

**ORIGINAL NEW APPLICATION**



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27

WILLIAM H. ANGER, SBA# 007333  
**ENGELMAN BERGER, P.C.**  
3636 NORTH CENTRAL AVENUE  
SUITE 700  
PHOENIX, ARIZONA 85012  
  
Ph: (602) 271-9090  
Fax: (602) 222-4999  
Email: wha@engelmanberger.com

RECEIVED

2007 FEB 16 1P 12:14

AZ CORP COMMISSION  
DOCUMENT CONTROL

Arizona Corporation Commission  
**DOCKETED**  
FEB 16 2007

DOCKETED BY	<i>W</i>
-------------	----------

Attorneys for Equestrian Estates at White Hills Water Cooperative, Inc.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

IN THE MATTER OF THE  
APPLICATION OF EQUESTRIAN  
ESTATES AT WHITE HILLS WATER  
COOPERATIVE, INC. FOR AN ORDER  
ADJUDICATING THAT IT IS NOT A  
PUBLIC SERVICE CORPORATION.

Docket No. W-20512A-07-0103  
**APPLICATION FOR  
ADJUDICATION**

Equestrian Estates at White Hills Water Cooperative, Inc. ("Water Cooperative") hereby submits this application to the Commission for an order adjudicating it not a public service corporation.

**I**

Water Cooperative is a non-profit corporation formed on September 19, 2006 for the purpose of operating and maintaining a water supply and distribution system for the benefit of the participating lot and parcel owners of the Equestrian Estates at White Hills subdivision in Mohave County ("Equestrian Estates"). Equestrian Estates is a fixed territory which is not within the service area of a municipal or public utility. It is located in the high desert of northern Arizona between Lake Mead and Lake Mohave. Equestrian Estates itself consists of 116 lots and cannot be subdivided further. Each lot owner is a member of Water Cooperative, but in order to have the right to receive water from Water Cooperative, a lot must be at least five gross acres in size. Each member is entitled to one vote for each parcel owned, which parcel must be at least five gross acres in size. A Petition in

ENGELMAN BERGER, P.C.  
One Columbus Plaza, Suite 700  
3636 North Central Avenue  
Phoenix, Arizona 85012

1 support of this application is attached to this application. Mohave County has required Water  
2 Cooperative to obtain this adjudication as a condition to final plat approval.

3 **II**

4 The legal description of Equestrian Estates is as follows:

5  
6 Equiterian Estates at White Hills, Tract 3816, a subdivision of Section 5, Township 27  
North, Range 19 West of the Gila and Salt River Meridian, Mohave County, Arizona.

7 **III**

8 Water Cooperative has obtained an Approval to Construct Water Facilities ("ATC") from the  
9 Arizona Department of Environmental Quality. The ATC is for the installation of a new well (DWR  
10 # 55-902005); an 83,500 gallon storage tank; four 220 gallon hydropneumatic tanks; an arsenic  
11 removal system; a chlorinator; 10,950 LF of 4", 42,570 LF of 6", and 292 LF of 8" water lines (these  
12 components are collectively referred to as the "System"). Water Cooperative is in the process of  
13 constructing the System. It has obtained all other necessary approvals from state and local agencies.

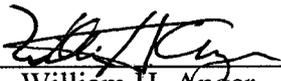
14 **IV**

15 Water Cooperative has attached the following exhibits to this application:

- 16
- 17 1. Articles of Incorporation and Bylaws
  - 18 2. Declaration of Covenants, Conditions & Restrictions
  - 19 3. Approval to Construct Water Facilities
  - 20 4. Well Registry Report
  - 21 5. Final Plat Maps of Equestrian Estates
  - 22 6. Petition of Property Owners in Support of Application

23 **DATED** this 16<sup>th</sup> day of February, 2007.

24 **ENGELMAN BERGER, P.C.**

25 By   
26 William H. Anger  
3636 North Central Avenue, Suite 700  
27 Phoenix, Arizona 85012  
Attorneys for Equestrian Estates at White Hills  
Water Cooperative, Inc.

**EXHIBIT 1.**

**ARTICLES OF INCORPORATION**

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



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL  
Executive Director  
  
DAVID RABER  
Director, Corporations Division

September 26, 2006

ENGELMAN BERGER PC  
ATTN WILLIAM ANGER  
3636 N CENTRAL AVE # 700  
PHOENIX, AZ 85012

RE: EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE, INC.  
File Number: -1312866-3

We are pleased to notify you that your Articles of Incorporation were filed on September 20, 2006.

You must publish a copy of your Articles of Incorporation. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona (as filed with the Commission) for three (3) consecutive publications. A list of newspapers is available on the Commission web site. An affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing within NINETY (90) DAYS from the date of this letter. Make sure the newspaper publishes the corporation documents using the exact name filed with the Commission.

All corporations transacting business in Arizona are required to file an Annual Report with the Commission, on the anniversary of the date of incorporation. Each year, a preprinted Annual Report form will be mailed to the corporation's known place of business approximately two months prior to the due date of the report. Should the report fail to arrive, contact the Commission. It is imperative that corporations notify the Commission immediately (in writing) if they change their corporate address, statutory agent or agent address. Address change orders must be executed (signed) by a corporate officer. Postal forwarding orders are not sufficient.

The Commission strongly recommends that you periodically check Commission records regarding the corporation. The Commission web site [www.cc.state.az.us/corp](http://www.cc.state.az.us/corp) contains information specific to each corporation of record and is a good general source of information.

If you have questions or need of further information, please contact us at (602) 542-3135 in Phoenix, (520) 628-6560 in Tucson, or Toll Free (Arizona residents only) at 1-800-345-5819.

Sincerely,

Shelly Weinzierl  
Examiner  
Corporations Division

CF:04

REV. 01/2004

AZ CORPORATION COMMISSION  
FILED

## ARTICLES OF INCORPORATION

SEP 20 2006

OF

FILE NO. 13128063  
EQUESTRIAN ESTATES AT WHITE HILLS  
WATER COOPERATIVE, INC.**KNOW ALL MEN BY THESE PRESENTS:**

That we, the undersigned, do hereby associate ourselves together for the purpose of forming a corporation not for pecuniary profit, under the laws of the State of Arizona, and hereby adopt the following Articles of Incorporation:

**ARTICLE I**

Name. The name of the corporation shall be Equestrian Estates at White Hills Water Cooperative, Inc.

**ARTICLE II**

Place of Business. The principal place of business and the address for the corporation shall be initially c/o Property Management Services, 1834 Highway 95, Bullhead City, Arizona 86442, but the Board of Directors may change the principal place of business from time to time and other offices may be maintained within the State of Arizona at such places as the Board of Directors may designate.

**ARTICLE III**

Members. This corporation shall have no capital stock, but shall have membership shares which shall have no pecuniary value but which shall attach to and run with tracts of land as designated by the By-Laws of this corporation. No Part of the net earnings, if any, of the corporation shall inure to the benefit or be distributable to its members, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distribution in furtherance of the purposes set forth herein. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States Internal Revenue Law) or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 (or the corresponding provisions of any future United States Internal Revenue Law).

**ARTICLE IV**

-13128663

**Purpose.** The purpose of this corporation is to transact any or all lawful business for which nonprofit corporations may be incorporated under the laws of Arizona, as may be amended from time to time. This purpose includes establishing, operating and maintaining a water supply and distribution system for the benefit of the participating lot and parcel owners of the subdivision known as the Equestrian Estates at White Hills; to uphold and enforce the provisions of the Declaration of Covenants, Conditions and Restrictions for Equestrian Estates at White Hills Water Cooperative, Inc.; and to perform all lawful acts and things incidental to or in any way connected with said purposes, including the acquisition and disposition of, and otherwise dealing with, real and personal property.

**ARTICLE V**

**Limitation of Director Liability.** In accordance with the provisions of the Nonprofit Corporation Act (set forth at A.R.S. § 10-3101 et seq., as may be amended from time to time), each Director shall be immune from civil liability and shall not be subject to suit indirectly or by way of contribution for any act or omission resulting in damage or injury if said Director was acting in good faith and within the scope of his official capacity (which is any decision, act, or event undertaken by the Association in furtherance of the purpose or purposes for which it is organized) unless such damage or injury was caused by willful and wanton or grossly negligent conduct of the Director. This provision intends to give all Directors the full extent of immunity available under the Nonprofit Corporation Act.

**ARTICLE VI**

**Indemnification of Directors, Officers and Agents.** The corporation shall indemnify any person who incurs expenses or liabilities by reason of the fact that he or she is or was an officer, director, or agent of the corporation. This indemnification shall be mandatory in all circumstances in which indemnification is permitted by law; provided, however, that the corporation shall have the right to refuse indemnification if the person to whom indemnification would otherwise have been applicable shall have unreasonably refused to permit the corporation, at its own expense and through counsel of its own choosing, to defend him or her in the action.

**ARTICLE VII**

**Commencement.** The time of the commencement of this corporation shall be the day these articles are filed in accordance with law and the duration of the corporation shall be perpetual.

**ARTICLE VIII**

**Board of Directors.** The affairs of the corporation shall be conducted by a Board of Directors consisting of not less than three (3) or more than seven (7) members or directors, and by such officers as the Board of Directors may from time to time elect or appoint. The Board of Directors shall be elected or appointed in a manner and for the terms provided in the By-Laws. The directors shall hold office until successors are elected and have qualified. The names and

- 13128663

addresses of who are to serve as the Directors until the first election of Directors or until their successors are elected and qualified are:

Ralph J. McGrath 10449 East Desert Cove, Scottsdale, AZ 85259  
Kathleen Kristin 10449 East Desert Cove, Scottsdale, AZ 85259  
Kevin Leonard HC - 37 Box 960, Kingman, AZ 86413

The initial officers of the corporation, who shall serve at the pleasure of the Board of Directors are:

Ralph J. McGrath	President and Treasurer
Kathleen Kristin	Vice-President
Kevin Leonard	Secretary

The Board of Directors shall elect a President, Vice-President, Secretary-Treasurer, and such other officers and agents as the Directors may deem expedient, said officers to be elected by the Board of Directors at the regular meeting of the board immediately following the annual meeting. Any and all vacancies in the Board of Directors or in any office may be filled by the remaining directors, and the person so chosen to fill a vacancy shall serve during the unexpired term of his/her predecessors and until his/her successor is elected and qualified.

**ARTICLE IX**

**Dissolution.** The corporation may be dissolved with the written consent of Members representing not less than two-thirds (2/3) of the Equestrian Estates at White Hills subdivision membership parcels. Upon the dissolution or liquidation of the Corporation, the Corporation shall pay or adequately provide for the debts and obligations of the Corporation and otherwise comply with the Arizona Nonprofit Corporation Act. Upon such dissolution or liquidation, the assets of the corporation shall be dedicated to an appropriate public agency to be used for purposes similar to those for which the corporation was created.

**ARTICLE X**

**Definitions.** All capitalized terms used herein without definition shall have the meanings set forth for such terms in the Declaration.

**ARTICLE XI**

**Statutory Agent.** The name and address of the statutory agent of the corporation is:

Steven R. Buck  
c/o Property Management Services  
1834 Highway 95  
Bullhead City, Arizona 86442

ARTICLE XII

-13128663

Bylaws. The Board of Directors shall have the power to adopt By-Laws and to change or amend the same as it may deem expedient. The By-Laws shall prescribe, among other things, the liability of the members for dues and assessments, the terms and conditions upon which a membership may be transferred and other such rules and regulations as may be required, provided the same are not contrary to law or inconsistent with the objectives or purposes of the corporation. Members shall also be required to pay all assessments and cost set forth in the Declaration of Covenants, Conditions, and Restrictions for the Whitehills Equestrian Estates Landowners Water Cooperative, Inc.

ARTICLE XIII

Annual Meeting. The annual meeting and special meetings of the Board of Directors and/or membership shall be held at such time and place and in such a manner as may be prescribed in the By-Laws of the corporation.

ARTICLE XIV

Amendment. These Articles of Incorporation may be amended by the affirmative vote of members representing not less than two-thirds (2/3) of the total Equestrian Estates at White Hills subdivision membership parcels.

ARTICLE XV

Indebtedness. The highest amount of indebtedness or liability, direct or contingent, to which this corporation may be subject at any one time shall be the highest amount allowed by law.

ARTICLE XVI

Incorporators. The names and addresses of the incorporators are:

Ralph J. McGrath 10449 East Desert Cove, Scottsdale, AZ 85259  
Kathleen Kristin 10449 East Desert Cove, Scottsdale, AZ 85259  
Kevin Leonard HC 37 Box 960 Kingman, AZ 86413

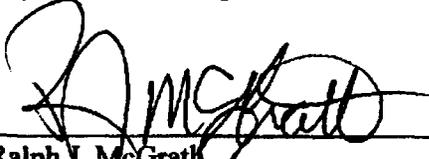
All powers, duties, and responsibilities of the incorporators shall cease at the time of the delivery of these Articles of Incorporation to the Arizona Corporation Commission.

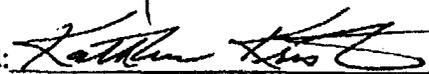
ARTICLE XVII

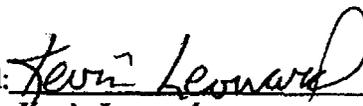
-13128663

Statutory Agent. The name and address of the initial Statutory Agent for the corporation is Steven R. Buck, c/o Buck, Reynolds Corporation, P.O. Box 1834, Highway 95, Arizona 86442.

EXECUTED THIS 19<sup>th</sup> day of September, 2006 by all of the incorporators.

Signed:   
Ralph J. McGrath

Signed:   
Kathleen Kristin

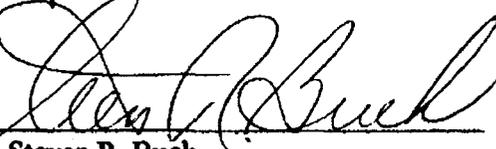
Signed:   
Kevin Leonard

-13128663

**ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT**

The undersigned hereby acknowledges and accepts the appointment as statutory agent of the above-named corporation effective this 19<sup>th</sup> day of September, 2006.

Signed: \_\_\_\_\_



Steven R. Buck

**BY-LAWS**  
**OF**  
**EQUESTRIAN ESTATES AT WHITE HILLS**  
**WATER COOPERATIVE, INC.**  
**a Nonprofit Association**

**PURPOSE**

The primary purpose/objective of Equestrian Estates at White Hills Water Cooperative, Inc. ("Association") is to provide for the operation, maintenance, repair and necessary assessments and management of the well, tanks, holding tanks, water lines and equipment and personal property for water used by the members of the Association, which members shall be limited solely to the owners of the "Membership Property" described as follows:

SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF (hereinafter called "Membership Property").

The purpose of the Association includes enforcing all of the provisions set forth in the Declaration of Covenants, Conditions and Restrictions for Equestrian Estates at White Hills Water Cooperative, Inc., recorded at Book 6641, Page 647, Official Records of Mohave County ("Declaration").

**ARTICLE I**  
**DEFINITIONS**

Section 1.1. Association. Association shall mean and refer to Equestrian Estates at White Hills Water Cooperative, Inc.

Section 1.2. Association Properties or Premises. Association properties or premises shall mean all property owned by the Association, including personal property, equipment, tangible and intangible property and real property. The real property owned by or contracted to the Association is described as follows:

SEE EXHIBIT B ATTACHED HERETO AND MADE A PART HEREOF

Section 1.3. Common Area and Common Elements. Common area and common elements shall be synonymous and shall mean all real property owned by the Association.

Section 1.4. Lot, Unit or Parcel. Shall mean a deeded number of acres of that certain property described as "Membership Property".

Section 1.5. Member. Member shall mean and refer to every person or entity who holds membership in the Association, as defined in Numerical Paragraph 2 of the Declaration.

**ARTICLE II**  
**MEMBERSHIP, QUALIFICATIONS FOR**  
**MEMBERSHIP AND MEETINGS**

Section 2.1. Membership. Each owner of a parcel of the "Membership Property" is a member in the Association.

Section 2.2. Improved Properties. All properties of members shall be considered improved, due to the availability of both water and electric to the respective properties.

Section 2.3. Membership Dues. The Board of Directors may determine from time to time the amount of Membership dues and other dues payable to the Association by members. The initial annual membership dues shall be determined by the Board of Directors. There shall be no refund of dues to any member regardless of the date upon which the membership terminates. Annual dues shall be in addition to any water charge and/or assessment for the maintenance and operation as defined in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.

Section 2.4. Annual Meeting. The regular annual meeting of members shall be held no later than the fifteenth day of April following the December 31<sup>st</sup> year end. Such meeting shall be held within a seventy mile radius of Whitehills, Arizona at such a place as the Board may designate.

Section 2.5. Special Meetings. Special meetings of the members may be called at any time by the President; or, shall be called by the President or Secretary at the request of a majority of the members and the Board of Directors; or, upon a petition signed by at least three (3) members entitled to vote 20 percent of the total number of votes eligible to be cast. Such meetings shall be held at Whitehills, Arizona or within a seventy mile radius of said town at such a place as the Board may designate.

Section 2.6. Notice of Meetings. Notices of every annual or special meeting of members, stating the time and place where such meeting is to be held, shall be given by serving a copy of such notice personally, or, by ordinary mail to each member, not less ten (10) days prior to each meeting. If mailed, such notice shall be directed to the member at the address appearing in the membership book, unless they have filed, with the secretary of the Association, a written request that said notices shall be mailed to some other address.

Notices shall be deemed to have been given and received 48 hours after the same have been deposited in the United States mail, postage prepaid, addressed to the members.

Section 2.7. Quorum. A quorum at a regular meeting or special meeting shall constitute at least two or more members (or proxies) who together own at least 10 percent of the parcels owned by members.

Section 2.8. Proxies. At all annual and special meetings of members, each member may vote in person or by proxy. All proxies shall be in writing, signed by the person granting them, and filed with the Secretary prior to or at the start of the meeting. All proxies furnished will have a time maximum of 11 (eleven) months and shall not be exceeded for any reason. Proxies may also be given to cover only a special meeting for the particular date specified on the proxy.

Section 2.9. Voting. Voting is by fractional ownership. One vote for each parcel of Membership Property which exceeds five acres that is owned by the member.

### **ARTICLE III** **DIRECTORS AND DIRECTORS' MEETINGS**

Section 3.1. General Powers. The property, affairs and activities of the Association shall be managed by the Board of Directors executing their decisions through the Association officers.

Section 3.2. Liability of the Board of Directors. Members of the Board of Directors shall in no way become personally liable for debts incurred on behalf of the Association.

Section 3.3. Members, Election and Term of Office. The initial Board of Directors shall serve until the first Annual meeting of the Membership which shall be held no later than October 1, 2006. The Board of Directors shall consist of from three to seven members as determined by the Board of Directors. Directors shall be elected from the general membership at the annual meeting and shall hold office for a term of three years or until the next annual membership meeting or until they are removed and replaced at any special meeting of members called for that purpose. The number of directors may be altered from time to time at any regular or special meeting by the action of members entitled to vote a majority of the votes present or represented at the meeting and eligible to be cast at said meeting. The Directors shall take office on the first day of the month, following the general membership meeting that they were elected at.

3.3.1 Staggered Terms. At the first annual meeting at which the Directors are elected there shall be elected three (3) Directors of the Association; the term of office of one Director shall be fixed for three (3) years. The term of office of one other director shall be two (2) years, and the term of office of the other Director shall be one (1) year. The determination of who is selected for which terms shall be based upon the total number of votes received during the election, with the person receiving the highest number of votes appointed for three (3) years, the next highest number of votes appointed for two (2) years, and the next highest number of votes appointed for one (1) year. In the event of a tie, the person whose last name would appear first on an alphabetical listing shall receive the longer term. The same method shall apply if, for example, three Directors all received the same number of votes. In that case, the determination of who shall serve the three year term, and the two year term will be based on the alphabetical listing of the three persons, using only their legal last names. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of three (3) years. The Directors shall hold office until their successors have been elected and hold their first meeting. If, in the future, the Board is increased to five (5) or seven (7) Directors, the new Directors shall be elected for the length of terms determined by the Board to continue staggered terms.

Section 3.4. Vacancies. Vacancies on the Board of Directors resulting from death, resignation, incapacity, or, for any other reason shall be filled by a majority vote of the Board of Directors present at a regular or special meeting of the Board of Directors called for such purpose even if a quorum is not available. However, successor directors may be elected at a special meeting of members called for that purpose. A director so appointed shall complete the unexpired term of the predecessor.

Section 3.5. Regular Meetings. Regular meetings of the Board of Directors for the election of officers and the transaction of such other business as may come before the meeting, shall be held immediately following the annual meeting of members and no notice thereof shall be required to be given to any director.

Section 3.6. Special Meetings. Special meetings of the Board of Directors may be called at any time by a majority of the Board of Directors.

Section 3.7. Notices of Meetings. Notice of each special meeting of the Board of Directors shall be given not less than three (3) days prior to the date said meeting is scheduled to be held.

3.7.1 Waiver of Notice. Before or at any meeting of the Board of Directors, any director may, in writing waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and business may be transacted at such meeting.

Section 3.8. Quorum. A majority of the directors then holding office shall be necessary to constitute a quorum for the transaction of business, and, the act of a majority of directors present at any meeting in which a quorum is present shall be the act of the Board of Directors.

3.8.1 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved will have the same effect as though taken at a meeting of the directors.

Section 3.9. Voting. Voting is one director, one vote.

Section 3.10. Specific Powers.

(a) The Board of Directors shall have full power and authority to set the costs of water and other services to be rendered by the Association and the payment and collection of dues.

(b) In the event an operating deficiency is realized in any fiscal year, the Board of Directors shall have the power to require the recovery of such deficiency from the members who were provided service in that fiscal year. The members' share of the deficiency shall

be determined by the ratio of the member water usage for the fiscal year to the total water usage of all members for that fiscal year.

(c) The Board of Directors shall have full power and authority to levy special assessments against members in the event that situations arise requiring unusual or major expenditures or assumption of unusual or major liabilities not adequately provided for or reserved against for the benefit of the Association and members generally. Without limiting the generality of the foregoing, some of the circumstances contemplated which might give rise to such special assessments are the need to make major acquisitions or improvements, curing the effects of breakdown, loss or destruction of its improvements, facilities or equipment.

(d) The Board of directors shall have the sole authority and responsibility to schedule the operation of the common elements. (Includes contract for power service and payment of power bills from funds collected from members using water.)

#### **ARTICLE IV** **OFFICERS**

Section 4.1. Officers. The officers of the Association shall consist of a President, a Secretary and such other officers (including, but, not limited to a Vice-President and a Treasurer) and assistant officers as the Board of Directors may from time to time determine are necessary, select, appoint and employ. Such officers and assistant officers shall hold office at the sufferance of the Board of Directors, their terms continuing until their resignation, death, incapacity, removal from office, abolition of their office or, the election by the Board of Directors of their successors in office.

The President shall be chosen from among the members of the Board of Directors. Any two or more offices may be held by the same person, except the office of the President and Secretary.

Section 4.2. President. The President shall preside at all meetings of the Directors and members, and shall have general charge and control of the Association, subject to the Board of Directors.

Section 4.3. Vice-President. The Vice-President or Vice-Presidents shall have such powers to perform such duties as are delegated by the Board of Directors. In the absence of the President or in the event of death, or disability, the Vice-President (or if there are more than one, the Vice-President first elected to office) shall perform the duties and exercise the powers of the President.

Section 4.4. Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and all meetings of the members, and, shall attend to the giving of all notices required to be given. The Secretary shall have charge of all of the books, records, and, accounts of the Association and shall, in fact, perform all the duties incident to the office of Secretary, subject to the control of the Board of Directors. The Secretary shall keep a register of members and of the persons entitled to vote and of the number of votes to which each is entitled. The Secretary may require any person attempting to vote or participate in a meeting to furnish reasonable evidence of

qualifications, standing, or, authority to vote or to vote the number of votes claimed. The Secretary may delegate his or her duties to another Board Member or other individual approved by the Board.

Section 4.5. Treasurer. The Treasurer shall have custody of all funds and securities of the Association, which may come into their hands. When necessary and proper, the Treasurer shall endorse on behalf of the Association for collection, checks, notes and other negotiable instruments payable to the Association, in such bank or banks or depositories as the Board of Directors shall designate. The Treasurer shall further perform all acts and things incident to the office of Treasurer, subject to the control of the Board of Directors and shall give bond for the satisfactory discharge of these duties in such amount as the Board of Directors shall fix and determine at its discretion. All premiums due regarding said bond shall be paid for by the Board to the president and/or the Secretary or to such other officers or assistant officers as the Board shall determine should be charged with these responsibilities. The Treasurer may delegate his or her duties to another Board Member or other individual approved by the Board.

## **ARTICLE V**

### **MISCELLANEOUS PROVISIONS**

Section 5.1. Fiscal Year. The fiscal year of the Association shall be the normal Gregorian calendar year.

Section 5.2. Checks, Drafts, Notes. All checks, drafts, or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors. Notwithstanding anything to the contrary in these Bylaws, only one signature is required for all checks, drafts or other orders for payment of money, notes or other evidence of indebtedness issued in the name of the Association.

Section 5.3. Majority Vote. Unless otherwise provided in the By-laws of the Association or by a duly adopted corporate resolution, a majority of the votes cast by those in attendance who vote in favor of any matter or matters to come before any meeting of members or directors shall constitute passage and adoption thereof by the Association.

Section 5.4. Annual Report. Directors shall cause to be sent to the members thirty (30) days before the Annual Meeting, a balance sheet as to the closing date of such year, together with a statement of income and disbursements for the year. These financial statements shall be certified by the Secretary.

Section 5.5. Notices. Wherever notices are required or provided for under these By-laws, an additional three (3) day period shall be added if the notices are given by depositing them in the United States mails rather than by actual hand delivery. Further notices shall be valid if mailed to the last known address of owners or lessees or to the property address if no address is known. Where property is owned or leased by more than one person, notices are adequate and valid if mailed or delivered to any one of them.

Section 5.6. Liens. Pursuant to the provisions of the DECLARATION OF

COVENANTS, CONDITIONS AND RESTRICTIONS all "Membership Property" is subject to the levy of an assessment in proportion to the water delivered to the property, for paying the cost of operating the water system and the common area and common elements. The Board of Directors is granted and has the authority to place a lien on a member's property for failure to meet any obligations as set forth in these By-laws and in the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.

Section 5.7. Service Connect and Disconnect. Any member who is not current for any assessments or billings will be furnished either in person, or, in the United States Mail, a notice of Intention to Disconnect service to that property, which will be effective twenty (20) days after the date of said notice. Failure to pay for the outstanding balance will be cause for Disconnection and Suspension of service. Said action will be accomplished by the Board of Directors on the twentieth (20) day from the date of the notice furnished to the property owner.

In the event that a member property owner pays all assessments in cash or certified funds, water service will be reinstated with twenty-four (24) hours of said payment.

#### **ARTICLE VI** **AMENDMENT OF BY-LAWS**

These By-laws may be amended by an affirmative vote of for such amendment by members owning at least fifty (50) percent of all membership parcels of the Association at any time who are present or represented at a regular annual membership meeting or any special membership meeting called for that purpose.

#### **ARTICLE VII** **MEMBERSHIP TERMINATION**

In the event a membership is terminated, voluntarily or involuntarily, the members interest, or the interest and rights of his/her successors, heirs or assigns, in the assets of the Association upon dissolution shall not be forfeited.

#### **ARTICLE VIII** **DIVIDENDS/REFUNDS**

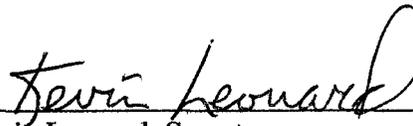
Dividends shall not be paid to members of the Association. In the event the usage Assessment to the members in a fiscal year exceeds the actual operating costs for that fiscal year, the Board of Directors may approve a refund of excess usage assessments collected in the fiscal year or such funds may be reserved for future repairs or replacements. The amount of the refund shall be based on the member's water usage in proportion to the total water usage for the fiscal year.

**ARTICLE IX**  
**DISSOLUTION**

Upon dissolution of the Association, any assets remaining after payment of the Association's liabilities shall be transferred to an educational or charitable organization. Liabilities of the Association upon dissolution shall include the repayment of any special assessments against the members for unusual or major expenditures or unusual or major liabilities and, the members and former members interest in this Association.

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Whitehills Equestrian Estates Landowners Water Cooperative, Inc., a Nonprofit Association, and that the foregoing by-laws constitute the original By-laws of the Association as duly amended and adopted at a meeting of the members thereof, held on the 19<sup>th</sup> day of September, 2006.

  
\_\_\_\_\_  
Kevin Leonard, Secretary

**EXHIBIT 2.**

**DECLARATION OF COVENANTS,  
CONDITIONS & RESTRICTIONS**

14

WHEN RECORDED, MAIL TO:

William H. Anger  
Engelman Berger, P.C.  
One Columbus Plaza, Suite 700  
3636 North Central Avenue  
Phoenix, Arizona 85012

PAGE: 1 of 14 FEE # 2007007728

**B:6641 P:647**

OFFICIAL RECORDS  
OF MOHAVE COUNTY  
JOAN MCCALL,  
COUNTY RECORDER



01/26/2007 03:17 PM Fee: \$23.00  
DOC TYPE: CCR  
PAID BY: WILLIAM H ANGER

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS**

**KNOW ALL ME BY THESE PRESENTS:**

That the undersigned, being the owners of record and all persons who may be interested in acquiring an interest in and to all or a portion of the following described property:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

and desiring to establish the use and enjoyment of said premises, do hereby declare that the following restrictions shall apply to all said land, and that all conveyances of said real property or any part thereof shall be subject to these covenants, conditions, stipulations and restrictions.

1. From and after the date hereof, the undersigned do hereby reserve and or assign to Equestrian Estates at White Hills Water Cooperative, Inc., an Arizona Corporation hereinafter referred to as the "Association," the absolute and exclusive control and management of the "Water System" or replacement thereof which includes pumps, well, water tanks, water lines, water and electricity, designed for the pumping of water to all parties having an interest in the property described in Exhibit "A." The Water System is located on the land described in Exhibit "B" attached hereto and made a part hereof and includes any and all water conduit lines located in any utility easement located on the land described in Exhibit "B" and installed for the purpose of furnishing water to the Association members.

2. All lot owners of portions of the real property described on the attached Exhibit "A" shall be and become members of the Association by virtue of ownership of said property, payment of the membership fees and the recording of these covenants, conditions and restrictions, on their lot or parcel. However, a lot must be at least five gross acres in size in order to have the right to receive water from the Association. Each member is entitled to one vote for each parcel owned, which parcel is at least five gross acres in size. Only one residence and guest house may be served for each five acre or more parcel. A member that owns a parcel less than five gross acre is not entitled to receive water from the Association or vote on Association matters, but also may not be charged membership fees and assessments notwithstanding anything to the contrary in these Covenants, Conditions and Restrictions. A member delinquent in the payment of any assessments or charges to the Association is disqualified from voting on any Association matter while his payment account is in arrears.

A gross acre includes all area within the boundaries of the parcel described and to the centerline of any adjoining private or public street. Further, in determining acreage, the Association

shall be entitled to treat any section as being 640 acres in area and any fractional division thereof as having proportionate area. Only one owner in the event of multiplicity of ownership may exercise the right to cast the vote attributable to each parcel. A membership is coupled with ownership of land, and such ownership shall pass to owners on resale. Each member's interest in the Water System shall not be subject to partition under any circumstances.

3. The Association shall from time to time establish membership fees and assessments chargeable to its members (except members owning less than five acre parcels) 1) to cover the actual and incidental costs of operations, administration, construction and maintenance or replacement of facilities placed under its control and supervision or management for the benefit of its members, including but not limited to the well and the water system and 2) for the purposes of paying all taxes and insurance on the Water System and Water Property.

4. The Association shall require the owner of any five acre or larger parcel requesting delivery of domestic water to cause to be installed at the line of any such property fronting on a dedicated private roadway or easement, a water meter and a lockable shut-off valve of the kind designated by the Association between such meter and the distribution line. The water rates shall be determined by the Board of Directors from time to time and billed at regular intervals to the owners of the parcel or lot receiving such water.

5. Each owner shall bear all costs incurred by it in connecting to the Water System and all costs necessary to maintain any water pipes and lines installed by said owner for use on his own parcel or for any water pipes and lines beyond the water meter for the owner's property. Notwithstanding anything herein to the contrary, such water pipes and lines shall not, for purposes of this Declaration, be deemed part of the Water System and the Association shall have no maintenance or repair obligations with respect thereto.

6. Water service may be discontinued at the direction of the Board of Directors of the Association if charges therefore are not paid within 30 days after a billing has been rendered, upon the giving of twenty (20) days notice of intent to disconnect and discontinue such service.

7. Each owner of any portion of the real property by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is conclusively deemed to covenant and agree to pay to the Association such water rates and assessments as are hereinbefore provided. Such water rates and assessments, together with interest at the highest legal rate of interest permitted to be charged, costs of collection and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien upon the property against which each such water charge and assessment is made. Each such water charge and assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of such property at the time when the water charge and assessment fell due. The personal obligation shall not pass to a successor in title unless it is expressly assumed or unless prior to such transfer of title, a notice of lien for such assessments shall have been recorded in the records of the County Recorder of Mohave County, Arizona. If a notice of lien for such assessments has been recorded then both the owner of such property when the assessment fell due and the successor in title, unless the successor in title is Equestrian Estates at White Hills Water Cooperative, Inc. or a trust in which Equestrian Estates at White Hills Water Cooperative, Inc. is a beneficiary, will be jointly and severally liable for such unpaid obligation. If

049

the successor in title is Equestrian Estates at White Hills Water Cooperative, Inc. (or its successor entity), Equestrian Estates at White Hills Water Cooperative, Inc. (or its successor entity) will not be liable for such unpaid obligation.

Each of said owners expressly vests in the Association, the right and power to bring all actions against each of said property owners personally for the collection of said assessments and charges as a debt and to enforce said lien by all methods available for the enforcement thereof, including foreclosure by an action brought in the name of the Association in a like manner as a mortgage of real property.

The lien provided for in this section shall be in favor of the Association for the benefit of all other owners. The Association, acting on behalf of the owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The Association shall also be entitled to collect from the owner, owners and parties against whom the action is brought a reasonable processing fee and reimbursement for all expenses incurred for having to enforce said lien or the collection of any amounts due pursuant to this Declaration. In the event that the Association employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this Declaration or to enforce compliance with or specific performance of the terms and conditions hereof, the owner, owners, and parties against whom the action is brought shall pay all attorneys' fees and costs thereby incurred by the Association in the event the Association prevails in any such action. No owner may exempt himself from liability for his contribution toward the common expense by waiver of the use or enjoyment of the facilities or by the abandonment of his land.

8. The lien hereinabove created shall be superior to all liens, except the lien for taxes and assessments by any authorized governmental body or special district, or the lien of a bonafide first mortgage or deed of trust against any property which includes residential building improvements thereon.

9. An Owner's rights in the Water System are exercisable only through the Association. A lot owner may not perform any of the functions delegated to the Association. The functions delegated to the Association include but are not limited to the operation and maintenance of the Water System (up to the tie-in point of the individual Lot and delivery of water to the Lot Owner's meter) and the establishment of any rules and regulations relating to the Water System's facilities, improvements, replacements, extensions, operation, maintenance, and any other activity that in any way relates to the Water System.

10. These covenants and restrictions are understood and agreed to be, and shall be taken and held to be for the benefit of all parcel owners, be they such now, or become such hereafter, and all covenants herein contained attach to the land and run with the title thereto and shall be binding on and remain operative and effective on all owners of parcels within the subject property for a term of (20) years from the date this Declaration is recorded, after which time it shall automatically renew for successive periods of 20 years thereafter unless altered or amended by an affirmative vote of fifty (50) percent of the total number of membership votes, with each Lot having one vote (each member is entitled to one vote for each parcel owned, which parcel is at least five gross acres in size). This Declaration may be amended at any time by an instrument signed by fifty-One (51) percent of the total number of membership votes, with each Lot having one vote (each member is

entitled to one vote for each parcel owned, which parcel is at least five gross acres in size) and recorded with the Mohave County Recorder.

11. No portion of the Property shall be divided, redivided, or conveyed in parcels containing less than the land included in the lots or parcels as of January 1, 2005. Any property which is divided, redivided or conveyed in violation of this paragraph shall not be eligible to receive water service from the Association.

12. Water delivered by the Water System shall only be used for domestic use involving the owner's lot, and water may only be applied to a maximum 10,000 square foot area for each lot. Domestic use includes non-commercial home gardens and watering of animals among other domestic uses. No stock ponds are allowed. Furthermore no water shall be sold.

13. The water distribution lines that provide a tie-in to each Lot and power lines run mainly within road easements. In some instances, distribution lines and power lines may be located within the interior boundaries of the Lots. In such cases, an easement to a width of 20 feet, running 10 feet along each side of the water distribution line, shall exist for such water distribution lines and power lines. Such areas are hereby designated and intended for use as water-utility and power line easements for the benefit in common of all Lot Owners, the purpose of which shall be to permit access by the Association for periodic inspecting, improvement, replacement, operation and maintenance of water distribution lines and power lines.

14. Deeds of conveyance of said property, or any part thereof, may contain the above restrictions and covenants by reference to this document, but whether such reference is made or not in such deeds, or any part thereof, each and all of said restrictions and covenants shall be valid and binding upon the respective grantees, or anyone of them.

15. Violations of any one or more of such restrictions and covenants may be restricted by any court of competent jurisdiction, and injunctive relief and damages awarded against such violator, provided, however, that a violation of these restrictions and covenants, or any one of them shall not affect the lien of any mortgage or deed of trust which may hereafter be placed of record, upon such property or any part thereof which includes residential improvements thereof. Suit under the provisions of this paragraph may be instituted by any owner or by the Association.

16. Violators of any restrictions and covenants shall pay all costs and reasonable attorneys' fees resulting from any legal or court proceedings or any other proceedings to correct the violations, if there is a finding against said violators.

17. If any one of these restrictions or covenants by judgment or court order shall be invalid, it, in no way, shall affect any of the other provisions, which shall remain in full force and effect.

18. If in the future a water company becomes interested in acquiring the Water System from the Association and if a negotiated offer meets all the requirements of the Corporation Commission and if the Association membership approves the measure by a vote of two thirds (2/3) of the total number of membership votes, with each Lot having one vote (each member is entitled to one vote for each parcel owned, which parcel is at least five gross acres in size), then this



**EXHIBIT "A"**

**EQUISTERIAN ESTATES AT WHITEHILLS, Tract No. 3816, a subdivision of Section 5,  
Township 27 North, Range 19 West of the Gila and Salt River Meridian, Mohave County, Arizona.**

(53)

**EXHIBIT "B"**

**EXHIBIT B**

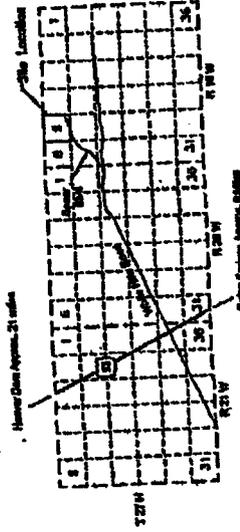
# EQUESTRIAN ESTATES

## Water System Construction Plans

**Water Company**  
 Carolina Electric & Gas  
 1000 E. 7th Street  
 Raleigh, NC 27601

**OWNER**  
 Equestrian Estates, Inc.  
 1701 N. Walnut Road  
 Pineville, NC 28134

**Engineer**  
 R.J. McCreath, P.E., Project Manager  
 R.J. McCreath, P.E., President  
 R.J. McCreath & Associates, Inc.  
 1701 N. Walnut Road  
 Pineville, NC 28134

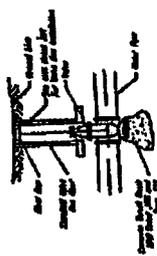


**Vicinity Map**  
 Not to Scale

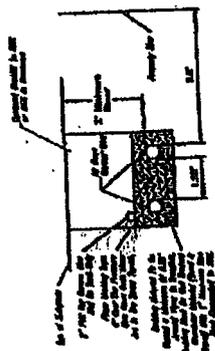
- NOTES**
1. All work on this water system is within the 100 year Flood Plain.
  2. All private construction shall have building permit and electrical permits within 5 feet of the meter.
  3. All components in this water system shall be lead free.
  4. All materials shall come into contact with potable water with lead content not to exceed 0.01% as required by A.C.S. 1-19-1-1.1.
  5. Water meters shall be distributed in accordance with A.S.D. Engineering Schedule No. 2, "Distribution of Water Systems."
  6. All valves and fittings shall be pressure rated to match the required pressure ratings of the pipeline where installed.
  7. Water system shall be subject to a pressure and leakage test in accordance with A.S.D. 610 and 610A. 100% of the installed water system shall be tested. The test pressure shall be based on the design pressure of the pipe. The test shall be based on the design pressure of the pipe. The test shall be based on the design pressure of the pipe.

### Table of Contents

- 1. Cover Sheet
- 2. Water System Construction Plan North Area
- 3. Water System Construction Plan South Area
- 4. Water System Details
- 5. Water System Details
- 6. Water System Details
- 7. Water System Details



**Standard Valve Riser and Cover**  
 Not to Scale



**Pipe Detail - Common Trench**  
 Not to Scale

**REVISIONS**

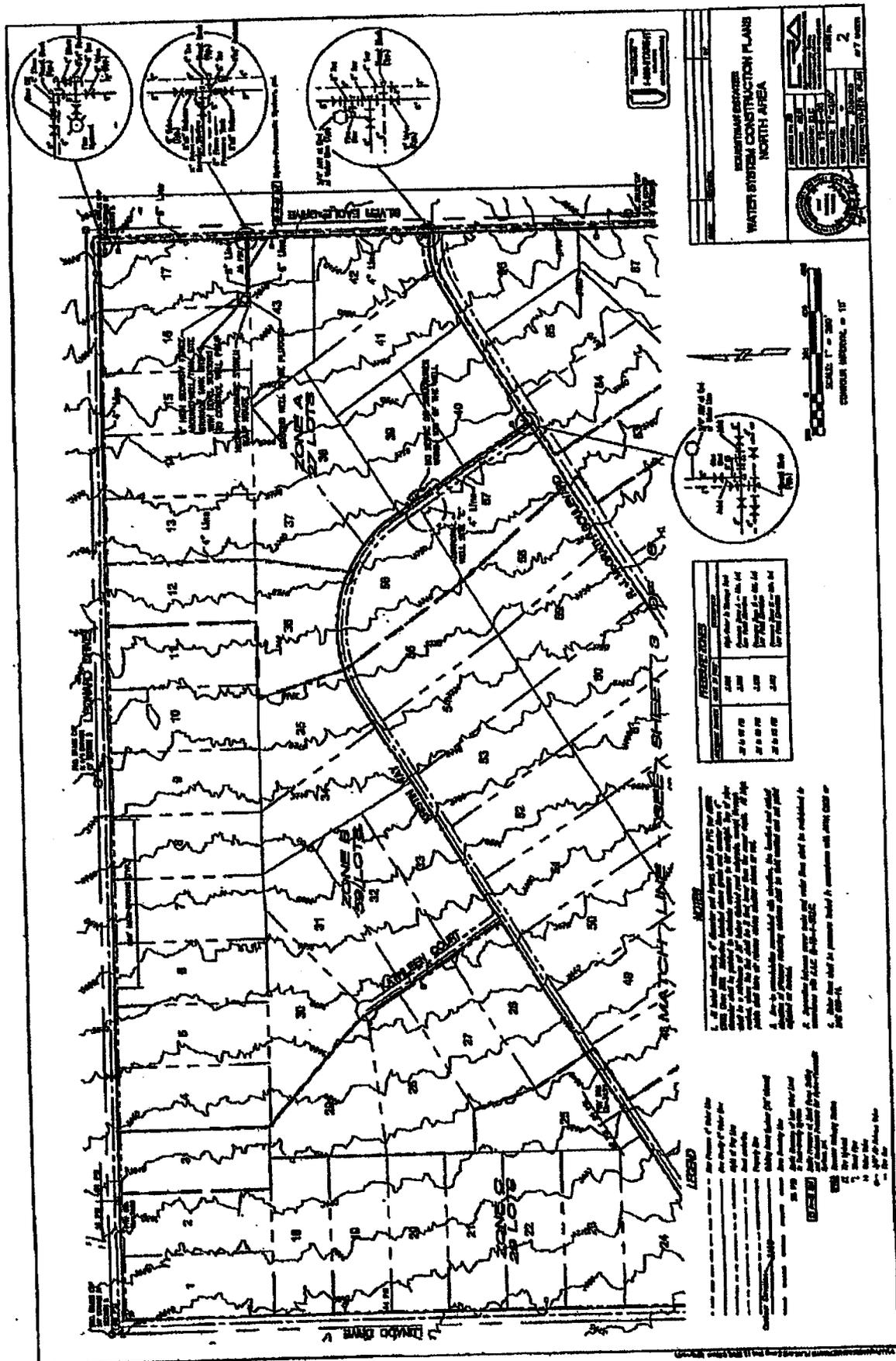
NO.	DATE	DESCRIPTION
1		

**APPROVED FOR CONSTRUCTION**  
 R.J. McCreath, P.E.

APPROVED FOR CONSTRUCTION  
 R.J. McCreath, P.E.

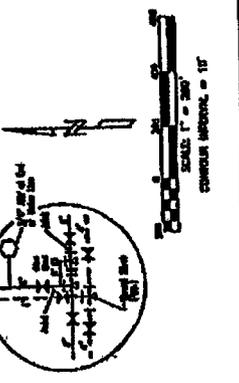
**RECORDER'S MEMO: Legibility**  
 Questionable For Good Reproduction

6586



**CONSTRUCTION PLANS**  
**WATER SYSTEM CONSTRUCTION PLANS**  
**NORTH AREA**

DATE: 10/15/54  
 DRAWN BY: [Name]  
 CHECKED BY: [Name]  
 SCALE: 1" = 200'  
 SHEET NO. 2 OF 7 SHEETS



**PROPOSED ZONES**

LOT NO.	PROPOSED ZONE
101-110	Zone A
111-120	Zone A
121-130	Zone A
131-140	Zone A
141-150	Zone A
151-160	Zone A
161-170	Zone A
171-180	Zone A
181-190	Zone A
191-200	Zone A
201-210	Zone A
211-220	Zone A
221-230	Zone A
231-240	Zone A
241-250	Zone A
251-260	Zone A
261-270	Zone A
271-280	Zone A
281-290	Zone A
291-300	Zone A
301-310	Zone A
311-320	Zone A
321-330	Zone A
331-340	Zone A
341-350	Zone A
351-360	Zone A
361-370	Zone A
371-380	Zone A
381-390	Zone A
391-400	Zone A
401-410	Zone A
411-420	Zone A
421-430	Zone A
431-440	Zone A
441-450	Zone A
451-460	Zone A
461-470	Zone A
471-480	Zone A
481-490	Zone A
491-500	Zone A
501-510	Zone A
511-520	Zone A
521-530	Zone A
531-540	Zone A
541-550	Zone A
551-560	Zone A
561-570	Zone A
571-580	Zone A
581-590	Zone A
591-600	Zone A
601-610	Zone A
611-620	Zone A
621-630	Zone A
631-640	Zone A
641-650	Zone A
651-660	Zone A
661-670	Zone A
671-680	Zone A
681-690	Zone A
691-700	Zone A
701-710	Zone A
711-720	Zone A
721-730	Zone A
731-740	Zone A
741-750	Zone A
751-760	Zone A
761-770	Zone A
771-780	Zone A
781-790	Zone A
791-800	Zone A
801-810	Zone A
811-820	Zone A
821-830	Zone A
831-840	Zone A
841-850	Zone A
851-860	Zone A
861-870	Zone A
871-880	Zone A
881-890	Zone A
891-900	Zone A
901-910	Zone A
911-920	Zone A
921-930	Zone A
931-940	Zone A
941-950	Zone A
951-960	Zone A
961-970	Zone A
971-980	Zone A
981-990	Zone A
991-1000	Zone A

**NOTES**

1. All lots shown on this plan shall be 100' wide.
2. The proposed zones are shown on this plan.
3. The proposed zones are shown on this plan.
4. The proposed zones are shown on this plan.
5. The proposed zones are shown on this plan.

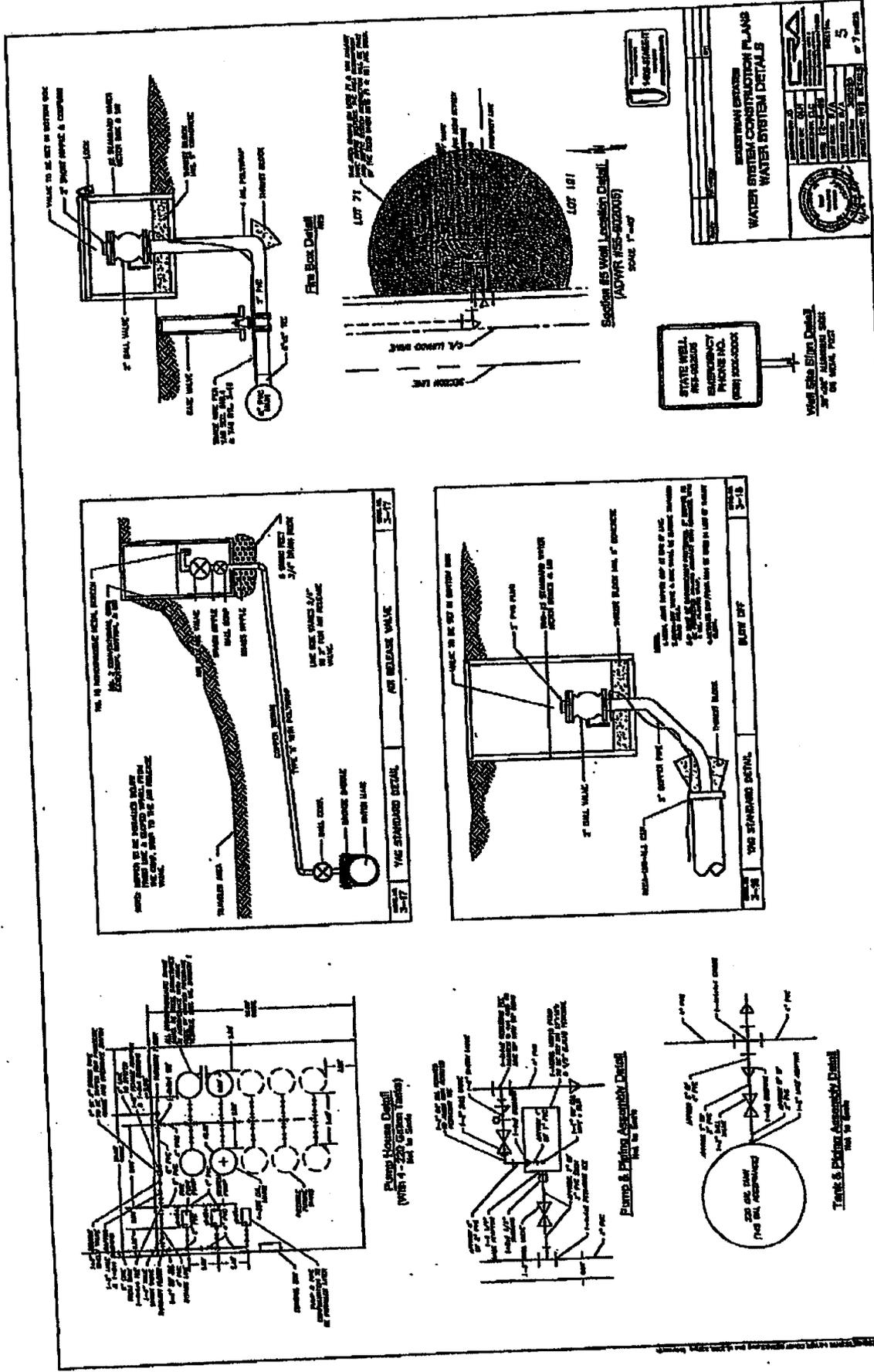
**LEGEND**

- Proposed Zone A
- Proposed Zone B
- Proposed Zone C
- Proposed Zone D
- Proposed Zone E
- Proposed Zone F
- Proposed Zone G
- Proposed Zone H
- Proposed Zone I
- Proposed Zone J
- Proposed Zone K
- Proposed Zone L
- Proposed Zone M
- Proposed Zone N
- Proposed Zone O
- Proposed Zone P
- Proposed Zone Q
- Proposed Zone R
- Proposed Zone S
- Proposed Zone T
- Proposed Zone U
- Proposed Zone V
- Proposed Zone W
- Proposed Zone X
- Proposed Zone Y
- Proposed Zone Z

**RECORDER'S MEMO: Legibility**  
**Questionable For Good Reproduction**

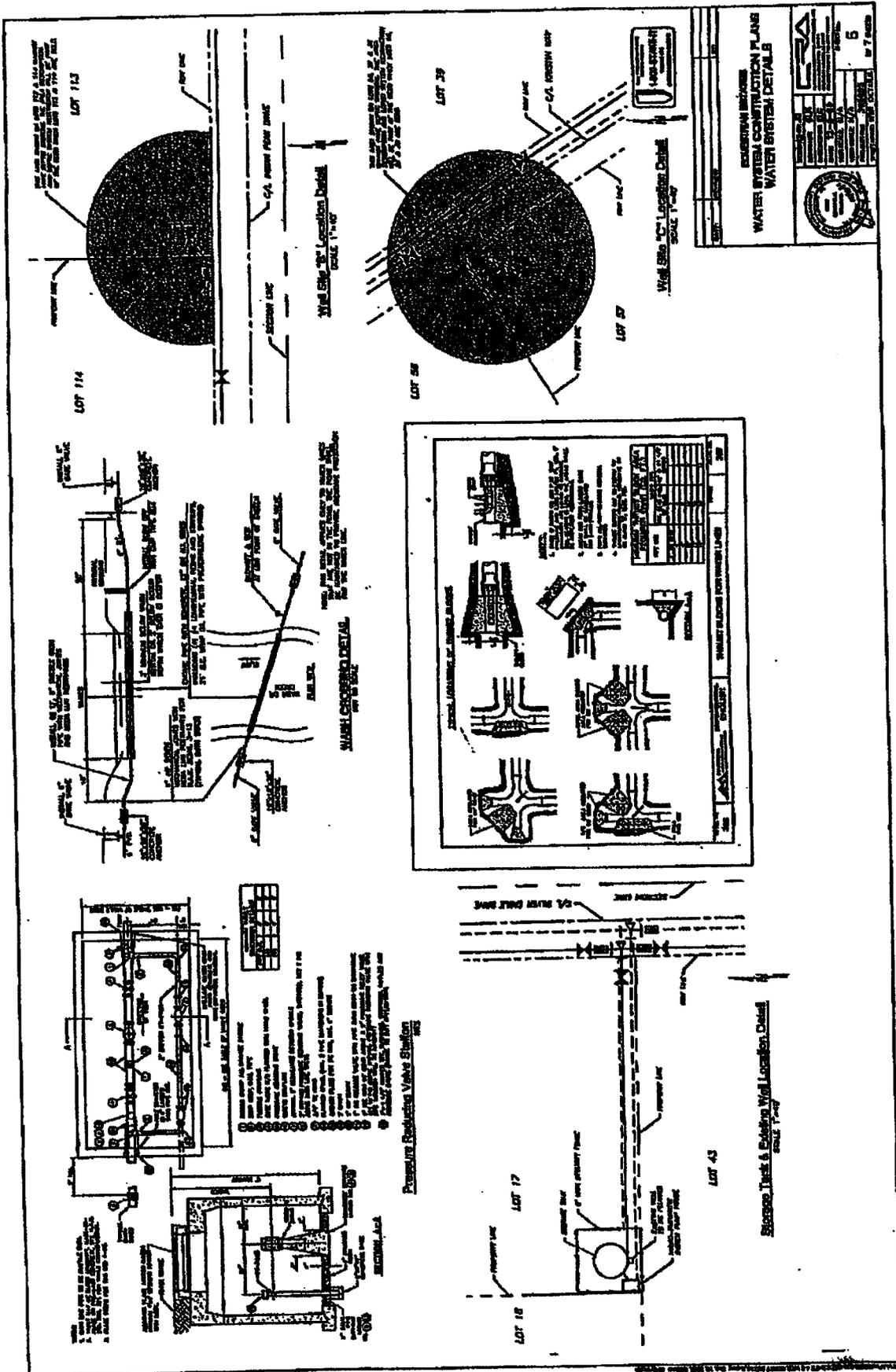






RECORDER'S MEMO: Legibility  
Questionable For Good Reproduction

6060



RECORDER'S MEMO: Legibility Questionable For Good Reproduction

**EXHIBIT 3.**

**APPROVAL TO CONSTRUCT  
WATER FACILITIES**



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

<b>ADEQ File No:</b> 20060876	<b>LTF No:</b> 41693
<b>System Name:</b> Ghr Landowners Assn Water	<b>System Number:</b> 08150
<b>Project Owner:</b> Equestrian Estates At White Hills Water	
<b>Address:</b> 10449 E. Desert Cove, Scottsdale, AZ 85259	
<b>Project Location:</b> White Hills	<b>County :</b> Mohave
<b>Description:</b> NEW SUBDIVISION WATER SYSTEM FOR EQUESTRIAN ESTATES AT WHITE HILLS CONSISTING OF A NEW WELL (DWR #55-902005); ARSENIC REMOVAL SYSTEM; 83,500-GAL STORAGE TANK; FOUR 220-GAL HYDROPNEUMATIC TANKS; CHORINATOR; AND WATER LINES TO SERVE 115 LOTS.	

*Approval to construct the above-described facilities as represented in the approved documents on file with the Arizona Department of Environmental Quality is hereby given subject to provisions 1 through 8 continued on page 2 through 2*

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

Reviewed by: AQ1

By: *Kwame A. Agyare* 12-22-06  
 Kwame A. Agyare, P.E. Date  
 Manager, Drinking Water and  
 Wastewater Engineering Review  
 Water Quality Division

cc: File No : 20060876  
 Regional Office: Central  
 Owner: Equestrian Estates At White Hills Water  
 County Health Department: Mohave  
 Engineer: Claycomb/Rockwell Assoc.  
 Planning and Zoning/Az Corp. Commission  
 Engineering Review Database - Etr021

**CERTIFICATE OF APPROVAL TO CONSTRUCT  
WELL, STORAGE TANK, HYDROPNEUMATIC TANKS, CHLORINATOR, ARSENIC  
REMOVAL, AND WATER LINES  
ADEQ FILE NO. 20060876  
PAGE 2 OF 2: PROVISIONS**

5. This Approval to Construct is for the installation of a new well (DWR #55-902005); an 83,500-gal storage tank; four 220-gal hydropneumatic tanks; and arsenic removal system; a chlorinator; 10,950 LF of 4"; 42,570 LF of 6"; and 292 LF of 8" water lines.
6. Before construction of a modification, expansion, or alteration of this water treatment facility begins, a separate Approval to Construct applicable to each addition must be obtained.
7. Adequate training of the water system operator will be required in order to operate the treatment system.
8. Before an Approval of Construction (AOC) can be issued for this project, an Operations and Maintenance manual must be submitted for review.

**EXHIBIT 4.**

**WELL REGISTRY REPORT**

Run Date: 02/16/2007

**AZ DEPARTMENT OF WATER RESOURCES**  
**WELL REGISTRY REPORT - WELLS55**

Location B 27.0 19.0 5 C C C Well Reg.No 55 - 902005 AMA NOT WITHIN ANY AMA OR INA

Registered Name WHITE HILLS DEVELOPMENT  
10449 E. DESERT COVE  
SCOTTSDALE AZ 85259  
File Type NEW WELLS (INTENTS OR APPLICATIONS)  
Application/Issue Date 04/08/2005

Owner OWNER  
Driller No. 239  
Driller Name DRILL-TECH, INC.  
Driller Phone 928-636-8006  
County MOHAVE  
Parcel No. 329-02-002  
Intended Capacity GPM 0.00  
Well Type EXEMPT  
SubBasin DETRITAL VALLEY  
Watershed COLORADO RIVER  
Registered Water Uses DOMESTIC  
Registered Well Uses  
Discharge Method NO DISCHARGE METHOD LISTED  
Power NO POWER CODE LISTED

Well Depth 1,045.00 Case Diam 8.00 Tested Cap 0.00  
Pump Cap. 0.00 Case Depth 1,045.00 CRT  
Draw Down 0.00 Water Level 545.00 Log X  
Acres Irrig 0.00 Finish STEEL - PERFORATED OR SLOTTED CASING

Contamination Site: NO - NOT IN ANY WQARF SITE

**Comments**

**Current Action**

4/15/2005 755 WELL CONSTRUCTION COMPLETED  
Action Comment: bjs

**Action History**

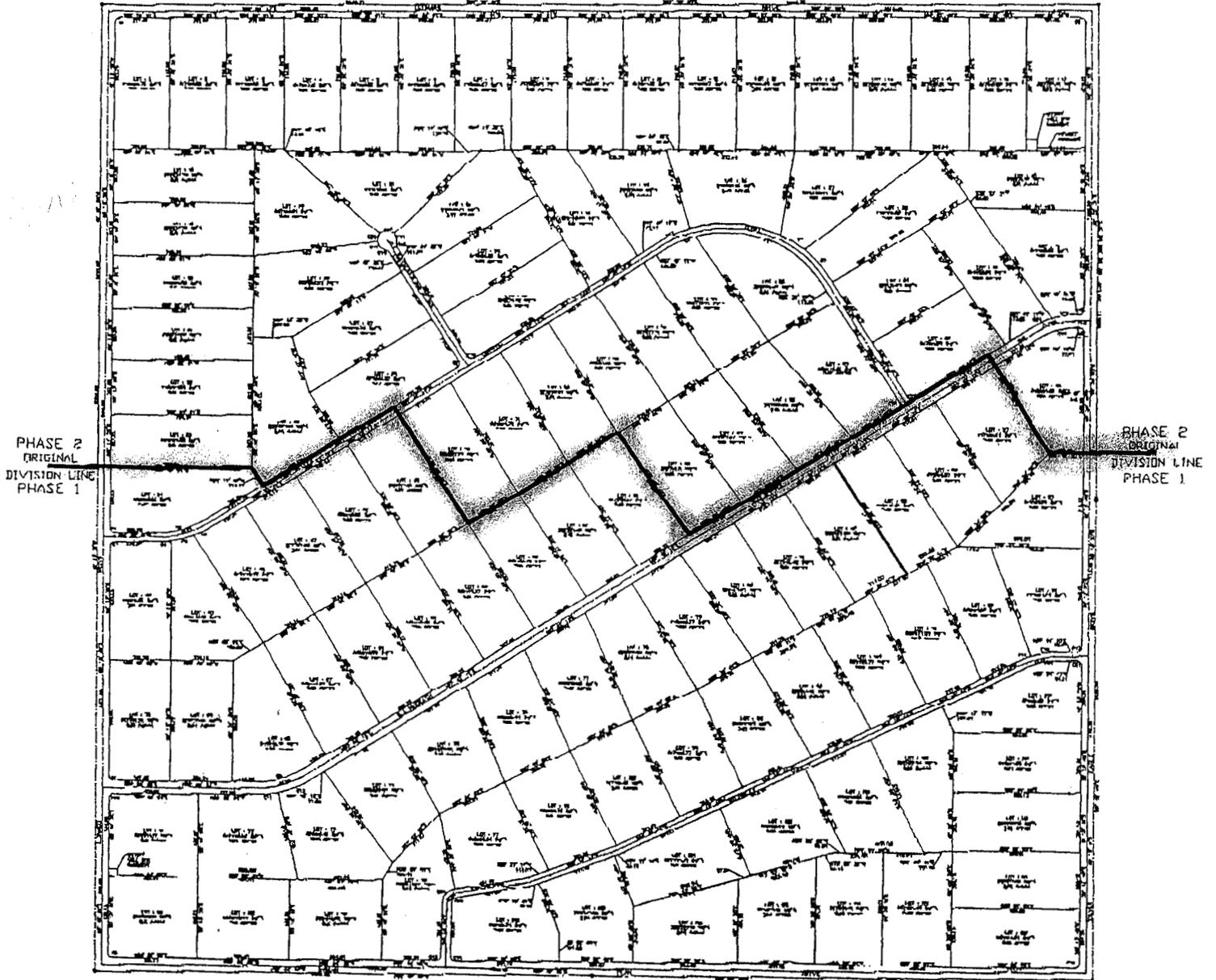
5/5/2005 750 WELL LOG RECEIVED  
Action Comment: bjs  
4/29/2005 855 CHANGE OF WELL LEGAL DESCRIPTION  
Action Comment: OLD LEGAL DESC: B(27.0-19.0) 5 CAA  
4/29/2005 855 CHANGE OF WELL LEGAL DESCRIPTION  
Action Comment: DH  
4/8/2005 150 NOI RECEIVED FOR A NEW PRODUCTION WELL  
Action Comment: Processed through the Web NOI.  
4/8/2005 550 DRILLING AUTHORITY ISSUED  
Action Comment: Processed through the Web NOI.

**EXHIBIT 5.**

**FINAL PLAT MAPS OF  
EQUESTRIAN ESTATES**

EQUESTRIAN ESTATES AT WHITE HILLS  
TRACT 3816; A SUBDIVISION OF  
SECTION 5, TOWNSHIP 27 NORTH, RANGE 19 WEST  
OF THE GILA AND SALT RIVER MERIDIAN, MOHAVE COUNTY, ARIZONA

PHASE 2  
INCLUDING  
LOTS  
1-23, 25-43, 50-60, 86



PHASE 1  
INCLUDING  
LOTS  
24, 44-49, 61-85, 87-116  
330 AC 62 Lots

**EXHIBIT 6.**

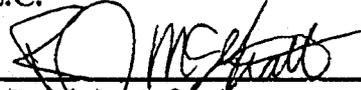
**PETITION OF PROPERTY OWNERS  
IN SUPPORT OF APPLICATION**

**PETITION IN SUPPORT OF APPLICATION FOR ADJUDICATION FOR  
EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE, INC.**

The undersigned being the owner of Lot Nos. 1 through 116 Equestrian Estates at White Hills hereby petitions, requests and supports the application for an adjudication to the Commission for an order adjudicating the Equestrian Estates at White Hills Water Cooperative, Inc. not a public service corporation.

Executed this 16<sup>TH</sup> day of February, 2007.

**WHITE HILLS LAND DEVELOPMENT,  
L.L.C.**



---

By: Ralph J. McGrath  
Its: Managing Member  
Property Owner of Lot Nos. 1-116

1 WILLIAM H. ANGER, SBA# 007333  
2 **ENGELMAN BERGER, P.C.**  
3 3636 NORTH CENTRAL AVENUE  
4 SUITE 700  
5 PHOENIX, ARIZONA 85012

6 Ph: (602) 271-9090  
7 Fax: (602) 222-4999  
8 Email: wha@engelmanberger.com

9 Attorneys for Equestrian Estates at White Hills Water Cooperative, Inc.

10 **BEFORE THE ARIZONA CORPORATION COMMISSION**

11 IN THE MATTER OF THE  
12 APPLICATION OF EQUESTRIAN  
13 ESTATES AT WHITE HILLS WATER  
14 COOPERATIVE, INC. FOR AN ORDER  
15 ADJUDICATING THAT IT IS NOT A  
16 PUBLIC SERVICE CORPORATION.

Docket No.

17 **Memorandum In Support of Application for Adjudication**

18 Equestrian Estates at White Hills Water Cooperative, Inc. ("Water Cooperative") on today's  
19 date filed its application (the "Application") to the Commission for an order adjudicating it not a  
20 public service corporation. The Application complies with all of the requirements of the Arizona  
21 Corporation Commission's ("Commission") Policy Directive No. 55568 (the "Policy Directive").  
22 This memorandum will now address each requirement of the Policy Directive.

23 **I. Non-Profit Homeowners' Association**

24 Water Cooperative is a non-profit corporation formed on September 20, 2006 for the purpose  
25 of operating and maintaining a water supply and distribution system for the benefit of the  
26 participating lot and parcel owners of the Equestrian Estates at White Hills subdivision in Mohave  
27 County ("Equestrian Estates"). The Articles of Incorporation are attached as Exhibit 1 to the  
Application. Publication of the Articles of Incorporation was completed on November 7, 2006. The  
domestic address is c/o Property Management Services, 1834 Highway 95, Bullhead City, Arizona

1 86442. The statutory agent is Steven R. Buck, whose address is the same as above.

2 **II. Signed Petition**

3 Water Cooperative has submitted a petition signed by all of its members in support of the  
4 Application. This petition is attached as Exhibit 6 to the Application.

5 **III. Ownership of System**

6 Water Cooperative has obtained an Approval to Construct Water Facilities ("ATC") from the  
7 Arizona Department of Environmental Quality. The ATC is for the installation of a new well (DWR  
8 # 55-902005); an 83,500 gallon storage tank; four 220 gallon hydropneumatic tanks; an arsenic  
9 removal system; a chlorinator; 10,950 LF of 4", 42,570 LF of 6", and 292 LF of 8" water lines (these  
10 components are collectively referred to as the "System"). Water Cooperative is in the process of  
11 constructing the System and is the owner of the System. The ATC is attached as Exhibit # 3 to the  
12 Application. The Arizona Department of Water Resources Well Registry Report for the well to serve  
13 the system is attached as Exhibit # 4 to the Application.

14 Exclusive control and management of the System has been reserved or assigned to Water  
15 Cooperative by the lot owners of the Equestrian Estates subdivision pursuant to Section One of the  
16 Declaration of Covenants, Conditions & Restrictions ("CC&Rs") attached as Exhibit 2 to the  
17 Application.

18 **IV. Voting Rights**

19 Pursuant to Section Two of the CC&Rs, all lot owners in the Equestrian Estates subdivision  
20 are members of Water Cooperative. However, a lot must be at least five (5) gross acres in size in  
21 order to receive water from Water Cooperative. Each member is entitled to one vote for each parcel  
22 owned, which parcel must be at least five (5) gross acres in size.

23 **V. The Service Area**

24 Equestrian Estates is a fixed territory which is not within the service area of a municipal or  
25 public utility. It is located in the high desert of northern Arizona between Lake Mead and Lake  
26 Mohave. Equestrian Estates itself consists of 116 lots.

27 **VI. Prohibition Against Lot Splitting**

ENGELMAN BERGER, P.C.  
One Columbus Plaza, Suite 700  
3636 North Central Avenue  
Phoenix, Arizona 85012

1 Section Eleven of the CC&Rs prohibits lot splitting. Specifically, the CC&Rs provide that  
2 “No portion of the Property shall be divided, redivided, or conveyed in parcels containing less than  
3 the land included in the lots or parcels as of January 1, 2005. Any property which is divided,  
4 redivided or conveyed in violation of this paragraph shall not be eligible to receive water service from  
5 the Association.”

6 **VII. Restriction on Membership**

7 Section Two of the CC&Rs restricts membership in Water Cooperative to the owners of lots  
8 located in the Equestrian Estates subdivision.

9 **VIII. Additional Filing Requirements**

10 The Application includes a description of the area to be adjudicated, copies of the Articles of  
11 Incorporation, Bylaws and CC&Rs, the Well Registry from ADWR, the Certificate of Approval to  
12 Construct from ADEQ, the final plat map of Equestrian Estates, and a petition from all property  
13 owners.

14 **DATED** this 16<sup>th</sup> day of February, 2007.

15 **ENGELMAN BERGER, P.C.**

16  
17  
18 By   
19 William H. Anger  
20 3636 North Central Avenue, Suite 700  
21 Phoenix, Arizona 85012  
22 Attorneys for Equestrian Estates at White Hills  
23 Water Cooperative, Inc.  
24  
25  
26  
27