

ORIGINAL



0000062995

**Picacho Water Company  
Picacho Sewer Company  
9532 E. Riggs Road  
Sun Lakes, AZ 85248**

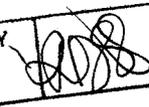
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January 18, 2007

Arizona Corporation Commission  
**DOCKETED**

**JAN 19 2007**

Docket Control  
Arizona Corporation Commission  
1200 West Washington  
Phoenix, AZ 85007

DOCKETED BY 

Re: Docket No. W-03528A-06-0313 and SW-03709A-06-0314

Dear Docket Control:

Enclosed is a copy of the water and sewer franchise from Pinal County for the CC&N extension area that is required to be submitted pursuant to Decision No. 69174

An original and 15 copies submitted.

Sincerely,

Jim Poulos

DocketControl.123

AZ CORP COMMISSION  
DOCUMENT CONTROL

2007 JAN 19 A 10: 24

RECEIVED

PINAL COUNTY  
**BUDGET & RESEARCH**

---

DIVISION OF SPECIAL SERVICES

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October 31, 2006

Mr. Jim Poulos  
Picacho Water & Sewer Companies  
9532 E. Riggs Road  
Sun Lakes, AZ 85248-7411

RE: PICACHO WATER & SEWER COMPANIES FRANCHISE EXPANSIONS

Dear Mr. Poulos:

Please find enclosed signed and recorded copies of the amended water and sewer franchise agreements for the Picacho Water and Sewer Companies that was approved by the Pinal County Board of Supervisors on October 18, 2006.

If you have any questions, please contact me at (520) 866-6206.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary D. Medina".

Gary D. Medina  
Special Service Administrator

Enclosures



When recorded mail to:

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

DATE/TIME: 10/23/06 1542  
FEE: \$0.00  
PAGES: 9  
FEE NUMBER: 2006-147636

**Expansion and Amendment Of The Picacho Water Company Franchise**

**WHEREAS**, Picacho Water Company Franchise received a water franchise from Pinal County to establish and maintain water services in Pinal County, see document number 2005-090877 in the Office of the Pinal County Recorder (hereinafter "Original Franchise"), approved on May 6, 1998, amended December 15, 2004 (2004-105664), amended September 21, 2005 (2005-143515) (hereinafter "Existing Franchise").

**WHEREAS**, Picacho Water Company, an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Original Franchise for the purpose of constructing, operating and maintaining domestic water lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

**WHEREAS**, upon filing of Picacho Water Company's application for the Expansion, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 a.m. on October 18, 2006 at the Pinal County Board of Supervisors' Hearing Room, Administration Building A, Florence, Arizona.

**WHEREAS**, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on October 18, 2006 ; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder & Blade Tribune published on September 28, on October 5, and on October 12, 2006; and the Casa Grande Dispatch on September 28, on October 5, and on October 12, 2006 and the matter being called for hearing at 9:30 a.m., on October 18, 2006, and an opportunity having been given to all interested parties to be heard.

**WHEREAS**, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.

**NOW, THEREFORE,**

**Section 1: DEFINITIONS**

The following terms used in this expansion and amendment of the Original Franchise shall have the following meanings:

Third Amended  
Picacho Water Company Franchise

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Picacho Water Company, an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: Domestic water lines plants and related appurtenances

## **Section 2: GRANT**

Grantor, on October 18, 2006 hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "Third Amended Franchise") for the purpose of constructing, operating and maintaining domestic water lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Original Franchise (hereinafter "Franchise Area").

## **Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE**

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

## **Section 4: LIMITS ON GRANTEE'S RECOURSE**

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

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

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

D. In case of conflict or ambiguity between the Third Amended Franchise and the Original Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

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

F. This Franchise and/or any Amendment thereto is "non-exclusive." Therefore, Grantor makes no assurances that, through this grant, it shall endorse, support, or otherwise encourage the approval of permit requests, zoning, or ANY other approval from a governmental or regulatory agency.

#### **Section 5: SEVERABILITY**

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

#### **Section 6: NOTICE**

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

Grantor:

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

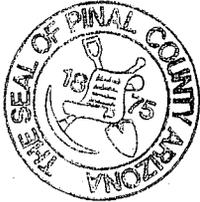
Grantee:

Picacho Water Company  
9532 E. Riggs Road  
Sun Lakes, Arizona 85248-7411

Third Amended  
Picacho Water Company Franchise

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

**IN WITNESS WHEREOF**, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on OCT 19, 2006.



PINAL COUNTY BOARD OF SUPERVISORS

  
Lionel D. Ruiz, Chairman

ATTEST:

  
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON  
PINAL COUNTY ATTORNEY

  
Rick V. Husk  
Deputy County Attorney

**Exhibit A**

**See attached map and legal description**

Legal Description

Picacho Water Company Franchise Expansion

March 30, 2006

Portions of Sections 25, 26, 27, 28 and 35, all in Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

The Southwest quarter of said Section 25, and;

The Southwest quarter and East half of said Section 26, and;

The Southeast quarter of said Section 27, and;

The Southwest quarter of said Section 28, and;

All of said Section 35, and;

Portions of Sections 9, 17, 20 and 21, all in Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

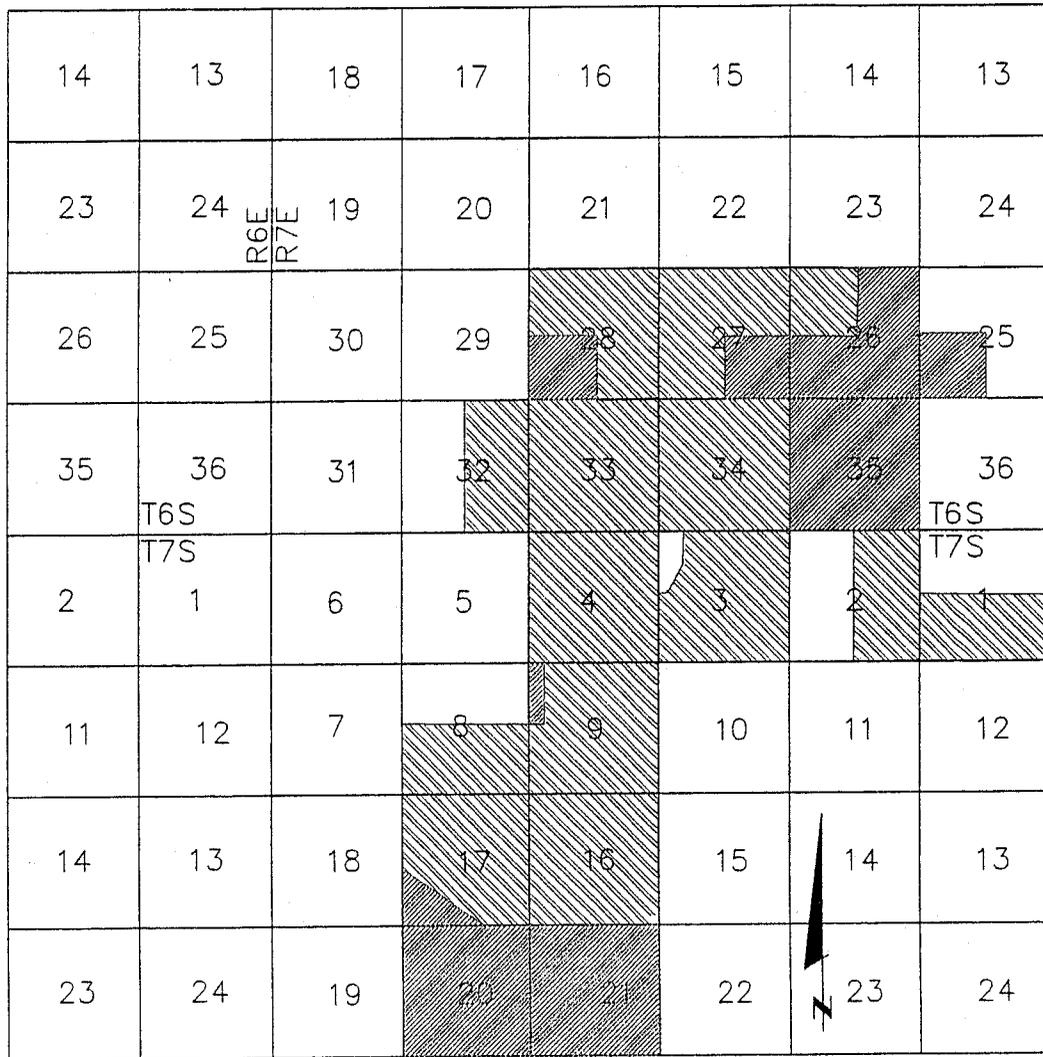
The West half of the West half of the Northwest quarter of said Section 9, and;

That portion of the South half of said Section 17 lying Southwest of the Southwest line of the Casa Grande – Picacho Highway, State Route 84, and;

All of said Section 20, and;

All of said Section 21.





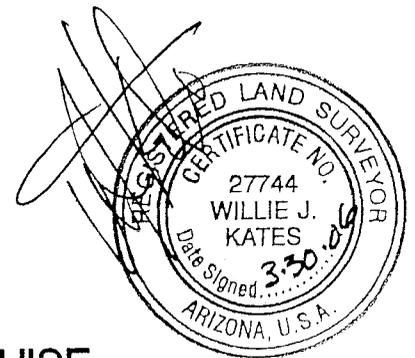
**LEGEND**



PICACHO WATER CO FRANCHISE EXISTING AREA



PICACHO WATER CO FRANCHISE EXPANSION AREA



**PICACHO WATER CO FRANCHISE  
MARCH, 2006**

**Exhibit B**

**SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Water Company, an Arizona limited liability corporation, does hereby accept the \_\_\_\_\_ grant of a Third Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

**ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Water Company, an Arizona limited liability corporation, does hereby accept the October 18, 2006 grant of a Third Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

PICACHO WATER COMPANY

By:

Title:

STATE OF ARIZONA        )  
  ) ss.  
County of                    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2006, by \_\_\_\_\_ of \_\_\_\_\_, a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

Notary Public

My Commission Expires:

2

When recorded mail to:

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



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
LAURA DEAN-LYTTLE

DATE/TIME: 10/23/06 1542  
FEE: \$0.00  
PAGES: 2  
FEE NUMBER: 2006-147637

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(The above space reserved for recording information)

**CAPTION HEADING**

Acceptance of the Expanded Picacho Water Company water utility franchise.

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DO NOT DISCARD THIS PAGE. THIS COVER PAGE IS RECORDED AS PART OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE FEE NUMBER IN THE UPPER RIGHT HAND CORNER IS THE PERMANENT REFERENCE NUMBER OF THIS DOCUMENT IN THE PINAL COUNTY RECORDER'S OFFICE.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Water Company, an Arizona limited liability corporation, does hereby accept the October 18, 2006 grant of a Third Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain domestic water lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

Dated this 18<sup>th</sup> day of October, 2006.

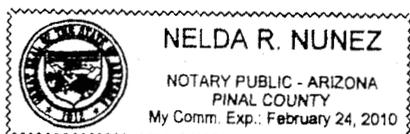
PICACHO WATER COMPANY

By: [Signature]

Title: G.M.

STATE OF ARIZONA )  
 ) ss.  
County of Pinal )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of October, 2006, by James Poulos, General Manager of Picacho Water Co, a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



[Signature]  
Notary Public

My Commission Expires:

February 24, 2010



When recorded mail to:

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

DATE/TIME: 10/23/06 1542  
FEE: \$0.00  
PAGES: 9  
FEE NUMBER: 2006-147638

**Expansion and Amendment Of The Picacho Sewer Company Franchise**

**WHEREAS**, Picacho Sewer Company Franchise received a sewer franchise from Pinal County to establish and maintain sewer services in Pinal County, see document number 2005-090880 in the Office of the Pinal County Recorder (hereinafter "Original Franchise"), approved on May 6, 1998, amended on December 15, 2004 (2004-105665) (hereinafter "Existing Franchise").

**WHEREAS**, Picacho Sewer Company, an Arizona limited liability corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Original Franchise for the purpose of constructing, operating and maintaining wastewater lines and related appurtenances along, under and across the public streets, alleys and highways, except federal and state highways, within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

**WHEREAS**, upon filing of Picacho Sewer Company's application for the Expansion, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 a.m. on October 18, 2006 at the Pinal County Board of Supervisors' Hearing Room, Administration Building A, Florence, Arizona.

**WHEREAS**, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on October 18, 2006; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade Tribune that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder & Blade Tribune published on September 28, on October 5, and on October 12, 2006; and the Casa Grande Dispatch on September 28, on October 5, and on October 12, 2006 and the matter being called for hearing at 9:30 a.m., on October 18, 2006, and an opportunity having been given to all interested parties to be heard.

**WHEREAS**, the Board of Supervisors of Pinal County has the power to amend an existing franchise under its general police powers in such matters.  
**NOW, THEREFORE,**

**Section 1: DEFINITIONS**

The following terms used in this expansion and amendment of the Original Franchise shall have the following meanings:

A. County: Pinal County, Arizona

Second Amended  
Picacho Sewer Company Franchise

- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Picacho Sewer Company, an Arizona limited liability corporation, its successors and assigns
- E. Grantee's Facilities: Wastewater structures, equipment, lines plants and related appurtenances

## **Section 2: GRANT**

Grantor, on October 18, 2006 hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "Second Amended Franchise") for the purpose of constructing, operating and maintaining sewer lines and related appurtenances along, under and across public streets, alleys and highways, except federal and state highways, under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Original Franchise (hereinafter "Franchise Area").

## **Section 3: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE**

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

## **Section 4: LIMITS ON GRANTEE'S RECOURSE**

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

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

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

D. In case of conflict or ambiguity between the Second Amended Franchise and the Original Franchise, the provision which provides the greatest benefit to County, as determined solely by County, shall prevail.

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

F. This Franchise and/or any Amendment thereto is "non-exclusive." Therefore, Grantor makes no assurances that, through this grant, it shall endorse, support, or otherwise encourage the approval of permit requests, zoning, or ANY other approval from a governmental or regulatory agency.

### **Section 5: SEVERABILITY**

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

### **Section 6: NOTICE**

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

Grantor:

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

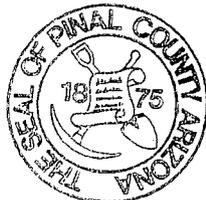
Grantee:

Picacho Sewer Company  
9532 E. Riggs Road  
Sun Lakes, Arizona 85248-7411

Second Amended  
Picacho Sewer Company Franchise

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

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on October 19, 2006.



PINAL COUNTY BOARD OF SUPERVISORS  
Lionel D. Ruiz  
Lionel D. Ruiz, Chairman

ATTEST:

Sheri Cluff  
Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON  
PINAL COUNTY ATTORNEY

Rick V. Husk  
Rick V. Husk  
Deputy County Attorney

**Exhibit A**

**See attached legal description and map**

Legal Description

Picacho Sewer Company Franchise Expansion

March 30, 2006

Portions of Sections 25, 26, 27, 28, 33, 34 and 35, all in Township 6 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

The Southwest Quarter of said Section 25, and;

The Southwest Quarter and East half of said Section 26, and;

The Southeast Quarter of said Section 27, and;

The West half of Section said 28, and;

The Northwest Quarter of said Section 33 and the North half of the Southwest Quarter of said Section 33, and;

The Northwest Quarter of the Northeast Quarter and the South half of the Northeast Quarter of said Section 33, and;

That portion of the Northeast Quarter of said Section 34, lying North of the North line of the Florence – Casa Grande Canal, and;

All of Section said 35, and;

Portions of Sections 9, 17, 20 and 21, all in Township 7 South, Range 7 East of the Gila and Salt River Meridian, Pinal County, Arizona, more particularly described as follows:

The West half of the West half of the Northwest Quarter of said Section 9, and;

That portion of the South half of said Section 17 lying Southwest of the Southwest line of the Casa Grande – Picacho Highway, State Route 84, and;

Legal Description

Picacho Sewer Company Franchise Expansion (cont'd)

March 30, 2006

All of Section said 20, and;

All of Section said 21.



**Exhibit B**

**SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE**

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Sewer Company, a(n) Arizona limited liability corporation, does hereby accept the \_\_\_\_\_ grant of a Second Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain wastewater lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Sewer Company, a(n) Arizona limited liability corporation, does hereby accept the October 18, 2006 grant of a Second Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain wastewater lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

PICACHO SEWER COMPANY

By:

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

STATE OF ARIZONA        )  
                                  ) ss.  
County of                    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day \_\_\_\_\_, 2006, by \_\_\_\_\_ of \_\_\_\_\_, a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

Notary Public

My Commission Expires:

2

When recorded mail to:

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



OFFICIAL RECORDS OF  
PINAL COUNTY RECORDER  
LAURA DEAN-LYTTLE

DATE/TIME: 10/23/06 1542  
FEE: \$0.00  
PAGES: 2  
FEE NUMBER: 2006-147639

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(The above space reserved for recording information)

**CAPTION HEADING**

Acceptance of the Expanded Picacho Sewer Company sewer utility franchise.

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DO NOT DISCARD THIS PAGE. THIS COVER PAGE IS RECORDED AS PART OF YOUR DOCUMENT. THE CERTIFICATE OF RECORDATION WITH THE FEE NUMBER IN THE UPPER RIGHT HAND CORNER IS THE PERMANENT REFERENCE NUMBER OF THIS DOCUMENT IN THE PINAL COUNTY RECORDER'S OFFICE.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Picacho Sewer Company, a(n) Arizona limited liability corporation, does hereby accept the October 18, 2006 grant of a Second Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain wastewater lines and related fixtures along, under and across present and future public streets, alleys and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof.

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

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

Dated this 18<sup>th</sup> day of October, 2006.

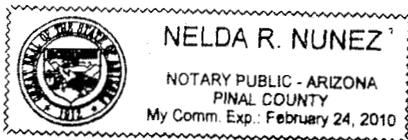
PICACHO SEWER COMPANY

By: [Signature]

Title: G.M.

STATE OF ARIZONA )  
 ) ss.  
County of )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of October, 2006, by James Poulos, General Manager of Picacho Sewer Company, a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



[Signature]  
Notary Public

My Commission Expires:

February 24, 2010