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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS

JEFF HATCH-MILLER, Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE OF
CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

**NOTICE OF FILING PRE-FILED
DIRECT TESTIMONY OF
ROGER PRYOR ON BEHALF OF
INTERVENORS CHI
CONSTRUCTION COMPANY
AND CP WATER COMPANY**

In accordance with the Procedural Order dated October 12, 2006, in the above-captioned consolidated dockets, intervenors CHI Construction Company and CP Water Company hereby file the pre-filed direct testimony of Roger Pryor.

Arizona Corporation Commission
DOCKETED
OCT 25 2006

DOCKETED BY nr

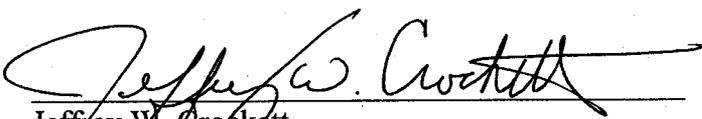
Shel & Wilmer

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RESPECTFULLY submitted this 25th day of October, 2006.

SNELL & WILMER



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Attorneys for CHI Construction Company and
CP Water Company

ORIGINAL and seventeen (17) copies
of the foregoing have been filed with
Docket Control this 25th day of
October, 2006.

A COPY of the foregoing was
hand-delivered this 25th day of
October, 2006, to:

Yvette B. Kinsey
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Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Christopher Kempley, Chief Counsel
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Arizona Corporation Commission
1200 West Washington Street
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Ernest G. Johnson
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1 A COPY of the foregoing was mailed this
2 25th day of October, 2006 to:

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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

JEFF HATCH-MILLER – Chairman
WILLIAM A. MUNDELL
MIKE GLEASON
KRISTIN K. MAYES
BARRY WONG

IN THE MATTER OF THE APPLICATION OF
ARIZONA WATER COMPANY, AN ARIZONA
CORPORATION, TO EXTEND ITS EXISTING
CERTIFICATE OF CONVENIENCE AND
NECESSITY IN THE CITY OF CASA GRANDE
AND IN PINAL COUNTY, ARIZONA

DOCKET NO. W-01445A-06-0199

IN THE MATTER OF THE APPLICATION OF
PALO VERDE UTILITIES COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. SW-03575A-05-0926

IN THE MATTER OF THE APPLICATION OF
SANTA CRUZ WATER COMPANY FOR AN
EXTENSION OF ITS EXISTING CERTIFICATE
OF CONVENIENCE AND NECESSITY.

DOCKET NO. W-03576A-05-0926

PRE-FILED DIRECT TESTIMONY OF ROGER PRYOR

ON BEHALF OF INTERVENORS

CHI CONSTRUCTION COMPANY AND CP WATER COMPANY

OCTOBER 25, 2006

1 **Q. PLEASE STATE YOUR NAME AND EMPLOYER.**

2 A. My name is Roger Pryor. I am employed as Vice President of Land Entitlements
3 for D.R. Horton-Continental Series, one of the family of companies owned and/or
4 controlled by D.R. Horton, Inc. ("D.R. Horton"). I am also the Vice President of
5 CHI Construction Company ("CHI"), one of the intervenors in this case. CHI is
6 the land acquisition and construction entity for D.R. Horton-Continental Series in
7 Arizona. CHI is also the parent company of CP Water Company ("CP Water"),
8 another intervenor in this case.

9 **Q. PLEASE STATE YOUR BUSINESS ADDRESS.**

10 A. My business address is 16430 North Scottsdale Road, Suite 200, Scottsdale,
11 Arizona, 85254.

12 **Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND**
13 **WORK EXPERIENCE.**

14 A. I am a registered professional engineer, and I hold a bachelor of science degree in
15 civil engineering from the South Dakota School of Mines and Technology which I
16 received in 1988. From 1988 through 1994, I worked as a civil engineer for the
17 Alliance of Architects and Engineers in Rapid City, South Dakota. I worked as a
18 civil engineer for the firm of Coe & Van Loo in Phoenix from 1994 through 2000,
19 when I joined D.R. Horton-Continental Series. I have been employed with D.R.
20 Horton for the past six years.

21 **Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS CASE?**

22 A. I am testifying on behalf of intervenors CHI and CP Water.

23 **Q. ARE YOU AUTHORIZED TO TESTIFY ON BEHALF OF CHI AND CP**
24 **WATER?**

25 A. Yes. I am authorized as an officer of CHI to testify on behalf of CHI. I have been
26 authorized to testify on behalf of CP Water by the president of the company, F.

1 Thomas Davis.

2 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE ARIZONA**
3 **CORPORATION COMMISSION ("COMMISSION")?**

4 A. No. This is my first time.

5 **Q. HAVE CHI AND CP WATER BEEN GRANTED INTERVENOR STATUS**
6 **IN THIS CASE?**

7 A. Yes. On April 28, 2006, CHI and CP Water filed motions to intervene. By
8 Procedural Order dated May 11, 2006, CHI and CP Water were granted
9 intervention.

10 **Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
11 **CASE?**

12 A. The purpose of my direct testimony is to oppose the request of Arizona Water
13 Company ("AWC") in this case for an extension of its certificate of convenience
14 and necessity ("CC&N") to include any portion of the property owned by CHI as
15 part of its proposed master planned development known as Legends (the "Legends
16 Property") in Pinal County, including that portion of the Legends Property that is
17 located within the existing CC&N of CP Water. Specifically, (i) CHI requests that
18 all parts of its Legends Property be excluded from AWC's requested CC&N
19 extension, and (ii) CP Water requests that the area comprising its existing CC&N
20 be excluded from AWC's requested CC&N extension.

21 **Q. PLEASE DESCRIBE D.R. HORTON AND ITS BUSINESS.**

22 A. D.R. Horton is the largest homebuilder in the United States, based on annual sales
23 and closings. D.R. Horton is a Fortune 200 company which is publicly traded on
24 the New York Stock Exchange. Donald R. Horton began the construction business
25 in 1978 in the Dallas-Fort Worth metroplex. In 1987, D.R. Horton began
26 expanding its operations by seeking out the nation's most active homebuilding

1 markets. Today, the company has geographically diversified into approximately 83
2 markets and 27 states across the United States. In Arizona, the D.R. Horton family
3 of companies are building homes in Buckeye, Casa Grande, Chandler, Coolidge,
4 Gilbert, Glendale, Goodyear, Maricopa, Mesa, Queen Creek, Phoenix, Scottsdale,
5 Sun City, Surprise, Tempe, Tucson and Vail, as well as unincorporated areas in
6 Maricopa and Pinal Counties.

7 **Q. WHAT IS THE RELATIONSHIP BETWEEN CHI AND D.R. HORTON?**

8 A. CHI is a wholly-owned subsidiary of D.R. Horton. CHI acquires, entitles and
9 develops land for the construction of single family homes which are marketed and
10 sold by its D.R. Horton-Continental Series affiliate.

11 **Q. WHAT IS THE RELATIONSHIP BETWEEN CHI AND CP WATER?**

12 A. CP Water is a wholly owned subsidiary of CHI. CHI acquired all of the issued
13 shares of stock of CP Water pursuant to a Stock Assignment dated October 29,
14 2004, a copy of which is attached as Exhibit CP-1 to my Direct Testimony.
15 Pursuant to an Agreement for Operation of Water System (the "Operation
16 Agreement") between AWC and CP Water dated October 22, 1985, and a
17 subsequent letter amending the Operation Agreement dated December 15, 1988
18 (the "Letter Amendment"), AWC operates the water distribution system which
19 provides water service to CP Water's customers. A copy of the Operation
20 Agreement and Letter Amendment are attached as Exhibit CP-2 to my Direct
21 Testimony.

22 **Q. DOES CP WATER POSSESS A CC&N ISSUED BY THE COMMISSION?**

23 A. Yes. In Decision 54089 (June 25, 1984), the Commission approved the transfer of
24 a portion of the CC&N of Desert Carmel Service Company in Pinal County,
25 Arizona, to CP Water. CP Water's CC&N is depicted on Commission maps 16 and
26 17 attached as Exhibit CP-3 to my Direct Testimony.

1 **Q. PLEASE DESCRIBE CHI'S LEGENDS PROPERTY.**

2 A. The Legends Property owned by CHI is a contiguous tract of approximately 7,000
3 acres located in Pinal County which will be developed as a phased master planned
4 community known as Legends. The Legends Property is described in the Special
5 Warranty Deeds attached as Exhibit CHI-1 to this Direct Testimony.

6 **Q. WHEN CHI ACQUIRES UNDEVELOPED LAND, DOES CHI ARRANGE**
7 **FOR UTILITY SERVICE AS PART OF THE PROCESS OF ENTITLING**
8 **THE LAND?**

9 A. Yes. Arranging for the utility providers that will serve the property is a very
10 important step in the development and entitlement process. The D.R. Horton brand
11 is highly regarded and well recognized around the country. First rate utility
12 services are critical in maintaining the high caliber of development for which D.R.
13 Horton is known.

14 **Q. IS THE LEGENDS PROPERTY WITHIN THE EXISTING CC&N FOR**
15 **WATER OR WASTEWATER SERVICE OF ANY PUBLIC SERVICE**
16 **CORPORATION?**

17 A. A substantial portion of the Legends Property is within the existing water and
18 wastewater CC&N of Francisco Grande Utility Company ("Francisco Grande").
19 Another portion of the Legends Property—approximately 2.4 sections—is within
20 the water CC&N of CP Water. A relatively small portion of the Legends
21 Property—less than one-half of one section—is within the water CC&N of AWC.
22 The remaining portion of the Legends Property is not certificated to any provider.
23 A map showing the various CC&Ns (existing and requested) in and around the
24 Legends Property is attached as Exhibit CHI-2 to my Direct Testimony. The
25 boundary of the Legends Property is outlined in black on Exhibit CHI-2.

26 ...

1 **Q. DOES FRANCISCO GRANDE SERVE ANY CUSTOMERS WITHIN THE**
2 **LEGENDS PROPERTY?**

3 A. That portion of the Legends Property that lies within the CC&N of Francisco
4 Grande is generally uninhabited land. It is my understanding that Francisco
5 Grande has no customers and no utility facilities within its CC&N, including the
6 Legends Property.

7 **Q. DOES CP WATER SERVE ANY CUSTOMERS WITHIN THE LEGENDS**
8 **PROPERTY?**

9 A. Yes. CP Water provides water service to approximately 17 customers within its
10 CC&N.

11 **Q. DOES CHI HAVE A PLAN FOR THE PROVISION OF WATER AND**
12 **WASTEWATER SERVICES FOR THE LEGENDS PROPERTY?**

13 A. CHI is working on a comprehensive strategy for the provision of integrated water
14 and wastewater services for its approximately 7,000-acre Legends Property. CHI
15 is working toward a concrete objective, which is to have an integrated water and
16 wastewater provider that can serve all—or substantially all—of the Legends
17 Property. It is neither efficient nor desirable for a single master-planned
18 community to be served by three different water providers—Francisco Grande, CP
19 Water and AWC. Further, CHI is adamant that the provision of water and
20 wastewater services be integrated, so that water resources can be most efficiently
21 utilized within the Legends Property. As of this date, CHI has not finalized a plan
22 for the provision of water and wastewater services for the Legends Property.

23 **Q. WHAT FACTORS IS CHI CONSIDERING IN PLANNING FOR WATER**
24 **AND WASTEWATER SERVICES FOR THE LEGENDS PROPERTY?**

25 A. CHI is considering a variety of important factors such as: (i) which utility provider
26 ...

1 can deliver the best service to the future residents of the Legends Property at reasonable
2 rates; (ii) which provider has the ability to serve the entire Legends master planned
3 development, as opposed to only a portion of the development; (iii) which provider can
4 work best with CHI in planning, permitting and constructing the necessary water
5 infrastructure to serve the Legends Property; and (iv) which provider can integrate the
6 provision of water and wastewater services so as to maximize the efficient use of water
7 and effluent resources for the Legends Property. CHI believes it has a duty as a prudent
8 developer to address these factors in forming a thoughtful plan for the utility services that
9 will be required within the Legends Property. Until CHI has evaluated these factors in the
10 context of the options for providers, it is premature and unwise to certificate a water
11 provider for the Legends Property.

12 **Q. WOULD CERTIFICATION OF AWC AT THIS TIME TO SERVE ONLY A**
13 **PORTION OF THE LEGENDS PROPERTY THWART CHI'S**
14 **DEVELOPMENT OF A COMPREHENSIVE STRATEGY TO PROVIDE**
15 **INTEGRATED WATER AND WASTEWATER SERVICES TO THE**
16 **LEGENDS PROPERTY?**

17 A. Yes. The certification of AWC at this time would almost certainly prevent CHI
18 from developing a plan to provide integrated water and wastewater service within
19 the Legends Property. As I have stated, it is premature at this time to certificate a
20 water provider for the uncertificated portion of the Legends Property, and there is
21 no public interest reason to do so.

22 **Q. HAS CHI HAD DISCUSSIONS WITH ANY WATER AND WASTEWATER**
23 **PROVIDERS REGARDING SERVICE TO THE LEGENDS PROPERTY?**

24 A. CHI has had discussions with Francisco Grande, AWC and the subsidiaries of
25 Global Water Resources—Santa Cruz Water Company and Palo Verde Utilities
26 Company—regarding a comprehensive solution for water and wastewater services

1 for the Legends Property. However, as of this date, no comprehensive plan has
2 been finalized.

3 **Q. HAS CHI HAD PRIOR DEALINGS WITH GLOBAL WATER**
4 **RESOURCES OR ITS AFFILIATES, SANTA CRUZ WATER COMPANY**
5 **AND PALO VERDE UTILITY COMPANY?**

6 A. Yes. CHI has worked with Global Water Resources to negotiate agreements for
7 water and wastewater service from Santa Cruz Water Company ("Santa Cruz") and
8 Palo Verde Utilities Company ("Palo Verde") for three D.R. Horton developments
9 located within the CC&Ns of Santa Cruz and Palo Verde: Sunset Canyon, Rancho
10 El Dorado, and Homestead. Sunset Canyon is a master planned community located
11 south of the City of Maricopa consisting of 1,194 lots. Rancho El Dorado is a
12 master planned community located within the City of Maricopa consisting of 2,009
13 lots. Homestead is a master planned community located within the City of
14 Maricopa consisting of 2,295 units. In addition, CHI is developing 556 lots at
15 Mystic Vista and 534 lots at Sonora Vista in Buckeye, which are within the CC&N
16 of Valencia Water Company which was recently acquired by Global Water
17 Resources. All totaled, CHI is developing almost 6,600 lots within the certificated
18 territories of the affiliated utilities of Global Water Resources.

19 **Q. HAVE CHI'S DEALINGS WITH GLOBAL WATER RESOURCES AND**
20 **ITS AFFILIATES BEEN ACCEPTABLE IN ALL RESPECTS?**

21 A. Yes. We have a high level of comfort regarding the financial wherewithal and
22 technical expertise of Global Water Resources and its utility affiliates. We have
23 enjoyed a good working relationship with these entities, and they have consistently
24 met their commitments to CHI.

25 ...

26 ...

1 **Q. HAS CHI HAD PRIOR DEALINGS WITH AWC?**

2 A. Yes. CHI is developing a master planned community in Casa Grande known as G
3 Diamond Ranch which is already located in the CC&N of AWC. CHI is in the
4 process of developing the first phase of the development consisting of 224 lots.
5 CHI has options to purchase additional parcels of property within G Diamond
6 Ranch consisting of an additional 677 lots.

7 **Q. HAVE CHI'S DEALINGS WITH AWC BEEN ACCEPTABLE IN ALL**
8 **RESPECTS?**

9 A. CHI has not had significant problems dealing with AWC. However, AWC does
10 not provide wastewater services which frustrates CHI's ability to provide an
11 integrated water and wastewater provider for its developments. As I have
12 explained before, the integration of water and wastewater service is very important
13 to CHI from a resource use and planning perspective.

14 **Q. IN ADDITION TO THE IMPORTANCE OF OBTAINING AN**
15 **INTEGRATED PROVIDER, IS THERE ANY OTHER FACTOR THE**
16 **COMMISSION SHOULD CONSIDER?**

17 A. Yes, as a matter of property rights, the Commission should consider the expressed
18 desire of the landowner. If AWC succeeds in this case, it will obtain a monopoly
19 over a portion of CHI's Legends Property. Such a monopoly should not be granted
20 without CHI's consent. CHI has not requested water service for the Legends
21 Property from AWC or from any other provider. As I have already stated, it is
22 premature to grant a monopoly to anyone for the uncertificated portions of the
23 Legends Property. Once our planning is complete, we will select an appropriate,
24 responsible utility and then make the appropriate request for service. The selected
25 utility will then request Commission approval for any CC&N extensions or
26 transfers that are needed. The Commission will have full oversight though that

1 process.

2 **Q. HAS CHI REQUESTED THAT AWC PROVIDE WATER SERVICE TO**
3 **ANY PORTION OF THE LEGENDS PROPERTY?**

4 A. No. In fact, CHI is specifically requesting that its Legends Property be excluded
5 from AWC's requested CC&N extension. It is simply premature at this time to
6 certificate a water provider for the uncertificated portion of the Legends Property.
7 Moreover, AWC's request to include the existing certificated territory of CP Water
8 in AWC's requested CC&N is wholly inappropriate.

9 **Q. SINCE CHI ACQUIRED CP WATER IN 2004, HAS AWC EVER**
10 **DISCUSSED ACQUIRING CP WATER FROM CHI?**

11 A. No. As I stated above, AWC operates the water production, storage and
12 distribution system used to serve the existing customers of CP Water pursuant to
13 the Operation Agreement. In exchange for its services as the certified operator of
14 the system, CP Water compensates AWC in accordance with the terms and
15 conditions of the Operation Agreement, as amended by the Letter Amendment.
16 AWC has not previously indicated any desire to acquire CP Water, or indicated in
17 any way that it is dissatisfied with the arrangement under the Operation
18 Agreement.

19 **Q. SINCE CHI ACQUIRED CP WATER IN 2004, HAS AWC EVER STATED**
20 **THAT IT IS THE PUBLIC SERVICE CORPORATION FOR THE CP**
21 **WATER CUSTOMERS?**

22 A. Definitely not. If AWC had given any indication that it believed it had acquired—
23 or was somehow acquiring—the CC&N of CP Water on the basis of its operation
24 of the water production, storage and distribution system under the Operation
25 Agreement, CP Water would have vehemently defended its CC&N.

26 ...

1 Q. HAS CP WATER EVER CONSENTED TO THE TRANSFER OF ITS
2 CC&N TO AWC OR THE INCLUSION OF CP WATER'S CERTIFICATED
3 TERRITORY IN AWC'S CC&N?

4 A. No. CP Water has never consented—and does not now consent—to the inclusion
5 of CP Water's certificated territory within the CC&N of AWC.

6 Q. DOES AWC RENDER REGULAR INVOICES TO CP WATER AND/OR
7 CHI FOR SERVICES PROVIDED BY AWC UNDER THE OPERATION
8 AGREEMENT?

9 A. Yes. AWC renders monthly invoices to CP Water, and CP Water pays those
10 invoices in a timely manner. In addition, there is an annual review and true-up
11 regarding AWC's costs of performing under the Operation Agreement. CP Water
12 has met all of its obligations under the Operation Agreement.

13 Q. IS CP WATER ULTIMATELY RESPONSIBLE FOR PROVIDING
14 ADEQUATE WATER SERVICE AT REASONABLE RATES TO ITS
15 CUSTOMERS?

16 A. Yes. CP Water is ultimately responsible for providing adequate water service at
17 reasonable rates in its certificated territory, not AWC. This is clear from the
18 Operation Agreement itself, which states in Section 6 that either party may
19 terminate the agreement on 30 days written notice. Further, the Operation
20 Agreement states in Section 4 that "*AWC does not, by this Agreement, assume any*
21 *responsibilities and obligations for CP except for duties which AWC expressly*
22 *agrees to perform hereunder.*" Clearly, if there were a problem with the adequacy
23 of service in CP Water's certificated territory, the Commission would look to CP
24 Water and not AWC to address the problem.

25 ...

26 ...

1 **Q. ARE YOU AWARE OF ANY CUSTOMER COMPLAINTS BY ANY OF**
2 **THE CUSTOMERS OF CP WATER?**

3 A. Based upon our review, the Commission has no record in its data base of any
4 customer complaints filed against CP Water regarding the adequacy of water
5 service, the reasonableness of the company's rates and charges, or any other matter.
6 Certainly, in the last two years since CHI has owned CP Water, CP Water has not
7 received notice from the Commission of any complaints—formal or informal—
8 against CP Water.

9 **Q. SINCE CHI ACQUIRED CP WATER IN 2004, HAS CP WATER DENIED**
10 **WATER SERVICE TO ANY PERSON OR ENTITY REQUESTING**
11 **SERVICE?**

12 A. No.

13 **Q. IS CP WATER READY, WILLING AND ABLE TO PROVIDE WATER**
14 **SERVICE TO ANY POTENTIAL CUSTOMER REQUESTING SERVICE**
15 **WITHIN CP WATER'S CC&N?**

16 A. Yes. CP Water currently provides service to its customers through the Operation
17 Agreement with AWC. If AWC was to terminate the Operation Agreement, CP
18 Water would contract with another certified operator to operate the water system.
19 As the water for the system is currently supplied by AWC, CP Water would either
20 develop its own water production capacity or contract for a supply of water.

21 **Q. IS CP WATER IN GOOD STANDING WITH THE COMMISSION?**

22 A. Yes. CP Water is current on all of its filings with the Commission, and is in good
23 standing.

24 ...

25 ...

26 ...

1 **Q. DOES CP WATER HAVE ANY UNRESOLVED COMPLIANCE**
2 **VIOLATIONS WITH THE ARIZONA CORPORATION COMMISSION OR**
3 **THE ARIZONA DEPARTMENT OF ENVIRONMENTAL QUALITY?**

4 A. No. I have not received notice of any compliance problems from the Commission
5 or the Arizona Department of Environmental Quality.

6 **Q. IS CP WATER CURRENT IN THE PAYMENT OF ITS PROPERTY**
7 **TAXES?**

8 A. Yes.

9 **Q. IN SUMMARY, WHAT IS CHI ASKING THE COMMISSION TO DO IN**
10 **THIS DOCKET?**

11 A. CHI asks that the Commission deny AWC's request to include any part of the
12 Legends Property in AWC's requested CC&N extension. Any such extension
13 would be contrary to our stated need for integrated water and wastewater service.
14 In addition, it would grant a monopoly with respect to CHI's Legends Property
15 over CHI's objections.

16 **Q. IN SUMMARY, WHAT IS CP WATER ASKING THE COMMISSION TO**
17 **DO IN THIS DOCKET?**

18 A. CP Water asks that the Commission deny AWC's request to include its existing
19 certificated territory in AWC's CC&N.

20 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

21 A. Yes, thank you.
22
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CP WATER -1

**STOCK ASSIGNMENT
SEPARATE FROM CERTIFICATE**

FOR VALUE RECEIVED, the undersigned shareholder ("Seller") hereby sells, assigns, and transfers to CHI Construction Company, an Arizona corporation ("Buyer"), ten (10) shares (the "Shares") of Common Stock, No Par Value, of CP Water Company, an Arizona corporation (the "Company"), standing in its name on the books of the Company and represented by Certificate No(s). 5, and hereby irrevocably constitutes and appoints the Secretary of the Company as attorney-in-fact to transfer the Shares to Buyer on the books of the Company with full power of substitution in the premises.

DATED: Oct. 29, 2004

SHAREHOLDER:

Freeport Copper Company and ASARCO
Santa Cruz, Inc., Joint Venturers doing
business as Santa Cruz Joint Venture

By: ASARCO Santa Cruz, Inc., Managing
Joint Venturer

By: D. E. McAllister
Name: Douglas E. McAllister
Title: Vice President

Consented to and ratified October 28, 2004.

Freeport Copper Company

By: George D. MacDonald
Name: George D. MacDonald
Title: Vice President

CP WATER-2

AGREEMENT FOR OPERATION
OF WATER SYSTEM

RECEIVED
ARIZONA WATER CO.

OCT 22 1985

PHOENIX
OFFICE

THIS AGREEMENT, made and entered into this 22nd day of October, 1985, by and between Arizona Water Company ("AWC"), an Arizona Corporation, and CP Water Company ("CP"), an Arizona Corporation.

CP is a wholly-owned subsidiary of Getty Mining Company, a Delaware Corporation, which is a wholly-owned subsidiary of Getty Oil Company.

RECITALS

A. AWC and CP are public service corporations subject to the jurisdiction of the Arizona Corporation Commission;

B. CP operates a water distribution system (the "Water System") located in an area west of Casa Grande, Arizona, which is located within the boundaries of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 7, Township 6 South, Range 5 East, Gila and Salt River Base and Meridian, Pinal County, Arizona; the Water System is presently operated by CP on behalf of Getty Mining Company, the owner of the Water System.

C. CP is desirous of having AWC operate the Water System, and AWC is willing to operate the Water System for CP, subject to the terms and conditions set forth herein.

THEREFORE, In consideration of the premises and the mutual agreements, covenants, promises, representations and understandings contained in this Agreement and other valuable consideration, the parties hereto have entered into the following Agreement:

1. AWC agrees to perform the following acts for CP in conjunction with the operation by AWC of the Water System:

- (a) Install a two-inch (2") compound water meter and sell water to CP pursuant to the terms and conditions established by AWC's Tariff W-103 for its Casa Grande Operating System. AWC will not assess sales taxes to CP on sales of water pursuant to Tariff W-103;
- (b) Read meters, prepare and compute monthly water bills according to CP's water service tariff as approved by and filed with the Arizona Corporation Commission, mail bills to customers, pay postage, reasonably endeavor to collect payments due from customers, and render an annual accounting thereon to CP for a minimum fee of \$100 per month for up to 18 customers. The monthly fee will be increased by AWC at such time as its cost for labor increases, and/or at such time that CP increases the number of active, permanent services beyond 18 customers presently being served.
- (c) Provide labor and materials required to operate and maintain the Water System and repair damages to it;
- (d) Designate AWC's Casa Grande office, located at 220 East 2nd Street, Casa Grande, Arizona, as the location where the customers of the Water System may come regularly to pay their bills. If payment by mail is preferred by customers of the Water System, the following address shall be used: Arizona Water Company, P.O. Box 1019, Casa Grande, AZ 85222.

AWC shall have no obligation to advance its own funds for any of the items referred to above. AWC may use operating revenue from the Water System

for such purposes. If operating revenue is not sufficient, AWC may use its own funds and CP shall reimburse AWC within fifteen (15) days following receipt of an invoice for such from AWC for any expenditures AWC makes in excess of revenue available for such purposes.

2. CP shall, prior to the date when AWC is to commence operation of the Water System, cause the two water wells which presently provide water to the Water System, and which are owned by Getty Mining Company, to be physically disconnected from the Water System. The disconnection of said water wells shall be carried out according to specifications approved by AWC, and shall be monitored by AWC operations personnel.

3. The entire cost of purchasing and installing the 2" compound water meter as provided in Paragraph 1(a), above, shall be paid by CP in advance upon request for such by AWC. AWC shall be under no obligation to advance any of its own funds for the purpose of accomplishing said water meter installation.

4. AWC does not, by this Agreement or by the transactions contemplated herein, assume any responsibilities and obligations for CP except for duties which AWC expressly agrees to perform hereunder. CP shall hold harmless, indemnify and defend AWC against any obligation, damage, loss or liability of any kind arising, directly or indirectly, from AWC's operation of the Water System.

5. This Agreement shall commence on the 27th day of October, 1985.

6. Either party may terminate this Agreement upon giving to the other party thirty (30) days' written notice of its intention to so terminate; in addition, if CP fails or refuses to reimburse AWC as provided in Paragraph 1, above, AWC shall have the right to terminate this Agreement and any duty

arising hereunder upon giving CP ten (10) days notice of its intention to so terminate on account of said failure or refusal.

7. CP and AWC agree to cooperate and use their best efforts in obtaining such approvals of this Agreement as may be required by law. In the event that the approval of the Arizona Corporation Commission, the Arizona Department of Water Resources, or other governmental authority becomes required, the proposed plan of operation detailed herein shall be conditional upon the receipt of such necessary approvals. If any necessary approval cannot be obtained, or is denied, then this Agreement shall be null and void and all rights and obligations of the parties hereunder shall be abrogated and of no further force and effect.

8. Required or permitted notices to either party concerning this Agreement shall be sent by certified mail, except that invoices and other written communications may be sent by first-class mail.

Notices and written communications to CP shall be addressed as follows:

CP Water Company
c/o James W. Johnson
Fennemore, Craig, von Ammon,
Udall & Powers
1700 First Interstate Bank Plaza
100 West Washington Street
Phoenix, Arizona 85003

Notices and written communications to AWC shall be addressed as follows:

Arizona Water Company
Post Office Box 5396
Phoenix, Arizona 85010
Attention: President

9. This Agreement shall be binding and enforceable upon the parties hereto, their successors, agents and assigns.

10. This Agreement represents the entire Agreement between the parties hereto and supersedes any prior representations or understandings.

11. This Agreement may be modified or amended as mutually agreed in writing by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed as of the day and year first hereinabove written by their duly authorized corporate officers.

ARIZONA WATER COMPANY

By *A. E. Folger*
Title PRESIDENT

CP WATER COMPANY

By *Don A. Nichols*
Don A. Nichols
Title Vice President

ARIZONA WATER COMPANY

2412 N. SEVENTH ST., POST OFFICE BOX 5398 PHOENIX, ARIZONA 85004 PHONE (602) 258-6101

December 15, 1988

Mr. Phillip Darrow
Fennemore Craig
One Renaissance Square
Two North Central Avenue
Phoenix, Arizona 85004-2393

Re: CP Water Company

Dear Mr. Darrow:

I have recently completed a review of the costs Arizona Water Company (the "Company") has incurred in performing services for CP Water Company ("CP"). The purposes of this letter is to inform you of the results of that review and notify you of the revised billing terms under which the Company is willing to continue providing water operation and management services.

The October 22, 1985 agreement provided that the Company would provide monthly meter reading, billing, and collection services and render an annual accounting to CP for a minimum fee of \$100 per month. The cost of labor and materials furnished by the Company to operate, maintain or repair the CP system would be billed separately. The Company entered into this agreement with CP in the belief that it would be a short term arrangement lasting only until CP's customers could be relocated and the operation phased out. The Company did not contemplate the addition of any new customers or that our services would be needed beyond 1985.

The recently completed review of our costs indicates that for the first ten months of 1988, the Company's direct CP related costs exceeded \$1,822.82. These costs included \$1,172.98 of reimbursable but unbilled charges, as illustrated on Attachment 1. These unbilled charges for 1988 have been added to the enclosed statement for the month of October. Our indirect costs such as meter reading labor and vehicle costs, computer usage, postage and accounting labor, as well as a profit for the Company are not included in either of these amounts.

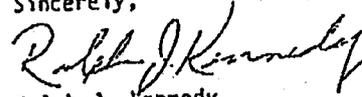
The Company is willing to continue providing management and operating services after January 31, 1989, but will bill monthly for its total direct costs, i.e. column (e) of Attachment 1, plus 30% to provide for indirect costs, overhead and profit for services provided after such date. Please sign and return the extra copy of this letter if you want the Company to continue providing services

Mr. Phillip Dar. ^{sw}
Fennemore Craig

December 15, 1988
Page 2

to CP under the revised billing arrangement described in this
letter.

Sincerely,



Ralph J. Kennedy
Vice President
and Treasurer

RJK:kn

Enclosures

cc: John Bradshaw

REVISED BILLING ARRANGEMENT
ACCEPTED ON BEHALF OF CP BY:

Robert A. Cant
12/29/88
Date

12/15/08

ARIZONA WATER COMPANY
 ANALYSIS OF EXPENSES INCURRED ON BEHALF OF CP WATER CO
 FOR THE TEN MONTHS ENDING OCTOBER 31, 1908

CYBERSPANJACK

| | TOTAL CHARGES | | | | REIMBURSABLE BUT UNBILLED CHARGES | | | | NON REIMBURSED | | PRO FORMA BILLING |
|-------|--------------------------|-------------------|--------------------|---------------------|-----------------------------------|-------------------|--------------------|---------------------|----------------|-----------|-------------------|
| | Direct Payroll Taxes (a) | Payroll Taxes (b) | Labor Overhead (c) | Vehicle Charges (d) | Direct Payroll Taxes (e) | Payroll Taxes (f) | Labor Overhead (g) | Vehicle Charges (h) | Total (i) | Total (j) | |
| JAN | 106.40 | 11.07 | 40.46 | 16.17 | 67.04 | 7.44 | 25.78 | 16.17 | 117.23 | 57.56 | 227.22 |
| FEB | 106.40 | 11.55 | 40.46 | 17.62 | 67.04 | 7.36 | 25.78 | 17.62 | 110.59 | 57.51 | 228.94 |
| MAR | 106.40 | 11.44 | 40.46 | 16.11 | 67.04 | 7.29 | 25.78 | 16.11 | 117.02 | 57.47 | 226.84 |
| APR | 69.52 | 9.17 | 34.02 | 11.15 | 50.80 | 5.21 | 19.33 | 11.15 | 86.56 | 57.28 | 187.02 |
| MAY | 159.72 | 14.57 | 60.69 | 30.25 | 265.24 | 9.20 | 38.67 | 30.25 | 178.97 | 85.27 | 344.81 |
| JUN | 106.40 | 10.34 | 40.46 | 13.10 | 170.30 | 6.59 | 25.78 | 13.10 | 143.30 | 57.00 | 221.49 |
| JUL | 87.16 | 8.30 | 33.12 | 18.35 | 146.93 | 6.46 | 25.78 | 18.35 | 118.43 | 28.90 | 191.01 |
| AUG | 89.52 | 8.51 | 34.02 | 10.63 | 142.60 | 4.04 | 19.33 | 10.63 | 85.68 | 57.00 | 185.49 |
| SEP | 106.40 | 10.21 | 40.46 | 10.09 | 175.24 | 3.25 | 12.09 | 10.09 | 88.15 | 107.09 | 237.82 |
| OCT | 159.72 | 14.02 | 60.69 | 10.66 | 253.10 | 6.53 | 30.67 | 18.66 | 168.02 | 85.07 | 329.03 |
| NOV | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| DEC | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Total | 1,118.04 | 109.78 | 424.06 | 170.14 | 1,822.02 | 66.63 | 257.79 | 170.14 | 1,172.98 | 649.84 | 2,368.66 |

ATTACHMENT 1

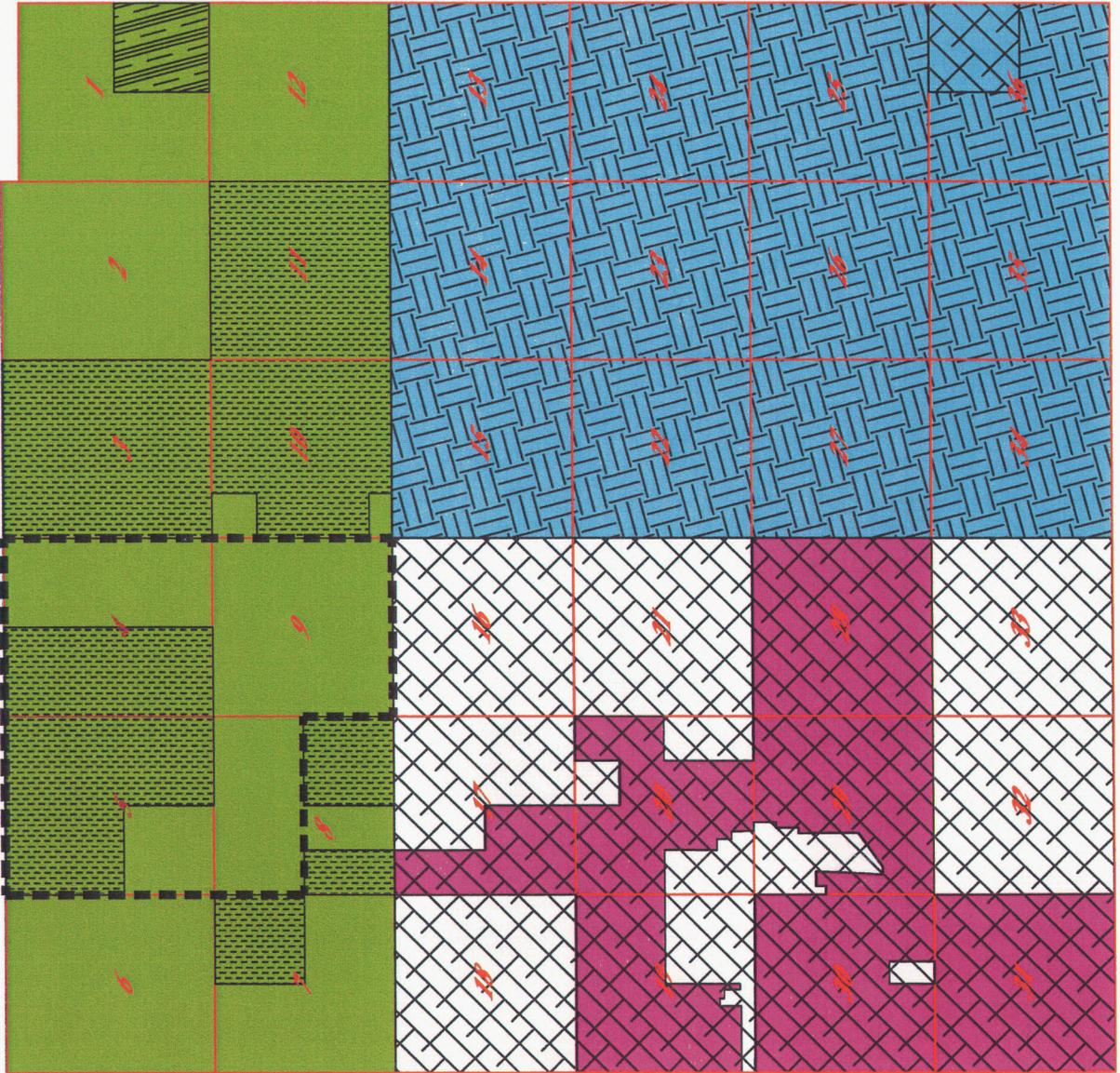
CP WATER-3

COOUNTY Pinal

RANGE 4 East

TOWNSHIP 6 South

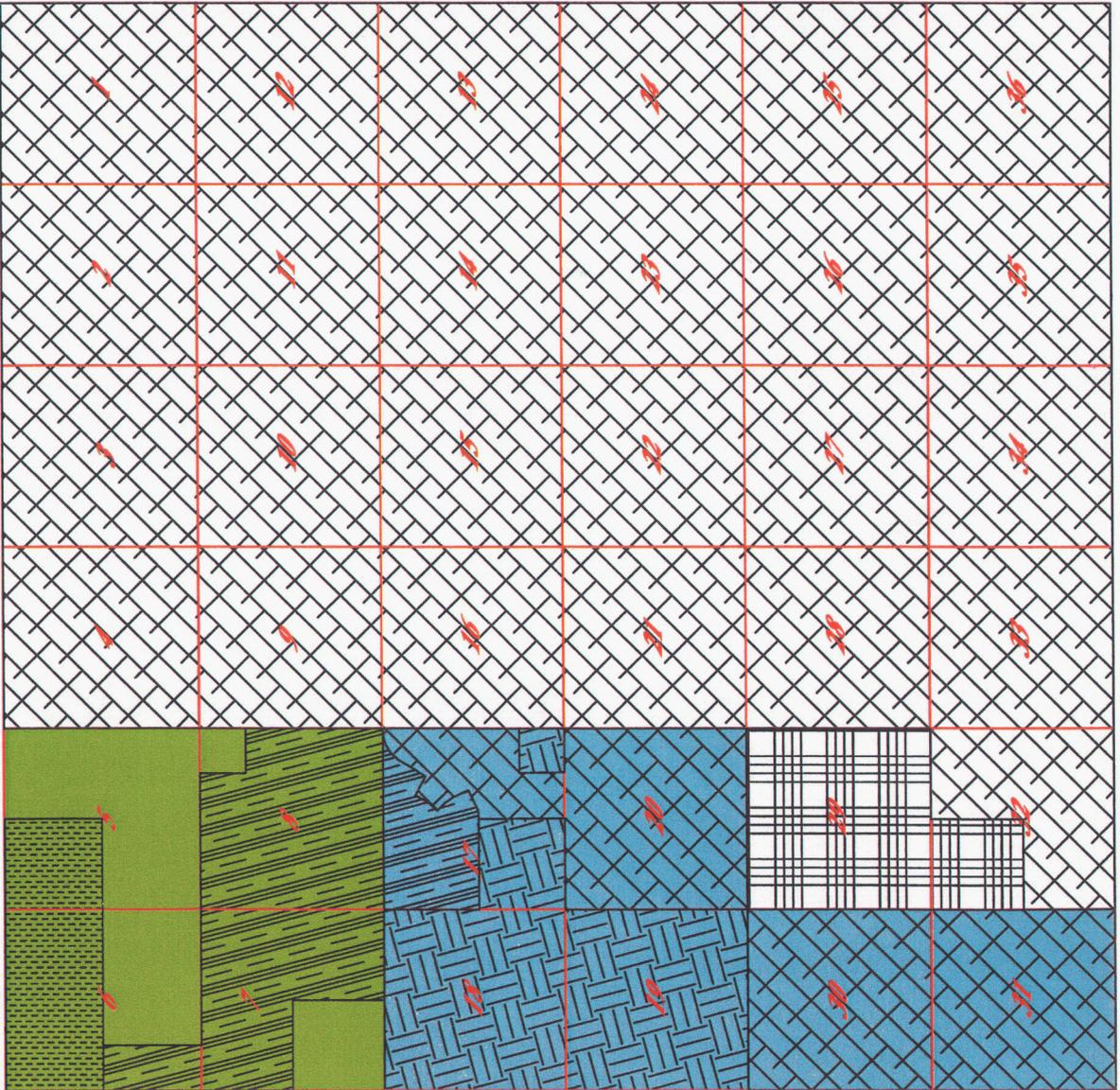
- 
 W-1445 (39)(5)
 Arizona Water Company (Stanfield)
- 
 W-2442 (2)
 CP Water Company
- 
 WS-1775 (2) Sewer
 Francisco Grande Utility Company
- 
 Nonjurisdictional (2)
 Copper Mountain Ranch Community Facilities District
- 
 (8)
 Santa Cruz Water Company
 Docket No. W-03576A-05-0926
 Application for Extension
- 
 (8)
 Palo Verde Utilities Company
 Docket No. SW-03575A-05-0926
 Application for Extension
- 
 (8)
 Arizona Water Company
 Docket No. W-01445A-06-0199
 Application for Extension



COUNTY: Pinal

RANGE 5 East

TOWNSHIP 6 South



W-1445 (39)(11)

Arizona Water Company (Casa Grande)



W-1990 (1)

Casa Grande West Water Company, Inc.



W-2442 (2)

CP Water Company



WS-1775 (2)

Francisco Grande Utility Company



Sewer



(8)

Santa Cruz Water Company
Docket No. W-03576A-05-0926
Application for Extension



(8)

Palo Verde Utilities Company
Docket No. SW-03575A-05-0926
Application for Extension



(8)

Arizona Water Company
Docket No. W-01445A-06-0199
Application for Extension

CHI-1

STEWART TITLE & TRUST OF PHOENIX


 OFFICIAL RECORDS OF
 PINAL COUNTY RECORDER
 LAURA DEAN-LYTTLE
WHEN RECORDED, RETURN TO:
 CHI Construction Company
 7001 North Scottsdale Road, Suite 2050
 Scottsdale, Arizona 85253
 Attention: Cynthia Crockett-Pedersen

 DATE/TIME: 11/02/04 0854
 FEE: \$24.00
 PAGES: 13
 FEE NUMBER: 2004-088679

(13)

of 17 DIBOND DAZ

SPECIAL WARRANTY DEED

For and in consideration of TEN DOLLARS, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, ASARCO Santa Cruz, Inc., a Delaware corporation, also known as Asarco Santa Cruz Joint Venture and Asarco SC Inc., and Freeport Copper Company, a Delaware corporation, also known as Freeport Mining Co. and Freeport Copper Co., and together, sometimes doing business as Santa Cruz Joint Venture (collectively, "Grantor"), hereby convey to CHI Construction Company, an Arizona corporation ("Grantee"), the following real property situated in Pinal County, Arizona (the "Land"), together with all of Grantor's right, title and interest, if any, in and to all entitlements appurtenant to the Land, all appurtenances, privileges, rights, easements, improvements and interests appurtenant to the Land, including, without limitation, rights to any adjoining strips, gaps or gores of property and any land lying within the bed of any adjoining street, highway or any other rights or privileges appurtenant to such Land or used in connection therewith, and including all groundwater rights and surface water rights appurtenant to the Land, including without limitation that Type I Non-Irrigation Grandfathered Groundwater Right in the Pinal Active Management Area ("AMA") more particularly described in Certificate No. 58-110104.0001, granted October 10, 1989, by the Arizona Department of Water Resources ("ADWR"), that Irrigation Grandfathered Groundwater Right in the Pinal AMA more particularly described in Certificate No. 58-104069.0002, granted May 3, 1989, by ADWR, and that Irrigation Grandfathered Groundwater Right in the Pinal AMA more particularly described in Certificate No. 58-104069.0003, granted June 24, 1994, by ADWR:

**SEE EXHIBIT A ATTACHED HERETO AND INCORPORATED
 HEREIN BY THIS REFERENCE FOR LEGAL DESCRIPTION OF THE LAND.**

SUBJECT TO current taxes and assessments and any other liens arising therefrom, and all reservations in patents, deed restrictions, if any, easements, rights of way, covenants, conditions, restrictions, encroachments, parties in possession, liens, encumbrances, obligations and liabilities as appear of record in the Pinal County Recorder's Office, the Grantor warrants the title to the Land (but not to the above-described water rights) as against all acts of the Grantor and no other.

**[THE REMAINDER OF THIS PAGE
 LEFT INTENTIONALLY BLANK]**

STATE OF LOUISIANA)

PARISH OF ORLEANS)

SS.

The foregoing instrument was acknowledged before me, a notary public, this 28th day of October, 2004, by George D. MacDonald, as Vice President of FREEPORT COPPER COMPANY, a Delaware corporation, on behalf of said corporation.

William H. Strait
Notary

My commission is issued for life

WILLIAM HENRY STRAIT
NOTARY PUBLIC
State of Louisiana
My Commission is Issued For Life
La. Bar Roll No. 24735

EXHIBIT A
LAND

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Exhibit A

Parcel No. 1:

Lots 1, 2 and 5 and the Southwest quarter of the Northeast quarter of Section 1, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the South 115.5 feet of said Lot 5; and also
Except the South 115.5 feet of the said Southwest quarter of the Northeast.

Parcel No. 2:

Lots 6 and 7 and the West half of the Southeast quarter of Section 1, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the North 140 feet of said Lot 6; and also
Except the North 140 feet of the said West half of the Southeast quarter.

Parcel No. 3:

Lots 3 and 4 and the West half of the Southeast quarter and the Southwest quarter of Section 12, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except roadway as granted in Deed recorded in Book 69 of Deeds, page 291.

Parcel No. 4:

The Northeast quarter of Section 12, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except all coal and other mineral deposits, as reserved in the Patent.

Parcel No. 5:

Section 13, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except roadway as granted in Deed recorded in Book 69 of Deeds, page 291; and

Except that portion described as follows:

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Commencing at the North quarter corner of said Section 13, said point being a 1/2" rebar tagged "LS 4399" from which the Northeast closing corner of Section 13 bears North 89°59'50" West, 2556.35 feet, said point being a 2" brass cap on a 2" galvanized pipe marked "LS 4399 C.C. 1978";

Thence along the West line of the Northeast quarter of said Section 13 South 00°10'45" East, 240.00 feet to the TRUE POINT OF BEGINNING;

Thence parallel with and 240.00 feet South of the North line of the Northeast quarter of said Section 13, South 89°59'50" East, 1499.75 feet to a 1/2" rebar tagged "RLS 35545" for the Northeast corner of this parcel;

Thence South 00°00'10" West, 1610.00 feet to a 1/2" rebar tagged "RLS 35545" for the Southeast corner of this parcel;

Thence North 89°59'50" West, 2299.75 feet to a 1/2" rebar tagged "RLS 35545" for the Southwest corner of this parcel;

Thence North 00°00'10" East, 1610 feet to a 1/2" rebar tagged "RLS 35545" for the Northwest corner of this parcel;

Thence South 89°59'50" East, 800.00 feet to the TRUE POINT OF BEGINNING.

Parcel No. 6:

The Northeast quarter and the Northwest quarter and the Southeast quarter of Section 23, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except all coal and other materials in said Northwest quarter as reserved in the Patent; and

Except roadway as granted in Deed recorded in Book 49 of Deeds, page 272.

Parcel No. 7:

Section 24, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the East half of the Southeast quarter of the Southeast quarter of the Southeast quarter thereof; and

Except all coal and other materials in the West half of said Section 24, as reserved in the Patent; and

Except roadway as granted in Deed recorded in Book 53 of Deeds, pages 253 and 254.

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Parcel No. 8:

The North half of Section 25, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the East half of the Northeast quarter of the Northeast quarter thereof.

Parcel No. 9:

The North half of Section 26, Township 6 South, Range 4 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the West half of the Northwest quarter of the Northwest quarter thereof; and also

Except the North half of the Northwest quarter of the Southwest quarter of the Northwest quarter thereof; and

Except roadway as granted in Deed recorded in Book 49 of Deeds, page 277.

Parcel No. 10:

DELETED

Parcel No. 11:

DELETED

Parcel No. 12:

DELETED

Parcel No. 13:

The East half of Section 5, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except that part lying North of the Southern Pacific Railroad; and also

Except reservations of the minerals in or under that when mined or extracted therefrom shall be equal in value to one per cent of the net smelter returns on all ores, concentrates and precipitates mined and shipped from said property as reserved in Warranty Deed recorded in Docket 1037, page 454.

ORDER NO.: 04990275

POLICY NO.: PROPORMA-0275

Parcel No. 14:

The East half of the Southwest quarter of Section 5, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the North 200 feet thereof.

Parcel No. 15:

The West half of the Southwest quarter of Section 5, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except that portion described as follows:

Beginning at the West quarter corner of said Section 5;

Thence South 89 degrees 54 minutes East, along the North boundary of said West half of the Southwest quarter of Section 5, a distance of 1302.9 feet;

Thence South 1 degree 30 minutes 30 seconds West, along the East boundary of said West half of the Southwest quarter of Section 5, a distance of 287.8 feet;

Thence South 89 degrees 59 minutes West, a distance of 1305.8 feet;

Thence North 2 degrees 03 minutes 30 seconds East, along the West boundary of said Section 5, a distance of 290.3 feet to the Point of Beginning.

Parcel No. 16:

The Southeast quarter of Section 6, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the North 300 feet thereof.

Parcel No. 17:

Lots 6 and 7 and the East half of the Southwest quarter of Section 6, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the North 300 feet of the said East half of the Southwest quarter; and also
Except the North 140 feet of said Lot 6.

ORDER NO.: 04990275

POLICY NO.: PROPORMA-0275

Parcel No. 18:

The Northeast quarter and Lots 1 and 2 and the East half of the Northwest quarter of Section 7, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except Lots 743, 1150, 1151, 1152, 1153, 1154, and 1322 of Desert Carmel Section "R", according to plat recorded in Book 14 of Maps, page 33, records of Pinal County, Arizona; and also

Except streets, alleys and drainage ways abutting said excepted lots.

Parcel No. 19:

Lots 3 and 4 and the East half of the Southwest quarter of Section 7, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 20:

The Southeast quarter of Section 7, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except Lots 2, 3, 4, 16, 27, 28, 40, 62, 65, 83, 84, 97, 102, 104, 119, 129, 142, 151, 152, 154, 156, 157, 164, 170, and 171, Desert Carmel Section "T", per plat recorded in Book 13 of Maps and plats at page 59, records of Pinal County, Arizona;

Excepting streets, alleys and drainage ways abutting said excepted lots; and also

Except Lots 196, 204, 207, 232, 244, 249, 250, 283, 292, 329, 332 and 337, Desert Carmel Section "T", per plat recorded in Book 13 of Maps and plats at page 70, records of Pinal County, Arizona;

Excepting streets, alleys and drainage ways abutting said excepted lots; and also

Except Lots 349, 355, 397, 401, 416, 428, 437, 438, 516, 529, 530, 547, 603, 611, 632, 642, 648, and 659, Desert Carmel Section "T", per plat recorded in Book 14 of Maps and plats at page 15, records of Pinal County, Arizona;

Excepting streets, alleys and drainage ways abutting said excepted lots.

Parcel No. 21:

The Northeast quarter of the Northeast quarter of Section 8, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Parcel No. 22:

The West half and the Southeast quarter and the West half of the Northeast quarter and the Southeast quarter of the Northeast quarter of Section 8, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except Candlestick Drive as dedicated on plat of Desert Carmel Section "N", according to Book 14 of Maps, page 11, records of Pinal County, Arizona; and also

Except Lots 139, 163, 194, 240, 247, 302, 395 and 427 of Desert Carmel Section "N", per plat recorded in Book 14 of Maps and plats at page 11, records of Pinal County, Arizona; and also

Except streets, alleys and drainage ways abutting said excepted lots; and also

Except any portion of Parcels 21 and 22 lying within the following described property:

That portion of the East half of the Northeast quarter of Section 8, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Beginning at the Northeast corner of said Section 8;

Thence South 00 degrees 24 minutes 58 seconds West along the East line of said Section 8, 1327.62 feet to the North sixteenth corner of the Northeast quarter of said Section 8;

Thence North 75 degrees 57 minutes 47 seconds West, a distance of 136.06 feet to the Point of Beginning;

Thence South 6 degrees 30 minutes 00 seconds West, a distance of 220.00 feet to a point;

Thence North 83 degrees 30 minutes 00 seconds West, a distance of 360.00 feet to a point;

Thence North 6 degrees 30 minutes 00 seconds East, a distance of 220.00 feet to a point;

Thence South 83 degrees 30 minutes 00 seconds East, a distance of 360.00 feet to the Point of Beginning.

Parcel No. 23:

The Northwest quarter of Section 17, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except Candlestick Drive as dedicated on plat of Desert Carmel Section "F", according to Book 15 of Maps, page 4, records of Pinal County, Arizona; and also

ORDER NO.: 04990275

POLICY NO.: PROFORMA-8275

Except Lots 79, 502, 503, 505, 506, 553, 592, 595 and 596 of Desert Carmel Section "F", according to Book 15 of Maps, page 4, records of Pinal County, Arizona.

Parcel No. 24:

The Southwest quarter of Section 17, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 25:

That part of the Northeast quarter lying West and that part of the Northeast quarter of Section 17, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona, lying North of the following described line:

Beginning at the corner of Section 8, 9, 16 and 17, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, the center of a steel manhole cover;

Thence South 89 degrees 55 minutes 45 seconds West, 238.59 feet, to a point on the centerline of Kortzen Rd;

Thence South 65 degrees 48 minutes 47 seconds West, 525.30 feet, to a point on the centerline of Kortzen Rd;

Thence South 46 degrees 41 minutes 10 seconds West, 170.77 feet, to a point on the centerline of Kortzen Rd;

Thence South 37 degrees 11 minutes 12 seconds West, 174.15 feet, to a point on the centerline of Kortzen Rd;

Thence South 31 degrees 21 minutes 01 seconds West, 887.35 feet, to a point at the center of the intersection of Kortzen Rd. and Estanquillo Ave.

Set an iron post, 3/4 inch diameter, 18 inches in the ground set flush with the ground;

Thence North 62 degrees 06 minutes 29 seconds West, 637.15 feet along the center of Estanquillo Ave. to a point at the center of the intersection of Estanquillo Ave. and Castillo Dr.

Set an iron post, 3/4 inch diameter, 18 inches in the ground, set flush with the ground;

Thence South 23 degrees 42 minutes 40 seconds West, 145.87 feet, to a point on the centerline of Castillo Dr.;

Thence South 27 degrees 45 minutes West, 152.99 feet, to a point on the centerline of Castillo Dr.;

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Thence South 33 degrees 04 minutes 44 seconds West, 120.15 feet, to a point on the centerline of Castillo Dr.;

Thence South 38 degrees 10 minutes 58 seconds West, 208.87 feet, to a point on the centerline of Castillo Dr.;

Thence South 44 degrees 50 minutes 04 seconds West, 146.78 feet, to a point at the center of the intersection of Castillo Dr. and Cochise Dr.

Set an iron post, 3/4 inch in diameter, 18 inches in the ground, set flush with the ground;

Thence South 42 degrees 59 minutes 38 seconds East, 92.11 feet, to a point on the centerline of Cochise Dr.;

Thence South 39 degrees 27 minutes 53 seconds East, 174.64 feet, to a point on the centerline of Cochise Dr.;

Thence South 34 degrees 49 minutes 58 seconds East, 116.33 feet, to a point on the centerline of Cochise Dr.;

Thence South 30 degrees 45 minutes 52 seconds East 119.33 feet, to a point on the centerline of Cochise Dr.;

Thence South 24 degrees 30 minutes 29 seconds East 295.98 feet, to a point on the centerline of Cochise Dr.;

Thence South 21 degrees 46 minutes 30 seconds East, 156.81 feet, to a point at the center of the intersection of Cochise Dr and Finaly Rd.;

Set an iron post, 3/4 inch diameter, 18 inches in the ground, set flush with the ground;

Thence South 68 degrees 09 minutes 23 seconds West, 118.50 feet, to a point on the centerline of Finaly Rd.;

Thence South 65 degrees 57 minutes 22 seconds West, 216.74 feet, to a point on the centerline of Finaly Rd.;

Thence South 61 degrees 49 minutes 45 seconds West, 233.69 feet, to a point on the centerline of Finaly Rd.;

Thence South 59 degrees 35 minutes 05 seconds West, 99.97 feet, to a point at the center of the intersection of Finaly Rd and Fleeta Dr.;

Set an iron post, 3/4 inch diameter, 18 inches in the ground, set flush with the ground;

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

Thence North 34 degrees 47 minutes 25 seconds West, 78.57 feet, to a point on the centerline of Fiesta Dr.;

Thence South 45 degrees 09 minutes 29 seconds West, 81.02 feet to the center of Section 17, an iron post, 3/4 inch diameter, 18 inches in the ground, set flush with the ground;

Together with any portions of any lots owned by Grantor herein in the Desert Carmel Subdivisions situated in the Northeast quarter of said Section 17 which extend into the Northwest quarter of Section 17;

Less and excepting from Parcel 25 above all the following:

A. Candlestick Drive as dedicated on plat of Desert Carmel Section "N", per plat recorded in Book 14 of Maps, page 11, records of Pinal County, Arizona;

B. Lot 427, Desert Carmel Section "F", per plat recorded in Book 15 of Maps, page 4, records of Pinal County, Arizona; and

C. Lots 163, 194, 240, 247, 302, 395 and 427, Desert Carmel Section "N", per plat recorded in Book 14 of Maps and plats at page 11, records of Pinal County, Arizona; and

Excepting streets, alleys, drainage ways abutting said excepted lots.

Parcel No. 26:

Section 18, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona.

Parcel No. 27:

Section 19, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the East half of Lot 4; and also

Except the East half of the Southwest quarter of the Southeast quarter; and also

Except the Southeast quarter of the Southeast quarter; and also

Except all minerals and mining rights as reserved in Warranty Deed recorded in Docket 926, page 805.

Parcel No. 28:

ORDER NO.: 04990275

POLICY NO.: PROFORMA-0275

The Northeast quarter and Lots 1 and 2 and the East half of the Northwest quarter of Section 30, Township 6 South, Range 5 East of the Gila and Salt River Base and Meridian, Pinal County, Arizona;

Except the North half of the Northeast quarter of the Northeast quarter; and also

Except the North half of the South half of the Northeast quarter of the Northeast quarter; and

Except roadway as granted in Deed recorded in Book 49 of Deeds, pages 216 and 283.

PARCEL NO. 29:

Lots 503 and 595, Section F, DESERT CARMEL, according to Book 15 of Maps, page 4, records of Pinal County, Arizona.

PARCEL NO. 30:

Lots 139 and 247, Section N, DESERT CARMEL, according to Book 14 of Maps, page 11, records of Pinal County, Arizona.

PARCEL NO. 31:

Lots 743, 1150, 1151, 1152, 1153, 1154 and 1322, Section R, DESERT CARMEL, according to Book 14 of Maps, page 33, records of Pinal County, Arizona.

PARCEL NO. 32:

Lots 16, 119 and 142, Section T, DESERT CARMEL, according to Book 13 of Maps, page 59, records of Pinal County, Arizona.

PARCEL NO. 33:

Lots 196, 207, 232, 244 and 249, Section T, DESERT CARMEL, according to Book 13 of Maps, page 70, records of Pinal County, Arizona.

PARCEL NO. 34:

Lots 349, 530, 547, 603 and 611, Section T, DESERT CARMEL, according to Book 14 of Maps, page 15, records of Pinal County, Arizona.

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
699 S. MILL AVENUE, SUITE 320
C/O HOGAN AND ASSOCIATES, INC.
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 10/06/05 1604
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2005-136286

STEWART TITLE & TRUST OF PHOENIX
ESCROW NO.: 05260507 - 026 - SSL

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,
Marvin Griffin and Evelyn Griffin, Trustees of the Griffin Living Trust dated 09/18/2002
do/does hereby convey to
CHI Construction Company, an Arizona corporation
the following real property situated in Pinal County, Arizona:
Lot 102, Desert Camel Section T, according to Book 13 of Maps, Page 59, records of Pinal County, Arizona.
Beneficiary Disclosure: Marvin Griffin and Evelyn Griffin, P.O. Box 21, Pavilion, WY 85523

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this September 27, 2005

SELLERS:

Marvin Griffin
Marvin Griffin, Trustee

Evelyn Griffin
Evelyn Griffin, Trustee

Escrow No.: 05260507 - 026 - SSL

State of ARIZONA

County of

} SS

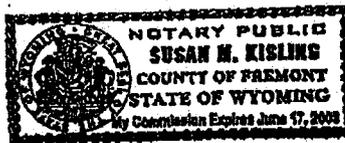
On September _____, 2005, before me, Susan M. Kislina

_____, a Notary Public in and for said County and State, personally appeared

Marvin Griffin and Evelyn Griffin, as Trustees of the Griffin Living Trust dated 09/18/2002

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Susan M. Kislina

For Notary Seal Or Stamp

STEWART TITLE & TRUST OF PHOENIX

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:

CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S MILL, SUITE 320
TEMPE, AZ 85281



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

DATE/TIME: 02/23/06 1345
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2006-026017

ESCROW NO.: 05260663 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

David N. Gehrin, An Unmarried Man

do/does hereby convey to

CHI Construction Company, an Arizona Corporation

the following real property situated in Pinal County, Arizona:

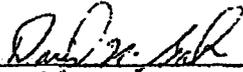
Lot 163, DESERT CARMEL SECTION "N", according to Book 14 of Maps, Page 11, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record..

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this February 1, 2006

SELLER:



David N. Gehrin

2-2-06

Esrow No.: 05260663 - 026 - MM

State of MISSOURI }
County of ST CHARLES } SS

On 2/2/06 before me, WILLIAM J WOLF
a Notary Public in and for said County and State, personally appeared

David N. Gehrin

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature William J Wolf



For Notary Seal Or Stamp

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S MILL, SUITE 320
TEMPE, AZ 85281

ESCROW NO.: 06260024 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Margaret W. Dawson, a single woman

do/does hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 164, DESERT CARMEL SECTION "T", according to Book 13 of Maps, Page 59, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this January 30, 2006

SELLER:


Margaret W. Dawson

Escrow No.: 06260024 - 026 - MM

State of Wash, Dc
County of Thurston } SS

On 2-16-06, before me, _____

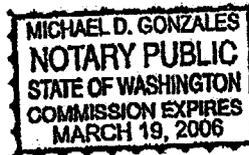
MICHAEL D. GONZALES, a Notary Public in and for said County and State, personally appeared

Margaret W. Dawson

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature [Handwritten Signature]
Expires 3-19-06



For Notary Seal Or Stamp

STEWART TITLE & TRUST OF PHOENIX

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S MILL, SUITE 320
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 12/29/05 1636
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2005-182883

111
ESCROW NO.: 05260639 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Jayteen L. Angellotti, a single woman

do/docs hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 204, DESERT CARMEL SECTION T, according to Book 13 of Maps, Page 70, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this December 12, 2005

SELLER:

A handwritten signature in cursive script that reads "Jayteen L. Angellotti".
Jayteen L. Angellotti

Escrow No.: 05260639-026-MM

State of IL } SS
County of Cook

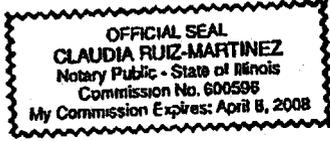
On December 22, 2005, before me, Claudia Ruiz-Martinez,
a Notary Public in and for said County and State, personally appeared

Jayleen L. Angellotti

Personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument.

Jayleen L
Angellotti

WITNESS my hand and official seal.



Signature Claudia Ruiz-Martinez

For Notary Seal Or Stamp

⑤ STEWART TITLE & TRUST OF PHOENIX
RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY, INC.
C/O HOGAN & ASSOCIATES
699 S. MILL AVENUE, SUITE 320
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

DATE/TIME: 11/21/05 1635
FEE: \$16.00
PAGES: 5
FEE NUMBER: 2005-161465

4/4 ESCROW NO.: 05260593 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,
Jocelyn C. Woods, who acquire title as Jocelyn C. Klein and Robert L. Oden and Diana O. Hunt, all as tenants common
do/does hereby convey to
CHI Construction Company, Inc., an Arizona corporation
the following real property situated in Pinal County, Arizona:
Lot 302, DESERT CARMEL SECTION N, according to Book 14 of Maps, Page 11, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens,
covenants, conditions, restrictions, obligations, and liabilities as may appear of record.
And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no
other, subject to the matters set forth.

Dated this November 4, 2005

SELLERS:

Jocelyn C. Woods
Jocelyn C. Woods

Robert L. Oden
Robert L. Oden
by P.O.A.
Jocelyn C. Woods

Diana O. Hunt
Diana O. Hunt
by P.O.A.
Jocelyn C. Woods

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY, INC.
C/O HOGAN & ASSOCIATES
699 S. MILL AVENUE, SUITE 320
TEMPE, AZ 85281

ESCROW NO.: 05260593 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,
Jocelyn C. Woods, who acquire title as Jocelyn C. Klein and Robert L. Oden and Diana O. Hunt, all as tenants common
do/does hereby convey to

CHI Construction Company, Inc., an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 302, DESERT CARMEL SECTION N, according to Book 14 of Maps, Page 11, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens,
covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no
other, subject to the matters set forth.

Dated this November 4, 2005

SELLERS:

Jocelyn C. Woods

Robert L. Oden by Jennifer R. Oden
Robert L. Oden, by Jennifer R. Oden as agent

Diana O. Hunt

Escrow No. 83160593 - 024 - MM

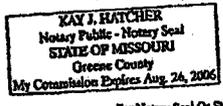
State of Missouri) ss

County of Greene

On Nov. 8, 2005 before me, Kay J Hatcher
a Notary Public in and for said County and State, personally appeared

Eliza O. Hestly - Jocelyn C. Woods - as agent
Personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Kay J. Hatcher

For Notary Seal Or Stamp

Personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument.

WITNESS my hand and official seal.

Signature Kelly A. With

For Notary Seal Or Stamp



KELLY A. WITH
My Commission Expires
December 20, 2006
City County

Escrow No.: 05260593 - 026 - MM

State of _____ } SS
County of _____

On _____, before me, _____
_____, a Notary Public in and for said County and State, personally appeared

Jocelyn C. Wood

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature _____

For Notary Seal Or Stamp

State of MA } SS
County of Clay

On 11-14-05, before me, Kelly Huth
_____, a Notary Public in and for said County and State, personally appeared

Robert L. Oden by Jennifer R. Oden as agent

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature Kelly Huth

For Notary Seal Or Stamp



KELLY A. HUTH
My Commission Expires
December 30, 2008
Clay County

Escrow No.: 05260593 - 026 - MM

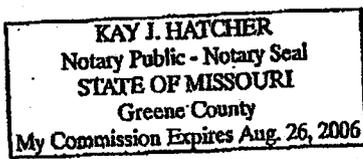
State of Missouri
County of Greene } SS

On Nov. 8, 2005, before me, Kay J. Hatcher
a Notary Public in and for said County and State, personally appeared

Jocelyn C. Woods

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Kay J. Hatcher

For Notary Seal Or Stamp

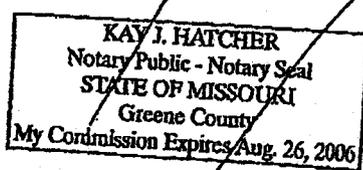
State of Missouri
County of Greene } SS

On Nov. 8, 2005, before me, Kay J. Hatcher
a Notary Public in and for said County and State, personally appeared

Robert L. Oden by Jocelyn C. Woods as agent

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Kay J. Hatcher

For Notary Seal Or Stamp

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
A: D WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES
699 S MILL, SUITE 320
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLÉ

DATE/TIME: 01/25/06 1327
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2006-011437

STEWART TITLE & TRUST OF PHOENIX

ESCROW NO.: 05260665 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Francis C. Heath and Dorothy L. Heath, as Trustees of the Heath Family Trust dated May 10, 1991

do/does hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 337, DESERT CARMEL SECTION "T", according to Book 13 of Maps, Page 70, records of Pinal County, Arizona.

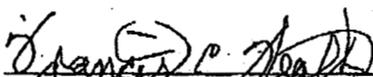
Beneficiary Disclosure: Francis C. Heath and Dorothy L. Heath, 3223 N. E. 103rd Street, Seattle, WA 98125

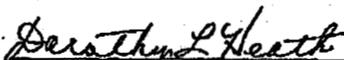
SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this December 27, 2005

SELLERS:


Francis C. Heath, TRUSTEE


Dorothy L. Heath, TRUSTEE

Escrow No.: 05260665 - 026 - MM

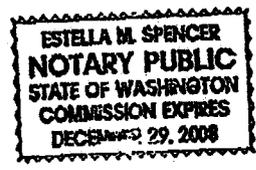
State of ~~ARIZONA~~ Washington } SS
County of ~~Pinal~~ King

On January 13, 2006, before me, ESTELLA M. SPENCER

_____, a Notary Public in and for said County and State, personally appeared
Francis C. Heath and Dorothy L. Heath, Trustees of the Heath Family Trust dated May 10, 1991

Personally known to me (or proved to me on the basis of
satisfactory evidence) to be the person(s) whose name(s) is/are
subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Estella M. Spencer

For Notary Seal Or Stamp

Commission expires 12-29-08

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S MILL, SUITE 328
TEMPE, AZ 85281

ESCROW NO.: 0626071 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Thomas D. Manfredi, a Married Man as His Sole and Separate Property and Kathryn Weber, a Married Woman as Her Sole and Separate Property

do/does hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

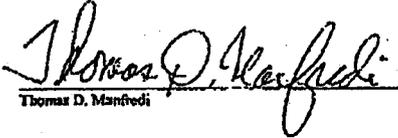
Lot 355, DESERT CARMEL SECTION "T", according to Book 14 of Maps, page 15, records of Pinal County, Arizona.

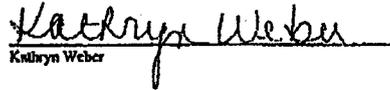
SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this March 6, 2009

SELLERS:


Thomas D. Manfredi


Kathryn Weber

Escrow No.: 06260071 - 026 - MBI

State of ARIZONA
County of Maricopa } ss
On 3/8/06 before me, Mary Teetsel
a Notary Public in and for said County and State, personally appeared

Thomas D. Manfredi

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Mary L. Teetsel

For Notary Seal Or Stamp

State of Illinois } ss
County of Winnebago
On 3/13/06 before me, Kelly Rosik
a Notary Public in and for said County and State, personally appeared

Kathryn Weber

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature Kelly Jean Rosik

For Notary Seal Or Stamp

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:

CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S. MILL, SUITE 320
TEMPE, AZ 85281
STEWART TITLE & TRUST OF PHOENIX



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

DATE/TIME: 01/19/06 1643
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2005-008984

ESCROW NO.: 05260656 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Su Song Ling and Su Chen Yun Ying, Husband and Wife ALSO KNOWN AS SONG-LING SU AND YUN-YING CHAN SU
do/does hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 505, DESERT CARMEL SECTION "F", according to Book 15 of Maps, Page 4, records of Pinal County, Arizona.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this December 20, 2005

SELLERS:

Su Song Ling by Irene Chang
Su Chen Yun Ying by Irene Chang
Su Song Ling by Irene Chang, as Agent as Agent
Su Chen Yun Ying by Irene Chang as Agent
Irene Chang as Agent

Escrow No.: 05260656 - 026 - MM

State of California } ss
County of Marin

On Jan. 10th 2006, before me, Javad Forouzeh
a Notary Public in and for said County and State, personally appeared

Su Song Ling by Irene Chang, as Agent and Su Chen Yum Ying by Irene Chang as Agent

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature J. J. [Signature]

For Notary Seal Or Stamp



STEWART TITLE & TRUST OF PHOENIX

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN AND ASSOCIATES, INC
699 SOUTH MILL AVE, #320
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 02/08/06 1627
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2006-019495

1/1
ESCROW NO.: 06260011 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Giselle J. Ward, as Successor Trustee of the Jay C. Heram and Hazel I Heram Living Trust Agreement dated January 30, 1991

do/does hereby convey to

CHI Construction Company, an Arizona corporation

the following real property situated in Pinal County, Arizona:

Lot 529, Desert Carmel Section T, according to Book 14 of Maps, Page 15, records of Pinal County, Arizona.

Beneficiary Disclosure: Giselle J. Ward, 9300 NW 12th Ave, Vancouver, WA 98665

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this January 17, 2006

SELLER:

Giselle J. Ward, as Successor Trustee
Giselle J. Ward, as Successor Trustee
1/21/06

Escrow No.: 06260011 - 026 - MM

State of Washington }
County of Clark } ss

On January 21, 2006, before me, Sara Nasti

_____ a Notary Public in and for said County and State, personally appeared

Giselle J. Ward, as Successor Trustee of the Jay C. Herem and Hazel J Herem Living Trust Agreement dated January 30, 1991

Personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) (s) are subscribed to the within instrument.

WITNESS my hand and official seal.

Signature

Giselle J. Ward



For Notary Seal Or Stamp

RECORDING REQUESTED BY
Stewart Title & Trust of Phoenix, Inc.
AND WHEN RECORDED MAIL TO:
CHI CONSTRUCTION COMPANY
C/O HOGAN & ASSOCIATES, INC.
699 S MILL, SUITE 320
TEMPE, AZ 85281



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE

DATE/TIME: 01/18/06 1632
FEE: \$16.00
PAGES: 2
FEE NUMBER: 2006-008476

STEWART TITLE & TRUST OF PHOENIX

ESCROW NO.: 05260664 - 026 - MM

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

Shih-Hsiung Hsu, a married man has his sole and separate property

do/does hereby convey to

CHI Construction Company, an Arizona Corporation

the following real property situated in Pinal County County, Arizona:

Lot 553, Section No. F, in Desert Carmel, a subdivision of Pinal County, Arizona, according to the maps and plats in the office of the County Recorder of Pinal County, Arizona, in Book 15 of Maps and plats in page 4.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated this December 29, 2005

SELLER:

A handwritten signature in black ink, appearing to read "Shih-Hsiung Hsu", written over a horizontal line.

Shih-Hsiung Hsu

Escrow No.: 05260664 - 026 - MM

State of CALIFORNIA
County of SAN DIEGO

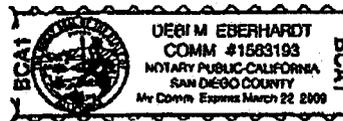
} ss

On JANUARY 3, 2006, before me, DEBI M. EBERHARDT
_____, a Notary Public in and for said County and State, personally appeared

Shih-Hsiung Hsu

~~Personally known to me~~ (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument.

WITNESS my hand and official seal.



Signature

Shih-Hsiung Hsu

For Notary Seal Or Stamp

CHI-2

Error

An error occurred while processing this page. See the system log for more details.