTRUCTION, INSTALLATION AND REPAIRS

A. Before beginning any construction for installation of Grantee's Facilities, Grantee shall submit a plan of proposed construction to the Pinal County Engineer and shall not commence any construction until the plan of construction is approved by the County Engineer or his designate.

B. All work performed by Grantee, its agents, employees or contractors, under the Franchise shall be done in the manner prescribed by County and subject to the supervision of County, and in strict compliance with all laws, ordinances, rules and regulations of federal, state and local governments.

C. No construction, reconstruction, repair, or relocation under the Franchise shall be commenced until written permits have been obtained from the proper County officials. In any permit so issued, such officials may impose such conditions and regulations as a condition of the granting of the same as are necessary for the purpose of protecting any structures, highways, streets, or rights of way and for the proper restoration of such structures, highways, streets, or rights of way, for the protection of the public and the continuity of pedestrian and vehicular traffic.

D. No construction under the Franchise by Grantee shall impose upon County the duty to maintain any public street, alley, highway or right of way unless County accepts said public street, alley, highway or right of way into the county maintenance system as provided by law.

Section 6: INSPECTION

County shall, if it deems it necessary, have the right to inspect the construction, operation and maintenance of Grantee's Facilities to insure the proper performance of the terms of the Franchise granted herein.

Section 7: SUFFICIENCY, LOCATION AND MAINTENANCE

All of Grantee's Facilities shall be in all respects adequate, efficient, substantial and permanent in design and workmanship, and shall be so located, erected and maintained in good order and repair so as not to interfere with the use, enjoyment or safety of the public streets, alleys, highways or rights of way.

Section 8: EXPANSION

Grantee may from time to time, during the term of the Franchise make such enlargements and extensions of its wastewater system as are necessary to adequately provide for the requirements of County and the inhabitants of the Franchise Area; provided that nothing herein shall compel Grantee to expand or enlarge its system beyond the economic and operating limits thereof. Such enlargements and extensions shall be made in accordance with County rules and regulations.

Section 9: RELOCATION; REPAIR

A. During the term of the Franchise, if County or any qualified authority having jurisdiction in the Franchise Area alters, repairs, improves, or changes the grade of, any public street, alley, highway, or right of way in the Franchise Area, then and in such event, Grantee, at its own expense, shall promptly make such changes in the location, structure or alignment of its wastewater lines and related appurtenances as the County Engineer or his/her designee may deem necessary as provided in Section 9(B).

B. Within sixty (60) days after receiving written notice from County of needed changes or corrections in Grantee's Facilities, and upon the failure of Grantee to make such changes or corrections as set forth in Section 9(A) or to correct any damage to any public street, alley, highway or right-of-way within the Franchise Area caused directly or indirectly by Grantee, its agents, employees or contractors, County shall have the right to make, or cause such changes or corrections to be made at the expense of Grantee. In the event that any changes, corrections or repairs are deemed an emergency by County, Grantee, upon receipt of notice of such an emergency, shall make such changes, corrections or repairs deemed necessary by County to provide for health and safety concerns. In the event that Grantee does not make the necessary changes, corrections or repairs within a reasonable period of time, County may make, or cause such changes, corrections or repairs to be made at the expense of Grantee. Any expenses incurred for such changes, corrections or repairs shall be due and payable within thirty (30) days of written demand by County to Grantee.

Section 10: LIABILITY

A. If any public street, highway, alley, way, bridge, sidewalk, public place, or other public facility should be disturbed, altered, damaged or destroyed by Grantee, its agents, employees or contractors, in the construction, design, installation, operation and maintenance of Grantee's Facilities under the Franchise, the same shall be promptly repaired, reconstructed, replaced or restored by Grantee, without cost to County, as provided in Section 9(B), in as good condition as before Grantee's entry and to the satisfaction of County.

B. Grantee shall be responsible to every owner of property which shall be injured by the work of construction, installation, operation or maintenance of Grantee's Facilities under the Franchise, all physical damage which shall be done to such injured property through any act or omission of Grantee, its agents, employees or contractors, arising out of said construction, installation, operation or maintenance.

C. It is a condition of the Franchise that County shall not and does not by reason of the Franchise assume any liability of the Grantee whatsoever for injury to persons or damage to property.

Section 11: INDEMNIFICATION

Grantee by its acceptance of the Franchise agrees that throughout the entire term of this Franchise, Grantee, at its sole cost and expense, shall indemnify, defend, save and hold harmless Pinal County, its elected officers, employees and agents from any and all lawsuits, judgments and claims for injury, death and damage to persons and property, both real and personal, caused in whole or in part by the construction, design, installation, operation or maintenance of Grantees Facilities by Grantee, its agents, employees or contractors, within the Franchise Area. Indemnified expenses shall include, but not be limited to, litigation and arbitration expenses, and attorneys' fees.

Section 12: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty (30) days after the date this Franchise is approved by County. This Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 13: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by its acceptance of the Franchise acknowledges such acceptance relies upon Grantee's own investigation and understanding of the power and authority of the County to grant this Franchise. Grantee by its acceptance of the Franchise accepts the validity of the terms and conditions of the Franchise in their entirety and agrees it will not, at any time, proceed against County in any claim or proceeding challenging any term or provision of the Franchise as unreasonable, arbitrary or void, or that County did not have the authority to impose such term or condition.

B. Grantee by accepting the Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by any third person regarding any term or condition of the Franchise not expressed therein. Grantee by its acceptance of the Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the Franchise.

C. Grantee by its acceptance of the Franchise further acknowledges that it has carefully read the terms and conditions of the Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

D. The Board's decision concerning its selection and awarding of the Franchise shall be final.

Section 14: FAILURE TO ENFORCE FRANCHISE

Grantee shall not be excused from complying with any of the terms and conditions of the Franchise by any failure of County, upon any one or more occasions, to insist upon the Grantee's performance or to seek Grantee's compliance with any one or more of such terms or conditions.

Section 15: COMPLIANCE WITH THE LAW

Grantee shall at all times, conduct its business under the Franchise in accordance with all federal, state and local laws, rules and regulations, as amended, including any future amendments thereto as may, from time to time, be adopted.

Section 16: INTERPRETATION/GOVERNING LAW

The interpretation and performance of the Franchise and of the general terms and conditions shall be in accordance with and governed by the laws of the State of Arizona.

Section 17: VENUE

Exclusive venue for any legal action to enforce the provisions, terms and conditions of the Franchise shall be the Superior Court of the State of Arizona in and for the County of Pinal, Florence, Arizona.

Section 18: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the Franchise, all of which shall remain in full force and effect for the term of the Franchise or any renewal or renewals thereof.

Section 19: FORFEITURE

A. If Grantee fails to comply with any of the provisions of this Franchise or defaults in any of its obligations hereunder, except for causes beyond the reasonable control of Grantee; and shall fail within thirty (30) days after written notice from County to commence, and within a reasonable time and not longer than sixty (60) days, complete the correction of such default or noncompliance, County shall have the right to revoke this Franchise and all rights of Grantee hereunder. In the event Grantee makes a general assignment or general arrangement for the benefit of creditors; or a trustee or receiver is appointed to take possession of substantially all of Grantee's Facilities within the Franchise Area or of Grantee's interest in this Franchise, where possession is not restored to Grantee within thirty (30) days; or Grantee's Facilities within the Franchise Area are subject to an attachment, execution or other seizure of substantially all of the Grantee's Facilities within the Franchise Area or this Franchise, where such seizure is not discharged within thirty (30) days, County may declare this Franchise, and any expansion hereto, forfeited and terminated.

B. Nothing herein contained shall limit or restrict any other legal rights that County may possess arising from such violations.

Section 20: REVOCATION OF FRANCHISE

The Franchise may after due notice and hearing, be revoked by County for any of the following reasons:

A. For false or misleading statements in, or material omissions from the application for and the hearing on the granting of the Franchise.

- B. For any transfer or assignment of the Franchise or control thereof without County's written consent.
- C. For failure to comply with any of the terms and conditions of the Franchise.

Section 21: ASSIGNMENT/TRANSFER

Grantee shall not assign or transfer any interest in the Franchise without the prior written consent of Grantor. Grantor shall not unreasonably withhold its consent to a proposed transfer.

Section 22: NOTICE

Notices required under the Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal Street
Florence, Arizona 85232

Grantee:

Coronado Utilities Inc.
6825 E. Tennessee Ave., Suite 547
Denver, Colorado 80224

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery. Either party may change its address under this section by written notice to the other party.

Section 23: REMEDIES

Rights and remedies reserved to the parties by the Franchise are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter of the Franchise and a waiver thereof at any time shall not affect any other reservation of rights or remedies.

Section 24: RIGHT OF INTERVENTION

County hereby reserves to itself, and Grantee hereby grants to County, the right to intervene in any suit, action or proceeding involving any provision in the Franchise.

Section 25: BOOKS AND RECORDS

Grantee shall maintain books and records that identify all of Grantee's underground facilities by type and location within the Franchise Area. Grantee shall make such books and records available to County upon County's request and without cost to County.

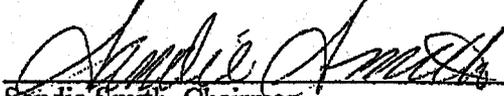
Section 26: AD VALOREM TAXES

Grantee shall pay its ad valorem taxes before they become delinquent.

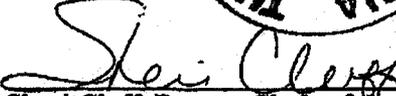
IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and caused its official seal to be affixed on February 16, 2006



PINAL COUNTY BOARD OF SUPERVISORS


Sandie Smith, Chairman

ATTEST:


Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

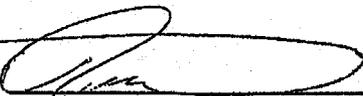
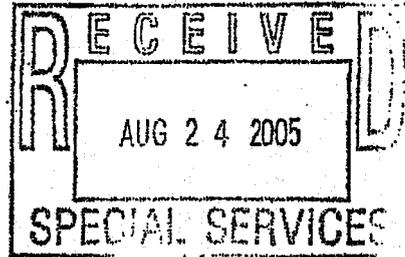

Rick Husk, Deputy County Attorney

Exhibit A



Pivotal Utility Management LLC.

6825 E. Tennessee Ave. Suite 547
Denver, CO 80224
Ph: (303) 333-1250 Fax: (303) 333-1257



Mr. Gary Medina
Pinal County Special Services
P.O. Box 827
Florence, AZ 85232

Re: Coronado Utilities Inc. - Application for Sewer Utility Franchise

Dear Mr. Medina:

Coronado Utilities Inc., an Arizona corporation, hereby makes application for a Sewer Utility Franchise in Pinal County. Coronado is currently in the application process with ADEQ and the ACC to obtain the authority to provide regulated sewer service to the San Manuel community. Enclosed, please find the legal description and maps of the proposed service area along with a check in the amount of \$200.00 to cover the cost of the application fee.

We appreciate your prompt response and thank you for your assistance. Feel free to contact me at any time if you have questions.

Sincerely,

Jason Williamson
President, Coronado Utilities
Phone: (303) 333-1250
Email: jw@pivotalcompanies.com

Legal Description of The San Manuel Sewer District

That part of Section 24 and 25, Township 9 South, Range 16 East, and Sections 19,20,28,29,30,31,32 and 33, Township 9 South, Range 17 East, and Sections 4,5 and 6, Township 10 South, Range 17 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows;

Commencing at the southeast corner of the above mentioned Section 5, Township 10 South, Range 17 East, said point being the point of beginning of the land to be described, (The basis of bearing is the south line of the southeast quarter of Section 5, Township 10 South, Range 17 East being north 89 degrees 57 minutes 50 seconds West).

THENCE North 89 degrees 57 minutes 50 seconds West for a distance of 2650.23 feet along the south line of said Section 5 to the south quarter corner being a found GLO brass cap dated 1924.

THENCE North 89 degrees 56 minutes 30 seconds West for a distance of 2645.27 feet along the south line of said Section 5 to the southwest corner being a found GLO brass cap dated 1924.

THENCE South 89 degrees 40 minutes 58 seconds West for a distance of 2638.79 feet along the south line of said Section 6 to the south quarter corner being a found GLO brass cap dated 1924

THENCE South 89 degrees 37 minutes 16 seconds West for a distance of 2632.37 feet along the south line of said Section 6 to a found GLO stone.

THENCE North 00 degrees 05 minutes 24 seconds West for a distance of 5538.15 feet along the west line of said Section 6 to a found brass cap, being the intersection of Township 9 and 10 South, and Range 16 and 17 East.

THENCE North 00 degrees 54 minutes 22 seconds West for a distance of 5291.81 feet along the west line of said Section 31 to the northwest corner being a found 5/8 inch rebar.

THENCE North 00 degrees 56 minutes 15 seconds West for a distance of 2662.69 feet along the west line of said Section 30 to the west quarter corner being a found 3/4 inch open pipe.

THENCE North 00 degrees 59 minutes 01 seconds West for a distance of 2322.17 feet along the west line of said Section 30 to a found aluminum cap LS 4154 on the south line of the San Manuel Golf Course.

THENCE North 66 degrees 21 minutes 49 seconds West for a distance of 801.59 feet along the south line of the San Manuel Golf Course to a found aluminum cap LS 4154.

THENCE North 66 degrees 22 minutes 41 seconds West for a distance of 1887.00 feet along the south line of the San Manuel Golf Course to a found Aluminum cap LS 4154.

THENCE North 00 degrees 00 minutes 54 seconds East for a distance of 1201.47 feet along the west line of the San Manuel Golf Course to a found Aluminum cap LS 4154 on the south right-of-way line of highway 76.

THENCE South 67 degrees 01 minutes 57 seconds East for a distance of 1855.09 feet along the south right-of-way line of highway 76 to a ADOT monument ¼ inch steel pin at station 119+00.

THENCE South 67 degrees 02 minutes 16 seconds East for a distance of 797.52 feet along the south right-of-way line of highway 76 to a found aluminum cap LS 4154 at station 111+03.30.

THENCE North 00 degrees 56 minutes 02 seconds West for a distance of 1658.80 feet along the west line of said Section 19 to the west quarter corner being a found ¾ inch rebar.

THENCE North 00 degrees 56 minutes 39 seconds West for a distance of 556.81 feet along the west line of said Section 19 to a point on the south line of San Manuel Airport lease.

THENCE North 56 degrees 09 minutes 30 seconds West for a distance of 47.31 feet along the south line of San Manuel Airport lease to a set ½ inch rebar.

THENCE along a curve to the left having a radius of 11535.71 feet, and an arc length of 1216.19 feet subtended by a cord of North 52 degrees 00 minutes 23 seconds West for a distance of 1215.61 feet along the south line of the San Manuel airport lease to a set ½ inch rebar.

THENCE North 33 degrees 50 minutes 30 seconds East for a distance of 1156.98 feet to a point.

THENCE South 56 degrees 09 minutes 30 seconds East for a distance of 9318.47 feet to a point on the north fence line of the Commodity Warehouse.

THENCE North 90 degrees 00 minutes 00 seconds East for a distance of 4960.97 feet to a point.

THENCE South 33 degrees 57 minutes 38 seconds East for a distance of 3504.07 feet to a point on a fence corner.

THENCE South 15 degrees 52 minutes 36 seconds West for a distance of 8527.39 feet to a set ½ inch rebar on the west right-of-way line of Highway 76.

THENCE South 00 degrees 00 minutes 00 seconds East for a distance of 4680.74 feet to a point on the south line of said Section 4.

THENCE South 89 degrees 54 minutes 01 seconds West for a distance of 1173.24 feet along the south line of said Section 4, to the point of beginning of the land described.

Together with and subject to covenants, easements, and restrictions of record.

Said property contains 5104.38 acres more or less.

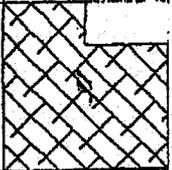
COUNTY: Pinal

RANGE 16 East

TOWNSHIP 9 South

 W-1445 (34)(5)
Arizona Water Company (Oracle)

 Coronado Utilities, Inc.
SW-4305-05-086
Application for CCAN for Sewer

1	2	3	4	5	6	
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31	32	33	34

COUNTY OF Pinal

RANGE 17 East

TOWNSHIP 9 South

1	2	3	4	5	6
7	8	9	10	11	12
13	14	15	16	17	18
19	20	21	22	23	24

 W-1445 (34)(3)
Arizona Water Company (San Manuel)

 Coronado Utilities, Inc.
SW-4305-05-076
Application for CC&N for Sewer

Exhibit B

ACCEPTANCE OF FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Coronado Utilities Inc., an Arizona Corporation, does hereby accept the grant of a new public utility franchise from Pinal County, Arizona, (hereinafter "Franchise"), to construct, operate, and maintain wastewater lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as stated in its application for a new public utility franchise.

Grantee unconditionally accepts the Franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of Pinal County to impose the same.

Grantee declares that the statements and recitals in this Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in this Franchise recited to have been or to be made by Grantee.

Dated this _____ day of _____, 2006.

Coronado Utilities Inc.

By: _____

Title: _____

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2006, by _____ of Coronado Utilities Inc., an Arizona Corporation, and being authorized to do so, executed the foregoing instrument on behalf of the company for the purposes therein stated.

Notary Public

My Commission Expires:

PUBLIC NOTICE

CORONADO UTILITIES INC. SEWER COMPANY SEWER FRANCHISE REQUEST

The Pinal County Board of Supervisors hereby gives notice that it will conduct a Public Hearing in the Board of Supervisors Hearing Room located in Administrative Building No. 1, 31 N. Pinal Street, Florence, Arizona, at 9:30 a.m., on the 15th day of February, 2006 to hear any affected persons wishing to speak for or against the application of Coronado Utilities Inc. for a sewer franchise in the community of San Manuel, Pinal County, Arizona.

The requested franchise area is located as follows:

- Those portions of Section 24 and 25, all within Township 9 South, Range 16 East, Gila & Salt River Base and Meridian, Pinal County, Arizona.
- Sections 19, 20, 28, 29, 30, 31, 32 and 33, all within Township 9 South, Range 17 East, Gila & Salt River Base and Meridian, Pinal County, Arizona.
- Sections 4, 5 and 6, Township 10 South, Range 17 East, Gila & Salt River Base and Meridian, Pinal County, Arizona.

Objections and/or comments are due during the public comment period, which ends at the conclusion of the public hearing. Any objection shall state the name and mailing address of the objector, be signed by the objector, their agent or attorney, and clearly set forth the reasons why the franchise should not be issued. Send objections/comments to Clerk of the Board, Pinal County Board of Supervisors, P. O. Box 827, Florence, AZ 85232 or deliver to 31 N. Pinal Street, Administration Building A, Florence, Arizona.

Notice is further given that: no prevailing objections or good cause arising, the Board of Supervisors intends to grant the requested franchise.

S/Terry Doolittle
Terry Doolittle, County Manager

No. of Publications (3):
Florence Reminder & Blade Tribune
Dates Published: January 26, & February 2 and 9, 2006



**OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE**

When recorded mail to:

Clerk of the Board Office
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 02/17/06 1647
FEE: \$0.00
PAGES: 2
FEE NUMBER: 2006-024096

(The above space reserved for recording information)

CAPTION HEADING

Acceptance of the Coronado Utilities, Inc. Sewer franchise by it's President, Jason Williamson.

ACCEPTANCE OF FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Coronado Utilities Inc., an Arizona Corporation, does hereby accept the February 15, 2006 grant of a new public utility franchise from Pinal County, Arizona, (hereinafter "Franchise"), to construct, operate, and maintain wastewater lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as stated in its application for a new public utility franchise.

Grantee unconditionally accepts the Franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the Franchise. Grantee accepts such provisions, terms and conditions and expressly waives any and all objections to the reasonableness or legality of any provisions of the same or any part thereof, or as to the legal right or authority of Pinal County to impose the same.

Grantee declares that the statements and recitals in this Franchise are correct, and Grantee declares it has made and does make the agreement, statements and admissions in this Franchise recited to have been or to be made by Grantee.

Dated this 15th day of February, 2006.

Coronado Utilities Inc.

By: [Signature]

Title: President

STATE OF ARIZONA }
County of Pinal } ss.

The foregoing instrument was acknowledged before me this 15th day of Feb., 2006, by Jason Williamson of Coronado Utilities Inc., an Arizona Corporation, and being authorized to do so, executed the foregoing instrument on behalf of the company for the purposes therein stated.

[Signature]
Notary Public

