

ORIGINAL



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ARIZONA CORPORATION COMMISSION

2006 JUN -7 A 9:25

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AZ CORP COMMISSION
DOCUMENT CONTROL
June 7, 2006

Chairman Hatch-Miller
Commissioner Spitzer
Commissioner Gleason
Commission Mayes

Re: In the matter of the Commission's generic evaluation of the regulatory impacts from the use of non-traditional financing arrangements by water utilities and their affiliates;
Docket No. W-00000C-06-0149

Dear Colleagues and Parties to the Docket:

Some weeks ago, I raised the issue of recent developments within the world of private water company operations. I would like to move forward with an inquiry into this matter.

I feel that it is appropriate to commence this process by receiving more information from the private water companies engaged in business expansion efforts and the development of innovative business relationships in the realm of water/wastewater service. I would like to begin by having Global Water Resources (GWR) make a presentation on some matters of interest regarding agreements it has with local governmental entities and developers. At a prior public meeting, an attorney representing GWR indicated that it would have no problem making such a presentation. Given this, as well as GWR's interest in promoting its innovative business relationships, it makes sense to start with a presentation by GWR, with presentations by other private water companies to follow.

The following reflects some of the matters I would like GWR to address:

1. The nature of its relationships with local governments.
I have attached a press release that I received late last year that piqued my interest. I am particularly curious how the "cutting edge partnerships" work in practical terms. Further, I would like to better understand GWR's perspective of the ACC's relationship with these "partnerships." Are these arrangements intended to be municipal operations not subject to Commission regulation? If so, what regulatory mechanisms exist to address matters such as rates and service quality? If intended to be something else, please help us better understand the intention, operation, and limitations of these public-private partnerships.
2. The nature of its Infrastructure Coordination Agreements.
I have attached two of these agreements that I pulled from the many posted on the Pinal County Recorder's website. I am particularly interested in the following matters pertaining to these agreements:

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- a. GWR's perspective on the role of the Arizona Corporation Commission regarding these agreements.
- b. The nature of the "per dwelling unit" fees charged by GWR. From afar, they resemble "hook-up" fees. Are they? If so, please explain the legal basis for these fees when GWR is not a Public Service Corporation (PSC). If these fees are not for utility infrastructure, then what are the developers receiving for these fees?
- c. Why do customers need a middleman to "coordinate" or even supply services that by law are required to be provided by the referenced PSCs (i.e., Palo Verde Water Company, LLC and Santa Cruz Water Company, LLC). The CC&Ns held by these companies seem to be legally sufficient to ensure service. Please explain.

I want to make it clear that I have not taken a position for or against GWR's arrangements. At this time, I simply do not have enough information to reach a conclusion. I can say that I believe it is incumbent on the Commission to ask questions about business practices and arrangements. I also believe, barring any problem with the law or accounting standards, the Commission should be open to innovation. I say this with particular emphasis on private water companies. Having seen the impact of poorly run operations and a lack of available capital to fix problems and to address growing demand, I am supportive of efforts that would lead to stronger water/wastewater systems in Arizona. While I will continue to look toward the ratepayers' bottom line, I think it is important to acknowledge that an assessment of consumer interests must include an evaluation of the viability and strength of the servicing utility.

Sincerely,



William A. Mundell, Commissioner
Arizona Corporation Commission

Enclosures (3)

cc: Brian McNeil
Heather Murphy
Michael Patton

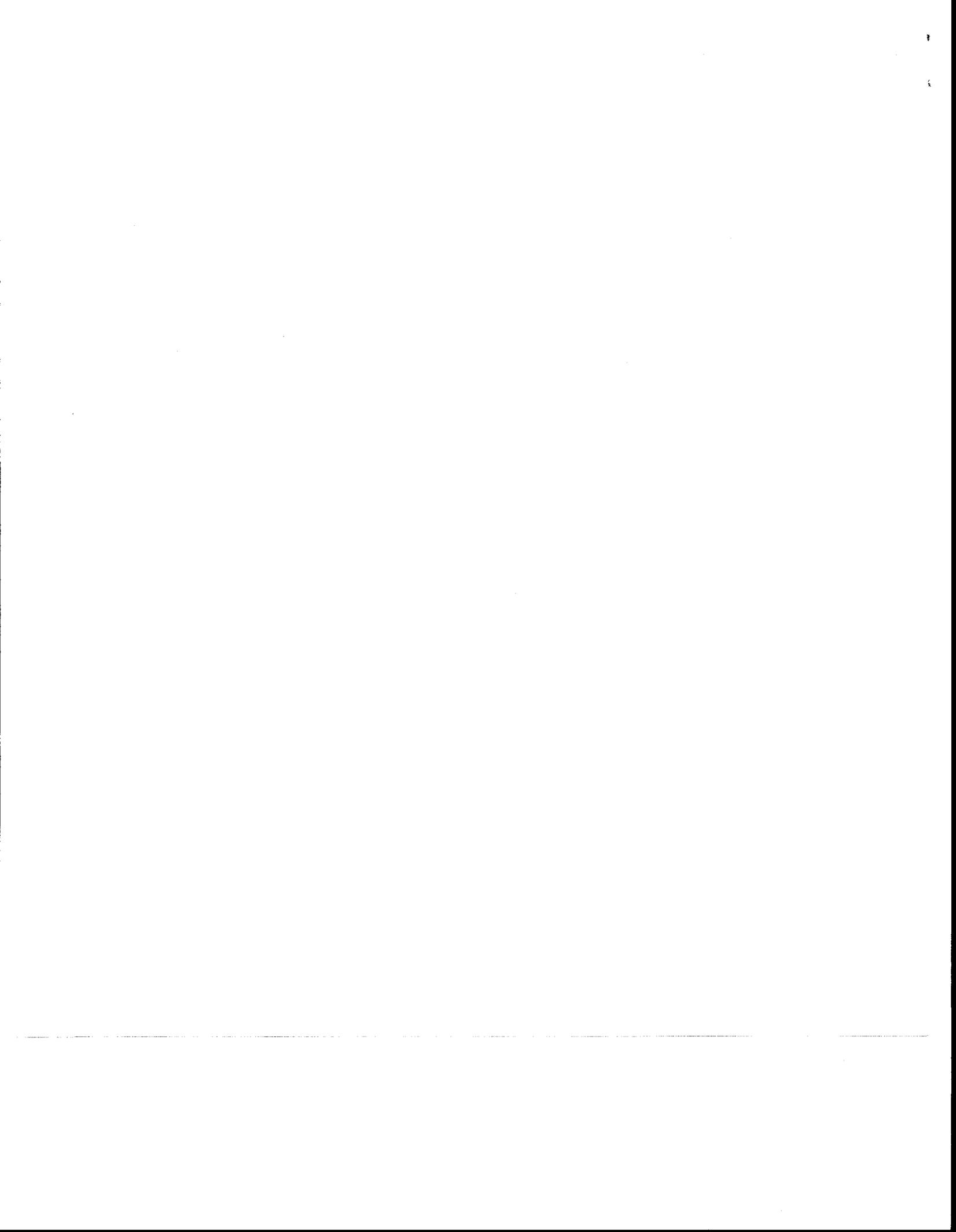
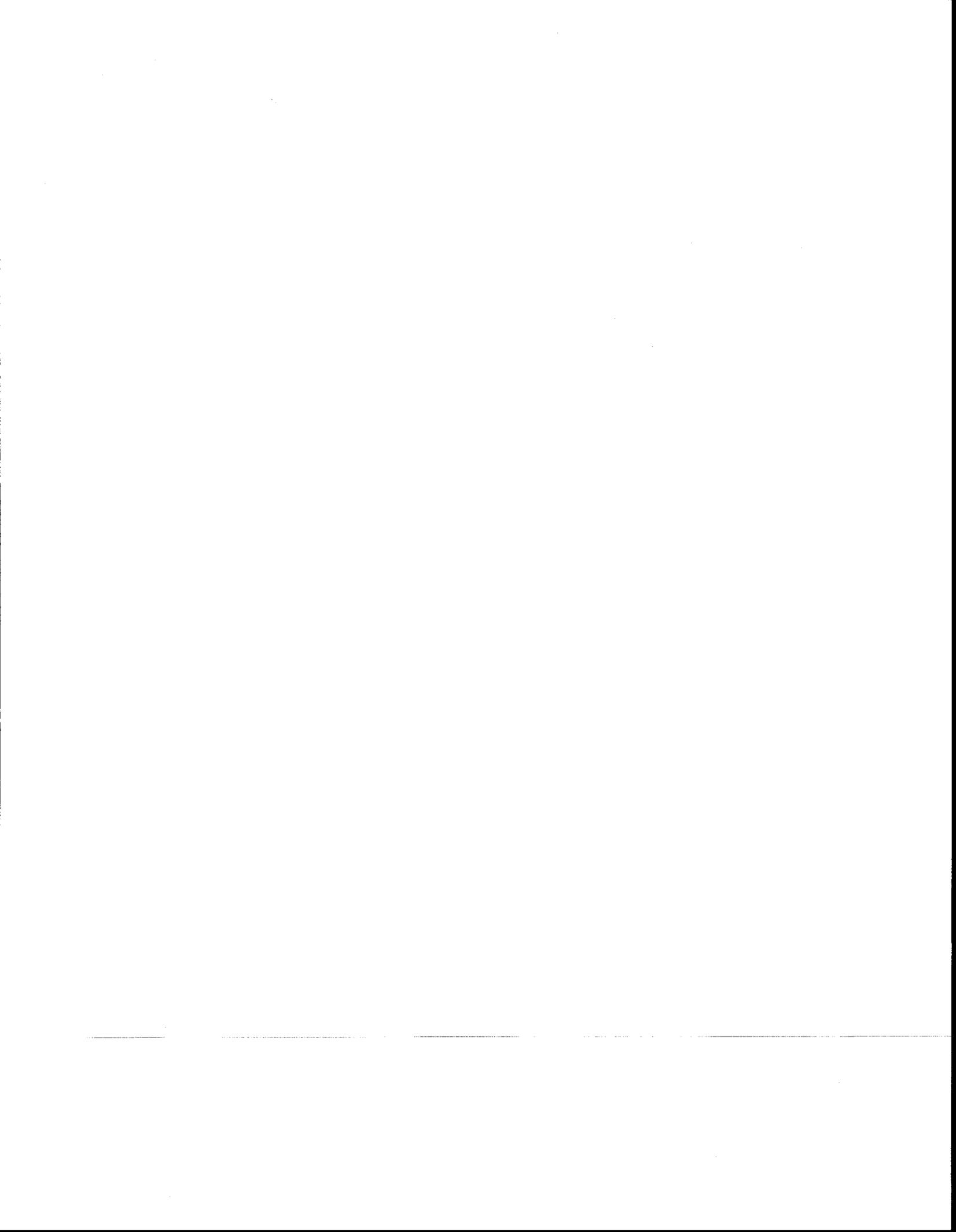


EXHIBIT A



PRESS RELEASE

For Immediate Release

GLOBAL WATER SIGNS HISTORIC AGREEMENTS WITH THE CITIES OF MARICOPA AND CASA GRANDE

PHOENIX, December 21, 2005 – Global Water Resources, LLC (“Global Water”) announced today that it has entered into regional infrastructure partnership agreements with the Cities of Maricopa and Casa Grande. These Memoranda of Understanding (“MOUs”) constitute an unprecedented public-private-partnership (“P3”) in the State between Cities and a private utility company.

Under this P3 initiative, the Cities and Global Water enter a new era of regional water resource planning and management. The MOUs provide for a state-of-the-art regional water, wastewater and water reclamation master plan which will reduce groundwater usage through the widespread use of reclaimed water, reduce the area’s reliance on groundwater through the introduction of surface water treatment, and provide for long term aquifer recharge in the basin. These agreements also provide the Cities with long term revenue streams to help manage growth and the provision of essential services to thousands of new residents.

The City Councils of Maricopa and Casa Grande voted to embrace the P3 concept for the provision of infrastructure during their December Council Meetings. Maricopa’s City Manager, Rick Buss, said that “It is vitally important to emphasize the overarching premise behind the creation of this agreement: we have forged this partnership to ensure that Maricopa’s current and future citizens will have the water resources they need to support their lives and livelihoods.”

Trevor Hill, President of Global Water, said that “these are cutting-edge partnerships in which the environment, the residents, and the parties all benefit, now and in the future. Western Pinal County will lead Arizona into the next century of water management and resource planning.” Under this relationship, Global Water will continue to invest in its fully integrated water resource model for the region, and already has committed \$50 million to its 2006 regional capital budget. Among other projects, Global will commence construction on two new Class A+ regional water reclamation facilities and two new surface water treatment plants. Wastewater will continue to be treated to the highest standards approved by the Arizona Department of Environmental Quality for reuse which allows it to be used in place of groundwater on a spectrum of industrial, commercial and irrigation uses.

“The idea behind the Global Water business model is simple,” explained Mr. Hill, “we believe that water is a precious commodity – and as such it needs to be used as wisely as possible. This means that the long term resource conservation required tomorrow must be built into an integrated water and wastewater plan today. We must anticipate a declining availability of the resource and govern ourselves accordingly.”

“It makes more sense to use reclaimed water for irrigating golf courses than it does to use groundwater,” explained Jim Thompson, Manager of the City of Casa Grande. “And it certainly makes more sense to use surface water as it becomes available. In the Desert Southwest, there is enough water for all of us, as long as we become smarter about how we use it. Global Water is a recognized leader in water reclamation and reuse.”

Global Water Resources is a locally owned and operated aggregator of water and wastewater utilities. The company serves more than 25,000 people in Arizona. Global Water is committed to investing in and improving the regulated water and wastewater companies it owns and operates, and to the conservation and preservation of Arizona’s precious water resources.

For more information, contact:

Paul Walker
Husk Partners
Public Relations Firm for:
Global Water Resources
602-307-5080

<http://www.gwresources.com>



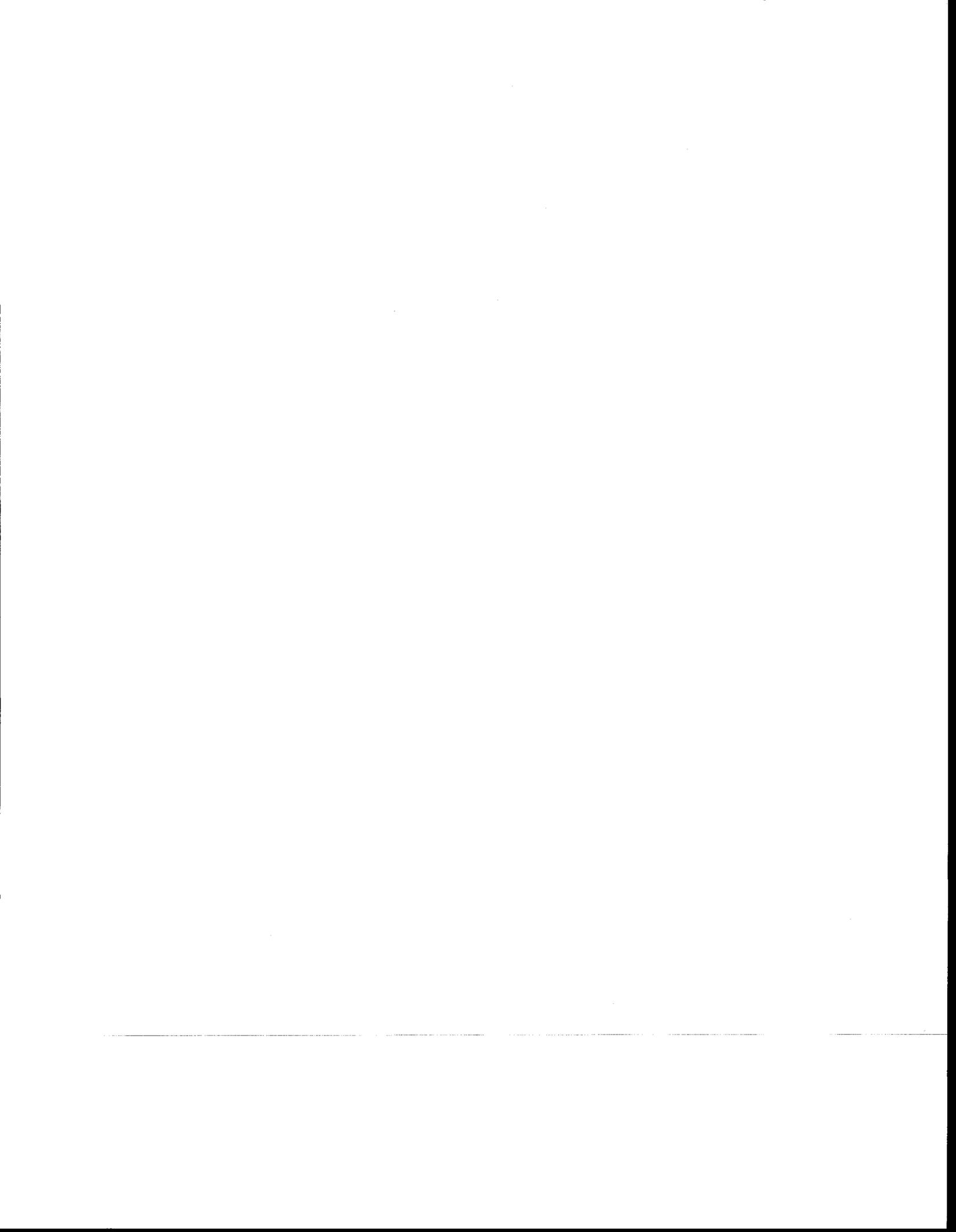
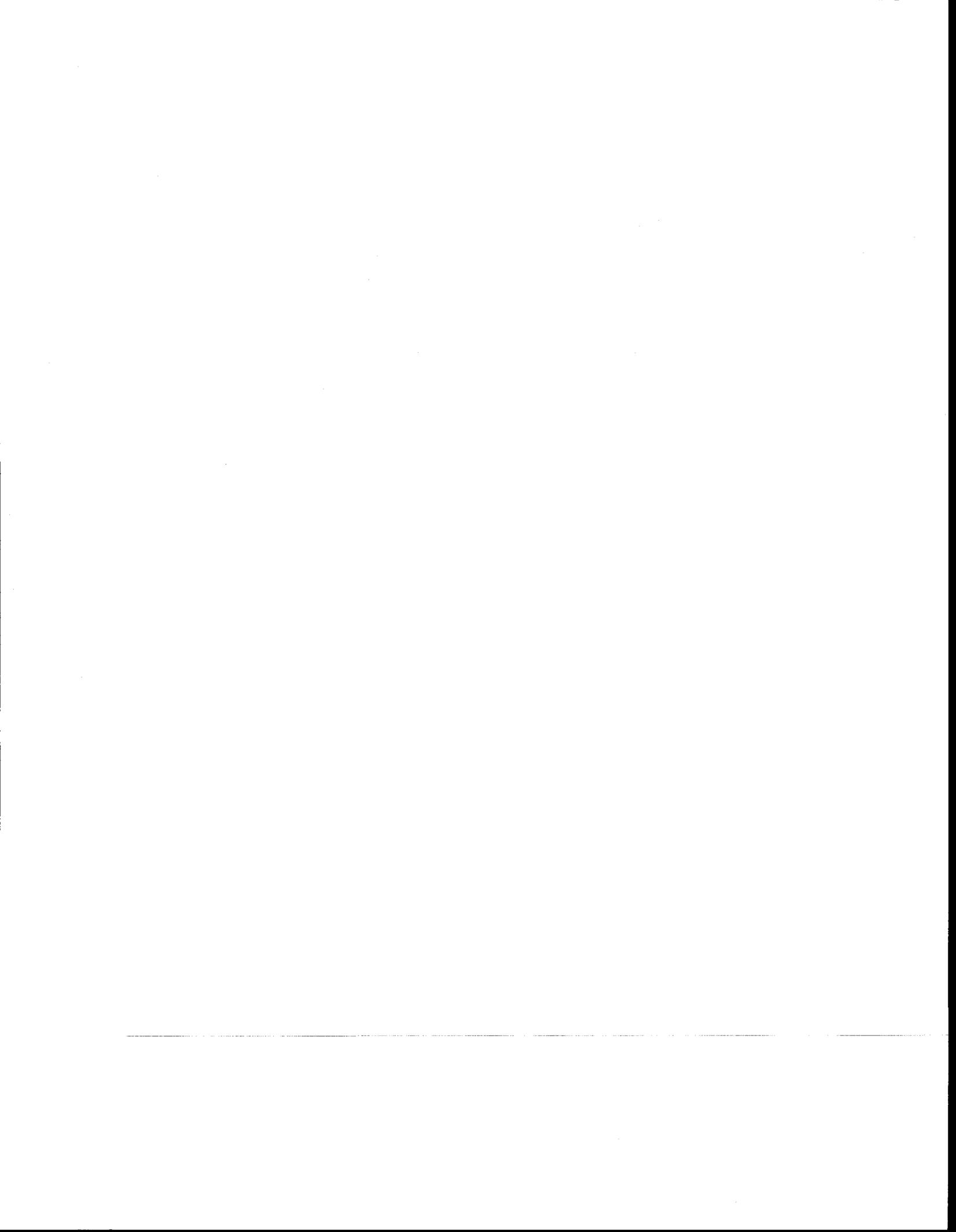


EXHIBIT B





Pinal County Recorder

Choose a destination below

[Recorder's Office Website](#)

Recorder Search - Recorded Document Details

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Fee Number: 2006-022206 **Doc. Type:** AGMT
Docket/Page: **Recorded:** 2/14/2006 4:35:00 PM
Township: 06S **Range:** 03E **Section:** 12 **Sub Sec:** N
Additional TRS's: **Legal Information:**

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Grantor(s):

- GLOBAL WATER RESOURCES LLC
- PARKER ESTATES L L C

Grantee(s):

- PARKER ESTATES L L C
- GLOBAL WATER RESOURCES LLC

Additional Information:

N/A

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If you wish to print this page, please set your printer to "LandScape" for best results.

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WHEN RECORDED RETURN TO:
Global Water Resources, LLC
22601 N. 19th Avenue
Suite 210
Phoenix, Arizona 85027



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 02/14/06 1635
FEE: \$53.00
PAGES: 44
FEE NUMBER: 2006-022206

INFRASTRUCTURE COORDINATION AND FINANCE AGREEMENT

THIS INFRASTRUCTURE COORDINATION AND FINANCE AGREEMENT (this "Agreement") is entered into as of August 10, 2005 between Global Water Resources, LLC, a Delaware limited liability company ("Coordinator") and Parker Estates, L.L.C., an Arizona limited liability company ("Landowner").

RECITALS

A. Coordinator is engaged in the business of, among other things, providing services or benefits to landowners, such as: (i) developing master utility plans for services including natural gas, electricity, cable television, Internet, intranet, and telecommunications; (ii) providing construction services for water and wastewater treatment facilities, and (iii) providing financing for the provision of infrastructure in advance of and with no guarantee of customer connections.

B. Coordinator is the owner of Santa Cruz Water Company, LLC ("SCW") and Palo Verde Utilities Company, LLC ("PVU") and provides equity for its subsidiaries' capital improvements.

C. SCW and PVU are Arizona public service corporations. SCW and PVU have been issued certificates of convenience and necessity ("CC&N") by the Arizona Corporation Commission ("ACC") to provide water and wastewater services (collectively the "Utility Services"), respectively in designated geographic areas within the State of Arizona.

D. Landowner is in the process of, entitling and/or developing certain real property, as more fully described on Exhibit A hereto (the "Land") and, in connection therewith, desires (i) to engage Coordinator to provide various services, including but not limited to arranging and coordinating for the Landowner the provision of Utility Services by SCW and PVU with respect to the Land, and (ii) work with SCW and PVU to include the Land as part of a CC&N service area expansion for SCW and PVU, on the terms and conditions hereinafter set forth. Landowner may entitle and sell the land in multiple phases to entities for future development. Through Coordinator, Landowner has requested water and wastewater services from SCW and PVU respectively; and, SCW and PVU have agreed to provide such services to Landowner. Coordinator shall use good faith efforts to provide "will serve" letters from SCW and PVU for Landowner and file for CC&N approval within 21 days of execution of this Agreement.

E. The parties acknowledge that the expansion of the CC&N may not be finalized until such time as the appropriate Arizona Department of Water Resources ("ADWR"), Arizona Department of Environmental Quality ("ADEQ") and Central Arizona Association of Governments ("CAAG") permits and approvals are in place.

F. The parties acknowledge that it is a requirement of this Agreement for the Landowner to accept and utilize reclaimed water for purposes of irrigation for the peak and off peak periods.

G. The parties recognize and acknowledge that this Agreement is a financing and coordinating agreement only. The fees contemplated in this Agreement represent an approximation of the carrying costs associated with interest and capitalized interest associated with the financing of infrastructure for the benefit of the Landowner, until such time as the rates associated from the provision of services within the areas to be served as contemplated by this Agreement generate sufficient revenue to carry the on going carrying costs for this infrastructure. Nothing in this Agreement should be construed as a payment of principal, a contribution or advance to SCW and PVU, and will bear no repayment of any kind or nature in the future.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Obligations of Coordinator. Upon execution of this Agreement, Coordinator shall undertake good faith efforts to facilitate, arrange and/or coordinate with SCW and PVU, as necessary, to provide Utility Services to Landowner, including without limitation, obtaining all necessary permits and approvals from the ACC, ADWR, ADEQ and CAAG to expand the CC&N of SCW and PVU to include the Land. Coordinator shall make good faith efforts to cause SCW and PVU to provide water source and storage, as well as wastewater treatment, Utility Services to Landowner for the Land. Water and wastewater lines will be constructed to the property line of the Land and reclaimed water lines will be constructed to a water storage facility within the Land, at locations to be designated by Coordinator collectively (the "Delivery Point") in consultation with Landowner. In addition to other administrative services to be provided by Coordinator, Coordinator shall undertake good faith efforts to coordinate and provide access to utility agreements currently in place to benefit the Land. These utility agreements may include the provision of natural gas, electricity, telephone, cable television, Internet, and intranet services. Coordinator will use its good faith efforts to facilitate modifications to existing utility agreements (including agreements with utility service providers other than with SCW and PVU) to include the Land within the service areas of other utility service providers. Landowner acknowledges and agrees that nothing in this Agreement is intended to prohibit Coordinator, its successors or assigns or their respective subsidiaries or affiliates from investing in or owning companies formed for purposes of providing any one or more of the utility services contemplated in this Agreement. Landowner shall not be obligated to enter into any agreements with Coordinator, its successors or assigns, or their respective subsidiaries or affiliates to accept any utility services without Landowner's written approval, in Landowner's sole discretion.

2. Coordination with SCW and PVU. Coordinator shall make good faith efforts to arrange and obtain for Landowner the services from SCW and PVU, more fully described on Exhibit C hereto, subject to obtaining the applicable regulatory approvals. Landowner or any successor to Landowner desiring the delivery of Utility Services to any portion of the Land must enter into separate Water Facilities Extension and Wastewater Facilities Extension Agreements (the "Extension Agreements") with SCW and PVU, respectively, at the time any portion of the Land has received final plat approval from Pinal County and the approved plat has been recorded

("Plat Approval"). The Extension Agreements shall be in the forms attached hereto as Exhibits D and E.

3. Obligations of Landowner. Landowner agrees to cooperate with Coordinator as reasonably requested by Coordinator and agrees to provide all information and documentation about the Land reasonably necessary for Coordinator to comply with its obligations under this Agreement. In addition, Landowner agrees to grant to SCW and/or PVU, as the case may be, all necessary easements and rights of way for the construction and installation and subsequent operation, maintenance and repair of the Utility Services. Such easements and rights of way shall be of adequate size, location and configuration so as to allow SCW and PVU ready and all weather access to all facilities for maintenance and repairs and other activities reasonably necessary to provide safe and reliable water and wastewater Utility Services. In addition, as and when Landowner is no longer utilizing any portion of the Land for farming activities requiring use of irrigation water and one or more Water Facilities Extension Agreement has been entered into with respect to the Land, Landowner shall thereafter provide and transfer to SCW any and all water rights, which are owned by Landowner at the time of the signing of this Agreement, including, but not limited to, Grandfathered Irrigation Rights, Type I rights and /or Type II rights which run with or relate to the Land and which Coordinator determines, in its sole discretion, to be useful. Further, as and when Landowner is no longer utilizing any portion of the Land for farming activities requiring use of irrigation water and one or more Water Facilities Extension Agreement has been entered into with respect to the Land, Landowner shall thereafter transfer and convey to SCW at no cost to SCW (or Coordinator) any wells on the Land that SCW, in its sole discretion, deems useful for SCW, whether operational, abandoned, agricultural or otherwise. In addition, if SCW identifies well sites on the Land that SCW, in its sole discretion, deems useful for SCW, Landowner shall cause such well sites to be identified on the Plat Approval and dedicated to SCW in fee, free of all liens, claims and encumbrances of any kind or nature whatsoever; provided that the well site location is not located within areas identified in the current or any approved preliminary plans as areas to be used for entrances, entry monumentation or public roadways. Any well sites not transferred to SCW are to be decommissioned at the Landowner's expense. Both parties acknowledge that until effluent is available for the Land, groundwater from wells on the Land will be utilized. The Coordinator will use its reasonable efforts to obtain an Interim Use Permit with ADWR, on behalf of the Landowner or the Landowner's homeowner association, to allow the use of groundwater until effluent is available. Specific reasonable and identifiable costs associated with completing the Interim Use Permit will be reimbursed by Landowner to Coordinator subject to written documentation of such costs. Such costs may include engineering plans prepared by

Landowner's engineering firm for the benefit of ADWR subject to Landowner's prior written notice. As necessary and in SCW's sole discretion, Landowner will provide for the deeding of up to two (2) acres of land per 640 acres of land, free and clear of all liens, claims or encumbrances (except as otherwise expressly agreed to by SCW) to SCW for the use of future water pumping, treatment and storage facilities in the general location identified on Exhibit B attached hereto.

4. Payment Obligations. Landowner, or its assigns in title and/or successors in title, shall pay Coordinator an interest and financing fee as full and final compensation to the Coordinator in consideration for its services and performance of its covenants and agreements contained in the Agreement, the sum of \$3,500.00 per equivalent dwelling unit ("EDU") in the Land (the "Landowner Payment."). The portion of the Landowner Payment not paid concurrently with the execution of this Agreement shall be adjusted upward based on a CPI Factor, which is defined as the Consumer Price Index - United States City Average - for All Urban Consumers - All Items published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), with the Index for the month of January 2006 being treated as the base Index, plus two percent (2%). If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be utilized, and modified as necessary, to obtain substantially the same result as would be obtained if the Index had not been so discontinued or revised. For example, if the Landowner Payment was due in February 2007 and the most current available Index was 187.3 and the Index for January 2006 was 182.5, the unpaid Landowner Payment per EDU would be calculated as follows: $\$3,500 \times 187.3 / 182.5 \times 1.02 = \$3,664$. For the purposes of this Section 4, the number of EDUs within the Land shall be calculated as follows: (i) each single family residential lot included in the Plat Approval shall constitute one (1) EDU and (ii) each gross acre of commercial or industrial property included in the Plat Approval shall constitute four point eight (4.8) EDUs. If the payment to be made by Landowner pursuant to this Section 4 is due and owing pursuant to clause (ii) above prior to the Plat Approval, Coordinator shall reasonably calculate the Landowner Payment and Landowner shall make an initial payment based upon Coordinator's reasonable calculation. Following each Plat Approval, Landowner (and any successor or assign in title to any interest in the Property) and Coordinator shall reconcile the amount paid pursuant to the preceding sentence with the actual Landowner Payment due and Landowner, and/or any successor or assign in title to any interest in the Property, as applicable, shall pay to Coordinator or Coordinator shall pay to Landowner and/or any successor or assign in title to any interest in the Property, as applicable, as the case may be, the amount necessary to reconcile such payment.

The Landowner Payment for residential lots is payable upon the earlier of: (i) within 30 days after achieving Plat Approval for any portion of the Land retained by Landowner, (ii) upon Plat Approval for any portion of the Land conveyed by Landowner to an unaffiliated third party prior to Plat Approval, (iii) upon conveyance by Landowner to an unaffiliated third party of any portion of the Land that has achieved Plat Approval, but for which no final plat has been recorded, or (iv) recordation of a final plat on any portion of the Land retained by Landowner.

The Landowner Payment for commercial and industrial property is paid as land is subjected to a final approved site plan. The parties acknowledge that additional fees will be billed to the commercial and industrial end user based upon the ultimate use of the land and fixtures thereon.

Fees payable to SCW and PVU, and reimbursement for certain costs and expenses incurred by Landowner with respect to the obtaining of Utility Services, are not the subject of this Agreement and shall be paid and reimbursed to the appropriate parties in accordance with the Extension Agreements.

5. No Partnership. Coordinator is acting as an independent contractor pursuant to this Agreement. Nothing in this Agreement shall be interpreted or construed (i) to create an association, agency relationship, joint venture, or partnership among the parties or to impose any partnership obligation or liability upon either party, or (ii) to prohibit or limit the ability of Coordinator to enter into similar or identical agreements with other landowners, even if the activities of such landowners may be deemed to be in competition with the activities of Landowner.

6. Default.

(a) Landowner shall be deemed to be in material default under this Agreement upon the expiration of ten (10) days, as to monetary defaults, and thirty (30) days, as to non-monetary defaults, following receipt of written notice from Coordinator specifying the particulars in which a default is claimed unless, prior to expiration of the applicable grace period (ten (10) days or thirty (30) days, as the case may be), such default has been cured. A default by Landowner under this Agreement shall constitute a default by Landowner under the Extension Agreements and a default by Landowner under the Extension Agreement(s) shall constitute a default under this Agreement.

(b) In the event Landowner is in default under this Agreement, the provisions

hereof may be enforced by any remedy permitted by law for specific performance, injunction, or other equitable remedies in addition to any other remedy available at law or in equity. In this regard, in the event Landowner fails to pay any amount as and when due (including the Landowner Payment), which failure is not cured within ten (10) days after notice thereof in accordance with the provisions of Section 6(a) above, such delinquent amounts shall bear interest at the rate of fifteen percent (15%) per annum from the due date until paid. In addition, to the extent such sums remain unpaid following such ten (10) day period, Coordinator may claim a contractual lien for such sum, together with interest thereon as set forth above, which may be foreclosed against only that portion of the Land owned by the defaulting landowner in the manner prescribed by law for the foreclosure of realty mortgages; Coordinator agrees that as and when portions of the Property are sold, the obligations hereunder shall be bifurcated based on the land area sold and each landowner shall be solely (and not jointly) responsible for all sums owed with respect to the land areas that it owns and shall not have any obligation or liability for the failure of any other owner of any portion of the Land.

(c) Subject to the limitations described in the last sentence of the subsection (b) above, amounts owed but not paid when due by Landowner shall be a lien against the Land that the parties agree shall relate back to the date upon which an executed copy of this Agreement is recorded in the Pinal County Recorders Office, along with a document entitled Preliminary Notice of Contractual Lien which sets forth:

- i. The name of the lien claimant;
- ii. the name of the party or then owner of the property or interest against which the lien is claimed;
- iii. and a description of the property against which the lien is claimed.

(d) The lien shall take effect only upon recordation of a claim of contractual lien as described below in the office of the Pinal County Recorder by Coordinator, and shall relate back to the date when the Preliminary Notice of Contractual Lien and executed copy of the Agreement were recorded, as set forth in paragraph (c) above. Coordinator shall give written notice of any such lien. The Notice and Claim of Contractual Lien shall include the following:

- (i) The name of the lien claimant.

- (ii) The name of the party or then owner of the property or interest against which the lien is claimed.
- (iii) A description of the property against which the lien is claimed.
- (iv) A description of the default or breach that gives rise to the claim of lien and a statement itemizing the amount of the claim.
- (v) A statement that the lien is claimed pursuant to the provisions of this Agreement and reciting the date of recordation and recorder's document number of this Agreement.
- (vi) The notice shall be acknowledged, and after recordation, a copy shall be given to the person against whose property the lien is claimed in any manner prescribed under Section 15 of this Agreement. The lien may be enforced in any manner allowed by law, including without limitation, by an action to foreclose a mortgage or mechanic's lien under the applicable provisions of the laws of the State of Arizona.

(e) If the Landowner posts either (a) a bond executed by a fiscally sound corporate surety licensed to do business in the State of Arizona, or (b) an irrevocable letter of credit from a reputable financial institution licensed to do business in the State of Arizona reasonably acceptable to Coordinator, which bond or letter of credit (i) names Coordinator as the principal or payee and is in form satisfactory to Coordinator, (ii) is in the amount of one and one-half (1-½) times the claim of lien, and (iii) unconditionally provides that it may be drawn on by Coordinator in the event of a final judgment entered by a court of competent jurisdiction in favor of Coordinator, then Coordinator shall record a release of the lien or take such action as may be reasonably required by a title insurance company requested to furnish a policy of title insurance on such property to delete the lien as an exception thereto. Landowner shall post the bond or letter of credit by delivery of same to Coordinator. All costs and expenses to obtain the bond or letter of credit, and all costs and expenses incurred by Coordinator, shall be borne by Landowner, unless Landowner is the prevailing party in any litigation challenging the claimed lien.

7. Non Issuance of CC&N Expansion. In the event that Coordinator, SCW and PVU are unable to obtain all of the necessary approvals from the ACC and ADEQ within eighteen (18) months of the Land's inclusion in the expansion application into a CC&N, or if such

approvals are reversed or ultimately invalidated on appeal, which would allow for the Land to be included in the CC&N expansions of SCW and PVU, then the Landowner or Coordinator at either party's option may terminate this Agreement without recourse to either party. In the event of termination of the Agreement, Coordinator shall remove or cause to be removed any registration of this Agreement with Pinal County and waive any lien rights it may have under this Agreement.

8. Attorneys' Fees. If any dispute arises out of the subject-matter of this Agreement, the prevailing party in such dispute shall be entitled to recover from the other party its costs and expenses (including reasonable attorney's fees) incurred in litigating or otherwise resolving such dispute. The parties' obligations under this Section shall survive the closing under this Agreement.

9. Applicable Law; Venue; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, notwithstanding any Arizona or other conflict-of-law provisions to the contrary. The parties consent to jurisdiction for purposes of this Agreement in the State of Arizona, and agree that Maricopa County, Arizona, shall be proper venue for any action brought with respect to this Agreement.

10. Interpretation. The language in all parts of this Agreement shall in all cases, be construed as a whole according to its fair meaning and not strictly for nor against any party. The section headings in this Agreement are for convenience only and are not to be construed as a part hereof. The parties agree that each party has reviewed this Agreement and has had the opportunity to have counsel review the same and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or any exhibits thereto. Except where specifically provided to the contrary, when used in this Agreement, the term "including" shall mean without limitation by reason of enumeration. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the person(s) or entity(ies) may require.

11. Counterparts. This Agreement shall be effective upon execution by all parties hereto and may be executed in any number of counterparts with the same effect as if all of the parties had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

approvals are reversed or ultimately invalidated on appeal, which would allow for the Land to be included in the CC&N expansions of SCW and PVU, then the Landowner or Coordinator at either party's option may terminate this Agreement without recourse to either party. In the event of termination of the Agreement, Coordinator shall remove or cause to be removed any registration of this Agreement with Pinal County and waive any lien rights it may have under this Agreement.

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11. Counterparts. This Agreement shall be effective upon execution by all parties hereto and may be executed in any number of counterparts with the same effect as if all of the parties had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

12. Entire Agreement. This Agreement constitutes the entire integrated agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties with respect to such subject matter. This Agreement may not be amended except by a written instrument executed by all parties hereto.

13. Additional Instruments. The parties hereto agree to execute, have acknowledged, and deliver to each other such other documents and instruments as may be reasonably necessary or appropriate to evidence or to carry out the terms of this Assignment.

14. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

15. Incorporation by Reference. Every exhibit, schedule and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

16. Notices. Any notice, payment, demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be delivered personally to the party to whom the same is directed, or sent by registered or certified mail, return receipt requested, addressed to the addresses set forth on the signature page hereto. Any such notice shall be deemed to be delivered, given and received for all purposes as of the date so delivered if delivered personally, or three business days after the time when the same was deposited in a regularly maintained receptacle for the deposit of United States mail, if sent by registered or certified mail, postage and charges prepaid, or if given by any other method, upon actual receipt; provided that notwithstanding the foregoing, notice of any change of address shall be effective only upon actual receipt of such notice.

17. Binding Effect; Partial Releases. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. This Agreement constitutes a covenant running with the land, shall be binding upon the Land for the benefit of Coordinator, its successors and assigns and any person acquiring any portion of the Land, upon acquisition thereof, shall be deemed to have assumed the obligations of Landowner arising from this Agreement with respect only to that portion of the Land acquired without the necessity for the execution of any separate instrument. If phases and/or parcels within the Land are sold individually, Coordinator will ensure that at such time as the Landowner Payment has been paid

in full for that particular phase and/or parcel, Coordinator shall release this Agreement of record from that particular phase and/or parcel, without releasing the Agreement from any other portion of the Land for which the Landowner Payment has not been paid in full. It is the intent of this Agreement to release that portion of any lien which relates to parcels and or plats that are paid in full.

[Signatures are on the following page.]

Unofficial

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above written.

COORDINATOR:

Global Water Resources, LLC
a Delaware Limited Liability Company

By: Cindy M. Lifes
Cindy M. Lifes
Vice-President

LANDOWNER:

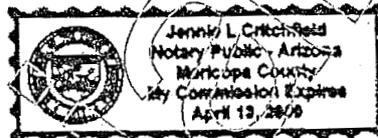
Parker Estates, L.L.C.
an Arizona Limited Liability Company

By: N. Kelly House
N. Kelly House, President
El Dorado Holdings, Inc.
Its: Administrative Agent

STATE OF ARIZONA)
) ss.
County of Maricopa)

On December 29, 2005, before me, Jennifer Critchfield,
a Notary Public in and for said state, personally appeared Cindy M. Liles,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose
names are subscribed to the within instrument and acknowledged to me that they executed the same in
their authorized capacities, and that by their signatures on the instrument, the persons, or the entity upon
behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



Jennifer Critchfield
Notary Public in and for said State

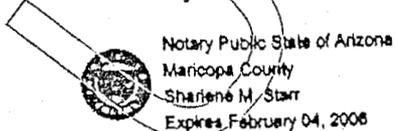
My Commission Expires:

4/13/09

STATE OF ARIZONA)
) ss.
County of Maricopa)

On August 10, 2005, before me, Shariene N. Rice,
a Notary Public in and for said state, personally appeared N. Kelly House,
personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose
names are subscribed to the within instrument and acknowledged to me that they executed the same in
their authorized capacities, and that by their signatures on the instrument, the persons, or the entity upon
behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



Shariene N. Rice
Shariene N. Rice
Notary Public in and for said State

My Commission Expires:

February 4, 2008

EXHIBIT A
INFRASTRUCTURE COORDINATION AGREEMENT

LEGAL DESCRIPTION OF LAND

Unofficial

EXHIBIT "A"

Legal Description of Property:

The Northeast quarter of the Northeast quarter of Section 12, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, and

Parcel No. 1:

The South half of Section 12, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT the East half of the Southeast quarter of said Section 12.

Parcel No. 2:

The North half of Section 12, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT the Northeast quarter of the Northeast quarter of said Section 12.

Parcel No. 3:

The Southwest quarter of the Southwest quarter of the Northwest quarter Section 13, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 4:

The Southeast quarter of the Southwest quarter of the Northwest quarter Section 13, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 5:

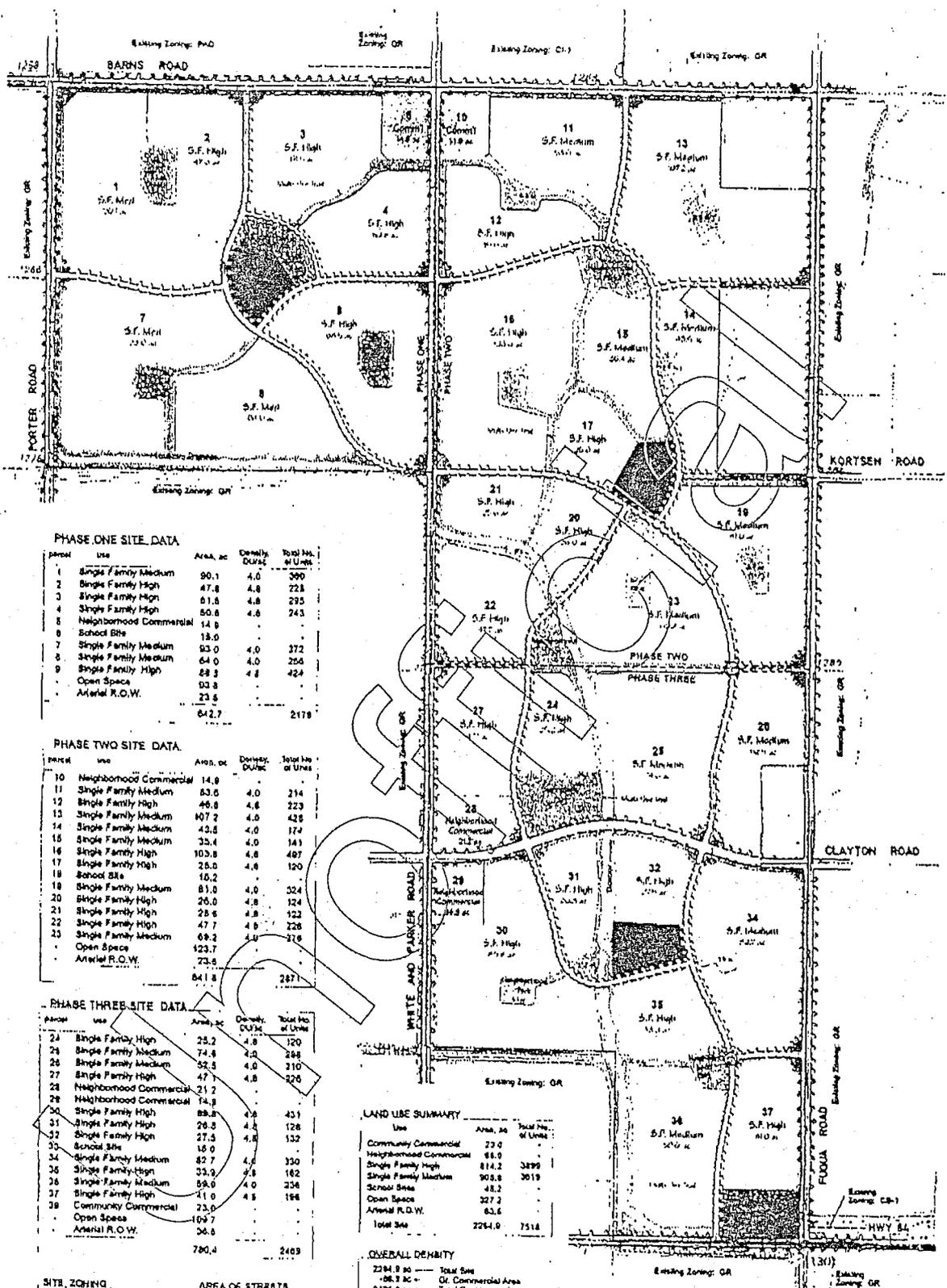
The North half of Section 13, Township 6 South, Range 3 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT the South half of the Southwest quarter of the Northwest quarter of said Section 13.

EXHIBIT B
INFRASTRUCTURE COORDINATION AGREEMENT

DEVELOPMENT SITE PLAN

Unofficial



PHASE ONE SITE DATA

Parcel	Use	Area, ac	Density, DU/AC	Total No. of Units
1	Single Family Medium	90.1	4.0	360
2	Single Family High	47.8	4.8	228
3	Single Family High	51.8	4.8	248
4	Single Family High	50.8	4.8	243
5	Neighborhood Commercial	14.8	-	-
6	School Site	18.0	-	-
7	Single Family Medium	93.0	4.0	372
8	Single Family Medium	64.0	4.0	256
9	Single Family High	28.3	4.8	135
-	Open Space	03.8	-	-
-	Arterial R.O.W.	23.5	-	-
		642.7	-	2178

PHASE TWO SITE DATA

Parcel	Use	Area, ac	Density, DU/AC	Total No. of Units
10	Neighborhood Commercial	14.8	-	-
11	Single Family Medium	63.0	4.0	252
12	Single Family High	46.8	4.8	223
13	Single Family Medium	107.2	4.0	428
14	Single Family Medium	43.8	4.0	174
15	Single Family Medium	35.4	4.0	141
16	Single Family High	103.8	4.8	497
17	Single Family High	26.0	4.8	120
18	School Site	16.2	-	-
19	Single Family Medium	81.0	4.0	324
20	Single Family High	26.0	4.8	124
21	Single Family High	29.8	4.8	142
22	Single Family High	47.7	4.8	228
23	Single Family Medium	68.2	4.0	272
-	Open Space	123.7	-	-
-	Arterial R.O.W.	73.6	-	-
		641.8	-	2871

PHASE THREE SITE DATA

Parcel	Use	Area, ac	Density, DU/AC	Total No. of Units
24	Single Family High	25.2	4.8	120
25	Single Family Medium	74.4	4.0	297
26	Single Family Medium	52.8	4.0	210
27	Single Family High	47.7	4.8	228
28	Neighborhood Commercial	21.2	-	-
29	Neighborhood Commercial	14.8	-	-
30	Single Family High	88.8	4.8	424
31	Single Family High	26.8	4.8	128
32	Single Family High	27.3	4.8	132
33	School Site	16.0	-	-
34	Single Family Medium	42.7	4.0	170
35	Single Family High	23.0	4.8	112
36	Single Family Medium	58.0	4.0	232
37	Single Family High	11.0	4.8	54
38	Community Commercial	23.0	-	-
-	Open Space	109.7	-	-
-	Arterial R.O.W.	26.8	-	-
		780.4	-	2463

LAND USE SUMMARY

Use	Area, ac	Total No. of Units
Community Commercial	23.0	-
Neighborhood Commercial	66.0	-
Single Family High	814.2	3898
Single Family Medium	903.8	3619
School Sites	48.2	-
Open Space	227.2	-
Arterial R.O.W.	63.6	-
Total Site	2264.0	7518

OVERALL DENSITY

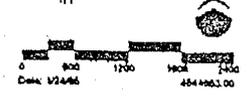
2264.0 ac - Total Site
 186.3 ac - Of Commercial Area
 2178.0 ac - Total Residential Area

1218 Units = 3.45 DU/AC
 2178.0 ac

SITE ZONING
 Existing Zoning: CR
 Proposed Zoning: CR-3, CR-1, CR-2

AREA OF STREETS
 Arterial Streets: 43.0 ac
 Collector Streets: 81.8 ac

Note: Roadway alignments, parcel contours, and locations and sizes for open space may vary in the final plan from what is shown on this map due to final design for drainage and retention requirements.



PREPARED FOR
 El Dorado Holdings, Inc.
 416 North 41st Street, Suite 109
 Phoenix, AZ 85001 (602) 955-2421

A PLANNED AREA DEVELOPMENT FOR
STANFIELD RANCH
 PHASE TWO - PARKER ESTATES, LLC

W P C
DESIGN INC.
 1817 N. 24th Street, Suite 304 Phoenix, AZ 85016
 Tel: (602) 977-8000 Fax: (602) 977-8000
 WWW.WPCDESIGN.COM

EXHIBIT C
INFRASTRUCTURE COORDINATION AGREEMENT

DESCRIPTION OF SCW AND PVU SERVICES TO BE COORDINATED BY Coordinator

SCW

- Expand the existing CC&N water service area to include the Land
- Prepare a master water plan with respect to the Land
- Confirm and or develop sufficient water plant and well source capacity for the Land
- Extend a water distribution main line to the Delivery Point
- Provide will-serve letters to applicable governmental agencies necessary for final plat approvals with a schedule of commitment dates personalized for the Land
- Obtain a 100-year assured water supply and Certificate of Designation required for final plat approvals and Department of Real Estate approvals
- Provide expedited final subdivision plat water improvement plan check and coordination with the Arizona Department of Environmental Quality for Approvals to Construct
- Obtain/Develop facilities extension agreement for construction of infrastructure within the Land (subject to reimbursement)

PVU

- Expand the existing CC&N wastewater service area to include the Land
- Prepare a master wastewater plan with respect to the Land
- Develop a master reclaimed water treatment, retention, and distribution plan including interim well water supply for lake storage facilities.
- Confirm and or develop sufficient wastewater plant capacity for the Land
- Extend a wastewater collection system main line to the Delivery Point
- Extend a reclaimed water line to a water storage facility within the Land
- Provide all permitting and regulatory approvals including but not limited to an Aquifer Protection Permit and Central Arizona Association of Governments (CAAG) 208 Water Quality Plan as necessary.
- Provide will-serve letters to applicable governmental agencies necessary for final plat approvals with a schedule of commitment dates personalized for the Land
- Provide expedited final subdivision plat wastewater improvement plan check and coordination with the Arizona Department of Environmental Quality for Approvals to Construct
- Obtain/Develop facilities extension agreement for construction of infrastructure within the Land (subject to reimbursement)

EXHIBIT D
INFRASTRUCTURE COORDINATION AGREEMENT

LINE EXTENSION AGREEMENT - SANTA CRUZ WATER COMPANY

WATER FACILITIES EXTENSION AGREEMENT

This Agreement is made this _____ day of _____, 200__ by and between SANTA CRUZ WATER COMPANY, L.L.C. an Arizona limited liability company ("Company"), and _____, an _____ ("Developer").

RECITALS

A. Developer desires that water utility service be extended to and for its real estate development located in Parcel _____ of _____ consisting of _____ (single family, multifamily, or commercial) lots, in Pinal County within the general vicinity of the City of Maricopa, Arizona (the "Development"). A legal description for the Development is attached hereto as Exhibit "A" and incorporated herein by this reference. The Development is located within Company's Certificate of Convenience and Necessity ("CC&N").

B. Company is a public service corporation as defined in Article XV, Section 2 of the Arizona Constitution which owns and operates water utility facilities and holds a CC&N from the Commission granting Company the exclusive right to provide water utility service within portions of Pinal County, Arizona.

C. Subject to the terms and conditions set forth hereinafter, Developer is willing to construct and install facilities within the Development necessary to extend water utility service to and within the Development, which facilities shall connect to the Company's system as generally shown on the map attached hereto as Exhibit "B." Company is willing to provide water utility

service to the Development in accordance with relevant law, including the rules and regulations of the Commission on the condition that Developer fully and timely perform the obligations and satisfy the conditions and requirements set forth below.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, in consideration of the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Construction of Facilities. Developer agrees to construct and install water distribution mains and pipelines, valves, booster stations, hydrants, fittings, service lines and all other related facilities and improvements necessary to provide water utility service to each lot or building within the Development as more particularly described in Exhibit "C" attached hereto and incorporated herein by this reference (referred to hereinafter as the "Facilities"). The Facilities shall connect to the Company's system at the point shown on the approved plans as generally depicted on the map attached hereto as Exhibit "B," and shall be designed and constructed within the Development in a manner which allows the provision of safe and reliable water utility service to each lot therein. Subject to the terms and conditions set forth herein (including, without limitation, Company's rights of plan review and approval and inspection of final construction), Developer shall be responsible for all construction activities associated with the Facilities, and Developer shall be liable for and pay when due all costs, expenses, claims and liabilities associated with the construction and installation of the Facilities.

2. Construction Standards and Requirements. The Facilities shall meet and comply with Company's standards and specifications, and all engineering plans and specifications for the Facilities shall be approved by Company and its engineers ("Company's

Engineer”), prior to the commencement of construction. Company and Company’s Engineer shall review the plans and specifications and shall provide any requirements or comments as soon as practicable. Developer shall require that its contractor be bound by and conform to the plans and specifications for the Facilities as finally approved by Company. The construction and installation of the Facilities shall be in conformance with the applicable regulations of the Arizona Department of Environmental Quality (“ADEQ”), the Commission, and any other governmental authority having jurisdiction thereover.

3. Right of Inspection; Corrective Action. Company shall have the right to have Company’s Engineer inspect and test the Facilities at reasonable times during the course of construction as necessary to ensure conformance with plans and specifications. If at any time before the final acceptance by Company of the Facilities any construction, materials or workmanship are found to be defective or deficient in any way, or the Facilities fail to conform to this Agreement, then Company may reject such defective or deficient construction, materials and/or workmanship and require Developer to fully pay for all necessary corrective construction efforts (“Corrective Action”). Company reserves the right to withhold approval and to forbid connection of any defective portion of the Facilities to Company’s system unless and until the Facilities have been constructed in accordance with plans and specifications and all applicable regulatory requirements. Further, Developer shall promptly undertake any Corrective Action required to remedy such defects and deficiencies in construction, materials and workmanship upon receipt of notice by Company. The foregoing notwithstanding, Company shall not unreasonably withhold or delay acceptance of the Facilities.

4. Transfer of Ownership. Upon completion and approval of the as-built Facilities by Company and any other governmental authority whose approval is required,

Developer shall transfer all right, title and interest in the Facilities to Company via a bill of sale in a form satisfactory to Company. Thereafter, Company shall be the sole owner of the Facilities and be responsible for their operation, maintenance and repair. Company's ownership and responsibility shall include all distribution mains and/or related appurtenances within the Development up to the point of connection to the service line of each customer receiving service. Maintenance and repair of each service line, which lines are not part of the Facilities, shall be Developer's, the Development's or each individual customers' responsibility. All work performed by or on behalf of Developer shall be warranted by Developer for one year from the date of transfer of the Facilities to Company against defects in materials and workmanship. Developer shall also covenant, at the time of transfer, that the Facilities are free and clear of all liens and encumbrances, and unless the time period for filing lien claims has expired, shall provide evidence in the form of lien waivers that all claims of contractors, subcontractors, mechanics and materialmen have been paid and satisfied.

5. Final As-Built Drawings and Accounting of Construction Costs.

Immediately following completion and approval of the Facilities, Developer shall provide Company with three sets of as-built drawings and specifications for the Facilities and a reproducible copy of such drawings. Developer shall also provide an accounting of the cost of constructing and installing the Facilities, which amount shall be refundable in accordance with paragraph 8, below. Company shall have no obligation to furnish service to the Development or to accept the transfer of the Facilities until Developer has complied with this paragraph.

6. Easements. Developer shall be responsible for obtaining all necessary easements and rights-of-way for the construction and installation, and subsequent operation, maintenance and repair of the Facilities. Such easements and rights-of-way shall be of adequate

size, location, and configuration so as to allow Company ready access to the Facilities for maintenance and repairs and other activities necessary to provide safe and reliable water utility service. Such easements and rights-of-way shall be provided to Company by Developer at the same time as Developer transfers ownership of the Facilities pursuant to paragraph 4, above. At the time of transfer, all easements and rights-of-way shall be free of physical encroachments, encumbrances or other obstacles. Company shall have no responsibility to obtain or secure on Developer's behalf any such easements or rights-of-way.

7. Reimbursement for Engineering and Other Fees and Expenses.

Developer shall also reimburse Company for the costs, expenses and fees, including legal fees and costs that are incurred by Company for preparation of this Agreement, for reviewing and approving the plans and specifications for the Facilities to be constructed by Developer, for inspecting the Facilities during construction and other supervisory activities undertaken by Company, for obtaining any necessary approvals from governmental authorities (collectively the "Administrative Costs"). For such purpose, at the time of the signing of this Agreement, the Developer will pay an advance to the Company of Seven Thousand Five Hundred Dollars (\$7,500). Developer shall provide additional advances to Company, as may be requested by Company in writing from time-to-time, to reimburse Company for any additional Administrative Costs it incurs. All amounts paid to Company pursuant to this provision shall constitute advances in aid of construction and be subject to refund pursuant to paragraph 8, below.

8. Refunds of Advances. Company shall refund annually to Developer an amount equal to seven percent (7%) of the gross annual revenues received by Company from the provision of water utility service to each bona fide customer within the Development. Such refunds shall be paid by Company on or before the first day of August, commencing in the fourth

size, location, and configuration so as to allow Company ready access to the Facilities for maintenance and repairs and other activities necessary to provide safe and reliable water utility service. Such easements and rights-of-way shall be provided to Company by Developer at the same time as Developer transfers ownership of the Facilities pursuant to paragraph 4, above. At the time of transfer, all easements and rights-of-way shall be free of physical encroachments, encumbrances or other obstacles. Company shall have no responsibility to obtain or secure on Developer's behalf any such easements or rights-of-way.

7. Reimbursement for Engineering and Other Fees and Expenses.

Developer shall also reimburse Company for the costs, expenses and fees, including legal fees and costs that are incurred by Company for preparation of this Agreement, for reviewing and approving the plans and specifications for the Facilities to be constructed by Developer, for inspecting the Facilities during construction and other supervisory activities undertaken by Company, for obtaining any necessary approvals from governmental authorities (collectively the "Administrative Costs"). For such purpose, at the time of the signing of this Agreement, the Developer will pay an advance to the Company of Seven Thousand Five Hundred Dollars (\$7,500). Developer shall provide additional advances to Company, as may be requested by Company in writing from time-to-time, to reimburse Company for any additional Administrative Costs it incurs. All amounts paid to Company pursuant to this provision shall constitute advances in aid of construction and be subject to refund pursuant to paragraph 8, below.

8. Refunds of Advances. Company shall refund annually to Developer an

amount equal to seven percent (7%) of the gross annual revenues received by Company from the provision of water utility service to each bona fide customer within the Development. Such refunds shall be paid by Company on or before the first day of August, commencing in the fourth

calendar year following the calendar year in which title to the Facilities is transferred to and accepted by Company and continuing thereafter in each succeeding calendar year for a total of twenty-two (22) years. No interest shall accrue or be payable on the amounts to be refunded hereunder, and any unpaid balance remaining at the end of such twenty-two year period shall be non-refundable. In no event shall the total amount of the refunds paid by Company hereunder exceed the total amount of all advances made by Developer hereunder. For the purposes of this provision, the total amount of Developer's advances shall be equal to Developer's actual cost of constructing the Facilities and advanced Administrative Costs, less the costs of any corrective action as defined in paragraph 3 above, the costs of curing any defects arising during the warranty period, as provided herein, and the costs of any unreasonable overtime incurred in the construction of the Facilities.

9. Company's Obligation to Serve. Subject to the condition that Developer fully perform its obligations under this Agreement, Company shall provide water utility service to all customers within the Development in accordance with Company's tariffs and schedule of rates and charges for service, the rules and regulations of the Commission and other regulatory authorities and requirements. However, Company shall have no obligation to accept and operate the Facilities in the event Developer fails to make any payment provided in this Agreement, fails to construct and install the Facilities in accordance with Company's standards and specifications and in accordance with the applicable rules and regulations of ADEQ, the Commission or any other governmental authority having jurisdiction thereover, or otherwise fails to comply with the terms and conditions of this Agreement. Developer acknowledges and understands that Company will not establish service to any customer within the Development until such time as Company has accepted the transfer of the Facilities, and all amounts that Developer is required to

pay Company hereunder have in fact been paid. The foregoing notwithstanding, the Company shall not terminate service to any customer within the Development to whom service has been properly established as a consequence of any subsequent breach or nonperformance by Developer hereunder.

10. Liability for Income Taxes. In the event it is determined that all or any portion of Developer's advances in aid of construction hereunder constituted taxable income to Company as of the date of this Agreement or at the time Company actually receives such advances hereunder, Developer will advance funds to Company equal to the income taxes resulting from Developer's advance hereunder. These funds shall be paid to Company within twenty (20) days following notification to Developer that a determination has been made that any such advances constitute taxable income, whether by virtue of any determination or notification by a governmental authority, amendment to the Internal Revenue Code, any regulation promulgated by the Internal Revenue Service, or similar change to any statute, rule or regulation relating to this matter. Such notification shall include documentation reasonably necessary to substantiate the Company's liability for income taxes resulting from the Developer's advances in aid of construction under this Agreement. In the event that additional funds are paid by Developer under this paragraph, such funds shall also constitute advances in aid of construction. In addition, Developer shall indemnify and hold Company harmless for, from and against any tax related interest, fines and penalties assessed against Company and other costs and expenses incurred by Company as a consequence of late payment by Developer of amounts described above.

11. Notice. All notices and other written communications required hereunder shall be sent to the parties as follows:

COMPANY:

Santa Cruz Water Company, L.L.C.
Attn: Cindy M. Liles, Vice President
22601 N. 19th Avenue
Suite 210
Phoenix, Arizona 85027

DEVELOPER:

Each party shall advise the other party in writing of any change in the manner in which notice is to be provided hereunder.

12. Governing Law. This Agreement, and all rights and obligations hereunder, shall be subject to and governed by the rules and regulations of the Commission relating to domestic water utilities and generally shall be governed by and construed in accordance with the laws of the State of Arizona. Developer understands and acknowledges that Company's rates and charges, and other terms and conditions applicable to its provision of utility service, may be modified from time-to-time by order of the Commission. Company shall provide Developer with copies of such orders that may affect Developer's rights and obligations hereunder.

13. Time is of the Essence. Time is and shall be of the essence of this Agreement.

14. Indemnification: Risk of Loss. Developer shall indemnify and hold Company harmless for, from and against any and all claims, demands and other liabilities and expenses (including attorneys' fees and other costs of litigation) arising out of or otherwise relating to Developer's failure to comply with any of the terms and conditions contained herein.,

including (without limitation) Company's refusal to serve any unit within the Development based on Developer's failure to pay all amounts required hereunder in a timely manner. Developer's duty to indemnify Company shall extend to all construction activities undertaken by Developer, its contractors, subcontractors, agents, and employees hereunder.

15. Successors and Assigns. This Agreement may be assigned by either of the parties provided that the assignee agrees in writing to be bound by and fully perform all of the assignor's duties and obligations hereunder. This Agreement and all terms and conditions contained herein shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

16. Dispute Resolution. The parties hereto agree that each will use good faith efforts to resolve, through negotiation, disputes arising hereunder without resorting to mediation, arbitration or litigation.

17. Integration: One Agreement. This Agreement supersedes all prior agreements, contracts, representations and understandings concerning its subject matter, whether written or oral.

18. Attorneys' Fees. The prevailing party in any litigation or other proceeding concerning or related to this Agreement, or the enforcement thereof, shall be entitled to recover its costs and reasonable attorneys' fees.

19. Authority to Perform. Company represents and warrants to Developer that Company has the right, power and authority to enter into and fully perform this Agreement. Developer represents and warrants to Company that Developer has the right, power and authority to enter into and fully perform this Agreement.

DEVELOPER:

By _____

Its _____

COMPANY:

SANTA CRUZ WATER COMPANY, L.L.C.
an Arizona limited liability company

By _____

Cindy Liles

Its: Vice President

Unofficial

EXHIBIT "A"
Legal Description

Unofficial

EXHIBIT "B"
Point(s) of Connection

Unofficial

EXHIBIT "C"

Water Facilities Budget

(Required to be completed by Developer prior to execution of agreement)

Item	QTY	UNIT	UNIT \$	TOTAL \$
8" C-900, Class 150 Water Main		LF		
8" Valve Box & Cover		EA		
Fire Hydrant, Complete		EA		
3 / 4" Double Water Service		EA		
3 / 4" Single Water Service		EA		
1 1/2' Landscape service		EA		
2" Landscape service		EA		
1" Landscape service		EA		
Subtotal				_____
Sales Tax				_____
Total				=====

Unofficial

EXHIBIT E
INFRASTRUCTURE COORDINATION AGREEMENT

LINE EXTENSION AGREEMENT – PALO VERDE UTILITIES COMPANY

SEWER FACILITIES EXTENSION AGREEMENT

This Agreement is made this _____ day of _____, 200__ by and between PALO VERDE UTILITIES COMPANY, L.L.C. an Arizona limited liability company ("Company"), _____, an _____ ("Developer").

RECITALS

A. Developer desires that sewer utility service be extended to and for its real estate development located in Parcel _____ of _____ consisting of _____ (single family, multi-family or commercial) lots, in Pinal County within the general vicinity of the City of Maricopa, Arizona (the "Development"). A legal description for the Development is attached hereto as Exhibit "A" and incorporated herein by this reference. The Development is located within Company's Certificate of Convenience and Necessity ("CC&N").

B. Company is a public service corporation as defined in Article XV, Section 2 of the Arizona Constitution which owns and operates a sewage treatment plant and collection system and holds a CC&N from the Commission granting Company the exclusive right to provide sewer utility service within portions of Pinal County, Arizona.

C. Developer is willing to construct and install facilities within the Development necessary to extend sewer utility service to and within the Development which facilities shall connect to the Company's system as generally shown on the map attached hereto as Exhibit "B." Company is willing to provide sewer utility service to the Development in

accordance with relevant law, including the rules and regulations of the Commission on the condition that Developer fully and timely perform the obligations and satisfy the conditions and requirements set forth below.

COVENANTS AND AGREEMENTS

NOW, THEREFORE, in consideration of the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Construction of Facilities. Developer agrees to construct and install sewage collection mains, manholes, pumping stations and/or such other facilities and improvements necessary to provide sewer utility service to each lot or building within the Development as more particularly described in Exhibit "C" attached hereto and incorporated herein by this reference (referred to hereinafter as the "Facilities"). The Facilities shall connect to the Company's system at the point shown on the approved plans as generally depicted on the map attached hereto as Exhibit "B," and shall be designed and constructed within the Development in a manner which allows the provision of safe and reliable sewer utility service to each lot therein. Subject to the terms and conditions set forth herein (including, without limitation, Company's rights of plan review and approval and inspection of final construction), Developer shall be responsible for all construction activities associated with the Facilities, and Developer shall be liable for and pay when due all costs, expenses, claims and liabilities associated with the construction and installation of the Facilities.

2. Construction Standards and Requirements. The Facilities shall meet and comply with Company's standards and specifications, and all engineering plans and specifications for the Facilities shall be approved by Company and its engineers ("Company's

Engineer”) prior to the commencement of construction. Company and Company’s Engineer shall review the plans and specifications and shall provide any requirements or comments as soon as practicable. Developer shall require that its contractor be bound by and conform to the plans and specifications for the Facilities as finally approved by Company. The construction and installation of the Facilities shall be in conformance with the applicable regulations of the Arizona Department of Environmental Quality (“ADEQ”), the Commission, and any other governmental authority having jurisdiction thereover.

3. **Right of Inspection; Corrective Action.** Company shall have the right to have Company’s Engineer inspect and test the Facilities at reasonable times during the course of construction as necessary to ensure conformance with plans and specifications. If at any time before the final acceptance by Company of the Facilities any construction, materials or workmanship are found to be defective or deficient in any way, or the Facilities fail to conform to this Agreement, then Company may reject such defective or deficient construction, materials and/or workmanship and require Developer to fully pay for all necessary corrective construction efforts (“Corrective Action”). Company reserves the right to withhold approval and to forbid connection of any defective portion of the Facilities to Company’s system unless and until the Facilities have been constructed in accordance with plans and specifications and all applicable regulatory requirements. Further, Developer shall promptly undertake any Corrective Action required to remedy such defects and deficiencies in construction, materials and workmanship upon receipt of notice by Company. The foregoing notwithstanding, Company shall not unreasonably withhold or delay acceptance of the Facilities.

4. **Transfer of Ownership.** Upon completion and approval of the as-built Facilities by Company and any other governmental authority whose approval is required,

Developer shall transfer all right, title and interest in the Facilities to Company via a bill of sale in a form satisfactory to Company. Company, in its sole discretion, may require Developer to conduct a video inspection of any of the Facilities prior to final approval and acceptance to ensure that no breaks or similar defects exist. Thereafter, Company shall be the sole owner of the Facilities and be responsible for their operation, maintenance and repair. Company's ownership and responsibility shall include all pumping stations, manholes, collection and transmission mains and/or related appurtenances within the Development up to the point of connection of the sewer line of each customer receiving service to the collection main. Maintenance and repair of each sewer service line, which lines are not part of the Facilities, shall be Developer's, the Development's or each individual customers' responsibility. All work performed by or on behalf of Developer shall be warranted by Developer for one year from the date of transfer of the Facilities to Company against defects in materials and workmanship. Developer shall also covenant, at the time of transfer, that the Facilities are free and clear of all liens and encumbrances, and unless the time period for filing lien claims has expired, shall provide evidence in the form of lien waivers that all claims of contractors, subcontractors, mechanics and materialmen have been paid and satisfied.

5. Final As-Built Drawings and Accounting of Construction Costs.

Immediately following completion and approval of the Facilities, Developer shall provide Company with three sets of as-built drawings and specifications for the Facilities and a reproducible copy of such drawings. Developer shall also provide an accounting of the cost of constructing and installing the Facilities, which amount shall be refundable in accordance with paragraph 8, below. Company shall have no obligation to furnish service to the Development or to accept the transfer of the Facilities until Developer has complied with this paragraph.

other governmental authority having jurisdiction thereover, or otherwise fails to comply with the terms and conditions of this Agreement. Developer acknowledges and understands that Company will not establish service to any customer within the Development until such time as Company has accepted the transfer of the Facilities, and all amounts that Developer is required to pay Company hereunder have in fact been paid. The foregoing notwithstanding, the Company shall not terminate service to any customer within the Development to whom service has been properly established as a consequence of any subsequent breach or nonperformance by Developer hereunder.

10. Liability for Income Taxes. In the event it is determined that all or any portion of Developer's advances in aid of construction hereunder constituted taxable income to Company as of the date of this Agreement or at the time Company actually receives such advances hereunder, Developer will advance funds to Company equal to the income taxes resulting from Developer's advance hereunder. These funds shall be paid to Company within twenty (20) days following notification to Developer that a determination has been made that any such advances constitute taxable income, whether by virtue of any determination or notification by a governmental authority, amendment to the Internal Revenue Code, any regulation promulgated by the Internal Revenue Service, or similar change to any statute, rule or regulation relating to this matter. Such notification shall include documentation reasonably necessary to substantiate the Company's liability for income taxes resulting from the Developer's advances in aid of construction under this Agreement. In the event that additional funds are paid by Developer under this paragraph, such funds shall also constitute advances in aid of construction. In addition, Developer shall indemnify and hold Company harmless for, from and against any tax related interest, fines and penalties assessed against Company and other costs and expenses

incurred by Company as a consequence of late payment by Developer of amounts described above.

11. Notice. All notices and other written communications required hereunder shall be sent to the parties as follows:

COMPANY:

Palo Verde Utilities Company, L.L.C.
Attn: Cindy M. Liles, Vice President
22601 N. 19th Avenue
Suite 210
Phoenix, Arizona 85027

DEVELOPER:

Each party shall advise the other party in writing of any change in the manner in which notice is to be provided hereunder.

12. Governing Law. This Agreement, and all rights and obligations hereunder, shall be subject to and governed by the rules and regulations of the Commission relating to domestic sewer utilities and generally shall be governed by and construed in accordance with the laws of the State of Arizona. Developer understands and acknowledges that Company's rates and charges, and other terms and conditions applicable to its provision of utility service, may be modified from time-to-time by order of the Commission. Company shall provide Developer with copies of such orders that may affect Developer's rights and obligations hereunder.

13. Time is of the Essence. Time is and shall be of the essence of this Agreement.

14. **Indemnification: Risk of Loss.** Developer shall indemnify and hold Company harmless for, from and against any and all claims, demands and other liabilities and expenses (including attorneys' fees and other costs of litigation) arising out of or otherwise relating to Developer's failure to comply with any of the terms and conditions contained herein, including (without limitation) Company's refusal to serve any unit within the Development based on Developer's failure to pay all amounts required hereunder in a timely manner. Developer's duty to indemnify Company shall extend to all construction activities undertaken by Developer, its contractors, subcontractors, agents, and employees hereunder.

15. **Successors and Assigns.** This Agreement may be assigned by either of the parties provided that the assignee agrees in writing to be bound by and fully perform all of the assignor's duties and obligations hereunder. This Agreement and all terms and conditions contained herein shall be binding upon and shall inure to the benefit of the successors and assigns of the parties.

16. **Dispute Resolution.** The parties hereto agree that each will use good faith efforts to resolve, through negotiation, disputes arising hereunder without resorting to mediation, arbitration or litigation.

17. **Integration: One Agreement.** This Agreement supersedes all prior agreements, contracts, representations and understandings concerning its subject matter, whether written or oral.

18. **Attorneys' Fees.** The prevailing party in any litigation or other proceeding concerning or related to this Agreement, or the enforcement thereof, shall be entitled to recover its costs and reasonable attorneys' fees.

19. **Authority to Perform.** Company represents and warrants to Developer that Company has the right, power and authority to enter into and fully perform this Agreement. Developer represents and warrants to Company that Developer has the right, power and authority to enter into and fully perform this Agreement.

DEVELOPER:

By _____
Its _____

COMPANY:

PALO VERDE UTILITIES COMPANY, L.L.C.,
an Arizona limited liability company

By _____
Cindy M. Liles
Its: Vice President

Unofficial

EXHIBIT "A"
Legal Description

Unofficial

EXHIBIT "B"
Point(s) of Connection

Unofficial

EXHIBIT "C"

Wastewater Facilities Budget

(Required to be completed by Developer prior to execution of agreement)

Item	QTY	UNIT	UNIT \$	TOTAL \$
8" SDR 35 Sewer Main		LF		
10" SDR 35 Sewer Main		LF		
4' Manhole		EA		
Sewer Cleanout		EA		
4" Sewer Service		EA		
Subtotal				
Sales Tax				
Total				

Unofficial

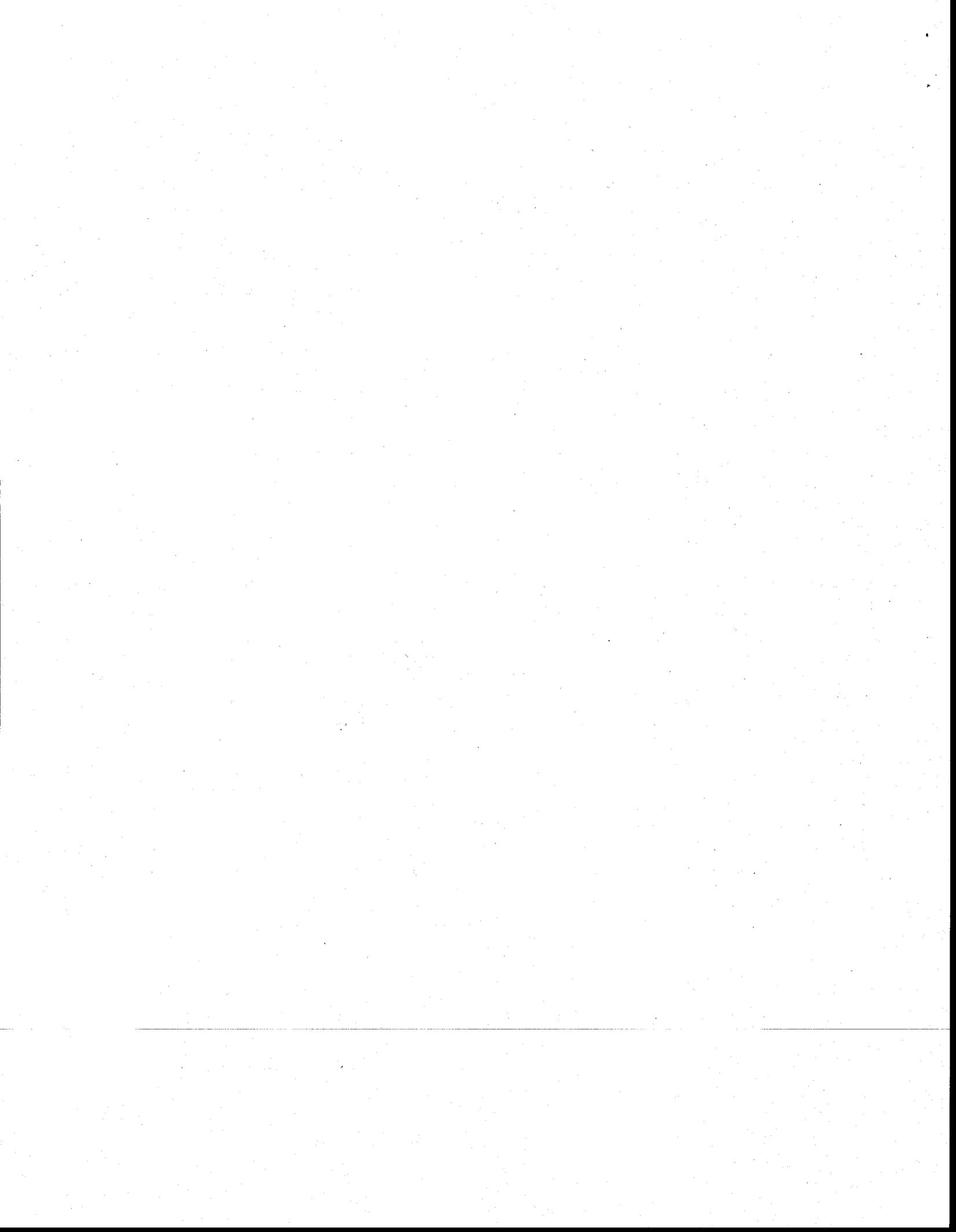
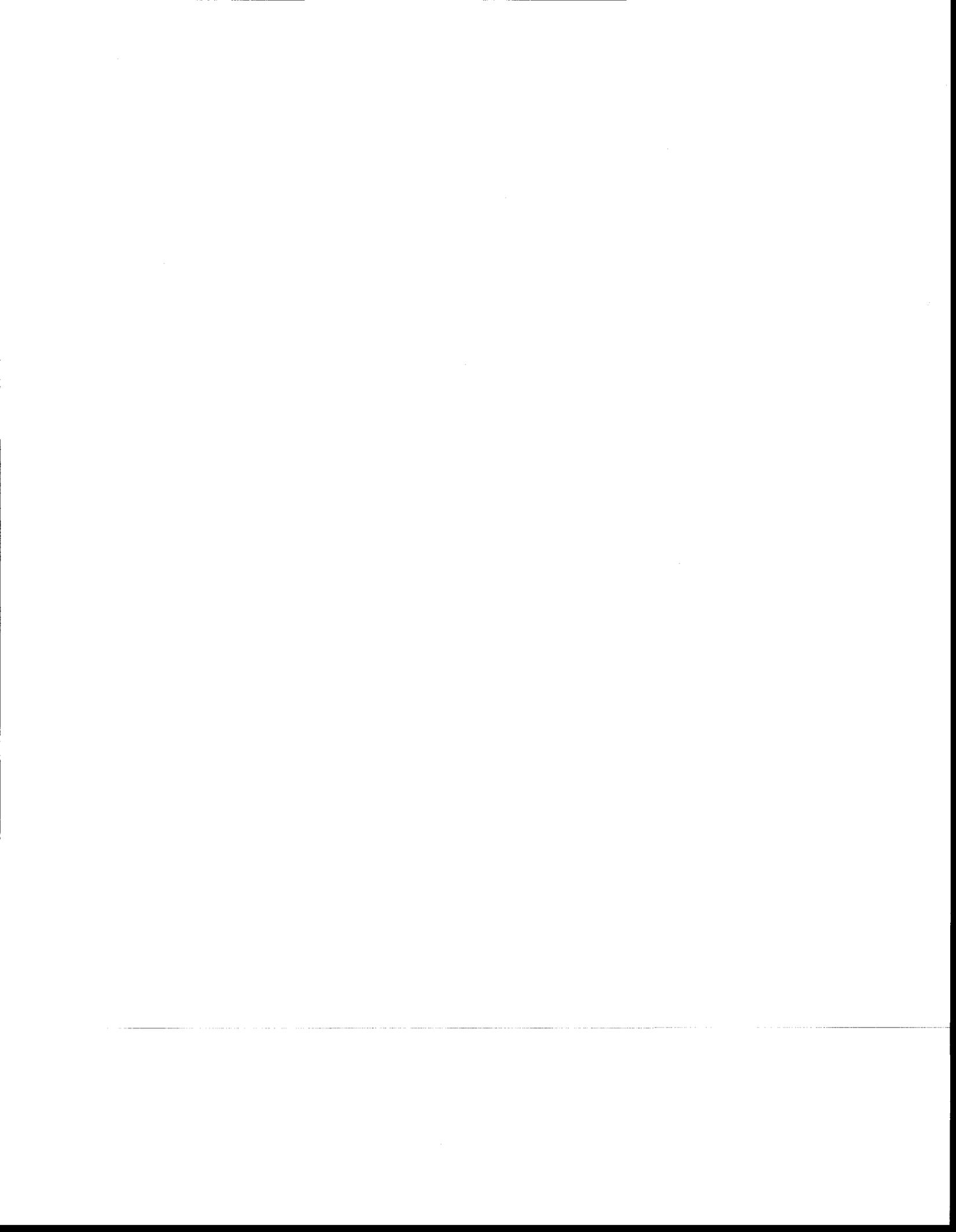


EXHIBIT C





Pinal County Recorder

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- Doc. Type: AGMT

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- Recorded: 9/7/2004 11:58:00 AM

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Grantor(s):

- GLOBAL WATER RESOURCES LLC
- BERA VENTURES L L C
- DAC MARICOPA INVESTMENT L L C
- JJD DEVELOPMENT L L C
- MARICOPA INVESTMENT GROUP L L C
- JACOB/MCCASLIN/EDEN LLC
- MESQUITE GROVES L L C

Grantee(s):

- BERA VENTURES L L C
- DAC MARICOPA INVESTMENT L L C
- JJD DEVELOPMENT L L C
- MARICOPA INVESTMENT GROUP L L C
- JACOB/MCCASLIN/EDEN LLC
- MESQUITE GROVES L L C
- GLOBAL WATER RESOURCES LLC

Additional Information:

N/A

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Pinal County Government **Web Disclaimer**, © 2001 Pinal County

16

WHEN RECORDED RETURN TO:
Global Water Resources, LLC
22601 N. 19th Avenue
Suite 210
Phoenix, Arizona 85027

FAT
4/c



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 09/07/04 11:58
FEE: \$24.00
PAGES: 16
FEE NUMBER: 2004-069881

INFRASTRUCTURE COORDINATION AGREEMENT

2nd THIS SERVICE AGREEMENT (this "Agreement") is entered into as of July 2004 between Global Water Resources, LLC, an Arizona limited liability company ("Coordinator") and the parties set forth on Schedule I attached hereto ("Landowner").

RECITALS

A. Coordinator is engaged in the business of, among other things, providing the following services or benefits to landowners, directly, or indirectly through its subsidiaries or affiliates, including Santa Cruz Water Company, LLC, an Arizona limited liability company ("SCW") and Palo Verde Utilities Company, LLC, an Arizona limited liability company ("PVU"): (i) financing infrastructure; (ii) developing master utility plans for both wet and dry utilities of all types, including without limitation natural gas, electricity, cable television, Internet, intranet, and telecommunications services; (iii) providing construction services for water and wastewater treatment facilities, (iv) facilitating the provision of water and wastewater services, (v) facilitating the provision of dry utility services, and/or (vi) providing access to long-term agreements with strategic partners that provide natural gas, electrical, telecommunications, Internet, intranet, and cable television services, and other similar services. Coordinator is a non-regulated company and is not subject to utility regulation by the State of Arizona Corporation Commission (the "Commission").

B. SCW and PVU are (i) fully accredited public service companies approved by the Commission to provide water company and wastewater company services, respectively (the "Utility Services"), and (ii) regulated utility companies, subject to regulation by the Commission.

C. Landowner is in the process of developing certain real property, as more fully described on Exhibit A hereto (the "Development") and, in connection therewith, desires (i) to engage Coordinator to provide various services and to coordinate the activities of SCW and PVU

with respect to the provision of Utility Services to and with respect to the Development, and (ii) to ensure that Development is included as part of the service area for SCW and PVU, on the terms and conditions hereinafter set forth.

D. The Coordinator plans to include the Development in the June 2004 application filing with the Commission for the Certificate of Convenience and Necessity ("CC&N") covering the provisions of Utility Services by SCW and PVU.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Obligations of Coordinator. Upon execution of this Agreement, Coordinator shall coordinate its activities and those of SCW and PVU as necessary to make Utility Services available to Landowner. Water and wastewater lines will be constructed to the property line of the Development and reclaimed water lines will be constructed to a water storage facility within the Development, at locations to be designated by Coordinator (the "Delivery Point"). In addition to other administrative services to be provided by Coordinator, Coordinator agrees to use its good faith efforts to coordinate and provide access to expanded dry utility agreements currently in place to benefit the Development. The dry utility services may include natural gas, electricity, telephone, cable television, Internet, and intranet services. In particular, Coordinator will use its good faith efforts to negotiate modifications to existing dry utility agreements with Landowners to include the Development within their service boundaries. Landowner acknowledges and agrees that nothing in this Agreement is intended to prohibit Coordinator, its successors or assigns or their respective subsidiaries or affiliates from investing in or owning companies formed for purposes of providing any one or more of the dry utility services contemplated in this Agreement. Landowner shall not be obligated to enter into any agreements with Coordinators or to accept any dry utility services without Landowner's written approval, in Landowner's sole discretion.

2. Coordination with SCW and PVU. Coordinator agrees to coordinate its activities and cause SCW and PVU to provide the services more fully described on Exhibit B hereto, subject to obtaining the applicable regulatory approvals. Landowner shall be responsible for entering into separate Water Facilities Extension and Wastewater Facilities Extension Agreements (the "Extension Agreements") with SCW and PVU, respectively, before Coordinator shall have any obligations with respect to coordinating the activities of SCW and PVU pursuant to this Section 2. The Extension Agreements shall be in form and content acceptable to SCW, PVU and Landowner, as applicable.

3. Obligations of Landowner. Landowner agrees to cooperate with Coordinator as reasonably requested by Coordinator and agrees to provide all information and documentation about the Development necessary for Coordinator to comply with its obligations under this Agreement. In addition, Landowner agrees to grant to SCW and/or PVU, as the case may be, all necessary easements and rights of way for the construction and installation and subsequent operation, maintenance and repair of the Utility Services. Such easements and rights of way shall

be of adequate size, location and configuration so as to allow SCW and PVU ready and all weather access to all facilities for maintenance and repairs and other activities necessary to provide safe and reliable water and wastewater Utility Services. In addition, Landowner agrees to provide and transfer to SCW any and all water rights including, but not limited to, Grandfathered Irrigation Rights, Type I rights and /or Type II rights which run with or relate to the Development and which Coordinator determines, in its sole discretion, to be useful. Further, any wells which Coordinator, in its sole discretion, deems useful, whether operational, abandoned, agricultural or otherwise, will be transferred and conveyed by Landowner to SCW at no cost to SCW or Coordinator. Lastly, if Coordinator and/or SCW identify well sites Landowner shall cause such well sites to be identified on the Plat Approval and dedicated to SCW in fee, free of all liens, claims and encumbrances of any kind or nature whatsoever. Any well sites not transferred to SCW are to be decommissioned at the Landowner's expense.

4. Payment Obligations. Landowner shall pay Coordinator, the sum of \$2,500.00 per equivalent dwelling unit in the Development which sum shall be due upon the issuance of a building permit for each such dwelling unit by the Town of Maricopa (the "Landowner Payment."), adjusted upward based on a CPI factor, which is defined as the Consumer Price Index - United States City Average - for All Urban Consumers - All Items published by the United States Department of Labor, Bureau of Labor Statistics ("Index"), with the Index for the month of January 2005 being treated as the base Index, plus two percent (2%). If the Index is discontinued or revised during the term of this Agreement, such other government index or computation with which it is replaced shall be utilized, and modified as necessary, to obtain substantially the same result as would be obtained if the Index had not been so discontinued or revised. For example, if the Landowner Payment was due in February 2006 and the most current available Index was 187.3 and the Index for January 2005 was 182.5, the Landowner Payment per Lot would be calculated as follows: $\$2,800 \times 187.3/182.5 \times 1.02 = \$2,931.12$. For the purposes of this Section 4, the number of equivalent dwelling units within the Development shall be calculated as follows: (i) each single family residential lot included in the final plat being recorded in the Official Records of Pinal County, Arizona (the "Plat Approval") shall constitute one (1) equivalent dwelling unit and (ii) each gross acre of retail or commercial office property included in the Plat Approval shall constitute six (6) equivalent dwelling units. If the payment to be made by Landowner pursuant to this Section 4 is due and owing pursuant to clause (ii) above prior to the Plat Approval, Coordinator shall reasonably calculate the Landowner Payment and Landowner shall make an initial payment based upon Coordinator's reasonable calculation. Following the Plat Approval, Landowner and Coordinator shall reconcile the amount paid by Landowner pursuant to the preceding sentence with the actual Landowner Payment and Landowner shall pay to Coordinator or Coordinator shall pay to Landowner, as the case may be, the amount necessary to reconcile such payment.

Fees payable to SCW and RVU, and reimbursement for certain costs and expenses incurred by Landowner with respect to the obtaining of Utility Services are not the subject of this Agreement and shall be paid and reimbursed to the appropriate parties in accordance with the Extension Agreements.

5. No Partnership. Coordinator and Landowner are acting as independent contractors pursuant to this Agreement. Nothing in this Agreement shall be interpreted or

construed (i) to create an association, joint venture, or partnership among the parties or to impose any partnership obligation or liability upon either party, or (ii) to prohibit or limit the ability of Coordinator to enter into similar or identical agreements with other landowners, even if the activities of such landowners may be deemed to be in competition with the activities of Landowner.

6. Default.

(a) Landowner shall be deemed to be in material default under this Agreement upon the expiration of ten (10) days, as to monetary defaults, and thirty (30) days, as to nonmonetary defaults, following receipt of written notice from Coordinator specifying the particulars in which a default is claimed unless, prior to expiration of the applicable grace period (ten (10) days or thirty (30) days, as the case may be), such default has been cured. A default by Landowner under this Agreement shall constitute a default by Landowner under the Extension Agreements and a default by Landowner under the Extension Agreement(s) shall constitute a default under this Agreement.

(b) In the event Landowner is in default under this Agreement, the provisions hereof may be enforced by an action for specific performance, injunction, or other equitable remedies in addition to any other remedy available at law or in equity. In this regard, in the event Landowner fails to pay any amount as and when due (including the Landowner Payment), which failure is not cured within ten (10) days after notice thereof in accordance with the provisions of Section 6(a) above, such delinquent amounts shall bear interest at the rate of fifteen percent (15%) per annum from the due date until paid. In addition, to the extent such sums remain unpaid following such ten (10) day period, Coordinator may claim a lien for such sum, together with interest thereon as set forth above, which may be foreclosed against the Development in the manner prescribed by law for the foreclosure of realty mortgages.

(c) Amounts owed but not paid when due by Landowner shall be a lien against the Development. The lien shall attach and take effect only upon recordation of a claim of lien as described below in the office of the Pinal County Recorder by Coordinator. A claim of lien shall include the following:

- (i) The name of the lien claimant.
- (ii) The name of the party or then owner of the property or interest against which the lien is claimed.
- (iii) A description of the property against which the lien is claimed.
- (iv) A description of the default or breach that gives rise to the claim of lien and a statement itemizing the amount of the claim.
- (v) A statement that the lien is claimed pursuant to the provisions of this Agreement and reciting the date of recordation and recorder's document number of this Agreement.

(vi) The notice shall be acknowledged, and after recordation, a copy shall be given to the person against whose property the lien is claimed in any manner prescribed under Section 15 of this Agreement. The lien may be enforced in any manner allowed by law, including without limitation, by an action to foreclose a mortgage or mechanic's lien under the applicable provisions of the laws of the State of Arizona.

(d) If the Landowner posts either (a) a bond executed by a fiscally sound corporate surety licensed to do business in the State of Arizona, or (b) an irrevocable letter of credit from a reputable financial institution licensed to do business in the State of Arizona reasonably acceptable to Coordinator, which bond or letter of credit (i) names Coordinator as the principal or payee and is in form satisfactory to Coordinator, (ii) is in the amount of one and one-half (1-½) times the claim of lien, and (iii) unconditionally provides that it may be drawn on by Coordinator in the event of a final judgment entered by a court of competent jurisdiction in favor of Coordinator, then Coordinator shall record a release of the lien or take such action as may be reasonably required by a title insurance company requested to furnish a policy of title insurance on such property to delete the lien as an exception thereto. Landowner shall post the bond or letter of credit by delivery of same to Coordinator. All costs and expenses to obtain the bond or letter of credit, and all costs and expenses incurred by Coordinator, shall be borne by Landowner, unless Landowner is the prevailing party in any litigation challenging the claimed lien.

7. Attorneys' Fees. If any dispute arises out of the subject matter of this Agreement, the prevailing party in such dispute shall be entitled to recover from the other party its costs and expenses (including reasonable attorney's fees) incurred in litigating or otherwise resolving such dispute. The parties' obligations under this Section shall survive the closing under this Agreement.

8. Applicable Law, Venue, Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona, notwithstanding any Arizona or other conflict-of-law provisions to the contrary. The parties consent to jurisdiction for purposes of this Agreement in the State of Arizona, and agree that Maricopa County, Arizona, shall be proper venue for any action brought with respect to this Agreement.

9. Interpretation. The language in all parts of this Agreement shall in all cases, be construed as a whole according to its fair meaning and not strictly for nor against any party. The section headings in this Agreement are for convenience only and are not to be construed as a part hereof. The parties agree that each party has reviewed this Agreement and has had the opportunity to have counsel review the same and that any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this Agreement or any amendments or any exhibits thereto. Except where specifically provided to the contrary, when used in this Agreement, the term "including" shall mean without limitation by reason of enumeration. All pronouns and any variations thereof shall be deemed to refer to masculine, feminine or neuter, singular or plural, as the identity of the person(s) or entity(ies) may require.

10. Counterparts This Agreement shall be effective upon execution by all parties hereto and may be executed in any number of counterparts with the same effect as if all of the

parties had signed the same document. All counterparts shall be construed together and shall constitute one agreement.

11. Entire Agreement. This Agreement constitutes the entire integrated agreement among the parties pertaining to the subject matter hereof, and supersedes all prior and contemporaneous agreements, representations, and undertakings of the parties with respect to such subject matter. This Agreement may not be amended except by a written instrument executed by all parties hereto.

12. Additional Instruments. The parties hereto agree to execute, have acknowledged, and deliver to each other such other documents and instruments as may be reasonably necessary or appropriate to evidence or to carry out the terms of this Assignment.

13. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity or legality of the remainder of this Agreement.

14. Incorporation by Reference. Every exhibit, schedule and other appendix attached to this Agreement and referred to herein is hereby incorporated in this Agreement by reference.

15. Notices. Any notice, payment demand or communication required or permitted to be given by any provision of this Agreement shall be in writing and shall be delivered personally to the party to whom the same is directed or sent by registered or certified mail, return receipt requested, addressed to the addresses set forth on the signature page hereto. Any such notice shall be deemed to be delivered, given and received for all purposes as of the date so delivered if delivered personally, or three business days after the time when the same was deposited in a regularly maintained receptacle for the deposit of United States mail, if sent by registered or certified mail, postage and charges prepaid, or if given by any other method, upon actual receipt; provided that notwithstanding the foregoing, notice of any change of address shall be effective only upon actual receipt of such notice.

16. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the respective parties. This Agreement constitutes a covenant running with the land, shall be binding upon the Development for the benefit of Coordinator, its successors and assigns and any person acquiring any portion of the Development, upon acquisition thereof, shall be deemed to have assumed the obligations of Landowner arising from this Agreement with respect to the Development without the necessity for the execution of any separate instrument. Coordinator shall lien the development and will ensure the lien is partially released as each particular phase and/or parcel has been paid in full.

[Signatures are on the following page.]

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first above written.

COORDINATOR:
Global Water Resources, LLC
a Delaware Limited Liability Company

By: Cindy M Liles
Cindy M. Liles
Vice President

LANDOWNER:

See Schedule 1 attached hereto

STATE OF Arizona)
County of Maricopa) ss.

On July 2nd, 2004, before me, Shaylyn Williams, a Notary Public in and for said state, personally appeared Cindy M Liles, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument, the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

[Signature]
Notary Public in and for said State

My Commission Expires:

March 23, 2008

Notary Public State of Arizona
Maricopa County
Shaylyn Williams
Expires March 23, 2008

SCHEDULE 1
(Schedule 1 Contains 6 Pages)

GRANTORS

BERA VENTURES, L.L.C., an Arizona limited liability company
DAC MARICOPA INVESTMENT, L.L.C., an Arizona limited liability company
JJD DEVELOPMENT L.L.C., an Arizona limited liability company
MARICOPA INVESTMENT GROUP, L.L.C., an Arizona limited liability company
JACOB/McCASLIN/EDEN, LLC, an Arizona limited liability company
MESQUITE GROVES L.L.C., an Arizona limited liability company

AS THEIR UNDIVIDED INTERESTS MAY APPEAR

GRANTOR

BERA VENTURES, L.L.C., an Arizona limited liability company

By: Matthew R Berens

Its: Manager

STATE OF ARIZONA)

County of Maricopa)

ss:

This instrument was acknowledged before me this 30th day of June, 2004, by Matthew R Berens, Manager of BERA VENTURES, L.L.C., an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Jamie O'Neil
Notary Public

 My Commission Expires:
Notary Public - Arizona
Maricopa County
Expires 06/06/07

GRANTOR

DAC MARICOPA INVESTMENT, L.L.C., an Arizona limited liability company

By: [Signature]

Its: [Signature]

STATE OF ARIZONA)
) ss:
County of Maricopa)

This instrument was acknowledged before me this 15 day of July, 2004, by Daniel Clark the Manager of DAC MARICOPA INVESTMENT, L.L.C., an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

[Signature]
Notary Public

My Commission Expires:

5/31/06



EDETTE M. HEISLER
Notary Public - Arizona
Maricopa County
Expires 05/31/08

GRANTOR

JJD DEVELOPMENT L.L.C., an Arizona limited liability company

By: Jeff Koch

Its: President

STATE OF ARIZONA)
) ss:
County of Maricopa)

This instrument was acknowledged before me this 1st day of July, 2004, by Jeffrey Beach the manager of JJD DEVELOPMENT L.L.C., an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Ede M. Heisler
Notary Public

My Commission Expires:

5/31/06



EDETTE M. HEISLER
Notary Public - Arizona
Maricopa County
Expires 05/31/08

GRANTOR

MARICOPA INVESTMENT GROUP, L.L.C., an Arizona limited liability company

By: _____

Its: Member

STATE OF ARIZONA)
) ss:
County of Maricopa)

This instrument was acknowledged before me this 30th day of June, 2004, by Gordon Phillips the Member of MARICOPA INVESTMENT GROUP, L.L.C., an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

Sheri Bohn
Notary Public

My commission expires: 05/31/07
 Notary Public - Arizona
Maricopa County
Expires 05/31/07

GRANTOR

JACOB/McCASLIN/EDEN, LLC, an Arizona limited liability company

By: [Signature]

Its: [Signature]

STATE OF ARIZONA)

) ss:

County of Maricopa)

This instrument was acknowledged before me this 15 day of July, 2004, by Phil Falick the Manager of JACOB/McCASLIN/EDEN, LLC, an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

[Signature]
Notary Public

My Commission Expires:

5/31/08



EDETTE M. HEISLER
Notary Public - Arizona
Maricopa County
Expires 05/31/08

GRANTOR

MESQUITE GROVES L.L.C., an Arizona limited liability company

By: [Signature]

Its: Manager

STATE OF ARIZONA)
) ss:
County of Maricopa)

This instrument was acknowledged before me this 1st day of July, 2004, by Blake McKee the Manager of MESQUITE GROVES L.L.C., an Arizona limited liability company, on behalf of the company.

IN WITNESS WHEREOF, I have hereunder set my hand and official seal.

[Signature: Edette M. Heisler]
Notary Public

My Commission Expires:

5/31/06



EDETTE M. HEISLER
Notary Public - Arizona
Maricopa County
Expires 05/31/08

EXHIBIT A
INFRASTRUCTURE COORDINATION AGREEMENT

LEGAL DESCRIPTION OF DEVELOPMENT

Unofficial

Lots 1 through 3, inclusive, Block 43, and Lots 1 through 8, inclusive, Block 45, MARICOPA TOWNSITE, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Book 3 of Maps, Page 6;

EXCEPT all of Lot 2, and a portion of Lots 1 and 3, Block 45, MARICOPA TOWNSITE, according to the plat of record in the office of the County Recorder of Pinal County, Arizona, recorded in Book 3 of Maps, Page 6, a subdivision located in Section 26 and 27, Township 4 South, Range 3 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, more particularly described as follows;

Commencing at the South quarter corner of said Section 26, from which the Southwest corner of Section 26 bears South 89 degrees 05 minutes 38 seconds West, a distance of 2635.13 feet;

thence South 89 degrees 05 minutes 38 seconds West along the South line of the Southwest quarter of said section 26, to the intersection of the South line of the Southwest quarter of said Section 26 with the Southerly right-of-way line of the Southern Pacific Railroad, a distance of 1811.49 feet;

thence North 53 degrees 52 minutes 12 seconds West along said Southerly right-of-way line to a point 30 feet North of the South line of the Southwest quarter of Section 26, a distance of 49.81 feet and the POINT OF BEGINNING;

thence South 89 degrees 05 minutes 38 seconds West and parallel with the South line of the Southwest quarter of Section 26 to a point on the East line of the Southeast quarter of said Section 27 that bears North 00 degrees 03 minutes 29 seconds East a distance of 30.00 feet from the Southeast corner of said Section 27, a distance of 783.38 feet;

thence South 89 degrees 05 minutes 38 seconds West and parallel with the South line of the Southwest quarter of Section 26, a distance of 0.23 feet;

thence North 89 degrees 51 minutes 46 seconds West and parallel with the South line of the Southeast quarter of Section 27, a distance of 569.55 feet;

thence North 24 degrees 43 minutes 54 seconds West along the West line of the Santa Rosa Wash Easement recorded in Fee Number 2003-008603, a distance of 121.99 feet;

thence North 00 degrees 47 minutes 54 seconds West along the West line of said easement, a distance of 428.42 feet;

thence North 20 degrees 03 minutes 27 seconds East along the West line of said easement, to the intersection of the West line of said easement with the Southerly right-of-way line of the Southern Pacific Railroad, a distance of 421.29 feet;

thence South 53 degrees 52 minutes 12 seconds East along the Southerly right-of-way line of the Southern Pacific Railroad to the intersection of said Southerly right-of-way line with the East line of the Southeast quarter of said Section 27, a distance of 597.88 feet;

thence South 53 degrees 52 minutes 12 seconds East along said Southerly right-of-way line, a distance of 969.05 feet to the POINT OF BEGINNING; and

EXCEPT all oil, gas and other mineral rights as reserved in instrument recorded in Docket 15, Page 66, records of Pinal County, Arizona.

EXHIBIT B
INFRASTRUCTURE COORDINATION AGREEMENT

DESCRIPTION OF SCW AND PVU SERVICES TO BE COORDINATED BY Coordinator

SCW

- Expand the existing CC&N water service area to include the Development
- Prepare a master water plan with respect to the Development
- Confirm and or develop sufficient water plant capacity for the Development
- Extend a water distribution main line to the Delivery Point
- Provide will-serve letters to applicable governmental agencies necessary for final plat approvals with a schedule of commitment dates personalized for the Development
- Obtain a 100-year assured water supply and Certificate of Designation required for final plat approvals and Department of Real Estate approvals
- Provide expedited final subdivision plat water improvement plan check and coordination with the Arizona Department of Environmental Quality for Approvals to Construct
- Obtain/Develop facilities extension agreement for construction of infrastructure within the Development (subject to reimbursement)

PVU

- Expand the existing CC&N wastewater service area to include the Development
- Prepare a master wastewater plan with respect to the Development
- Develop a master reclaimed water treatment, retention, and distribution plan
- Confirm and or develop sufficient wastewater plant capacity for the Development
- Extend a wastewater collection system main line to the Delivery Point
- Provide all permitting and regulatory approvals including but not limited to an Aquifer Protection Permit and Central Arizona Association of Governments (CAAG) 208 Water Quality Plan
- Provide will-serve letters to applicable governmental agencies necessary for final plat approvals with a schedule of commitment dates personalized for the Development
- Provide expedited final subdivision plat wastewater improvement plan check and coordination with the Arizona Department of Environmental Quality for Approvals to Construct
- Obtain/Develop facilities extension agreement for construction of infrastructure within the property boundaries and is subject to reimbursement