

ORIGINAL



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RECEIVED

BEFORE THE ARIZONA CORPORATION COMMISSION

2006 JUN 13 P 3:40

COMMISSIONERS

JEFF HATCH-MILLER, Chairman  
WILLIAM A. MUNDELL  
MARC SPITZER  
MIKE GLEASON  
KRISTIN K. MAYES

AZ CORP COMMISSION  
DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION  
OF ARIZONA WATER COMPANY FOR  
AN EXTENSION OF THE SERVICE  
AREA UNDER ITS EXISTING  
CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO PROVIDE WATER  
UTILITY SERVICES

Docket No. W-01445A-03-0559

**CERTIFICATE OF FILING OF EXHIBITS  
TO DIRECT TESTIMONY**

Arizona Water Company is today filing the exhibits, attached hereto, to the direct testimony of its witness Michael J. Whitehead, which it filed and served yesterday.

RESPECTFULLY SUBMITTED this 13th day of June 2006.

**ARIZONA WATER COMPANY**

By: Robert W. Geake

Robert W. Geake  
Vice President and General Counsel  
Arizona Water Company  
P. O. Box 29006  
Phoenix, AZ 85038

And

Bryan Cave LLP  
Steven A. Hirsch  
Rodney W. Ott  
Two North Central, Suite 2100  
Phoenix, Arizona 85004-4406  
(602) 364-7000

Attorneys for Arizona Water Company

1 AN ORIGINAL and thirteen (13) copies of the Foregoing and attachments filed this 13<sup>th</sup>  
2 day of June 2006 with:

3 Docket Control  
4 Arizona Corporation Commission  
5 1200 W. Washington  
6 Phoenix, AZ 85007

7 And copies of the foregoing and attachments delivered this 13th day of June 2006 to:

8 Teena Wolfe  
9 Administrative Law Judge  
10 Hearing Division  
11 Arizona Corporation Commission  
12 1200 W. Washington  
13 Phoenix, AZ 85007

14 David Ronald, Staff Counsel  
15 Legal Division  
16 Arizona Corporation Commission  
17 1200 W. Washington  
18 Phoenix, AZ 85007

19 Jeffrey W. Crockett  
20 Snell & Wilmer  
21 One Arizona Center  
22 400 E. Van Buren  
23 Phoenix, AZ 85004-2202  
24 Attorneys for Cornman Tweedy 560, LLC

25 By: Robert W. Seals

26  
27  
28

**MJW1**



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

Page 1 Of 1

<b>ADEQ File No:</b> 20050849	<b>LTF No:</b> 38082
<b>System Name:</b> Arizona Water Company	<b>System Number:</b> 11009
<b>Project Owner:</b> Arizona Water Company	
<b>Address:</b> P.O. Box 29006, Phoenix, AZ 85038	
<b>Project Location:</b> Casa Grande	<b>County:</b> Pinal
<b>Description:</b> "TIERRA GRANDE INTERCONNECT" - CONSISTING OF INSTALLING APPROXIMATELY 35,000 FEET OF 16" DI TRANSMISSION MAINS ALONG FLORENCE BLVD. TO CONNECT WATER SYSTEMS OF TIERRA GRANDE AND CASA GRANDE.	

***Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1***

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: JD1

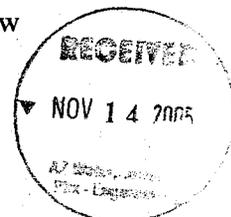
By:

*Kwame A. Agyare*  
Kwame A. Agyare, P.E.  
Manager, Drinking Water and  
Wastewater Engineering Review  
Water Quality Division

11/09/05

Date

cc: File No : 20050849  
Regional Office: Central  
Owner: Arizona Water Company  
County Health Department: Pinal  
Engineer: Arizona Water Company  
Planning and Zoning/Az Corp. Commission  
Engineering Review Database - Etr021



**MJW2**



T.5S.

T.6S.

T.7S.

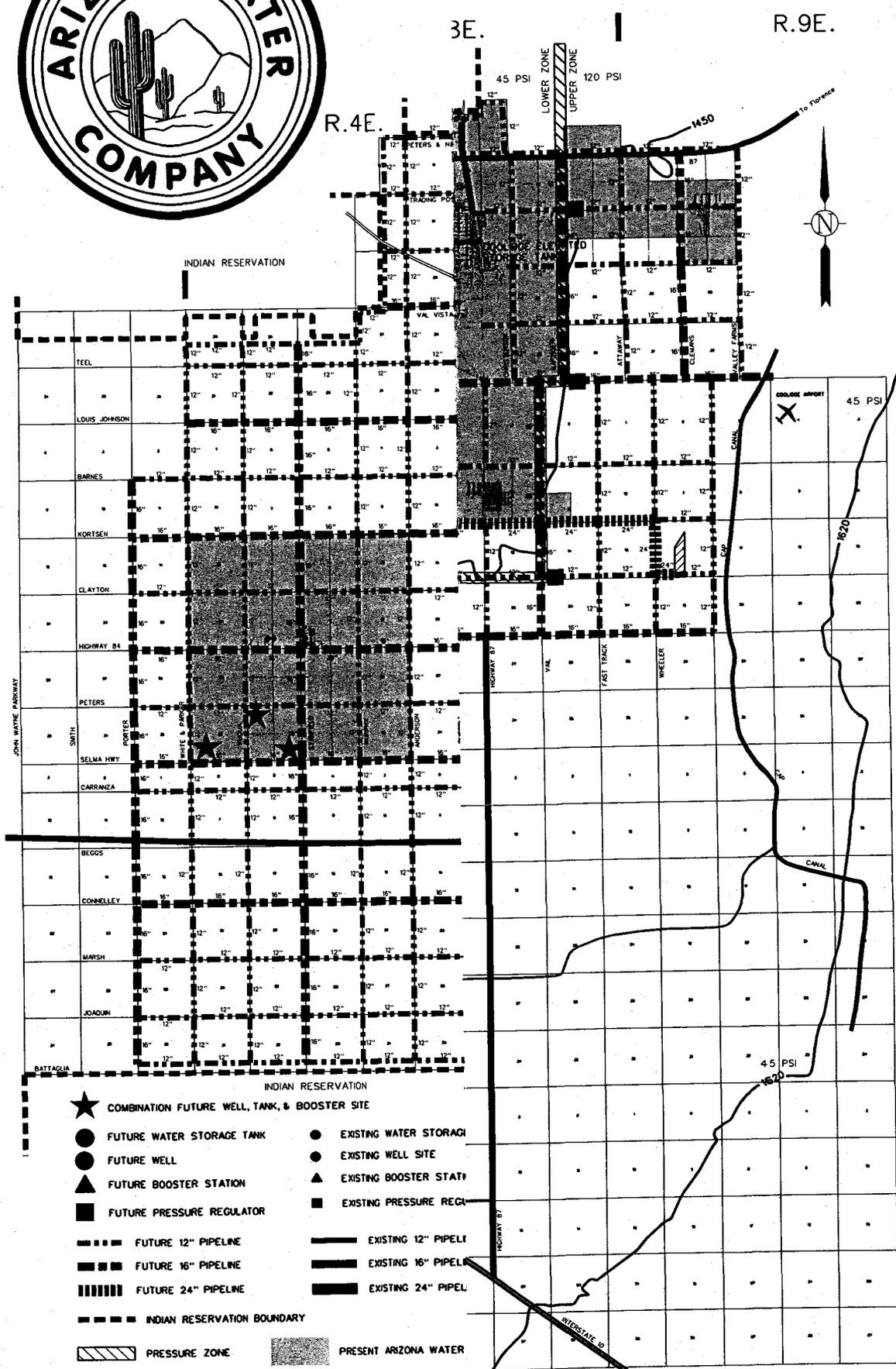
T.8S.

T.5S.

T.6S.

T.7S.

T.8S.



- ★ COMBINATION FUTURE WELL, TANK, & BOOSTER SITE
- FUTURE WATER STORAGE TANK
- FUTURE WELL
- ▲ FUTURE BOOSTER STATION
- FUTURE PRESSURE REGULATOR
- FUTURE 12" PIPELINE
- FUTURE 16" PIPELINE
- FUTURE 24" PIPELINE
- INDIAN RESERVATION BOUNDARY
- ▨ PRESSURE ZONE
- EXISTING WATER STORAGE
- EXISTING WELL SITE
- ▲ EXISTING BOOSTER STATION
- EXISTING PRESSURE REGULATOR
- EXISTING 12" PIPELINE
- EXISTING 16" PIPELINE
- EXISTING 24" PIPELINE
- ▨ PRESENT ARIZONA WATER

R.3E.

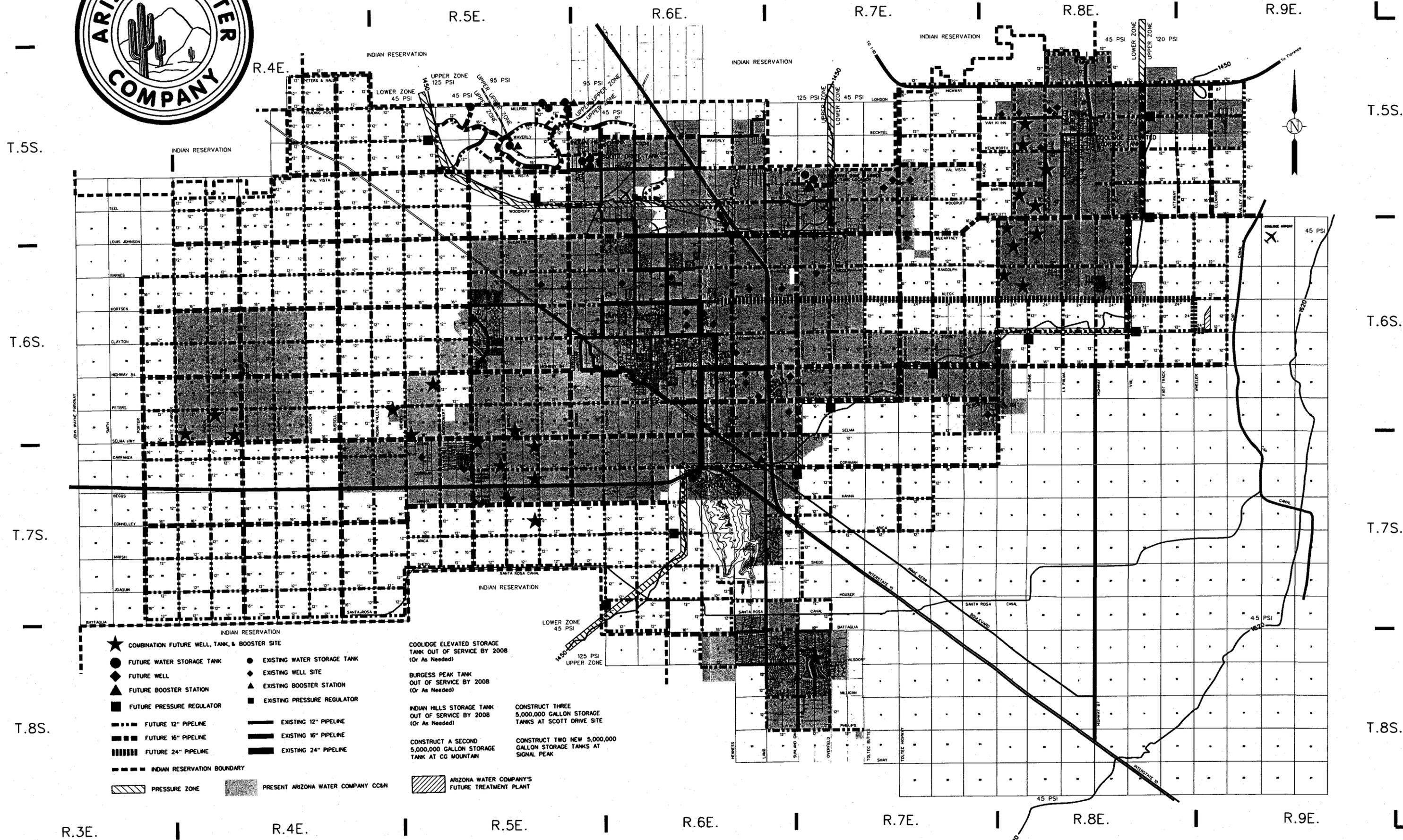
R.4E.

R.8E.

R.9E.

# PINAL VALLEY WATER SYSTEM

## MASTER PLAN



★ COMBINATION FUTURE WELL, TANK, & BOOSTER SITE

- FUTURE WATER STORAGE TANK
- EXISTING WATER STORAGE TANK
- ◆ FUTURE WELL
- ◆ EXISTING WELL SITE
- ▲ FUTURE BOOSTER STATION
- ▲ EXISTING BOOSTER STATION
- FUTURE PRESSURE REGULATOR
- EXISTING PRESSURE REGULATOR

- - - FUTURE 12" PIPELINE
- - - EXISTING 12" PIPELINE
- - - FUTURE 16" PIPELINE
- - - EXISTING 16" PIPELINE
- - - FUTURE 24" PIPELINE
- - - EXISTING 24" PIPELINE

- - - INDIAN RESERVATION BOUNDARY
- - - PRESENT ARIZONA WATER COMPANY C&N
- - - ARIZONA WATER COMPANY'S FUTURE TREATMENT PLANT

COOLIDGE ELEVATED STORAGE TANK OUT OF SERVICE BY 2008 (Or As Needed)

BURGESS PEAK TANK OUT OF SERVICE BY 2008 (Or As Needed)

INDIAN HILLS STORAGE TANK OUT OF SERVICE BY 2008 (Or As Needed)

CONSTRUCT A SECOND 5,000,000 GALLON STORAGE TANK AT CG MOUNTAIN

CONSTRUCT THREE 5,000,000 GALLON STORAGE TANKS AT SCOTT DRIVE SITE

CONSTRUCT TWO NEW 5,000,000 GALLON STORAGE TANKS AT SIGNAL PEAK

**MJW3**

**MJW3**

EXHIBIT "2"

7600 E. Doubletree Ranch Rd., Ste. 220 MJW 3

Scottsdale, Arizona 85258

480/348.1118 Fax

480/348.1118



HARVARD INVESTMENTS  
A HILL COMPANY

RECEIVED  
MAY 28 2003

ARIZONA WATER COMPANY  
PHOENIX - ENGINEERING

May 24, 2003

Mr. Michael Whitehead, Vice President, Engineering  
Arizona Water Company  
P. O. Box 29006  
Phoenix, Arizona 85038

Re: Expansion of CCN

Dear Mr. Whitehead:

We are acquiring 480 acres in Pinal County on the south side of Highway 287 between Overfield and Toltec Buttes Roads. Specifically, the Northeast Quarter and South Half of Section 29, T6S, R7E of the Gila and Salt River Base and Meridian. We would like Arizona Water Company to provide water service to the property. Please advise as to how we should proceed in this matter. Thank you.

Sincerely,

Christopher J. Cacheris

**MJW4**

# ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006  
 PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

April 27, 2004

Mr. Jason Hadley  
 Hadley Design Group  
 7272 E. Indian School Road Ste #472  
 Scottsdale, AZ 85251

Re: Post Ranch

Dear Mr. Hadley:

Enclosed is the Preliminary Cost Estimate you requested. The total estimated cost of the above-referenced project is outlined as follows:

A.	\$	4,230,279	is a refundable advance in aid of construction
B.		<u>614,087</u>	is a non-refundable contribution
Total	\$	<u>4,844,366</u>	

Labor costs are estimated through previous contracts in this area. Material prices are current but are subject to change. If you will notify us when you are ready to proceed, we will obtain a firm bid from a contractor for the installation of the water system.

If you have any questions, please call this office.

Very truly yours,



Mike Loggins  
 Engineer  
[engineering@azwater.com](mailto:engineering@azwater.com)

kd

Enclosures

c: Jerry Dexel - CG  
 AWC Division Manager

Chris Cacheris  
 Havard Investments  
 7600 E. Doubletree Ranch Road Ste 220  
 Scottsdale, AZ 85258

NOTE:  
THIS COST ESTIMATE IS  
BASED ON THE LATEST  
LABOR AND MATERIAL  
PRICES AVAILABLE, BUT  
IT IS PRELIMINARY ONLY  
AND DOES NOT  
NECESSARILY REFLECT  
THE ACTUAL COST OF  
THIS PROJECT.

# ARIZONA WATER COMPANY

## PRELIMINARY COST ESTIMATE

DATE PREPARED:  
4/27/2004

PREPARED BY:

Mike Loggins

SYSTEM:

Casa Grande

PROJECT LOCATION

Section 29 - Township 6 South, Range 7 East

DRAWING NO.

Attached

PROJECT DESCRIPTION:

Install a water distribution system to serve Post Ranch.

MATERIALS & LABOR			ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION	REFUNDABLE ADVANCE	NON-REFUNDABLE CONTRIBUTION
343	7,920	Install 16" D.I.P. w/related fittings (Offsite)	\$ 326,314	
343	5,280	Install 16" D.I.P. w/related fittings	217,542	
343	16,150	Install 12" D.I.P. w/related fittings	503,897	
343	17,500	Install 8" D.I.P. w/related fittings	493,519	
343	82,200	Install 6" D.I.P. w/related fittings	1,907,129	
345	1,692	Install 3/4 single service	465,300	
346	1,692	Install 5/8" x 3/4" SR meter	74,871	
348	193	Install 6" fire hydrant		579,000
<b>SUBTOTAL - MATERIALS &amp; LABOR</b>			<b>\$ 3,988,572</b>	<b>\$ 579,000</b>
<b>OVERHEAD</b>			<b>241,707</b>	<b>35,087</b>
<b>TOTAL REFUNDABLE AND NON-REFUNDABLE ESTIMATED PROJECT COST</b>			<b>\$ 4,230,279</b>	<b>\$ 614,087</b>
<b>TOTAL ESTIMATED PROJECT COST</b>			<b>\$4,844,366</b>	

**MJW5**

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
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MJW-5

TRANSMISSION OK

TX/RX NO	2023	
CONNECTION TEL		4803488976
CONNECTION ID		
ST. TIME	04/19 10:09	
USAGE T	01'39	
PGS. SENT	2	
RESULT	OK	



# ARIZONA WATER COMPANY

Email: mail@azwater.com

## FAX TRANSMISSION SHEET

To: Mr. Christopher J. Cacheris, Harvard Investments  
(480) 348-8976

Date: April 19, 2005

From: Michael J. Whitehead

# Pages including this cover sheet: 2

Subject: Post Ranch Request for Extension of Time

The pages that follow may contain sensitive, privileged or confidential information intended solely for the addressee named above. If you receive this message and are not the agent or employee of the addressee, this facsimile communication has been sent in error. Please do not disseminate or copy any of the attached and notify the sender immediately by telephone. Please also return the attached sheet(s) to the sender by mail.

Accompanying this fax is a form letter for the above referenced extension of time.

If acceptable, please type on your letter head, sign, mail to the Commission, and fax Arizona Water Company a copy for our file.

Thank you.

Michael J. Whitehead  
Vice President - Engineering  
ARIZONA WATER COMPANY  
P.O. Box 29006 - Phoenix, AZ 85038-9006  
Voice: 602.240.6860 X220 / Fax: 602.240.6878

kd

April 19, 2005

Mr. Ernest G. Johnson  
Utilities Division Director  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, AZ 85007

Re: Docket No. W-01445A-03-0559/Decision No. 66893

Dear Mr. Johnson:

This letter is written in support of Arizona Water Company's March 30, 2005 Request for Additional Time to comply with certain filing requirements in the above-caption docket and order.

Although Harvard Investment's development schedule for Post Ranch (Harvard Investment LLC) has not progressed as rapidly as we had hoped, we will still be developing this project and will still need water service from Arizona Water Company.

In addition, we want to make it clear that we have never wavered in our desire to receive water service from Arizona Water Company. We believed at the time that the application in this docket was heard, and we still believe that Arizona Water Company is the only municipal provider that is capable of providing adequate service to our development.

If you need additional information, please call me at your earliest convenience.

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E-MAIL: [mail@azwater.com](mailto:mail@azwater.com)

**MJW6**

# PRELIMINARY PLAT POST RANCH

ALL OF SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA

### DEVELOPER:

HARVARD INVESTMENTS  
17700 N. PACESETTER WAY  
SCOTTSDALE, ARIZONA 85255  
PHONE: 480-348-1118  
CONTACT: CHRISTOPHER CACHERIS

### SHEET INDEX:

1. COVER SHEET
2. KEYMAP
3. PARCELS 1, 2, 3, 7, 8 AND 31
4. PARCELS 9, 10, 29a, 29b AND 30
5. PARCELS 3, 4, 5, 6, 13, 16, AND 17
6. PARCELS 12, 11, 27, 28 AND 29c
7. PARCELS 13, 14, 15, 18, 19a AND 19b
8. PARCELS 20, 21, 23, 25 AND 26
9. PARCELS 21, 22, 24 AND 25
10. PARCELS 21, 22, 24 AND 25

### BENCHMARK:

A 1/2" IRON PIPE AT THE INTERSECTION OF EARLEY ROAD AND HENNESSY ROAD, SAID POINT BEING THE SW CORNER OF SECTION 26, TOWNSHIP 6 SOUTH, RANGE 6 EAST, G.&S.R.M., PINAL COUNTY, ARIZONA. THE PUBLISHED ELEVATION IS 1425.15 FEET ABOVE MEAN SEA LEVEL, CITY OF CASA GRANDE, DATUM AS ESTABLISHED BY THOMAS HOLLENBACH DURING THE MONTH OF FEBRUARY, 1987.

### SITE DATA:

GROSS AREA	650.95 AC
NET AREA	512.89 AC
EXISTING ZONING	UR (URBAN RANCH)
PROPOSED ZONING	PAD
RESIDENTIAL	
NUMBER OF LOTS	1680
DENSITY	4.04
TOTAL OPEN SPACE	121.41 AC
MINIMUM LOT AREA	5,750 S.F.
AVERAGE LOT AREA	6,850 S.F.
MAXIMUM STRUCTURE HEIGHT	28' 2" STORY
MAXIMUM LOT COVERAGE	50%
RIGHT OF WAY	138.00 AC

### GENERAL NOTES:

1. THIS DEVELOPMENT IS LOCATED WITHIN FLOOD ZONE "C" PER FEMA MAP NUMBER 040077 0950C, PANEL 950 OF 1525, DATED AUGUST 15, 1983. ZONE "C" IS DEFINED BY FEMA AS: AREAS OF MINIMAL FLOODING.
2. ALL SANITARY SEWERS SHALL BE CONSTRUCTED AT MINIMUM GRADE BASED ON PIPE SIZE SHOWN ON THE PLANS.

### BASIS OF BEARING:

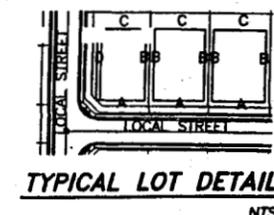
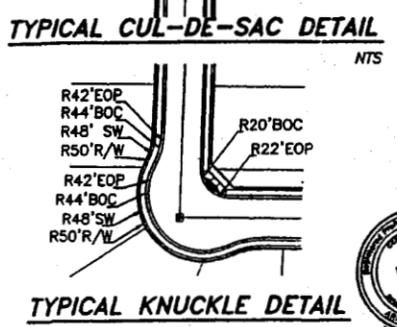
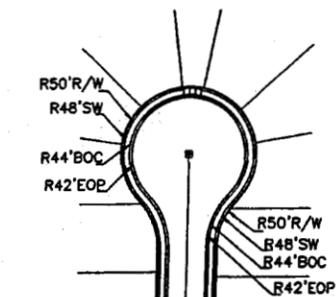
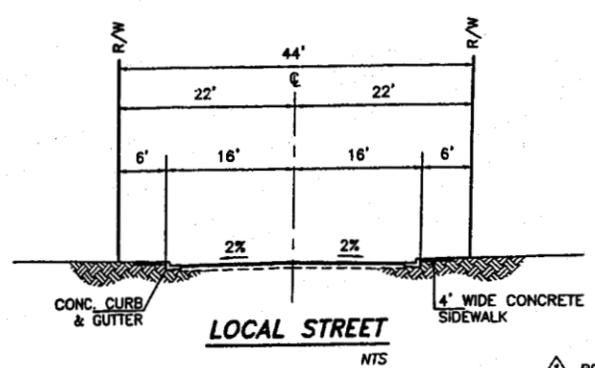
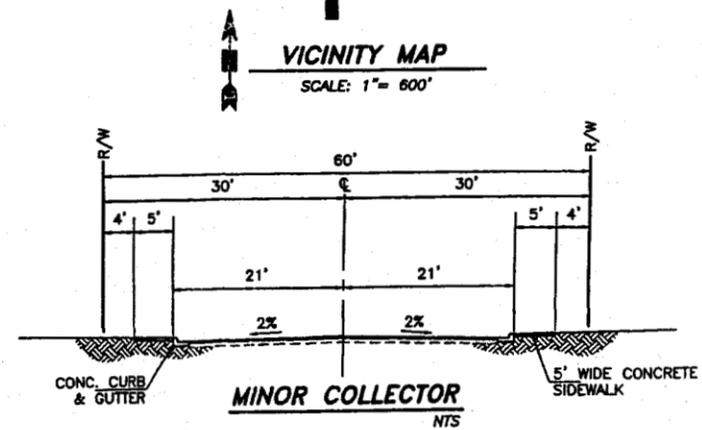
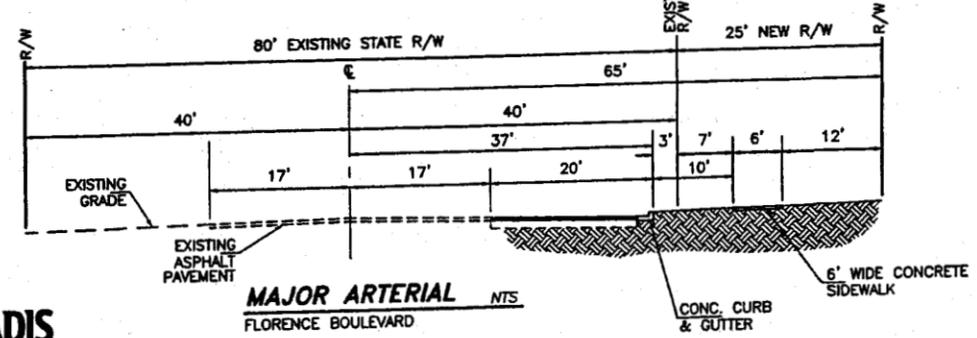
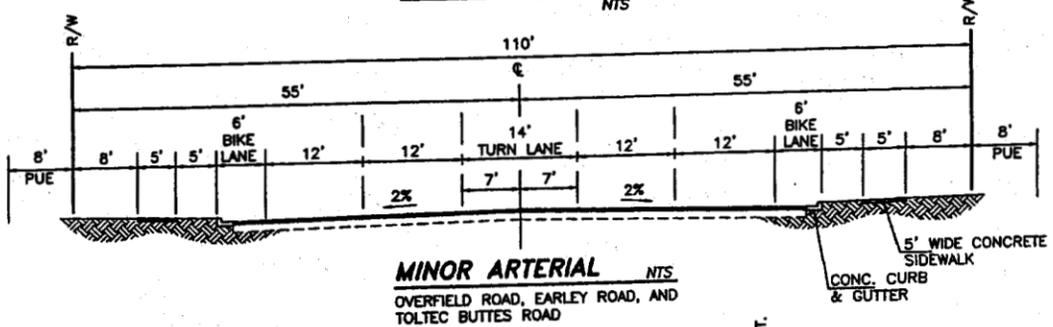
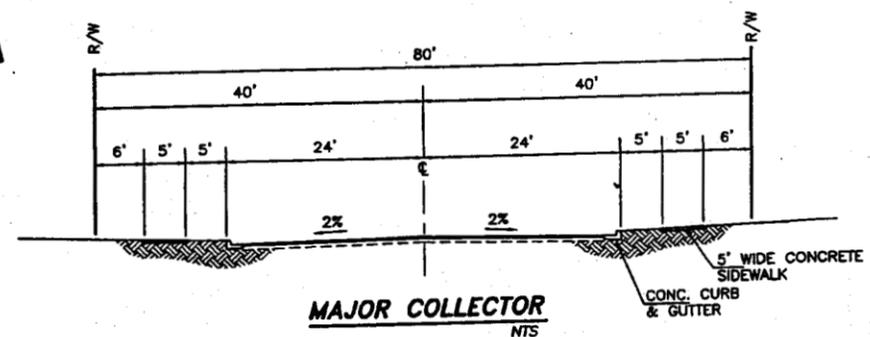
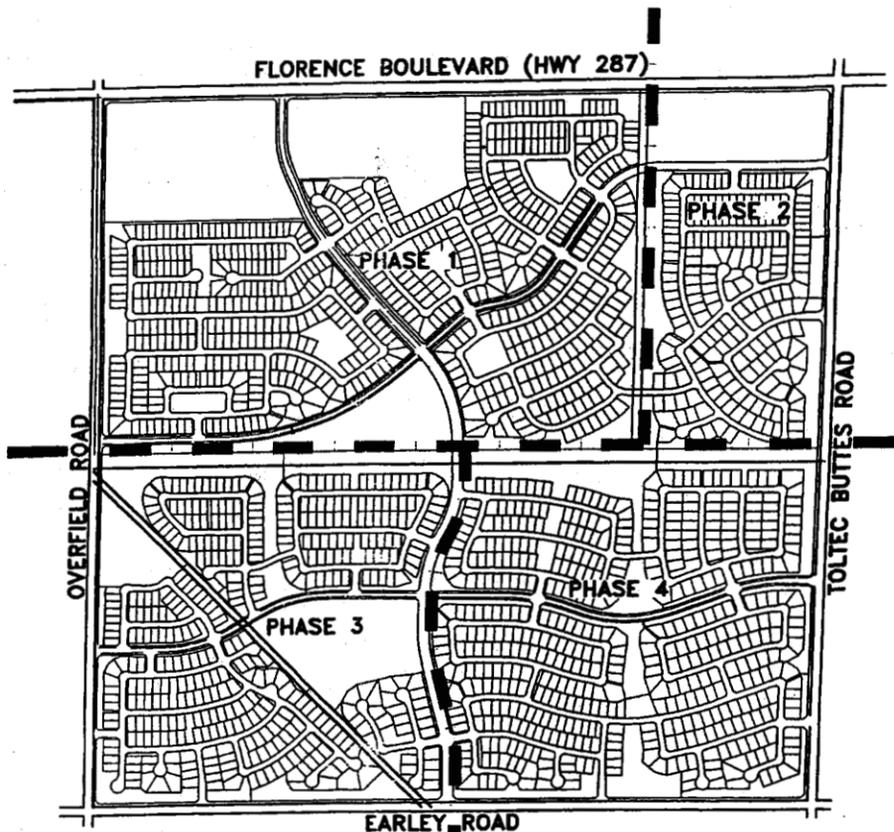
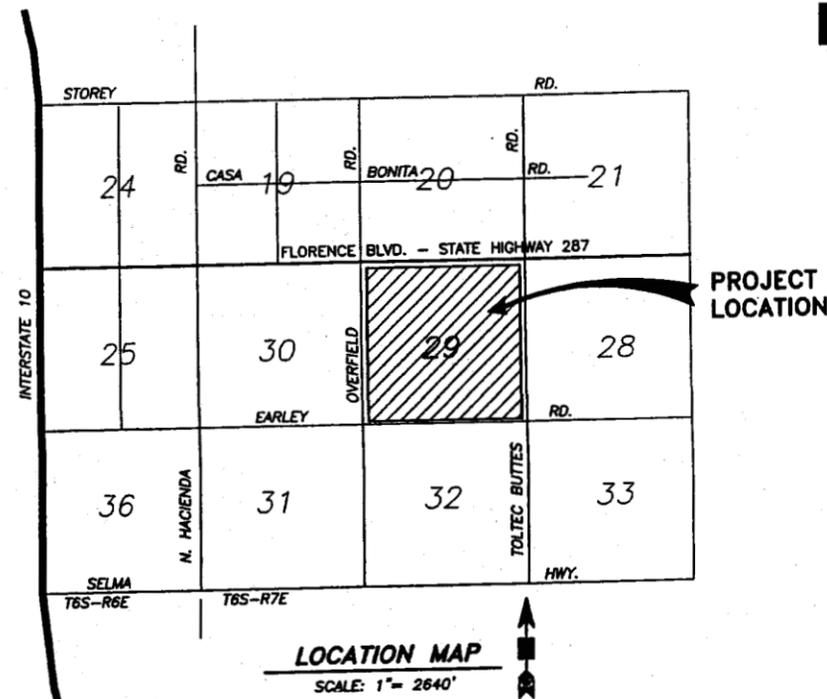
THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SECTION 29, T6S, R7E, BEING N89°45'34"W.

### LEGAL DESCRIPTION:

SECTION 29, TOWNSHIP 6 SOUTH, RANGE 7 EAST, GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA

### UTILITIES:

SEWER	SCOTT BENDER	CITY OF CASA GRANDE	520-421-8623
WATER	JERRY DREXELL	ARIZONA WATER COMPANY	520-836-8785
REFUSE	SCOTT BENDER	CITY OF CASA GRANDE	520-421-8623
ELECTRIC	ANDREW MCBRIDRE	E D-2	520-723-7741
TELEPHONE	GENE BRUMEUL	QWEST	520-426-6743
GAS	BILL WARD	EL PASO GAS	602-438-4429
CATV	TISHA ARTHUR	COX COMMUNICATIONS	623-322-7857
USPS	ROXANNE HILL	CASA GRANDE OFFICE	800-257-8777
HYDRANT LOCATION	CHRIS HERNANDEZ	CASA GRANDE FIRE DEPARTMENT	520-836-7221



MINIMUM SETBACKS	55' / 60' / 65'
A	15'
B	5' / 10'
C	20'
D	5' (10'*)

(\*) = PREFERRED SETBACK  
(\*\*) = MINIMUM FRONT LIVABLE-18'-21' STAGGERED FRONT LOADED GARAGES, EVERY 3-4 LOTS

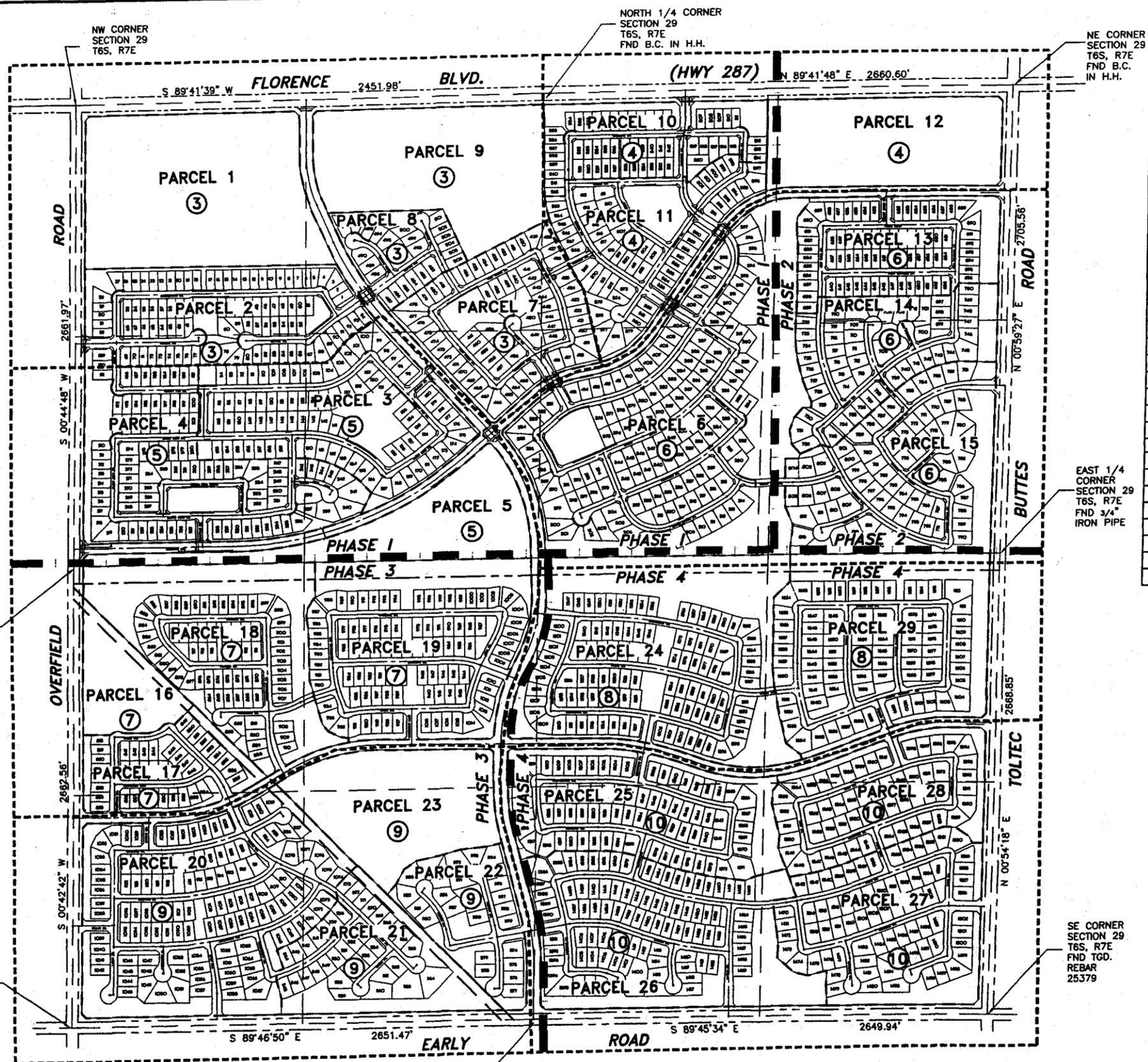
**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038

REVISED TO MATCH PAD DOCUMENT 9-9-05



**POST RANCH  
PRELIMINARY PLAT**  
SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA



**PARCEL DATA:**

PARCEL	PROPOSED USE	LOTS	AREA (ACRES)	AREA (SQ.FT.)	TRACT AREA (SQ.FT.)	R.O.W. AREA (SQ.FT.)	PHASE
1	COMM / HDR	1	26.1	1,138,055.38	---	37,231.28	1
2	SINGLE FAMILY	94	19.7	859,179.03	139,320.66	172,055.62	1
3	SINGLE FAMILY	86	22.4	974,217.13	167,133.28	232,210.56	1
4	SINGLE FAMILY	100	25.2	1,099,806.60	189,808.50	240,449.99	1
5	PARK SITE	1	12.7	551,634.24	---	106,335.97	1
6	SINGLE FAMILY	132	50.9	2,217,554.49	820,913.88	414,907.98	1
7	SINGLE FAMILY	68	17.4	759,330.01	137,817.43	196,314.01	1
8	SINGLE FAMILY	26	6.5	282,746.96	35,124.80	88,218.54	1
9	HDR	1	19.6	855,274.33	---	24,293.29	1
10	SINGLE FAMILY	56	11.1	482,837.01	103,485.33	85,375.40	1
11	SINGLE FAMILY	60	17.8	776,820.45	121,354.61	214,149.04	1
12	COMMERCIAL	1	15.6	678,773.39	---	40,175.68	2
13	SINGLE FAMILY	74	14.8	644,142.33	84,814.98	143,810.38	2
14	SINGLE FAMILY	54	15.4	671,708.42	71,266.30	124,015.12	2
15	SINGLE FAMILY	67	23.9	1,039,271.80	208,586.07	175,058.71	2
16	CHURCH SITE	1	6.7	291,433.02	---	---	3
17	SINGLE FAMILY	40	10.2	442,166.81	101,056.83	121,952.03	3
18	SINGLE FAMILY	69	21.6	941,799.84	488,537.17	149,616.02	3
19	SINGLE FAMILY	92	24.8	1,081,577.06	348,478.02	259,033.69	3
20	SINGLE FAMILY	119	35.4	1,541,794.73	306,562.64	395,527.25	3
21	SINGLE FAMILY	36	13.9	607,536.52	202,090.53	77,672.56	3
22	SINGLE FAMILY	26	10.2	446,483.74	97,512.49	125,392.66	3
23	SCHOOL SITE	1	15.6	679,588.45	---	62,018.68	4
24	SINGLE FAMILY	103	34.0	1,481,622.93	641,867.55	308,455.87	4
25	SINGLE FAMILY	76	21.3	929,211.93	159,237.40	208,001.33	4
26	SINGLE FAMILY	91	28.3	1,232,807.70	316,125.03	235,964.81	4
27	SINGLE FAMILY	73	22.3	969,402.88	126,340.42	175,021.51	4
28	SINGLE FAMILY	56	16.8	731,813.15	91,737.04	160,378.56	4
29	SINGLE FAMILY	81	26.2	1,142,778.46	329,550.72	224,898.39	4

**LEGEND:**

- 8" SEWER LINE
- 12" S SEWER LINE
- 18" S SEWER LINE
- PARCEL BOUNDARY
- RIGHT-OF-WAY
- PUBLIC AND PRIVATE UTILITY EASEMENT
- PHASE LINE
- 6" W WATER LINE
- 8" W WATER LINE
- 12" W WATER LINE
- 18" W WATER LINE
- SEWER MANHOLE
- FIRE HYDRANT
- STOP SIGN
- GANG MAILBOX LOCATION
- 5 SHEET NUMBER
- STREET LIGHT
- RIGHT OF WAY
- SIDWALK
- EDGE OF PAVEMENT
- BACK OF CURB

**WATER/SEWER NOTES:**  
 1. ALL SEWER LINE TO BE 8" UNLESS OTHERWISE NOTED ON PLAN.  
 2. ALL WATER LINE TO BE 6" UNLESS OTHERWISE NOTED ON PLAN.

**ARCADIS**  
 3777 E. BROADWAY BLVD.  
 SUITE 100  
 TUCSON, ARIZONA 85716  
 Tel: 520/903-2393  
 Fax: 520/903-2395

ARCADIS JOB NO. TU02038



**POST RANCH PRELIMINARY PLAT**  
 SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
 OF THE GILA AND SALT RIVER MERIDIAN,  
 PINAL COUNTY, ARIZONA

21" SANITARY SEWER &  
16" WATER LINE  
FROM MISSION ROYALE  
DEVELOPMENT

FLORENCE

BOULEVARD

NORTH LINE  
SECTION 29

(STATE HWY 287)



SCALE: 1" = 100'

**PARCEL 1**  
COMMERCIAL-HDR

**PARCEL 9**  
HDR-HIGH DENSITY RESIDENTIAL

**PARCEL 2**

**PARCEL 8**

**PARCEL 7**

**PARCEL 4**

**PARCEL 3**

SEE SHEET 4 OF 10

SEE SHEET 5 OF 10

**POST RANCH  
PRELIMINARY PLAT**

SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA



MAY 2005

SHEET 3 OF 10

**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038

C:\PROJECTS\TU002038\CADD\PRELIMINARY PLAT\03TP2038.DWG

NE CORNER SECTION 29



SCALE: 1" = 100'

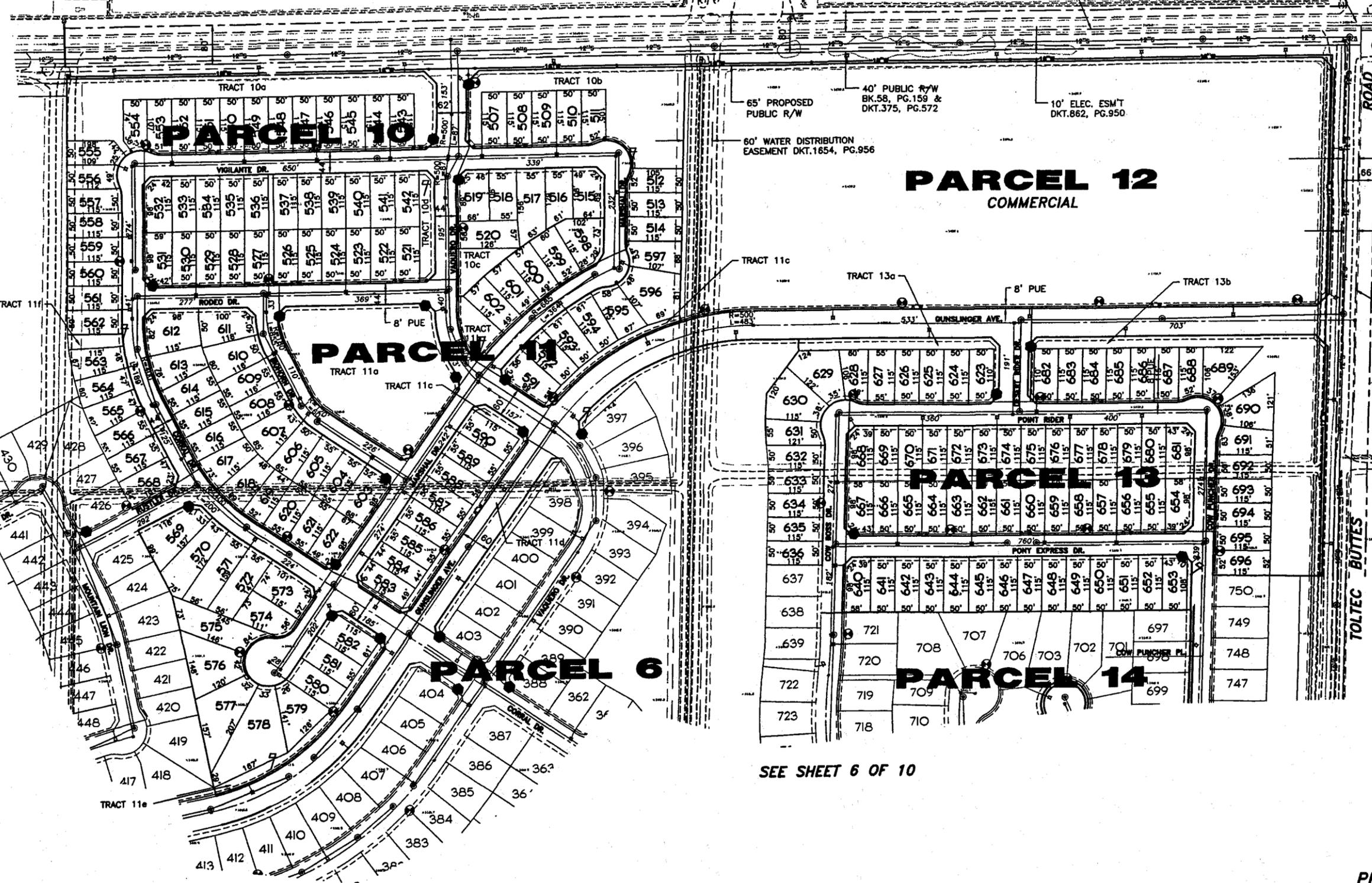
FLORENCE

BOULEVARD

NORTH LINE SECTION 29 (HWY 287))

ROAD

TOLTEC BUTTES



SEE SHEET 3 OF 10

SEE SHEET 6 OF 10

**POST RANCH  
PRELIMINARY PLAT**

SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA



MAY 2005

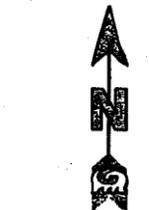
SHEET 4 OF 10

**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

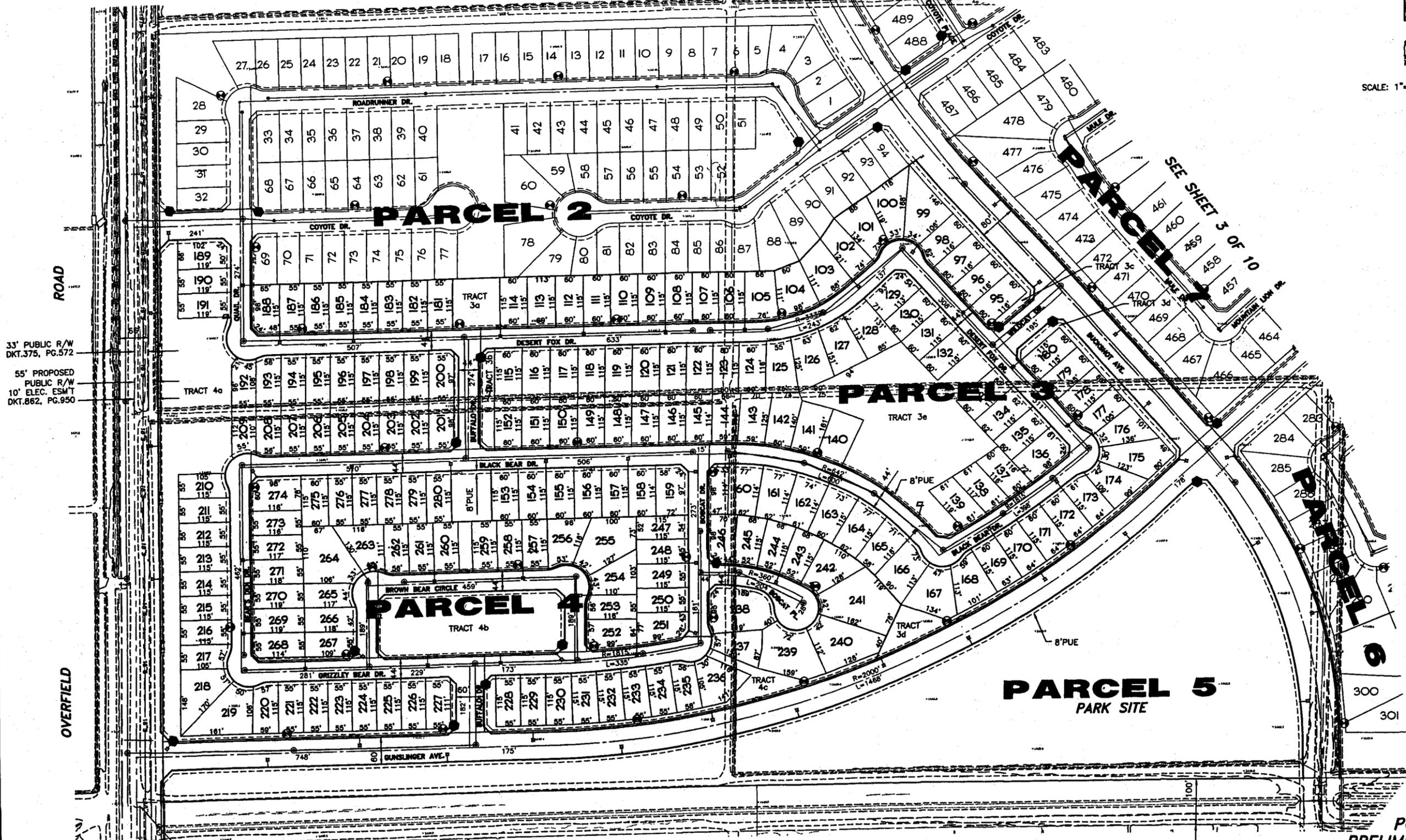
ARCADIS JOB NO. TU002038

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SEE SHEET 3 OF 10



SCALE: 1" = 100'



33' PUBLIC R/W  
DKT.375, PG.572

55' PROPOSED  
PUBLIC R/W  
10' ELEC. ESM'T  
DKT.862, PG.950

SEE SHEET 6 OF 10

SEE SHEET 7 OF 10

WEST 1/4 CORNER  
SECTION 29

CAP EASEMENT  
DKT.1622, PG.980



SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA

POST RANCH  
PRELIMINARY PLAT

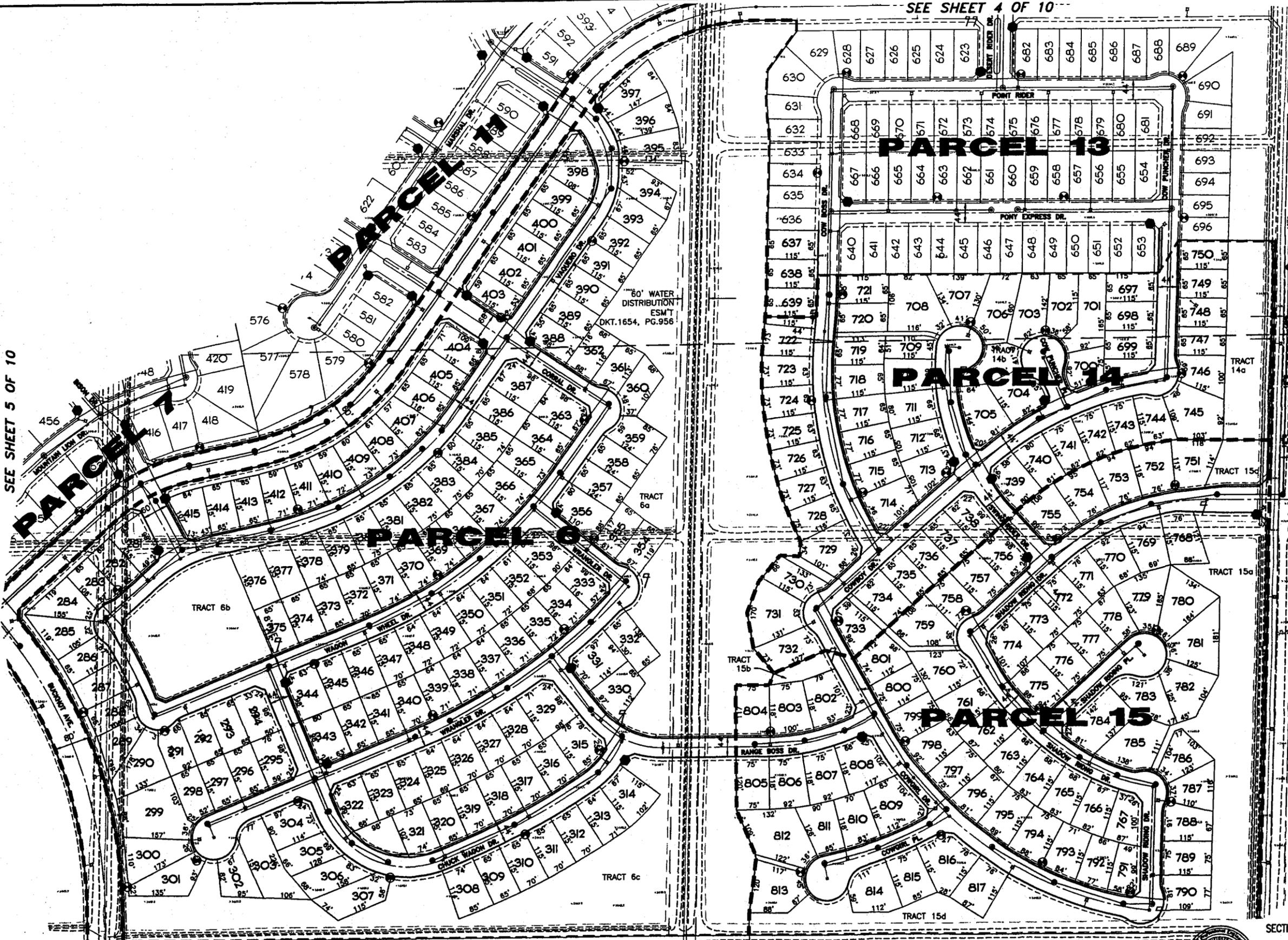
SHEET 5 OF 10

**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038



SEE SHEET 5 OF 10



33' PUBLIC R/W  
DKT. 375, PG. 572  
55' PROPOSED  
PUBLIC R/W  
EAST LINE  
SECTION 29

SEE SHEET 8 OF 10

**POST RANCH  
PRELIMINARY PLAT**

SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA



**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038

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SEE SHEET 6 OF 10



SCALE: 1" = 100'

55' PROPOSED R/W  
33' PUBLIC R/W  
DKT.375, PG.572

EAST LINE SECTION 29

TOLTEC BUTTES ROAD

### POST RANCH PRELIMINARY PLAT

SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA



MAY 2005

SHEET 8 OF 10

SEE SHEET 10 OF 10

**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038

G:\PROJECT\TU002038\CADD\PRELIMINARY\PLAT\08TP2038.DWG



SEE SHEET 7 OF 10

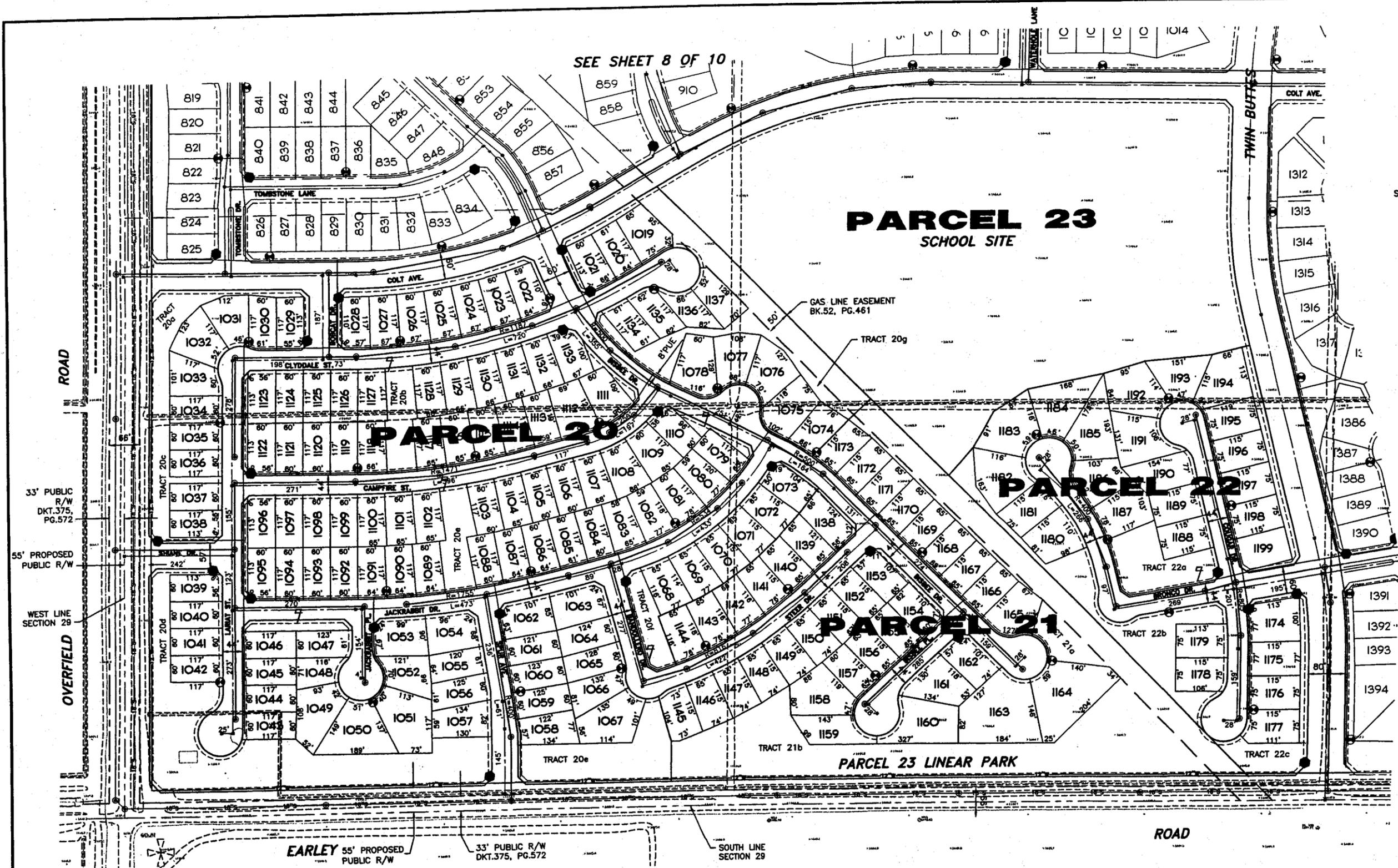
SEE SHEET 8 OF 10

# PARCEL 23

SCHOOL SITE

SCALE: 1" = 100'

SEE SHEET 10 OF 10



33' PUBLIC R/W DKT.375, PG.572

55' PROPOSED PUBLIC R/W

WEST LINE SECTION 29

ROAD

OVERFIELD

EARLEY 55' PROPOSED PUBLIC R/W

33' PUBLIC R/W DKT.375, PG.572

SOUTH LINE SECTION 29

ROAD

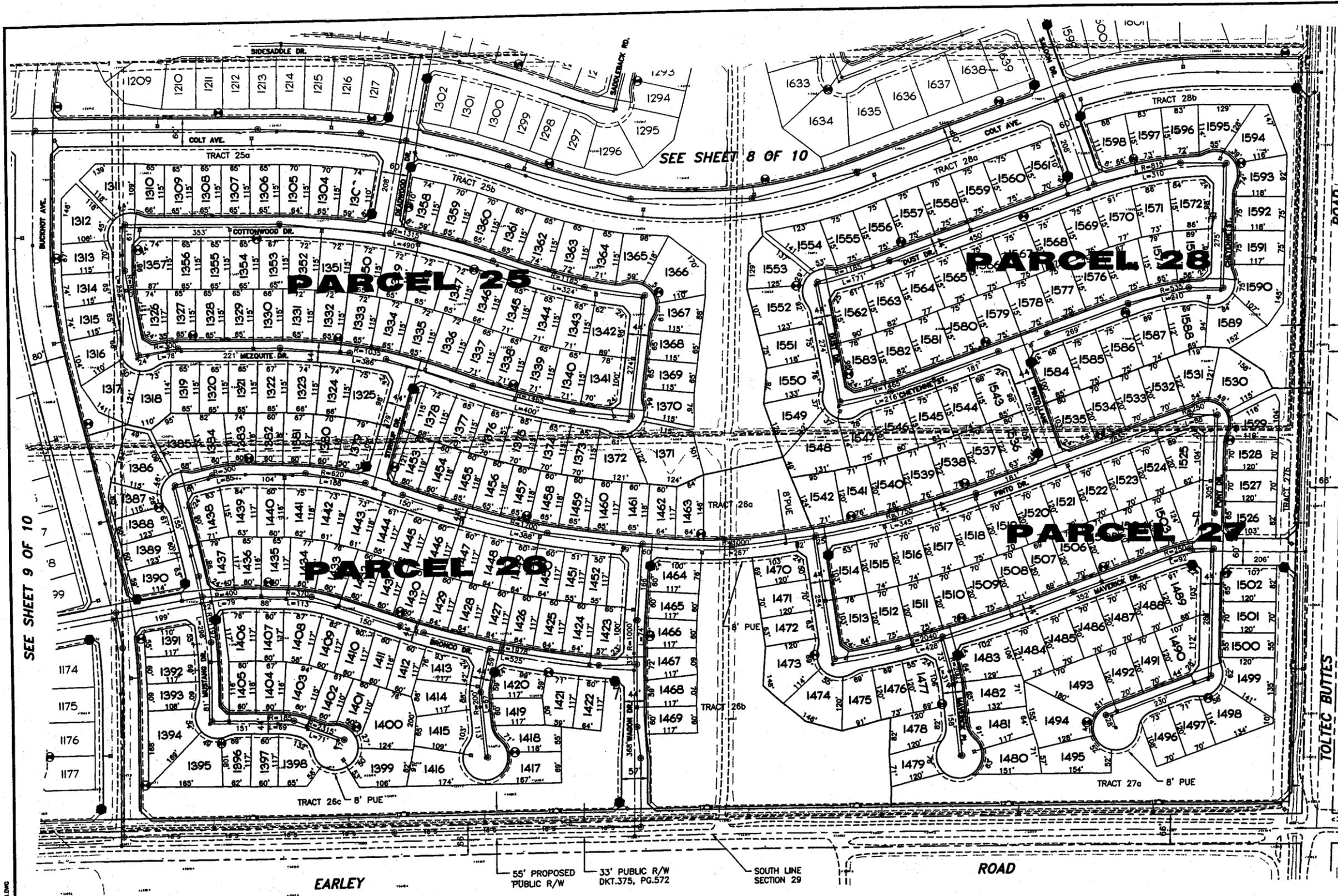
**ARCADIS**  
3777 E. BROADWAY BLVD.  
SUITE 100  
TUCSON, ARIZONA 85716  
Tel: 520/903-2393  
Fax: 520/903-2395

ARCADIS JOB NO. TU002038



**POST RANCH  
PRELIMINARY PLAT**  
SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST,  
OF THE GILA AND SALT RIVER MERIDIAN,  
PINAL COUNTY, ARIZONA

SHEET 9 OF 10



  
 SCALE: 1" = 100'

SEE SHEET 8 OF 10

SEE SHEET 9 OF 10

55' PROPOSED PUBLIC R/W  
 33' PUBLIC R/W DKT.375, PG.572

EAST LINE SECTION 29

55' PROPOSED PUBLIC R/W  
 33' PUBLIC R/W DKT.375, PG.572

SOUTH LINE SECTION 29

**POST RANCH PRELIMINARY PLAT**

SECTION 29 TOWNSHIP 6 SOUTH, RANGE 7 EAST, OF THE GILA AND SALT RIVER MERIDIAN, PINAL COUNTY, ARIZONA



**ARCADIS**  
 3777 E. BROADWAY BLVD.  
 SUITE 100  
 TUCSON, ARIZONA 85716  
 Tel: 520/903-2393  
 Fax: 520/903-2395

ARCADIS JOB NO. TU002038

**MJW7**

May 9, 2005

Arden Ranshaw  
Arcadis G&M, Inc.  
3777 East Broadway Blvd Ste 100  
Tucson, AZ 85716

Re: Preliminary Water Plan

Dear Arden:

Enclosed is a copy of your Preliminary Water Plan for **Post Ranch Offsite** located in Casa Grande, with the required changes and comments of Arizona Water Company (the "Company") shown in red.

Please use this letter to guide you in your preparation of the Formal Water Plan. When the plan is completed, please send us one mylar/vellum or the original and one recorded subdivision plat and drawing indicating the location of all other utilities (gas, electric, telephone, cable television, sewer, etc.) as well as paving and profile.

We will then review your plans and, if everything meets with our approval, we will sign the sepia or the original and return it to you for submittal to the plan review section of the appropriate state and/or county health department with a signed *Application for Approval to Construct and Water Service Agreement*.

The following items should be understood by the developer:

- a. The Formal Water Plan is to be prepared by the developer's consulting engineer following the Company's Design Policy and System Planning criteria (copy attached).
- b. The plans and *Application for Approval to Construct* must **both** be approved and signed by the Company prior to submittal to the state and/or county health department.
- c. The Company will not participate in the cost of any facilities required for extending service to a new project.
- d. Any reports to the Arizona Department of Water Resources ("ADWR"), Real Estate Department, etc., are the responsibility of the developer and/or his agent.
- e. Prior to bidding, roads must be prepared to rough grade and waterline locations surveyed and staked by the developer so that the actual waterline locations correspond with the water plan.
- f. The funds for the water system addition including any off-site improvements that may be required will be advanced by the developer prior to construction. **The bidding, contracting, installation and inspection will be performed by the Company.**

- g. The developer must obtain a Certificate of Assured Water Supply for the project and furnish a copy of it to the Company before the Company will sign a contract for installation of the water system. If the project is located in an area outside an active management area established by the Arizona Groundwater Code, the developer must submit plans for the water supply for the project and demonstrate the adequacy thereof to the ADWR. The developer must submit a copy of the report received from the ADWR on the developer's plan.
- h. The ADWR has adopted its Third Management Plan which establishes mandatory conservation programs. These conservation programs require that all projects must report the size of "turf-related facilities" associated with the proposed project. ("Turf-related watering" means the application of water from any source to grow landscaping plants on the grounds of the turf-related facility and the use of water from any source to fill or refill any bodies of water, including lakes, ponds or lagoons, that are an integral part of the landscaped area of a turf-related facility. Bodies of water used primarily for swimming purposes are not an integral part of the landscaped area of a turf-related facility.) Indicate in the space provided the total area of this proposed project that will be developed as "turf-related facilities."

Total turf-related facilities: \_\_\_\_\_ acre(s)

All turf-related facilities ten (10) acres or larger in size must be metered separately pursuant to the provisions of the Second Management Plan.

Projected annual water usage: \_\_\_\_\_ acre feet (non-residential)

- i. When the project involves fire hydrants, the legally recognized public fire protection agency that has the responsibility for fire protection will determine the number and location of the fire hydrants, the minimum required fire flow rate (gpm) and flow duration (hours). The fire protection authority must specify the required fire flow rate and duration.

- 1. Minimum required fire flow rate: \_\_\_\_\_ GPM
- 2. Minimum required fire flow duration: \_\_\_\_\_ HOURS

\_\_\_\_\_  
(Public Fire Protection Agency)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

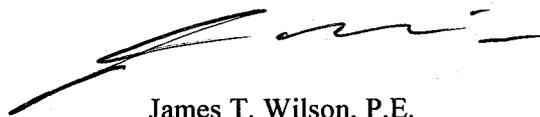
- j. The developer must specify, in writing, the date on which the Company will be required to put the project out to bid. Any requirements regarding time constraints, construction completion deadlines, etc., must be noted in the request to bid so that they may be specified in the bid documents. All necessary approvals from regulatory agencies having jurisdiction over project construction must be received prior to bidding. Please note that the estimated time required from the initial invitation to bid to the start of construction can be eight (8) weeks, or longer. This time is dependent on, but not limited to, material procurement, highway permits, contractor mobilization, etc. An option is available to the developer to make payment for materials in advance of construction. If the developer desires to add qualified contractors to Company's bid list for obtaining labor bids for the project, the developer must so inform the Company prior to the date the project is put out to bid and any such contractors must meet the due date of the bid.
- k. If this project includes 2" or larger meters or private fire service taps, those services will begin to be billed for monthly service charges immediately after installation. It is the responsibility of the developer or his agent to contact the local office to provide the information needed for monthly billing.
- l. The Company will request, in conjunction with providing water service to this proposed project, the Irrigation and Type 1 Non-Irrigation Grandfathered Rights appurtenant to the property to be transferred to the Company.

Indicate in the space provided whether the property that is being proposed for project has appurtenant Irrigation or Type 1 Non-Irrigation Grandfathered Rights:

Yes                       No

Please provide the information requested and sign this document where indicated, retain a copy, and return the original to the Company. **This project will not be approved until the Company receives this signed document.**

Very truly yours,



James T. Wilson, P.E.  
[engineering@azwater.com](mailto:engineering@azwater.com)

kd  
Enclosures  
bcc: Jerry Dexel - CG

\_\_\_\_\_  
Developer

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**MJW8**



HARVARD INVESTMENTS  
A HILL COMPANY

MJW-8

September 15, 2005

HAND DELIVERY

Mr. Michael J. Whitehead, P.E.  
Vice President - Engineering  
Arizona Water Company  
3805 N. Black Canyon Highway  
Phoenix, Arizona 85015

Re: Line Extension Agreement for Post Ranch located at the Southeast Corner of SR  
287 and Overfield Road, Casa Grande, Arizona.

Dear Mr. Whitehead:

On April 27, 2004 we received the attached Cost Estimate from Arizona Water Company for Post Ranch. We would like to enter into a Line Extension Agreement for the improvements described in the Estimate (which may need to be updated) as well as for 7,920 linear feet of 16" D.I.P. needed to tie Post Ranch into the existing 12" line at Mission Royale. Development on Post Ranch will likely begin in mid 2006.

Please contact me or our engineer, Bill Cowie (520) 903-2393, if you have questions. We look forward to receiving a draft Agreement(s). Thank you.

Sincerely,

Christopher J. Cacheris

Enclosure

C: Bill Cowie, Arcadis Engineering

RECEIVED  
SEP 15 2005

ARIZONA WATER COMPANY  
PHOENIX - ENGINEERING

**MJW9**

October 12, 2005

Mr. Christopher J. Cacheris  
Harvard Investments  
17700 North Pacesetter Way  
Scottsdale, AZ 85255

Re: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch

Dear Mr. Cacheris:

Enclosed are four copies of an Agreement for Extension of Water Distribution Facilities (the "Agreement") with an Addendum, one copy of the related Cost Estimate and plans applicable to the above-referenced project, and one copy of the rules of the Arizona Corporation Commission and of Arizona Water Company (the "Company") relating to main extension agreements.

After you have read the Agreement, please sign and return all copies to my attention.

If you have comments or questions, contact me at this office. Thank you.

Very truly yours,



Michael Whitehead  
Vice President – Engineering

kd  
Enclosures  
bcc: Jerry Dexel – CG

**FILE COPY**



# ARIZONA WATER COMPANY

# AGREEMENT FOR EXTENSION OF WATER FACILITIES

CUSTOMER: Harvard Investments  
*Name*

17700 North Pacesetter Way  
*Address*

Scottsdale, AZ 85255  
*City and State Zip Code*

Contract No. \_\_\_\_\_  
 W.A. No. \_\_\_\_\_

DATE OF AGREEMENT: \_\_\_\_\_

DATE OF COST ESTIMATE: (Attachment "A"): November 12, 2005 WATER SYSTEM: Casa Grande

WATER FACILITIES: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch as per drawing (Attachment "B").

REFUNDABLE ADVANCE IN AID OF CONSTRUCTION for:	<u>Install 9,250 L.F. of 16 in. D.I.P. and related fittings to serve Parcels 1, 2, 7, 8 and 9 at Post Ranch</u>	\$	<u>474,309</u>
NON-REFUNDABLE CONTRIBUTION for:	_____		
	AGREEMENT TOTAL	\$	<u>474,309</u>
	LESS: COST OF CONSTRUCTION		<u>441,688</u>
	BALANCE DUE	\$	<u>32,621</u>

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Customer named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Customer, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Customer will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the company. The Total shown above to be paid by the customer to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Customer of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Customer; conversely, if the Company's actual cost of construction is more than the Total amount paid, the Customer shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Customer will only be required to pay five percent (5%) more than the Total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the Total amount paid was made. The Company and the Customer further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Customer.
- Refunds of any advances in aid of construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Customer or the Customer's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide customer whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable. Aggregate refunds shall in no event exceed the total of the refundable advance in aid of construction received from the Customer. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the customer shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Customer agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Customer's subdivision, tract, development, or project.
- The Customer agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Customer's subdivision, tract, development, or project involves road construction, all roads and drainageways will be brought to grade by the Customer prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Customer shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Customer agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Customer or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Customer. No assignment or transfer of this Agreement by the Customer shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Customer, are subject to the Arizona Corporation Commission's "Rules and Regulations Relating to the Operation of Domestic Water Utility Companies" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

**ARIZONA WATER COMPANY**  
 \_\_\_\_\_  
 Company

**HARVARD INVESTMENTS**  
 \_\_\_\_\_  
 Customer

By: \_\_\_\_\_  
 Title: \_\_\_\_\_

By: \_\_\_\_\_  
 Title: \_\_\_\_\_

KD

**AGREEMENT FOR EXTENSION  
OF WATER FACILITIES**

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 12 day of October, 2005 by and between Arizona Water Company ("Company") and Harvard Investments ("Customer") for the extension of water service and facilities to serve Parcels 1, 2, 7, 8 and 9 Offsite Infrastructure at Post Ranch (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Customer will arrange for and bear the cost of the construction of all the mains, fire hydrants, and services for approximately 9,250 L.F. of 16 in. D.I.P. and related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Customer shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Customer shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Customer. All risk or loss of the water facilities shall be with the Customer until written acceptance by the Company, or any portions thereof. Customer shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Customer's construction operations until all construction in development for Customer has been completed. Customer acknowledges that Company has the right to, and may in the future, connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Customer shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Customer will advise all contractors asked to bid the construction of the Water Facilities that Customer will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Customer shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Developer for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Customer agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Customer shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Developer's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Developer/contractor shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Customer agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Customer hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Customer, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Customer will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Customer, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Customer will assume the defense at Customer's own expense and will pay all judgements rendered therein. In connection therewith, the Customer shall maintain in full force and effect insurance at no less than the following minimum amounts:

*WORKER'S COMPENSATION*

In accordance with requirements of the laws of the State of Arizona.

*COMPREHENSIVE GENERAL LIABILITY*  
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

*AUTOMOTIVE LIABILITY*  
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Customer shall file with the Company a certificate evidencing that each policy of insurance for the above coverages in the minimum amounts

specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Customer and shall not incur any costs or expenses on behalf of Customer and that Customer is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Customer shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Customer covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Customer to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Customer agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:  
Arizona Water Company

Customer:  
Harvard Investments

By: \_\_\_\_\_

By: \_\_\_\_\_



**V. MAIN EXTENSION AGREEMENTS**

**A. CONDITIONS GOVERNING MAIN EXTENSIONS.**

1. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance for construction, before construction is commenced, the estimated reasonable cost of all mains, service lines, valves, fittings and meters.
2. In the event that additional facilities are required to provide pressure, storage, or water supply, exclusively for the new water service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future customers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances for construction.
3. The cost of fire hydrants, fire services and fire mains, and the cost of oversizing mains, service lines or reservoirs for fire service purposes shall be paid by the applicant as a contribution in aid of construction before construction is commenced. Except as provided for in paragraph 6, below, such cost shall not be subject to refund.
4. Upon request by a potential applicant for a main extension, the Company will prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts Company construction of the extension, the deposit will be credited to the cost of construction; otherwise, the deposit will be non-refundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details will be set forth in the plans, specifications and cost estimates.
5. Where the Company requires an applicant to advance funds for a main extension, the Company will furnish the applicant a copy of Section V of these Terms and Conditions and the Commission's rules and regulations governing main extension agreements prior to the applicant's acceptance of the Company's extension agreement.
6. The Company will determine and inform the applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the total amount paid, the Company will refund the difference (including applicable state and federal income taxes) to the applicant; conversely, if the Company's actual cost of construction is more than the total amount paid, the applicant shall pay the difference (including applicable state and federal income taxes) to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the applicant will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
7. The provisions of this section apply only to those applicants who, in the Company's judgment, will be permanent customers of the Company. Applications for temporary service shall be governed by these Terms and Conditions and other Company tariffs concerning temporary service.

**B. REFUNDS.** Refunds of advances for construction made pursuant to this section will be made in accord with the following method:

1. The Company will each year pay to the party making an advance for construction under a main extension agreement, or that party's assignees or other successors in interest where the Company has received written notice and evidence of such assignment or succession, an amount equal to ten (10) percent of the total gross annual revenue from water sales plus applicable state and federal income taxes to each bona fide customer whose service line is connected to distribution mains covered by the main extension agreement, for a period of ten (10) years.
2. Refunds will be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period.
3. A balance remaining at the end of the ten- (10) year period set out shall become non-refundable, in which case the

balance not refunded will be entered as a contribution in aid of construction in the accounts of the Company.

4. The aggregate refunds under this section shall in no event exceed the total of the advances for construction plus applicable state and federal income taxes.
5. No interest will be paid by the Company on any amounts advanced for construction.
6. The Company will make no refunds from any revenue received from any other service lines connected to distribution mains leading up to or taking off from the particular main extension covered by the agreement.
7. Amounts advanced for construction of main extensions will be refunded in accord with the Company's tariffs in force and effect on the date the agreement therefor was executed.

**C. ALL AGREEMENTS ARE TO BE IN WRITING.** All main extension agreements entered into under this section will be evidenced by a written statement, and signed by the Company and by the parties advancing or contributing the funds under this section, or by the duly authorized agents of each.

**D. SYSTEM TO BE AS SPECIFIED BY THE COMPANY.**

1. The size, design, type and quality of materials of the system installed under this section, the location in the ground, and the manner of installation will be specified by the Company, and will be in accord with the requirements of the Commission and/or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission and/or other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions shall be a minimum of six (6) inches standard diameter with a working pressure rating of one hundred fifty (150) psig.
2. Single residential customer advances for construction shall not exceed the reasonable cost of construction of a six- (6) inch diameter main extension. For customer advances for other than a single residential customer, the main sizes will conform to the following specifications:
  - a. For mains installed along section lines or their equivalent, a minimum diameter of twelve (12) inches will be required.
  - b. For mains installed along mid-section lines or their equivalent, a minimum diameter of eight (8) inches will be required.
  - c. For all other locations, a minimum diameter of six (6) inches will be required.

**E. COMPANY OWNS ALL FACILITIES.** All pipelines, valves, fittings, wells, tanks, meters, service lines or other facilities installed under this section shall be the sole property of the Company, and parties making advances for and/or contributions in aid of construction under this section shall have no right, title or interest in any such facilities.

**F. MAIN EXTENSIONS WILL BE SCHEDULED PROMPTLY.** The Company will schedule all new requests for main extension agreements, and for water service under main extension agreements, promptly and in the order received.

**G. APPLICANT MAY REQUEST SPECIFIC CONTRACTOR(S) BE ALLOWED TO BID.** An applicant for water service seeking to enter into a main extension agreement may request that the Company include on a list of contractors from whom bids will be solicited, the name(s) of any qualified and bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained or if a bid is obtained at an equal price with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company will meet the terms and conditions of the bid proffered, or enter into a construction contract with the contractor proffering such bid. A performance bond in the total amount of the contract may be required by the Company from the contractor prior to construction.

**H. FILING OF AGREEMENTS.** All agreements under this section will be filed with and approved by the Utilities Division of the Commission along with a Certificate of Approval to Construct, as issued by the Arizona Department of Environmental Quality or its delegated agent.

1. For main extension agreements with individual residential customers, the approval of the Arizona Department of Environmental Quality or its delegated agent will be obtained by the Company and submitted to the Commission.
2. For main extension agreements with other than individual residential customers, approval of the Arizona Department of Environmental Quality or its delegated agent must be obtained by the applicant and submitted by the applicant to the Company which, in turn, will submit such approval to the Commission with the agreement.

**R14-2-406. Main extension agreements**

- A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.
- B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.
1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.
  2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
  3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.
  4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.
  5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.
- C. Minimum written agreement requirements
1. Each main extension agreement shall include the following information:
    - a. Name and address of applicant(s)
    - b. Proposed service address
    - c. Description of requested service
    - d. Description and map of the requested line extension
    - e. Itemized cost estimate to include materials, labor, and other costs as necessary
    - f. Payment terms
    - g. A clear and concise explanation of any refunding provisions, if applicable
    - h. Utility's estimated start date and completion date for construction of the main extension
  2. Each applicant shall be provided with a copy of the written main extension agreement.
- D. Refunds of advances made pursuant to this rule shall be made in accord with the following method: the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than ten years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however,
- agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the ten year period set out, shall thereafter remain payable in whole or in part and in such manner as set forth in the agreement.
1. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.
- E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed. All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.
- F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement, unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.
- G. All agreements entered into under this rule shall be evidenced by a written statement, and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.
- H. The size, design, type and quality of materials of the system, installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:
  1. 150 p.s.i. working pressure rating and
  2. 6" standard diameter.However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the six-inch diameter main extension.
- I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company, and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.
- J. The Company shall schedule all new requests for main extension agreements, and for service under main extension agreements, promptly and in the order received.
- K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited, the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid.
  1. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.
- L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.
- M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

**Historical Note**

Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5).

**MJW10**

October 13, 2005

William A. Cowie, P.E.  
Arcadis G&M, Inc.  
3777 East Broadway Blvd Ste 100  
Tucson, AZ 85716

Re: Preliminary Water Plan

Dear Mr. Cowie:

Enclosed is a copy of your Preliminary Water Plan for Post Ranch Parcels 1 - 15, Phases 1 and 2 located in Casa Grande, with the required changes and comments of Arizona Water Company (the "Company") shown in red.

Please use this letter to guide you in your preparation of the Formal Water Plan. When the plan is completed, please send us one mylar/vellum or the original and one recorded subdivision plat and drawing indicating the location of all other utilities (gas, electric, telephone, cable television, sewer, etc.) as well as paving and profile.

We will then review your plans and, if everything meets with our approval, we will sign the sepia or the original and return it to you for submittal to the plan review section of the appropriate state and/or county health department with a signed *Application for Approval to Construct and Water Service Agreement*.

The following items should be understood by the developer:

- a. The Formal Water Plan is to be prepared by the developer's consulting engineer following the Company's Design Policy and System Planning criteria (copy attached).
- b. The plans and *Application for Approval to Construct* must **both** be approved and signed by the Company prior to submittal to the state and/or county health department.
- c. The Company will not participate in the cost of any facilities required for extending service to a new project.
- d. Any reports to the Arizona Department of Water Resources ("ADWR"), Real Estate Department, etc., are the responsibility of the developer and/or his agent.
- e. Prior to bidding, roads must be prepared to rough grade and waterline locations surveyed and staked by the developer so that the actual waterline locations correspond with the water plan.
- f. The funds for the water system addition including any off-site improvements that may be required will be advanced by the developer prior to construction. **The bidding, contracting, installation and inspection will be performed by the Company.**

**FILE COPY**

- g. The developer must obtain a Certificate of Assured Water Supply for the project and furnish a copy of it to the Company before the Company will sign a contract for installation of the water system. If the project is located in an area outside an active management area established by the Arizona Groundwater Code, the developer must submit plans for the water supply for the project and demonstrate the adequacy thereof to the ADWR. The developer must submit a copy of the report received from the ADWR on the developer's plan.
- h. The ADWR has adopted its Third Management Plan which establishes mandatory conservation programs. These conservation programs require that all projects must report the size of "turf-related facilities" associated with the proposed project. ("Turf-related watering" means the application of water from any source to grow landscaping plants on the grounds of the turf-related facility and the use of water from any source to fill or refill any bodies of water, including lakes, ponds or lagoons, that are an integral part of the landscaped area of a turf-related facility. Bodies of water used primarily for swimming purposes are not an integral part of the landscaped area of a turf-related facility.) Indicate in the space provided the total area of this proposed project that will be developed as "turf-related facilities."

Total turf-related facilities: \_\_\_\_\_ acre(s)

All turf-related facilities ten (10) acres or larger in size must be metered separately pursuant to the provisions of the Second Management Plan.

Projected annual water usage: \_\_\_\_\_ acre feet (non-residential)

- i. When the project involves fire hydrants, the legally recognized public fire protection agency that has the responsibility for fire protection will determine the number and location of the fire hydrants, the minimum required fire flow rate (gpm) and flow duration (hours). The fire protection authority must specify the required fire flow rate and duration.

- 1. Minimum required fire flow rate: \_\_\_\_\_ GPM
- 2. Minimum required fire flow duration: \_\_\_\_\_ HOURS

\_\_\_\_\_  
(Public Fire Protection Agency)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- j. The developer must specify, in writing, the date on which the Company will be required to put the project out to bid. Any requirements regarding time constraints, construction completion deadlines, etc., must be noted in the request to bid so that they may be specified in the bid documents. All necessary approvals from regulatory agencies having jurisdiction over project construction must be received prior to bidding. Please note that the estimated time required from the initial invitation to bid to the start of construction can be eight (8) weeks, or longer. This time is dependent on, but not limited to, material procurement, highway permits, contractor mobilization, etc. An option is available to the developer to make payment for materials in advance of construction. If the developer desires to add qualified contractors to Company's bid list for obtaining labor bids for the project, the developer must so inform the Company prior to the date the project is put out to bid and any such contractors must meet the due date of the bid.
- k. If this project includes 2" or larger meters or private fire service taps, those services will begin to be billed for monthly service charges immediately after installation. It is the responsibility of the developer or his agent to contact the local office to provide the information needed for monthly billing.
- l. The Company will request, in conjunction with providing water service to this proposed project, the Irrigation and Type 1 Non-Irrigation Grandfathered Rights appurtenant to the property to be transferred to the Company.

Indicate in the space provided whether the property that is being proposed for project has appurtenant Irrigation or Type 1 Non-Irrigation Grandfathered Rights:

Yes                       No

Please provide the information requested and sign this document where indicated, retain a copy, and return the original to the Company. **This project will not be approved until the Company receives this signed document.**

Very truly yours,



Michael J. Whitehead  
Vice President - Engineering  
[engineering@azwater.com](mailto:engineering@azwater.com)

kd  
Enclosures  
bcc: Jerry Dexel - CG

\_\_\_\_\_  
Developer

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**MJW11**



**MJW-11**

ARCADIS G&M, Inc.  
3777 E. Broadway Blvd.  
Suite 100  
Tucson, Arizona 85716  
Tel 520-903-2393  
Fax 520-903-2395

**TRANSMITTAL**

Subject:

**Post Ranch Preliminary Plat**

Date:

**October 4, 2005**

From:

**Arden Ranshaw  
ARCADIS Engineering**

Department:

**Land Development**

ARCADIS Project No.:  
**TU002038.0001**

To:

**Mike Whitehead  
Arizona Water Company  
3805 N Black Canyon Hwy  
Phoenix AZ 85015-5351  
(602)240-6860**

Accepted by:

---

Enclosed:

- (1) Post Ranch Preliminary Plat (36 x 24)**
- (1) Post Ranch Preliminary Plat (11 x 17)**
- (1) Post Ranch preliminary Improvement Plans (36 x 24)**

**MJW12**

M 10/17/05

MJW-12

October 14, 2005

Arden Ranshaw  
Arcadis G&M, Inc.  
3777 East Broadway Blvd Ste 100  
Tucson, AZ 85716

Re: Offsite Infrastructure to Serve Post Ranch Phase 1

Dear Arden:

Enclosed is a copy of your Formal Water Plan for Offsite Infrastructure to Serve Post Ranch Phase 1 with changes by Arizona Water Company shown in red.

After you note these changes on your Formal Water Plan, return the original Formal Water Plan to this office. The original Formal Water Plan will be reviewed, approved and returned to you, along with a *Water Service Agreement* and an *Application for Approval to Construct*, which you will need when submitting your project to the plan review section of the appropriate state and/or county health department.

Very truly yours,



Michael J. Whitehead  
Vice President – Engineering

kd  
Enclosures  
bcc: Jerry Dexel - CG

**FILE COPY**

ARCADIS  
3777 E. Broadway Blvd.  
Suite 100  
Tucson AZ 85716

Re: Off Site Infrastructure To  
Post Ranch Phase I  
Serve

Dear

Enclosed is a copy of your Formal Water Plan for The Pool  
Reference Project with changes by Arizona Water Company  
shown in red.

After you note these changes on your Formal Water Plan, please return the original Formal Water Plan to this office. The original Formal Water Plan will be reviewed, approved and returned to you, along with a *Water Service Agreement* and an *Application for Approval to Construct*, which you will need when submitting your project to the plan review section of the appropriate state and/or county health department.

Very truly yours,

Enclosure  
c:

**MJW13**



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

Page 1 Of 1

<b>ADEQ File No:</b> 20050849	<b>LTF No:</b> 38082
<b>System Name:</b> Arizona Water Company	<b>System Number:</b> 11009
<b>Project Owner:</b> Arizona Water Company	
<b>Address:</b> P.O. Box 29006, Phoenix, AZ 85038	
<b>Project Location:</b> Casa Grande	<b>County :</b> Pinal
<b>Description:</b> "TIERRA GRANDE INTERCONNECT" - CONSISTING OF INSTALLING APPROXIMATELY 35,000 FEET OF 16" DI TRANSMISSION MAINS ALONG FLORENCE BLVD. TO CONNECT WATER SYSTEMS OF TIERRA GRANDE AND CASA GRANDE.	

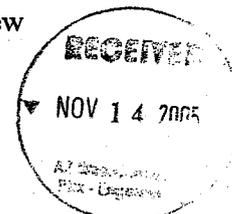
*Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1*

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin.Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: JD1

By: *Kwame Agyare* 11/09/05  
 Kwame A. Agyare., P.E. Date  
 Manager, Drinking Water and  
 Wastewater Engineering Review  
 Water Quality Division

cc: File No: 20050849  
 Regional Office: Central  
 Owner: Arizona Water Company  
 County Health Department: Pinal  
 Engineer: Arizona Water Company  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr021



**MJW14**

X

MJW-14

December 1, 2005

Mr. Christopher J. Cacheris  
Harvard Investments  
17700 North Pacesetter Way  
Scottsdale, AZ 85255

Re: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch

Dear Mr. Cacheris:

Enclosed are four copies of an Agreement for Extension of Water Distribution Facilities (the "Agreement") with an Addendum, one copy of the related Cost Estimate and plans applicable to the above-referenced project, and one copy of the rules of the Arizona Corporation Commission and of Arizona Water Company (the "Company") relating to main extension agreements.

After you have read the Agreement, please sign and return all copies to my attention.

If you have comments or questions, contact me at this office. Thank you.

Very truly yours,

Michael Whitehead  
Vice President – Engineering

kd  
Enclosures

04/28/98  
MV:dmc  
E-3-15-1



# ARIZONA WATER COMPANY

# AGREEMENT FOR EXTENSION OF WATER FACILITIES

CUSTOMER: Harvard Investments  
*Name*

17700 North Pacesetter Way  
*Address*

Scottsdale, AZ 85255  
*City and State      Zip Code*

Contract No. \_\_\_\_\_  
 W.A. No. \_\_\_\_\_

DATE OF AGREEMENT: \_\_\_\_\_

DATE OF COST ESTIMATE: (Attachment "A"): November 12, 2005      WATER SYSTEM: Casa Grande

WATER FACILITIES: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch as per drawing (Attachment "B").

REFUNDABLE ADVANCE	Install 9,250 L.F. of 16 in. D.I.P. and related fittings to serve Parcels 1, 2, 7, 8 and 9 at Post	
IN AID OF CONSTRUCTION for:	<u>Ranch</u>	\$ <u>474,309</u>
NON-REFUNDABLE CONTRIBUTION for:	_____	_____
	AGREEMENT TOTAL	\$ <u>474,309</u>
	LESS: COST OF CONSTRUCTION	<u>441,688</u>
	BALANCE DUE	\$ <u>32,621</u>

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Customer named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Customer, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Customer will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the company. The Total shown above to be paid by the customer to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Customer of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Customer; conversely, if the Company's actual cost of construction is more than the Total amount paid, the Customer shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Customer will only be required to pay five percent (5%) more than the Total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the Total amount paid was made. The Company and the Customer further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Customer.
- Refunds of any advances in aid of construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Customer or the Customer's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide customer whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable. Aggregate refunds shall in no event exceed the total of the refundable advance in aid of construction received from the Customer. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the customer shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Customer agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Customer's subdivision, tract, development, or project.
- The Customer agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Customer's subdivision, tract, development, or project involves road construction, all roads and drainageways will be brought to grade by the Customer prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Customer shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Customer agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Customer or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Customer. No assignment or transfer of this Agreement by the Customer shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Customer, are subject to the Arizona Corporation Commission's "Rules and Regulations Relating to the Operation of Domestic Water Utility Companies" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

**ARIZONA WATER COMPANY**  
 Company

**HARVARD INVESTMENTS**  
 Customer

By: \_\_\_\_\_  
 Title: \_\_\_\_\_  
 KD

By: \_\_\_\_\_  
 Title: \_\_\_\_\_

**AGREEMENT FOR EXTENSION  
OF WATER FACILITIES**

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 12 day of October, 2005 by and between Arizona Water Company ("Company") and Harvard Investments ("Customer") for the extension of water service and facilities to serve Parcels 1, 2, 7, 8 and 9 Offsite Infrastructure at Post Ranch (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Customer will arrange for and bear the cost of the construction of all the mains, fire hydrants, and services for approximately 9,250 L.F. of 16 in. D.I.P. and related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Customer shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Customer shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Customer. All risk or loss of the water facilities shall be with the Customer until written acceptance by the Company, or any portions thereof. Customer shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Customer's construction operations until all construction in development for Customer has been completed. Customer acknowledges that Company has the right to, and may in the future, connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.
3. Section 8 of the Agreement is revised to provide that the Customer shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.
4. It is further agreed that the Customer will advise all contractors asked to bid the construction of the Water Facilities that Customer will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Customer shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Developer for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Customer agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Customer shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Developer's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Developer/contractor shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Customer agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Customer hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Customer, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Customer will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Customer, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Customer will assume the defense at Customer's own expense and will pay all judgements rendered therein. In connection therewith, the Customer shall maintain in full force and effect insurance at no less than the following minimum amounts:

*WORKER'S COMPENSATION*

In accordance with requirements of the laws of the State of Arizona.

*COMPREHENSIVE GENERAL LIABILITY*  
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

*AUTOMOTIVE LIABILITY*  
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Customer shall file with the Company a certificate evidencing that each policy of insurance for the above coverages in the minimum amounts

specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Customer and shall not incur any costs or expenses on behalf of Customer and that Customer is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Customer shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Customer covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Customer to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Customer agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:  
Arizona Water Company

Customer:  
Harvard Investments

By: \_\_\_\_\_

By: \_\_\_\_\_



**MJW15**

May 18, 2006

Mr. Christopher J. Cacheris  
Harvard Investments  
17700 North Pacesetter Way  
Scottsdale, AZ 85255

Re: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch

Dear Mr. Cacheris:

Enclosed are four copies of an Agreement for Extension of Water Distribution Facilities (the "Agreement") with an Addendum, one copy of the related Cost Estimate and plans applicable to the above-referenced project, and one copy of the rules of the Arizona Corporation Commission and of Arizona Water Company (the "Company") relating to main extension agreements.

After you have read the Agreement, please sign and return all copies to my attention.

If you have comments or questions, contact me at this office. Thank you.

Very truly yours,



Mike Loggins  
Engineer  
[engineering@azwater.com](mailto:engineering@azwater.com)

kd  
Enclosures  
bcc: Jerry Dexel - CG

**FILE COPY**



# ARIZONA WATER COMPANY

# AGREEMENT FOR EXTENSION OF WATER FACILITIES

APPLICANT: Harvard Investments  
 Name  
17700 North Pacesetter Way  
 Address  
Scottsdale, AZ 85255  
 City, State, Zip Code

Contract No. \_\_\_\_\_  
 W.A. No. \_\_\_\_\_

DATE OF AGREEMENT May 19, 2006 WATER SYSTEM: Casa Grande  
 CONSTRUCTION START: Approximately 15 days after receiving all material and obtaining all necessary permits and approvals.  
 PROJECT COMPLETION: Estimated to be within \_\_\_\_\_ ( ) days from the start date. DATE OF COST ESTIMATE (Attachment "A"): November 12, 2005  
 WATER FACILITIES: Off-Site Infrastructure to Serve Parcels 1, 2, 7, 8 and 9 at Post Ranch as per drawing (Attachment "B").

Refundable Advance for Construction:	Install 9,250 L.F. of 16 in. D.I.P. and related fittings to serve Parcels 1, 2, 7, 8 and 9 at Post Ranch	\$	474,309
Non-refundable Contribution in Aid of Construction:			
	Less: Cost of Construction	\$	441,668
Total of Required Advance and Contribution (Check #1)		\$	32,621

**CENTRAL ARIZONA PROJECT Hook-Up Fee ("CAP Fee") Payable After Agreement Approved by Arizona Corporation Commission (ACC)**

	Casa Grande	Coolidge	White Tank	CAP Fee
	In 0.11883	In 0.11883	In 0.08583	
	Out 0.06883	Out 0.06883	Out 0.06583	
	Fee	Fee	Fee	
5/8" x 3/4"	\$208	\$150	\$500	\$ -
1"	\$208	\$150	\$500	\$ -
2"	\$1,173	\$800	\$1,667	\$ -
3"	\$2,347	\$1,600	\$2,667	\$ -
4"	\$3,667	\$2,500	\$5,333	\$ -
6" or larger	\$7,333	\$5,000	\$8,333	\$ -
		Subtotal		\$ -
Applicable Rate & Tax	0	0	0	\$ -
Total Non-refundable Hook-Up Fee Due Within 15 Days After Notification of ACC Approval (Check #2)				\$ -
<b>The Project Will <u>Not</u> Be Released to Construction Until the CAP Fee Has Been Paid.</b>				
Total (of Two Checks Payable by Applicant)				\$ -

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Applicant named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Applicant, in accordance with the related Cost Estimate, it is agreed as follows: (SEE ADDENDUM, ATTACHED HERETO)

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Applicant will pay to the Company within 60 days from the commencement of construction the Total shown above, receipt of which is hereby acknowledged by the Company. The Total shown above to be paid by the Applicant to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Applicant; conversely, if the actual cost of construction is more than the Total amount paid, the Applicant shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Applicant will only be required to pay five percent (5%) more than the Total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the Total amount paid was made. The Company and the Applicant further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Applicant.
- Refunds of any Advance for Construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Applicant or the Applicant's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide Applicant whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable. Aggregate refunds shall in no event exceed the total of the refundable Advance for Construction received from the Applicant. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the Applicant shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Applicant agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Applicant's subdivision, tract, development, or project.
- The Applicant agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Applicant's subdivision, tract, development, or project involves road construction, all roads and drainageways will be brought to grade by the Applicant prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Applicant shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Applicant agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Applicant or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Applicant. This Agreement may be assigned by the Applicant to a subsequent landowner, such as a homebuilder or developer.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Applicant, are subject to the Arizona Corporation Commission's "Rules and Regulations" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

**ARIZONA WATER COMPANY**  
 Company  
 By: \_\_\_\_\_  
 Title: \_\_\_\_\_

**HARVARD INVESTMENTS**  
 Applicant  
 By: \_\_\_\_\_  
 Title: \_\_\_\_\_

**AGREEMENT FOR EXTENSION  
OF WATER FACILITIES**

This Addendum to Agreement for Extension of Water Facilities (the "Agreement") is made and entered into as of the 18 day of May, 2006 by and between Arizona Water Company ("Company") and Harvard Investments ("Applicant") for the extension of water service and facilities to serve Parcels 1, 2, 7, 8 and 9 Offsite Infrastructure at Post Ranch (the "Subdivision").

The Agreement is hereby modified and amended by mutual agreement of the parties in the following particulars:

1. Section 1 of the Agreement is revised to read as follows:

Applicant will arrange for and bear the cost of the construction of all the mains, fire hydrants, and services for installation of approximately 9,250 L.F. of 16 in. DIP and related fittings, (collectively, the "Water Facilities") in accordance with plans and specifications reviewed and approved by the Company, and in accordance with the Company's current Construction Specifications & Standard Specification Drawings. Upon final acceptance by the Company, Applicant shall thereafter transfer and convey the Water Facilities to the Company by Bill of Sale, together with a perpetual easement for the maintenance thereof, both documents to be prepared and approved by the Company. Applicant shall furnish any document pertaining to ownership and title as may be requested by Company including documents which evidence or confirm transfer of possession to Company, and good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant. All risk or loss of the water facilities shall be with the Applicant until written acceptance by the Company, or any portions thereof. Applicant shall repair or cause to be repaired promptly, and at no cost to Company, all damage to the Water Facilities caused by Applicant's construction operations until all construction in development for Applicant has been completed. Applicant acknowledges that Company has the right to, and may in the future, connect its existing or future water systems to the Water Facilities.

2. Section 2 of the Agreement is deleted in its entirety.

3. Section 8 of the Agreement is revised to provide that the Applicant shall pay any additional costs incurred as the result of design changes made or caused by any of the persons or entities named therein and shall hold Company harmless therefrom.

4. It is further agreed that the Applicant will advise all contractors asked to bid the construction of the Water Facilities that Applicant will assign to the Company the duty of inspecting the installation of the Water Facilities for compliance with the Company's current Construction Specifications & Standard Specification Drawings, as referenced in Section 1 of this Addendum. If requested by Company, Applicant shall "oversize" the Water Facilities as specified by Company. Company shall reimburse Applicant for the differential in material prices of the oversized pipe and appurtenances, versus the material prices of the pipe and appurtenances as specified by the Company in the approved plans.

The Applicant agrees to require the contractor which will be installing the Water Facilities to arrange for and attend a pre-construction conference with the Company's Division Manager at least two weeks prior to commencing construction of the Water Facilities. Applicant shall obtain from the Company a signed Commencement Notice before construction of the Water Facilities begins. Applicant's contractor shall comply with the Company's inspection and testing requirements for Water Facilities. Applicant shall give Company adequate notice when the Water Facilities are ready for inspection and testing.

The Company specifically reserves the right to withhold final acceptance of the Water Facilities unless said facilities have been constructed in accordance with the approved plans and specifications and are satisfactory to Company upon inspection and testing. Applicant agrees that it will promptly correct all material defects and deficiencies in construction, materials and workmanship upon request by Company made subsequent to inspection by Company and for one year following Company's written final acceptance of the Water Facilities in accordance with the terms of this Agreement.

Applicant hereby assumes the entire responsibility and liability for injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence or willful acts or omissions of Applicant, its agent, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith. Accordingly, Applicant will indemnify and hold harmless the Company, its officers, directors, agents and employees from and against claims or expenses, including penalties and assessments and attorneys' fees to which they or any of them may be subjected by reason of such injury, death, loss, claim, penalty, assessment or damage caused by the active or passive negligence or willful acts or omissions of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of the work or in connection therewith: and in case any suit or other proceeding shall be brought on account thereof, Applicant will assume the defense at Applicant's own expense and will pay all judgements rendered therein. In connection therewith, the Applicant shall maintain in full force and effect insurance at no less than the following minimum amounts:

*WORKER'S COMPENSATION*

In accordance with requirements of the laws of the State of Arizona.

*COMPREHENSIVE GENERAL LIABILITY*  
(Including contractual liability covering death, bodily injury and property damage)

Combined single limit of not less than \$1,000,000 for each occurrence.

*AUTOMOTIVE LIABILITY*  
(Including owned, non-owned and hired vehicles)

Combined single limit of not less than \$1,000,000 for each occurrence.

Such insurance shall name the Company, its officers, agents, and employees as additional insured and be primary for all purposes.

The Company will at all times have the right to require that all of such insurance be placed with insurance companies that are satisfactory to it. The Applicant shall file with the Company a

certificate evidencing that each policy of insurance for the above coverages in the minimum amounts specified has been purchased and is in good standing.

Such certificate shall provide that notice be given to the Company at least thirty (30) days prior to cancellation or material change in the form of such policies or any of them. Such certificates shall be kept on file by the Company and the Company must have current certificates on file, or a certificate must accompany any bid proposal, before that proposal will be accepted by the Company.

It is agreed that the Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent for the Company and shall not incur any costs or expenses on behalf of the Company.

5. Applicant shall, within 60 days of operational acceptance of Water Facilities by Company, furnish Company with: (a) copies of all bills, invoices and other statements of expenses incurred by Applicant covering all of the costs of materials, equipment, supplies, construction and installation of the Water Facilities; (b) lien waivers and releases from contractors, subcontractors and vendors for materials, equipment, supplies and construction included in the Water Facilities; (c) receipts, specifying exact amount of payments in full by Applicant to all contractors, subcontractors and vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities; and, (d) 4-mil mylar "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and showing the locations, materials, sizes and pertinent construction details for Water Facilities.

6. Upon final acceptance, Company will provide water service to the Subdivision in accordance with the rates, charges and conditions set forth in the tariffs of Company as filed with the Arizona Corporation Commission. Those rates are subject to change from time to time upon action by the Commission.

7. Applicant agrees that the completion of the Water Facilities will be timed so as to enable Company to provide water service to the Subdivision as such service is requested.

Except as set forth herein, and except as necessary to give effect hereto, the Agreement remains in full force and effect and is unmodified.

Company:  
Arizona Water Company

Applicant:  
Harvard Investments

By: \_\_\_\_\_

By: \_\_\_\_\_

NOTE: THIS COST ESTIMATE IS GOOD UNTIL: November 12, 2005  AFTER WHICH TIME IT IS SUBJECT TO REVISION UNLESS THE ATTACHED AGREEMENT HAS BEEN EXECUTED.	<b>ARIZONA WATER COMPANY</b>		DATE PREPARED: 11/12/2005
	<b>COST ESTIMATE</b>		Attachment "A"
	PREPARED BY: Michael Whitehead	SYSTEM: Casa Grande	
	PROJECT LOCATION N½ Section, 25 T.6S., R.6E. & N½ Sections, 29 and 30T. 6S., R.6E.	DRAWING NO. N/A	

PROJECT DESCRIPTION:

Install 9,250 L.F. of 16 in. D.I.P. and related fittings along the south side of Florence Blvd from Mission Parkway to Buckshot Avenue (Offsite Infrastructure to serve Parcels 1, 2, 7, 8 and 9 at Post Ranch.

MATERIALS & LABOR			ESTIMATED PROJECT COST	
ACCOUNT	QUANTITY	DESCRIPTION	REFUNDABLE ADVANCE	NON-REFUNDABLE CONTRIBUTION
343	9,250 L.F.	Install 16 in. D.I.P. and related fittings	\$ 441,688	
=> 343	Lot	Inspection	5,773	
<b>SUBTOTAL - MATERIALS &amp; LABOR</b>			\$ 447,461	\$ -
<b>=&gt; OVERHEAD</b>			26,848	-
<b>TOTAL REFUNDABLE AND NON-REFUNDABLE ESTIMATED PROJECT COST</b>			\$ 474,309	\$ -
<b>TOTAL ESTIMATED PROJECT COST</b>			<b>\$474,309</b>	

KD

**V. MAIN EXTENSION AGREEMENTS**

- A. CONDITIONS GOVERNING MAIN EXTENSIONS.**
1. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance for construction, before construction is commenced, the estimated reasonable cost of all mains, service lines, valves, fittings and meters.
  2. In the event that additional facilities are required to provide pressure, storage, or water supply, exclusively for the new water service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future customers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances for construction.
  3. The cost of fire hydrants, fire services and fire mains, and the cost of oversizing mains, service lines or reservoirs for fire service purposes shall be paid by the applicant as a contribution in aid of construction before construction is commenced. Except as provided for in paragraph 6, below, such cost shall not be subject to refund.
  4. Upon request by a potential applicant for a main extension, the Company will prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the Company to prepare detailed plans, specifications, or cost estimates will be required to deposit with the Company an amount equal to the estimated cost of preparation. The Company will, upon request, make available within forty-five (45) days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts Company construction of the extension, the deposit will be credited to the cost of construction; otherwise, the deposit will be non-refundable. If the extension is to include oversizing of facilities to be done at the Company's expense, appropriate details will be set forth in the plans, specifications and cost estimates.
  5. Where the Company requires an applicant to advance funds for a main extension, the Company will furnish the applicant a copy of Section V of these Terms and Conditions and the Commission's rules and regulations governing main extension agreements prior to the applicant's acceptance of the Company's extension agreement.
  6. The Company will determine and inform the applicant of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the total amount paid, the Company will refund the difference (including applicable state and federal income taxes) to the applicant; conversely, if the Company's actual cost of construction is more than the total amount paid, the applicant shall pay the difference (including applicable state and federal income taxes) to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the total amount paid, the applicant will only be required to pay five percent (5%) more than the total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the total amount paid was made.
  7. The provisions of this section apply only to those applicants who, in the Company's judgment, will be permanent customers of the Company. Applications for temporary service shall be governed by these Terms and Conditions and other Company tariffs concerning temporary service.
- B. REFUNDS.** Refunds of advances for construction made pursuant to this section will be made in accord with the following method:
1. The Company will each year pay to the party making an advance for construction under a main extension agreement, or that party's assignees or other successors in interest where the Company has received written notice and evidence of such assignment or succession, an amount equal to ten (10) percent of the total gross annual revenue from water sales plus applicable state and federal income taxes to each bona fide customer whose service line is connected to distribution mains covered by the main extension agreement, for a period of ten (10) years.
  2. Refunds will be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period.
  3. A balance remaining at the end of the ten- (10) year period set out shall become non-refundable, in which case the balance not refunded will be entered as a contribution in aid of construction in the accounts of the Company.
- C. ALL AGREEMENTS ARE TO BE IN WRITING.** All main extension agreements entered into under this section will be evidenced by a written statement, and signed by the Company and by the parties advancing or contributing the funds under this section, or by the duly authorized agents of each.
- D. SYSTEM TO BE AS SPECIFIED BY THE COMPANY.**
1. The size, design, type and quality of materials of the system installed under this section, the location in the ground, and the manner of installation will be specified by the Company, and will be in accord with the requirements of the Commission and/or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission and/or other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions shall be a minimum of six (6) inches standard diameter with a working pressure rating of one hundred fifty (150) psig.
  2. Single residential customer advances for construction shall not exceed the reasonable cost of construction of a six- (6) inch diameter main extension. For customer advances for other than a single residential customer, the main sizes will conform to the following specifications:
    - a. For mains installed along section lines or their equivalent, a minimum diameter of twelve (12) inches will be required.
    - b. For mains installed along mid-section lines or their equivalent, a minimum diameter of eight (8) inches will be required.
    - c. For all other locations, a minimum diameter of six (6) inches will be required.
- E. COMPANY OWNS ALL FACILITIES.** All pipelines, valves, fittings, wells, tanks, meters, service lines or other facilities installed under this section shall be the sole property of the Company, and parties making advances for and/or contributions in aid of construction under this section shall have no right, title or interest in any such facilities.
- F. MAIN EXTENSIONS WILL BE SCHEDULED PROMPTLY.** The Company will schedule all new requests for main extension agreements, and for water service under main extension agreements, promptly and in the order received.
- G. APPLICANT MAY REQUEST SPECIFIC CONTRACTOR(S) BE ALLOWED TO BID.** An applicant for water service seeking to enter into a main extension agreement may request that the Company include on a list of contractors from whom bids will be solicited, the name(s) of any qualified and bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the Company. If a lower bid is thus obtained or if a bid is obtained at an equal price with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company will meet the terms and conditions of the bid proffered, or enter into a construction contract with the contractor proffering such bid. A performance bond in the total amount of the contract may be required by the Company from the contractor prior to construction.
- H. FILING OF AGREEMENTS.** All agreements under this section will be filed with and approved by the Utilities Division of the Commission along with a Certificate of Approval to Construct, as issued by the Arizona Department of Environmental Quality or its delegated agent.
1. For main extension agreements with individual residential customers, the approval of the Arizona Department of Environmental Quality or its delegated agent will be obtained by the Company and submitted to the Commission.
  2. For main extension agreements with other than individual residential customers, approval of the Arizona Department of Environmental Quality or its delegated agent must be obtained by the applicant and submitted by the applicant to the Company which, in turn, will submit such approval to the Commission with the agreement.

**R14-2-406. Main extension agreements**

- A. Each utility entering into a main extension agreement shall comply with the provisions of this rule which specifically defines the conditions governing main extensions.
- B. An applicant for the extension of mains may be required to pay to the Company, as a refundable advance in aid of construction, before construction is commenced, the estimated reasonable cost of all mains, including all valves and fittings.
1. In the event that additional facilities are required to provide pressure, storage or water supply, exclusively for the new service or services requested, and the cost of the additional facilities is disproportionate to anticipated revenues to be derived from future consumers using these facilities, the estimated reasonable cost of such additional facilities may be included in refundable advances in aid of construction to be paid to the Company.
  2. Upon request by a potential applicant for a main extension, the utility shall prepare, without charge, a preliminary sketch and rough estimate of the cost of installation to be paid by said applicant. Any applicant for a main extension requesting the utility to prepare detailed plans, specifications, or cost estimates may be required to deposit with the utility an amount equal to the estimated cost of preparation. The utility shall, upon request, make available within 45 days after receipt of the deposit referred to above, such plans, specifications, or cost estimates of the proposed main extension. Where the applicant accepts utility construction of the extension, the deposit shall be credited to the cost of construction; otherwise the deposit shall be nonrefundable. If the extension is to include oversizing of facilities to be done at the utility's expense, appropriate details shall be set forth in the plans, specifications and cost estimates.
  3. Where the utility requires an applicant to advance funds for a main extension, the utility shall furnish the applicant with a copy of the Commission rules on main extension agreements prior to the applicant's acceptance of the utility's extension agreement.
  4. In the event the utility's actual cost of construction is less than the amount advanced by the customer, the utility shall make a refund to the applicant within 30 days after the completion of the construction or utility's receipt of invoices related to that construction.
  5. The provisions of this rule apply only to those applicants who in the utility's judgment will be permanent customers of the utility. Applications for temporary service shall be governed by the Commission's rules concerning temporary service applications.
- C. Minimum written agreement requirements
1. Each main extension agreement shall include the following information:
    - a. Name and address of applicant(s)
    - b. Proposed service address
    - c. Description of requested service
    - d. Description and map of the requested line extension
    - e. Itemized cost estimate to include materials, labor, and other costs as necessary
    - f. Payment terms
    - g. A clear and concise explanation of any refunding provisions, if applicable
    - h. Utility's estimated start date and completion date for construction of the main extension
  2. Each applicant shall be provided with a copy of the written main extension agreement.
- D. Refunds of advances made pursuant to this rule shall be made in accord with the following method: the Company shall each year pay to the party making an advance under a main extension agreement, or that party's assignees or other successors in interest where the Company has received notice and evidence of such assignment or succession, a minimum amount equal to 10% of the total gross annual revenue from water sales to each bona fide consumer whose service line is connected to main lines covered by the main extension agreement, for a period of not less than ten years. Refunds shall be made by the Company on or before the 31st day of August of each year, covering any refunds owing from water revenues received during the preceding July 1st to June 30th period. A balance remaining at the end of the ten-year period set out shall become non-refundable, in which case the balance not refunded shall be entered as a contribution in aid of construction in the accounts of the Company, however, agreements under this general order may provide that any balance of the amount advanced thereunder remaining at the end of the ten year period set out, shall thereafter remain payable in whole or in part and in such manner as set forth in the agreement.
1. The aggregate refunds under this rule shall in no event exceed the total of the refundable advances in aid of construction. No interest shall be paid by the utility on any amounts advanced. The Company shall make no refunds from any revenue received from any lines, other than customer service lines, leading up to or taking off from the particular main extension covered by the agreement.
- E. Amounts advanced in aid of construction of main extensions shall be refunded in accord with the rules of this Commission in force and effect on the date the agreement therefor was executed. All costs under main extension agreements entered into after the adoption of this rule shall be refunded as provided herein.
- F. The Commission will not approve the transfer of any Certificate of Public Convenience and Necessity where the transferor has entered into a main extension agreement, unless it is demonstrated to the Commission that the transferor has agreed to satisfy the refund agreement, or that the transferee has assumed and has agreed to pay the transferor's obligations under such agreement.
- G. All agreements entered into under this rule shall be evidenced by a written statement, and signed by the Company and the parties advancing the funds for advances in aid under this rule or the duly authorized agents of each.
- H. The size, design, type and quality of materials of the system, installed under this rule location in the ground and the manner of installation, shall be specified by the Company, and shall be in accord with the requirements of the Commission or other public agencies having authority therein. The Company may install main extensions of any diameter meeting the requirements of the Commission or any other public agencies having authority over the construction and operation of the water system and mains, except individual main extensions, shall comply with and conform to the following minimum specifications:
  1. 150 p.s.i. working pressure rating and
  2. 6" standard diameter.However, single residential customer advances in aid of construction shall not exceed the reasonable cost of construction of the six-inch diameter main extension.
- I. All pipelines, valves, fittings, wells, tanks or other facilities installed under this rule shall be the sole property of the Company, and parties making advances in aid of construction under this rule shall have no right, title or interest in any such facilities.
- J. The Company shall schedule all new requests for main extension agreements, and for service under main extension agreements, promptly and in the order received.
- K. An applicant for service seeking to enter into a main extension agreement may request that the utility include on a list of contractors from whom bids will be solicited, the name(s) of any bonded contractor(s), provided that all bids shall be submitted by the bid date stipulated by the utility. If a lower bid is thus obtained or if a bid is obtained at an equal price and with a more appropriate time of performance, and if such bid contemplates conformity with the Company's requirements and specifications, the Company shall be required to meet the terms and conditions of the bid proffered, or to enter into a construction contract with the contractor proffering such bid.
  1. Performance bond in the total amount of the contract may be required by the utility from the contractor prior to construction.
- L. Any discounts obtained by the utility from contracts terminated under this rule shall be accounted for by credits to the appropriate account dominated as Contributions in Aid of Construction.
- M. All agreements under this rule shall be filed with and approved by the Utilities Division of the Commission. No agreement shall be approved unless accompanied by a Certificate of Approval to Construct as issued by the Arizona Department of Health Services. Where agreements for main extensions are not filed and approved by the Utilities Division, the refundable advance shall be immediately due and payable to the person making the advance.

**Historical Note**

Adopted effective March 2, 1982 (Supp. 82-2). Amended subsections (D) and (K) effective September 28, 1982 (Supp. 82-5).

**MJW15**

**ARIZONA WATER COMPANY**

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006  
PHONE: (602) 240-6860 • FAX: (602) 240-6878

September 25, 2002

Mr. Cormac Nolan, P.E.  
Core Group Consultants  
3743 N. 27th St.  
Phoenix, AZ 85016

Re: 240-Acres Florence Blvd/Curry Road - Casa Grande, AZ

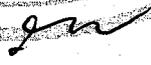
Dear Mr. Nolan:

Arizona Water Company (the "Company") certifies that no part of the above-described property is currently located within its Certificate of Convenience and Necessity ("CC&N") but is adjacent to its CC&N in Casa Grande, Arizona. If these conditions prevail at the time this property is developed and if no other water company includes this property within its CC&N, the Company certifies that it will provide water service to the above-described property in accordance with the Company's tariffs and the Arizona Corporation Commission's rules and regulations. It will be the responsibility of the developer to provide the funds to install the necessary water facilities, and the Company assumes no liability to install those facilities if the funds are not advanced by the developer.

The design of the water distribution system must comply with the Company's standard specifications that are on file at the Arizona Department of Environmental Quality. Both preliminary and final water system designs must be approved by the Company.

It will also be the responsibility of the developer to meet all the requirements of regulatory agencies having jurisdiction over Arizona subdivisions and of Arizona statutes applicable to subdivided or unsubdivided land, including, but not limited to, requirements relating to a Certificate of Assured Water Supply, as set forth in the Arizona Groundwater Management Act, A.R.S. §45-576.

Very truly yours,

  
James T. Wilson  
Engineer  
engineering@azwater.com

tmw

**FILE COPY**

**MJW17**

1154

# ARIZONA WATER COMPANY

MJW-17

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006  
PHONE: (602) 240-6860 • FAX: (602) 240-6878

September 25, 2002

Mr. Cormac Nolan, P.E.  
Core Group Consultants  
3743 N. 27<sup>th</sup> St.  
Phoenix, AZ 85016

Re: 240-Acres Florence Blvd/Curry Road - Casa Grande, AZ

Dear Mr. Nolan:

Enclosed is the Preliminary Cost Estimate you requested. The total estimated cost of the above-referenced project is outlined as follows:

A.	\$	233,529	is a refundable advance in aid of construction
B.		<u>0</u>	is a non-refundable contribution
Total	\$	<u>233,529</u>	

Labor costs are estimated through previous contracts in this area. Material prices are current but are subject to change. The existing distribution system is limited to a maximum of 450 GPM. If you will notify us when you are ready to proceed, we will obtain a firm bid from a contractor for the installation of the water system.

If you have any questions, please call this office

Very truly yours,

James T. Wilson  
Engineer  
engineering@azwater.com

tmw  
Enclosures

**MJW18**

# CoreGroup CONSULTANTS

MJW-18

Arizona Water Company  
3805 Black Canyon Highway  
Phoenix, Arizona  
85015-5351

Date: June 17, 2003  
Our File: 1154

Attention: James T. Wilson  
Engineer

RECEIVED  
JUN 18 2003

ARIZONA WATER COMPANY  
PHOENIX - ENGINEERING

Dear Sir:

**RE: FLORENCE COUNTRY ESTATES  
HIGHWAY 287 AND CURRY ROAD  
CC&N/LINE EXTENSION APPLICATION**

Please find enclosed a copy of our water plans for Florence Country Estates in Pinal County, AZ. These plans contain the designs for the on-site distribution system as well as an off-site water main along Highway 287 that connects with Arizona Water Company's existing 8" water main at Eleven Mile Corner.

At this time we would like to formally apply to have our proposed subdivision brought into Arizona Water Company's service area included within your Certificate of Convenience and Necessity ("CC&N") for Casa Grande, AZ. Additionally we would like to initiate the process of creating a line extension agreement for our proposed off-site water main.

We submitted our application for a Certificate of Assured Water Supply to the Arizona Department of Water Resources last week and have included a copy for your records.

Our client has asked that we use AWWA C-900 PVC pipe for our water mains. We would be grateful if you could review the use of this material instead of ductile iron pipe.

Should you require additional information please contact me at (602) 778-6876.

Yours truly,  
**CORE GROUP CONSULTANTS LTD**  
Per;



Eric Stephenson E.I.T. (BC)

**MJW19**

June 26, 2003

Mr. Eric Stephenson E.I.T.  
Core Group Consultants  
3743 N. 24th St.  
Phoenix, AZ 85016

Re: Preliminary Water Plan

Dear Mr. Stephenson:

Enclosed is a copy of your Preliminary Water Plan for Florence Country Estates located in Casa Grande, with the required changes and comments of Arizona Water Company (the "Company") shown in red.

Please use this letter to guide you in your preparation of the Formal Water Plan. When the plan is completed, please send us one mylar/vellum or the original and one recorded subdivision plat and drawing indicating the location of all other utilities (gas, electric, telephone, cable television, sewer, etc.) as well as paving and profile.

We will then review your plans and, if everything meets with our approval, we will sign the sepia or the original and return it to you for submittal to the plan review section of the appropriate state and/or county health department with a signed *Application for Approval to Construct and Water Service Agreement*.

The following items should be understood by the developer:

- a. The Formal Water Plan is to be prepared by the developer's consulting engineer following the Company's Design Policy and System Planning criteria (copy attached).
- b. The plans and *Application for Approval to Construct* must **both** be approved and signed by the Company prior to submittal to the state and/or county health department.
- c. The Company will not participate in the cost of any facilities required for extending service to a new project.
- d. Any reports to the Arizona Department of Water Resources ("ADWR"), Real Estate Department, etc., are the responsibility of the developer and/or his agent.
- e. Prior to bidding, roads must be prepared to rough grade and waterline locations surveyed and staked by the developer so that the actual waterline locations correspond with the water plan.
- f. The funds for the water system addition including any off-site improvements that may be required will be advanced by the developer prior to construction. **The bidding, contracting, installation and inspection will be performed by the Company.**

- g. The developer must obtain a Certificate of Assured Water Supply for the project and furnish a copy of it to the Company before the Company will sign a contract for installation of the water system. If the project is located in an area outside an active management area established by the Arizona Groundwater Code, the developer must submit plans for the water supply for the project and demonstrate the adequacy thereof to the ADWR. The developer must submit a copy of the report received from the ADWR on the developer's plan.
- h. The ADWR has adopted its Second Management Plan which establishes mandatory conservation programs. These conservation programs require that all projects must report the size of "turf-related facilities" associated with the proposed project. ("Turf-related watering" means the application of water from any source to grow landscaping plants on the grounds of the turf-related facility and the use of water from any source to fill or refill any bodies of water, including lakes, ponds or lagoons, that are an integral part of the landscaped area of a turf-related facility. Bodies of water used primarily for swimming purposes are not an integral part of the landscaped area of a turf-related facility.) Indicate in the space provided the total area of this proposed project that will be developed as "turf-related facilities."

Total turf-related facilities: \_\_\_\_\_ acre(s)

All turf-related facilities ten (10) acres or larger in size must be metered separately pursuant to the provisions of the Second Management Plan.

Projected annual water usage: \_\_\_\_\_ acre feet (non-residential)

- i. When the project involves fire hydrants, the legally recognized public fire protection agency that has the responsibility for fire protection will determine the number and location of the fire hydrants, the minimum required fire flow rate (gpm) and flow duration (hours). The fire protection authority must specify the required fire flow rate and duration.

- 1. Minimum required fire flow rate: \_\_\_\_\_ GPM
- 2. Minimum required fire flow duration: \_\_\_\_\_ HOURS

\_\_\_\_\_  
(Public Fire Protection Agency)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- j. The developer must specify, in writing, the date on which the Company will be required to put the project out to bid. Any requirements regarding time constraints, construction completion deadlines, etc., must be noted in the request to bid so that they may be specified in the bid documents. All necessary approvals from regulatory agencies having jurisdiction over project construction must be received prior to bidding. Please note that the estimated time required from the initial invitation to bid to the start of construction can be eight (8) weeks, or longer. This time is dependent on, but not limited to, material procurement, highway permits, contractor mobilization, etc. An option is available to the developer to make payment for materials in advance of construction. If the developer desires to add qualified contractors to Company's bid list for obtaining labor bids for the project, the developer must so inform the Company prior to the date the project is put out to bid and any such contractors must meet the due date of the bid.
- k. If this project includes 2" or larger meters or private fire service taps, those services will begin to be billed for monthly service charges immediately after installation. It is the responsibility of the developer or his agent to contact the local office to provide the information needed for monthly billing.
- l. The Company will request, in conjunction with providing water service to this proposed project, the Irrigation and Type 1 Non-Irrigation Grandfathered Rights appurtenant to the property to be transferred to the Company.

Indicate in the space provided whether the property that is being proposed for project has appurtenant Irrigation or Type 1 Non-Irrigation Grandfathered Rights:

Yes                       No

Please provide the information requested and sign this document where indicated, retain a copy, and return the original to the Company. **This project will not be approved until the Company receives this signed document.**

Very truly yours,



James T. Wilson  
Engineer  
engineering@azwater.com

al  
Enclosures  
Preliminary Water Plan Map  
Design Policy and System Planning Criteria  
cc: Engineering Staff  
c: Jerry Dexel - CG

\_\_\_\_\_  
Developer

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## ARIZONA WATER COMPANY

E-6-1

### DESIGN POLICY AND SYSTEM PLANNING CRITERIA FOR WATER DISTRIBUTION SYSTEMS

The following guidelines will be used for main extensions or new subdivisions (the "addition(s)") that will be connected to and served from Arizona Water Company's existing water distribution systems:

- A. Whenever possible, water mains shall be looped or of circulating configuration.
- B. The proposed additions shall be designed, and constructed, to maintain a minimum pressure of 20 p.s.i. at all points in the existing water distribution system and the addition under normal conditions of flow whenever possible and practical.
- C. The water distribution system design shall satisfy both of the following design criteria:
  - 1. The water distribution system design for the new addition shall use the peak domestic demand<sup>1</sup> of the system expressed in gallons per minute. For the purpose of water distribution system design and analysis, the peak domestic demand shall be distributed evenly throughout the water system, unless more accurate information is available concerning the actual distribution of water system demand.
  - 2. When the proposed addition is to serve fire flows from the existing distribution system, the water system design will use system demands computed by adding the minimum required fire flows expressed in gallons per minute to the average peak domestic demand<sup>2</sup> of the system expressed in gallons per minute. For the purpose of water distribution design and analysis one fire hydrant will be designed to flow the minimum fire flow requirement within the addition. The analysis will also place the average peak domestic demand distributed evenly throughout the water system, unless more accurate information is available concerning the actual domestic demand distribution.
- D. The required fire flows and fire flow duration relating to any new addition will be specified by the local fire authority and reported to the Company on the Company's Form E-3-5 prior to final design and Company approval of the addition.
- E. Water storage shall be designed to meet peak domestic demands and fire protection where possible and practical. The water storage design shall be based upon a 24 hour system study, with peak domestic demands and fire flow storage requirements, with the assumption that the largest source of supply is removed from the analysis.

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<sup>1</sup>Definition—peak domestic demand: This number shall be calculated using available water system peak production records. The peak demand shall be calculated by multiplying the peak daily production by 2.0. The peak per customer demand shall be calculated by dividing the peak demand by the current customer count and expressed as gallons per minute per customer. Where maximum daily production numbers are not available, the peak domestic demand shall be the peak domestic demand as indicated by ADEQ Engineering Bulletin No. 10.

<sup>2</sup>Definition—average peak domestic demand: The number shall be calculated by multiplying the peak domestic demand by 0.30 and expressed as gallons per minute per customer.

**MJW20**

# CoreGroup CONSULTANTS

MJW-20

Arizona Water Company  
3805 Black Canyon Highway  
Phoenix, Arizona  
85015-5351

Date: August 8, 2003  
Our File: 1154

**Attention: James T. Wilson**  
Engineer

Dear Sir:

**RE: FLORENCE COUNTRY ESTATES  
HIGHWAY 287 AND CURRY ROAD  
WATER DRAWINGS SECOND SUBMISSION**

**RECEIVED**  
AUG 11 2003

ARIZONA WATER COMPANY  
PHOENIX - ENGINEERING

Please find enclosed a copy of our revised water plans for the above noted project. We have changed the material for the 12" water line along Highway 287 to ductile iron pipe, added water easements at the end of the dead-end roads and moved water valves in accordance with your redline comments. Please review these drawings to determine that they meet your requirements.

Should you require additional information please contact me at (602) 778-6876.

Yours truly,  
**CORE GROUP CONSULTANTS LTD**  
Per;



Eric Stephenson E.I.T. (BC)

**NEED ABC LETTER, DESIGN REPORT,**

**MJW21**

August 19, 2003

Mr. Eric Stephenson E.I.T.  
Core Group Consultants  
3743 N. 24th St.  
Phoenix, AZ 85016

Re: Preliminary Water Plan

Dear Mr. Stephenson:

Enclosed is a copy of your Preliminary Water Plan for Florence Country Estates located in Casa Grande, with the required changes and comments of Arizona Water Company (the "Company") shown in red.

Please use this letter to guide you in your preparation of the Formal Water Plan. When the plan is completed, please send us one mylar/vellum or the original and one recorded subdivision plat and drawing indicating the location of all other utilities (gas, electric, telephone, cable television, sewer, etc.) as well as paving and profile.

We will then review your plans and, if everything meets with our approval, we will sign the sepia or the original and return it to you for submittal to the plan review section of the appropriate state and/or county health department with a signed *Application for Approval to Construct and Water Service Agreement*.

The following items should be understood by the developer:

- a. The Formal Water Plan is to be prepared by the developer's consulting engineer following the Company's Design Policy and System Planning criteria (copy attached).
- b. The plans and *Application for Approval to Construct* must **both** be approved and signed by the Company prior to submittal to the state and/or county health department.
- c. The Company will not participate in the cost of any facilities required for extending service to a new project.
- d. Any reports to the Arizona Department of Water Resources ("ADWR"), Real Estate Department, etc., are the responsibility of the developer and/or his agent.
- e. Prior to bidding, roads must be prepared to rough grade and waterline locations surveyed and staked by the developer so that the actual waterline locations correspond with the water plan.
- f. The funds for the water system addition including any off-site improvements that may be required will be advanced by the developer prior to construction. **The bidding, contracting, installation and inspection will be performed by the Company.**

- g. The developer must obtain a Certificate of Assured Water Supply for the project and furnish a copy of it to the Company before the Company will sign a contract for installation of the water system. If the project is located in an area outside an active management area established by the Arizona Groundwater Code, the developer must submit plans for the water supply for the project and demonstrate the adequacy thereof to the ADWR. The developer must submit a copy of the report received from the ADWR on the developer's plan.
- h. The ADWR has adopted its Second Management Plan which establishes mandatory conservation programs. These conservation programs require that all projects must report the size of "turf-related facilities" associated with the proposed project. ("Turf-related watering" means the application of water from any source to grow landscaping plants on the grounds of the turf-related facility and the use of water from any source to fill or refill any bodies of water, including lakes, ponds or lagoons, that are an integral part of the landscaped area of a turf-related facility. Bodies of water used primarily for swimming purposes are not an integral part of the landscaped area of a turf-related facility.) Indicate in the space provided the total area of this proposed project that will be developed as "turf-related facilities."

Total turf-related facilities: \_\_\_\_\_ acre(s)

All turf-related facilities ten (10) acres or larger in size must be metered separately pursuant to the provisions of the Second Management Plan.

Projected annual water usage: \_\_\_\_\_ acre feet (non-residential)

- i. When the project involves fire hydrants, the legally recognized public fire protection agency that has the responsibility for fire protection will determine the number and location of the fire hydrants, the minimum required fire flow rate (gpm) and flow duration (hours). The fire protection authority must specify the required fire flow rate and duration.

- 1. Minimum required fire flow rate: \_\_\_\_\_ GPM
- 2. Minimum required fire flow duration: \_\_\_\_\_ HOURS

\_\_\_\_\_  
(Public Fire Protection Agency)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- j. The developer must specify, in writing, the date on which the Company will be required to put the project out to bid. Any requirements regarding time constraints, construction completion deadlines, etc., must be noted in the request to bid so that they may be specified in the bid documents. All necessary approvals from regulatory agencies having jurisdiction over project construction must be received prior to bidding. Please note that the estimated time required from the initial invitation to bid to the start of construction can be eight (8) weeks, or longer. This time is dependent on, but not limited to, material procurement, highway permits, contractor mobilization, etc. An option is available to the developer to make payment for materials in advance of construction. If the developer desires to add qualified contractors to Company's bid list for obtaining labor bids for the project, the developer must so inform the Company prior to the date the project is put out to bid and any such contractors must meet the due date of the bid.
- k. If this project includes 2" or larger meters or private fire service taps, those services will begin to be billed for monthly service charges immediately after installation. It is the responsibility of the developer or his agent to contact the local office to provide the information needed for monthly billing.
- l. The Company will request, in conjunction with providing water service to this proposed project, the Irrigation and Type 1 Non-Irrigation Grandfathered Rights appurtenant to the property to be transferred to the Company.

Indicate in the space provided whether the property that is being proposed for project has appurtenant Irrigation or Type 1 Non-Irrigation Grandfathered Rights:

Yes                       No

Please provide the information requested and sign this document where indicated, retain a copy, and return the original to the Company. **This project will not be approved until the Company receives this signed document.**

Very truly yours,



James T. Wilson  
Engineer  
engineering@azwater.com

ala  
Enclosures  
Preliminary Water Plan Map  
Design Policy and System Planning Criteria  
ec: Engineering Staff  
c: Jerry Dexel - CG

\_\_\_\_\_  
Developer

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

# ARIZONA WATER COMPANY

E-6-1

## DESIGN POLICY AND SYSTEM PLANNING CRITERIA FOR WATER DISTRIBUTION SYSTEMS

The following guidelines will be used for main extensions or new subdivisions (the "addition(s)") that will be connected to and served from Arizona Water Company's existing water distribution systems:

- A. Whenever possible, water mains shall be looped or of circulating configuration.
- B. The proposed additions shall be designed, and constructed, to maintain a minimum pressure of 20 p.s.i. at all points in the existing water distribution system and the addition under normal conditions of flow whenever possible and practical.
- C. The water distribution system design shall satisfy both of the following design criteria:
  1. The water distribution system design for the new addition shall use the peak domestic demand<sup>1</sup> of the system expressed in gallons per minute. For the purpose of water distribution system design and analysis, the peak domestic demand shall be distributed evenly throughout the water system, unless more accurate information is available concerning the actual distribution of water system demand.
  2. When the proposed addition is to serve fire flows from the existing distribution system, the water system design will use system demands computed by adding the minimum required fire flows expressed in gallons per minute to the average peak domestic demand<sup>2</sup> of the system expressed in gallons per minute. For the purpose of water distribution design and analysis one fire hydrant will be designed to flow the minimum fire flow requirement within the addition. The analysis will also place the average peak domestic demand distributed evenly throughout the water system, unless more accurate information is available concerning the actual domestic demand distribution.
- D. The required fire flows and fire flow duration relating to any new addition will be specified by the local fire authority and reported to the Company on the Company's Form E-3-5 prior to final design and Company approval of the addition.
- E. Water storage shall be designed to meet peak domestic demands and fire protection where possible and practical. The water storage design shall be based upon a 24 hour system study, with peak domestic demands and fire flow storage requirements, with the assumption that the largest source of supply is removed from the analysis.

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<sup>1</sup>Definition—peak domestic demand: This number shall be calculated using available water system peak production records. The peak demand shall be calculated by multiplying the peak daily production by 2.0. The peak per customer demand shall be calculated by dividing the peak demand by the current customer count and expressed as gallons per minute per customer. Where maximum daily production numbers are not available, the peak domestic demand shall be the peak domestic demand as indicated by ADEQ Engineering Bulletin No. 10.

<sup>2</sup>Definition—average peak domestic demand: The number shall be calculated by multiplying the peak domestic demand by 0.30 and expressed as gallons per minute per customer.

**MJW22**

September 2, 2003

Mr. Eric Stephenson E.I.T.  
Core Group Consultants  
3743 N. 24th St.  
Phoenix, AZ 85016

Re: Preliminary Water Plan

Dear Mr. Stephenson:

Enclosed is a copy of your Preliminary Water Plan for Florence Country Estates located in Casa Grande, with the required changes and comments of Arizona Water Company (the "Company") shown in red.

Please use this letter to guide you in your preparation of the Formal Water Plan. When the plan is completed, please send us one mylar/vellum or the original and one recorded subdivision plat and drawing indicating the location of all other utilities (gas, electric, telephone, cable television, sewer, etc.) as well as paving and profile.

We will then review your plans and, if everything meets with our approval, we will sign the sepia or the original and return it to you for submittal to the plan review section of the appropriate state and/or county health department with a signed *Application for Approval to Construct and Water Service Agreement*.

The following items should be understood by the developer:

- a. The Formal Water Plan is to be prepared by the developer's consulting engineer following the Company's Design Policy and System Planning criteria (copy attached).
- b. The plans and *Application for Approval to Construct* must **both** be approved and signed by the Company prior to submittal to the state and/or county health department.
- c. The Company will not participate in the cost of any facilities required for extending service to a new project.
- d. Any reports to the Arizona Department of Water Resources ("ADWR"), Real Estate Department, etc., are the responsibility of the developer and/or his agent.
- e. Prior to bidding, roads must be prepared to rough grade and waterline locations surveyed and staked by the developer so that the actual waterline locations correspond with the water plan.
- f. The funds for the water system addition including any off-site improvements that may be required will be advanced by the developer prior to construction. **The bidding, contracting, installation and inspection will be performed by the Company.**

- g. The developer must obtain a Certificate of Assured Water Supply for the project and furnish a copy of it to the Company before the Company will sign a contract for installation of the water system. If the project is located in an area outside an active management area established by the Arizona Groundwater Code, the developer must submit plans for the water supply for the project and demonstrate the adequacy thereof to the ADWR. The developer must submit a copy of the report received from the ADWR on the developer's plan.
- h. The ADWR has adopted its Second Management Plan which establishes mandatory conservation programs. These conservation programs require that all projects must report the size of "turf-related facilities" associated with the proposed project. ("Turf-related watering" means the application of water from any source to grow landscaping plants on the grounds of the turf-related facility and the use of water from any source to fill or refill any bodies of water, including lakes, ponds or lagoons, that are an integral part of the landscaped area of a turf-related facility. Bodies of water used primarily for swimming purposes are not an integral part of the landscaped area of a turf-related facility.) Indicate in the space provided the total area of this proposed project that will be developed as "turf-related facilities."

Total turf-related facilities: \_\_\_\_\_ acre(s)

All turf-related facilities ten (10) acres or larger in size must be metered separately pursuant to the provisions of the Second Management Plan.

Projected annual water usage: \_\_\_\_\_ acre feet (non-residential)

- i. When the project involves fire hydrants, the legally recognized public fire protection agency that has the responsibility for fire protection will determine the number and location of the fire hydrants, the minimum required fire flow rate (gpm) and flow duration (hours). The fire protection authority must specify the required fire flow rate and duration.

- 1. Minimum required fire flow rate: \_\_\_\_\_ GPM
- 2. Minimum required fire flow duration: \_\_\_\_\_ HOURS

\_\_\_\_\_  
(Public Fire Protection Agency)

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

- j. The developer must specify, in writing, the date on which the Company will be required to put the project out to bid. Any requirements regarding time constraints, construction completion deadlines, etc., must be noted in the request to bid so that they may be specified in the bid documents. All necessary approvals from regulatory agencies having jurisdiction over project construction must be received prior to bidding. Please note that the estimated time required from the initial invitation to bid to the start of construction can be eight (8) weeks, or longer. This time is dependent on, but not limited to, material procurement, highway permits, contractor mobilization, etc. An option is available to the developer to make payment for materials in advance of construction. If the developer desires to add qualified contractors to Company's bid list for obtaining labor bids for the project, the developer must so inform the Company prior to the date the project is put out to bid and any such contractors must meet the due date of the bid.
- k. If this project includes 2" or larger meters or private fire service taps, those services will begin to be billed for monthly service charges immediately after installation. It is the responsibility of the developer or his agent to contact the local office to provide the information needed for monthly billing.
- l. The Company will request, in conjunction with providing water service to this proposed project, the Irrigation and Type 1 Non-Irrigation Grandfathered Rights appurtenant to the property to be transferred to the Company.

Indicate in the space provided whether the property that is being proposed for project has appurtenant Irrigation or Type 1 Non-Irrigation Grandfathered Rights:

Yes                       No

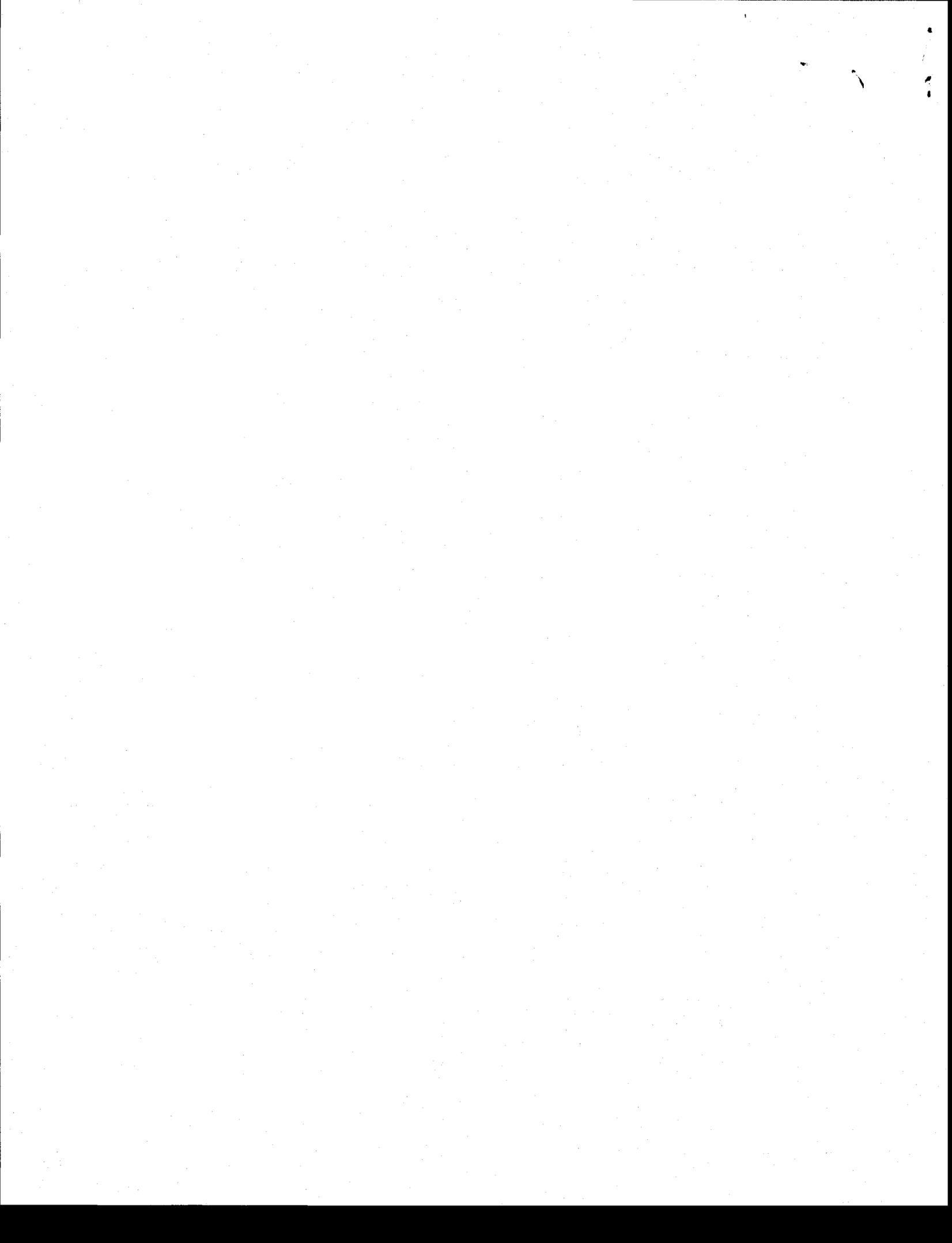
Please provide the information requested and sign this document where indicated, retain a copy, and return the original to the Company. **This project will not be approved until the Company receives this signed document.**

Very truly yours,

*JW*  
for James T. Wilson  
Engineer  
engineering@azwater.com

tmw  
Enclosures  
Preliminary Water Plan Map  
Design Policy and System Planning Criteria  
Engineering Staff

\_\_\_\_\_  
Developer  
By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



## ARIZONA WATER COMPANY

E-6-1

### DESIGN POLICY AND SYSTEM PLANNING CRITERIA FOR WATER DISTRIBUTION SYSTEMS

The following guidelines will be used for main extensions or new subdivisions (the "addition(s)") that will be connected to and served from Arizona Water Company's existing water distribution systems:

- A. Whenever possible, water mains shall be looped or of circulating configuration.
- B. The proposed additions shall be designed, and constructed, to maintain a minimum pressure of 20 p.s.i. at all points in the existing water distribution system and the addition under normal conditions of flow whenever possible and practical.
- C. The water distribution system design shall satisfy both of the following design criteria:
  1. The water distribution system design for the new addition shall use the peak domestic demand<sup>1</sup> of the system expressed in gallons per minute. For the purpose of water distribution system design and analysis, the peak domestic demand shall be distributed evenly throughout the water system, unless more accurate information is available concerning the actual distribution of water system demand.
  2. When the proposed addition is to serve fire flows from the existing distribution system, the water system design will use system demands computed by adding the minimum required fire flows expressed in gallons per minute to the average peak domestic demand<sup>2</sup> of the system expressed in gallons per minute. For the purpose of water distribution design and analysis one fire hydrant will be designed to flow the minimum fire flow requirement within the addition. The analysis will also place the average peak domestic demand distributed evenly throughout the water system, unless more accurate information is available concerning the actual domestic demand distribution.
- D. The required fire flows and fire flow duration relating to any new addition will be specified by the local fire authority and reported to the Company on the Company's Form E-3-5 prior to final design and Company approval of the addition.
- E. Water storage shall be designed to meet peak domestic demands and fire protection where possible and practical. The water storage design shall be based upon a 24 hour system study, with peak domestic demands and fire flow storage requirements, with the assumption that the largest source of supply is removed from the analysis.

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<sup>1</sup>Definition—peak domestic demand: This number shall be calculated using available water system peak production records. The peak demand shall be calculated by multiplying the peak daily production by 2.0. The peak per customer demand shall be calculated by dividing the peak demand by the current customer count and expressed as gallons per minute per customer. Where maximum daily production numbers are not available, the peak domestic demand shall be the peak domestic demand as indicated by ADEQ Engineering Bulletin No. 10.

<sup>2</sup>Definition—average peak domestic demand: The number shall be calculated by multiplying the peak domestic demand by 0.30 and expressed as gallons per minute per customer.



**MJW23**



# ARIZONA WATER COMPANY

Phoenix Office: PO Box 29006 - Phoenix, AZ 85038-9006  
Voice: 602.240.6860 Fax: 602.240.6878 Email: mail@azwater.com

MJW-23

## FAX TRANSMISSION SHEET

To: Eric Stevenson 1-604-299-0629

Date: September 10, 2003

From: James Wilson

# Pages including this cover sheet: 2

Subject: Florence Country Estates

The pages that follow may contain sensitive, privileged or confidential information intended solely for the addressee named above. If you receive this message and are not the agent or employee of the addressee, this facsimile communication has been sent in error. Please do not disseminate or copy any of the attached and notify the sender immediately by telephone. Please also return the attached sheet(s) to the sender by mail.

Eric,

Attached is a map showing the location of the parallel 8" line for the above referenced project. If you have any questions please give me a call.

Thanks,

A handwritten signature in black ink, appearing to read "James Wilson".

James Wilson

**MJW24**

# CoreGroup CONSULTANTS

3743 North 24<sup>th</sup> Street, Phoenix, Arizona 85016  
 TEL (602) 954-7768 FAX (602) 522-9733

## TRANSMITTAL

ATTN: James Wilson

FROM: Eric Stephenson

COMPANY: Arizona Water Company

PROJECT: 1154 - XMT- 003

ADDRESS: 3805 N. Black Canyon Hwy

DATE: September 24, 2003

Phoenix, AZ 85015-5351

FAX: (602) 240-6878

PHONE: (602) 240-6860

RE: Florence Country Estates

**RECEIVED**  
 SEP 24 2003

ARIZONA WATER COMPANY  
 PHOENIX - ENGINEERING

SENT BY:     MAIL                     COURIER                     BY HAND                     PICKUP

ITEM NO.	QTY	DESCRIPTION
1.	2	3 <sup>rd</sup> Submission of Florence Country Estate's Water Plans

NOTE:

SENT BY: *[Signature]*  
 Core Group Consultants

RECEIVED BY: \_\_\_\_\_

Please sign and return this transmittal to our office via fax (602) 522-9733 to confirm that you have received the items listed above.

**MJW25**

# CoreGroup CONSULTANTS

MJW-25

September 29, 2003

Arizona Water Company  
3805 N. Black Canyon Highway  
Phoenix, AZ  
85015-5351

Our File # 1154

Attn: Mr. James Wilson

**RE: PROPOSED SUBDIVISION - FLORENCE BLVD/CURROAD  
CASA GRANDE, AZ**

We write to address the servicing of the above captioned project with water supplied by Arizona Water Company and our most recent design plans.

We received your response to our inquiry regarding water service requirements, dated September 25, 2002 with copy enclosed. This "will serve" letter outlined the scope of work to be 7,920 feet of 12" watermain with the financial obligation totalling \$233,529. This represents a new main installed from our site to 11 Mile Corner. We represented this cost to our client, along with the other pertinent development requirements in determining the feasibility and cost projections of the project. Based upon these representations our client purchased the property and has proceeded with development.

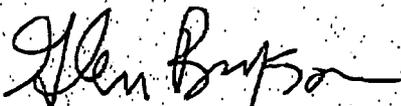
We have since completed our improvement plans and submitted the water design to your offices where we were then notified after 1<sup>st</sup> review that a further 3,000 feet of main would be required and the cost burden would be placed upon the developer, approx \$50,000.

Our client has proceeded along with the development plans of the project relying on your representations and they have now substantially changed. I suppose the purpose of my letter is to inquire about cost recovery options (buy-in or later comers opportunity) or materials changes (DI to PVC would save this cost increase alone) etc. that may bridge this unexpected cost burden. Perhaps the construction can be phased as not all of the homes will be built all at once and perhaps this requirement may be placed upon another user. We ask you review this situation in light of the representations made last year to see if we can mitigate this unfortunate situation.

Please feel free to contact me to see if we can work towards a solution.

Thank you very much.

Yours truly,  
CORE GROUP CONSULTANTS

  
Glen Bryson, P.E.

**MJW26**

October 9, 2003

Mr. Glen Bryson, P.E.  
Core Group Consultants  
3743 N. 24th St.  
Phoenix, AZ 85016

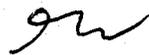
Re: Florence Country Estates

Dear Mr. Bryson:

Enclosed is a copy of an Agreement for Extension of Water Facilities which details the Arizona Water Company ("the Company") refund policy. At this time, the Company has no other cost recovery options however, the Company does have plans to upsize some of the existing mains and facilities in this area as a part of the 2004 budget. This proposed 2004 budget project should increase the flow rates in the area and reduce the amount of pipeline required to serve Florence Country Estates however, the total effect on the water system will not be known until the project is complete sometime in early 2004.

If you have any further questions please contact me at this office.

Very truly yours,



James T. Wilson  
Engineer  
engineering@azwater.com

ala  
Enclosure  
cc: Engineering Staff  
Jerry Dexel - CG

**FILE COPY**

---

E-MAIL: mail@azwater.com



# ARIZONA WATER COMPANY

Phoenix Office: PO Box 29006 - Phoenix, AZ 85038-9006  
Voice: 602.240.6860 Fax: 602.240.6878

## AGREEMENT FOR EXTENSION OF WATER FACILITIES

CUSTOMER:

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City and State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contract No. \_\_\_\_\_  
W.A. No. \_\_\_\_\_

DATE OF AGREEMENT \_\_\_\_\_

CONSTRUCTION START: Approximately 15 days after receiving all material and obtaining all necessary permits and approvals.

PROJECT COMPLETION: Estimated to be within \_\_\_\_\_ (\_\_\_\_\_) days from the start date.

DATE OF COST ESTIMATE (Attachment "A"): \_\_\_\_\_ WATER SYSTEM: [select system] \_\_\_\_\_

WATER FACILITIES: as per drawing (Attachment "B").

REFUNDABLE ADVANCE  
IN AID OF CONSTRUCTION for: \_\_\_\_\_ \$ \_\_\_\_\_

NON-REFUNDABLE CONTRIBUTION for: \_\_\_\_\_

AGREEMENT TOTAL \$ \_\_\_\_\_  
LESS: MAIN EXTENSION DEPOSIT RECEIVED \_\_\_\_\_  
BALANCE DUE \$ \_\_\_\_\_

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation, (hereinafter called the "Company"), and the Customer named above. In consideration of the services to be performed by the Company and the sums of money to be paid by the Customer, in accordance with the related Cost Estimate, it is agreed as follows:

- The Company will construct, or will arrange for the construction of the Water Facilities as described above.
- The Customer will pay to the Company upon signing this Agreement the Total shown above, receipt of which is hereby acknowledged by the company. The Total shown above to be paid by the customer to the Company is the Company's estimated cost of construction of the Water Facilities. The Company will determine and inform the Customer of the actual cost of construction within sixty (60) days after the completion of construction or the Company's receipt of all invoices and charges related to the construction. If the Company's actual cost of construction is less than the Total amount paid, the Company will refund the difference to the Customer; conversely, if the Company's actual cost of construction is more than the Total amount paid, the Customer shall pay the difference to the Company within sixty (60) days of receipt of an invoice from the Company. However, if the actual cost is more than five percent (5%) greater than the Total amount paid, the Customer will only be required to pay five percent (5%) more than the Total amount paid, unless the Company can demonstrate that the increased costs were beyond its control and could not be foreseen at the time the estimate for the Total amount paid was made. The Company and the Customer further agree that the amount subject to refund pursuant to paragraph 3 of this Agreement shall be the refundable portion of the Company's actual cost of construction. Information about the actual cost of construction will be attached to this Agreement and forwarded to the Customer.
- Refunds of any advances in aid of construction shall be made as follows: Each year for a period of 10 years the Company shall pay to the Customer or the Customer's assignee or successor in interest, provided the Company has first received written notice and evidence of such assignment or succession and approved of same, an amount equal to 10 percent of the total gross annual revenue received by the Company from water sales to each bona fide customer whose service line is directly connected to pipelines installed pursuant to this Agreement. Refunds shall be made by the Company on or before August 31 of each year, covering any water revenues received during the preceding July 1 to June 30 period. *Any balance remaining subject to refund at the end of the 10-year period shall become non-refundable.* Aggregate refunds shall in no event exceed the total of the refundable advance in aid of construction received from the Customer. No interest shall be paid by the Company on any amounts paid hereunder.
- All Water Facilities installed under this Agreement shall be the sole property of the Company, and the customer shall have no right, title or interest in or to any such facilities.
- The size, design, type and quality of materials and of the system, location and manner of installation, shall be specified by the Company and shall comply with requirements of the Arizona Corporation Commission or other public agencies having authority therein.
- The Customer agrees to furnish to the Company adequate and recordable easements and required surveying necessary to serve each parcel or lot within the Customer's subdivision, tract, development, or project.
- The Customer agrees that all easements and rights-of-way shall be free of obstacles which may interfere with the construction of the Company's Water Facilities. If the Customer's subdivision, tract, development, or project involves road construction, all roads and drainageways will be brought to grade by the Customer prior to the commencement of the installation of the Company's Water Facilities. No pavement or curbs shall be installed prior to completion of all Water Facilities. If any street, road, alley or drainageway is installed at a different grade or location after the beginning of the installation of Water Facilities, the Customer shall bear all costs incurred by the Company to relocate the Water Facilities as a result of said facilities having improper cover or location. Such costs shall be non-refundable.
- The Customer agrees to pay to the Company any additional costs incurred as a result of design changes made or caused by the Customer or its employees, agents, servants, contractors or subcontractors, the Arizona Department of Environmental Quality, the Arizona Corporation Commission, any county health department or other public agency under whose jurisdiction the subject construction may fall, or anticipated or un-anticipated changes in existing Company facilities, due to any work associated with this subdivision, tract, development or project which causes said facilities to have improper cover or location.
- This Agreement shall be binding upon and for the benefit of the successors and assigns of the Company and the Customer. No assignment or transfer of this Agreement by the Customer shall be binding upon the Company or create any rights in the assignee until such assignment or transfer is approved and accepted in writing by the Company.
- This Agreement, and all rights and obligations hereunder, including those regarding water service to the Customer, are subject to the Arizona Corporation Commission's "Rules and Regulations Relating to the Operation of Domestic Water Utility Companies" and the Company's tariff schedule TC-243, "Terms and Conditions for the Provision of Water Service."

**ARIZONA WATER COMPANY**  
\_\_\_\_\_  
Company

\_\_\_\_\_  
Customer

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**MJW27**

# CoreGroup CONSULTANTS

3743 North 24<sup>th</sup> Street, Phoenix, Arizona 85016  
 TEL (602) 954-7768  
 FAX (602) 522-9733

**RECEIVED**  
 OCT 15 2003

ARIZONA WATER COMPANY  
 PHOENIX - ENGINEERING

## TRANSMITTAL

ATTN: James Wilson

COMPANY: Arizona Water Company

ADDRESS: 3805 N. Black Canyon Highway  
Phoenix, Arizona 85015-5351

FAX: (602) 240-6878

PHONE: (602) 240-6860

RE: Water Mylar and Contract

FROM: Eric Stephenson

PROJECT: 1154 - XMT - 005.doc

DATE: October 14, 2003

SENT BY:     MAIL                     COURIER                     BY HAND                     PICKUP

ITEM NO.	QTY	DESCRIPTION
1.	1	Water Mylar and Contract

NOTE:

SENT BY:   
 Core Group Consultants

RECEIVED BY: \_\_\_\_\_

Please sign and return this transmittal to our office via fax (602) 522-9733 to confirm that you have received the items listed above.

**MJW28**

October 17, 2003

Mr. Eric Stephenson  
Core Group Consultants  
3743 N. 24<sup>th</sup> Street  
Phoenix, Arizona 85016

Re: Florence Country Estates- Casa Grande

Dear Mr. Stephenson:

Enclosed is the approved Formal Water Plan for Florence Country Estates.

Also enclosed are a *Water Service Agreement* and an *Application for Approval to Construct*, both of which have been signed by Arizona Water Company. These documents will be required by the plan review section of the appropriate state and/or county health department when you submit your project for approval.

Very truly yours,



James T. Wilson  
Engineer  
engineering@azwater.com

ala  
Enclosure  
cc: Engineering Staff  
Jerry Dexel - CG

October 17, 2003

Mr. Eric Stephenson  
Core Group Consultants  
3743 N. 24th Street  
Phoenix, Arizona 85016

Re: Domestic Water Service to Florence Country Estates- Casa Grande

Dear Mr. Stephenson:

No part of the above referenced project is currently located within the Company's Certificate of Convenience and Necessity (CC&N). This project must be brought into the Company's CC&N before water service can be provided. It will be the responsibility of the developer to provide the funds to install the necessary water facilities, and the Company assumes no liability to install those facilities if the funds are not advanced by the developer.

The design of the water distribution system must comply with the Company's standard specifications that are on file at the Arizona Department of Environmental Quality. Both preliminary and final water system designs must be approved by the Company.

It will also be the responsibility of the developer to meet all the requirements of regulatory agencies having jurisdiction over Arizona subdivisions and of Arizona statutes applicable to subdivided or unsubdivided land, including, but not limited to, requirements relating to a Certificate of Assured Water Supply, as set forth in the Arizona Groundwater Management Act, A.R.S. §45-576.

Very truly yours,



James T. Wilson  
Engineer  
engineering@azwater.com

ala  
Enclosure  
cc: Engineering Staff  
Jerry Dexel - CG

**FILE COPY**

ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
WATER QUALITY DIVISION  
3033 N. CENTRAL AVENUE - PHOENIX, ARIZONA 85012

DRINKING WATER SERVICE AGREEMENT

To be completed and signed, where appropriate, and submitted with the APPLICATION FOR APPROVAL OF SANITARY FACILITIES FOR SUBDIVISIONS

DRINKING WATER SERVICE AGREEMENT - An agreement subject to the attached letter which is effective this date has been made between the owners of:

Florence Country Estates

NAME OF SUBDIVISION

and the

ARIZONA WATER COMPANY

NAME OF WATER SYSTEM OR MUNICIPALITY

to provide water service to each and every lot in accordance with the design shown on the attached plats of the subdivision.

The undersigned hereby agrees to inspect this project during construction to assure compliance with plans and specifications approved by the Arizona Department of Environmental Quality and upon completion shall be responsible for maintenance and operation of the system:

Date 10/17/03

Name Michael Whitehead



TYPE OR PRINT

SIGNATURE

Title Vice President - Engineering

Address P.O. Box 29006

City Phoenix, AZ 85038-9006

# APPLICATION for APPROVAL TO CONSTRUCT DRINKING WATER FACILITIES

(PLEASE SUBMIT TO THE ADEQ ENGINEERING REVIEW DESK AT 1110 W. WASHINGTON ST., PHOENIX, AZ 85007)

A. PROJECT NAME: Florence Country Estates

B. PROJECT TYPE (Please check all applicable components for the OVERALL PROJECT):

New Drinking Water Well or Source  Water Treatment Plant  
 Water Line and Appurtenances  Other: \_\_\_\_\_

C. SYSTEM NAME/PUBLIC WATER SYSTEM NUMBER/OPERATIONAL STATUS:

SYSTEM NAME: Arizona Water Company - Casa Grande SYSTEM NUMBER 1 1 0 0 9  
 New System  Extension to Existing System

D. PROJECT LOCATION (Please provide approximate center. Information is required to accept application):

LATITUDE 32° 52' 00.0" N LONGITUDE 111° 35' 00.0" W  
 TOWNSHIP 6S RANGE 7E SECTION 27 QUARTER SECTION (CIRCLE) NE SE SW NW  
 COUNTY Pinal

E. PROJECT DESCRIPTION: Install a water distribution system to serve Florence Country Estates.

F. PROJECT ENGINEER (PLEASE PRINT):

G. PROJECT OWNER (PLEASE PRINT):

NAME	Michael Whitehead	Arizona Water Company
ADDRESS	P.O. Box 29006 Phoenix, AZ 85038-9006	P.O. Box 29006 Phoenix, AZ 85038-9006
PHONE NO./FAX NO.	602-240-6860 / 602-240-6878	602-240-6860 / 602-240-6878
SIGNATURE/DATE	<i>Michael Whitehead</i> 10-7-03	<i>Michael Whitehead</i> 10-7-03

H. PLAN DOCUMENTS SUBMITTED (PLEASE SEE ADEQ FORM #222, SUBMITTAL GUIDE FOR VARIOUS PROJECT TYPES)

NOTE: INCOMPLETE SUBMITTALS WILL NOT BE LOGGED IN.

J. OWNER/AGENT AGREEMENT AND SCHEDULE: AGREEMENT-The undersigned as Project Owner or as acting Agent for the Project Owner hereby a) grants ADEQ permission to enter the site for inspections; b) authorizes the Project Engineer to prepare and submit plan documents to the ADEQ ENGINEERING REVIEW DESK; and c) agrees to construct the sanitary facilities according to the ADEQ Certificate of Approval and the approved plan documents.

CONSTRUCTION SCHEDULE-Estimated start date: Upon receipt of approval Estimated completion date: W/in 1 year from approval

Michael Whitehead V.P.- Engineering *Michael Whitehead* 10-7-03  
 TYPE OR PRINT NAME AFFILIATION SIGNATURE DATE

ADEQ COMPLIANCE EVALUATION:	ADEQ FILE NO: _____
IN-COMPLIANCE: _____	LTF NUMBER: _____
NON-COMPLIANCE: _____	
COMMENTS: _____	SITE INSPECTION REQUIRED? <input type="checkbox"/> NO <input type="checkbox"/> YES

**MJW29**



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

Page 1 Of 1

<b>ADEQ File No:</b> 20030575	
<b>System Name:</b> Az Water Co - Casa Grande	<b>System Number:</b> 11009
<b>Project Owner:</b> Az Water Co	
<b>Address:</b> P.O. Box 29006, Phoenix, AZ 85038	
<b>Project Location:</b> Casa Grande	<b>County:</b> Pinal
<b>Description:</b> OFF-SITE WATER MAIN EXTENSION AND ON-SITE WATER DISTRIBUTION SYSTEM TO SERVE FLORENCE COUNTRY ESTATES AS PER APPROVED PLANS AND SPECIFICATIONS. THE PROJECT MAY BE CONSTRUCTED IN FOUR PHASES.	

*Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1*

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 4, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-4-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-4-507(B); such a request must be made in writing in accordance with the time requirements of R18-4-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-4-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-4-507(A), Ariz. Admin. Code.

Reviewed by JD1

By: *Aolad Hossain* / 1/8/04  
 Aolad Hossain., P.E., Manager      Date  
 Technical Engineering Unit  
 Water Quality Division

cc: File No : 20030575  
 Regional Office: Central  
 Owner: Az Water Co  
 County Health Department: Pinal  
 Engineer: Az Water Co.  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr021

**RECEIVED**  
 JAN 15 2004

**MJW30**

#115 - 988 BEACH AVENUE  
VANCOUVER, B.C.  
V6Z 2N9



CANADA: (604) 685-2551  
FAX: (604) 685-2533  
TOLL FREE: 800-663-8013

E-MAIL: bcarpenter@taina.com

To: JAMES WILSON From: Brian Carpenter - Secretary/Treasurer  
Fax: (602) 240-6878 Pages: 10  
Re: ANNUAL REPORTING AGMT Date: APRIL 21 / 2004  
FLORENCE COUNTRY ESTATES.

ATTACHED IS A DRAFT "REPORTING AGREEMENT"  
PLS ADVISE CHANGES (IF ANY) OR OK  
AND I WILL FORWARD (UPDATED) "ORIGINALS"  
TO YOU - AND SAN CARLOS -  
FOR SIGNATURE / APPROVAL

THANK YOU

Brian C

BRIAN CARPENTER  
BCARPENTER@TAINA.COM  
1 800 663 8013

(PS ALSO ORIGINAL FAX IS INCLUDED)

#115 - 988 BEACH AVENUE  
VANCOUVER, B.C.  
V6Z 2N9



CANADA: (604) 685-2551  
FAX: (604) 685-2533  
TOLL FREE: 800-663-8013

E-MAIL: bcarpenter@taina.com

— ARIZONA WATER COMPANY

To: MICHAEL WHITEHEAD From: Brian Carpenter - Secretary/Treasurer

Fax: (602) 240-6878 Pages: (cc) CARMAC NOLAN

cc

Re: ANNUAL REPORTING AGMT Date: APRIL 5 / 2004

FLORENCE COUNTRY ESTATES.

- o ATTACHED IS A <sup>DRAFT</sup> CONTRACT BASED ON AN EXAMPLE I RECEIVED FROM CAGRD.
- o PLEASE ADVISE IF OK ~~OR WHAT CHANGES YOU REQUIRE.~~
- o IF OK — I WILL FORWARD 4 "ORIGINALS"  
— CAGRD WILL REQUIRE AN ORIGINAL —  
(AND ONE TO EACH SIGNING PARTY)

Recording Requested By:  
ARIZONA WATER COMPANY

When Recorded, Mail To:  
Arizona Water Company  
P.O. Box 29006  
Phoenix, Arizona 85038-9006

### ANNUAL REPORTING AGREEMENT

THIS AGREEMENT is entered into by and between Arizona Water Company, an Arizona corporation, hereinafter the "COMPANY," Florence Country Estates Homeowners Association, Inc. an Arizona non-profit corporation, hereinafter the "ASSOCIATION," and San Carlos Irrigation and Drainage District, hereinafter the "DISTRICT."

- A. The subdivision known as Florence Country Estates is a planned community as defined in A.R.S. 33-1802 and as described in Exhibit A herein (the "SUBDIVISION"); and
- B. The COMPANY is a public service corporation, regulated by and subject to the jurisdiction of the Arizona Corporation Commission which has granted the COMPANY a Certificate of Public Convenience and Necessity which authorizes and requires the COMPANY to provide water service, including service of water for irrigation purposes, within a service area that includes the SUBDIVISION; and
- C. The ASSOCIATION is an association as defined in A.R.S. 33-1802.1; and
- D. The DISTRICT is an irrigation district as defined in A.R.S. 48-2901, et seq., and a municipal corporation that provides untreated water for irrigation purposes to member land within the DISTRICT's boundaries, and
- E. The owners/developers of the SUBDIVISION desire that the SUBDIVISION become a Member Land of the Central Arizona Groundwater Replenishment District (the "CAGR"); and
- F. The Central Arizona Groundwater Replenishment District (the "CAGR"), in accordance with A.R.S. 48-3775(A), requires the COMPANY to file annual reports with the CAWCD, the Director of the Arizona Department of Water Resources, the Pinal County Tax Assessor and the Pinal County Treasurer (the "Water Delivery Reports") on or before \_\_\_\_\_ of each year related to the Company's groundwater deliveries, after water deliveries to the SUBDIVISION have commenced; and

March 31

G. The ASSOCIATION desires that the COMPANY file annual Water Delivery Reports for the SUBDIVISION which will include any untreated groundwater deliveries to the SUBDIVISION by the DISTRICT; and

H. This AGREEMENT shall be filed as an Amendment Declaration establishing the SUBDIVISION and the ASSOCIATION as defined in A.R.S 33-1802.3.

NOW, THEREFORE, in consideration of the terms, provisions and covenants hereof and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows;

1. The ASSOCIATION agrees to provide all necessary information, in the form of an annual report, to the COMPANY by February 20 of each year, regarding any untreated groundwater deliveries made by the DISTRICT to the SUBDIVISION after the recordation of this AGREEMENT. The ASSOCIATION also agrees to cooperate fully with the COMPANY concerning the COMPANY's preparation and filing of the annual Water Delivery Reports.

2. The DISTRICT agrees to provide all necessary information, in the form of an annual report, to the ASSOCIATION prior to Feb 20 of each year, regarding any untreated groundwater deliveries made by the DISTRICT to the SUBDIVISION after the recordation of this AGREEMENT. The DISTRICT also agrees to cooperate fully with the ASSOCIATION concerning the ASSOCIATION's preparation and provision of the ASSOCIATION's annual report to the COMPANY.

3. The COMPANY agrees to preparation and file the annual Water Delivery Reports in accordance with A.R.S. 48-3775(A), which reports will include any untreated groundwater deliveries made by the DISTRICT to SUBDIVISION reported to the COMPANY by the ASSOCIATION.

4. The COMPANY shall have no obligation to report any deliveries of untreated groundwater made from the DISTRICT to the SUBDIVISION if the ASSOCIATION fails to provide the necessary information to the COMPANY as set forth herein.

5. The ASSOCIATION shall fully indemnify, defend and hold harmless the COMPANY and its directors, agents, officers, employees, and representatives from and against any liability, loss, claim, damage, penalty, violation or expense incurred by the COMPANY directly or indirectly arising in connection with this AGREEMENT to the extent caused by the negligence or misconduct of the ASSOCIATION or from nonperformance of the terms and conditions of this AGREEMENT by the ASSOCIATION.
6. This AGREEMENT may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original. Signature pages may be detached from the counterparts and attached to a single copy of this document to form physically one document.
7. Any notice given in connection with this AGREEMENT must be in writing and must be given by personal delivery, overnight delivery, facsimile, or United States certified or registered mail. Any such notice must be addressed to the appropriate party at the following address(or at any other address as a party hereto may hereafter designate by written notice given as required by this paragraph):

**COMPANY**

For delivery use:

Arizona Water Company  
3805 North Black Canyon Highway  
Phoenix, AZ 85015

For U.S. Mail use:

*Attn: VP - OPERATIONS*  
Arizona Water Company  
P.O. Box 29006  
Phoenix, AZ 85038-9006  
Attn: Vice President - Operations

For facsimile use:

(602) 240-6878  
Attn: Vice President - Operations

**ASSOCIATION**

For delivery use:

Florence Country Estates Homeowners Association, Inc  
# 115 - 988 Beach Avenue  
Vancouver, B.C. V6Z 2N9

For U.S. Mail use:

The same

For facsimile use:

(604) 685-2533

**DISTRICT**

For delivery use:

San Carlos Irrigation and Drainage District  
120 South 3rd  
Coolidge, AZ 85228  
Attn: District Manager

For U.S. Mail use:

San Carlos Irrigation and Drainage District  
P.O. Box 219  
Coolidge, AZ 85228  
Attn: District Manager

For facsimile use:

(520) 723-7965  
Attn: District Manager

For the Purpose of sending annual reports, the reporting party may send such annual reports to the receiving party's U.S. Mail address listed above by the regular mail or by facsimile.

8. This AGREEMENT may be modified, amended or revoked only by the express written agreement of the parties hereto.

IN WITNESS WHEREOF, this AGREEMENT is execute and effective as of the date indicated below.

**ASSOCIATION:**

Florence Country Estates Homeowners Association, Inc  
an Arizona non-profit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**DISTRICT:**

San Carlos Irrigation and Drainage District .  
an Arizona irrigation district, as defined in A.R.S. 48-2901, et seq.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

**COMPANY:**

Arizona Water Company, an Arizona corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Its: \_\_\_\_\_

Dated: \_\_\_\_\_



**ARIZONA DEPARTMENT OF WATER RESOURCES**  
**OFFICE OF ASSURED WATER SUPPLY**  
 500 NORTH THIRD STREET  
 PHOENIX, ARIZONA 85004  
 (602) 417-2460

**NOTICE OF INTENT TO SERVE FOR PRIVATE WATER COMPANIES**

Subdivision/Development Name: Florence Country Estates

Owner: See Owner's Page

Private Water Company ("PWC") Name: Arizona Water Company - Casa Grande  
 (If the water provider has several divisions, please specify in which service area the subdivision is located.)

ADWR Service Area Right Number: 56-001307 ADEQ Public Water System Number: 11009  
 (Number can be found on ADWR Annual Reports) (Please indicate the number valid for this subdivision)

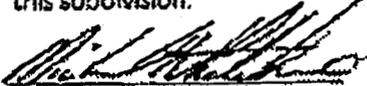
Will Development be served from the PWC's existing, or an extension of, the water distribution system?  Yes  No  
 If no, will the PWC be establishing a new service area right to serve the Development? Yes  No   
 If yes, what type of right will be used to establish the service area right?  
 If the Development is not served from the existing, or an extension of, the water distribution system, a new service area right must be established before a Certificate of Assured Water Supply will be issued. Please contact your local AMA office for more information on establishing a new service area right.

Is the Development within the PWC's existing Certificate of Convenience and Necessity (CC&N)?  Yes  No  
 If no, has an application for an extension of the CC&N been filed?  Yes  No  
 If yes, date of submittal: August 12, 2003 Approved? Yes  No   
 Please include a copy of the application for extension and reference as an attachment.  
 If the Development is not within the PWC's CC&N, a Certificate of Assured Water Supply will not be issued until the CC&N has been extended to include the Development.

1	2	3	4	5	6
Number of Lots	Person per Housing Unit	GPCD	On-Site Residential Demand (af/yr)	On-Site Non-Residential Demand (af/yr)	Total On-Site Demand (af/yr)
246	3.5	125	120.56	130.46***	251.02

\*\*\*including 10% Lost & Unaccounted For

Arizona Water Company (the "Company") certifies that the Development is within the Company's existing CC&N or that it has filed an application with the ACC to extend its CC&N to include the Development and that it will provide water service to the Development, subject to the Company's Terms and Conditions for the Provision of Water Service, and all other applicable Tariffs on file with the Arizona Corporation Commission ("ACC"), with an amount of water sufficient to satisfy water demands of the Development, which are estimated above. This Notice of intent to serve is conditioned upon the Company's receipt of all necessary approvals from the ACC and other regulatory agencies and the Company's receipt of all necessary permits. The Company further certifies that the Development will be served from the existing, or an extension of the existing water distribution system and, if not, a new service area right will be established using the water right specified above. The Company acknowledges that it has reviewed the total estimated water demand of this subdivision.

	<u>Michael J. Whitehead</u> Name	<u>Vice President - Engineering</u> Title	<u>12-11-2003</u> Date
<u>B. Computer</u> CAWS Applicant Signature	<u>BRIAN CARL ENTER</u> Name	<u>SECRETARY/TREASURER</u> Title	<u>02/11/2004</u> Date
		<u>Box 287 FLORENCE BUD</u>	<u>INC</u>

W:\04\WORK\0403\ADWR NOTICE OF INTENT TO SERVE FLORENCE COUNTRY ESTATE (2004) REVISED BY ADWR  
 12-20-03 12:11:00

Signature	Name	Title	Date
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02/10/2004 10:06

8825229733

CORE GROUP

PAGE 05

01/26/2004

15:39

SCIDU - 15025229733

NO. 046 023

**ARIZONA DEPARTMENT OF WATER RESOURCES**  
**OFFICE OF ASSURED WATER SUPPLY**  
 800 NORTH THIRD STREET  
 PHOENIX, ARIZONA 85004  
 (602) 417-2463

**NOTICE OF INTENT TO SERVE**  
**UNTREATED WATER BY IRRIGATION DISTRICTS**

Subdivision/Development Name: FLORENCK COUNTRY ESTATES  
 Owner: See Owners Page  
 Irrigation District Name: SAN CARLOS IRRIGATION & DRAINAGE DISTRICT  
 ADWR Service Area Right Number: 57 (Number can be found on ADWR Annual Reports)  
 Is the subdivision to be served within the irrigation district's service area? Yes No

1	2	3	4	5
Number of Lots	Estimated Demand per Housing Unit Served by Irrigation District	Estimated Residential Demand (afy) Served by Irrigation District	Estimated Other Demand (afy) Served by Irrigation District	Total Estimated Annual Demand (afy) Served by District
246		1180.80	130.46	1311.27

The undersigned irrigation district agrees to provide to the development indicated above an amount of untreated water sufficient to satisfy part of the water demands of the development as estimated above, subject to the law of priority and other applicable laws, including laws relating to the distribution of water in the event of shortage, and the terms and conditions of service imposed by the irrigation district. This Notice of Intent to Serve is conditioned upon the irrigation district's receipt of any necessary approvals from the relevant regulatory agencies and the irrigation district's receipt of all necessary payments. The irrigation district further attests that the development is within the irrigation district's service area and is eligible to receive untreated water deliveries from the irrigation district for Non-Irrigation Use by the subdivision. The irrigation district also acknowledges that it has reviewed the estimated water demand of this subdivision, as listed above, and understands the effect of the demand on its compliance with any applicable conservation targets prescribed in the management plan for the Active Management Area. This Notice of Intent to Serve Agreement is agreed to under the signature of an agent of the irrigation district authorized to sign the agreement.

Irrigation District's Authorized Agent (please type or print): Douglas D Mason

Douglas D Mason  
 Signature of Authorized Agent of Irrigation District

General Manager 12/17/02  
 Title Date

BC Spitzer  
 Signature of Applicant

SECRETARY/TREASURER 02/11/2003  
HJY 287 FLORENCK Date  
CONCRETE INC

Signature of Optionee/ or Authorized Agent

Title Date



# ARIZONA WATER COMPANY

Phoenix Office: PO Box 29006 - Phoenix, AZ 85038-9006

Voice: 602.240.6860 Fax: 602.240.6878

Email: mail@azwater.com

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## FAX TRANSMISSION SHEET

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To: Brian Carpenter 1-604-685-2533

Date: April 28, 2004

From: James Wilson

# Pages including this cover sheet: 9

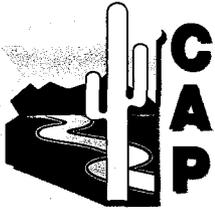
Subject: Florence Country Estates Annual Reporting Agreement Changes

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The pages that follow may contain sensitive, privileged or confidential information intended solely for the addressee named above. If you receive this message and are not the agent or employee of the addressee, this facsimile communication has been sent in error. Please do not disseminate or copy any of the attached and notify the sender immediately by telephone. Please also return the attached sheet(s) to the sender by mail.

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**MJW31**



# CENTRAL ARIZONA PROJECT

P.O. Box 43020 • Phoenix, Arizona 85080-3020 • 23636 North Seventh Street (85024)  
(623) 869-2333 • www.cap-az.com

July 22, 2004

Ms. Natasha Reed  
Core Group  
3743 N. 24<sup>th</sup> St.  
Phoenix, AZ 85016

**Subject: CAGRD Member Land Enrollment Application  
Florence Country Estates  
CAGRD I.D. 01-25-618**

Dear Ms. Reed:

Based on the information provided in the subject application, we have prepared and enclosed the following documents that must be executed and recorded in order to complete the enrollment process.

**Declaration of Covenants, Conditions and Restrictions.** An original and one duplicate original Declaration of Covenants, Conditions and Restrictions must be signed on behalf of the Declarant(s), including any Beneficiary and/or Optionee(s).

**Agreement and Notice of Municipal Provider Reporting Requirements.** An original and one duplicate original Agreement and Notice of Municipal Provider Reporting Requirements must be signed on behalf of the Owner(s), including any Beneficiary and/or Optionee(s), and by the Municipal Provider.

Please have all signatures notarized and return the signed and notarized documents to us. We will have the Agreements executed on behalf of the Central Arizona Water Conservation District, and we will record both the Declaration and Agreement in the Pinal County Recorder's office. After recording, we will notify the Arizona Department of Water Resources that the subdivision has completed the process for becoming a member land of the CAGRD, and we will return fully executed copies to you and the Municipal Provider.

If you have any questions, please call Jeni Martin at (623) 869-2243.

Sincerely,

Clifford A. Neal, Manager  
Central Arizona Groundwater Replenishment District

G:\grd\grd-docs\florencecountrystates.01.25.618.exe.doc  
080.02

Enclosures  
CERTIFIED MAIL

CERTIFIED COPY OF CORPORATE RESOLUTION  
OF

AN ARIZONA CORPORATION MADISON DIVERSIFIED 882 CORP

BRIAN CARPENTER

I, Brian Carpenter, hereby certify that I am the Secretary of HWY 287 FLORENCE BOULEVARD INC, an ARIZONA corporation (S) (the "Corporation"), the custodian of the records of the Corporation; that the following is a full, true and correct copy of a resolution of the board of directors of the Corporation as the same appears in the records of the Corporation: and that the resolutions have not been amended or revoked and are still in full force and effect.

WHEREAS, the Corporation is the owner of a parcel of land which is being subdivided under the name "FLORENCE COUNTRY ESTATES" (the "Property");

FLORENCE COUNTRY ESTATES

WHEREAS, the Corporation must obtain a Certificate of Assured Water Supply issued by the Arizona Department of Water Resources ("DWR") to allow the development, use and enjoyment of the Property. The Corporation has applied to DWR for a Certificate of Assured Water Supply pursuant to Arizona Revised Statutes, Title 45, Chapter 2, Article 9. The Corporation desires to satisfy one requirement for obtaining a Certificate of Assured Water Supply by qualifying the Property as a Member Land in the Central Arizona Groundwater Replenishment District, an operating subdivision of the Central Arizona Water Conservation District. To qualify as a Member Land, the Corporation must satisfy the requirements of Arizona Revised Statutes, Title 48, Chapter 22 (the "Groundwater Replenishment Statutes"). The Groundwater Replenishment Statutes require that the Corporation record a declaration against the Property that complies with A.R.S. § 48-3774.A.5;

WHEREAS, the Corporation deems it to be in its best interest to qualify the Property as a Member Land in the Central Arizona Groundwater Replenishment District;

NOW, THEREFORE, BE IT RESOLVED, that the Corporation is hereby authorized and directed to execute and perform a Declaration of Covenants, Conditions and Restrictions for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District (the "Declaration"), and to record the Declaration against the Property;

FURTHER RESOLVED, that the Corporation is authorized and directed to perform such acts and to execute and deliver such instruments, agreements and documents as may be necessary, required or appropriate to qualify the Property as a Member Land in the Central Arizona Groundwater Replenishment District, including without limitation, the execution and performance by the Corporation of an Agreement and Notice of Municipal Provider Reporting Requirements for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District (the "Agreement");

FURTHER RESOLVED, that the following officers of the Corporation: X

JAMES P. LEE (PRESIDENT)

Name/Title

OR

BRIAN R. CARPENTER (SECRETARY/TREASURER)

Name/Title

be, and each hereby is, acting alone, authorized and directed, in the name of and on behalf of the Corporation, to perform such acts and to execute and deliver such instruments, agreements and documents, including without limitation the Declaration and the Agreement as may be necessary, required or appropriate to carry out the purposes of the herein resolutions; and

FURTHER RESOLVED, that each and every action taken by the Corporation prior to the adoption of the foregoing Resolutions pertinent to qualifying the Property as Member Land in the Central Arizona Groundwater Replenishment District is hereby ratified, approved, confirmed and adopted.

DATED: This 18 day of AUGUST, 2004

B Carpenter  
Name (SECRETARY/TREASURER)

PROVINCIA  
STATE OF BC )  
City )  
County of Vancouver ) ss.

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 2004

by Brian Carpenter, the Secretary/Treasurer of Madison Diversified 882 Corp and Hwy 287 Florence Boulevard Inc.

Kyle C. Hyndman  
Notary Public

My commission expires:  
Permanent

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8200 Fax 604-662-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

When recorded, return to:  
Central Arizona Water  
Conservation District  
P.O. Box 43020  
Phoenix, Arizona 85080-3020  
Attn: Manager, Groundwater  
Replenishment District

**AGREEMENT AND NOTICE OF MUNICIPAL PROVIDER  
REPORTING REQUIREMENTS FOR  
FLORENCE COUNTRY ESTATES  
REGARDING MEMBERSHIP IN THE CENTRAL ARIZONA  
GROUNDWATER REPLENISHMENT DISTRICT**

This Agreement and Notice of Municipal Provider Reporting Requirements for Florence Country Estates Regarding Membership in the Central Arizona Groundwater Replenishment District is made this 18<sup>th</sup> day of August, 2004, among the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona, HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, MADISON DIVERSIFIED 882 CORP., an Arizona corporation, and FLORENCE COUNTRY ESTATES HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation.

**RECITALS**

A. Owner is the owner of the Property, legally described in Exhibit A attached and incorporated into this Agreement.

B. Owner has applied to the Department for a certificate of assured water supply for the Property pursuant to Arizona Revised Statutes Title 45, Chapter 2, Article 9. Owner and the Municipal Provider have executed a notice of intent to serve agreement, as required by the Department, whereby the Municipal Provider has agreed to provide water to the Property. Owner and the Irrigation District have executed a notice of intent to serve agreement, as required by the Department, whereby the Irrigation District has agreed to provide water to the Property.

C. The Municipal Provider, Association, and the Irrigation District have executed an annual reporting agreement whereby the Association has agreed to report to the Municipal Provider the amount of Groundwater delivered to each Parcel each year by the Irrigation District.

D. As permitted by Arizona Revised Statutes § 45-576.01(B), Owner desires to satisfy one requirement for obtaining a certificate of assured water supply by qualifying the Property as Member Land pursuant to the Groundwater Replenishment Statute. As Member Land, the Property will be a member of the Central Arizona Groundwater Replenishment District, an operating subdivision of CAWCD.

E. To qualify the Property as Member Land and to permit the delivery of Excess Groundwater to the Property as Member Land, the Groundwater Replenishment Statute requires the Property to be subject to the Declaration.

F. To qualify the Property as Member Land, the Groundwater Replenishment Statute also requires the Municipal Provider to record this Agreement and comply with certain annual reporting requirements in accordance with Arizona Revised Statutes § 48-3774(C).

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, and intending to be legally bound, the parties hereby agree as follows:

## **ARTICLE 1 DEFINITIONS**

1.1 "Agreement" means this Agreement and Notice of Municipal Provider Reporting Requirements for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District, as amended from time to time.

1.2 "Association" means FLORENCE COUNTRY ESTATES HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation.

1.3 "CAWCD" means the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona, and any successor political subdivision.

1.4 "Declaration" means the Declaration of Covenants, Conditions and Restrictions for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District recorded by Owner, as declarant, against the Property.

1.5 "Department" means the ARIZONA DEPARTMENT OF WATER RESOURCES, an agency of the State of Arizona, and any successor agency.

1.6 "Director" means the director of the Department.

1.7 "Excess Groundwater" means the amount of Groundwater equal to the amount of Groundwater delivered to the Property by the Municipal Provider and the Irrigation District in a calendar year in excess of the amount of Groundwater that may be used at the Property in that calendar year consistent with the applicable Assured and Adequate Water Supply Rules adopted by the Department for the Pinal Active Management Area pursuant to Arizona Revised Statutes § 45-576(H), subject to the provisions of Paragraph 2.4 herein.

1.8 "Groundwater" is as defined in Arizona Revised Statutes § 45-101(5).

1.9 "Groundwater Replenishment Statute" means Arizona Revised Statutes, Title 48, Chapter 22.

1.10 "Irrigation District" means SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT.

1.11 "Member Land" is as defined in Arizona Revised Statutes § 48-3701(9).

1.12 "Municipal Provider" means ARIZONA WATER COMPANY, an Arizona corporation, and its successors and assigns.

1.13 "Owner" means HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel Nos. 1, 2, 3 and 4, and MADISON DIVERSIFIED 882 CORP., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel No. 5, and their successors and assigns.

1.14 "Parcel" means any portion of the Property now existing or hereafter established for which the tax assessor for the county in which the Property is located has issued a separate tax parcel number. The current tax parcel number for each Parcel is as shown in Exhibit B attached and incorporated into this Agreement.

1.15 "Parcel Replenishment Obligation" means, with respect to any particular Parcel, an amount of Groundwater that is equal to the amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Parcel in a calendar year multiplied by the percentage that the Excess Groundwater of the Property for that year bears to the total amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Property during that year.

1.16 "Property" means the real property described in Recital A.

1.17 "Report(s)" means the report(s) required to be prepared by the Municipal Provider in accordance with Arizona Revised Statutes § 48-3775(A) and this Agreement.

## **ARTICLE 2 REPORTING REQUIREMENTS**

2.1 Annual Reports. In accordance with Arizona Revised Statutes § 48-3775(A), on or before March 31 of each year after the recordation of this Agreement, the Municipal Provider shall file a Report with CAWCD, with the Director, and with the tax assessor and treasurer for the county where the Property is located that contains the following information for the preceding calendar year, which is the reporting year.

2.1.1 The amount of Groundwater delivered by the Municipal Provider to each Parcel, identified by the applicable tax parcel number, and the basis for the calculation of the amount of Groundwater delivered.

2.1.2 The amount of Groundwater delivered by the Municipal Provider to the Property, and the basis for the calculation of the amount of Groundwater delivered.

2.1.3 The amount of Groundwater reported by the Association as delivered by the Irrigation District to each Parcel, identified by the applicable tax parcel number, and the basis for the Association's calculation of the amount of Groundwater delivered.

2.1.4 The amount of Groundwater reported by the Association as delivered by the Irrigation District to the Property, and the basis for the Association's calculation of the amount of Groundwater delivered.

2.1.5 The total amount of Groundwater delivered by the Municipal Provider and the Irrigation District to each Parcel, identified by the applicable tax parcel number.

2.1.6. The total amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Property.

2.1.7 The amount of Excess Groundwater delivered by the Municipal Provider and the Irrigation District to the Property, and the basis for the calculation of the amount of Excess Groundwater delivered.

2.1.8 The Parcel Replenishment Obligation of each Parcel, identified by the applicable tax parcel number.

2.1.9 Such other information as CAWCD may reasonably require.

2.2 Records. In accordance with Arizona Revised Statutes § 48-3775(F), the Municipal Provider shall maintain current and accurate records of the information required to be included in the Reports.

2.3 Form of Reports. In accordance with Arizona Revised Statutes § 48-3777, CAWCD shall determine the form of the Reports to be submitted by the Municipal Provider in order to carry out the purposes of the Groundwater Replenishment Statute.

2.4 Formula for Calculating the Minimum Quantity of Excess Groundwater. A minimum of  $\frac{2}{3}$  (two-thirds) of the Groundwater delivered to the Property in any year shall be reported as Excess Groundwater delivered to the Property in that year.

### **ARTICLE 3 ENFORCEMENT POWERS**

3.1 Penalty for Failure to Report. If the Municipal Provider fails to timely file a Report as required by CAWCD, CAWCD may assess a penalty in accordance with Arizona Revised Statutes § 48-3775(G). Provided, however, in the event that the Association fails to provide all necessary information to the Municipal Provider as required by the annual reporting agreement between the Municipal Provider, the Association and the Irrigation District, and that failure prevents the Municipal Provider from timely filing a Report as required by CAWCD, CAWCD may assess a penalty in accordance with Arizona Revised Statutes § 48-3775(G) and the Association, and not the Municipal Provider, shall be required to pay all costs associated with the penalty.

3.2 Inspections, Investigations and Audits. The CAWCD has the rights provided under Arizona Revised Statutes § 48-3783 with respect to inspections, investigations and audits.

### **ARTICLE 4 GENERAL PROVISIONS**

4.1 Binding Effect. The provisions of this Agreement inure to the benefit of and bind the respective successors and assigns of the parties hereto, provided that no assignment or transfer of this Agreement or any part or interest herein by the Municipal Provider is valid until approved by CAWCD, which approval may be withheld solely on the basis of CAWCD's determination that assignment would cause the Municipal Provider, Owner, or CAWCD to be out of compliance with the Groundwater Replenishment Statute or unable to meet its obligations under this Agreement or under the Groundwater Replenishment Statute. The Municipal Provider and Owner agree and covenant to CAWCD to execute and record any additional documentation which CAWCD may reasonably require to effectuate the intents and purposes of this Agreement and the Groundwater Replenishment Statute.

4.2 Entire Agreement. This Agreement constitutes the entire agreement among the parties and no understandings or obligations not expressly set forth in this Agreement are binding upon the parties.

4.3 Amendments. This Agreement may be modified, amended or revoked only (i) by the express written agreement of the parties hereto; or (ii) by amendment statutes, rules or regulations or successor statutes, rules or regulations, as contemplated by Paragraph 4.5.

4.4 Interpretation. This Agreement is governed by and must be construed and interpreted in accordance with and in reference to the laws of the State of Arizona, including but not limited to the Groundwater Replenishment Statute.

4.5 Rules, Regulations and Successor Statutes. All references in this Agreement to Arizona Revised Statutes include all rules and regulations promulgated by the Department under such statutes and all amendments and successor statutes, rules and regulations to such statutes, rules and regulations.

4.6 Severability. Any determination by any court of competent jurisdiction that any provision of this Agreement is invalid or unenforceable does not affect the validity or enforceability of any other provision of this Agreement.

4.7 Captions. All captions, titles or headings in this Agreement are used for the purpose of reference and convenience only and do not limit, modify or otherwise affect any of the provisions of this Agreement.

4.8 Notices. Except as otherwise required by law, any notice given in connection with this Agreement must be in writing and must be given by personal delivery, overnight delivery, facsimile, or United States certified or registered mail. Any such notice must be addressed to the appropriate party at the following address (or at any other address as a party may hereafter designate by written notice given as required by this paragraph):

CAWCD:

For delivery use: Central Arizona Water Conservation District  
23636 North 7th Street  
Phoenix, Arizona 85024  
Attn: Manager, Groundwater Replenishment District

For U.S. Mail use: Central Arizona Water Conservation District  
P.O. Box 43020  
Phoenix, Arizona 85080-3020  
Attn: Manager, Groundwater Replenishment District

Municipal  
Provider: Arizona Water Company  
P.O. Box 29006  
Phoenix, Arizona 85038-9006

Owner: Hwy 287 – Florence Boulevard, Inc.  
c/o Taina Group of Companies  
988 Beach Avenue – Suite #115  
Vancouver, BC V6Z 2N9 Canada

Madison Diversified 882 Corp.  
c/o Taina Group of Companies  
988 Beach Avenue – Suite #115  
Vancouver, BC V6Z 2N9 Canada

Association: Florence Country Estates Homeowners Association, Inc.  
c/o Taina Group of Companies  
988 Beach Avenue – Suite #115  
Vancouver, BC V6Z 2N9 Canada

Notice is deemed to have been given on the date on which notice is personally delivered, delivered to an overnight delivery service, transmitted by facsimile, or mailed. Notice is deemed to have been received on the date on which the notice is actually received or delivery is refused.

4.9 Consent to Recording. Owner hereby consents to the recording of this Agreement against the Property.

IN WITNESS WHEREOF, the Parties to this Agreement have executed this Agreement as of the date first set forth above.

CAWCD: CENTRAL ARIZONA WATER CONSERVATION DISTRICT

By: \_\_\_\_\_  
George R. Renner

Its: President

MUNICIPAL  
PROVIDER:

ARIZONA WATER COMPANY, an Arizona corporation

By: William M. Garfield  
William M. Garfield

Its: President

OWNER:

HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation

By: BCorp

Its: SECRETARY/TREASURER

OWNER:

MADISON DIVERSIFIED 882 CORP., an Arizona corporation

By: BCarpenter

Its: SECRETARY/TREASURER

ASSOCIATION:

FLORENCE COUNTRY ESTATES HOMEOWNERS ASSOCIATION, INC., an Arizona non-profit corporation

By: BCarpenter

Its: SECRETARY TREASURER

STATE OF )  
                  ) ss.  
County of )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2004, by George R. Renner, the President of Central Arizona Water Conservation District.

\_\_\_\_\_  
Notary Public

My commission expires:

\_\_\_\_\_

STATE OF Arizona )  
 ) ss.  
County of Maricopa )

The foregoing instrument was acknowledged before me this 30 day of August, 2004, by William M. Garfield, the President of Arizona Water Company.

Mary C Mure  
Notary Public

My commission expires:

9-24-06



Province  
STATE OF BC )  
 ) ss.  
City  
County of Vancouver

The foregoing instrument was acknowledged before me this 18th day of August, 2004, by BRIAN CARPENTER, the SECRETARY of TRAPUSKER of Hwy 287 - Florence Boulevard, Inc.

[Signature]  
Notary Public

My commission expires:

Permanant

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8200 Fax 604-662-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

Province  
STATE OF BC )  
City ) ss.  
County of Vancouver

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY/TREASURER of Madison Diversified 882 Corp.

  
Notary Public

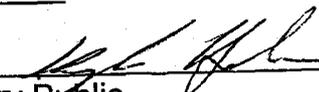
My commission expires:

Permanent

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8200 Fax 604-662-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

Province  
STATE OF BC )  
City ) ss.  
County of Vancouver

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY/TREASURER of Florence Country Estates Homeowners Association, Inc.

  
Notary Public

My commission expires:

Permanent

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8200 Fax 604-662-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

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080.02

EXHIBIT A

PARCEL NO. 1:

The Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT that portion described as follows:

BEGINNING at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed) 1470.00 feet;

Thence East 260.00 feet;

Thence South 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said Northwest quarter 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

That portion of the Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Beginning at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed), a distance of 1470.00 feet;

Thence East a distance of 260.00 feet;

Thence South a distance of 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said West line of the Northwest quarter a distance of 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 3:

The East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Excepting therefrom the following described parcel:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 09 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 4:

That portion of the East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 00 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING

PARCEL NO. 5:

The West half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

EXHIBIT B  
Tax Parcel Numbers

<u>Tax Assessor Parcel Number</u>	<u>Tax Year</u>	<u>County</u>	<u>AMA</u>
401-01-063A	2004	Pinal	Pinal
401-01-063B	2004	Pinal	Pinal
401-01-064	2004	Pinal	Pinal
401-15-002	2004	Pinal	Pinal
401-15-003	2004	Pinal	Pinal

When recorded, please return to:  
Central Arizona Water  
Conservation District  
P.O. Box 43020  
Phoenix, Arizona 85080-3020  
Attn: Manager, Groundwater  
Replenishment District

**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
FLORENCE COUNTRY ESTATES  
REGARDING MEMBERSHIP IN THE CENTRAL ARIZONA  
GROUNDWATER REPLENISHMENT DISTRICT**

This Declaration of Covenants, Conditions and Restrictions for Florence Country Estates Regarding Membership in the Central Arizona Groundwater Replenishment District is made this 18<sup>th</sup> day of August, 2004, by HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, and MADISON DIVERSIFIED 882 CORP., an Arizona corporation.

**RECITALS**

- A. Declarant is the owner of the Property, legally described in Exhibit A attached and incorporated into this Declaration.
- B. Declarant has applied to the Department for a certificate of assured water supply for the property pursuant to Arizona Revised Statutes Title 45, Chapter 2, Article 9.
- C. As permitted by Arizona Revised Statutes § 45-576.01(B), Declarant desires to satisfy one requirement for obtaining a certificate of assured water supply by qualifying the Property as Member Land pursuant to the Groundwater Replenishment Statute. As Member Land, the Property will be a member of the Central Arizona Groundwater Replenishment District, an operating subdivision of the CAWCD.
- D. To qualify the Property as Member Land, the Groundwater Replenishment Statute requires Declarant to subject the Property to this Declaration.
- E. To permit the delivery of Excess Groundwater to the Property as Member Land, each Parcel must be subject to the Parcel Replenishment Obligation, the Replenishment Assessment, the Activation Fee and the applicable Replenishment Reserve Fee to be determined by CAWCD.

F. Qualifying the Property as Member Land and subjecting the Property to the Parcel Replenishment Obligation, the Replenishment Assessment, the Activation Fee and the Replenishment Reserve Fee directly benefits the Property by increasing the potential of the Property to qualify for a certificate of assured water supply issued by the Department pursuant to Arizona Revised Statutes Title 45, Chapter 2, Article 9, thereby allowing the development, use and enjoyment of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the covenants, conditions and restrictions contained in this Declaration.

## **ARTICLE 1 DEFINITIONS**

1.1 "Activation Fee" means the fee established by CAWCD for the purpose of raising funds to pay a portion of the costs associated with acquisition and development of water supplies and infrastructure necessary for CAWCD to perform its obligations under Article 4 of the Groundwater Replenishment Statute. The Activation Fee is equal to the per-unit fee established by the CAWCD Board of Directors multiplied by the total number of housing units to be constructed within that portion of the Property owned by the Owner.

1.2 "Association" means FLORENCE COUNTRY ESTATES HOMEOWNERS ASSOCIATION INC., an Arizona non-profit corporation.

1.3 "CAWCD" means the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona, and any successor political subdivision.

1.4 "Declarant" means HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel Nos. 1, 2, 3 and 4, and MADISON DIVERSIFIED 882 CORP., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel No. 5.

1.5 "Declaration" means this Declaration of Covenants, Conditions and Restrictions for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District, as amended from time to time.

1.6 "Department" means the ARIZONA DEPARTMENT OF WATER RESOURCES, an agency of the State of Arizona, and any successor agency.

1.7 "Excess Groundwater" means the amount of Groundwater equal to the amount of Groundwater delivered to the Property by the Municipal Provider and the Irrigation District in a calendar year in excess of the amount of Groundwater that may be used at the Property in that calendar year consistent with the applicable Assured and Adequate Water Supply Rules adopted by the Department for the Pinal Active Management Area pursuant to Arizona Revised Statutes § 45-576(H).

- 1.8 "Groundwater" is as defined in Arizona Revised Statutes § 45-101(5).
- 1.9 "Groundwater Replenishment Statute" means Arizona Revised Statutes Title 48, Chapter 22.
- 1.10 "Irrigation District" means SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT.
- 1.11 "Member Land" is as defined in Arizona Revised Statutes § 48-3701(9).
- 1.12 "Municipal Provider" means ARIZONA WATER COMPANY, an Arizona corporation, and its successors and assigns.
- 1.13 "Owner" means the Person or Persons who individually or collectively own fee title to a Parcel, provided that if fee title to a Parcel is vested in a trustee under a deed of trust under Arizona Revised Statutes Title 33, Chapter 6.1, the owner of the trustor's interest under the deed of trust is deemed to be the "Owner" of that Parcel.
- 1.14 "Parcel" means any portion of the Property now existing or hereafter established for which the tax assessor for the county in which the Property is located has issued a separate tax parcel number.
- 1.15 "Parcel Replenishment Obligation" means, with respect to any particular Parcel, an amount of Groundwater that is equal to the amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Parcel in a calendar year multiplied by the percentage that the Excess Groundwater of the Property for that year bears to the total amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Property during that year.
- 1.16 "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, limited liability company, limited liability partnership, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
- 1.17 "Property" means the real property described in Recital A.
- 1.18 "Replenishment Assessment" means the annual assessment levied by CAWCD against a Parcel in a calendar year based on the Parcel Replenishment Obligation applicable to that Parcel during that year, including any applicable Replenishment Reserve Charge.
- 1.19 "Replenishment Reserve Charge" means the charge established annually by CAWCD pursuant to Arizona Revised Statutes § 48-3772(E) and included in the Replenishment Assessment.
- 1.20 "Replenishment Reserve Fee" means the fee that must be levied by CAWCD pursuant to Arizona Revised Statutes § 48-3774.01. The fee is equal to twice the

Replenishment Reserve Charge multiplied by the total projected annual Excess Groundwater demand for Florence Country Estates as reported by the Department pursuant to Arizona Revised Statutes § 45-578(F).

## **ARTICLE 2 COVENANT FOR REPLENISHMENT ASSESSMENT**

2.1 Replenishment Assessment. Each Parcel is hereby made subject to the Replenishment Assessment based on the Parcel Replenishment Obligation in an amount to be determined by CAWCD as necessary to allow CAWCD to perform its obligations under Article 4 of the Groundwater Replenishment Statute. In computing the Parcel Replenishment Obligation, the amount of Groundwater delivered to a Parcel in a calendar year will be equal to the sum of two figures: (1) the amount of Groundwater delivered to the Parcel by the Municipal Provider, as measured by the Municipal Provider; and (2) the amount of Groundwater delivered to the Parcel by the Irrigation District, as computed by the Association.

2.2 Levy of Replenishment Assessment. CAWCD shall levy the Replenishment Assessment against each Parcel in accordance with Arizona Revised Statutes § 48-3778.

2.3 Interest, Costs and Penalties. If the Replenishment Assessment is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

## **ARTICLE 3 COVENANT FOR REPLENISHMENT RESERVE FEE**

3.1 Replenishment Reserve Fee. Each Parcel that has qualified as a Category 1 member land pursuant to Arizona Revised Statutes § 48-3774.01 is hereby made subject to the Replenishment Reserve Fee based on a pro rata distribution of the total projected annual Excess Groundwater demand for Florence Country Estates as reported by the Department pursuant to Arizona Revised Statutes § 45-578(F).

3.2 Payment of Replenishment Reserve Fee. In accordance with Arizona Revised Statutes § 45-576(C), the Replenishment Reserve Fee must be paid by the Owner to CAWCD prior to the issuance of a public report by the state real estate commissioner authorizing the sale or lease of subdivided lands within that portion of the Property owned by the Owner. With the approval of CAWCD and the Department, long-term storage credits as defined in Arizona Revised Statutes § 45-802.01 may be assigned by the Owner to CAWCD's replenishment reserve subaccount in lieu of paying the Replenishment Reserve Fee.

3.3 Interest, Costs and Penalties. If the Replenishment Reserve Fee is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

3.4 Not Applicable to Category 2 Member Land. This Article 3 shall not apply to those parcels of the Property that have qualified as Category 2 member land pursuant to Arizona Revised Statutes § 48-3774.01.

#### **ARTICLE 4 COVENANT FOR PAYMENT OF ACTIVATION FEE**

4.1 Activation Fee. Each subdivision that qualifies as a member land pursuant to Arizona Revised Statutes § 48-3774 is hereby made subject to the Activation Fee.

4.2 Payment of Activation Fee. The Activation Fee must be paid by the Owner to CAWCD prior to the issuance of a public report by the state real estate commissioner authorizing the sale or lease of subdivided lands within that portion of the Property owned by the Owner.

4.3 Interest, Costs and Penalties. If the Activation Fee is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

#### **ARTICLE 5 COVENANT FOR CREATION OF LIEN**

5.1 Creation of Lien and Personal Obligation. Declarant, for each Parcel, hereby covenants and agrees, and each Owner (other than Declarant), by becoming the Owner of a Parcel, is deemed to covenant and agree, to pay the Replenishment Assessment, Activation Fee and Replenishment Reserve Fee to CAWCD in accordance with this Declaration and the Groundwater Replenishment Statute. The Replenishment Assessment, together with interest, costs, and penalties as provided by law, constitutes a continuing lien on the Parcel against which such Replenishment Assessment is levied, as provided by Arizona Revised Statutes § 48-3778. A Replenishment Assessment, together with interest, costs and penalties, is also a personal obligation of each Person who was an Owner of a Parcel at the time such Replenishment Assessment came due.

5.2 Remedies for Nonpayment of Replenishment Assessment. In the event of delinquency of any Replenishment Assessment, CAWCD has the rights and remedies provided in Arizona Revised Statutes § 48-3778.

#### **ARTICLE 6 GENERAL PROVISIONS**

6.1 Binding Effect. The Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any portion of or any interest in the Property, each Owner is bound by all the covenants, conditions and restrictions now or hereafter imposed by this Declaration. The covenants, conditions and restrictions contained in this Declaration run with the land and bind Declarant, all Owners, and all successors and assigns of Declarant or any Owner. Declarant agrees and covenants to

CAWCD to execute and record any additional documentation which CAWCD may reasonably require to effectuate the intents and purposes of this Declaration and the Groundwater Replenishment Statute.

6.2 Amendments. This Declaration may be modified, amended or revoked only (i) by the express written agreement of CAWCD, the Department and the Owners of 67% of the total area of the Property; or (ii) by amendment statutes, rules or regulations or successor statutes, rules or regulations, as contemplated by Paragraph 6.4.

6.3 Interpretation. This Declaration must be construed and interpreted in accordance with and in reference to the laws of the State of Arizona, including but not limited to the Groundwater Replenishment Statute.

6.4 Rules, Regulations and Successor Statutes. All references in this Declaration to Arizona Revised Statutes include all rules and regulations promulgated by the Department under such statutes and all amendments and successor statutes, rules and regulations to such statutes, rules and regulations.

6.5 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable does not affect the validity or enforceability of any other provision of this Declaration.

6.6 Captions. All captions, titles or headings in this Declaration are used for the purpose of reference and convenience only and do not limit, modify or otherwise affect any of the provisions of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first set forth above.

DECLARANT: HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel Nos. 1, 2, 3 and 4.

By: B. Carpenter

Its: SECRETARY / TREASURER

DECLARANT: MADISON DIVERSIFIED 882 CORP., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel No. 5.

By: B Carpenter

Its: SECRETARY / TREASURER

Province )  
STATE OF BC )  
City )  
County of Vancouver )  
ss.

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY / TREASURER of HWY 287 - Florence Boulevard, Inc.

[Signature]  
Notary Public

My commission expires:  
Permanent

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8260 Fax 604-662-8225  
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Province )  
STATE OF BC )  
City )  
County of )  
ss.

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY / TREASURER of Madison Diversified 882 Corp.

[Signature]  
Notary Public

My commission expires:  
Permanent

Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Beach Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-662-8260 Fax 604-662-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

EXHIBIT A

PARCEL NO. 1:

The Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT that portion described as follows:

BEGINNING at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed) 1470.00 feet;

Thence East 260.00 feet;

Thence South 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said Northwest quarter 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

That portion of the Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Beginning at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed), a distance of 1470.00 feet;

Thence East a distance of 260.00 feet;

Thence South a distance of 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said West line of the Northwest quarter a distance of 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 3:

The East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Excepting therefrom the following described parcel:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 09 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 4:

That portion of the East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 00 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING

PARCEL NO. 5:

The West half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

When recorded, please return to:  
Central Arizona Water  
Conservation District  
P.O. Box 43020  
Phoenix, Arizona 85080-3020  
Attn: Manager, Groundwater  
Replenishment District

**DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS FOR  
FLORENCE COUNTRY ESTATES  
REGARDING MEMBERSHIP IN THE CENTRAL ARIZONA  
GROUNDWATER REPLENISHMENT DISTRICT**

This Declaration of Covenants, Conditions and Restrictions for Florence Country Estates Regarding Membership in the Central Arizona Groundwater Replenishment District is made this 18<sup>th</sup> day of August, 2004, by HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, and MADISON DIVERSIFIED 882 CORP., an Arizona corporation.

**RECITALS**

- A. Declarant is the owner of the Property, legally described in Exhibit A attached and incorporated into this Declaration.
- B. Declarant has applied to the Department for a certificate of assured water supply for the property pursuant to Arizona Revised Statutes Title 45, Chapter 2, Article 9.
- C. As permitted by Arizona Revised Statutes § 45-576.01(B), Declarant desires to satisfy one requirement for obtaining a certificate of assured water supply by qualifying the Property as Member Land pursuant to the Groundwater Replenishment Statute. As Member Land, the Property will be a member of the Central Arizona Groundwater Replenishment District, an operating subdivision of the CAWCD.
- D. To qualify the Property as Member Land, the Groundwater Replenishment Statute requires Declarant to subject the Property to this Declaration.
- E. To permit the delivery of Excess Groundwater to the Property as Member Land, each Parcel must be subject to the Parcel Replenishment Obligation, the Replenishment Assessment, the Activation Fee and the applicable Replenishment Reserve Fee to be determined by CAWCD.

F. Qualifying the Property as Member Land and subjecting the Property to the Parcel Replenishment Obligation, the Replenishment Assessment, the Activation Fee and the Replenishment Reserve Fee directly benefits the Property by increasing the potential of the Property to qualify for a certificate of assured water supply issued by the Department pursuant to Arizona Revised Statutes Title 45, Chapter 2, Article 9, thereby allowing the development, use and enjoyment of the Property.

NOW, THEREFORE, Declarant hereby declares that the Property shall be held, sold and conveyed subject to the covenants, conditions and restrictions contained in this Declaration.

## **ARTICLE 1 DEFINITIONS**

1.1 "Activation Fee" means the fee established by CAWCD for the purpose of raising funds to pay a portion of the costs associated with acquisition and development of water supplies and infrastructure necessary for CAWCD to perform its obligations under Article 4 of the Groundwater Replenishment Statute. The Activation Fee is equal to the per-unit fee established by the CAWCD Board of Directors multiplied by the total number of housing units to be constructed within that portion of the Property owned by the Owner.

1.2 "Association" means FLORENCE COUNTRY ESTATES HOMEOWNERS ASSOCIATION INC., an Arizona non-profit corporation.

1.3 "CAWCD" means the CENTRAL ARIZONA WATER CONSERVATION DISTRICT, a political subdivision of the State of Arizona, and any successor political subdivision.

1.4 "Declarant" means HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel Nos. 1, 2, 3 and 4, and MADISON DIVERSIFIED 882 CORP., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel No. 5.

1.5 "Declaration" means this Declaration of Covenants, Conditions and Restrictions for FLORENCE COUNTRY ESTATES Regarding Membership in the Central Arizona Groundwater Replenishment District, as amended from time to time.

1.6 "Department" means the ARIZONA DEPARTMENT OF WATER RESOURCES, an agency of the State of Arizona, and any successor agency.

1.7 "Excess Groundwater" means the amount of Groundwater equal to the amount of Groundwater delivered to the Property by the Municipal Provider and the Irrigation District in a calendar year in excess of the amount of Groundwater that may be used at the Property in that calendar year consistent with the applicable Assured and Adequate Water Supply Rules adopted by the Department for the Pinal Active Management Area pursuant to Arizona Revised Statutes § 45-576(H).

- 1.8 "Groundwater" is as defined in Arizona Revised Statutes § 45-101(5).
- 1.9 "Groundwater Replenishment Statute" means Arizona Revised Statutes Title 48, Chapter 22.
- 1.10 "Irrigation District" means SAN CARLOS IRRIGATION AND DRAINAGE DISTRICT.
- 1.11 "Member Land" is as defined in Arizona Revised Statutes § 48-3701(9).
- 1.12 "Municipal Provider" means ARIZONA WATER COMPANY, an Arizona corporation, and its successors and assigns.
- 1.13 "Owner" means the Person or Persons who individually or collectively own fee title to a Parcel, provided that if fee title to a Parcel is vested in a trustee under a deed of trust under Arizona Revised Statutes Title 33, Chapter 6.1, the owner of the trustor's interest under the deed of trust is deemed to be the "Owner" of that Parcel.
- 1.14 "Parcel" means any portion of the Property now existing or hereafter established for which the tax assessor for the county in which the Property is located has issued a separate tax parcel number.
- 1.15 "Parcel Replenishment Obligation" means, with respect to any particular Parcel, an amount of Groundwater that is equal to the amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Parcel in a calendar year multiplied by the percentage that the Excess Groundwater of the Property for that year bears to the total amount of Groundwater delivered by the Municipal Provider and the Irrigation District to the Property during that year.
- 1.16 "Person" means a natural person, corporation, business trust, estate, trust, partnership, association, limited liability company, limited liability partnership, joint venture, government, governmental subdivision or agency, or other legal or commercial entity.
- 1.17 "Property" means the real property described in Recital A.
- 1.18 "Replenishment Assessment" means the annual assessment levied by CAWCD against a Parcel in a calendar year based on the Parcel Replenishment Obligation applicable to that Parcel during that year, including any applicable Replenishment Reserve Charge.
- 1.19 "Replenishment Reserve Charge" means the charge established annually by CAWCD pursuant to Arizona Revised Statutes § 48-3772(E) and included in the Replenishment Assessment.
- 1.20 "Replenishment Reserve Fee" means the fee that must be levied by CAWCD pursuant to Arizona Revised Statutes § 48-3774.01. The fee is equal to twice the

Replenishment Reserve Charge multiplied by the total projected annual Excess Groundwater demand for Florence Country Estates as reported by the Department pursuant to Arizona Revised Statutes § 45-578(F).

## **ARTICLE 2 COVENANT FOR REPLENISHMENT ASSESSMENT**

2.1 Replenishment Assessment. Each Parcel is hereby made subject to the Replenishment Assessment based on the Parcel Replenishment Obligation in an amount to be determined by CAWCD as necessary to allow CAWCD to perform its obligations under Article 4 of the Groundwater Replenishment Statute. In computing the Parcel Replenishment Obligation, the amount of Groundwater delivered to a Parcel in a calendar year will be equal to the sum of two figures: (1) the amount of Groundwater delivered to the Parcel by the Municipal Provider, as measured by the Municipal Provider; and (2) the amount of Groundwater delivered to the Parcel by the Irrigation District, as computed by the Association.

2.2 Levy of Replenishment Assessment. CAWCD shall levy the Replenishment Assessment against each Parcel in accordance with Arizona Revised Statutes § 48-3778.

2.3 Interest, Costs and Penalties. If the Replenishment Assessment is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

## **ARTICLE 3 COVENANT FOR REPLENISHMENT RESERVE FEE**

3.1 Replenishment Reserve Fee. Each Parcel that has qualified as a Category 1 member land pursuant to Arizona Revised Statutes § 48-3774.01 is hereby made subject to the Replenishment Reserve Fee based on a pro rata distribution of the total projected annual Excess Groundwater demand for Florence Country Estates as reported by the Department pursuant to Arizona Revised Statutes § 45-578(F).

3.2 Payment of Replenishment Reserve Fee. In accordance with Arizona Revised Statutes § 45-576(C), the Replenishment Reserve Fee must be paid by the Owner to CAWCD prior to the issuance of a public report by the state real estate commissioner authorizing the sale or lease of subdivided lands within that portion of the Property owned by the Owner. With the approval of CAWCD and the Department, long-term storage credits as defined in Arizona Revised Statutes § 45-802.01 may be assigned by the Owner to CAWCD's replenishment reserve subaccount in lieu of paying the Replenishment Reserve Fee.

3.3 Interest, Costs and Penalties. If the Replenishment Reserve Fee is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

3.4 Not Applicable to Category 2 Member Land. This Article 3 shall not apply to those parcels of the Property that have qualified as Category 2 member land pursuant to Arizona Revised Statutes § 48-3774.01.

#### **ARTICLE 4 COVENANT FOR PAYMENT OF ACTIVATION FEE**

4.1 Activation Fee. Each subdivision that qualifies as a member land pursuant to Arizona Revised Statutes § 48-3774 is hereby made subject to the Activation Fee.

4.2 Payment of Activation Fee. The Activation Fee must be paid by the Owner to CAWCD prior to the issuance of a public report by the state real estate commissioner authorizing the sale or lease of subdivided lands within that portion of the Property owned by the Owner.

4.3 Interest, Costs and Penalties. If the Activation Fee is not paid when due, CAWCD will be entitled to interest, costs and penalties as provided by law.

#### **ARTICLE 5 COVENANT FOR CREATION OF LIEN**

5.1 Creation of Lien and Personal Obligation. Declarant, for each Parcel, hereby covenants and agrees, and each Owner (other than Declarant), by becoming the Owner of a Parcel, is deemed to covenant and agree, to pay the Replenishment Assessment, Activation Fee and Replenishment Reserve Fee to CAWCD in accordance with this Declaration and the Groundwater Replenishment Statute. The Replenishment Assessment, together with interest, costs, and penalties as provided by law, constitutes a continuing lien on the Parcel against which such Replenishment Assessment is levied, as provided by Arizona Revised Statutes § 48-3778. A Replenishment Assessment, together with interest, costs and penalties, is also a personal obligation of each Person who was an Owner of a Parcel at the time such Replenishment Assessment came due.

5.2 Remedies for Nonpayment of Replenishment Assessment. In the event of delinquency of any Replenishment Assessment, CAWCD has the rights and remedies provided in Arizona Revised Statutes § 48-3778.

#### **ARTICLE 6 GENERAL PROVISIONS**

6.1 Binding Effect. The Property shall be held, sold and conveyed subject to this Declaration. By acceptance of a deed or by acquiring any portion of or any interest in the Property, each Owner is bound by all the covenants, conditions and restrictions now or hereafter imposed by this Declaration. The covenants, conditions and restrictions contained in this Declaration run with the land and bind Declarant, all Owners, and all successors and assigns of Declarant or any Owner. Declarant agrees and covenants to

CAWCD to execute and record any additional documentation which CAWCD may reasonably require to effectuate the intents and purposes of this Declaration and the Groundwater Replenishment Statute.

6.2 Amendments. This Declaration may be modified, amended or revoked only (i) by the express written agreement of CAWCD, the Department and the Owners of 67% of the total area of the Property; or (ii) by amendment statutes, rules or regulations or successor statutes, rules or regulations, as contemplated by Paragraph 6.4.

6.3 Interpretation. This Declaration must be construed and interpreted in accordance with and in reference to the laws of the State of Arizona, including but not limited to the Groundwater Replenishment Statute.

6.4 Rules, Regulations and Successor Statutes. All references in this Declaration to Arizona Revised Statutes include all rules and regulations promulgated by the Department under such statutes and all amendments and successor statutes, rules and regulations to such statutes, rules and regulations.

6.5 Severability. Any determination by any court of competent jurisdiction that any provision of this Declaration is invalid or unenforceable does not affect the validity or enforceability of any other provision of this Declaration.

6.6 Captions. All captions, titles or headings in this Declaration are used for the purpose of reference and convenience only and do not limit, modify or otherwise affect any of the provisions of this Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date first set forth above.

DECLARANT: HWY 287 – FLORENCE BOULEVARD, INC., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel Nos. 1, 2, 3 and 4.

By: B. Carpenter  
Its: SECRETARY / TREASURER

DECLARANT: MADISON DIVERSIFIED 882 CORP., an Arizona corporation, as to only that portion of the Property described in Exhibit A as Parcel No. 5.

By: B. Carpenter  
Its: SECRETARY / TREASURER

Province )  
STATE OF BC )  
City )  
County of Vancouver ) ss.

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY / TREASURER of HWY 287 - Florence Boulevard, Inc.

[Signature]  
Notary Public

My commission expires:

Permanant

Province )  
STATE OF BC )  
City )  
County of Vancouver ) ss.

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 2004, by BRIAN CARPENTER, the SECRETARY / TREASURER of Madison Diversified 882 Corp.

[Signature]  
Notary Public

My commission expires:

Permanant

080.02  
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Kyle C. Hyndman  
McCrea & Associates  
Immigration & Citizenship Lawyers  
Suite 102-1012 Desch Ave.  
Vancouver, B.C. Canada V6E 1T7  
Tel. 604-682-8200 Fax 604-682-8225  
Commissioner of Oaths and Notary in and  
for the Province of British Columbia

EXHIBIT A

PARCEL NO. 1:

The Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

EXCEPT that portion described as follows:

BEGINNING at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed) 1470.00 feet;

Thence East 260.00 feet;

Thence South 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said Northwest quarter 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 2:

That portion of the Northwest quarter of Section 26, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Beginning at a point on the West line of the Northwest quarter of said Section 26, from which the Northwest corner thereof bears North (Assumed), a distance of 1470.00 feet;

Thence East a distance of 260.00 feet;

Thence South a distance of 210.00 feet;

Thence West 260.00 feet to the West line of the Northwest quarter of said Section 26;

Thence North along said West line of the Northwest quarter a distance of 210.00 feet to the POINT OF BEGINNING.

PARCEL NO. 3:

The East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Excepting therefrom the following described parcel:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 09 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 4:

That portion of the East half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona described as follows:

COMMENCING at the Northeast corner of said Section 27;

Thence South 00 degrees 00 minutes 00 seconds East along the East line of said Section 27 a distance of 1185.86 feet to the TRUE POINT OF BEGINNING;

Thence North 86 degrees 10 minutes 29 seconds West a distance of 596.88 feet;

Thence South 01 degrees 48 minutes 51 seconds East a distance of 205.83 feet;

Thence North 87 degrees 06 minutes 51 seconds West a distance of 235.57 feet;

Thence South 02 degrees 34 minutes 11 seconds West a distance of 118.13 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 194.89 feet;

Thence North 47 degrees 00 minutes 24 seconds East a distance of 80.65 feet;

Thence South 86 degrees 51 minutes 30 seconds East a distance of 315.97 feet;

Thence South 85 degrees 53 minutes 47 seconds East a distance of 157.75 feet;

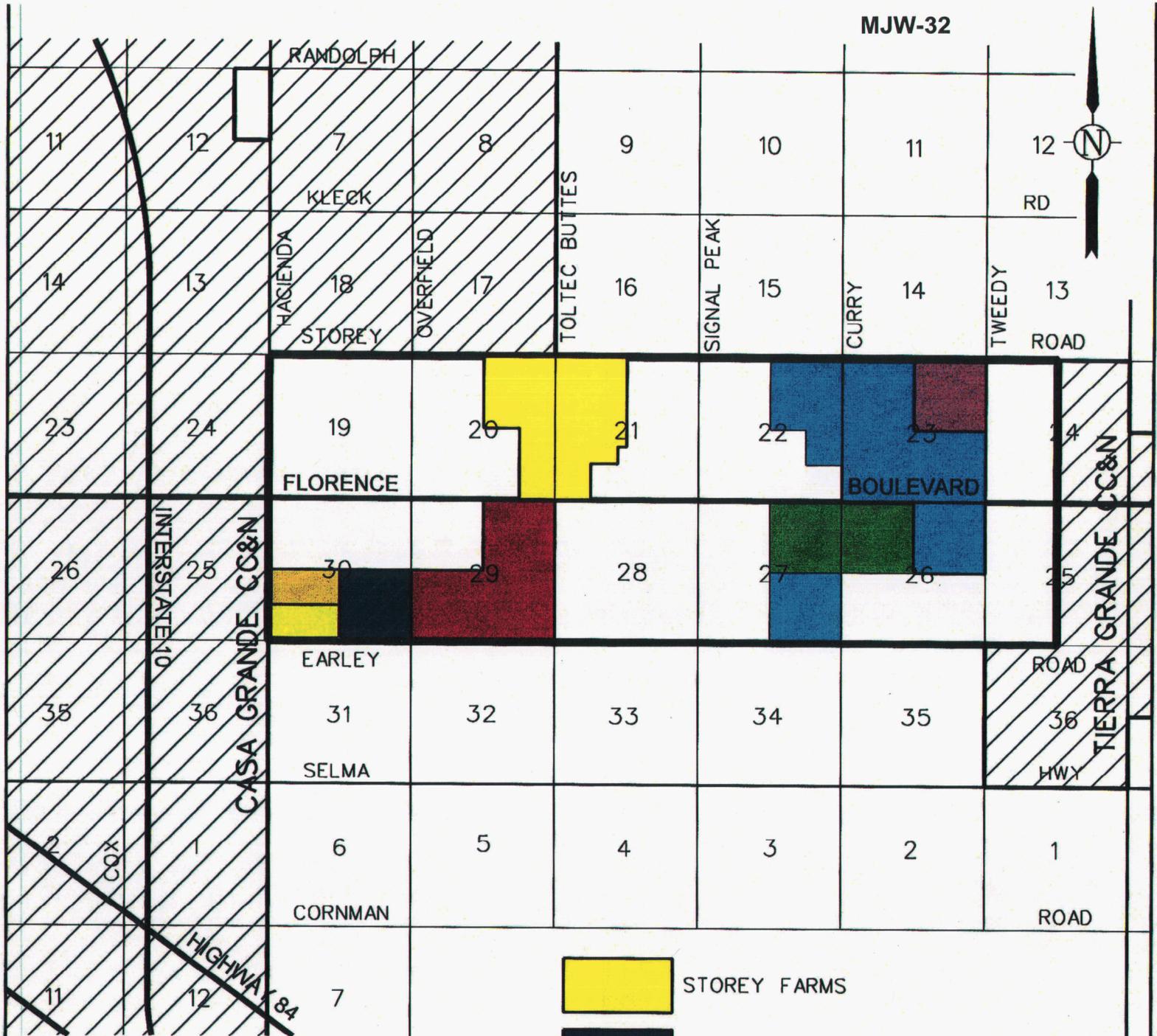
Thence South 75 degrees 54 minutes 14 seconds East a distance of 103.23 feet to a point on the East line of said Section 27;

Thence North 00 degrees 00 minutes 00 seconds East along said East line a distance of 282.37 feet to the TRUE POINT OF BEGINNING

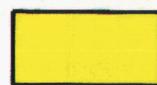
PARCEL NO. 5:

The West half of the Northeast quarter of Section 27, Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona.

**MJW32**



-  CC&N granted per Decision 66893
-  FLORENCE COUNTRY ESTATES
-  POST RANCH (HARVARD INV.)
-  HACIENDA ESTATES
-  HACIENDA HIGHLANDS

-  STOREY FARMS
-  SPRINGWATER POINTE
-  JBC DEVELOPMENT
-  ROSE LAW (AG ROBERTSON)

**ARIZONA WATER COMPANY**

DESCRIPTION: DEVELOPMENTS WITHIN ARIZONA WATER COMPANY CASA GRANDE CC&N

LOCATION: TOWNSHIP 6 SOUTH, RANGE 7 EAST

DATE: 05.19.2006      SCALE: 1" = 1 Mile      DRAWN BY: CB

**MJW33**



# ARIZONA WATER COMPANY

## RECEIPT FOR MAIN EXTENSION DEPOSIT

APPLICANT: Russ Webb JBC Development  
ADDRESS: 4680 East Reins Road Gilbert, AZ 85297

DIVISION: CASA GRANDE  
SYSTEM: \_\_\_\_\_

PROJECT (subdivision or legal description):  
Install 5,280 l.f. of 8" D.I.P. to serve the Webb Property.

DEPOSIT FOR PREPARATION OF: \_\_\_\_\_

DEPOSIT REQUIRED

- Detailed Plans
- Specifications
- Cost Estimates

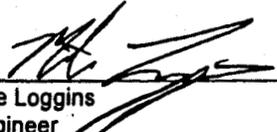
\$450.00

Applicant has provided Arizona Water Company with detailed plans, specifications and facilities to provide water service to the property.

The cost of the main extension and cost of the property is \$450.00.

If Accepted, Applicant agrees to pay the cost of the main extension and cost of the property.

RECEIVED  
ARIZONA WATER COMPANY

By:   
Title: Engineer  
ML

**MJW34**



**ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY  
CERTIFICATE OF APPROVAL TO CONSTRUCT  
WATER FACILITIES**

Page 1 Of 1

<b>ADEQ File No:</b> 20060065	<b>LTF No:</b> 38916
<b>System Name:</b> Az Water Co - C.G.	<b>System Number:</b> 11009
<b>Project Owner:</b> Az Water Co	
<b>Address:</b> P.O. Box 29006, Phoenix, AZ 85038	
<b>Project Location:</b> Casa Grande	<b>County:</b> Pinal
<b>Description:</b> INSTALL APPROXIMATELY 5680 FEET OF 12" DI PIPES ON STOREY ROAD AND THEN 1000 FEET OF 6" DI PIPES SOUTH IN EASEMENT TO SERVE PROPOSED SPLIT OF PARCEL 1C (JBC DEVELOPMENT).	

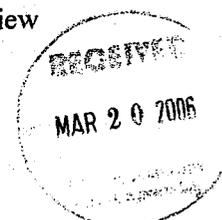
***Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 4 continued on page 1 through 1***

1. This project must be constructed in accordance with all applicable laws, including Title 49, Chapter 2, Article 9 of the Arizona Revised Statutes and Title 18, Chapter 5, Article 5 of the Arizona Administrative Code.
2. Upon completion of construction, the engineer shall fill out the Engineer's Certificate of Completion and forward it to the Central Regional Office located in Phoenix. If all requirements have been completed, that unit will issue a Certificate of Approval of Construction. R18-5-507(B), Ariz. Admin. Code. At the project owner's request, the Department may conduct the final inspection required pursuant to R18-5-507(B); such a request must be made in writing in accordance with the time requirements of R18-5-507(C), Ariz. Admin. Code.
3. This certificate will be void if construction has not started within one year after the Certificate of Approval to Construct is issued, there is a halt in construction of more than one year, or construction is not completed within three years of the approval date. Upon receipt of a written request for an extension of time, the Department may grant an extension of time; an extension of time must be in writing. R18-5-505(E), Ariz. Admin. Code.
4. Operation of a newly constructed facility shall not begin until a Certificate of Approval of Construction has been issued by the Department. R18-5-507(A), Ariz. Admin. Code.

Reviewed by: JD1

By:  3/09/06  
 Kwame A. Agyare, P.E. Date  
 Manager, Drinking Water and  
 Wastewater Engineering Review  
 Water Quality Division

cc: File No: 20060065  
 Regional Office: Central  
 Owner: Az Water Co  
 County Health Department: Pinal  
 Engineer: Az Water Co.  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr021



**MJW35**



**ARIZONA WATER COMPANY**

220 E. 2nd Street  
P.O. Box 11030  
Casa Grande, AZ. 85230-1030

**AGREEMENT FOR  
EXTENSION OF  
WATER FACILITIES**

APPLICANT: JBC Development  
Name  
4680 E. Reins Road  
Address  
Gilbert, AZ. 85297  
City and State Zip Code

Contract No. 3521  
W.A. No. 2-4080

DATE OF AGREEMENT: March 13, 2006

DATE OF AGREEMENT March 13, 2006

CONSTRUCTION START: Approximately 15 days after receiving all material and obtaining all necessary permits and approvals.

PROJECT COMPLETION: Estimated to be within 60 (sixty) days from the start date.

DATE OF COST ESTIMATE (Attachment "A"): March 13, 2006 WATER SYSTEM: Casa Grande

WATER FACILITIES: Install approximately 5,700LF of 6" ductile iron pipe west from Eleven Mile Corner Road along Storey Road and south in an easement to serve the proposed property split of Parcel 1C, east of Casa Grande, AZ. In a portion of the NE 1/4 Sec. 23 T.6S., R. 7E.. **ADEQ approval required, easements required.**

Advance for Construction:	5,700 LF of 6" ductile iron pipe and 1-1" copper service all w/old fittings	\$ 126,769.00
able Contribution in Aid of Construction:		
Less: Main Extension Deposit		\$ 450.00
<b>Total of Required Advances and Contribution (Check #1)</b>		<b>\$ 126,319.00</b>

**ARIZONA PROJECT Hook-Up Fee (CAP Fee) Payable After Agreement Approved by Arizona Corporation Commission (ACC)**

Number of Meters	Casa Grande		Coolidge		White Tank		CAP Fee
	In	Out	In	Out	In	Out	
1	0.11883	0.06883	0.11883	0.06883	0.08583	0.06583	\$ -
0							\$ 208.00
0							\$ -
0							\$ -
0							\$ -
0							\$ -
Subtotal							\$ 208.00
Applicable Rate & Tax	0.06883	0	0	0	0	0	\$ 14.32

Available CAP Fee Due Within 15 days of Notice of ACC Approval (Check #2) \$ 222.32

Will Not Be Released to Construction Until the CAP Fee Has Been Paid.

THIS AGREEMENT is made and entered into by and between ARIZONA WATER COMPANY, an Arizona corporation (hereinafter called the "Company"), and the Applicant named above, in consideration of the

**THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK IN PAPER. SEE BACK SIDE FOR OTHER SECURITY FEATURES**



**Title Security Agency of Arizona**  
P. O. Box 12038  
Tucson, Arizona 85732  
Branch Escrow Account

**BANK ONE, ARIZONA NA**  
Tucson Commercial Banking Center  
2 E Congress  
Tucson, AZ  
91-2/1221

CHECK NO. **108823**

DATE	FILE NUMBER	AMOUNT
05/31/2006	01001435 - 010 LS	\$20,000.00

**PAY TWENTY THOUSAND DOLLARS and no/100**

TO THE ARIZONA WATER COMPANY  
ORDER 220 E 2ND STREET  
OF CASA GRANDE, ARIZONA 85222

VOID AFTER 60 DAYS

*Allison Chambers*  
Allison Chambers

CONTRACT 3521 WA 2-4080

⑈ 108823 ⑈ ⑆ 122100024⑆ 686568098⑈

ARIZONA WATER COMPANY  
Company  
By: *Ray Murray*  
Title: *Gen. of. Supr.*

JBC DEVELOPMENT  
Applicant  
By: *[Signature]*  
Title: *Member*

# ARIZONA WATER COMPANY COST ESTIMATE WORKSHEET

DATE PREPARED: 3/13/2006  
SHEET 1 OF 1  
DRAWING NO. CG-987

PRELIMINARY   
ACTUAL

PREPARED BY: Ray Murrieta

SYSTEM: Casa Grande

PROJECT LOCATION: NE 1/4 Sec. 23 T.6S., R.7E.

PROJECT DESCRIPTION:  
Install approximately 6,680 LF of 6" DIP along Storey Road, west from Eleven Mile Corner Road and south in an easement to serve a proposed split of Parcel 1C known as the JBC Development east of Casa Grande, AZ.

	DESCRIPTION	PLANT PROP ACCT	QUANTITY	UNIT COST	TOTAL	
C O N T R A C T  W O R K	Tie 6" DIP to existing 8" DIP w/r/td fitgs	343	1	\$ 600.00	\$ 600	
	Install 6" DIP w/polywrap and related fittings	343	5,700	17.50	99,750	
	Tax	343	1	1,488.63	1,489	
	Bond	343	1	2,993.85	2,994	
		SERVICE CONNECTIONS: DOUBLE-LONG	345			
	SERVICE CONNECTIONS: DOUBLE-SHORT	345				
	TAXABLE SERVICE CONNECTIONS COMPLETE: SINGLE-LONG	345	1	500.00	500	
	TAXABLE SERVICE CONNECTIONS COMPLETE: SINGLE-SHORT	345				
					\$ 105,333	
M A T E R I A L S	6" MJ 45° Ells	343	10	\$ 75.65	\$ 757	
	6" Mega Lug	343	20	20.35	407	
		SERVICE CONNECTIONS: DOUBLE-LONG	345			
		SERVICE CONNECTIONS: DOUBLE-SHORT	345			
		TAXABLE SERVICE CONNECTIONS: SINGLE-LONG	345			
		TAXABLE SERVICE CONNECTIONS: SINGLE-SHORT	345			
	TAXABLE METERS	346	1	95.52	96	
	METERS	346				
<b>TOTAL MATERIALS</b>					<b>\$ 1,260</b>	
L A B O R						
		TESTING FEE	343	1	\$ 2,000.00	2,000
		PERMIT FEE	343	1	3,000.00	3,000
		SURVEY FEE	343	1	4,000.00	4,000
		FIELD INSPECTION	343	1	4,000.00	4,000
		INSTALL SERVICE CONNECTIONS: DOUBLE-LONG	345			
		INSTALL SERVICE CONNECTIONS: DOUBLE-SHORT	345			
	INSTALL TAXABLE SERVICE CONNECTIONS: SINGLE-LONG	345				
	INSTALL TAXABLE SERVICE CONNECTIONS: SINGLE-SHORT	345				
<b>TOTAL LABOR</b>					<b>\$ 13,000</b>	
<b>SUBTOTAL - CONTRACT WORK, MATERIALS, AND LABOR</b>					<b>\$ 119,593</b>	
<b>OVERHEAD</b>					<b>7,176</b>	
<b>TOTAL</b>					<b>\$ 126,769</b>	

RGM

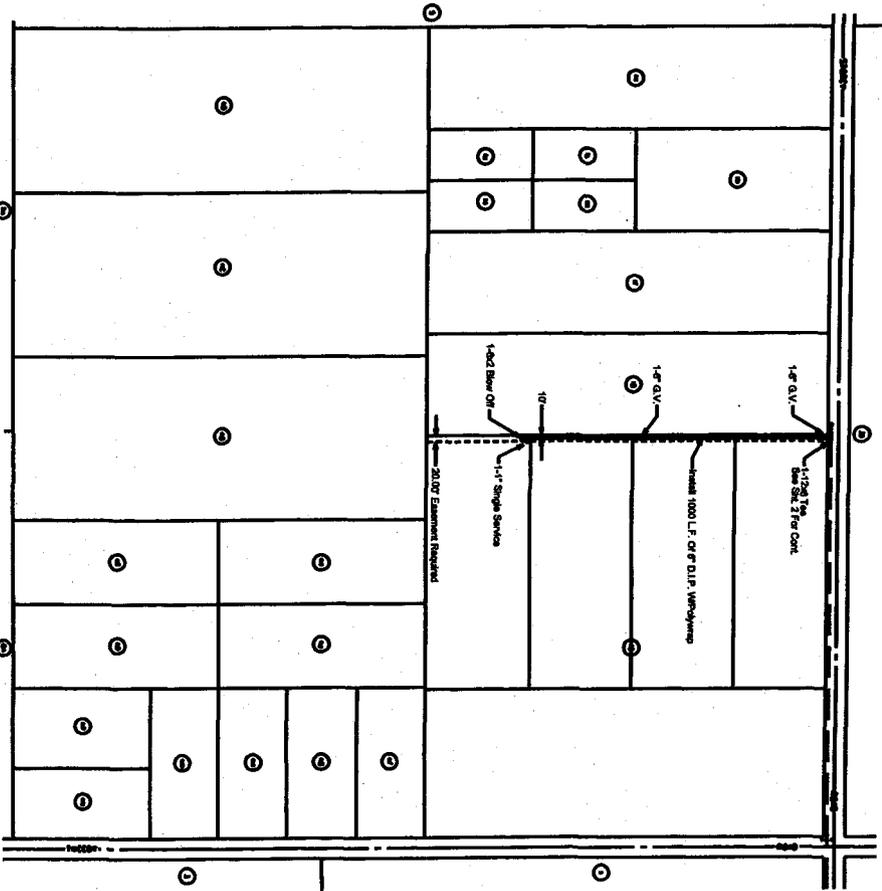
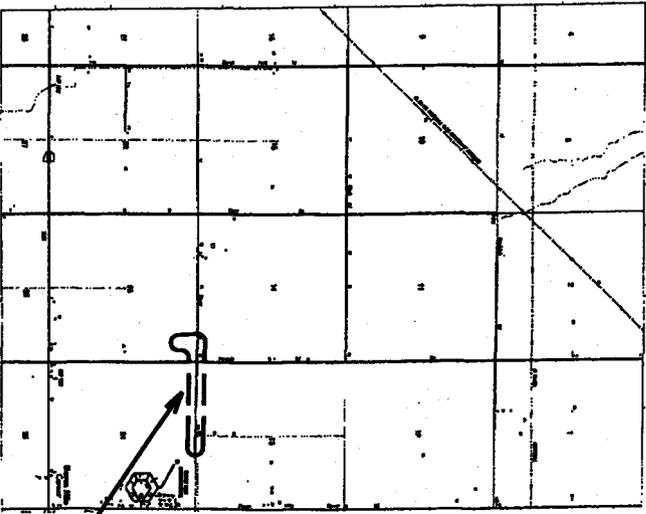
REFUNDABLE PORTION  NON-REFUNDABLE PORTION

**COST ESTIMATE** \$ 126,769

**MJW35**



Install 5680 L.F. Of 12" D.I.P. & 1000 L.F. Of 6" D.I.P. W/Related Fittings  
 Along Storey Road From Eleven Mile Corner Road Past Tweedy Road  
 To Serve  
 The JBC Development At A Proposed Split Of Parcel 1C



MJW-36

**ARIZONA WATER COMPANY**  
 3636 N. BLACK CANYON HWY., POST OFFICE BOX 25008  
 PHOENIX, AZ 85024-0508  
 (602) 246-0500

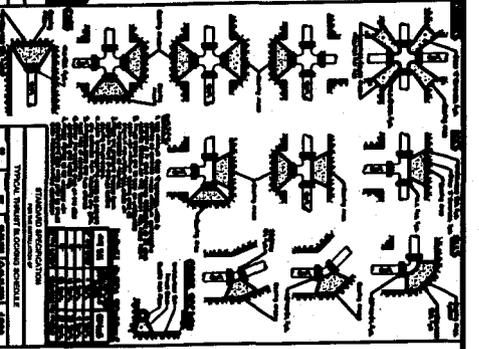
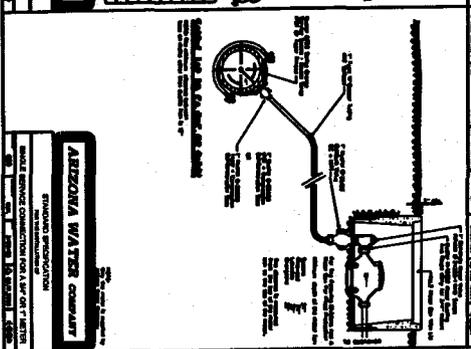
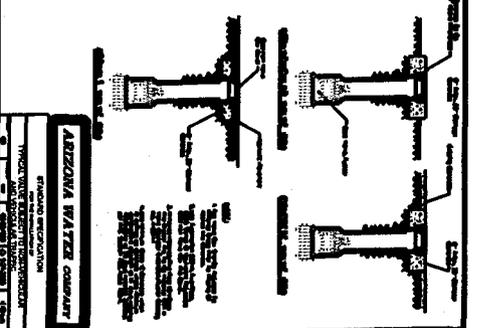
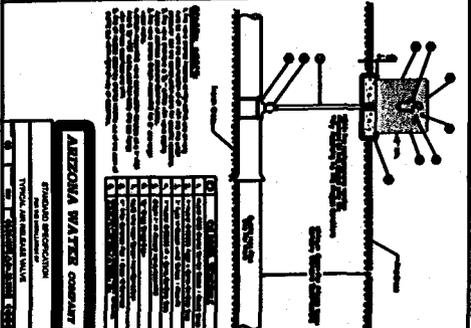
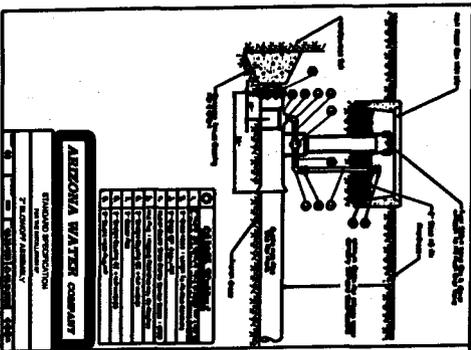
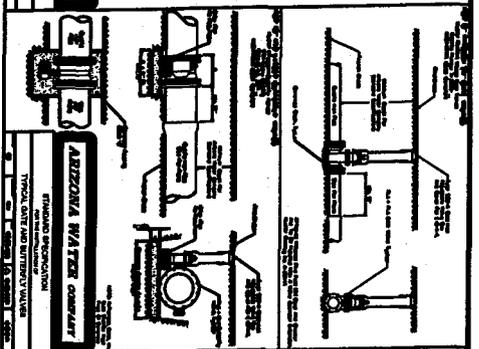
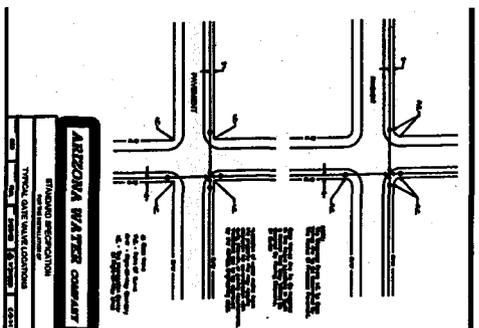
From: **CASA GRANDE**  
 DATE: **SEP 21 1988**  
 TIME: **11:08 A.M.**  
 TO: **ARIZONA WATER COMPANY**  
 PINAL COUNTY

FOR WATER ONLY

CG-987







ARIZONA WATER COMPANY  
 SHEET 4 OF 4  
 CG-987

263-1100  
 1-800-876-5171  
 ARIZONA WATER COMPANY

**MJW37**

May 19, 2006

Mr. Michael J. Whitehead  
Vice President – Engineering  
Arizona Water Company  
3805 North Black Canyon Highway  
Phoenix, AZ 85015-5351

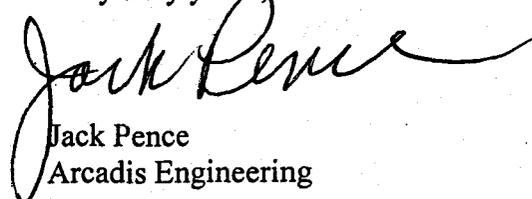
Re: Storey Farms

Dear Mr. Whitehead:

I am the Consulting Engineer representing Storey Farms Sections 20 and 21, T.6S., R.7E. in Casa Grande, Arizona.

I was inquiring if the project is currently located within the Arizona Water Company's current Certificate of Convenience and Necessity and if the Company is willing to serve Storey Farms.

Very truly yours,



Jack Pence  
Arcadis Engineering

kd  
Enclosure  
bcc: Jerry Dexel - CG

**MJW38**

May 19, 2006

Jack Pence  
Arcadis  
8222 South 48<sup>th</sup> Street Ste 140  
Phoenix, AZ 85044

Re: Domestic Water Service to Storey Farms

Dear Mr. Pence:

Arizona Water Company (the "Company") certifies that the above-described property is located within its Certificate of Convenience and Necessity in Casa Grande, Arizona, and that it will provide water service to the property in accordance with the Company's tariffs and the Arizona Corporation Commission's rules and regulations. It will be the responsibility of the developer to provide the funds to install the necessary water facilities, and the Company assumes no liability to install those facilities if the funds are not advanced by the developer.

The design of the water distribution system must comply with the Company's standard specifications that are on file at the Arizona Department of Environmental Quality. Both preliminary and final water system designs must be approved by the Company.

It will also be the responsibility of the developer to meet all the requirements of regulatory agencies having jurisdiction over Arizona subdivisions and of Arizona statutes applicable to subdivided or unsubdivided land, including, but not limited to, requirements relating to a Certificate of Assured Water Supply, as set forth in the Arizona Groundwater Management Act, A.R.S. §45-576.

Very truly yours,



Mike Loggins  
Engineer  
engineering@azwater.com

kd  
bcc: Jerry Dexel - CG

# 33

**MJW39**

MJW-39

ROSE  
LAW GROUP  
pc

COURT S. RICH  
7272 E. Indian School Road Suite 360  
Scottsdale, AZ 85251  
Phone 480.505.3937 Fax 480.505.3925  
crich@roselawgroup.com  
www.roselawgroup.com

October 26, 2005

VIA FACSIMILE and MAIL

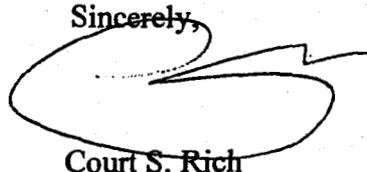
Mike Whitehead  
Arizona Water Company  
3805 N. Black Canyon Hwy  
Phoenix, AZ 85015

Re: Request for CC&N Expansion

Dear Mike:

Please accept this correspondence as the official request for extension of Arizona Water Company's CC&N certificated area to include the properties depicted in the attached exhibits. We are hopeful that all or most of these properties can be included in Arizona Water Company's next CC&N extension request. Please contact this office to discuss this issue further and let us know if any additional information is required to process this request. While this office represents the landowner on these matters, a letter signed by the landowner will be delivered to your office in the very near future.

Sincerely,



Court S. Rich



Robertson 401-01-050



Robertson 401-01-055/6



W Story Rd



Robertson 401-72-05/6A/6B/7A/9

N Tweedy Rd

State Hwy 287

Signal Peak Rd

Robertson 401-01-067



Robertson 401-01-067



Robertson 401-15-001B/D

W Earley Rd

Robertson 401-19-001



Earley Rd

Casa Bonita Rd

**MJW40**

PRELIMINARY ANALYSIS OF  
REQUIREMENTS FOR  
WATER SUPPLY AND DISTRIBUTION  
FOR  
SPRINGWATER POINTE  
CASE GRANDE, AZ

*Prepared for:*  
**Springwater Pointe, L.L.C**  
5108 N. 40<sup>th</sup> Street; Suite 3  
Phoenix, AZ 85018

*Prepared by:*  
**Morrison-Maierle, Inc.**  
80 E. Rio Salado Parkway, Suite 201  
Tempe, Arizona 85281  
480-517-5800

Jeff Davidson, P.E.

July 2005  
MMI Project No: 8374.009



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### FIGURES

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- Figure 2 – Existing Water System
- Figure 3 – Springwater Point Concept Plan

## **A. INTRODUCTION**

### **1. Project Description**

The proposed Springwater Pointe site is located within the City of Casa Grande limits in Pinal County, approximately 5 miles southeast of the central area of the Town of Casa Grande, Arizona. The project consists of 140 acres south of State Route 87 (SR87)/ Florence Boulevard, east of Hacienda Road, and west of Overfield Road. It is comprised of a portion of the Southwest 1/4 of Section 30, Township 6 South, Range 7 East of the Gila Salt River Base and Meridian. See Figure 1. Current land use is agricultural.

The proposed development will include approximately 438 new residential lots plus 120 multi-Family (Town House) residential units. There will be no commercial development. In addition, there will be a minimum of 15% open space and public right-of-way.

### **2. Purpose**

The purpose of this preliminary report is to determine the water supply needed by the proposed Springwater Pointe. This report addresses both the single family and multi-family water supplies needed. The multi-family portion is to be developed as a separate project and is included for planning purposes. Additionally, this report will describe the existing water distribution system surrounding the proposed development and provide a preliminary design for the onsite water system.

### **3. Topographic Conditions**

The total site generally slopes from southeast to northwest and is relatively flat. There does not appear to be any offsite drainage affecting this area. Drainage flows are intercepted by the surrounding roads. Drainage issues will be addressed in the technical drainage memorandum prepared by Morrison-Maierle, Inc.

## **B. WATER SYSTEM MASTER PLAN**

### **1. Existing Water System**

The Springwater Pointe development lies within City of Casa Grande water service area. The City of Casa Grande generally is serviced through a series of wells and storage tanks. Preliminary research indicated that a 12-inch line located along Florence Boulevard will be a viable source of water to the project. Potable water for Springwater Pointe will be provided by the Arizona Water Company.

The site lies within the Arizona Water Company service area. The current point of connection is a 12-inch diameter main in Florence Boulevard at Mission Parkway. The developer may need to install appropriately sized main from the connection point to the site following the Florence Boulevard alignment to the site if the Springwater Pointe development precedes the Mission Royale development or the Post Ranch Development. 12-inch, 8-inch and 6-inch lines are the typical minimum requirements within arterial, collector and local streets, respectively, per Arizona Water Company's standards.

Mains may need to be larger depending upon minimum fire flow requirements. Dependent upon project phasing, this project may tie into a proposed 12-inch water main along Hacienda Road or Overfield Road from Florence Boulevard that will be installed for one of two adjacent projects mentioned above.

Final Water reports and plans, meeting the approval of the City Engineer and Arizona Water Company, are required prior to the approval of any Final Subdivision Plats or Major Site Plans for this project.

### **2. Demand Calculation**

The development plan for the proposed site includes 125 acres of single family residential, 15 acres of Town House residential for the Springwater Pointe development. Per past projects and engineering experience, the water system basis of design was established and the demands from the proposed project calculated. A density of 3.3 people per household was used for both single and multi-family residential lots to calculate the total project population. See Table B.1 for the design criteria used for this project.

**2. DEMAND CALCULATION Cont.**

<b>TABLE B.1 DESIGN CRITERIA</b>	
Capita Per Dwelling Unit	3.3
Max Day Factor	1.8
Peak Hour Factor	3.0
Residential Demand (gallons/capita/day)	125
Fire Flow (gallons/minute)	1500 gpm for 2 hours

The project is anticipated to require a 180, 675 gpd for average daily demand for the single family homes and 49,500 gpd for the multi-family residences (Town Homes) A max day factor of 1.8 is applied to the average demand for maximum daily demand. A peak hour factor of 3.0 is applied to the average demand for peak hour demands. Additionally, a fire flow demand of 1,500 gpm for a duration of 2 hours will be needed. Table B.2. is organized by usage and summarizes the water demands associated with the proposed project.

<b>TABLE B.2 WATER DEMAND SUMMARY</b>						
Land Use	Acres	Dwelling Units (DU)	Demand	Avg. Day (gpd)	Max Day (gpd)	Peak Hour (gpd)
Single Family	125	438	125	180,675	325,215	542,025
Town Homes	15	120	125	49,500	89,100	148,500
<b>Total</b>	<b>140*</b>	<b>558</b>		<b>230,175</b>	<b>413,315</b>	<b>690,525</b>

\*NOTE: Open space and road rights-of-way are included for this preliminary analysis. Fire flows are not included.

**3. 100-Year Water Assurance**

The developer will submit an application for certification of assured water supply and provide a 100-year Assured Water Supply Certificate prior to Final Plat recording.

#### 4. Analysis Criteria and Assumptions

The proposed water system criteria are based on past conversations with City of Case Grande and Arizona Water Company personnel. Table B.3 summarizes the recommended minimum standards of design for this project.

<b>Description</b>	<b>Requirement</b>
Water Service Main Line	12-inch
Water Service Sub Line	8-inch
Residential Street Pipe Size	6-inch (minimum)
Service Line Size	1-inch (minimum)
Pipe Material	DIP
Fire Hydrant Spacing	300-foot spacing (maximum)
Maximum Day Residual Pressure	50-80 psi
Maximum Day with Fire Flow Residual Pressure	20 psi (minimum)
Maximum Flow Velocity	< 10 feet/second
Maximum Headloss	< 10 feet/1,000 feet

#### 5. Proposed Water System

The proposed on-site water distribution system will primarily consist of 6-inch to 12-inch water mains. This pipe will be DIP piping throughout the property.

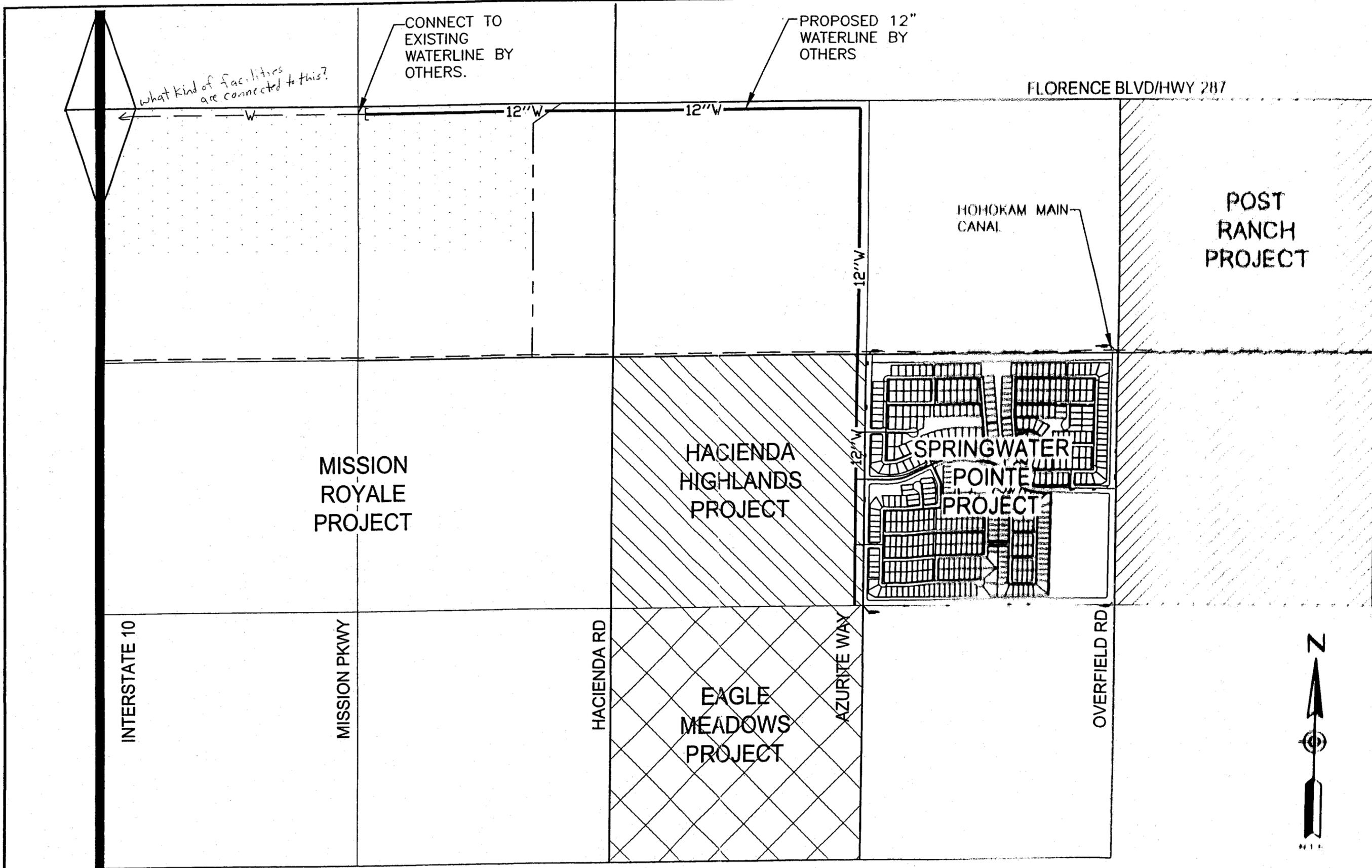
The proposed water system will be able to accommodate maximum day flows and fire flows for the project. Fire hydrants will be spaced every 300 feet maximum to provide adequate fire protection.

A detailed water distribution system analysis needs to be completed to determine facility improvements necessary to support the project. This will include additional modeling to verify minimum pressure and adequate capacity in the existing system. It is anticipated that additional facilities such as wells or tanks will not be required for this project.

### C. Conclusion

Springwater Pointe requires approximately 180,675 gpd for an average daily demand. The future multi-family homes will require approximately 49,500 gpd for an average daily demand. The total required average daily demand upon full development of the single family homes and the multi-family homes will be approximately 230,175 gpd. It is anticipated that the onsite improvements will include 6-inch to 12-inch water lines throughout the property. These waterlines will also accommodate fire flows to provide fire protection to the proposed site.

Additional modeling will need to be completed to verify minimum pressures in the existing system and verify the existing 12-inch waterline has adequate capacity to supply Springwater Pointe.



what kind of facilities are connected to this?

CONNECT TO EXISTING WATERLINE BY OTHERS.

PROPOSED 12" WATERLINE BY OTHERS

FLORENCE BLVD/HWY 287

HOHOKAM MAIN CANAL

POST RANCH PROJECT

MISSION ROYALE PROJECT

HACIENDA HIGHLANDS PROJECT

SPRINGWATER POINTE PROJECT

EAGLE MEADOWS PROJECT

INTERSTATE 10

MISSION PKWY

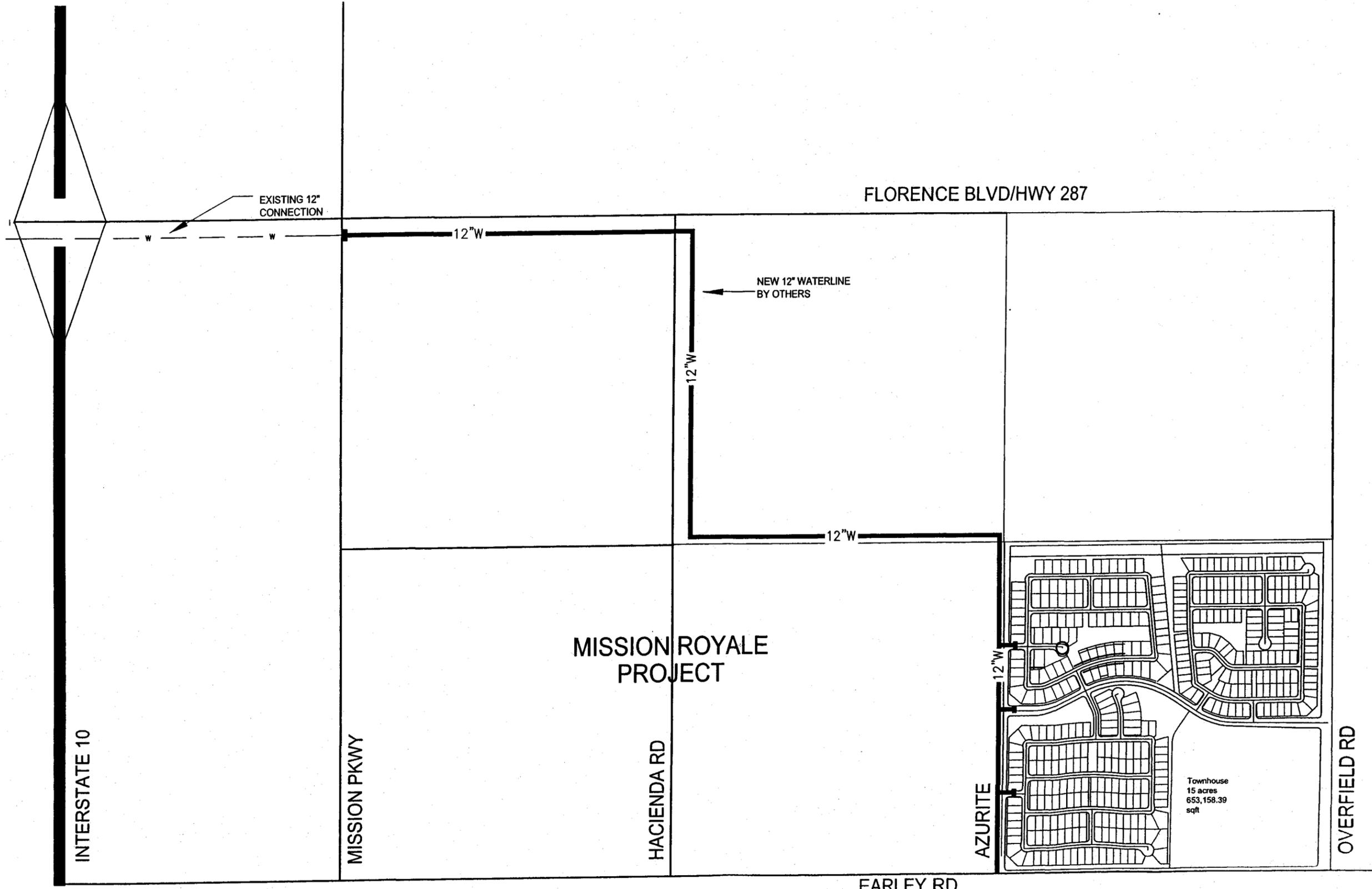
HACIENDA RD

AZURITE WAY

OVERFIELD RD

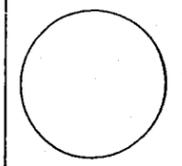


<p><b>MORRISON MAIERLE, INC.</b> An Employee-Owned Company</p>	<p>80 E. Rio Salado Parkway, Suite 201 Tempe, AZ 85281 Phone: (480) 817-5800 Fax: (480) 817-8001</p>	<p>DRAWN BY: JLL CHECKED BY: JLL APPROVED BY: JLL DATE: 10/2002</p>	<p>Client: <u>Case Grande</u> Project: <u>Springwater Pointe</u></p>	<p>PROJECT NO: 0374 DM FIGURE NO: 0002 <b>FIG. 2</b></p>
	<p>Figure 2 - Offsite Preliminary Water</p>			<p>DATE: 10/2002</p>



N.T.S

VERIFY SCALE  
THIS PRINT MAY BE  
REPRODUCED FOR  
MEASUREMENTS ONLY  
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NO.	DESCRIPTION	DATE	BY

ENGINEERS  
SCIENTISTS  
SURVEYORS  
PLANNERS

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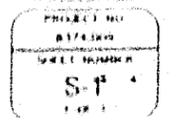
Email: [phonie@m-m.net](mailto:phonie@m-m.net)  
Phone: (480) 517-8800  
Fax: (480) 517-5801

DRAWN BY: RLK	CHKD. BY: JSD
APPR. BY:	DATE: 7/23/05
BY:	C.A. REVIEW
DATE:	DATE:

PRELIMINARY WATER DESIGN  
OFFSITE UTILITIES

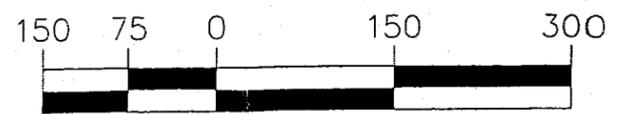
CASA GRANDE, AZ

**SPRINGWATER POINTE**  
FIGURE 2





ONSITE WATER UTILITIES EXHIBIT



SCALE: 1" = 150'

ON-SITE WATER  
PRELIMINARY UTILITIES DESIGN  
SPRINGWATER POINTE  
AZ  
FIGURE 3

DRAWN BY: RLV  
CHKD. BY: JSD  
APPR. BY: JSD  
DATE: 7/25/05  
BY: G.A. REVIEW  
DATE:

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Tempe, AZ 85281  
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ENGINEERS  
SURVEYORS  
PLANNERS  
Email: phone@m-maierle.com  
Phone: (480) 317-5800  
Fax: (480) 317-5801

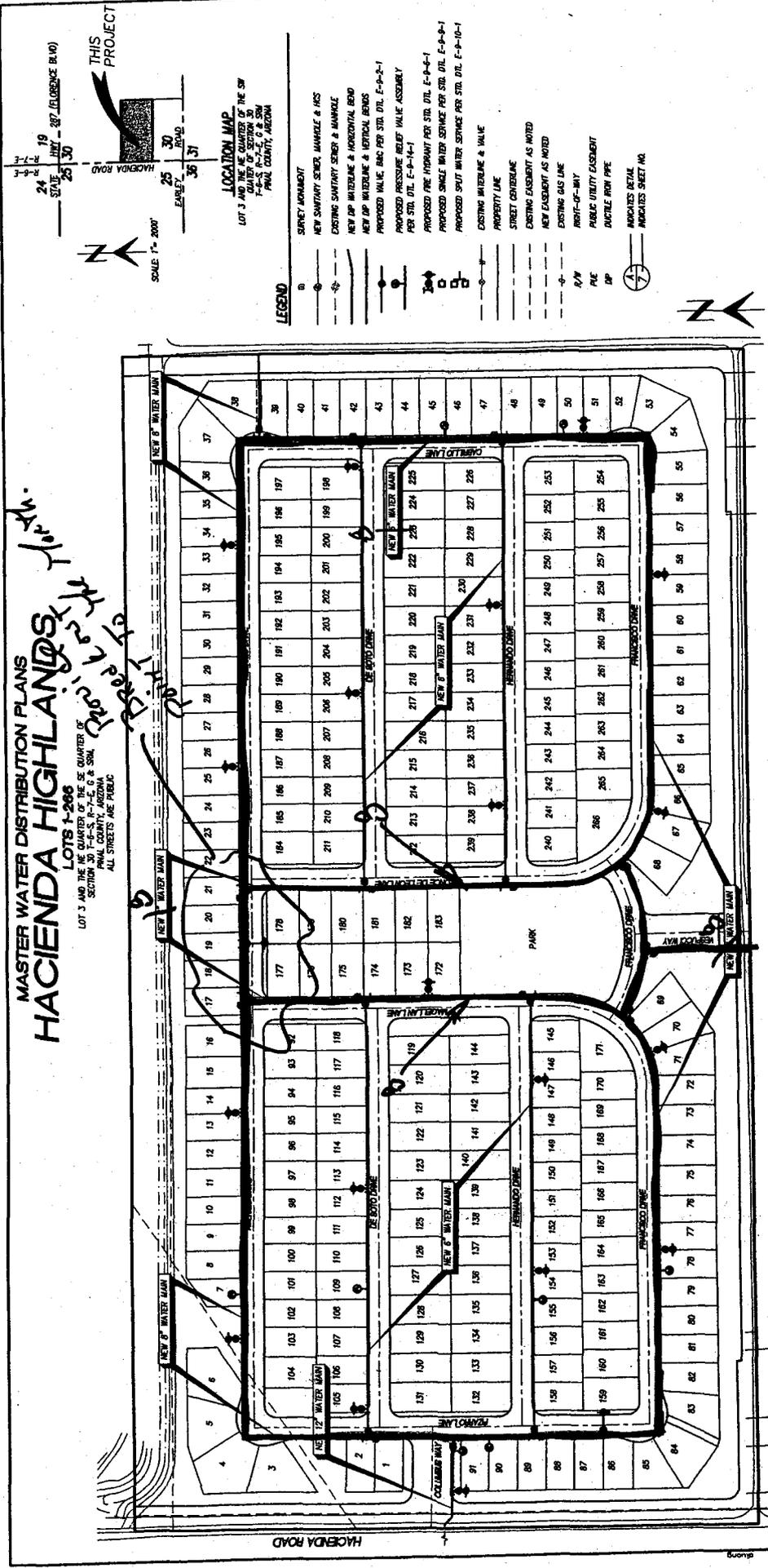
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ACCURACY

**MJW41**

FILE

MASTER WATER DISTRIBUTION PLANS  
**HACIENDA HIGHLANDS**  
 LOTS 1-206  
 LOT 3 AND THE SE QUARTER OF THE SW QUARTER OF SECTION 30 T-6-S, R-7-E, G & SON, PINAL COUNTY, ARIZONA  
 ALL STREETS ARE PUBLIC



**WATER DISTRIBUTION SYSTEM APPROVAL:**  
 ARIZONA WATER COMPANY  
 ALL WATER MAINS AND APPURTENANCES ARE TO BE INSTALLED AS PER ARIZONA WATER COMPANY'S STANDARD SPECIFICATIONS FOR THE INSTALLATION OF DUCTILE IRON WATER MAINS ON FILE WITH THE ARIZONA DEPARTMENT OF WATER RESOURCES. THIS APPROVAL IS VALID FOR A PERIOD OF SIXTEEN MONTHS FROM THE DATE OF THIS APPROVAL AFTER WHICH TIME THE WATER DISTRIBUTION SYSTEM PLANS ARE SUBJECT TO RE-REVIEW AND APPROVAL.

DATE OF APPROVAL: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_

**BASIS OF BEARING:**  
 THE WEST LINE OF THE NW 1/4 OF SECTION 30, ACCORDING TO FINAL PLAT FOR BLOCK "Y" OF MISSION RAYAL, SUBMIT D AT SLIDE 0A, PINAL COUNTY RECORDER, BEARING BEING N 02°30' 0" E

**BASIS OF ELEVATION:**  
 CITY OF CASA GRANDE BENCHMARK AT, OR NEAR, THE WEST 1/4 CORNER OF SECTION 2A, T-6-S, R-7-E, DEPARTMENT BEING 7416.8

- UTILITIES**
- SCOTT BEASLER (520) 421-8623
  - ARIZONA WATER COMPANY (520) 836-6765
  - SCOTT BEASLER (520) 421-8623
  - DALE CASSTY (520) 753-7741
  - GENE BRAMELL (520) 698-4743
  - ELL WARD (520) 836-7650
  - EL PASO GAS (520) 836-7650
  - ARIZONA WATER COMPANY (520) 836-7650
  - CASA GRANDE OFFICE (520) 836-7621
  - CASA GRANDE FIRE DEPARTMENT (520) 421-8777
- OWNER/DEVELOPER**
- CASA GRANDE FC, LLC
  - 1400 W. CENTER ROAD, SUITE 122
  - TUCSON, ARIZONA 85718
  - (520) 252-5200

**MASTER WATER DISTRIBUTION PLANS**  
**HACIENDA HIGHLANDS**  
 LOT 3 AND THE SE QUARTER OF THE SW QUARTER OF SECTION 30 T-6-S, R-7-E, G & SON, PINAL COUNTY, ARIZONA  
 ALL STREETS ARE PUBLIC

DATE: FEBRUARY 2008

SCALE: 1"=100'

**ARIZONA WATER COMPANY**

DATE OF APPROVAL: \_\_\_\_\_ APPROVED BY: \_\_\_\_\_

**OWNER/DEVELOPER**

CASA GRANDE FC, LLC  
 1400 W. CENTER ROAD, SUITE 122  
 TUCSON, ARIZONA 85718  
 (520) 252-5200

**ENGINEER**

CONSULTANTS, INC.  
 4825 E. FT. LORVEL ROAD  
 TUCSON, ARIZONA 85712  
 TEL: (520) 321-6625  
 FAX: (520) 321-0333

**OWNER/DEVELOPER**

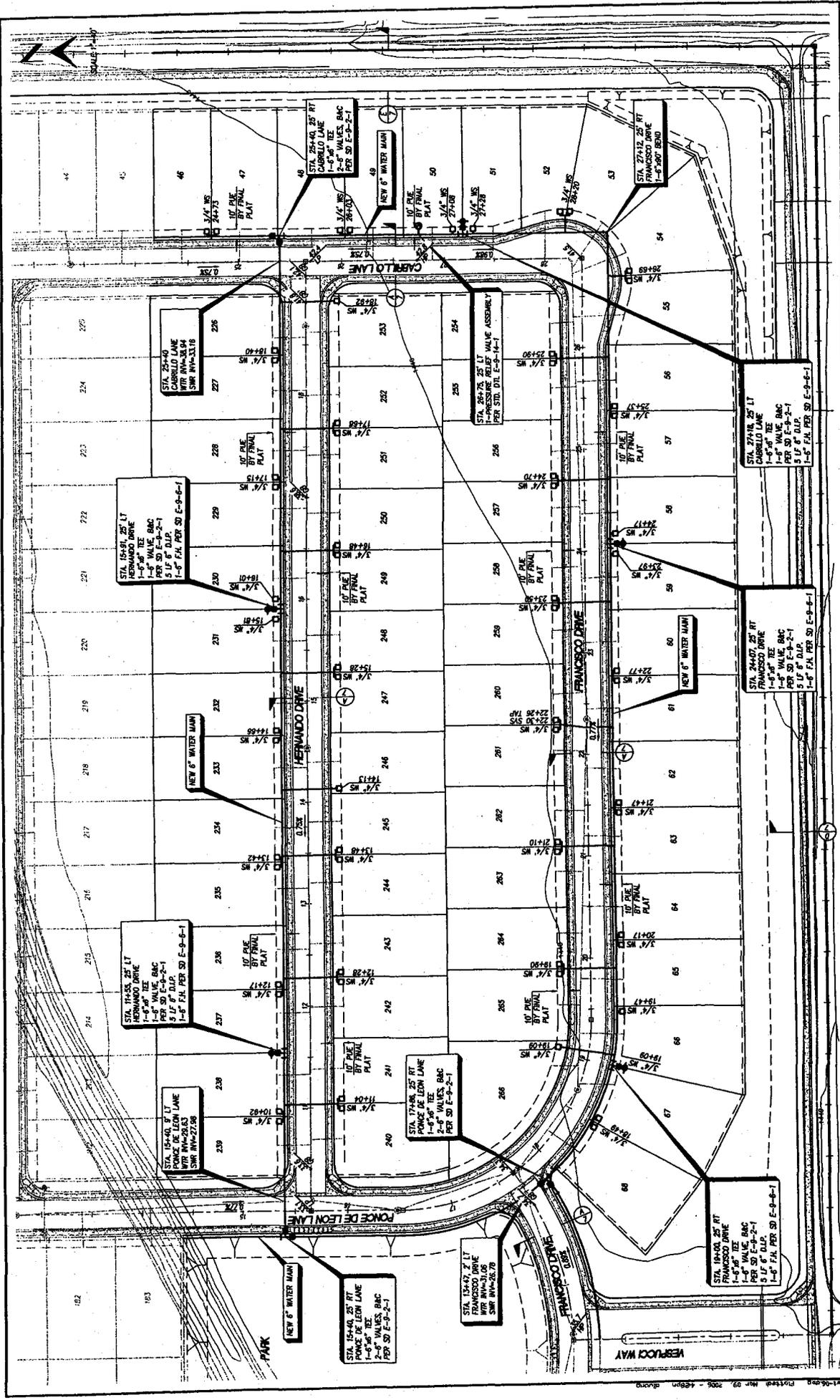
CASA GRANDE FC, LLC  
 1400 W. CENTER ROAD, SUITE 122  
 TUCSON, ARIZONA 85718  
 (520) 252-5200











**MASTER WATER DISTRIBUTION PLANS**  
**HACIENDA HIGHLANDS**  
 LOTS 1-256  
 LOT 3 AND THE NE QUARTER OF THE SE QUARTER OF SECTION 30, T-4-S, R-7-E, S-89-SM  
 PALM COUNTY, FLORIDA  
 ALL SHOWN ARE FINALS

**ECC**  
 Engineering & Construction Company  
 1400-782-348  
 1400-782-348  
 1400-782-348

DATE: 2/24/2001  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 SCALE: AS SHOWN





**MJW42**



**MJW43**

## ARIZONA WATER COMPANY

3805 N. BLACK CANYON HIGHWAY, PHOENIX, ARIZONA 85015-5351 • P.O. BOX 29006, PHOENIX, ARIZONA 85038-9006  
PHONE: (602) 240-6860 • FAX: (602) 240-6878 • WWW.AZWATER.COM

May 22, 2006

VIA HAND DELIVERY

Jeffrey W. Crockett, Esq.  
Snell & Wilmer  
One Arizona Center  
Phoenix, Arizona 85004-2202

Re: Docket No. W-01445A-03-0559

Dear Jeff:

I have enclosed Arizona Water Company's responses to Cornman Tweedy 560 L.L.C.'s Revised First Set of Data Requests in this matter.

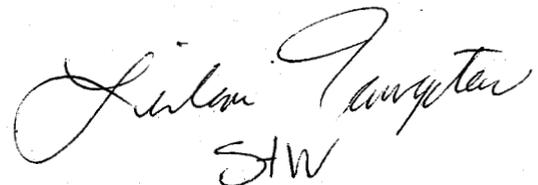
If you need additional information, please let me know.

Very truly yours,



Robert W. Geake  
Vice President and General Counsel

lar  
Enclosures



SW

---

E-MAIL: [mail@azwater.com](mailto:mail@azwater.com)

**CORNMAN TWEEDY 560, L.L.C.'S REVISED FIRST SET OF DATA  
REQUESTS TO ARIZONA WATER COMPANY  
ARIZONA WATER COMPANY RESPONSE TO  
DOCKET NO. W-01445A-03-0559  
MAY 22, 2006**

**Data Request CMT1.1**

Please provide a copy of all written requests for water service that have been received by Arizona Water Company for any property located within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.1**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President - Engineering**

**Data Request CMT 1.2**

Please provide a copy of all "will serve" letters that have been provided by Arizona Water Company to any person or entity that has requested water service from Arizona Water Company within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.2**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President - Engineering**

**CORNMAN TWEEDY 560, L.L.C.'S REVISED FIRST SET OF DATA  
REQUESTS TO ARIZONA WATER COMPANY  
ARIZONA WATER COMPANY RESPONSE TO  
DOCKET NO. W-01445A-03-0559  
MAY 22, 2006**

**Data Request CMT 1.3**

Please provide a copy of all main extension agreements that have been executed between Arizona Water Company and any person or entity that has requested water service from Arizona Water Company within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.3**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President – Engineering**

**Data Request CMT 1.4**

Please provide a copy of all design plans, diagrams, drawings and master water studies in Arizona Water Company's possession (whether prepared by Arizona Water Company or some other person or entity) which depict or describe any water infrastructure (including but not limited to wells, water storage tanks, booster stations, water transmission mains, service lines, fire hydrants and water treatment facilities) to be constructed within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.4**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President - Engineering**

**CORNMAN TWEEDY 560, L.L.C.'S REVISED FIRST SET OF DATA  
REQUESTS TO ARIZONA WATER COMPANY  
ARIZONA WATER COMPANY RESPONSE TO  
DOCKET NO. W-01445A-03-0559  
MAY 22, 2006**

**Data Request CMT 1.5**

Please state whether construction of any water infrastructure (including but not limited to wells, water storage tanks, booster stations, water transmission mains, service lines, fire hydrants and water treatment facilities) has commenced within the area described in Exhibit A to Arizona Corporation Commission Decision 66893. If any such construction has commenced, please provide the date the construction commenced and if completed, the date the construction was completed. If such construction has not been completed, please provide the anticipated date that such construction will be completed.

**Response to Data Request CMT 1.5**

Construction has not commenced on ~~commenced on~~ any project within the area described as Exhibit A.

However, construction should be completed on the JBC development by August 2006.

Construction for the first phase of Post Ranch, Hacienda Estates, Hacienda Highlands and Spring Water Pointe should be completed by December 31, 2006.

Construction for the first phase of the Rose Law Property should be completed by December 31, 2007.

A construction completion date for the Florence Country Estates project is unknown.

**Responder(s): Michael J. Whitehead, Vice President - Engineering**

**Data Request CMT 1.6**

Please provide a copy of any "approvals to construct" for any water infrastructure (including but not limited to wells, water storage tanks, booster stations, water

**CORNMAN TWEEDY 560, L.L.C.'S REVISED FIRST SET OF DATA  
REQUESTS TO ARIZONA WATER COMPANY  
ARIZONA WATER COMPANY RESPONSE TO  
DOCKET NO. W-01445A-03-0559  
MAY 22, 2006**

transmission mains, service lines, fire hydrants and water treatment facilities) to be constructed within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.6**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President - Engineering**

**Data Request CMT 1.7**

Please provide a copy of each certificate of assured water supply in the possession of Arizona Water Company for any property located within the area described in Exhibit A to Arizona Corporation Commission Decision 66893.

**Response to Data Request CMT 1.7**

Please see the attached.

**Responder(s): Michael J. Whitehead, Vice President – Engineering; William M. Garfield, President**

**Data Request CMT 1.8**

In its Request for Additional Time to Comply with Filing Requirement dated March 30, 2005, and filed in this docket, Arizona Water Company stated that "*Harvard Investments*

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*and Core Group Consultants, Ltd., the developers for the expansion areas, have informed the Company that development in the areas they propose to develop will be delayed for another year.*" With regard to this statement, please answer the following:

- (a) Identify the person or persons at Core Group Consultants, Ltd., who informed Arizona Water Company that development in the area to be developed by Core Group Consultants, Ltd., would be delayed for another year.
  
- (b) Identify the person or persons at Arizona Water Company who received the information from Core Group Consultants, Ltd., that development in the area to be developed by Core Group Consultants, Ltd., would be delayed for another year.
  
- (c) Provide a copy of any written communication (including electronic mail and facsimile transmissions) received by Arizona Water Company from the person or persons identified in the response to CMT 1.9(a) above informing Arizona Water Company that development in the area to be developed by Core Group Consultants, Ltd., would be delayed for another year.
  
- (d) If Arizona Water Company did not receive a written communication from the person or persons identified in the response to CMT 1.9(a), please:

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- (i) State how Arizona Water Company was informed that development in the area to be developed by Core Group Consultants, Ltd., would be delayed for another year (*i.e.*, in a meeting, via a telephone call, etc.);
  - (ii) State the date that Arizona Water Company was informed that development in the area to be developed by Core Group Consultants, Ltd., would be delayed for another year; and
  - (iii) Summarize the information communicated to Arizona Water Company.
- (e) Identify the person or persons at Harvard Investments who informed Arizona Water Company that development in the area to be developed by Harvard Investments would be delayed for another year.
- (f) Identify the person or persons at Arizona Water Company who received the information from Harvard Investments that development in the area to be developed by Harvard Investments would be delayed for another year.
- (g) Provide a copy of any written communication (including electronic mail and facsimile transmissions) received by Arizona Water Company from the person or persons identified in the response to CMT 1.9(a) above informing Arizona Water Company that development in the area to be developed by Harvard Investments would be delayed for another year.

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(h) If Arizona Water Company did not receive a written communication from the person or persons identified in the response to CMT 1.9(e), please:

(i) State how Arizona Water Company was informed that development in the area to be developed by Harvard Investments would be delayed for another year (*i.e.*, in a meeting, via a telephone call, etc.);

(ii) State the date that Arizona Water Company was informed that development in the area to be developed by Harvard Investments would be delayed for another year; and

(iii) Summarize the information communicated to Arizona Water Company.

**Response to Data Request CMT 1.8**

a. With respect to CMT 1.8 (a) through (d), concerning communications with the Core Group Consultants, Ltd., before and after the entry of Decision No. 66893, the Company's Engineering Department had various contacts with representatives of the Core Group including submittals of engineering drawings, approvals of such engineering drawings, applications for Approval to Construct with the Arizona Department of Environmental Quality, notices of intent to serve, project demand estimates through the Arizona Department of Water Resources, preparation of engineering cost estimates requested by the developer, and other engineering related drawings. After the entry of the Decision, the Company's President, William M. Garfield,

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worked closely with Brian Carpenter, a principal associated with HWY 287 – Florence Boulevard, Inc and Madison Diversified 882 Corp., landowners of the Florence Country Estates development in completing the AGREEMENT AND NOTICE OF MUNICIPAL PROVIDER REPORTING REQUIREMENTS FOR FLORENCE COUNTRY ESTATES REGARDING MEMBERSHIP IN THE CENTRAL ARIZONA GROUNDWATER REPLENISHMENT DISTRICT, which was submitted to the CAWCD for its signature in September, 2004. In addition, Mr. Garfield also worked closely with Mr. Carpenter in completing an *annual reporting agreement*, a three way agreement entered into between the Florence Country Estates homeowner's association and the San Carlos Irrigation and Drainage District ("SCIDD"), which was needed to have the Company report deliveries from the Company and SCIDD to the development. Based upon these communications with Mr. Carpenter, the Company believed that with more than adequate physical supplies of groundwater proven to serve the Florence Country Estates development through a Physical Availability Demonstration previously demonstrated for the Tierra Grande and Casa Grande service areas, and with the CAGR and Annual Reporting Agreements fully executed by the Company, a Certificate of Assured Water Supply was imminent and should have been received within 6 months, based on the Company's professional judgment and experience. Based upon these communications and events, the Company's Engineering Department estimated that the development would need an additional year to complete

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its approvals and move into the construction phase, and this was the information upon which the Company's March 30, 2005 Request for Additional Time was based.

b. With respect to CMT 1.8, (e) through (h), concerning Harvard Investments and its Post Ranch development, the information upon which the Company based its request for additional time is similar to that as set forth in its response to sub-sections (a)-(d) above. However, in the case of Harvard Investments, there was more communication, primarily telephonic, than with the Core Group representatives, the communications have continued through 2005 and 2006, and the development of Post Ranch has progressed to the point where a Certificate of Assured Water Supply has been issued, and the Company believes, based on discussion with Mr. Chris Cacheris from Harvard Investments, that a main extension agreement may also be completed soon. The Company's President, Mr. Garfield, discussed the status of this development with Mr. Cacheris from Harvard Investments, which was proceeding along a similar, but slightly slower timeline than was seen earlier with the Florence Country Estates development. The Post Ranch development proved to move forward more quickly at least to the CAWS approval stage. In the Company's experience, it is not unusual to have a project delayed due to unforeseen circumstances or to move more slowly through the CAWS process.

**Responder(s): Michael J. Whitehead, Vice President – Engineering; William M. Garfield, President**

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**Data Request CMT 1.9**

Please identify all steps taken by Arizona Water Company through and including the date of this data request to comply with Arizona Corporation Commission Decision No. 66893.

**Response to Data Request CMT 1.9**

The Company has offered main extension agreements to the Core Group, Harvard Investments, and the other developers named in the response to 1.8, above, who own or control property located within the expansion area identified in Exhibit A to Decision No. 66893. The Company has also executed and provided to the Core Group and Harvard Investments or, at their request, the necessary agencies, Notices of Intent to Serve and Water Provider Agreements to support and aid each developer's efforts to obtain a certificate of assured water supply from the Arizona Department of Water Resources.

The Company has been ready, willing and able to serve all of the area identified in Exhibit A to Decision No. 66893 in which a developer or other customer requests service and satisfies the necessary conditions for obtaining service and has taken the steps set forth in its responses to Data Request 1.8, above, to do so.

**Responder(s): Michael J. Whitehead, Vice President – Engineering; William M. Garfield, President**

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**Data Request CMT 1.10**

Please provide a copy of any data requests received by Arizona Water Company from the Arizona Corporation Commission in Docket W01445A-03-0559 since March 30, 2005

**Response to Data Request CMT 1.10**

No such data requests have been received.

**Responder(s): William M. Garfield, President**

**Data Request CMT 1.11**

Please provide a copy of the responses of Arizona Water Company to any data requests received from the Arizona Corporation Commission in Docket W-01445A-03-0559 since March 30, 2005.

**Response to Data Request CMT 1.11**

See answer to CMT 1.10, above.

**Responder(s): William M. Garfield, President**

**MJW44**

**Snell & Wilmer**  
— L.L.C. —  
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MJW-44

DENVER  
LAS VEGAS  
ORANGE COUNTY  
PHOENIX  
SALT LAKE CITY  
TUCSON

May 30, 2006

**HAND DELIVERED**

Rodney W. Ott, Esq.  
BRYAN CAVE  
One Renaissance Square  
Two North Central Avenue, Suite 220  
Phoenix, Arizona 85004-4405

**Re: Arizona Water Company's First Set of Data Requests to Cornman  
Tweedy 560, L.L.C. in Docket No. W-01445A-03-0559**

Dear Rodney:

Attached are Cornman Tweedy 560, L.L.C.'s Responses to Arizona Water Company's First Set of Data Requests in the above-referenced docket.

Please call me if you have any questions regarding the data responses.

Respectfully yours,

SNELL & WILMER



Jeffrey W. Crockett

JWC:gdb  
Enclosure

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.1** Please provide a copy of all certificates of assured water supply related to any properties owned or controlled by Cornman Tweedy 560, L.L.C. ("Cornman Tweedy") or any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893.

**Response:** There are no certificates of assured water supply issued for any properties owned or controlled by Cornman Tweedy 560, LLC, or any Robson-affiliated entity within the area described in Exhibit A attached to Decision 66893.

**Prepared by:** Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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AWC-CMT 1.2

Please describe all efforts made by Cornman Tweedy or any Robson-affiliated entity to obtain a certificate of assured water supply for any properties owned or controlled by Cornman Tweedy 560, L.L.C. or any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893, and provide copies of all documents evidencing such efforts.

Response:

As part of the process of entitling the property which comprises EJR Ranch, Cornman Tweedy 560, LLC, Sun Lakes-Casa Grande Development, LLC and several non-affiliated entities made application to the Arizona Department of Water Resources for an Analysis of Assured Water Supply. The analysis performed for Cornman Tweedy 560, LLC, Sun Lakes-Casa Grande Development, LLC and the several non-affiliated entities was conducted for property not only within the area described in Exhibit A attached to ACC Decision No. 66893, but for property outside the defined area as well as property outside EJR Ranch. An analysis of assured water supply is a useful tool in developing property because it provides options to the developer of the property. The application process for obtaining a certificate of assured water supply is a different process than the process of receiving an analysis of assured water supply. Neither Cornman Tweedy 560, LLC, nor any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893 have commenced the process of obtaining a certificate of assured water supply.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.3**

Please provide copy of any main extension agreement for any properties owned or controlled by Cornman Tweedy or any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893.

Response:

There are no main extension agreements for any properties owned or controlled by Cornman Tweedy 560, LLC, or any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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AWC-CMT 1.4

Please describe all efforts made by Cornman Tweedy or any Robson-affiliated entity to negotiate and enter into any main extension agreement for any properties owned or controlled by Cornman Tweedy or any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893, and provide copies of all documents evidencing such efforts.

Response:

Neither Cornman Tweedy 560, LLC, nor any Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision 66893 has been contacted by AWC regarding the negotiation of a main extension agreement.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

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**AWC-CMT 1.5** Please provide copies of all internal communications between any Robson-affiliated entity and any Robson-affiliated utility concerning the provision of utility services to any properties within the area described in Exhibit A attached to ACC Decision No. 66893.

Response: See the attached request for service from Cornman Tweedy 560, LLC, to Picacho Water Company dated April 7, 2005.

Prepared by: Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

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**AWC-CMT 1.6**

Please provide copies of any communications between any Robson-affiliated entity and any hydrologist, engineer or other consultant concerning obtaining a water supply or for the provision of utility service to any properties owned or controlled by a Robson-affiliated entity within the area described in Exhibit A attached to ACC Decision No. 66893, including any contracts, maps, draft applications, design reports, cost estimates, master plans, and preliminary drawings related to same.

Response:

See (i) the attached narrative and (ii) the attached Application of for an Analysis of Assured Water Supply. The narrative was prepared by B&R Engineering, Inc. and the Application of an Analysis of Assured Water Supply was prepared by Southwest Ground-water Consultants, Inc.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.7**

Please provide copies of any communications between Cornman Tweedy or any affiliated entity and Core Group Consultants, the Arizona Department of Water Resources, the Arizona Department of Real Estate, the Arizona Department of Environmental Quality, the Central Arizona Groundwater Replenishment District, HWY 287-Florence Boulevard Inc. and Madison Diversified 882 Corp. concerning obtaining a water supply or for the provision of utility services to the Florence Country Estates or any properties within the area described in Exhibit A attached to ACC Decision No. 66893.

Response:

See the attached Analysis of Assured Water Supply for EJR Ranch dated March 2, 2005.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.8**

Please provide copies of any "approvals to construct" for any utility infrastructure to be constructed within the area described in Exhibit A to ACC Decision No. 66893.

Response:

Cornman Tweedy 560, LLC, does not have any approval to construct utility infrastructure within the area described in Exhibit A to ACC Decision No. 66893

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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AWC-CMT 1.9

Please provide copies of any requests for utility service received by any Robson-affiliated public service corporation from any non-Robson affiliated entity owning property within the area described in Exhibit A to ACC Decision No. 66893, and any responsive communications, including any "will serve" letters or any refusals to serve.

Response:

None.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.10** Please provide copies of all ACC decisions of which Cornman Tweedy or its affiliated entities are aware in which the Commission used language similar or analogous to the "null and void" language in Decision 66893, including any decisions involving Picacho Water Company or any Robson-affiliated public service corporation.

Response: The information requested is publicly available at the Arizona Corporation Commission's Docket Control. For additional information, please refer to the various pleadings and legal memoranda which have been filed in this docket by Cornman Tweedy 560, LLC.

Prepared by: Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

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AWC-CMT 1.11

Please provide copies of any and all requests by public service companies of which Cornman Tweedy or its affiliated entities are aware in which the public service company requested an extension of time to comply with "null and void" language similar to or analogous to the "null and void" language in Decision No. 66893, including any requests involving Picacho Water Company or any Robson-affiliated public service corporation.

Response:

The information requested is publicly available at the Arizona Corporation Commission's Docket Control. For additional information, please refer to the various pleadings and legal memoranda which have been filed in this docket by Cornman Tweedy 560, LLC.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.12** Please provide copies of all ACC orders or decisions of which Cornman Tweedy or its affiliated entities are aware in which the Commission allowed an extension of time to comply with "null and void" language, including any decisions involving Picacho Water Company or any Robson-affiliated public service company.

Response: The information requested is publicly available at the Arizona Corporation Commission's Docket Control. For additional information, please refer to the various pleadings and legal memoranda which have been filed in this docket by Cornman Tweedy 560, LLC.

Prepared by: Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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AWC-CMT 1.13

Please provide copies of all ACC orders or decisions of which Cornman Tweedy or its affiliated entities are aware in which the Commission denied an extension of time to comply with "null and void" language, including any decisions involving Picacho Water Company.

Response:

The information requested is publicly available at the Arizona Corporation Commission's Docket Control. For additional information, please refer to the various pleadings and legal memoranda which have been filed in this docket by Cornman Tweedy 560, LLC.

Prepared by:

Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.14** Please provide copies of any data requests received by Cornman Tweedy from the Arizona Corporation Commission in Docket W-01445A-03-0559.

Response: Cornman Tweedy 560, LLC, has not received any data requests from the Arizona Corporation Commission in Docket W-01445A-03-0559.

Prepared by: Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

**ARIZONA WATER COMPANY'S  
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**AWC-CMT 1.15** Please provide copies of any responses by Cornman Tweedy to any data requests received from the Arizona Corporation Commission in Docket W-01445A-03-0559.

Response: Cornman Tweedy 560, LLC, has not received any data requests from the Arizona Corporation Commission in Docket W-01445A-03-0559.

Prepared by: Jim Poulos, Vice President  
Robson Communities  
9532 East Riggs Rd.  
Sun Lakes, Arizona 85248

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