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AZ CORP COMMISSION  
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4 Scottsdale, AZ 85251-3693  
5 Telephone: 480.425.2600  
6 Attorneys for Desert Hills Water Co., Inc.

**BEFORE THE ARIZONA CORPORATION COMMISSION**

7 IN THE MATTER OF APPLICATION  
8 OF DESERT HILLS WATER  
9 COMPANY FOR APPROVAL OF  
10 TRANSFER OF ITS UTILITY  
11 ASSETS TO THE TOWN OF CAVE  
12 CREEK, PURSUANT TO A.R.S. § 40-  
13 285 AND FOR CANCELLATION OF  
14 ITS CC&N

DOCKET NO: W-02124A-06-0717

**NOTICE OF FILING LATE FILED  
EXHIBITS NO. A-9 AND A-10**

12 Desert Hills Water Co., Inc. ("Desert Hills") hereby late files and gives notice of late filing  
13 Exhibit No. A-9, the Stipulated Final Judgment in Condemnation and Stipulation for Entry  
14 of Final Judgment, dated and filed March 7, 2007 and the exhibits thereto and Exhibit No.  
15 A-10, the Stipulated Order for Immediate Possession, dated and filed March 7, 2007 and  
16 the exhibit thereto.

17 The index of the exhibits and schedules to Exhibit No. A-9, the Judgment, is as follows:

18 Exhibit A. Settlement Agreement and Release, dated March 6, 2007 and attached  
19 exhibits:

20 1. Bargain Sale Agreement (attached Schedules and Exhibits A-D

21 Schedule 3.1.4 Assets

22 Schedule 3.1.5 Liabilities

23 Schedule 3.1.6 Contracts

24 Schedule 3.1.7 Taxes

25 Schedule 3.1.8 litigation

26 Schedule 4.4.2 customer Refunds Under Line Extension

27 Agreements

28 Schedule 4.4.3 Non-Owned Assets

Arizona Corporation Commission

**DOCKETED**

MAR 14 2007

DOCKETED BY KK

SACKS TIERNEY P.A., ATTORNEYS  
4250 NORTH DRINKWATER BOULEVARD  
FOURTH FLOOR  
SCOTTSDALE, ARIZONA 85251-3693

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- Schedule 4.4.7 Requests for Service
- Schedule 4.8 Assumed Liabilities
- Exhibit A. Storage Tank Lease
- Exhibit B. Letter of Credit Form
- Exhibit C. Form of Seller's Counsel Opinion
- Exhibit D. Form of Buyer's Counsel Opinion

- 2. Stipulated Order for Immediate Possession
- 3. Stipulated Final Judgment in Condemnation
- 4. Stipulation for Dismissal with Prejudice and Order
- 5. Final Order of Condemnation
- 6. Sabrosa Water Company Agreement

Exhibit B-1. Cave Creek water Company Certificated Area

b-1-1. Legal Description

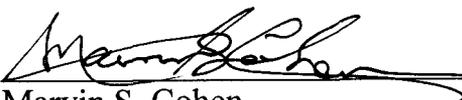
b-1-2. Legal Description

Exhibit B-2. Map of Cave Creek Water Company Service Area & Franchised Area

The exhibit to Exhibit A-10, the Stipulated Order for Immediate Possession is Schedule 3.1.4, Assets.

RESPECTFULLY SUBMITTED this 14<sup>th</sup> day of March, 2007.

SACKS TIERNEY P.A.

By: 

Marvin S. Cohen  
4250 N. Drinkwater Blvd., 4th Floor  
Scottsdale, AZ 85251-3693  
Attorneys for Desert Hills Water Co., Inc

ORIGINAL and thirteen (13) copies of the foregoing were delivered this 14<sup>th</sup> day of March, 2007 to:

Docket Control  
Arizona Corporation Commission  
1200 W. Washington St.  
Phoenix, AZ 85007

1 Copy of the foregoing hand-delivered  
2 this 14<sup>th</sup> day of March, 2007 to:

3 Lyn Farmer  
4 Chief Administrative Law Judge  
5 Arizona Corporation Commission  
6 1200 W. Washington Street  
7 Phoenix, AZ 85007

8 Steven Olea  
9 Assistant Director, Utilities Division  
10 Arizona Corporation Commission  
11 1200 W. Washington Street  
12 Phoenix, AZ 85007  
13 solea@azcc.gov

14 Maureen Scott  
15 Attorney, Legal Division  
16 Arizona Corporation Commission  
17 1200 W. Washington Street  
18 Phoenix, AZ 85007  
19 mscott@azcc.gov

20 Linda Jares  
21 Utilities Division  
22 Arizona Corporation Commission  
23 1200 W. Washington Street  
24 Phoenix, AZ 85007

25 Gary D. Hays  
26 The Henderson Law Firm  
27 Esplanade Center III  
28 2415 East Camelback Road, Suite 1050  
Phoenix, AZ 85016  
[ghays@thehendersonlawfirm.com](mailto:ghays@thehendersonlawfirm.com)

Ryan M. Hurley  
Rose Law Group, Inc.  
6613 North Scottsdale Road, Suite 200  
Scottsdale, AZ 85250

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CERTIFIED COPY

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Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

FILED  
3-7-07 9:45am  
MICHAEL K. JEANES, Clerk  
By [Signature]  
Gilbert, Deputy

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,

No. CV2005-005882

Plaintiff,

STIPULATED FINAL JUDGMENT  
IN CONDEMNATION

v.

CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,

(Assigned to the Honorable  
Ruth H. Hilliard)

Defendants.

EXHIBIT  
A-9

1 Pursuant to the Stipulation of Plaintiff Town of Cave Creek (“Town”) and  
2 Defendants Cave Creek Water Company, Pacer Equities Company and Global Water  
3 Resources, LLC (“Water Company Defendants”), and good cause appearing therefor,

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

- 5 1. That the Town and the Water Company Defendants have entered into a  
6 Settlement Agreement and Release, including the Bargain Sale Agreement  
7 with Schedules and Exhibits (“Settlement Agreement with Exhibits”), all of  
8 which are attached as Exhibit A and which are incorporated by this reference  
9 as part of the Judgment of this Court.
- 10 2. That Plaintiff Town of Cave Creek have Judgment condemning the assets and  
11 real property interests (collectively “Assets”) of Defendants Cave Creek Water  
12 Company and Pacer Equities Company, as defined in Section 3.1.4 of the  
13 attached Bargain Sale Agreement between those same parties.
- 14 3. That the attached Exhibits B-1 and B-2, which are also incorporated by this  
15 reference, describe the area of the Certificate of Convenience and Necessity  
16 issued by the Arizona Corporation Commission to Defendant Cave Creek  
17 Water Company. As requested in the prayer for relief in the First Amended  
18 Complaint, the Certificate of Convenience and Necessity of Defendant Cave  
19 Creek Water Company for the areas described on Exhibits B-1 and B-2, (and  
20 for any other areas within Maricopa County, if any), is hereby extinguished  
21 and the status of the Defendant Cave Creek Water Company as a public  
22 service corporation is hereby terminated.
- 23 4. That the Town shall pay the total amount of \$19,500,000.00, plus interest,  
24 subject to adjustment, as set forth in the Settlement Agreement with Exhibits  
25 attached as Exhibit A. The payment terms and the interest to be paid shall be  
26 controlled by the Settlement Agreement with Exhibits attached as Exhibit A,  
27 which shall supercede and control any and all statutory rates of interest or other  
28 payment requirements of the relevant Arizona statutes and other law.

- 1           5.     Except as set forth in this Stipulated Judgment and the Settlement Agreement  
2           with Exhibits, no other sums shall be due to any Defendants to satisfy this  
3           Judgment. Furthermore, each party shall bear its own attorneys' fees, costs,  
4           and expenses in connection with this action, unless the Town does not timely  
5           satisfy this Judgment according to the provisions of the Settlement Agreement  
6           with Exhibits.
- 7           6.     Upon timely receipt of full payment as required by the Settlement Agreement  
8           with Exhibits, the Water Company Defendants shall file a Satisfaction of  
9           Judgment and then the Court shall enter a Stipulated Final Order of  
10          Condemnation vesting in the Town title in the Assets, which Assets shall then  
11          not be subject to or encumbered by any existing, past, or future rights, liens,  
12          claims or other encumbrances, but rather shall then be superior to any such  
13          rights, liens, claims or other encumbrances except as provided in the  
14          Settlement Agreement with Exhibits.
- 15          7.     That this Stipulated Final Judgment, including the provisions of the Settlement  
16          Agreement with Exhibits, constitutes a final determination as to all issues  
17          raised in the Town's First Amended Complaint and all matters pertaining to  
18          damages and compensation due for the taking of the Assets.
- 19          8.     That other than the Parties named in this action, no other person, partnership,  
20          corporation or other entity has any right, title or interest in and to the Assets.
- 21          9.     In the event that the Town does not make timely full payment, as set forth in  
22          the Settlement Agreement with Exhibits, then the Water Company Defendants,  
23          in their sole and absolute discretion, may elect either: (a) to execute upon and  
24          collect the money compensation owed under this Stipulated Judgment,  
25          including all interest, all as set forth in the Settlement Agreement with  
26          Exhibits; or (b) to retake possession and control (without any claim to, or  
27          encumbrance upon, or cloud upon title thereto, by the Town or any other party)  
28          of the Assets (and also to any improvements or additional assets then used in

1 conjunction with the Assets for the operation of the water utility) and also to  
2 collect all damages, including but not limited to abandonment damages and  
3 attorneys' fees and legal expenses arising out of the Town's breach of the  
4 Settlement Agreement with Exhibits.

5 10. That Defendant Ocotillo Ridge Estates Homeowners' Association, an Arizona  
6 corporation, was adjudged and declared to have no right or interest in the  
7 property described in the First Amended Complaint pursuant to a Judgment by  
8 Default entered by the Court on September 14, 2006.

9 11. That Defendant Ocotillo Ridge Estates, LLC, an Arizona limited liability  
10 company, was dismissed by Order of this Court dated February 27, 2006,  
11 based upon Plaintiff's Notice of Voluntary Dismissal of that same Defendant.

12 12. That Defendant Desert Foothills Land Trust, Inc., an Arizona non-profit  
13 corporation, was adjudged and declared to have no right or interest in the  
14 property described in the First Amended Complaint pursuant to a Judgment by  
15 Default entered by the Court on September 14, 2006.

16 13. That Defendant Wells Fargo Bank, National Association, a national banking  
17 association, as the successor-in-interest to First Interstate Bank of Arizona,  
18 N.A., a national banking association was dismissed by Order of this Court  
19 dated February 27, 2006, based upon Plaintiff's Notice of Voluntary Dismissal  
20 of that same Defendant.

21 14. That Defendant Harris Trust, as successor-in-interest to Defendant Century  
22 Bank, an Arizona corporation, filed a Disclaimer of Interest with this Court on  
23 or about March 2, 2007, such that Defendant Century Bank has no right or  
24 interest in the property described in the First Amended Complaint.

25 15. That Defendant JP Morgan Chase Bank, a national banking association as the  
26 successor-in-interest to the Valley National Bank of Arizona, a national  
27 banking association, was adjudged and declared to have no right or interest in  
28 the property described in the First Amended Complaint pursuant to a Judgment

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by Default entered by the Court on September 14, 2006.

16. That Defendant Maricopa County, a political subdivision of the State, filed a Disclaimer of Interest with this Court on or about March 2, 2007, such that Defendant Maricopa County has no right or interest in the property described in the First Amended Complaint.

DONE IN OPEN COURT this 7<sup>th</sup> day of March, 2007.



Ruth H. Hilliard  
Maricopa County Superior Court Judge

The foregoing instrument is a full, true and correct copy of the original document.

Attest March 7 2007  
MICHAEL R. JEANES, Clerk of the Superior Court of the State of Arizona, in and for the County of Maricopa.

By J. Gilliland Deputy

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John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**  
**IN THE COUNTY OF MARICOPA**

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,  
  
Plaintiff,  
  
v.  
  
CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,  
  
Defendants.

No. CV2005-005882

**STIPULATION FOR ENTRY OF  
FINAL JUDGMENT**

(Assigned to the Honorable  
Ruth H. Hilliard)

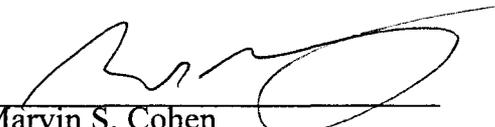
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Plaintiff Town of Cave Creek and Defendants Cave Creek Water Company, Pacer Equities Company and Global Water Resources, LLC ("Water Company Defendants") hereby stipulate that the attached Stipulated Judgment be entered as an order of the Court.

This Stipulation is part of the Settlement Agreement and Release between these same parties, and is also in conjunction with the form of Stipulated Order of Immediate Possession submitted to the Court on this same date, in accordance with that same Settlement Agreement and Release.

RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of March, 2007.

SACKS TIERNEY, P.A.

By   
Marvin S. Cohen  
Stephen J. Anthony  
4250 North Drinkwater Blvd., 4<sup>th</sup> Floor  
Scottsdale, AZ 85251-3696  
Attorneys for the Town of Cave Creek

MORRILL & ARONSON, P.L.C.

By   
Martin A. Aronson  
John T. Moshier  
Scott D. Larmore  
One East Camelback Road, Suite 340  
Phoenix, AZ 85012  
Attorneys for Defendants Cave Creek Water Co., Pacer Equities Co., and Global Water Resources, LLC

The ORIGINAL of the foregoing was electronically filed with the CLERK and A COPY was electronically and hand-delivered this 7<sup>th</sup> day of ~~February~~, 2007, to:

March  
The Honorable Ruth H. Hilliard  
Judge of the Superior Court  
101 West Jefferson Street, Suite 4C  
Phoenix, AZ 85003-2243

**EXHIBIT A**

## SETTLEMENT AGREEMENT AND RELEASE

THIS SETTLEMENT AGREEMENT is made and entered into this 6th day of March, 2007, by and among the Town of Cave Creek, an Arizona municipal corporation (the "Town"), Cave Creek Water Co., an Arizona corporation ("CCWC"), Pacer Equities Co., an Arizona corporation ("Pacer"), and Global Water Resources, LLC, a Delaware limited liability company ("Global") (CCWC, Pacer, and Global are hereinafter referred to as the "Water Companies").

### RECITALS

A. The Town, the Water Companies, and others are parties in lawsuits that have been filed in Maricopa County Superior Court (collectively referred to as the "Litigation"), as follows:

1. On April 6, 2005, the Town filed a condemnation complaint against all three of the Water Companies seeking to acquire the water utility properties of CCWC and Pacer, titled as Town of Cave Creek v. Cave Creek Water Company, et al, Maricopa County Superior Court No. CV2005-005882 (hereinafter referred to as the "Condemnation Action").

2. On May 11, 2005, CCWC, Pacer, and others filed a complaint against the Town and others seeking to require the Town to accept certain referendum petitions, titled as David L. Phelps, Cave Creek Water Company and Pacer Equities v. Town of Cave Creek and Carrie Dyrek, Maricopa County Superior Court No. CV2005-008138 (hereinafter referred to as the "Referendum Action"). A Petition for Review of the lower courts' decisions has recently been denied, the effect of such denial being that the Judgment in favor of the Town in the Referendum Action is now final and nonappealable.

3. On November 17, 2006, Phelps filed a complaint against the Town challenging the Town's purchase of the Desert Hills Water Company, titled as David L. Phelps v.

Town of Cave Creek and Desert Hills Water Company, Maricopa County Superior Court No. CV2006-17664 (hereinafter referred to as the "Phelps Action").

B. The Town and the Water Companies entered into a certain Agreement Regarding Confidential and Nonbinding Settlement Process in October 2005 by which the Parties jointly hired an engineering expert and a real estate appraisal expert to provide preliminary valuations regarding the Water Companies' assets. Pursuant to that Agreement, a Stipulation filed by the Parties with the Court, and an Order entered by the Court, R.W. Beck and First Appraisal Services provided those preliminary valuations in January and February 2006. The experts used one of the accepted appraisal methodologies, Replacement Cost New Less Depreciation, for the Water Companies' assets (RCNLD), and the total of the preliminary valuations under that appraisal methodology was approximately \$39,900,000 (rounded), without considering the more than \$1,000,000 spent by the Water Companies on additional capital expenditures after these experts provided their preliminary valuations and also without considering goodwill. The Town's expert appraiser in the condemnation case, Mr. Harold Morgan, has previously testified under oath in other cases that goodwill under an RCNLD appraisal methodology is generally and approximately an additional 10% of the RCNLD asset value. Therefore, the preliminary valuation of the engineering and real estate experts jointly hired by the Town and the Water Companies would result in a current RCNLD value of over \$40,000,000 (without inclusion of goodwill) and an RCNLD value of at least \$45,000,000 (if goodwill were to be included at 10%). The Parties hereby stipulate and agree to waive the confidentiality of the R. W. Beck and First Appraisal opinions and work product.

C. The Parties acknowledge that there are a number of unresolved challenges to the Town's right to take, and that is a significant reason for the Parties willingly entering into this

Settlement Agreement. Those challenges to the right to take are generally listed in the Water Companies' First Supplemental Rule 26.1 Disclosure Statement, dated October 19, 2006, which includes nine identified challenges to the Town's right to condemn. Only one of those challenges has resulted in any final non-appealable ruling in favor of the Town to date, the Referendum Action. The Court by Minute Entry dated November 27, 2006, while denying the Water Companies' Motion to Dismiss for Failure to Join an Indispensable Party (that is, the Federal Government regarding CAP water allocations and other property rights), invited the Water Companies to file a Motion for Summary Judgment on the same issue and observed that it was a significant issue regarding subject matter jurisdiction and federal interests. The other disclosed right to take challenges include, for example, extraterritorial condemnation by the Town within the jurisdictional limits of the City of Phoenix of a portion of the water pipeline that supplies CAP water to the treatment plant and then to the customers residing in the Town, without the consent of the City of Phoenix.

D. The Parties acknowledge that the acquisition by the Town of the Desert Hills Water Co., Inc. is also a significant reason for the Water Companies to decide willingly to enter into this Settlement Agreement, resulting in the Town's acquisition of their assets.

E. After vigorous prosecution and defense of the Litigation, the Town and the Water Companies engaged in a court-ordered mediation. After that court-ordered mediation, the Town and the Water Companies reached a tentative agreement for settlement of the Condemnation Action, which included, in addition to the principal terms hereof, the intention that the transaction provide to Water Companies the deferral benefit provided for an involuntary conversion provided in Section 1033 of the Internal Revenue Code of 1986, as amended.

F. By way of compromise and in order to avoid protracted and difficult litigation the parties have mutually agreed to fully, finally, absolutely and forever compromise and settle all of their claims against each other which are asserted in, or which in any manner pertain to or arise out of, the Litigation, under the terms and conditions set forth in this Settlement Agreement. The parties have agreed to request the Court to incorporate this Settlement Agreement and its Exhibits into a Judgment in the Condemnation Action solely for the following reasons: (a) to obtain the certain advantages and protections of CERCLA; (b) to effectuate the timely transfer of possession of the Assets at the First Closing; and (c) to effectuate the timely transfer of ownership of the Assets at the Second Closing.

G. In settlement of the Condemnation Action, Sellers are willing to permit the Assets (as defined in the Bargain Sale Agreement described below) to be transferred to Buyer pursuant to the documents hereinafter described and Buyer is willing to so acquire the Assets as: a part purchase and sale, to the extent of the Purchase Price; and a part charitable contribution (to the extent the fair market value of the Assets (determined as provided in the Bargain Sale Agreement) exceeds the Purchase Price), in both cases on all the terms and subject to the conditions set forth in this Settlement Agreement and the Exhibits hereto.

### AGREEMENT

In the context of these Recitals and in consideration of the mutual promises, covenants, agreements and relinquishments of rights agreed to herein, the parties agree as follows:

1. The parties hereby acknowledge the correctness and accuracy of the foregoing Recitals, which are fully incorporated by this reference into the terms of this Agreement.

2. In settlement of the Condemnation Action, and pursuant to the Stipulated Immediate Possession Order and the Stipulated Judgment and the Stipulated Final Order of Condemnation ,  
Final Without 38

CCWC and Pacer are willing to allow the Assets to be transferred to the Town, and the Town shall acquire and accept from CCWC and Pacer, the Assets of CCWC and Pacer: (a) in part, to the extent of \$19,500,000.00, as a sale; and (b) in part, to the extent the fair market value of the Assets exceeds \$19,500,000.00, as a charitable contribution. The part-sale and part-contribution shall be pursuant to all the terms and conditions of the Bargain Sale Agreement (including the Schedules and Exhibits thereto) attached hereto as Exhibit 1, which by this reference is incorporated herein (the "Bargain Sale Agreement"). The Purchase Price for the sale part of the transaction shall be paid \$2.0 million (plus interest earned thereon from February 12, 2007 until the First Closing) nonrefundable payment (the "Down Payment") at the First Closing under the Bargain Sale Agreement, by transfer of those funds which were deposited with Escrow Agent on February 21, 2007 as Escrow Number 27-6684, pursuant to Escrow Agreement by and among the Town, Sellers, and Arizona Escrow and Financial dated February 20, 2007; and \$17,500,000.00 (plus or minus net prorations as the case may be under the Bargain Sale Agreement) at the Second Closing under the Bargain Sale Agreement. In addition, after the First Closing under the Bargain Sale Agreement, the Town shall pay to Sellers interest on the deferred portion of the Purchase Price monthly on the first day of each month. The interest rate shall be 8.25% per annum from the First Closing through and including August 15, 2007; 13.25% per annum from August 16, 2007 through December 31, 2007; and, if the Second Closing is extended at the Town's option to March 15, 2008, 18.25% per annum from January 1, 2008 through payment in full. If any payment of interest is not made within five (5) days after its due date, CCWC and Pacer may, at their option, accelerate the unpaid balance by written notice to Buyer. After any such acceleration, and if payment in full is not made by December 31, 2007 (or March 15, 2008 if the Town exercises its option to extend), interest shall accrue at the rate of 18.25% per annum until paid in full. At the First Closing the Town shall

Final Without 38

also pay Sellers the sum of Fifty Thousand Dollars (\$50,000.00) (the "Adjustment Fee") by wire transfer, which shall not apply toward the Purchase Price. No later than 12:00 noon on August 15, 2007, the Town shall deliver to Sellers the Letter of Credit (as defined in the Bargain Sale Agreement) and if the Town fails to do so, then the \$17,500,000.00 deferred balance shall automatically increase to \$18,500,000.00 and the Purchase Price shall automatically increase to \$20,500,000.00.

3. Prior to the First Closing: (a) the parties shall execute and deliver to the Court for signature and entry in the Condemnation Action: (i) the Stipulated Immediate Possession Order in the form of Exhibit 2 hereto; (ii) the Stipulated Judgment in the form of Exhibit 3 hereto; and (b) the parties shall execute and file with the Court a stipulation and form of order for dismissal of the Phelps Action with prejudice, each party to bear its own attorneys' fees and costs, in the form attached hereto as Exhibit 4. At the First Closing, which will occur on the next business day after the Court shall have signed and entered the Stipulated Judgment and the Stipulated Immediate Possession Order: the Town shall release the Down Payment to Sellers and deliver the Adjustment Fee to Sellers; and Sellers shall deliver to the Town all keys, passwords, and other information and things necessary to enable the Town to assume possession and control of the Assets.

4. Prior to the Second Closing, the parties shall execute a stipulation for entry of the Stipulated Final Order of Condemnation in the form of Exhibit 5 hereto. At the Second Closing, which shall occur on or before December 31, 2007, unless the Town elects by written notice to extend it to March 15, 2008: the Town shall pay the Deferred Balance plus any accrued but unpaid interest thereon and shall execute and deliver to Sellers a Release of Lis Pendens in form satisfactory to counsel for Sellers for filing and recording; and Sellers shall sign and provide to

Final Without 38

the Town a satisfaction of judgment in form satisfactory to counsel for the Town and shall release such satisfaction of judgment together with the signed stipulation for entry of the Stipulated Final Order of Condemnation to the Town for filing and recording. Promptly following the Second Closing, the Town shall cause the Stipulated Final Order of Condemnation to be entered by the Court and recorded with the Maricopa County Recorder's Office; and Sellers shall cause the Release of Lis Pendens to be filed with the Court and recorded with the Maricopa County Recorder's Office.

5. Any and all access to CCWC and Pacer and their records and assets undertaken pursuant to Section 4.5 of the Bargain Sale Agreement shall be subject to all confidentiality stipulations and orders in effect in the Litigation unless and until the First Closing under the Bargain Sale Agreement shall have occurred, whereupon the confidentiality restrictions shall automatically lapse as to Confidential Information of CCWC and Pacer, but shall continue in full force and effect as to Confidential Information of Global and its affiliates (other than CCWC and Pacer).

6. The Town's obligations under this Settlement Agreement are expressly conditioned upon the dismissal with prejudice, at the First Closing under the Bargain Sale Agreement, of the Phelps Action, with all parties to bear their own costs and attorneys fees, but otherwise at no economic cost to the Town.

7. The Water Companies' obligations under this Settlement Agreement are expressly conditioned upon the Town having assumed responsibility for Sabrosa Water Company under an agreement regarding the interim management or operation of Sabrosa Water Company or any successor entity or the assets or former assets thereof (the "Interim Management Agreement") in documentation in substantially the form set forth on Exhibit 6 hereto in which the ACC

acknowledges termination of Global Water's obligations under that certain Interim Management Agreement relating to Sabrosa Water Company dated January 28, 2005, which shall be effective on the First Closing Date under the Bargain Sale Agreement. The Town acknowledges that it is aware that Sabrosa Water Company has significant operational, regulatory, financial, and management problems; that it has had a full opportunity to, and has, made complete and diligent inquiry, inspections, and investigations with respect to Sabrosa Water Company and the Interim Management Agreement; and that it has had the assistance of counsel and other professionals, including qualified professional engineers, with respect to the Interim Management Agreement and the inquiry, inspections, and investigations referred to in this sentence.

8. The Water Companies hereby agree to cooperate with the Town in a commercially reasonable manner to request and consent to assignments to the Town of CCWC's CAP entitlements: the existing CAP first amended subcontract for 1,600 acre-feet of CAP water, and the new CAP subcontract currently being processed by the Central Arizona Water Conservation District ("CAWCD") and the Department of the Interior ("Interior") for 2,606 acre-feet of CAP water, provided, however, that title to such CAP entitlements shall not vest in the Town, and shall not be approved by CAWCD or Interior until the Stipulated Final Order in Condemnation is entered by the Court; and provided further that the Town hereby assumes and undertakes all risk that approval of any such transfers may not be forthcoming, will bear all costs and expenses in connection with said transfers, and will assume all responsibilities of Sellers under such subcontract and entitlements as provided in the Bargain Sale Agreement.

9. The Town does hereby, on behalf of itself and on behalf of its past, present and future partners, joint venturers, employees, insurers, predecessors, successors, affiliates, assigns, agents, servants, principals, administrators, heirs, executors and representatives, release and forever

discharge the Water Companies and their past, present and future partners, joint venturers, employees, insurers, predecessors, successors, affiliates, assigns, officers, directors, shareholders, members, attorneys, agents, servants, principals, administrators, heirs, executors and representatives of and from any and all claims, demands, obligations, losses, causes of action, damages, penalties, costs, expenses, attorneys' fees, liabilities, and indemnities of any nature whatsoever, known or unknown, past or present, suspected or unsuspected, that were alleged or could have been alleged in the Litigation; provided, however, that nothing contained herein shall release the obligations of the Water Companies under this Settlement Agreement or under any of the Exhibits to this Settlement Agreement or the documents through which the transactions contemplated by this Settlement Agreement are carried out.

10. The Water Companies do hereby, on behalf of themselves and on behalf of their past, present and future partners, joint venturers, employees, insurers, predecessors, successors, affiliates, assigns, agents, servants, principals, administrators, heirs, executors and representatives, release and forever discharge the Town and its past, present and future partners, joint venturers, employees, insurers, predecessors, successors, affiliates, assigns, officers, directors, shareholders, members, attorneys, agents, servants, principals, administrators, heirs, executors and representatives of and from any and all claims, demands, obligations, losses, causes of action, damages, penalties, costs, expenses, attorneys' fees, liabilities, and indemnities of any nature whatsoever, known or unknown, past or present, suspected or unsuspected, that were alleged or could have been alleged in the Litigation; provided, however, that nothing contained herein shall release the obligations of the Town under this Settlement Agreement or under any of the Exhibits to this Settlement Agreement or the documents through which the transactions contemplated by this Settlement Agreement are carried out.

11. This Settlement Agreement is intended to, and does, cover all claims, causes of action, and/or damages of the parties to this Settlement Agreement, whether known or unknown to the parties at the time of execution of this Settlement Agreement, which have resulted or may hereafter result, or which may hereafter be discovered, and which may have caused or claim to have been caused by the events alleged in, or which could have been alleged in, the Litigation.

12. The Town represents and warrants that as of the date of this Settlement Agreement, it has no claims against the Water Companies except as described herein and it does not aware of any basis for any such claim.

13. The Water Companies represent and warrant that as of the date of this Settlement Agreement, they have no claims against the Town except as described herein and they are not aware of any basis for any such claim.

14. The parties hereto understand and agree that the consideration set forth herein is all that will be paid and that said payment is in full accord and satisfaction of all claims made any party, no other representations or promises having been made.

15. The compromise and release which forms the basis of this Settlement Agreement has been arrived at after thorough bargaining and negotiation and represents a final, mutually agreeable compromise of a disputed claim. The parties agree that they have received no inducement, promise or offer of any kind whatsoever except for the consideration delineated herein, and that this Settlement Agreement is executed without reliance on any statement of representation by any party, or its representatives, or anyone, other than the sole consideration described herein.

16. This Settlement Agreement shall be a fully binding and complete settlement between the parties. In entering into this Agreement, the parties represent that they have relied upon the independent legal, regulatory, and tax advice of their attorneys and other professional

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advisors, who are the attorneys or other professional advisers of their own choice, concerning the legal, regulatory, and tax consequences of this Settlement Agreement; that the terms of this Settlement Agreement have been completely read, and all implications of those terms have been explained to them by their attorneys and other professional advisers, and that those terms and implications are fully understood and voluntarily accepted by them.

17. Each party warrants that it is legally competent and has the authority to enter into this Settlement Agreement and that the person signing on its behalf is duly authorized to do so.

18. All consents, approvals or acceptances provided for or contemplated in this Settlement Agreement shall not be unreasonably withheld and shall be timely exercised.

19. All of the parties and their counsel have reviewed and negotiated the terms of this Settlement Agreement and, accordingly, the rule of construction that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Settlement Agreement.

20. This Settlement Agreement (including the exhibits hereto and all documents referred to in or contemplated by those exhibits) constitutes the entire agreement among the parties with respect to the matters set forth herein, and supersedes all prior agreements and understandings, both written and oral, between the parties with respect to the subject matter hereof, and no representation, warranty, condition, understanding or agreement of any kind shall be relied upon by the parties unless incorporated in this Settlement Agreement and its exhibits.

21. The terms and provisions of this Settlement Agreement shall survive delivery of any deed or instrument delivered hereunder.

22. This Settlement Agreement shall become effective following its execution by all parties. This Settlement Agreement may be executed in any number of counterparts, in original

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form or by electronic facsimile, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. This Settlement Agreement shall not be effective as between any parties unless and until one or more counterparts have been executed by each and all of the parties.

23. All aspects of this Settlement Agreement, including its enforcement, interpretation, construction, performance and validity, shall be governed by Arizona law. In the event of any dispute arising out of or relating to the Stipulated Judgment, the Stipulated Immediate Possession Order, or the Stipulated Final Order of Condemnation, the parties hereby agree that the Court in the Condemnation Action retains exclusive jurisdiction and venue to resolve any and all such disputes. The prevailing party in any such further proceeding shall be entitled to recover from the other party all costs and expenses incurred in such proceedings, including expert witness fees, taxable court costs and reasonable attorneys' fees. Notwithstanding the preceding sentence, any and all disputes arising described in Article 7 of the Bargain Sale Agreement or otherwise seeking to enforce the Bargain Sale Agreement shall be resolved by arbitration as provided in the Bargain Sale Agreement.

24. This Settlement Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns.

25. This Settlement Agreement shall not be assignable or otherwise transferable by any party hereto without the prior written consent of the other parties hereto, except as provided in the Bargain Sale Agreement.

26. Nothing in this Settlement Agreement shall confer any rights upon any Person or entity other than the parties hereto and their respective, successors, and permitted assigns.

27. No amendment, modification, or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge, or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Settlement Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Settlement Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights, or privileges hereunder.

28. This Settlement Agreement is subject to the provisions of A.R.S. § 38-511.

29. All parties agree to cooperate fully and execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Settlement Agreement.

30. All notices, demands, and other communications provided for hereunder shall be in writing (including facsimile or similar transmission) and mailed (by U.S. certified mail, return receipt requested, postage prepaid), sent, or delivered (including by way of overnight courier services):

To Town:                   Town of Cave Creek  
                                  Attention: Vincent Francia, Mayor  
                                  37622 North Cave Creek Rd.  
                                  Cave Creek, AZ 85331  
                                  Fax no.: 480-488-2263  
                                  E-mail address: vfrancia@turfparadise.net

With copies to:           Town of Cave Creek  
                                  Attention: Town Manager

37622 North Cave Creek Rd.  
Cave Creek, AZ 85331  
Fax no.: 480-488-2263  
E-mail address: [townmanager@cavecreek.org](mailto:townmanager@cavecreek.org)

and

Marvin S. Cohen, Esq.  
Sacks Tierney, P.A.  
4250 North Drinkwater Blvd.  
4<sup>th</sup> Floor  
Scottsdale, Arizona 85251-3900  
Fax no.: 480-425-4933  
E-mail address: [marvin.cohen@sackstierney.com](mailto:marvin.cohen@sackstierney.com)

To Water Companies: Global Water Resources, LLC  
Attention: Trevor Hill, President & CEO  
21410 N. 19th Avenue, Suite 201  
Phoenix, Arizona 85027  
Fax no.: (623) 580-9659  
E-mail address: [trevor.hill@gwresources.co](mailto:trevor.hill@gwresources.co)

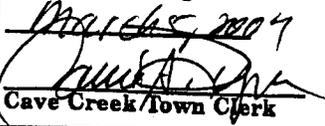
With copies to: K. Layne Morrill, Esq.  
Morrill & Aronson, PLC  
One East Camelback Road, Suite 340  
Phoenix, Arizona 85012  
Fax no.: 602.285-9544  
E-mail address: [lmorrill@maazlaw.com](mailto:lmorrill@maazlaw.com)

or, as to each party to such other Person and/or at such other address or number as shall be shall be designated by such party in a written notice to the other party. All such notices, demands, and communications, if mailed, shall be effective upon the earlier of (i) actual receipt by the addressee, (ii) the date shown on the return receipt of such mailing, or (iii) three (3) days after deposit in the mail. All such notices, demands, and communications, if not mailed, shall be effective upon the earlier of (i) actual receipt by the addressee, (ii) with respect to facsimile and similar electronic transmission, the earlier of (x) the time that electronic confirmation of a successful transmission is received, or (y) the date of transmission, if a confirming copy of the

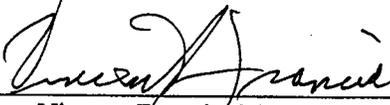
transmission is also mailed as described above on the date of transmission, and (iii) with respect to delivery by overnight courier service, the day after deposit with the courier service, if delivery on such day by such courier is confirmed with the courier or the recipient orally or in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Settlement Agreement the day and year first above written.

[Signatures appear on following page]

TOWN: **Approved by the Town Council  
at their meeting held on:**  
March 5, 2004  
  
**Cave Creek Town Clerk**

TOWN OF CAVE CREEK, an Arizona municipal corporation

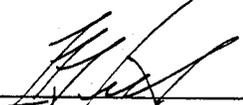
By:   
Vincent Francia, Mayor

ATTEST:  
  
Carrie Dyrek, Town Clerk

APPROVED AS TO FORM:  
  
Marvin S. Cohen  
Sacks Tierney P.A.  
Attorneys for Town

WATER COMPANIES:

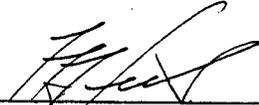
GLOBAL WATER RESOURCES, LLC., a Delaware limited liability company

By:   
TREVOR HILL, Its PRESIDENT

CAVE CREEK WATER CO., an Arizona Corporation

By:   
Trevor Hill, President

PACER EQUITIES CO., an Arizona corporation

By:   
Trevor Hill, President

List of Exhibits

- Exhibit 1 Bargain Sale Agreement
- Exhibit 2 Stipulated Immediate Possession Order
- Exhibit 3 Stipulated Judgment
- Exhibit 4 Stipulated Order of Dismissal for Phelps Action
- Exhibit 5 Stipulated Final Order of Condemnation
- Exhibit 6 Sabrosa Water Company Agreement

# **EXHIBIT 1**

BARGAIN SALE AGREEMENT  
BY AND BETWEEN  
CAVE CREEK WATER CO.. PACER EQUITIES CO.,  
AND  
TOWN OF CAVE CREEK  
DATED AS OF  
MARCH 6, 2007

## BARGAIN SALE AGREEMENT

THIS BARGAIN SALE AGREEMENT ("Agreement") dated as of March 6, 2007, by and among CAVE CREEK WATER CO., an Arizona corporation ("CCWC"), PACER EQUITIES, CO., an Arizona corporation ("Pacer") (each a "Seller" and collectively "Sellers") and the TOWN OF CAVE CREEK, an Arizona municipal corporation ("Buyer"),

### WITNESSETH:

A. Buyer, Sellers, and Global Water Resources, LLC, a Delaware limited liability company ("Global") are parties in lawsuits that have been filed in Maricopa County Superior Court (collectively referred to as the "Litigation"), as follows:

1. On April 6, 2005, the Town filed a condemnation complaint against CCWC, Pacer, and Global (collectively the "Water Companies") seeking to acquire their water utility properties, titled as Town of Cave Creek v. Cave Creek Water Company, et al, Maricopa County Superior Court No. CV2005-005882 (hereinafter referred to as the "Condemnation Action").

2. On May 11, 2005, CCWC, Pacer, and others filed a complaint against the Town and others seeking to require the Town to accept certain referendum petitions, titled as David L. Phelps, Cave Creek Water Company and Pacer Equities v. Town of Cave Creek and Carrie Dyrek, Maricopa County Superior Court No. CV2005-008138 (hereinafter referred to as the "Referendum Action"). A Petition for Review has recently been denied by the Arizona Supreme Court, the effect of such denial being that the Judgment in favor of the Town in the Referendum Action is now final and nonappealable.

3. On November 17, 2006, Phelps filed a complaint against the Town challenging the Town's purchase of the Desert Hills Water Company, titled as David L. Phelps v. Town of Cave Creek and Desert Hills Water Company, Maricopa County Superior Court No. CV2006-17664 (hereinafter referred to as the "Phelps Action").

B. The Buyer and the Water Companies entered into a certain Agreement Regarding Confidential and Nonbinding Settlement Process in October 2005 by which the Parties jointly hired an engineering expert and a real estate appraisal expert to provide preliminary valuations regarding the Water Companies' assets. Pursuant to that Agreement, a Stipulation filed by the Parties with the Court, and an Order entered by the Court, R. W. Beck and First Appraisal Services provided those preliminary valuations in January and February 2006. The experts used one of the accepted methodologies, Replacement Cost New Less Depreciation for the Water Companies' assets (RCNLD), and the total of the preliminary valuations under that appraisal methodology was approximately \$39,900,000 (rounded), without considering the more than \$1,000,000 spent by the Water Companies on additional capital expenditures after these experts provided their preliminary valuations and also without considering goodwill. The Buyer's expert appraiser in the condemnation case, Mr. Harold Morgan, has previously testified under oath in other cases that goodwill under an

RCNLD appraisal methodology is generally and approximately an additional 10% of the RCNLD asset value. Therefore, the preliminary valuation of the engineering and real estate experts jointly hired by the Buyer and the Water Companies would result in a current RCNLD value of over \$40,000,000 (without inclusion of goodwill) and an RCNLD value of at least \$45,000,000 (if goodwill were to be included at 10%).

D. The Parties acknowledge that the acquisition by Buyer of the Desert Hills Water Co., Inc., is also a significant reason for the Water Companies to decide willingly to enter into this Agreement, resulting in the Town's acquisition of the Assets.

E. The Parties acknowledge that there are a number of unresolved challenges to the Buyer's right to take, and that is a significant reason for the Parties willingly entering into this Settlement Agreement. Those challenges to the right to take are generally listed in the Water Companies' First Supplemental Rule 26.1 Disclosure Statement, dated October 19, 2006, which includes nine identified challenges to the Buyer's right to condemn. Only one of those challenges has resulted in any final non-appealable ruling in favor of the Buyer to date, the Referendum Action. The Court by Minute Entry dated November 27, 2006, while denying the Water Companies' Motion to Dismiss for Failure to Join an Indispensable Party (that is, the Federal Government regarding CAP water allocations and other property rights), invited the Water Companies to file a Motion for Summary Judgment on the same issue and observed that it was a significant issue regarding subject matter jurisdiction and federal interests. The other disclosed right to take challenges include, for example, extraterritorial condemnation by the Buyer within the jurisdictional limits of the City of Phoenix of a portion of the water pipeline that supplies CAP water to the treatment plant and then to the customers residing in the Buyer, without the consent of the City of Phoenix.

F. After vigorous prosecution and defense of the Litigation, the Town and the Water Companies engaged in a court-ordered mediation. After that court-ordered mediation, the Town and the Water Companies reached a tentative agreement for settlement of the Condemnation Action. That tentative agreement included the intention that the transaction provide to Sellers the deferral benefit for an involuntary conversion allowed in Section 1033 of the Code.

G. By way of compromise and in order to avoid protracted and difficult litigation, in a Settlement Agreement dated February 28, 2007 (the "Settlement Agreement"), the parties mutually agreed to fully, finally, absolutely and forever compromise and settle all of their claims against each other which are asserted in, or which in any manner pertain to or arise out of, the Litigation, under the terms and conditions set forth in the Settlement Agreement. The parties have agreed to request the Court in the Condemnation Action to incorporate the Settlement Agreement and this Agreement into a Judgment in the Condemnation Action solely for the following reasons: (a) to obtain certain advantages and protections under CERCLA; (b) to effectuate the timely transfer of possession of the Assets at the First Closing; and (c) to effectuate timely transfer of ownership of the Assets at the Second Closing.

H. Pursuant to the Settlement Agreement and the Stipulated Immediate Possession Order and the Stipulated Judgment and the Stipulated Final Order of Condemnation, and in settlement of

the Condemnation Action, Sellers are willing to permit the Assets (as hereinafter defined) to be transferred to Buyer and Buyer is willing to acquire and accept the Assets as: a part sale and purchase, to the extent of the Purchase Price, and a part charitable contribution (to the extent the fair market value (determined by appraisal as hereinafter set forth) of the Assets exceeds the Purchase Price), in both cases on all the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, representations, and warranties herein contained, and on the terms and subject to the conditions herein set forth, the parties hereto agree as follows:

## **ARTICLE 1** **DEFINITIONS**

The terms defined in this Article I, whenever used in this Agreement (including in the Schedules) shall have the respective meanings indicated below for all purposes of this Agreement. All references herein to a Section, Article or Schedule are to a Section, Article or Schedule of or to this Agreement, unless otherwise indicated.

*AAA:* means the American Arbitration Association.

*ACC:* means the Arizona Corporation Commission.

*Affiliate:* of a Person means a Person that directly or indirectly through one or more intermediaries, controls, in controlled by, or is under common control with, the first Person. "Control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ownership of voting securities, by contract or credit arrangement, as trustee or executor, or otherwise.

*Agreement:* means this Bargain Sale Agreement, including the Schedules and Exhibits hereto.

*AIAC:* means advance in aid of construction.

*Applicable Law:* as defined in Section 9.7.

*Arbitration Rules:* as defined in Section 8.2.

*Assets:* as defined in Section 3.1.4.

*Beck:* as defined in Recital C to this Agreement.

*Business:* means all of the business operations of the Sellers as currently conducted.

*Buyer*: as defined in the first paragraph to this Agreement.

*Buyer Indemnites*: as defined in Section 7.2.

*CC&N*: means the Certificate of Convenience and Necessity granted by the ACC to CCWC, as heretofore amended.

*CCWC*: as defined in Recital A of this Agreement.

*Code*: the Internal Revenue Code of 1986, as amended, and any future replacements thereof or modifications thereto.

*Condemnation Action*: as defined in Recital A(1) to this Agreement.

*Consent*: means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, exemption or order of, registration, certificate declaration or filing with, or report or notice to, any Person, including but not limited to any Governmental Authority.

*Contribution Amount*: as defined in Section 2.1.

*Dispute*: as defined in Section 8.1.

*Effective Date*: The Effective Date of this Agreement shall be March 6, 2007.

*Escrow Agreement*: as defined in Section 2.4.

*First Closing*: as defined in Section 2.2.

*First Closing Date*: as defined in Section 2.2.

*Governmental Authority*: any (a) nation, state, county, city, town, village, district, or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign, or other government; (c) governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official, or entity and any court or other tribunal; (d) multi-national organization or body; or (e) body exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory, or taxing authority or power of any nature.

*Indemnified Party*: as defined in Section 7.3.

*Indemnifying Party*: as defined in Section 7.3.

*Knowledge*: as to either Seller or both Sellers, means the actual knowledge, without any inquiry, of Trevor Hill or Graham Symmonds; and, as to the Buyer, means the actual knowledge,

without any inquiry, of the Town Manager, the Town Engineer, and Buyer's consultants, Troy Day of Arizona American Water Company and Tom McLean of CH2MHill; and as to any Person other than the Sellers or Buyer, means the actual knowledge of such Person and the agents or representatives of such Person.

*Legal Requirement:* any federal, state, local, municipal, foreign, international, multinational or other constitution, law, ordinance, principle of common law or equity, code, regulation, statute or treaty.

*Letter of Credit:* as defined in Section 4.15.

*Liabilities:* as defined in Section 3.1.5.

*Lien:* means any mortgage, deed of trust, pledge, hypothecation, right of others, claim, security interest, encumbrance, lease, sublease, license, occupancy agreement, adverse claim or interest, easement, covenant, encroachment, burden, title defect, title retention agreement, voting trust agreement, interest, equity, option, lien, right of first refusal, charge or other restrictions or limitation of any nature whatsoever, including but not limited to such as may arise under any Contracts.

*Line Extension Agreements:* Agreements between CCWC and developers under which developer provides an AIAC to CCWC for construction of facilities to serve a development and under which CCWC agrees to refund portions of the AIAC as new customers from the development pay for water service.

*Litigation:* as defined in Recital A to the Agreement.

*Losses:* as defined in Section 7.1.

*Non-Owned Assets:* as defined in Section 4.4.3.

*Pacer:* as defined in the first recital to this Agreement.

*Person:* means any natural person, firm, partnership, association, corporation, company, limited liability company, limited partnership, trust, business trust, Governmental Authority, or other entity.

*Phelps Action:* as defined in Recital A(3) to this Agreement.

*Purchase Price:* as defined in Section 2.4.

*Qualified Appraisal:* as defined in the Code and Regulations.

*Qualified Appraiser:* as defined in the Code and Regulations.

*Referendum Action:* as defined in Recital A(2) to this Agreement.

*Refundable Deposits:* all the Sellers' customer security deposits and customer meter deposits.

*Regulations:* all regulations issued by the United States Treasury Department under the Code and all rulings, notices, revenue procedures, and other documents issued by the Internal Revenue Service pursuant to the Code.

*Schedules:* means each of the schedules and exhibits attached to and made a part of this Agreement.

*Second Closing:* as defined in Section 2.2.

*Second Closing Date:* as defined in Section 2.2.

*Seller and Sellers:* as defined in the first paragraph to this Agreement.

*Sellers' Materials:* as defined in Section 6.2.

*Seller Indemnitees:* as defined in Section 7.2.

*Settlement Agreement:* as defined in Recital F to this Agreement.

*Stipulated Final Order of Condemnation:* as defined in the Settlement Agreement.

*Stipulated Judgment:* as defined in the Settlement Agreement.

*Stipulated Order for Immediate Possession:* as defined in the Settlement Agreement.

*Tax or Taxes:* means and federal, state, provincial, local, foreign or other income, alternative, minimum, accumulated earnings, personal holding company, franchise, capital stock, net worth, capital, profits, windfall profits, gross receipts, value added, privilege, sales, use, goods and services, excise, customs duties, transfer, conveyance, mortgage, registration, stamp, documentary, recording, premium, severance, environmental (including taxes under Section 59A of the Code), real property, personal employment, unemployment insurance, social security, disability, workers' compensation, payroll, health care, registration, withholding, estimated or other similar tax, duty or other governmental charge or assessment or deficiencies thereof (including all interest and penalties thereon and additions thereto whether disputed or not).

*Transaction Expenses:* as defined in Section 9.1.

*Water Companies:* as defined in Recital A(1) to this Agreement.

**ARTICLE 2**  
**DISPOSITION AND ACQUISITION OF THE ASSETS: CLOSINGS**

**2.1 Bargain Sale.** Sellers hereby agree to permit the Assets to be transferred to Buyer through the Stipulated Judgment, the Stipulated Immediate Possession Order, and the Stipulated Final Order of Condemnation, and Buyer agrees to accept and acquire all the Assets from Sellers pursuant to such documents: (a) as a sale and purchase, to the extent of the Purchase Price; and (b) as a charitable contribution to the extent the fair market value of the Assets on the First Closing Date, as determined by a Qualified Appraiser in a Qualified Appraisal to be obtained by Sellers at Sellers' expense, exceeds the Purchase Price (the "Contribution Amount").

**2.2 Place and Date of First Closing.** The First Closing under this Agreement shall take place at 12:00 noon local time the same business day on which the Court signs and enters the Stipulated Judgment and the Stipulated Immediate Possession Order, at the offices of Morrill & Aronson, PLC, or at such other time and place as the parties may agree. Buyer and Sellers agree to use their best efforts to cause the Stipulated Judgment and the Stipulated Immediate Possession Order to be signed and entered by the Court by March 7, 2007. The First Closing shall be deemed effective immediately upon transfer of the Down Payment and the Adjustment Fee. The "First Closing Date" shall mean the day of the First Closing. At the First Closing, Buyer and Sellers shall cause the Escrow Agent to pay the Down Payment and the Adjustment Fee (both as hereinafter defined) to Sellers; and Sellers shall deliver to Buyer all keys, passwords, and other information and things necessary to permit Buyer to take possession of the Assets pursuant to the Stipulated Judgment and the Stipulated Immediate Possession Order, subject to all the terms and conditions thereof and of this Agreement. Pursuant to the Stipulated Judgment, the CC&N shall be extinguished as of the First Closing Date. The Adjustment Fee is the sum of Fifty Thousand and No/100 Dollars (\$50,000.00).

**2.3 Place and Date of Second Closing.** The Second Closing of the bargain sale of the Assets (the "Second Closing") will take place at 10:00 a.m. local time on or before December 31, 2007, at the offices of Morrill & Aronson, PLC, or at such other time prior to December 31, 2007 as the Buyer designates. Buyer may, by written notice to Sellers, extend the Second Closing to March 15, 2008. The Second Closing shall be deemed effective as of 12:01 a.m. on the day following the Second Closing and the "Second Closing Date" shall mean the day of the Second Closing. At the Second Closing, Buyer shall pay the Deferred Balance (as hereinafter defined) plus all accrued but unpaid interest and deliver to Sellers a duly executed Release of Lis Pendens in form satisfactory to counsel for Sellers, for filing and recording; and Sellers shall sign and deliver to the Town a satisfaction of judgment in form satisfactory to counsel for Buyer and shall release such satisfaction of judgment, together with the signed stipulation for entry of the Stipulated Final Order of Condemnation to Buyer for filing and recording. Promptly following the Second Closing, Buyer shall cause the Stipulated Final Order of Condemnation to be entered by the Court and recorded with

the Maricopa County Recorder's Office; and Sellers shall cause the Release of Lis Pendens to be filed with the Court and recorded with the Maricopa County Recorder's Office.

**2.4 Purchase Price.** The total purchase price (the "Purchase Price") for the sale portion of the transaction shall be Nineteen Million Five-Hundred Thousand and no/100 dollars (\$19,500,000.00) subject to increase to Twenty Million Five Hundred Thousand and no/100 dollars (\$20,500,000.00) under the circumstances described below. The Purchase Price shall be delivered by Buyer to Sellers as follows: (a) at the First Closing, the sum of Two Million and No/100 Dollars (\$2,000,000) plus interest thereon from February 12, 2007 as a nonrefundable down payment (the "Down Payment") on the written notification of Sellers and Buyer as provided in the Escrow Agreement by wire transfer from the Escrow Account established pursuant to the Escrow Agreement dated as of February 12, 2007 (the "Escrow Agreement"); and (b) at the Second Closing, the sum of Seventeen Million Five-Hundred Thousand and no/100 Dollars (\$17,500,000.00) plus or minus any net pro-rations under Section 4.10, subject to increase to Eighteen Million Five-Hundred Thousand and no/100 Dollars (\$18,500,000.00) plus or minus any net pro-rations under Section 4.10, under the circumstances provided below (the "Deferred Balance"). The Deferred Balance shall bear interest at 8.25% per annum from the First Closing Date through August 15, 2007; 13.25% per annum on August 16, 2007 until December 31, 2007; and, if Buyer exercises its extension option, at the rate of 18.25% from January 1, 2008 until paid in full. Interest at the applicable rate shall be paid monthly on the first day of each month following the First Closing. If any payment of interest is not made within five (5) days after its due date, Sellers may, at their option, accelerate the unpaid balance under this Agreement by written notice to Buyer. After any such acceleration, or if the Deferred Balance is not paid in full by December 31, 2007, interest shall accrue at the rate of 18.25% per annum until paid in full. If Buyer fails to deliver the Letter of Credit (as hereinafter defined) to Sellers by 12:00 noon on August 15, 2007 the Purchase Price and the Deferred Balance shall each increase by One Million and No/100 Dollars (\$1,000,000.00) as provided above.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES**

**3.1 Representations and Warranties to Buyer.** As of the date hereof and as of the First Closing Date and the Second Closing Date, Sellers represent and warrant to Buyer as follows:

**3.1.1 Authorization, etc.** Sellers have duly executed and delivered this Agreement and that this Agreement and any agreements executed by Sellers in connection herewith (including but not limited to the Lease (as hereinafter defined)) constitute (or will constitute on their execution and delivery) the legal, valid, and binding obligations of Sellers enforceable against Sellers in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer and conveyance, receivership, moratorium, and similar laws affecting creditors' rights generally, and to the availability of equitable remedies (whether asserted at law or in equity).

**3.1.2 Corporate Status.** Each of the Sellers is a corporation duly organized, validly existing, and in good standing under the laws of State of Arizona with full corporate power and

authority to carry on its business and to own or lease and to operate its properties as and in the places where such business is conducted and such properties are owned, leased, or operated.

**3.1.3 No Conflicts, etc.** The execution, delivery, and performance by Sellers of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a violation of or a default under (with or without the giving of notice or the lapse of time or both) (i) any Applicable Law to the Sellers, or any of the properties or assets of Sellers, (ii) the articles of incorporation or bylaws or other organizational documents of Sellers, or (iii) any Contract of which either Seller has Knowledge to which either Seller is a party or by which either Seller or any of their properties or assets, may be bound or affected; and Sellers reasonably believe that no governmental approval or other consent is required to be obtained or made by Sellers in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

**3.1.4 Assets.** The Sellers own the assets described on Schedule 3.1.4 (the "Assets") which constitute all of the assets of Sellers owned by Sellers and used in the ordinary course of business of their water company operations other than the assets described in Section 4.4.3 below. The Assets include funds held as Refundable Deposits. The Sellers have title to the Assets subject to no Liens arising after Global's acquisition of Sellers other than those described in Schedule 3.1.5. Sellers disclaim any representation or warranty of title or of any other matter concerning unrecorded easements listed on Schedule 3.1.4.

**3.1.5 Liabilities.** The Sellers have certain liabilities, including but not limited to those described on Schedule 3.1.5. Except as set forth in Schedule 3.1.5, the Sellers will have no liabilities incurred after Global acquired the Sellers that will survive the First Closing and the Second Closing.

**3.1.6 Contracts.** To Seller's Knowledge:

(a) Schedule 3.1.6 contains a complete and accurate description of all agreements, contracts, commitments, and other instruments and arrangements (whether written or oral) of the types described below by which either Seller or any of its assets, businesses, or operations receive benefits or to which either Seller is a party or by which either Seller is bound, other than insignificant contracts entered into in the ordinary course of business consistent with past practice (the "Contracts"), including:

(i) leases, licenses, permits, franchises, insurance policies, warranties, guarantees, Governmental Approvals, and other contracts concerning or relating to the Sellers' real property,

(ii) contracts for capital expenditures in excess of \$250,000 each;

(iii) performance bonds, completion bonds, bid bonds, suretyship agreements and similar instruments;

(iv) Line Extension Agreements; and

(v) agreements or instruments under which the Sellers have acquired or hold their Water Rights.

(b) Sellers have delivered or provided to Buyer during the course of discovery in the Condemnation Action, copies of all of the Contracts that have a Bates Number notation on Schedule 3.1.6, and, prior to the First Closing will provide to Buyer complete and correct copies of all written Contracts of which Sellers have Knowledge that were not produced in the Condemnation Action, together with all amendments thereto, and accurate descriptions of all material terms of all material oral Contracts of which either Seller has Knowledge, set forth or required to be set forth in Schedule 3.1.6.

(c) Except as disclosed on Schedule 3.1.6, all Contracts of which either Seller has Knowledge are in full force and effect and enforceable against each party thereto, subject to subject to bankruptcy, insolvency, reorganization, fraudulent transfer and conveyance, receivership, moratorium, and similar laws affecting creditors' rights generally, and to the availability of equitable remedies (whether asserted at law or in equity).

(d) Except as disclosed on Schedule 3.1.6, there does not exist under any Contract of which either Seller has Knowledge any event of default or event or condition that, after notice or lapse of time or both, would constitute a violation, breach, or event of default thereunder on the part of either Seller or any other party. No consent of any third party is required under any Contract of which Seller has Knowledge as a result of or in connection with, and the enforceability of any Contract of which either Seller has Knowledge will not be affected in any manner by, the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

(e) Except as disclosed on Schedule 3.1.6, to Seller's Knowledge neither Seller has outstanding any power of attorney and neither Seller is a member of any property owner's association.

**3.1.7 Taxes.** Except as set forth on Schedule 3.1.7:

(a) Sellers have filed all Tax Returns required to be filed by them for all periods ending after Global's acquisition of the Sellers and before the Effective Date and have paid all Tax shown due thereon. All such Tax Returns were correct and complete in all material respects. All Taxes owed by the Sellers (whether or not shown on any Tax Return) with respect to Tax Returns the due date of which preceded the date hereof, but was after Global's acquisition of Sellers, have been paid.

(b) All other taxes due and payable by the Sellers with respect to periods ending on or as of December 31, 2006 (whether or not a Tax Return is due or is required) have been paid.

(c) To Sellers' Knowledge: there are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment or collection of any Taxes or deficiencies against the Sellers and there are no pending audits, disputes, or other proceedings that have been served upon either Seller concerning either Seller's liability for any Taxes, and to Seller's Knowledge, no such audits, disputes, or other proceedings have been threatened.

(d) To Sellers' Knowledge, no power of attorney relating to the Taxes or Tax Returns of the Sellers has been executed or filed with any Person including any taxing authority.

(e) Each of the Sellers has withheld and paid all Taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder or other Person for all periods after Sellers' acquisition of the Sellers.

**3.1.8 Litigation.** Except as set forth on Schedule 3.1.8: (i) there is no action, claim, demand, lawsuit, proceeding, arbitration, grievance, citation, summons, subpoena, inquiry, or investigation of any nature, civil, criminal, regulatory, or otherwise, in law or in equity, which has been served upon either Seller of which either Seller has Knowledge or, to the Knowledge of either Seller overtly threatened against either Seller which materially affects either Seller, the Assets or the Sellers' business, or relating to the transactions contemplated by this Agreement, and to the Knowledge of Sellers there is no valid basis for the same, (ii) to Sellers' Knowledge, the Sellers (and their assets) are not a party to, subject to or bound by, any decree, order, injunction, settlement agreement or arbitration decision or award (or agreement entered into in any administrative, judicial or arbitration proceeding with any Governmental Authority) with respect to or affecting the properties, assets, personnel or business activities of the Sellers, and (iii) to Sellers' Knowledge, no citation, fee, or penalty has been levied or asserted against either Seller under any Environmental Law or any other Governmental Authority.

**3.2 Representations and Warranties of Buyer.** Buyer represents and warrants to Seller as follows:

**3.2.1 Corporate Status; Authorization, etc.** Buyer is an Arizona municipal corporation duly organized, validly existing, and in good standing under the laws of the State of Arizona with full corporate power and authority to execute and deliver this Agreement, to perform its obligations hereunder, and to consummate the transactions contemplated hereby. The execution and delivery by Buyer of this Agreement, and the consummation of the transaction contemplated hereby, have been duly authorized by all requisite corporate action of Buyer. Buyer has duly executed and

delivered this Agreement. This Agreement and all documents and instruments to be delivered by Buyer under this Agreement (including but not limited to the Lease (as hereinafter defined)) constitute (or will constitute on their execution and delivery) the valid and legally binding obligation of Buyer enforceable against Buyer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer and conveyance, receivership, moratorium, and similar laws affecting creditors' rights generally, and to the availability of equitable remedies (whether asserted at law or in equity).

**3.2.2 No Conflicts, etc.** The execution, delivery, and performance by Buyer of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a violation of or under (with or without the giving of notice or the lapse of time or both) (i) the certificate of formation or operating agreement of Buyer, (ii) any Applicable Law applicable to Buyer or any of its properties or assets or (iii) any contract to which Buyer is a party or by which it or any of its respective properties or assets may be bound or affected.

**3.3 General Provisions regarding Representation and Warranties.** The following provisions shall apply to all representations and warranties of any of the parties to this Agreement:

**3.3.1 No Other Representation of Warranties.** Each party to this Agreement hereby expressly acknowledges and agrees that it has not relied on, and no other party has made, any representation or warranty, expressed or implied (all implied warranties being hereby expressly disclaimed), except for those representations and warranties that are expressly set forth in the Agreement.

**3.3.2 Specific Overrides General.** To the extent that any matter is addressed by a specific representation or warranty, any more general representation shall be deemed not to apply to such a matter.

**3.3.3 One Disclosure Suffices.** Anything that is duly disclosed to Buyer pursuant to this Agreement, including on any Schedule hereto, shall be deemed to have been disclosed on all applicable schedules to this Agreement.

**3.3.4 AS-IS WHERE-IS CONDITION: BUYER ACKNOWLEDGES THAT NEITHER SELLER HAS MADE ANY REPRESENTATIONS OR WARRANTIES OR COVENANTS THAT ARE NOT EXPRESSLY SET FORTH IN THIS DOCUMENT. EXCEPT FOR THOSE REPRESENTATIONS, WARRANTIES, AND COVENANTS EXPRESSLY SET FORTH HEREIN: (A) BUYER IS ACQUIRING THE SELLERS AND THEIR ASSETS AND LIABILITIES IN THEIR "AS-IS WHERE-IS" CONDITION AND THAT IT IS RELYING UPON ITS OWN INVESTIGATION AND ANALYSIS AND SHALL NOT BE ENTITLED TO ANY REDUCTION TO OR SET-OFF OF THE PURCHASE PRICE FOR ANY REASON. IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO THE SELLERS OR ANY**

TANGIBLE OR INTANGIBLE ASSETS OF THE SELLERS, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO TAX CONSEQUENCES, PHYSICAL OR ENVIRONMENTAL CONDITIONS, OPERATING HISTORY OR PROJECTIONS, VALUATION, GOVERNMENTAL APPROVALS, GOVERNMENTAL REGULATIONS OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING EITHER SELLER, INCLUDING, WITHOUT LIMITATION, THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF EITHER SELLER AND THEIR TANGIBLE AND INTANGIBLE ASSET; (B). BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY AGENT OR EMPLOYEE OF EITHER SELLER; (C). BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE BUYER AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN PURCHASING THE ASSETS; (D) BUYER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS REGARDING THE SELLERS ASSETS AS BUYER DEEMS NECESSARY AND SHALL RELY UPON SAME (AND NOT ON ANY REPRESENTATION, INFORMATION OR DOCUMENTATION RECEIVED FROM SELLERS THAT IS NOT EXPRESSLY SET FORTH IN THIS AGREEMENT; (E) UPON THE FIRST CLOSING, BUYER SHALL ASSUME THE RISK THAT ADVERSE MATTERS MAY NOT HAVE BEEN REVEALED BY BUYERS INSPECTIONS AND INVESTIGATIONS AND HEREBY ASSUMES ALL RISK AND LIABILITY (AND AGREES THAT SELLERS SHALL NOT BE LIABLE FOR ANY SPECIAL, DIRECT, INDIRECT, CONSEQUENTIAL, OR OTHER DAMAGES) RESULTING OR ARISING FROM OR RELATING TO THE OWNERSHIP OF THE ASSETS; (F) BUYER FURTHER ACKNOWLEDGES AND AGREES THAT THERE ARE NO ORAL AGREEMENTS, WARRANTIES OR REPRESENTATIONS, COLLATERAL TO OR AFFECTING THE ASSETS BY EITHER SELLER, ANY AGENT OF EITHER SELLER OR ANY THIRD PARTY AND BUYER HEREBY RELEASES SELLER FROM ANY AND ALL LIABILITY RELATING TO ANY WARRANTIES OR REPRESENTATIONS THAT MAY HAVE BEEN PREVIOUSLY PROVIDED (WHETHER ORAL OR WRITTEN) TO BUYER BY AGENTS OF SELLER OR BY THIRD PARTIES, THAT ARE NOT EXPRESSLY SET FORTH IN THIS AGREEMENT; (G) SELLERS UNDERSTAND AND AGREE THAT BUYER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND, EXPRESS OR IMPLIED, WITH RESPECT TO TAX CONSEQUENCES OF THE SETTLEMENT AGREEMENT OR THIS BARGAIN SALE AGREEMENT, OR WITH RESPECT TO GOVERNMENTAL APPROVALS OR GOVERNMENTAL REGULATIONS IN RELATION TO THE SETTLEMENT AGREEMENT OR THIS BARGAIN SALE AGREEMENT; (H) THE TERMS AND CONDITIONS OF THIS SECTION 3.3.4 SHALL EXPRESSLY SURVIVE THE FIRST CLOSING AND THE SECOND CLOSING AND SHALL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS; (I) SELLERS ARE NOT LIABLE OR BOUND IN ANY MANNER BY ANY ORAL OR WRITTEN STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO SELLER FURNISHED BY ANY BROKER, AGENT, EMPLOYEE, SERVANT OR OTHER PERSON, UNLESS THE SAME ARE SPECIFICALLY SET FORTH OR REFERRED TO HEREIN; (J) BUYER FURTHER

ACKNOWLEDGES AND AGREES THAT THE PROVISIONS OF THIS SECTION 3.3.4 WERE A MATERIAL FACTOR IN THE DETERMINATION OF THE PURCHASE PRICE.

**ARTICLE 4**  
**COVENANTS**

**4.1 Conduct of Business.** From the date hereof to the First Closing Date (and thereafter with respect to any covenant or agreement extending beyond the First Closing Date), except as otherwise expressly permitted or required by this Agreement or as otherwise consented to by Buyer in writing, Sellers will carry on in the business in, and only in, the ordinary course, in substantially the same manner as heretofore conducted, and use reasonable efforts to preserve intact its present business organization, maintain its properties in the same operating condition and repair as at the date of this Agreement, keep available the services of its present officers and employees, operate the Assets and businesses in compliance with all laws, rules, and regulations, orders, decrees, decisions, permits, certificates, rulings or other requirements of regulatory agencies having jurisdiction over such operations and businesses, and preserve their relationship with customers and others having business dealings with it, with the goal and intent that its goodwill and ongoing business shall be in all material respects unimpaired following the First Closing Date. On and after the First Closing Date except as otherwise expressly permitted or required by this Agreement or as otherwise consented to by Sellers in writing, Buyer will carry on as a municipal utility the operations formerly carried on by the Sellers, and shall conduct that utility in, and only in, the ordinary course, in substantially the same manner as heretofore conducted, and use reasonable efforts to preserve intact its present business organization, maintain its properties in the same operating condition and repair as at the First Closing Date, keep available the services of its officers and employees and agents as at the First Closing Date, operate the Assets and businesses in compliance with all laws, rules, and regulations, orders, decrees, decisions, permits, certificates, rulings or other requirements of regulatory agencies having jurisdiction over such operations and businesses, and preserve its relationship with customers and others having utility dealings with it from and after the First Closing, with the goal and intent that the utility's goodwill and ongoing business shall be in all material respects unimpaired following the First Closing Date and through payment in full of the Deferred Balance.

**4.2 Further Actions.**

**4.2.1** Buyer and Sellers agree to use reasonable good faith efforts to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated hereby by the First Closing Date.

**4.2.2** Although Buyer and Sellers are aware of no such requirements at the present time, Buyer and Sellers will, as promptly as practicable, file or supply, or cause to be filed or supplied, all applications, notifications and information required to be filed or supplied by it pursuant to Applicable Law in connection with this Agreement and the consummation of the transaction contemplated hereby.

**4.2.3** Although Buyer and Sellers are aware of no such requirements at the present time, subject to Buyer providing any required or requested application or other information pertinent to Buyer, Buyer and Sellers, as promptly as practicable, will use all reasonable efforts to obtain, all Consents (including, without limitation, all Governmental Approvals and any Consents required under any Contract) necessary to be obtained by them in order to consummate the transactions contemplated hereby.

**4.2.4** Buyer and Sellers will, and will cause each of their Affiliates to, coordinate and cooperate with one another in exchanging such information and supplying such assistance as may be reasonably requested by any party to this Agreement in connection with the filings and other actions contemplated by this Agreement.

**4.2.5** At all times prior to the First Closing Date, Buyer and Sellers shall promptly notify one another in writing of any fact, condition, event, or occurrence that will or may result in the failure of any of the conditions precedent contained in Article 5, promptly upon becoming aware of the same.

**4.3 Access to Sellers.** Unless and until this Agreement is terminated pursuant to Section 6.1, until the First Closing Date, Sellers shall provide, and shall cause the Sellers to provide, to Buyer complete access to the Sellers' facilities, and records and shall cause the directors, officers, attorneys, accountants, consultants, advisers, and other pertinent agents and representatives of the Sellers to cooperate fully with Buyer and its Town Council Members, officers, attorneys, accountants, consultants, advisers, and other pertinent agents and representatives in connection with Buyer's due diligence review of the Sellers' assets, contracts, liabilities, operations, records, and other aspects of their businesses; provided, however, that Buyer shall conduct all inspections within normal business hours unless prior arrangements have been made between the parties hereto. After the First Closing Date, Buyer shall not have access to Seller's employees for operations, support, advice, repairs, maintenance, or otherwise, except as specifically set forth in Section 4.6. If Buyer desires specific support services after the First Closing Date, Sellers agree to negotiate in good faith for a contract to provide such services at rates to be mutually agreed by the parties.

**4.4 Buyer's Acknowledgments.** Buyer acknowledges and agrees that Sellers have disclosed to Buyer and that Buyer is aware of and accepts all of the following:

**4.4.1** In order for Buyer to receive the benefit of an incremental 806 AFY CAP allocation resulting from the Arizona Water Rights Settlement Act, it will be necessary for Buyer to pay approximately \$500,000 to Central Arizona Water Conservation District at some future date or dates.

**4.4.2** CCWC is obligated to make refunds to customers under Line Extension Agreements as set forth on Schedule 4.4.2, which obligations Buyer assumes as hereinafter provided.

**4.4.3** Buyer acknowledges that Global's consolidated approach to utility management distributes assets across various Global entities to provide for efficient operations. Extricating a single entity out of this structure demands that some assets required for operation of the Water Companies are not owned by the Water Companies and will not be transferred. The Non-Owned Assets as described on Schedule 4.4.3 (the "Non-Owned Assets") which are not owned by the Sellers but are owned by Global and/or its Affiliates which permitted the Sellers to use them, but the Sellers' rights to use the Non-Owned Assets will be terminated effective immediately prior to the First Closing. Accordingly, Buyer will have to secure appropriate replacements or substitutes for the Non-Owned Assets in order to conduct the Sellers' businesses after the First Closing. Sellers make no representation or warranty that the Assets are all assets the Town will require for continued operation of the Water Companies.

**4.4.5** Buyer is not acquiring any assets of Sellers that are not used by the Sellers in the ordinary course of their water company businesses.

**4.4.6** CCWC is obligated to make refunds to customers of Refundable Deposits as set forth on Schedule 4.4.6, which obligations Buyer assumes as hereinafter provided.

**4.4.7** CCWC has received requests for service from potential customers outside the CC&N which were submitted to ACC as part of CCWC's request to expand the CC&N as listed on Schedule 4.4.7, copies of which have been provided to Buyer. Sellers and Buyer agree that the requests to serve create no legal liability of Sellers. As between Sellers and Buyer, however, the legal responsibility and obligation for dealing with any assertion that there is such a legal liability shall rest with Buyer.

**4.4.8** CCWC or its Affiliate has installed a booster pump known generally as the 38<sup>th</sup> Street booster pump pursuant to a letter described on Schedule 4.4.8, a copy of which has been provided to Buyer. Sellers and Buyer agree that this was a temporary accommodation to Desert Hills Water Co. (now owned by Buyer) to deal with an emergency situation.

**4.5 Reports and Returns.** Sellers shall promptly after the First Closing prepare and file all reports and returns required by Legal Requirements relating to the business of the Sellers for all periods through and including the First Closing. Buyer shall prepare and file all reports and returns required by Legal Requirements relating to the businesses formerly operated by the Sellers for all periods after the First Closing Date.

**4.6 Assistance in Proceedings.** Sellers will reasonably cooperate with Buyer and its counsel in the contest or defense of, and make available its personnel and provide any testimony and access to its records in connection with, any Proceeding involving or relating to (a) any transaction contemplated by this Agreement or (b) any action, activity, circumstance, condition, conduct, event,

fact, failure to act, incident, occurrence, plan, practice, situation, status or transaction on or before the First Closing Date involving Sellers or their business.

**4.7 Retention of and Access to Records.** After the First Closing Date and after the Second Closing Date, Buyer shall retain for a period consistent with Buyer's record-retention policies and practices those records of the Sellers delivered to Buyer. Buyer also shall provide Sellers and their Representatives reasonable access thereto, during normal business hours and on at least three days' prior written notice, to enable them to prepare financial statements or tax returns or deal with tax audits, or for any other reasonable purpose.

**4.8. Liabilities.** At the First Closing, Buyer shall assume: (a) all liabilities and obligations of the Sellers under all Line Extension Agreements to be performed with respect to calendar years after 2006; (b) all contracts listed on Schedule 3.1.6 to the extent of performance required after the First Closing; (c) all payment and performance obligations of Sellers where the payment or performance is due after the date of the First Closing and which were incurred by Sellers on or before the First Closing Date in the ordinary course of business; (d) Refundable Deposit obligations listed on Schedule 4.8 and (e) all other liabilities listed on Schedule 4.8. After the First Closing, Sellers shall pay all liabilities of the Sellers of which Sellers have Knowledge, including but not limited obligations for AIAC refunds under all Line Extension Agreements for periods prior to calendar year 2007, but excluding all obligations to construct lines or other improvements under Line Extension Agreements) and also excluding liabilities assumed by Buyer under the first sentence of this Section 4.8.

**4.9. Tax Returns and Taxes.** Prior to the First Closing, Sellers shall pay all Taxes of the Sellers that are due and owing for periods prior to and including the First Closing but have not previously been paid. After the First Closing, Buyer shall pay all Taxes of the water company businesses formerly operated by Sellers relating to periods beginning after the First Closing. After the First Closing, and prior to any required delinquency dates, Sellers shall cause to be filed all Tax Returns required of the Sellers for periods ending on or before the First Closing and shall pay all taxes shown due thereon. After the First Closing, and prior to any required delinquency dates, Buyer shall cause to be filed all Tax Returns required of the Sellers for periods ending after the First Closing, and shall pay all taxes shown due thereon.

**4.10 Prorations.** The Deferred Balance portion of the Purchase Price shall be subject to the following credits and adjustments which shall be calculated and agreed to by the parties within forty-five (45) days after the First Closing:

**4.10.1** Any rents, prepaid items (including but not limited to first half CAP capital Fee for 2007, CAP Water Order for February, MCESD Permit Fees), EBITDA from the last read date to the First Closing Date, and other applicable items shall be prorated as of the First Closing Date.

**4.10.2** All AIAC refunds under Line Extension Agreements for the calendar year 2007 shall be prorated as of the First Closing Date.

**4.10.3** Ad valorem real and tangible personal property taxes with respect to the Assets for the calendar year in which the First Closing occurs shall be prorated between Sellers and Buyer as of the First Closing Date. If the amount of such taxes with respect to any of the Assets for the calendar year in which the First Closing occurs has not been determined as of the First Closing Date, then the taxes with respect to such Assets for the preceding calendar year shall be used to calculate such prorations, with known changes in valuation or tax rates applied. There shall be no post-First Closing adjustment based on actual tax bills.

**4.11 Risk of Loss; Insurance.** After the First Closing Date, when Buyer acquires possession of the Assets pursuant to the Stipulated Judgment and the Stipulated Immediate Possession Order, all risk of loss to the Assets from any casualty (including but not limited to any Act of God), shall be borne by Buyer; and all economic risk, all legal risk, and all regulatory risk of operation of the businesses formerly conducted by the Sellers shall be borne by Buyer. For purposes of this Section, "regulatory risk" includes all risks of any action by a Governmental Authority. From and after the First Closing Date, Buyer shall maintain all risk casualty insurance in the full replacement cost of the Assets, as well as general liability and products liability insurance with limits of at least \$2,000,000 per occurrence with an umbrella of \$10,000,000, with insurers reasonably satisfactory to Sellers. All such insurance shall name Sellers and Global as additional insureds and loss payees and Buyer shall cause its insurers to issue certificates of insurance to the Water Companies confirming that such insurance is in full force and effect and will not be cancelled without thirty (30) days' prior written notice by the insurer(s) to the Water Companies.

**4.12 Lease for Water Storage Tanks.** In the event Buyer fails to pay the Deferred Balance by December 31, 2007 (or by March 15, 2008, if Buyer gives written notice of extension) and Sellers elect, pursuant to the Stipulated Judgment or the Stipulated Immediate Possession Order, to retake possession of the Assets, then, Buyer shall immediately execute and deliver to Sellers a lease in the form of Exhibit A hereto, which by this reference is incorporated herein (the "Lease"), under which Buyer leases to Sellers for a term of 99 years and a rental of \$10 per year, approximately 2.0 acres of land owned by Buyer and described in the Lease. The Parties agree that the nominal rental rate provided for the Lease is a part of the consideration Buyer has agreed to pay Sellers under the transactions provided for in this Agreement. Buyer shall also grant all necessary permits and approvals for the planning, construction, and operation of the water storage tanks on that property.

**4.13 Charitable Contribution Substantiation Compliance.** Upon Sellers' provision to Buyer of the Qualified Appraisal for the Assets and at Sellers' written request, Buyer shall within thirty (30) days, execute and deliver to Sellers Part IV Donee Acknowledgment in IRS form 8283 relating to the contribution described in Section 2.1 of this Agreement.

**4.14 Unapproved Line Extension Agreements.** Buyer agrees to proceed in a commercially reasonable manner to carry out the Line Extension Agreements CCWC has signed with developers, but which had not yet been approved by ACC prior to the First Closing, which are

listed on Schedule 4.14. Buyer also agrees that entering into new Line Extension Agreements is a function which is part of the ordinary course of business, as that term is used in Section 4.1 hereof.

**4.15 Letter of Credit.** Buyer shall deliver to Sellers an irrevocable standby letter of credit issued by a Bank reasonably acceptable to Sellers in the amount of \$2,000,000 in substantially the form set forth on Exhibit B hereto (the "Letter of Credit") no later than August 15, 2007 at 12:00 noon MST.

**4.16 Further Assurances.** Following the First Closing Date, Buyer and Seller shall, and shall cause each of its Affiliates to, from time to time, execute and deliver such additional instruments, documents, conveyance, or assurances consistent with the terms of this Agreement and take such other actions consistent with the terms of this Agreement as shall be necessary, or otherwise reasonably requested by any other party, to confirm and assure the rights and obligations provided for in this Agreement and render effective the consummation of the transactions contemplated hereby. All reasonable expenses incurred by any party or Affiliate at the request of any party shall be paid or reimbursed promptly by the requesting party upon receipt of reasonable documentation evidencing the amount and purpose of each such expense.

## **ARTICLE 5**

### **CONDITIONS PRECEDENT**

**5.1 Conditions to Obligations of Each Party.** The obligations of all of the parties to consummate the transactions contemplated hereby shall be subject to the fulfillment on or prior to the First Closing Date of the following conditions, which each party agrees to use reasonable efforts in good faith to fulfill or cause to be fulfilled:

**5.1.1 No Injunction, etc.** Consummation of the transactions contemplated hereby shall not have been restrained, enjoined or otherwise prohibited by any Applicable Law, including any order, injunction, decree, or judgment of any court or other Governmental Authority. No court or other Governmental Authority shall have determined any Applicable Law to make illegal the consummation of the transactions contemplated hereby, and no proceeding with respect to the application of any such Applicable Law to such effect shall be pending.

**5.1.2 Dismissal of Litigation.** The parties to the Phelps Action shall have executed and filed with the Court a stipulation for dismissal with prejudice, each party to bear its own costs and attorneys' fees.

**5.1.3 Court Action.** The Court in the Condemnation Action shall have signed and entered the Stipulated Judgment and the Stipulated Immediate Possession Order.

**5.2 Conditions to Obligations of Buyer.** The obligations of Buyer to consummate the transactions contemplated hereby shall be subject to the fulfillment (or waiver by Buyer, in its sole

discretion) on or prior to the First Closing Date of the following additional conditions, which Sellers agree to use reasonable efforts in good faith to fulfill or cause to be fulfilled:

**5.2.2 Representations, Performance.** The representations and warranties of Sellers contained in this Agreement (i) shall be true and correct at and as of the date hereof, and (ii) shall be repeated and shall be true and correct on and as of the First Closing Date with the same effect as though made on and as of the First Closing Date. Sellers shall have duly performed and complied with all covenants and agreements and conditions required by this Agreement to be performed or complied with by Sellers prior to or on the First Closing Date.

**5.2.3 Sellers' Ownership of Assets.** As of the First Closing Date and as of the Second Closing Date, there shall have been no material change in the title to any of the Assets which material change has been caused by Sellers.

**5.2.4 Other Documents.** Sellers will have delivered to Buyer on or before the First Closing Date:

(a) an opinion addressed to Buyer and dated the First Closing Date, from Morrill & Aronson, PLC, substantially in the form of Exhibit B hereto.

(b) the stipulation approving the Stipulated Judgment and the stipulation approving the Stipulated Immediate Possession Order executed by the Sellers and Global Water Resources LLC.

(c) such other evidence of the performance of all covenants and satisfaction of all conditions required of Seller by this Agreement, at or prior to the First Closing Date, as Buyer or its counsel may reasonably require.

**5.2.5 Town Council Approval.** The Town Council of the Town of Cave Creek shall have adopted a resolution approving and authorizing this Agreement no later than midnight on March 5, 2007.

**5.2.6 No Other Conditions.** Buyer acknowledges and agrees that there are no conditions to its obligations under this Agreement that are not expressly set forth herein. By way of example, and not limitation, Buyer's obligations under this Agreement are not contingent on Buyer obtaining any financing and are not contingent upon approval by ACC (or any other approval).

**5.3 Conditions to Obligations of Sellers.** The obligation of Sellers to consummate the transactions contemplated hereby shall be subject to the fulfillment (or waiver by Sellers in their sole discretion), on or prior to the First Closing Date, of the following additional conditions, which Buyer agrees to use reasonable good faith efforts to cause to be fulfilled.

**5.3.1 Representations, Performance.** The representations and warranties of Buyer contained in this Agreement (i) shall be true and correct in all material respects at and as of the date hereof and (ii) shall be repeated and shall be true and correct in all material respects on and as of the First Closing Date with the same effect as though made at and as of such time. Buyer shall have duly performed and complied in all material respects with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or on the First Closing Date.

**5.3.2 Purchase Price and Other Documents.**

(a) The Down Payment and the Adjustment Fee shall have been paid to Sellers in the manner specified in Section 2.4;

(b) Buyer shall have executed and delivered the stipulation approving the Stipulated Judgment and the stipulation approving the Stipulated Immediate Possession Order;

(c) Buyer shall have delivered an opinion addressed to Seller from Sacks Tierney P.A., substantially in the form of Exhibit C hereto.

**5.3.3 ACC Comfort.** Sellers shall have received assurances from the ACC staff acceptable to Sellers regarding relevant ACC regulatory issues as described in Section 7 of the Settlement Agreement.

**5.3.4 Global Approval.** The Board of Directors and Shareholders of Global Water Inc. shall have adopted a resolution authorizing this Agreement by midnight on March 5, 2007.

**5.3.5 No Other Conditions.** Sellers acknowledge and agree that there are no conditions to its obligations under this Agreement that are not expressly set forth herein. By way of example, and not limitation, Sellers' obligations under this Agreement are not contingent upon approval by ACC (or any other approval).

**ARTICLE 6**  
**TERMINATION**

**6.1 Termination.** This Agreement may be terminated at any time prior to the First Closing Date: (a) by Sellers or Buyer by written notice to the other parties if the transactions contemplated hereby shall not have been consummated pursuant hereto by 5:00 p.m., Phoenix, Arizona time on March 15, 2007; (b) by Buyer by written notice to Sellers if (i) the representations and warranties of Seller shall not have been true and correct in all material respects as of the date when made or (ii) any of the conditions set forth in Section 5.1 or 5.2 shall not have been, or if it becomes apparent to Buyer in its reasonable discretion that any of such conditions will not be, fulfilled by 5:00 p.m. Phoenix, Arizona time on March 15, 2007, unless such failure shall be due to

the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the First Closing Date; or (c) by Sellers by written notice to Buyer if (i) the representations and warranties of Buyer shall not have been true and correct in all material respects as of the date when made or (ii) any of the conditions set forth in Section 5.1 or 5.3 shall not have been, or if it becomes apparent to Sellers in their reasonable discretion that any of such conditions will not be, fulfilled by 5:00 p.m. Phoenix, Arizona time on March 15, 2007, unless such failure shall be due to the failure of Sellers to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by them prior to the First Closing Date.

**6.2 Effect of Termination.** In the event of the termination of this Agreement pursuant to the provisions of Section 6.1: (a) this Agreement shall become void and have no effect, without any liability to any Person in respect hereof or of the transactions contemplated hereby on the part of any party hereto, or any of its directors, officers, employees, agents, consultants, representatives, advisers, stockholders of Affiliates, except: (i) as specified in Subparagraphs (b) and (c) below, Section 8.1, and Section 4.12; or (ii) for any liability resulting from such party's material breach of this Agreement; (b) Buyer shall deliver to Seller all materials delivered to or acquired from Sellers or Seller by, Buyer ("Sellers' Materials") except those Sellers' Materials obtained by Buyer in the Litigation which shall remain subject to the confidentiality order(s) applicable to the Litigation; (c) Buyer will maintain the confidentiality of, and not disclose to any third Person (other than its attorneys and other consultants to the extent reasonably required for the negotiation and processing of the transaction contemplated by this Agreement) any information obtained by Buyer from or through Sellers' Materials except to the extent such information is generally available to the public or required to be disclosed pursuant to legal process or Applicable Law; and (d) Escrow Agent shall return the Escrow Deposit to the Buyer, as provided in the Escrow Agreement.

## **ARTICLE 7**

### **INDEMNIFICATION**

**7.1 Indemnification By Seller.** To the extent permitted by Applicable Law, but subject to the limitations set forth in Section 7.4 and 7.5, Seller covenants and agrees to defend, indemnify and hold harmless Buyer, and its officers, directors, employees, agents, advisers, representatives and Affiliates (collectively, the "Buyer Indemnitees") from and against, and to pay or reimburse Buyer Indemnitees for, any and all claims, amounts paid in settlement of claims, liabilities, obligations, losses, fines, costs, royalties, proceedings, deficiencies or damages (whether absolute, accrued, conditional, or otherwise and whether or not resulting from third party claims), including without limitation any out-of-pocket expenses and reasonable attorneys' and accountants' fees incurred in the investigation or defense of any of the same or in asserting any of their respective rights hereunder but excluding any consequential damages (collectively, "Losses"), resulting from or arising out of:

(a) any material inaccuracy of any representation or warranty by Seller contained in Section 3.1; or

(b) any failure of Seller to perform any covenant or agreement hereunder or to fulfill any other obligation in respect hereof; or

(c) all obligations of the Sellers, including but not limited to regulatory obligations and obligations for Taxes, for periods through and including the First Closing Date.

**7.2 Indemnification by Buyer.** To the extent permitted by Applicable Law, but subject to the limitations set forth in Section 7.4 and 7.5, Buyer covenants and agrees to defend, indemnify and hold harmless Seller, and its officers, directors, employees, agents, advisors, representatives, and Affiliates (collectively, the "Seller Indemnitees") from and against, and to pay or reimburse Seller Indemnitees for, any and all Losses resulting from or arising out of:

(a) any material inaccuracy in any representation or warranty by Buyer made or contained in this Agreement;

(b) any failure of Buyer to perform any covenant or agreement hereunder or to fulfill any other obligation in respect hereof; or

(c) all obligations of the businesses being acquired, including but not limited to regulatory obligations and obligations for Taxes, for all periods on and after the First Closing Date (including any obligations concerning the need for any regulatory approvals or consents to effectuate any of the actions contemplated in this agreement, regardless of when such obligation accrues); or

(d) all damages of Sellers, in the event the deferred Purchase Price is not paid in full whether or not Sellers elect to retake possession of the Assets pursuant to the Stipulated Judgment. In no event shall the nonrefundable Down Payment be considered as a reduction or offset against any such damages.

Buyer's indemnification obligations under Section 7.2(d) of this Article 7 shall be secured by the Letter of Credit.

**7.3 Indemnification Procedures.** In the case of any claim by a Buyer Indemnitee or a Seller Indemnitee (any of which, an "Indemnified Party") for indemnification under this Article 7, notice shall be given by the Indemnified Party to the party required to provide indemnification (the "Indemnifying Party") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought. The notice shall specify the factual basis of the claim in reasonable detail to the extent known by the Indemnified Party.

**7.3.1 Third Party Claims.** With regard to third party claims, the Indemnified Party shall permit the Indemnifying Party (at the expense of such Indemnifying Party) to assume the defense of any third party claim or any litigation resulting therefrom; provided that (i) the counsel for

the Indemnifying Party who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to the Indemnified Party, (ii) the Indemnified Party may participate in such defense at such Indemnified Party's expense, and (iii) the failure by any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except to the extent that such omission results in a failure of actual notice to the Indemnifying Party and such Indemnifying Party is materially prejudiced as a result of such failure to give notice. Except with the prior written consent of the Indemnified Party, no Indemnifying Party, in the defense of any such claim or litigation, shall consent to entry of any judgment or enter into any settlement that provides for injunctive or other nonmonetary relief affecting the Indemnified Party or that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim or litigation. In the event that the Indemnified Party shall in good faith determine that the conduct of the defense of any claim subject to indemnification hereunder or any proposed settlement of any such claim by the Indemnifying Party might be expected to affect adversely the Indemnified Party's tax liability or the ability of the Indemnified Party to conduct its business, or that the Indemnified Party may have available to it one or more defenses or counterclaims that are inconsistent with one or more of those that may be available to the Indemnifying Party in respect of such claim or any litigation relating thereto, the Indemnified Party shall have the right at all times to take over and assume control over the defense, settlement, negotiations or litigation relating to any such claim at the sole cost of the Indemnifying Party, provided that if the Indemnified Party does so take over and assume control, the Indemnified Party shall not settle such claim or litigation without the written consent of the Indemnifying Party, such consent not to be unreasonably withheld. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party shall have the full right to defend against any such claim or demand and shall be entitled to settle or agree to pay in full such claim or demand. In any event, the Indemnifying Party and the Indemnified Party shall cooperate in the defense of any claim or litigation subject to this Section 7.3, including tax audits and claims, and the records of each shall be available to the other with respect to such defense.

**7.3.2 Claims for Losses other than Third Party Claims.** With regard to a claim for indemnification for Losses other than a third party claim, the Indemnifying Party shall within thirty (30) days after receiving notice of the claim, give notice to the Indemnified Party of the acceptance or rejection of the claim by the Indemnifying Party. A notice of rejection of a claim will create of Dispute under Article 8, to be resolved pursuant to the provisions of Article 8, except that, if the Letter of Credit is delivered as provided in Section 4.15, a claim under Section 7.2(d) may only be disputed after a draw is made on the Letter of Credit and Buyer shall have the option whether to pursue any such post-draw objection to a Section 7.2(d) claim either with the Court in the Condemnation Action or by Arbitration under Section 8.2.

**7.4. Time Limitations.** If the First Closing occurs, Seller will have liability with respect to Section 7.1(a) only if on or before the date which is twenty-four (24) months after the First Closing Date, Buyer notifies the Seller from which it is seeking indemnification in writing of the

claim, specifying the factual basis of the claim in reasonable detail to the extent then known by buyer. If the First Closing occurs, Buyer will have liability with respect to Section 7.2 only if on or before the date which is twenty-four (24) months after the First Closing Date, the Seller notifies Buyer in writing of the claim, specifying the factual basis of the claim in reasonable detail to the extent then known by Seller. Notwithstanding the foregoing, if before 5:00 p.m. (Arizona time) on the date which is twenty-four (24) months after the First Closing Date, any party against which an indemnification claim has been made hereunder has been properly notified in writing of such claim and such claim has not been finally resolved or disposed of as of such date, then such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms of this Agreement.

**7.5 Limitations on Amount.** No claim shall be asserted against Seller under this Article 7 (except claims under Section 3.1.1, 3.1.2, or 3.1.3) which, individually, is less than \$100,000; and no claims shall be asserted against Seller under this Article 7 which, in the aggregate, exceed the sum of \$500,000. If a particular claim or claims are covered by insurance carried by Sellers, such claims may be pursued against Sellers for amounts in excess of the limits set forth in the preceding sentence, but Buyer's recourse shall be limited to the proceeds of the applicable insurance coverage. No claim shall be asserted against Buyer under this Article 7 which, individually, is less than \$100,000; and no claims shall be asserted against Buyer under Section 7.2(a), 7.2(b) or 7.2(c) which, in the aggregate, exceed the sum of \$500,000. No claims shall be asserted against Buyer under Section 7.2(d) which, in the aggregate exceed \$2,000,000. If a particular claim or claims are covered by insurance carried by Buyer, such claims may be pursued against Buyer for amounts in excess of the limits set forth in the preceding sentence, but Sellers' recourse shall be limited to the proceeds of the applicable insurance coverage.

**7.5 Exclusive Remedy.** The right to indemnification provided in this Article 7 is intended to be the sole and exclusive remedy of Buyer or Sellers following the Second Closing except as provided in the Stipulated Judgment. Until the Second Closing, the parties shall have any other remedies provided herein or available at law or in equity.

## **ARTICLE 8**

### **DISPUTE RESOLUTION**

**8.1 Disputes.** Any claim, dispute, or other matter in controversy (herein called "Dispute"), whether based on contract, tort, statute, or other legal theory (including but not limited to any claim of fraud or misrepresentation), arising out of or related to the Agreement or the breach thereof shall be settled according to the procedures set forth in this Article 8 exclusively; provided, however, that (a) either party may seek preliminary judicial relief if such remedy is otherwise available and such party, in its judgment, considers such action necessary to avoid irreparable damage during the pendency of such procedures, (b) nothing in this Section 8.1 shall prevent either party from exercising any rights of termination pursuant to Section 6.1; (c) nothing in this Section

8.1 shall prevent any party from exercising any remedies set forth in the Stipulated Judgment, the Stipulated Immediate Possession Order, or the Stipulated Final Order of Condemnation, as provided in the Settlement Agreement; and (d) any dispute concerning a draw on the Letter of Credit shall be resolved only after the draw has occurred and shall be resolved by the Court in the Condemnation Action unless Buyer elects to proceed with Arbitration as provided in Section 8.2.

**8.2 Arbitration.** If the parties have first attempted in good faith to resolve the Dispute by direct negotiations and the Dispute remains unresolved thirty (30) days after good faith negotiations are attempted by any party, then the Dispute shall be settled by arbitration in Phoenix, Arizona before a single arbitrator in accordance with the then current Commercial Rules of Arbitration ("Arbitration Rules") of the AAA in effect on the date of this Agreement. The decision of the Arbitrator shall be final, binding, and non-appealable. The Arbitrator shall award reasonable attorneys fees, expert fees, and other costs of the arbitration to the prevailing party.

## **ARTICLE 9** **MISCELLANEOUS**

**9.1 Expenses.** Seller and Buyer shall bear their respective expenses, costs and fees (including attorneys' fees) in connection with the transactions contemplated hereby, including the preparation, execution, and delivery of this Agreement and compliance herewith (the "Transaction Expenses"), whether or not the transactions contemplated hereby shall be consummated. Notwithstanding anything in this Agreement to the contrary, Seller shall be responsible for and bear the Sellers' Transaction Expenses in connection with the transactions contemplated hereby. The prevailing party in any action or proceeding arising out of or related to this Agreement shall be entitled to its reasonable attorneys' fees and costs in connection therewith.

**9.2 Severability.** If any provision of this Agreement, including any phrase, sentence, clause, section or subsection is inoperative or unenforceable for any reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatsoever.

**9.3 Notices.** All notices, demands, and other communications provided for hereunder shall be in writing (including facsimile or similar transmission) and mailed (by U.S. certified mail, return receipt requested, postage prepaid), sent, or delivered (including by way of overnight courier services):

To Buyer:                      Town of Cave Creek  
   Attention: Vincent Francia, Mayor  
   37622 North Cave Creek Rd.  
   Cave Creek, AZ 85331

Fax no.: 480-488-2263  
E-mail address: [vfrancia@turfparadise.net](mailto:vfrancia@turfparadise.net)

With copies to: Town of Cave Creek  
Attention: Town Manager  
37622 North Cave Creek Rd.  
Cave Creek, AZ 85331  
Fax no.: 480-488-2263  
E-mail address: [townmanager@cavecreek.org](mailto:townmanager@cavecreek.org)

and

Marvin S. Cohen, Esq.  
Sacks Tierney, P.A.  
4250 North Drinkwater Blvd.  
4<sup>th</sup> Floor  
Scottsdale, Arizona 85251-3900  
Fax no.: 480-425-4933  
E-mail address: [marvin.cohen@sackstierney.com](mailto:marvin.cohen@sackstierney.com)

To Sellers: Cave Creek Water Co.  
Pacer Equities Co.  
Attention: Trevor Hill, President & CEO  
21410 N. 19th Avenue, Suite 201  
Phoenix, Arizona 85027  
Fax no.: (623) 580-9659  
E-mail address: [trevor.hill@gwresources.com](mailto:trevor.hill@gwresources.com)

With copies to: K. Layne Morrill, Esq.  
Morrill & Aronson, PLC  
One East Camelback Road, Suite 340  
Phoenix, Arizona 85012  
Fax no.: 602.285-9544  
E-mail address: [lmorrill@maazlaw.com](mailto:lmorrill@maazlaw.com)

or, as to each party to such other Person and/or at such other address or number as shall be shall be designated by such party in a written notice to the other party. All such notices, demands, and communications, if mailed, shall be effective upon the earlier of (i) actual receipt by the addressee, (ii) the date shown on the return receipt of such mailing, or (iii) three (3) days after deposit in the mail. All such notices, demands, and communications, if not mailed, shall be effective upon the earlier of (i) actual receipt by the addressee, (ii) with respect to facsimile and similar electronic transmission, the earlier of (x) the time that electronic confirmation of a successful transmission is

received, or (y) the date of transmission, if a confirming copy of the transmission is also mailed as described above on the date of transmission, and (iii) with respect to delivery by overnight courier service, the day after deposit with the courier service, if delivery on such day by such courier is confirmed with the courier or the recipient orally or in writing.

**9.4 Headings.** The headings contained in this Agreement are for purposes of convenience only and shall not affect the meaning or interpretation of this Agreement.

**9.5 Entire Agreement.** This Agreement (including the Schedules and Exhibits hereto) and the Settlement Agreement (including the Exhibits thereto) constitutes the entire agreement among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, both written and oral, between the parties.

**9.6 Counterparts.** This Agreement may be executed in several counterparts, in original form or by electronic facsimile, each of which shall be deemed an original and all of which shall together constitute one and the same instrument. This Agreement shall not be effective as between any parties unless and until one or more counterparts have been executed by each and all of the Sellers and Buyers.

**9.7 Applicable Law.** This Agreement shall be governed in all respects, including as to validity, interpretation and effect, by the internal laws of the State of Arizona, without giving effect to the conflict of laws rules thereof, and the laws of the United States of America.

**9.8 Binding Effect.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors and permitted assigns.

**9.9 Assignment.** This Agreement shall not be assignable or otherwise transferable by any party hereto without the prior written consent of the other parties hereto, except that: (a) Buyer hereby consents to Sellers' assignment of their rights hereunder to Global or any Affiliate of Global in connection with the liquidation of Sellers' or their merger or consolidation with Global or any Affiliate of Global; and (b) Sellers hereby consent to Buyer's assignment of its rights hereunder to a municipal property corporation wholly owned by Buyer which assumes the obligations of Buyer hereunder, provided that such assumption shall not release Buyer from its liability under this Agreement, the Settlement Agreement, or the Exhibits to the Settlement Agreement.

**9.10 No Third Party Beneficiaries.** Except as provided in Article 7 with respect to indemnification of Indemnified Parties hereunder, nothing in this Agreement shall confer any rights upon any Person or entity other than the parties hereto and their respective, successors, and permitted assigns.

**9.11 Amendment; Waivers, etc.** No amendment, modification, or discharge of this Agreement, and no waiver hereunder, shall be valid or binding unless set forth in writing and duly executed by the party against whom enforcement of the amendment, modification, discharge, or waiver is sought. Any such waiver shall constitute a waiver only with respect to the specific matter described in such writing and shall in no way impair the rights of the party granting such waiver in any other respect or at any other time. Neither the waiver by any of the parties hereto of a breach of or a default under any of the provisions of this Agreement, nor the failure by any of the parties, on one or more occasions, to enforce any of the provisions of this Agreement or to exercise any right or privilege hereunder, shall be construed as a waiver of any other breach or default of a similar nature, or as a waiver of any of such provisions, rights, or privileges hereunder. The representations and warranties of Sellers shall not be affected or deemed waived by reason of any investigation made by or on behalf of Buyer (including but not limited to, by any of its advisors, consultants or representatives) except to the extent that Buyer or any of such advisors, consultants or representatives knew that any such representation or warranty is or might be inaccurate.

**9.12 Survival.** All representations, warranties, and covenants shall survive the Second Closing, but only to the monetary limits and for the periods expressly provided elsewhere in this Agreement.

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement as of the date first above written.

[Signatures appear on the following page.]

BUYER:

Approved by the Town Council  
at their meeting held on:  
March 5, 2007  
[Signature]  
Cave Creek Town Clerk

TOWN OF CAVE CREEK, an Arizona municipal corporation

By: [Signature]  
Vincent Francia, Mayor

ATTEST:

[Signature]  
Carrie Dyrek, Town Clerk

APPROVED AS TO FORM:

[Signature]  
Marvin S. Cohen  
Sacks Tierney P.A.  
Attorneys for Town

SELLERS:

CAVE CREEK WATER CO., an Arizona Corporation

By: [Signature]  
Trevor Hill, President

PACER EQUITIES CO., an Arizona corporation

By: [Signature]  
Trevor Hill, President

## LIST OF EXHIBITS

- Exhibit A: Storage Tank Lease
- Exhibit B: Letter of Credit Form
- Exhibit C: Form of Seller's Counsel Opinion
- Exhibit D: Form of Buyer's Counsel Opinion

### SCHEDULE 3.1.4

#### ASSETS

##### Equipment

The following list is a representation, to the Seller's Knowledge without verification or inquiry, of the assets that will be transferred to the Buyer. This list may or may not represent all assets required to operate the Water Companies in a compliant manner.

#### VEHICLES

Type	VIN
F250	3FTHF25G4VMA49421
Sonoma	1GTCS195X18189724
Sierra	1GTEC14V21E289282
Backhoe	T0710BD704217

#### TREATMENT PLANT

Equipment	Quantity	Year Installed
40'x60' Metal Bunger Building	1	1990
1MGD Microfloc Filter Skid	3	1990, 2000 & 2006
Controls for 3 Filters	2	1990, 2006
Backwash Pit (11.5X11.6x 10.6-grade)	1	1990
15 HP Pump for Backwash Pit 3X4 cement slab	1	2005
3 Hp Mud Pump for Backwash Pit	1	1990
Drying Bed (30x40x6)	1	1990
5 HP Effluent Pump	3	1990, 2000 & 2006
Chemical Feed Pump	15	1990, 2000, 2005 & 2006
PH Meter	6	2005 & 2006
Turbidity Meter	7	2-1992, 1-2000 & 4-2006
Free Chlorine Meter	2	1992 & 2006
7 pen Chart Recorder (water quality tests)	1	1992
Radio for SCADA	1	2000
Antenna for Radio	1	2000
Chemical Containment Vessels	3	1990
Chlorination Equipment		2004
Activated Carbon injection System		1990
Piping for 3 Filters		1990, 2000 & 2006
Pneumatic Valves	6	1990, 2000, 2004, 2006
Air Compressor for Pneumatic Valves	2	60 gal-2003, 80gal-2006

Refrigerator Air Dryer	1	2006
Electric Control Panels for Pumps Etc.	2	1990 & 2006
7.5 HP Backwash Pump (backup) (3x5) slab	1	1989
Chlorine Storage & Air Comp. (8.5x23) slab	1	1990
Confined Space Enclosure for Cl <sub>2</sub> (6x2)	1	2006
Transfer Pump slab (10x13.5)	1	1990
Backflow support slab (7x4)	1	1990
Power Panel slab (11x6.5)	1	1990
Generator slab	1	2006
Chemical Containment (for 55 gal barrel)	2	2000
Blower slab unit 2 (1.5x2.5)	1	2006
Blower slab unit 3 (2x2.5)	1	2006
Cover for Activated C & Compressor (7.5x12)	1	1990
Front access Handy Cap slab (3.5x5)	1	1990
Back door slab (3.5x5)	1	1990
Effluent Pump slab unit 1&2 (1.3x3)	2	1990
Effluent Pump slab unit 3 (1.66x3)	1	2006
6" Magnetic flow meter	1	2006
Vault for magnetic meter (4.5x4.5x8)	1	2006
6" Meter for Rancho Manana Golf Club	1	2006

Equipment	Quantity	Year Installed
Vault for RM meter (18x11x8)	1	2005
6" Rancho Manana Golf Club automatic valve	1	2005
6" Golf Course Check Valve	1	2005
6" Turbo Meter for Golf Club	1	1989 Rebuilt 2006
Concrete vault for well valve (4.5x4.5x4)	1	2001
Sea Matie Flow Meter at CAP Canal w	1	2005
Digital Readout to SCADA		
4" Standpipe w compound meter	1	2005
Hewlet Packard Office Jet G85	1	2004
Dell Dimension 8300 Computer	1	2004

### PIPELINES

Installed pipelines, fittings, meters employed to deliver water to the Treatment Plant and distribute water to registered Company customers.

### TOOLS

Those tools only as normally carried in the vehicles as noted above, or normally located at the Treatment Plant and owned by the Company and used for the provision of water service.

Computer Programs  
SCADA – PC

Windows – 2000  
 Dell Accessories  
 Intel network Adapters  
 Internet Explorer  
 Outlook Express  
 Dell True Mobile  
 Administrative Tools  
 Wonder Ware Factory Suite  
 Windows Journal Viewer  
 Win Zip  
 Symantic PC Anywhere  
 Microsoft Office  
 Adobe Acrobat Reader 4.0  
 Standard Automation Products  
 Hewlet Packard Printer Software  
 Pro Worx  
 Trend Micro Client Server Security Agent

**WELL AND BOOSTER SITES**

Note: Location and elevations determined from map not GIS (numbers approximate).

Address 6109 E Hidden Valley Dr. Cave Creek, AZ

Name Dates	Neary	Installation
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ADWR well # 55-625095

Location NE1/4SW1/4SE1/4 Sec 28 T6N R3E

Elevation 2130

Electric service	480 VAC 3-phase ?amp service	1971 <sup>1</sup>
	Well Controls	1971
	Booster Pump Controls	1971
	4 Keyed HOA Switches	2006

Well	270 ft deep	1971
	Concrete slab (8.33' x 8.16')	
1971		
Well casing	16" 0-28' perforated torch cut	
	14" 28'-90' perforated torch cut	
	10" 90'-270' perforated torch cut	
Well pump	10 HP Jacuzzi pump, Model # 10S6M4	?
Storage	45,000 gal low profile tank (empty)	1960
	110,000 gal low profile tank	1971
	110K tank exterior painted	
1999/2000		
	110,000 gal repaired and interior epoxy coated	2000
Booster pumps	15 HP Baldor motor, Model# JMM3314T	2002
	Berkley pump, Model# B1 ½ ZPLS	
	15 HP Baldor motor, Model# JMM3314T	2002
	Berkley pump, Model# B2 ZPLS	
	30 HP Baldor motor, Model# JMM3314T	2002
	Berkley Pump, Model#B21/2 ZPLS	
Surge tank	5000 gal surge tank	1960'S
Air Compressor	½ HP Speed Aire 2Z499 air Compressor	2000
Fence	328 LF Chain Link Fence	

Notes:

1. Upgraded electric panel 3/1996.
2. Installed prior to 1994.

Address	38225 N Basin Rd. Cave Creek, AZ	
Name	Wright I	Installation
Dates		
ADWR well #	55-625094	
Location	SW1/4NE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase 200 amp service	1970
	Well Controls	1970
	Booster Pump Controls	1970
	5 Keyed HOA Switches	2006
	Weather guard (12'x6')	1973
Well	303 ft deep constructed in Concrete slab (6' x6')	1970 1970
Well casing	12" 0-75' perforated 8 cuts/ft. 10" 75'-301' perforated 4 cuts/ft	
Well pump	10 HP submersible Berkley pump, Model # 6SA115	1994
Storage	110,000 gal low profile tank All tanks painted	1971
	1999/2000	
	110,000 gal repaired, interior epoxy coated 42,000 gal tank	2000 1999
Booster pumps	30 HP Baldor motor, model# JMM33114T Berkley pump, model# B21/2 ZPLS 30 HP Baldor motor, model# JMM33114T Berkley pump, model# B21/2 ZPLS 40 HP submersible Berkley pump, model # 7T455 15HP Submersible pump Concrete slab (8'x11') Shade structure (12'x14')	2003  2003 <sup>4</sup>  2006  1998 1963 1999
Surge tank	5000 gal surge tank Concrete slabs 2-(2'x7')	1963 1963
Air Compressor	½ HP Speed Aire 2Z499	1998

	Concrete slab (2'x3')	2006
Fencing (2003)	431 LF Chain link (with razor wire)	1998
4.	Repaired and returned to service.	
Address	38235 N. Basin Rd.	
Name	Wright II	Installation
Dates		
ADWR well #	55-516266	
Location	SW1/4NE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase ?amp service	1989
	Well Control	1989
	Booster Pump Controls	1989
Well	357 ft deep constructed	1989
	Concrete slab (6'x6')	1989
Well casing	8" 0-340'	
Well pump	10 HP submersible Berkley pump, Model # 6S2BH5	1997
Transfer pumps	15 HP GE motor, model # 5K254AK201	2000 <sup>5</sup>
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	2000 <sup>6</sup>
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	1989
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	2006
	Peerless pump, model # 8943657, type C1040A	
Backflow Devices	10" Reduced pressure backflow on backwash line	1989
	3" Reduced pressure backflow on surface wash line	1989

5 Repaired and returned to service.

6 Repaired and returned to service.

Address	40625 N School House Rd.	
Name	Carol Heights	Installation
Dates		
ADWR well #	55-625096	
Location	SW1/4NW1/4NW1/4 Sec 22 T6N R4E	
Elevation (2003)	2227 LF Chain Link fence (with razor wire)	1989
Electric service	480 VAC 3-phase ?amp service	1994
	Booster Pump Controls 1-30HP, 1- 30HP	1994
	Booster Pump Controls 1-30 HP	2004
	Weather structure over electric panel	1994
Well	744 ft deep constructed	1970
	Concrete slab (6'x6')	1970
Well casing	10" 0- 703' perforated torch cut	
Storage	110,000 gal steel above ground storage tank	1970
	15,000 gal tank	1960'S
Booster pumps	30 HP Baldor motor, model # JMM3314T	2000 <sup>7</sup>
	Berkley pump, model # B11/2ZPLS	
	30 HP Baldor motor, Model #JMM2534T	2004
	Berkley pump, model # B21/2ZPLS	
	30 HP motor, Berkley pump, model # B21/2ZPLS	2004
	Concrete slab (8'x8')	1970
Surge tank	5000 gal surge tank	1970
	Concrete slab 2-(2'x7')	1970
Fence	374 LF chain link fence	1970
Air Compressor	1/2 HP air compressor	

7 Rebuilt and returned to service.

Address	41243 N Echo Canyon	
Name	Rockaway Hills	Installation
Dates		
ADWR well #	55-625097	
Location	NW1/4SW1/4SE1/4 Sec 15 T6N R4E	
Elevation	2322 Ft.	
Electric service	220 VAC 1-phase 7amp service capacitive start for motors	1971
	Well Controls	1971
	Booster Pump Controls	1971
	Weather Structure over electric panel (5'x8')	1971
Well	482 ft deep constructed	1971
	Concrete slab (8'x8')	1971
Well casing	16" 0-296'	
	10' 296'-320'	
	6" 320'-422'	
Well pump	10 HP motor	
	Goulds pump, Model # 18E	
	Concrete slab (6'x6')	
Storage	110,000 gal steel above ground storage tank	1971
	15,000 gal tank	1971
Booster pumps	5 HP GE motor, model # 5KC184DL15 (submersible)	2003
	Deming/Crane pump, figure 6602, size MU6S (high pressure side)	
	5 HP motor (submersible)	7 <sup>8</sup>
	Berkley pump, model #48GS50 (high pressure side)	
	3 HP motor (submersible)	
?	Berkley pump, model # 4CLM14	
	5 HP motor	2000
	Berkley pump, model # 3S6A6	
	Concrete slab (6'x6')	1971
Surge tank	5000 gal surge tank on low pressure side	2005
	Concrete slab 2-(2.5'x7.5')	1971
	1000 gal surge tank on high pressure side	1971
	Concrete slab 2-(2.x6.5)	1971

Air Compressor	2 - ½ HP Speed Aire 2Z499	1980
Fence	1030 LF Chain Link fence	1971
8	Installed prior to 1994.	
9	Installed prior to 1994.	
Address	38250 N Linda Dr	
Name	Linda Drive/Pee Wee II	Installation
Dates		
ADWR well #	55-625098	
Location	NW1/4SE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase ?amp service	1971
	480 VAC 3-phase 200 amp service	1989
	Well Controls	1977
	Booster Pump Controls 2-30 HP	1971
	Booster Pump Controls 2-30 HP	1996
	Booster Pump Controls 2-50 HP	2004
	2- Keyed HOA switch	2006
	Weather Structure over electric panel	1971
SCADA	Radio	2000
	Radio Antenna	2000
Well	322 ft deep constructed	1971
	Concrete slab (6'x6')	1971
Well casing	16" 0-110'	
	10" 110'-213' perforated torch cut	
	8" 213'-322' perforated torch cut	
Well pump	7.5 HP motor	1999
	Berkley pump, Model # 6S2ALL4	
Storage	200,000 gal steel above ground storage tank	1989
Booster pumps	50 HP Baldor motor, model # JMM2542 T	2006
	Paco pump, model # 3656	
	50 HP Baldor motor, model # JMM2542 T	2006
	Paco pump, model # 3656	
	30 HP Baldor motor, model # JMM2534T	2002

	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	Concrete slab (8'x8')	1971
	Concrete slab (7'x4')	1989
	Concrete slabs (2.33'x4')	2001
Surge tank	5000 gal surge tank	2005
	Concrete slab (7'x2')	1971
Fence	328 LF Chain Link fence	1971
	90 LF Chain Link fence	1989
Air Compressor	2 HP 4B234A	1996

Address	6021 E Leisure Lane	
Name	Sentinel Rock Booster Station	Installation
Dates		
Location:	SW1/4 SE1/4 NE1/4 SEC 4 T5N R4E	
Elevation	= 2200	
Electric service	480 VAC 3-phase 7amp service	1982
	Booster Pump Controls	1982
	Weather Structure over electric panel (10'x2')	1982
Booster pumps	30 Hp GE motor, model # 5K284 JL 1224	2000 <sup>10</sup>
	Pacific pump, model # 71-30705-74010	
	15 HP Baldor motor, model # JMM3314 T	2003
	Berkley pump, model # B2ZPLS	
	15 HP Baldor motor, model # JMM3314 T	2002 <sup>11</sup>
	Berkley pump, model # B2ZPLS	
Surge tanks	1000 gal on low pressure side (max pressure 160 psi)	1982
	Concrete slab (4'x1')	1982
	5000 gal on high pressure side	1987
	Concrete slab (8'x2')	1987
Air Compressor	7.5 HP Curtis Toledo CCR1229	1987
Fence	110 LF Block fence	1982

10 Repaired and returned to service.

11 Repaired and returned to service.

Address	5951 E Carriage Dr.	
Name	Carriage Drive Booster (Station Station being redone WIP See Carriage Water Plans in WIP)	
Dates		Installation
Location:	SE1/4 NW1/4 SE1/4 SEC 33 T6N R4E	
Elevation	2200<2250	
Electric service	220 VAC 3-phase ?amp service	1968
	Booster Pump Controls	1968
	Weather Structure over electric panel (10'x3')	1968
Booster pumps	15 HP Baldor motor, model # JMM3314 T	2002
	Berkley pump, model # B11/2ZPLS	
	15 HP Baldor motor, model # JMM3314 T	2006
	Berkley pump, model # B11/2ZPLS	
	Concrete slab (6'x4')	1968
	Shade structure over pumps (5'x4')	1968
Surge tanks	1000 gal on low pressure side	2000
	Concrete slab (5'x2')	1968
	1000 gal on high pressure side	2000
	Concrete slab (5'x2')	1968
Air Compressor	½ HP air compressor	
SCADA	Radio Repeater	2000
	Radio Antenna	2000
Fence	116 LF Chain Link Fence	1968

Address	37590 N Schoolhouse Rd.	
Name	Schoolhouse Rd. South Booster Station	Installation
Dates		
Location:	NE1/4 NE1/4 NE1/4 SEC 33 T6N R4E	
Elevation	2250<2300	
Electric service	220 VAC 1-phase ?amp service Booster Pump Controls	199? <sup>12</sup> 199? <sup>12</sup>
Booster pumps	3 Hp magnatek motor, cat # B131 Weber pump, model # L20B23	199? <sup>12</sup>
	3 Hp magnatek motor, cat # B131 Weber pump, model # L20B23	199? <sup>12</sup>
	1 HP Magnatek motor, cat # B719 Weber pump, model # L 35B6	199? <sup>12</sup>
	Concrete slab (6'x4.5')	199? <sup>12</sup>
Surge tanks	1000 gal on low pressure side 1997 Concrete slab 2-(5'x1.75)	199? <sup>12</sup> 199? <sup>12</sup>
	300 gal on high pressure side 1997 Concrete slab (3.5'x 3')	199? <sup>12</sup> 199? <sup>12</sup>

12 Believe booster station constructed 1995, first customer connected to station 8/1995.

Address	6999 E Hawksnest Rd.	
Name	Hawksnest Booster Station	Installation
Dates		
Location:	NE1/4 NW1/4 SE1/4 SEC 34 T6N R4E	
Elevation	=2450	
Electric service	220 VAC 1-phase 7amp service Booster Pump Controls Weather Structure over electric panel (2'x2')	? <sup>13</sup> 2003 <sup>14</sup> ? <sup>13</sup>
Booster pumps	5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 Concrete slab (4'x1')	2005  2005  2005  2003  2003
Surge tanks	1000 gal on high pressure side Concrete slab 2-(3'x1')	1990 ? <sup>13</sup>
Air Compressor	1/3 HP Magnetek 164549 air compressor	2003
Fence	97.5 LF Chain Link Fence	? <sup>13</sup>
13	Water Company took over existing facility in 1991.	
14	Water Company rebuilt pump controls	

Address	6999 E 38 <sup>th</sup> Street.	
Name	38 <sup>th</sup> Street Booster Station	Installation
Dates		
Location:	SE1/4 NW1/4 SE1/4 SEC 35 T6N R3E	
Elevation	=1975	
Electric service	220 VAC 1-phase 7amp service	2006
	Booster Pump Controls	2006
	Weather Structure over electric panel (2'x2')	
Booster pumps	Concrete slab (5'x3')	2006
Surge tanks		
Fence	40 LF Chain Link Fence	
2006		

Address	37996 N Galloway Dr.	
Name	Galloway Booster Station	Installation
Dates		
Location:	SW1/4 SE1/4 SE1/4 SEC 27 T6N R4E	
Elevation	=2300	
Electric service	480 VAC 3-phase ?amp service	1996
	Booster Pump Controls	1996
	Weather Structure	1996
Booster pumps	30 HP Baldor motor, model # JMM2534T	2006
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	2003
	Berkley pump, model # B21/2 ZPLS	
	15 HP Baldor motor, model # JMM3314 T	1996
	Berkley pump, model # B2ZPLS	
	Concrete slab (3'x1.66')	1996
Surge tanks	5000 gal on high pressure side	1996
	Concrete slab (6'x1.75')	1996
	1000 gal on low pressure side	2003
	Concrete slab (4.75'x1')	1996
Air Compressor	2 HP Dayton 8WJ55U air compressor	1996
Fence	133 LF Chain Link Fence	1996

Address	7602 E. Stevens Rd.	
Name	Ocotillo I Booster Station	Installation
Dates		
Location:	SW1/4 SW1/4 NE1/4 SEC 26 T6N R4E	
Elevation	2400<2450	
Electric service	480 VAC 3-phase 7amp service	2000
	Booster Pump Controls	2000
Booster pumps	50 HP Baldor motor, model # JMM2542T	2005
	Goulds pump, cat # 26ST1S200	
	50 HP Baldor motor, model # JMM2542T	2005
	Goulds pump, cat # 26ST1S200	
	15 HP Baldor motor, model # JMM3314 T	2004
	Goulds pump, cat # 7ST11635	
	Concrete slab (7.8'x7')	2000
Surge tanks	5000 gal on high pressure side	2000
	Concrete slab 2-(6'x3')	2000
	300 gal on low pressure side	2000
Air Compressor	7.5 HP Curtis Toledo	2000
Fence	107 LF Block Wall	2000

Address	39505 N Ocotillo Ridge Rd.	
Name	Ocotillo II Booster Station	Installation
Dates		
Location:	SE1/4 SE1/4 SE1/4 SEC 23 T6N R4E	
Elevation	=2500	
Electric service	480 VAC 3-phase 7amp service	2002
	Variable Speed Booster Pump Controls	2002
Booster pumps	15 HP Baldor variable speed motor, model # JMM2333T	2002
	Berkley pump,	
	15 HP Baldor variable speed motor, model # JMM2333T	2002
	Berkley pump	
	15 HP Baldor variable speed motor, model # JMM2333 T	2002
	Berkley pump	
Concrete Vault	Concrete Vault (17.5x12')	2002

Address	38060 N Vermeersch Rd.	
Name	Vermeersch well	Installation
Dates		
ADWR well #	55-518050	
Location	SE1/4NW1/4SE1/4 Sec 27 T6N R4E	
Elevation	2263 Ft.	
Electric service	480 VAC 3-phase 7amp service	1988
	Well Control	1988
Well	700 ft deep constructed in Concrete slab (7'x7')	1988 1988
Well casing	10" 0-700'	
Well pump	40 HP motor Berkley pump, Model # 6S2AM12	1995
Surge tank	1000 gal	1988
	Concrete slab 2-(7.8'x2')	1988
Air Compressor	3/4 HP Speed Aire 2Z499 air Compressor 1988	1998
Fence (1990)	99 LF Block Wall (with razor wire)	1988

Address	38617 N Schoolhouse Rd	
Name	Hazelton well	Installation
Dates		
ADWR well #	55-518052	
Location	SW1/4SW1/4Sw1/4 Sec 22 T6N R4E	
Elevation	2202 Ft.	
Electric service	480 VAC 3-phase 7amp service	1988
	Well Control	1988
	Weather Structure (6.5'x3')	1988
Well	800 ft deep constructed	1988
	Concrete slab (6.5'x6')	1988
Well casing	8" casing	
Well pump	15 HP motor	2003
	Goulds pump, Model # 70L15	
Surge tank	1000 gal	1999
	Concrete slab 2-(5'x1.75')	1988
Fence	91 LF Chain Link fence	1988

Address	6370 E Arroyo Rd.	
Name	Faber well	Installation
Dates		
ADWR well #	55-521032	
Location	NE1/4SE1/4SE1/4 Sec 21 T6N R4E	
Elevation	2206 Ft.	
Electric service	480 VAC 3-phase 7amp service	1987
	Well Control	1987
	Weather Structure (10'x2')	1987
Well	850 ft deep	1987
	Concrete slab (6'x6')	1987
Well casing	8" casing	
Well pump	25 HP motor	2006
	Grundfos pump, Model # SP2715	
Surge tank	1000 gal	2006
	Concrete slab	1987
Fence	94 LF Block wall	1987

Address	6370 E Grapevine Rd.	
Name	Triangle well (NOT IN SERVICE)	Installation
Dates		
ADWR well #	55-625093	
Location	Sec 28 T6N R4E	
Elevation	2100 ft.	
Electric service	480 VAC 3-phase 7amp service Well Control Weather Structure (10'x2')	
Well	ft deep Concrete slab (6'x6')	
Well casing	" casing	
Well pump	Not in Service	
Surge tank	Removed from Site Concrete slab 2-(6'x2')	
Fence	297 LF Chain Link fence	

Address	2141 E. Deer Valley Rd., Phoenix, AZ	
Name	CAP Canal booster station	Installation
Dates		
Location:	NE1/4 SW1/4 SE1/4 SEC 15 T4N R3E	
Elevation	1530	
Turnout	In side of CAP Canal	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	1989
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	75 HP motor, with soft start	2006
	Turbine pump	
	75 HP motor, with soft start	2006
	Turbine pump	
	75 HP motor, with soft start	2006
	Turbine pump	
	Concrete slab	1989
	3- Surge Protectors	2005
Surge tank:	500 gal. bladder tank	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	26602 N. Cave Creek Rd., Phoenix, AZ	
Name	Jomax Rd. booster station	Installation
Dates		
Location:	SW1/4 SE1/4 SW1/4 SEC 36 T5N R3E	
Elevation	1685	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2003
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	30428 N. Rd., Phoenix, AZ	
Name	Tatum Ranch booster station	Installation
Dates		
Location:	SW1/4 SW1/4 NE1/4 SEC 19 T5N R4E	
Elevation	1880	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	38235 N. Cave Creek Rd., Phoenix, AZ	
Name	Carefree Highway booster station	Installation
Dates		
Location:	SW1/4 SE1/4 SE1/4 SEC 5 T5N R4E	
Elevation	2045	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Meter Vault

Address NW corner of Tranquil Place and Tranquil Trail

Name Carefree Meter Vault at Tranquil Place

Location: NE1/4 SE1/4 SW1/4 SEC 26 T6N R4E

Elevation 2380 ft elevation

Meter: 4" Micrometer Flow Meter Installed 2003

Vault Plastic Vault (4'x2') Installed 2003

Meter Vault

Address West side of Tom Darlington Dr. south of Ridgeview Pl.

Name Carefree Meter Vault at Tom Darlington Dr.

Location: NW1/4 NW1/4 NW1/4 SEC 35 T6N R4E

Elevation 2350 ft elevation

Meter: 4" Amco Turbo with built in strainer 2004

Vault Concrete Vault (7'x4.5') with double metal lid 2004

Meter Vault

Address	NW corner of 24 <sup>th</sup> Street and Cloud Rd.	
Name	Desert Hills Meter Vault	
Location:	SE1/4 SE1/4 SE1/4 SEC 34 T6N R3E	
Elevation	1869 ft elevation	
Meter:	3" Neptune turbo meter 4136	1996
	4" Sensus Turbo Meter W-1000	1996
Other equipment	2- 3" gate valves	1996
	2- 4" gate valves	1996
	1- 2" Bermaid pressure sustaining valve	2003
	1- 4" Singer pressure sustaining valve 106PL	2003
Vault	Concrete vault (5.5'x11'x6') with double metal lid	1996

Meter Vault

Address	SE corner of 24 <sup>th</sup> Street and Joy Ranch Rd.	
Name	Desert Hills Meter Vault 2	
Location:	NW1/4 NW1/4 NW1/4 SEC 35 T6N R3E	
Elevation	1926 ft elevation	
Meter:	8" Micrometer flow meter ML-08	2006
Vault	Concrete vault (4.5'x4.5'x5.5') with metal lid	2006

PRV Vault

Address East side of Cave Creek Rd. south of Canyon Creek Cir.

Name Cave Creek Rd. East Vault

Location: NW1/4 NW1/4 SW1/4 SEC 4 T5N R4E

Elevation 2090 ft. elevation

PRV: 8" Singer Model # 106PG 1999

Vault Concrete vault (5.6'x11'x5') with metal lid 1999

PRV Vault

Address West side of Cave Creek Rd. south of Canyon Ridge Dr.

Name Cave Creek Rd. West Vault

Location: NE ¼ SW1/4 NW1/4 SEC 4 T5N R4E

Elevation 2050 ft. elevation

PRV: 8" Singer PRV Model 106 PG 1989

Vault Concrete vault (4'x4'x4') with metal lid 1989

PRV Vault

Address South side of Canyon Ridge Dr. North west of Cave Creek Rd.

Name Canyon Crossings Vault

Location: NW1/4 SW1/4 NW1/4 Sec 4 T5N R4E

Elevation 2050 ft. elevation

PRV: 6" Singer PRV Model 106PG 2002

Vault Concrete vault (7.3'x7.3'x6') with cast iron lid 2002

PRV Vault

Address North side of Carefree Hwy. west of Sunset Tr.

Name Carefree Highway Los Reales Vault

Location: SE1/4 SW1/4 SE1/4 SEC 4 T5N R4E

Elevation 2150 ft elevation

PRV: 8" Singer PRV Model 106PG 1996

Vault Concrete vault (3' diameter manhole 5" deep) 1996

PRV Vault

Address	North side of Carefree Hwy. east of Mountainside Dr.	
Name	Carefree Highway Ironwood Estates Vault	
Location:	SE1/4 SW1/4 SW1/4 SEC 4 T5N R4E	
Elevation	2180 ft. elevation	
PRV:	8" Singer PRV Model 106 PG	2003
Vault	Concrete vault (4.66'x4.66'x6') with manhole lid	2003

PRV Vault

Address SW corner of Spur Cross Rd. and Yucca

Name Spur Cross Road Vault

Location: SW1/4 NE1/4 SW1/4 SEC 21 T6N R4E

Elevation 2125 ft. elevation

PRV: 8" Bermad PRV 1998

Vault Concrete vault (4'x8'x4') 1998

Water Quality Sampling Port

Equipment  
1500

Same as short 1" service plus All-In-One Sampling Station Model

4- Installed 2003

6- Installed 2005

Real Property

The following is a list, to the Seller's Knowledge without verification or inquiry, of property titled to the Water Companies. Seller does not warrant that all real property, easements, rights of way, access etc have been properly conveyed or recorded. Buyer acknowledges that this list may or may not represent all real property to operate the Water Companies.

**EXHIBIT "A"**

PARCEL NO. 1:

THE SOUTH 40 FEET OF THE NORTH 320 FEET OF THE EAST 60 FEET OF THE WEST 724.33 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 2:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION TWENTY-EIGHT (28), TOWNSHIP SIX (6) NORTH, RANGE FOUR (4) EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND RUNNING THENCE NORTH 89 DEGREES 48 MINUTES 25 SECONDS WEST 380.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 0 DEGREES 11 MINUTES 35 SECONDS WEST 50.00 FEET;

THENCE NORTH 89 DEGREES 48 MINUTES 25 SECONDS WEST 25.00 FEET;

THENCE NORTH 00 DEGREES 11 MINUTES 35 SECONDS EAST 50.00 FEET;

THENCE SOUTH 89 DEGREES 48 MINUTES 25 SECONDS EAST 25.00 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED IN PATENT FROM THE UNITED STATES OF AMERICA.

PARCEL NO. 3:

A WELLSITE OVER THAT PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, TOWN OF CAVE CREEK, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23;

THENCE NORTH 00 DEGREES 01 MINUTES 55 SECONDS WEST, ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, A DISTANCE OF 343.03 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00 DEGREES 01 MINUTES 55 SECONDS WEST, A DISTANCE OF 50.00 FEET;

THENCE NORTH 89 DEGREES 58 MINUTES 05 SECONDS EAST, A DISTANCE OF 50.00 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 55 SECONDS EAST, A DISTANCE OF 50.00 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 05 SECONDS WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

TRACTS D AND E, OF OCOTILLO RIDGE ESTATES, LOTS 1-22 AND TRACTS A-E, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 475 OF MAPS, PAGE 46.

EXCEPTING THEREFROM ALL COAL, OIL, GAS AND OTHER MINERALS DEPOSITS AS RESERVED IN THE PATENT TO THE LAND.

PARCEL NO. 5:

THE SOUTH 40 FEET OF THE NORTH 280 FEET OF THE EAST 60 FEET OF THE WEST 724.33 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 6:

A PORTION OF THE WEST 440 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THAT PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, SOUTH OF CAVE CREEK CAMP CREEK ROAD, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT IN THE SOUTH 33 FOOT RIGHT-OF-WAY LINE OF THE CAVE CREEK CAMP CREEK ROAD WHICH BEARS 440 FEET DUE EAST (ASSUMED BEARING) FROM THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28, GO SOUTH 0 DEGREES 02 MINUTES EAST ALONG THE EAST LINE OF SAID 440 FEET, A DISTANCE OF 325 FEET TO THE POINT OF BEGINNING;

THENCE DUE WEST 50 FEET;

THENCE SOUTH 0 DEGREES 02 MINUTES EAST, 75 FEET;

THENCE EAST 50 FEET TO THE SAID EAST LINE;

THENCE NORTH 0 DEGREES 02 MINUTES WEST 75 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 7:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA (CENTER OF SECTION);

THENCE DUE NORTH ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, 50.40 FEET TO THE SOUTHERLY LINE OF GRAPEVINE ROAD;

THENCE SOUTH 71 DEGREES 04 MINUTES 40 SECONDS WEST ALONG SAID LINE 50.50 FEET;

THENCE SOUTH 79 DEGREES 49 MINUTES WEST ALONG SAID SOUTHERLY LINE, 188.95 FEET, TO THE INTERSECTION WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE SOUTH 89 DEGREES 51 MINUTES EAST ALONG SAID SOUTH LINE 233.74 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 8:

THAT PORTION OF UNIT 3A, OF OCOTILLO RIDGE ESTATES, A SUBDIVISION PLAT, RECORDED AS BOOK 581 OF MAPS, PAGE 39, MARICOPA COUNTY RECORDERS OFFICE, ALSO BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID UNIT 3A, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF SAID SECTION 23, MONUMENTED BY A STONE, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 23, MONUMENTED BY A 3/4" PIPE, BEARS AS A BASIS OF BEARING NORTH 00 DEGREES 02 MINUTES 28 SECONDS EAST, A DISTANCE OF 2624.49 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 38 SECONDS EAST, ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 400.60 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF OCOTILLO RIDGE DRIVE AS SHOWN ON SAID PLAT, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 33 DEGREES 39 MINUTES 42 SECONDS EAST, A DISTANCE OF 670.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 05 DEGREES 19 MINUTES 25 SECONDS, AN ARC DISTANCE OF 62.25 FEET TO A POINT OF NON-TANGENCY, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 40 DEGREES 25 MINUTES 08 SECONDS EAST, A DISTANCE OF 31.57 FEET;

THENCE SOUTH 49 DEGREES 34 MINUTES 52 SECONDS WEST, A DISTANCE OF 25.00 FEET;

THENCE NORTH 40 DEGREES 25 MINUTES 08 SECONDS WEST, A DISTANCE OF 31.72 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF OCOTILLO RIDGE DRIVE AS SHOWN ON SAID PLAT, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 41 DEGREES 07 MINUTES 25 SECONDS EAST, A DISTANCE OF 670.00 FEET;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 02 DEGREES 08 MINUTES 17 SECONDS, AN ARC DISTANCE OF 25.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 9:

THAT PORTION OF LOT 39, SURREY HILLS UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 84 OF MAPS, PAGE 15, DISCLOSED AS FOLLOWS:

THE WEST 12 FEET; AND

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 39;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 39, A DISTANCE OF 105 FEET TO THE TRUE POINT OF BEGINNING;

THENCE EAST 55 FEET;

THENCE SOUTH 40 FEET;

THENCE WEST 55 FEET;

THENCE NORTH 40 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 10:

TRACT A, OF AZURE HILLS ESTATES UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER RECORDED IN BOOK 103 OF MAPS, PAGE 21.

PARCEL NO. 11:

THAT PORTION OF TRACT B, OF HIDDEN VALLEY, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 63 OF MAPS, PAGE 42, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF TRACT B, 131.91 FEET FROM THE SOUTHEAST CORNER OF SAID TRACT;

THENCE CONTINUING SOUTH 65 DEGREES 24 MINUTES WEST ALONG SAID SOUTH LINE 134.70 FEET TO THE SOUTHWEST CORNER;

THENCE NORTH 1 DEGREE 49 MINUTES EAST 57.69 FEET TO A POINT ON THE RIGHT-OF-WAY LINE OF HIDDEN VALLEY DRIVE;

THENCE NORTHEASTERLY ALONG THE ARC OF A 70 FOOT RADIUS CURVE CONCAVE NORTHWEST TO THE POINT OF TANGENCY;

THENCE NORTH 1 DEGREE 49 MINUTES EAST 78.24 FEET TO THE NORTHWEST CORNER OF THIS WELL SITE;

THENCE SOUTH 88 DEGREES 11 MINUTES EAST AT RIGHT ANGLES TO THE RIGHT-OF-WAY LINE 100 FEET;

THENCE SOUTH 1 DEGREE 49 MINUTES WEST, 106.76 FEET TO THE SOUTH LINE OF TRACT B AND THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH, ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER, 222.05 FEET TO A POINT IN THE SOUTH LINE OF OCOTILLO ROAD;

THENCE IN A SOUTHWESTERLY DIRECTION 619 FEET TO A POINT IN THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE EAST, ALONG SAID SOUTH LINE, 578 FEET TO THE POINT OF BEGINNING;

EXCEPT THEREFROM THE EAST 400 FEET AS MEASURED ALONG THE SOUTH LINE.

PARCEL NO. 13:

THAT PORTION OF CARROLL HEIGHTS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 68 OF MAPS, PAGE 27, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6;  
THENCE EAST 172 FEET ALONG THE NORTH LINE OF LOT 6;  
THENCE SOUTH 60 FEET ALONG A LINE PARALLEL TO THE WEST LINE OF LOT 6;  
THENCE WEST 172 FEET ALONG A LINE PARALLEL TO THE NORTH LINE OF LOT 6;  
THENCE NORTH 60 FEET ALONG THE WEST LINE OF LOT 6, TO THE POINT OF BEGINNING.

PARCEL NO. 14:

LOT 10, OF ROCKAWAY HILLS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 67 OF MAPS, PAGE 40;

EXCEPT THE SOUTH 422 FEET THEREOF.

PARCEL NO. 15:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 395, OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF THE CAVE CREEK VISTA SUBDIVISION, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST 171.09 FEET ALONG THE SOUTH LINE OF THE TRILBY GILLISPIE PROPERTY;  
THENCE NORTH 200 FEET ALONG THE WEST LINE OF THE TRILBY GILLISPIE PROPERTY;  
THENCE WEST TO THE NORTHEAST CORNER OF MOUNTAIN VIEW SUBDIVISION AMENDED;  
THENCE SOUTH 8 FEET;  
THENCE EAST TO A POINT 8 FEET WEST OF THE WEST LINE OF THE TRILBY GILLISPIE PROPERTY;  
THENCE SOUTH 200 FEET;  
THENCE EAST TO THE WEST LINE OF CAVE CREEK VISTA SUBDIVISION;  
THENCE NORTH 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 16:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 396 OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 2 IN CAVE CREEK VISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT A DISTANCE OF 130.26 FEET TO THE SOUTHWEST CORNER OF SAID LOT;

THENCE NORTH A DISTANCE OF 8 FEET;

THENCE EAST 130.26 FEET;

THENCE SOUTH ALONG THE EAST LINE OF SAID LOT A DISTANCE OF 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 17:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 398 OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 IN CAVE CREEK VISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT, A DISTANCE OF 130.26 FEET TO THE NORTHWEST CORNER OF SAID LOT;

THENCE SOUTH 8 FEET;

THENCE EAST 130.26;

THENCE NORTH 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 18:

AN EASEMENT FOR WATER LINE AS CREATED IN DOCKET 2318, PAGE 286 OVER THE SOUTH 8 FEET OF LOT 8, CARROLL HEIGHTS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 68 OF MAPS, PAGE 27.

PARCEL NO. 19:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 7623, PAGE 907 OVER THE WEST 40 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 20:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 8260, PAGE 811 OVER THE SOUTH 8 FEET OF LOT 9, SURREY HILLS UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 84 OF MAPS, PAGE 15.

PARCEL NO. 21:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 8274, PAGE 463 OVER THE WEST 33 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 22:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 466 OVER THE WEST 8 FEET OF THE NORTH 160 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 23:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 467 OVER THE SOUTH 16 FEET OF THE EAST 25 FEET OF THE WEST HALF AND THE SOUTH 16 FEET OF THE WEST 25 FEET OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 24:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 468 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 25:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 469 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 26:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9781, PAGE 718 OVER THE WEST 33 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 27:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9316, PAGE 35 OVER THE FOLLOWING DESCRIBED PROPERTY:

THE SOUTH 25 FEET OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

AND

THE NORTH 25 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 28:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9781, PAGE 719 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 29:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 10058, PAGE 892 OVER THE FOLLOWING DESCRIBED PROPERTY:

THE WEST 25 FEET AND THE SOUTH 25 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15 TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 30:

AN EASEMENT TO CONSTRUCT, OPERATE, MAINTAIN AND REMOVE WATER LINES AND OTHER FACILITIES AS CREATED IN DOCKET 13127, PAGE 24 OVER THE EAST 12 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 31:

A PERPETUAL EASEMENT FOR UTILITIES AS CREATED IN 86-193908 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, SAID POINT BEING 65.00 FEET WESTERLY OF THE NORTHEAST CORNER OF THE WEST 195.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28;

THENCE EASTERLY ALONG SAID NORTH LINE TO SAID NORTHEAST CORNER;

THENCE SOUTHERLY ALONG THE EAST LINE OF SAID WEST 195.00 FEET, A DISTANCE OF 65.00 FEET;

THENCE NORTHWESTERLY TO THE POINT OF BEGINNING; AND

THAT PORTION OF THE NORTH 16.00 FEET OF THE WEST 195.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28 NOT INCLUDED IN THE HEREINABOVE DESCRIBED TRIANGULAR PARCEL.

PARCEL NO. 32:

A PERPETUAL EASEMENT FOR PUBLIC UTILITY PURPOSES AS CREATED IN 88-464636 OF OFFICIAL RECORDS WITH THE RIGHT TO ERECT, CONSTRUCT, INSTALL, AND LAY, AND THEREAFTER USE, OPERATE, INSPECT, REPAIR, MAINTAIN, REPLACE, AND REMOVE A WATER DELIVERY AND DISTRIBUTION SYSTEM, INCLUDING, BUT NOT LIMITED TO, A 16" TRANSMISSION LINE, OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE SOUTH HALF OF SECTION 15, TOWNSHIP 4 NORTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 15;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE EAST LINE OF SAID SECTION 15, A DISTANCE OF 2401.10 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT IS ALSO THE BEGINNING OF A CIRCULAR CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS POINT BEARS SOUTH 79 DEGREES 48 MINUTES 01 SECONDS EAST A DISTANCE OF 2910.79 FEET;

THENCE SOUTHWESTERLY ALONG THE SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 11 MINUTES 59 SECONDS AND A DISTANCE OF 518.17 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 537.83 FEET;

THENCE SOUTH 45 DEGREES 19 MINUTES 43 SECONDS WEST A DISTANCE OF 47.81 FEET;

THENCE NORTH 89 DEGREES 20 MINUTES 34 SECONDS WEST A DISTANCE OF 1548.13 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF CENTRAL ARIZONA PROJECT;

THENCE NORTH 53 DEGREES 35 MINUTES 06 SECONDS WEST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 6.85 FEET;

THENCE SOUTH 89 DEGREES 20 MINUTES 34 SECONDS EAST A DISTANCE OF 1552.01 FEET;

THENCE NORTH 45 DEGREES 19 MINUTES 43 SECONDS EAST A DISTANCE OF 44.47 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 536.16 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2914.79 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 37 MINUTES 40 SECONDS A DISTANCE OF 540.66 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 15;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 22.13 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 33:

A UTILITY EASEMENT FOR WATER LINE AS CREATED IN 90-168876 OF OFFICIAL RECORDS BEING 16 FEET WIDE AND IMMEDIATELY NORTHEAST OF THE FOLLOWED DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 16, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 38 DEGREES 15 MINUTES EAST TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER TO THE POINT OF TERMINATION.

PARCEL NO. 34:

A WELL SITE EASEMENT AGREEMENT AS DISCLOSED IN INSTRUMENT RECORDED AS 87-274337 OF OFFICIAL RECORDS, ASSIGNMENTS AND ASSUMPTION OF EASEMENT RECORDED AS 89-541610 OF OFFICIAL RECORDS, 89-541611 OF OFFICIAL RECORDS, 90-499571 OF OFFICIAL RECORDS, 90-499572 OF OFFICIAL RECORDS, 90-499573 OF OFFICIAL RECORDS AND 90-576708 OF OFFICIAL RECORDS, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

- A BEGINNING AT A POINT NORTH 75 FEET AND EAST 75 FEET FROM THE SOUTHWEST CORNER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE EAST 50 FEET;

THENCE NORTH 50 FEET;

THENCE WEST 50 FEET;

THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING.

- B Beginning at the Southeast corner of the Northeast Quarter of the Southeast Quarter of Section 21, Township 6 North, Range 4 East, Gila & Salt River Base & Meridian, and running thence N89°56'32"W along the line between the Northeast Quarter of the Southeast Quarter and the Southeast Quarter of the Southeast Quarter of said Section a distance of 255.0 feet; thence South perpendicular to said line a distance of 25.0 feet to the southerly right-of-way line of the roadway in the Southeast Quarter of the Southeast Quarter of said Section 21 dedicated by that Deed of Dedication recorded in Docket 1682, page 165, Official Records of Maricopa County, Arizona (commonly known as Palo Verde Road) and the true point of beginning; thence continuing South along said perpendicular line a distance of 20.0 feet; thence N89°56'32"W a distance of 20.0 feet; thence North a distance of 20.0 feet to the southerly right-of-way line of said Palo Verde Road; thence East along said southerly right-of-way line of said Palo Verde Road a distance of 20.0 feet to the true point of beginning.

- C BEGINNING at the Northeast corner of the Southwest quarter of Section Twenty-eight (28), Township Six (6) North, Range Four (4) East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; and running thence North 89 degrees 48 minutes 25 seconds West 380.00 feet to the True Point of Beginning; thence South 0 degrees 11 minutes 35 seconds West 50.00 feet; thence North 89 degrees 48 minutes 25 seconds West 25.00 feet; thence North 00 degrees 11 minutes 35 seconds East 50.00 feet; thence South 89 degrees 48 minutes 25 seconds East 25.00 feet to the point of beginning;  
EXCEPTING therefrom a 16.00 foot emergency access easement over and across the aforementioned easement.

PARCEL NO. 35:

AN EASEMENT FOR PLACING WATER RELATED FACILITIES UNDERGROUND AND TO HAVE INGRESS AND EGRESS TO MAINTAIN SAID FACILITIES AS CREATED IN 93-0223909 OF OFFICIAL RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE CENTERLINE OF A 12.00 FEET EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 15, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 12 MINUTES 56 SECONDS WEST 1314.61 FEET ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 15 TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE NORTH 89 DEGREES 39 MINUTES 07 SECONDS EAST 639.01 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15 TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 14 MINUTES 36 SECONDS WEST 631.00 FEET;

THENCE NORTH 89 DEGREES 39 MINUTES 07 SECONDS EAST 181.25 FEET;

THENCE NORTH 00 DEGREES 14 MINUTES 36 SECONDS WEST 365.64 FEET;

THENCE NORTH 52 DEGREES 52 MINUTES 07 SECONDS WEST 321.39 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE 40.00 FEET RIGHT OF WAY OF FLEMING SPRINGS ROAD AND THE END OF THIS EASEMENT,

PARCEL NO. 36:

AN EASEMENT TO PLACE WATERLINE FACILITIES UNDERGROUND AND INGRESS AND EGRESS TO MAINTAIN AND OPERATE FACILITIES AS CREATED IN 96-0721798 OF OFFICIAL RECORDS OVER AN AREA 20 FEET WIDE AND 371.43 FEET LONG CONSISTING OF THE NORTH 10 FEET OF LOT 4 AND THE SOUTH 10 FEET OF LOT 5, OF THE VILLAGE AT MIRAVISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 408 OF MAPS, PAGE 25 AND AFFIDAVIT OF CORRECTION RECORDED AUGUST 5, 1997 AS 97-0531728 OF OFFICIAL RECORDS.

PARCEL NO. 37:

AN EASEMENT OVER THE NORTH 40 FEET TO PLACE WATER RELATED FACILITIES UNDERGROUND AND TO HAVE INGRESS AND EGRESS TO MAINTAIN AND OPERATE SAID FACILITIES AS CREATED IN 99-0632401 OF OFFICIAL RECORDS OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF VILLAGE VISTA, ACCORDING TO PLAT RECORDED IN BOOK 82 OF MAPS, PAGE 15, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 348.10 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE EAST 200 FEET OF THE NORTH 240 FEET OF THE EAST 440 FEET OF THE WEST 880 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28, SAID POINT ALSO BEING ON THE SOUTH LINE OF PROPERTY CONVEYED TO LAVINA ROBINSON IN BOOK 233 OF DEEDS, PAGE 459, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE WESTERLY ALONG SAID SOUTH LINE, 105.67 FEET TO A POINT ON THE EAST LINE OF A 50 FOOT ROADWAY QUIT-CLAIMED TO MARICOPA COUNTY IN DOCKET 2805, PAGE 514, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH ALONG SAID EAST LINE, 348.10 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF SAID VILLAGE VISTA SUBDIVISION;

THENCE NORTH 89 DEGREES 44 MINUTES EAST, ALONG SAID NORTH LINE, 105.67 FEET TO THE POINT OF BEGINNING;

EXCEPT ANY PART THEREOF LYING WITHIN THE EAST 440 FEET OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28.

PARCEL NO. 38:

A PERPETUAL AND EXCLUSIVE EASEMENT ON, OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY FOR THE PURPOSE OF WATER SERVICE UTILITIES AS CREATED IN 98-0526607 OF OFFICIAL RECORDS:

BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 26 MINUTES 28 SECONDS EAST 20.00 FEET;

THENCE SOUTH 89 DEGREES 33 MINUTES 32 SECONDS EAST 5.00 FEET PERPENDICULAR TO THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE NORTH 00 DEGREES 26 MINUTES 28 SECONDS EAST 641.86 FEET PARALLEL WITH AND 5 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE SOUTH 84 DEGREES 14 MINUTES 36 SECONDS EAST 64.75 FEET;

THENCE SOUTH 38 DEGREES 24 MINUTES 33 SECONDS WEST 80.40 FEET;

THENCE SOUTH 00 DEGREES 26 MINUTES 28 SECONDS WEST 407.03 FEET PARALLEL WITH AND 20 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE SOUTH 44 DEGREES 32 MINUTES 58 SECONDS EAST 70.72 FEET;

THENCE SOUTH 00 DEGREES 26 MINUTES 28 SECONDS WEST 145.00 FEET PARALLEL WITH AND 70 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE NORTH 89 DEGREES 32 MINUTES 24 SECONDS WEST 70.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 39:

WELL AGREEMENT AND PERPETUAL UTILITY EASEMENT AS CREATED IN 98-0321336 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 27, TOWNSHIP 6 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 22 MINUTES 15 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 27, A DISTANCE OF 27.60 FEET TO A POINT ON THE CENTERLINE OF CAVE CREEK ROAD;

THENCE NORTH 87 DEGREES 13 MINUTES 13 SECONDS WEST, ALONG SAID CENTERLINE, A DISTANCE OF 125.90 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 1909.85 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18 DEGREES 12 MINUTES 30 SECONDS A DISTANCE OF 606.94 FEET, SAID CURVE BEING STILL BEING SAID CENTERLINE;

THENCE NORTH 69 DEGREES 00 MINUTES 43 SECONDS WEST, ALONG SAID CENTERLINE, A DISTANCE

OF 436.23 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 2291.85 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 20 MINUTES 30 SECONDS A DISTANCE OF 373.67 FEET, SAID CURVE STILL BEING SAID CENTERLINE;

THENCE NORTH 59 DEGREES 40 MINUTES 13 SECONDS WEST ALONG SAID CENTERLINE, A DISTANCE OF 209.48 FEET;

THENCE NORTH 02 DEGREES 54 MINUTES 07 SECONDS EAST A DISTANCE OF 976.30 FEET;

THENCE NORTH 87 DEGREES 05 MINUTES 53 SECONDS WEST A DISTANCE OF 19.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 87 DEGREES 05 MINUTES 53 SECONDS WEST A DISTANCE OF 30.00 FEET;

THENCE NORTH 02 DEGREES 54 MINUTES 07 SECONDS EAST A DISTANCE OF 30.00 FEET;

THENCE SOUTH 87 DEGREES 05 MINUTES 53 SECONDS EAST A DISTANCE OF 30.00 FEET;

THENCE SOUTH 02 DEGREES 54 MINUTES 07 SECONDS WEST A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 40:

ENTRY WALL, LANDSCAPE, BOOSTER STATION, PUBLIC UTILITY AND ACCESS EASEMENT AS CREATED IN 99-0510290 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE MOST SOUTHERLY CORNER OF LOT 1, OCOTILLO RIDGE ESTATES, LOTS 1 - 22 AND TRACTS A - E, AS RECORDED IN BOOK 475 OF MAPS, PAGE 46, OFFICE OF THE MARICOPA COUNTY RECORDER, SAID CORNER BEING THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY AND FOR WHICH THE RADIAL CENTER BEARS NORTH 01 DEGREES 55 MINUTES 57 SECONDS WEST A RADIUS OF 87.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE TO THE LEFT AND THE SOUTHERLY BOUNDARY OF SAID LOT 1, THROUGH A CENTRAL ANGLE OF 38 DEGREES 45 MINUTES 46 SECONDS, A DISTANCE OF 58.86 FEET TO THE BEGINNING OF THE HEREIN DESCRIBED EASEMENT;

THENCE NORTH 04 DEGREES 36 MINUTES 55 SECONDS WEST, A DISTANCE OF 105.76 FEET;

THENCE NORTH 09 SECONDS 28 MINUTES 01 SECONDS EAST, A DISTANCE OF 10.17 FEET;

THENCE NORTH 36 DEGREES 24 MINUTES 07 SECONDS EAST, A DISTANCE OF 26.75 FEET;

THENCE NORTH 36 DEGREES 42 MINUTES 03 SECONDS EAST, A DISTANCE OF 27.97 FEET;

THENCE NORTH 57 DEGREES 32 MINUTES 19 SECONDS EAST, A DISTANCE OF 27.58 FEET;

THENCE NORTH 53 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 42.87 FEET TO A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID LOT 1,

THENCE SOUTH 06 DEGREES 06 MINUTES 42 SECONDS WEST ALONG SAID SOUTHEASTERLY BOUNDARY OF LOT 1, A DISTANCE OF 37.27 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 69.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY BOUNDARY OF LOT 1 AND THE ARC OF SAID

THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION 11, A DISTANCE OF 349.15 FEET;

THENCE NORTH 60 DEGREES 59 MINUTES 10 SECONDS EAST 370.11 FEET;

THENCE NORTH 68 DEGREES 27 MINUTES 39 SECONDS EAST 48.95 FEET TO THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DOCKET 11725, PAGE 412;

THENCE NORTH 00 DEGREES 34 MINUTES 49 SECONDS WEST ALONG THE WESTERLY LINE OF SAID PARCEL, 460.12 FEET WEST OF THE NORTHWESTERLY CORNER OF SAID PARCEL, SAID POINT BEGINNING ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE NORTH 89 DEGREES 59 MINUTES 36 SECONDS WEST ALONG SAID NORTH LINE 717.11 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE SOUTH 00 DEGREES 04 MINUTES 00 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 11, A DISTANCE OF 659.40 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 43:

EASEMENT AGREEMENT AS CREATED IN 2002-0235563 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5;

THENCE SOUTH 89 DEGREES 59 MINUTES 35 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5, A DISTANCE OF 140.90 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD;

THENCE SOUTH 27 DEGREES 27 MINUTES 57 SECONDS WEST ALONG SAID EASTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, A DISTANCE OF 22.54 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 35 SECONDS EAST A DISTANCE OF 151.27 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5;

THENCE NORTH 0 DEGREES 03 MINUTES 37 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 44:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN INSTRUMENT RECORDED AS 97-0126840 OF OFFICIAL RECORDS OVER THE SOUTH 10 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 6 NORTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 45:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 11757, PAGE 537, OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 75 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PORTION LYING WITHIN THE SOUTH 460 FEET THEREOF.

PARCEL NO. 46:

AN EASEMENT TO CONSTRUCT, OPERATE, MAINTAIN AND REMOVE WATER LINE AND OTHER FACILITIES AS CREATED IN INSTRUMENT RECORDED AS DOCKET 13695, PAGE 1245, OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 12 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND THE SOUTH 12 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL 47

PARCEL NO. 1:

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, page 14.

PARCEL NO. 2:

A part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, page 14, described as follows:

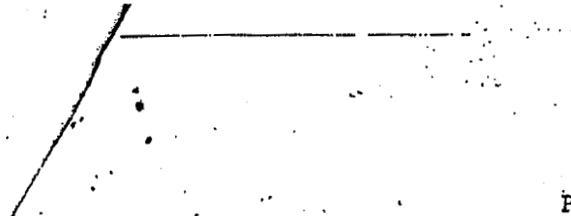
BEGINNING at the Northwest corner of Lot 27, MOON RIDGE;

THENCE South along the West line of said Lot a distance of 45.78 feet;

THENCE East to the East line of said Lot;

THENCE North 36.21 feet to a corner and being the Northeast corner of said Lot;

THENCE West along the North line of said Lot a distance of 132.61 feet to the POINT OF BEGINNING.



PARCEL 48  
(THE TREATMENT SITE)

**PARCEL NO. 1:**

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

**PARCEL No. 2:**

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

Hold for  
RJR

Unofficial  
Documents

When Recorded Return to:  
James R. Huntwork, Esq.  
Salmon, Lewis & Weldon, P.L.C.  
2850 E. Camelback Rd., Ste. 200  
Phoenix, AZ 85016

2005-0081833 01/21/05 10:07  
1 OF 2

RECEIVED

**QUIT CLAIM DEED**  
(Certain Improvements Only)

WHEREAS, on December 21, 2001, Pacer Equities Co., an Arizona corporation ("Grantor"), obtained a default judgment in the Maricopa County Superior Court Cause No. CV2001-003260 against Jerome M. George, III, Kathleen [sic] George and the Estate of Jerome M. George, Jr. (the "Quiet Title Action"), whereby Grantor was declared to be the true and lawful owner of certain real property described on Exhibit A attached hereto (the "Treatment Site"), all as provided in Document No. 2001-1222415 of the Official Records of the Maricopa County Recorder (the "Default Judgment").

WHEREAS, Cave Creek Water Co., an Arizona corporation ("Grantee") purchased a Trident Water Systems Neptune Microfloc modular steel package plant, model TR-420A, and its associated appurtenances including an Adsorption Clarifier, Mixed Media Filter, numerically controlled effluent control valve and a 5 horsepower effluent pump (the "Skid"), which is housed within the Treatment Site.

WHEREAS, on December 20, 2004, the Maricopa County Superior Court in Case No. CV 2002-019621, entered a ruling finding that as a matter of law, the Skid is a fixture and that because the Skid was attached to the Treatment Site in advance of the Quiet Title Action, any interest claimed by Grantee to the Skid was extinguished by the Default Judgment (the "Summary Judgment #4 Ruling").

WHEREAS, Grantee was not a party to the Quiet Title Action nor did the court in the Quiet Title Action have jurisdiction over Grantee under Rule 4.2(g) of the Arizona Rules of Civil Procedure. As such, title to Grantee's property cannot have been affected by the Default Judgment.

WHEREAS, because Grantee's interest in the Skid could not have been affected by the Default Judgment, the Summary Judgment #4 Ruling was manifestly erroneous and should be reconsidered by the court or reversed on appeal.

WHEREAS, it was never the intention of the Grantor or Grantee for the Grantor to obtain legal ownership of the Skid.

EXEMPT PER ARS 11-1134 AS

10



20050081833

**EXHIBIT A  
(THE TREATMENT SITE)**

**PARCEL NO. 1:**

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

**PARCEL No. 2:**

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

Unofficial Document

PARCEL 49

LOT Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in book 64 of Maps, Page 14.

PARCEL 50

A Right-of-Way Easement and the right to construct, operate, maintain and remove such water line and other facilities as created in instrument recorded as Docket 13216, Page 32 over the following described property:

The West 12 feet of Lot 39, Survey Hills  
Unit Two, Book 84 of Maps, Page 15, M.C.R. beginning at the North-  
west corner of said Lot 39 thence South, along the West line of said  
Lot 39, 105 feet to the TRUE POINT OF BEGINNING; thence East 55 feet;  
thence South 40 feet; thence West 55 feet; thence North 40 feet to  
the TRUE POINT OF BEGINNING.

PARCEL 51

A Wellsite and Temporary Construction Easement as created in 98-0506883 of Official Records over the following described property:

WELL SITE

That part of the Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Town of Cave Creek, Maricopa County, Arizona; Being more particularly described as follows:

Commencing at the Southwest corner of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23; Thence N-00°01'55"-W, along the West line of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, a distance of 343.03 feet to the Point of Beginning;

Thence continuing N-00°01'55"-W, a distance of 50.00 feet;  
Thence N-89°58'05"-E, a distance of 50.00 feet;  
Thence S-00°01'55"-E, a distance of 50.00 feet;  
Thence S-89°58'05"-W, a distance of 50.00 feet to the Point of Beginning.

WELL SITE

TEMPORARY CONSTRUCTION EASEMENT

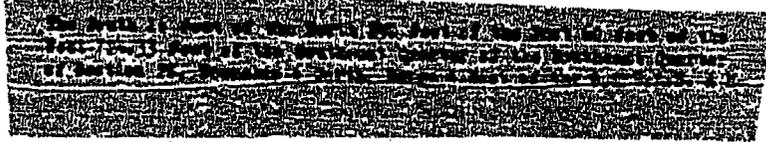
An Easement for Construction over that part of the Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Town of Cave Creek, Maricopa County, Arizona; Being more particularly described as follows:

Commencing at the Southwest corner of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23; Thence N-00°01'55"-W, along the West line of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, a distance of 318.03 feet to the Point of Beginning;

Thence continuing N-00°01'55"-W, a distance of 100.00 feet;  
Thence N-89°58'05"-E, a distance of 100.00 feet;  
Thence S-00°01'55"-E, a distance of 100.00 feet;  
Thence S-89°58'05"-W, a distance of 100.00 feet to the Point of Beginning.

PARCEL 52

A water mains easement and the right to construct, operate, maintain, inspect, repair and remove such water line and other facilities as created in instrument recorded as Docket 6567, Page 88 over the following described property:



PARCEL 53

An easement for the installation and operation of a treatment Skid and the right to ingress and egress over, across and upon the Property as may be necessary to provide access to and from the Skid as created in 2005-0081834 of Official Records over the following described property:

PARCEL NO. 1:

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

PARCEL No. 2:

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

PARCEL 54

An Easement for Underground Domestic Waterline and the right of full ingress and egress as created in 92-0507479 of Official Records over the following described property:

A 15 foot easement for a water line and appurtenant equipment, 7.5 feet on all sides of a centerline described as follows:

Commencing from the Northeast corner of Section 6, Township 5 North, Range 4 East of the Gila and Salt River Principal Meridian:

Thence South  $00^{\circ} 08' 41''$  West along the East line of said Section 6, a distance of 1,308.12 feet to the Northeast corner of the Southeast quarter of the Northeast quarter of said Section 6, said corner being identical with the Northeast corner of a parcel of land described in Result of Survey by Yavapai Engineering and Surveying, dated March 20, 1988;

Thence South  $89^{\circ} 44' 18''$  West along the North line of the Southeast quarter of the Northeast quarter of said Section 6 and of said described parcel a distance of 1,312.30 feet to a point from which the Northwest corner of the Southeast quarter of the Northeast quarter of said Section 6 and of said described parcel bears South  $89^{\circ} 44' 18''$  West a distance of 10 feet, said point being the POINT OF BEGINNING;

Thence North  $76^{\circ} 31' 07''$  West a distance of 190.54 feet.

PARCEL 55

A Private Easement for Underground Utilities and the right to construct, operate, maintain and remove such underground utilities as created in Instrument recorded as Docket 12710, Page 24 over the following described property:

three-and-one-half (3 1/2) feet on each side of the West line of the Southeast Quarter of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter, Section 5, Township 5 North, Range 4 East, of the G11a and Salt River Base and Meridian,

PARCEL 56

A Water Main Easement and the right to construct, operate, maintain, inspect, repair and remove such underground utilities as created in instrument recorded as Docket 6567, Page 87 over the following described property:

The east 7 feet of the east 40 feet of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of the Northwest Quarter of Section 5, Township 5 North, Range 4 East G4222M Maricopa County, Arizona

PARCEL 57

An Easement to place water related facilities underground and to have ingress and egress to maintain and operate said facilities and an Easement for placement of gas lines underground and related facilities to have ingress and egress for maintenance and operation of said facilities as created in 92-0663908 of Official Records over the following described property:

Desert Forest Park Tract A, Lot 628 Book 211 Map 15 assessment map

**LIST OF UNRECORDED EASEMENTS BELONGING TO CAVE CREEK WATER  
COMPANY AND/OR PACER EQUITIES COMPANY**

1. Black Mountain Mobile Home Park --- 1989, Black Mountain Mobile Home Park Community Ctr., Grantor, water mains easement --- 8-foot easement located in the Southeast Quarter of Section 28, Township 6N, Range 4E.
2. Patterson --- 1991, Michael and Charlene Patterson, Grantor, water mains easement --- located in a portion of the West Half Northwest Quarter of Section 5, Township 5N, Range 4E.
3. Cafferella ---- 1998, Joseph and Mary Cafferella, Grantor, water mains easement --- located in a portion of Section 35, Township 6N, Range 4E.
4. Cable ---- 2000, Ruth Cable, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
5. Collins --- Floyd Collins, Grantor, water mains easement --- located in a portion of the Northeast Quarter of the Northeast Quarter of Section 28, Township 6N, Range 4E.
6. School House Rd. South Booster Station ---- 1994, Gary and Dawn Ford, Grantor, booster station and water mains easement --- a 15-foot by 15-foot booster site located in the Northeast Quarter of the Northeast Quarter of Section 33, Township 6N, Range 4E.
7. Cable-Woodworth LE ---- 1996, Norman and Linda Rash, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
8. Cable-Woodworth LE --- 1996, Everette and Wilma Jean Baker, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
9. Cable-Woodworth LE ---- 1996, James Woodworth and Susan Holden, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
10. Cable-Woodworth LE --- 1996, Ruth Cable, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
11. Cable-Woodworth LE ---- 1996, Andy Reichenberger, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
12. Gibson ---- 1976, Robert and Shirley Gibson, water mains easement --- located at the West 6 feet of the East Half of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 5, Township 6N, Range 4E.

13. Oliphant ---- 1991, Bruce and Joanna Oliphant, Grantor, water mains easement --- 15-foot easement located in the West Half of the Northwest Quarter of Section 5, Township 5N, Range 4E.
14. Arcaro ---- 1995, Anthony Arcaro, Grantor, water mains easement --- 10-foot easement located in the West Half of the Northwest Quarter of Section 5, Township 5N, Range 4E.
15. Otwell ---- 1956, Rosella Mae Otwell, easement --- 50-foot easement located in the North Half of Section 33, Township 6N, Range 4E.
16. Wilderman ---- 1982, Rita Killingback, Karen Wilderman, et. al., Grantor, water mains easement --- located in the North 25 feet of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 5, Township 5N, Range 4E.
17. Crooks ---- Jerry and Julie Nelson, William Crooks, Grantor, water mains easement --- 12-foot easement located in a portion of the East Half of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 22, Township 6N, Range 4E.
18. Sierra Vista ---- Arizona State Land Department, Grantor, water mains easement --- located in the East 25 feet of the South 78 feet of the Northeast Quarter of the Northeast Quarter of Section 1, Township 5N, Range 4E.
19. Sierra Vista ---- BLM, Grantor, water mains easement --- located in a portion of Section 1, Township 5N, Range 4E.
20. CAO ---- Arizona State Land Department, Grantor, water mains easement --- no location provided.

## **SCHEDULE 3.1.5**

### **LIABILITIES**

The following list, to the Seller's Knowledge without verification or inquiry, may include some of the liabilities currently held by the Water Companies. The Buyer acknowledges that any and all liabilities either written or oral, recorded or otherwise incurred in the normal course of operations in the course of the expansion of the utility, in the course of improving the utility or otherwise incurred in the general operation or betterment of the company irrespective of their nature are to the account of the Buyer. Financial obligations incurred after the First Closing Date are the responsibility of the Buyer.

**Water Services Agreements**

**Line Extension Agreements**

**WATER SERVICE AGREEMENTS**

List of Water Service Agreements, Supplemental Agreements and Temporary Service Agreements (as of 2/23/2007)\*

1. Legend Ventures 43, LLC, 9/10/2003, (Stagecoach Pass Estates).
2. Clarendon Estates, LLC, 3/17/2004, (Clarendon Estates).
3. Nighthawk on Black Mountain, L.L.C., 7/26/2004, (Nighthawk on Black Mountain). Also has Supplemental Agreement (NOI).
4. Hermosa Vista, LLC, 9/29/2004, (Highlands at Canyon Ridge). Also has Supplemental Agreement (NOI).
5. Amended and Restated Agreement dated March 2, 2005 by and between Cave Creek Water Co., Cahava Springs Corp. and Apache Springs Land, L.L.C., amended by the Amendment No. 1, (Cahava Springs). Also has a Supplemental Agreement (NOI). Note that the Amended and Restated Agreement requires notice to and acceptance by the other parties for assignment.
6. Paul A. Thorp, 10/9/2006, (Black Mountain Estates). Also has a Supplemental Agreement.
7. Dennis Olson and Jane Olson, Trustees of the Dennis Olson and Jane Olson Family Trust Dated November 2000, 2/9/2007, (Canyon Ridge Estates). Also has Supplemental Agreement (NOI).
8. Carefree Vista Land Company, Amended and Restated Agreement, May 2005, (Carefree Vista). Also has Supplemental Agreement (NOI).
9. Cave Creek Resort, L.L.C., 4/6/2006, (Cave Creek Resort & Casitas).
10. GTNN, Inc. (later assigned to LS & SS Properties, Inc.), Amended and Restated Agreement, 4/20/2004, (Continental Mountain Estates). Also has Supplemental Agreement (NOI). Also has Temporary Service Agreement.
11. Habitat For Humanity Desert Foothills, Inc., 8/16/2006, (Hidden Valley). Also has Supplemental Agreement (NOI).
12. Mission Property Developers, LLC, 2/22/2006, (Cave Creek Vistas).
13. Windy City Group, LLC (Partain), 6/15/2006, (Carefree Views). Also has Supplemental Agreement (NOI).
14. G.E. Villas, LLC (later assigned to Rancho Tuscana, LLC), 7/29/2005, (Rancho Tuscana). Also has a Supplemental Agreement (NOI) and Supplemental Agreement (ATC). Also has a Temporary Service Agreement.
15. Thompson Peak Holdings One, LLC, 10/30/2006, (Sonoran Villas Condominiums). Also has a Supplemental Agreement (NOI) and Supplemental Agreement (ATC).
16. Stagecoach Village, L.L.C., 9/26/2006, (Stagecoach Village—commercial condominiums). Also has a Supplemental Agreement (NOI).
17. Village at Surrey Hills, LLC, 2/9/2006, (The Village at Surrey Hills). Also has a Supplemental Agreement (NOI) and Supplemental Agreement (ATC).

18. Michael D. Crew, Ricky D. Ulmer, Cynthia L. Ulmer-Lux, David D. Ulmer and Tamera L. Tomlin, as the Family Co-Trustees of the Derald D. Ulmer 2002 Trust, 6/22/2206, (Black Mountain Vistas).

19. Supplemental Agreement (ATC) only (no water service Agreement). Lowe's HIW, Inc., 2/8/2007 (Lowe's Carefree Site).

\* Agreements SLW directly worked on only (or in the case of Stagecoach Pass, located in SLW files)

**CAVE CREEK WATER SERVICE AGREEMENTS**

DEVELOPMENT	DEVELOPER		YEAR
Spur Cross	Ratliff-Miller Development Company		1984
Rancho Manana	Parterra Incorporated	184-3l	1985
All State	All State Amusement Company		1986
Cahava	K.I. Matheson, James Herbert, Cahava Developments, Inc.		1986
Carefree Sentinel Rock Estates	Adair-Black, Inc.		1986
Carefree Vista	Ratliff, Miller and Muhr, Inc.		1986
Folsom	Folsom Investments of Arizona		1986
Hayt	Lester J. Hayt		1986
Circle G Meadows	Circle G Meadows		1986
Black Mountain	Black Mountain Associates		1989
<b>NO AGREEMENTS BETWEEN 1990 - 1996</b>			
Desert Creek	Desert Creek Properties, Ltd.	184-3-35	1997
Desert Enclave	New River Mountains, Inc.	184-3-37	1997
Rancho Manana #2	Rancho Manana Golf Clup Limited Partnership	184-3-36	1997
Rancho Manana #3	Rancho Manana Golf Clup Limited Partnership	184-3-34	1997
Rancho Manana #5	Rancho Manana Golf Clup Limited Partnership	184-3-34	1997
Crossings IV	Crossings Four, LLC	184-3-32	1997
Ocotillo Ridge Estates	Ocotillo Ridge Estates, LLC	184-3-31	1997
Canyon Creek Estates	Cavalier Canyon Creek, LLC	184-3-38-1	1998
Canyon Ridge Estates	Cave Creek and Stagecoach, LLC	184-3-38	1998
Black Mountain Shadows	Black Mountain Shadows, LLC	184-3-38-2	1999
Canyon Crossings	Sentinel Rock Partners, LP Canyon Crossings Holdings, LLC	184-3q	1999
Cave Creek South Forty	Canyon Ridge South, LLC	184-3-38-3	1999
Estado De Cholla I and II	Mitchell Development, Inc.	184-3-41	1999
The Knolls	Hudson Partners, LLC	184-3-39	1999
Sierra Vista I and II	Smith Development	184-3-40	1999
Carefree Ironwood Estates	Carefree Highway 30 Acres, Limited Partnership	184-3w	2001
Continental Mountain Estates	GTNN, Inc.	184-3-48	2001
Las Ventanas	INCA Capital Management, LLC	184-3-46	2001
Mesquite Ranch	MK Custom Residential Construction, LLC	184-3-49	2001
Montacino Carefree	Montacino Carefree, LLC	184-3-45	2002
Stagecoach Pass Estates	Legend Ventures 43, LLC		2003

Clarendon Estates	Clarendon Estates, LLC		2004
Nighthawk on Black Mountain	Nighthaw on Black Mountain, LLC		2004
Highlands @ Canyon Ridge	Hermosa Vista, LLC		2004

**CAVE CREEK VOLUNTARY CONDITIONAL ASSIGNMENTS**

<b>DEVELOPMENT</b>	<b>DEVELOPER</b>	<b>YEAR</b>
	Folsom	1997
	Norton (300 AF)	1997
	Norton (400 AF)	1997

**MISCELLANEOUS**

Eagle Creek Golf Club Limited	Well Transfer Agmt
	Water Transp. Agmt
	CAP resale Agmt
	Assgn Assump Wells

**LINE EXTENSION AGREEMENTS**

**PROJECTED COSTS OF CONSTRUCTION FOR LXA'S POST-ACQUISITION**

Development	Developer/Owner	Start	Contract Length	Buyout	ACC Approved	Contract \$
<b>POST GLOBAL</b>						
Clarendon Estates	Clarendon Estates, LLC	2004	10yr		YES	\$30,746.00
Old Trailer Park	Tim Troy (Colonial Bank)	2005	10yr		YES	\$36,450.00
3720 E. Cloud Nighthawk	Danette Morrison Bullington	2005	10yr		YES	\$4,150.00
Off Spur Cross	Brenda Mann/Pina Carino	2005	10yr		YES	\$11,950.00
Stagecoach Pass	Legends Venture, LLC	2005				
5480 E. El Sendero	Scott/Reinye Fiske	2005	10yr		N/A	\$8,480.00
Off Spur Cross	Carino/Mann	2005				
Cahava Ranch	Apache Springs Land, LLC	2005	15yr		PENDING	\$3,563,451.00
Stagecoach Village	Stagecoach Village, LLC	2006	10yr		PENDING	\$318,843.73
Parcel # 216-07-052	Paolo Soleri	2006	10yr		YES	\$11,900.00
Black Mountain Vistas	Derald D. Ulmer 2002 Trust	2006	10yr		PENDING	\$53,532.50
Village at Surrey Hills, LLC	The Village at Surrey Hills, LLC	2006	10yr		PENDING	\$189,868.18
Rancho Tuscana	Rancho Tuscana, LLC	2006	10yr		PENDING	\$215,022.15
Cave Creek Vistas	Mission Property Developers, LLC	2006	10yr		PENDING	\$6,250.00
Carriage Drive	AZ Biochem, LLC	2006	10yr		YES	\$307,445.60
35th Street	Alderknott Holding, LLC	2006	10yr		YES	\$43,950.00
Highlands @ Canyon Ridge	Hermosa Vista, LLC	2006	10yr		YES	\$166,057.17
Nighthawk	Nighthawk on Blackmountain, LLC	2006	10yr		YES	\$102,690.60
Carefree Views	Windy City Group, LLC	2006	10yr		PENDING	\$476,380.00
Stagecoach Pass	Legends Venture 43, LLC	2006	10yr		PENDING	\$437,765.00
Lowe's Carefree Site	Lowe's HIW, Inc.	2007			PENDING	\$549,620.00
Continental Mtn Estates	LS & SS Properties, Inc.	2007			PENDING	\$285,650.00
<b>TOTAL</b>						<b>\$6,819,201.93</b>
<b>TOTAL</b>						<b>\$722,819.37</b>
<b>TOTAL</b>						<b>\$7,542,021.30</b>

Same as Nighthawk on Blackmtn.

Delayed - approved 2006 (see below)

Same as Brenda Mann (see Above)

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**AIAC ACCOUNTS**

Subdivision Name	AIAC #	Contract Owner	Start Year	Final Year	B/O	\$ Amt of Contract	\$ PD by CCWC	Notes
Carefree Mtn Estates-Entrada I	18	RJL Properties, Inc	1993		1992	126,320.00	95,016.00	tax waiver
Arissona	20	UDH of Arizona Inc	1993		1993	108,714.96	84,993.36	tax waiver
Carefree Mtn Estates-Entrada II	18	RJL Properties, Inc	1994	2004		54,017.00		
Hidden Springs-Red Dog Ranch	16	UDH of Arizona Inc	1994	2004		203,271.00		
High Spur Estates	34	Yearin Family LLC	1994	2004		50,312.50		
Ridgeview Estates	24	Parkview Investors II, LLC	1994	2004		149,910.00		
36th & n Cloud Rd		Sean Englund	1995			2,140.00	1694.45	tax waiver
Crossings II	10	Crossings II LTD	1995	2005		120,540.00		
Tranquil Place	30	Carefree Buena LLC	1995	2005		59,770.00		
3039 E Maddock Rd	900	Rod Stewart	1995					not found yet
Los Reales at Carefree	22	Chino North LLC	1997	2006	2003	42,238.00	Inv 2003-32	copy enclosed
Crossings III	12	P & C Holdings LP	1998	2008		20,560.00		
26th St & Carlise		Jim Emmett	1998		1998	15,409.07	2250	
24th St & Maddock		Jay/Janice Beck	1998		1998	4,957.36	500	
24th St & Joy Ranch		Sunpoine Construction	1998			21,008.00	0	hard dig waiver
Stevens Rd		James/Helen Snider	1998		1998	14,000.00	750	
72nd Street		Robert Willingham	1998		1998	6,014.00	500	
6114 E. Fleming Springs		Leo/Judith Heardon	1998		1998	9,842.00	1000	
66th & Military Rd		Roger Smit	1998		1998	7,500.00	1000	
Desert Creek	1200	Desert Creek Properties LTD	1998	2010		56,350.00		
Crossings IV	14	Crossings Four LLC	1998	2008		32,758.00		
Desert Enclave	700	New River Mountains, Inc	1998	2008		28,926.00		
Ocotillo Ridge Estates	1100	Ocotillo Ridge Estates, LLC	1998	2009		139,462.00		
28th Street	1000	Ted Ferris	1998	2007		11,000.00		
24th St & Cloud		Ruby/Gary Hayden	1999		1999	5,390.42	500	
37202 N Nevermind Trl		Mark/Danielle Miller	1999		?	6,572.63		
25th St & Maddock		Fred/Debbie Reill	1999		1999	8,100.00	1000	
24th & Egret Rd		Patrick Aaron Grote	1999			2,400.00		
24th & Cloud		Lary Reineck	1999			7,500.00		

25th & Wrangler Rd		Jim Humphreys - Town & Country Homes	1999		1999	3,967.50	750
Canyon Ridge - Phase I	300	Cave Creek & Stagecoach LLC	1999	2009		123,338.00	
Rancho Manana Resort Lot 2 Phase 1	1300	RML, Inc	1999	2009		9,001.00	
South Forty	800	Canyon Ridge South LLC	1999	2014		40,017.00	
Canyon Creek	200	Cavalier Canyon Creek LLC	1999	2009		89,930.00	
Black Mountain Shadows	100	now Montalbano Homes Cavalier Blk Mtn Shadows LLC	1999	2014		119,397.20	
28th & Joy Ranch	1500	now Montalbano Homes Jesus Adame	1999				no agmt found
26th Street		Houze/Roach	1999		2000		500
School House Rd		Frank Morrone	2000		2000	8,975.00	2449
6225 E Mesquite		Patricia George	2000		2000	8,200.00	500
6151 E Mesquite		Rolf J Conner	2000		2000	4,400.00	1000
35350 N 38th St		William Griffin Jr	2000		2000	5,000.00	500
34th St & Glory		Raymond Manker	2000		2000	10,780.00	1000
Arroyo Rd		R.D. Blankenship	2000		2000	9,450.00	1000
Desert Foothills Maintenance	1400	Mark Wdowiak	2000	2009		5,908.00	
Estado De Chollo I	500	Carefree Hwy/48th St 80 LP	2000			99,790.00	
66th & Mesquite Rd		LaVon Orput	2000		2001	5,819.00	500
Schoolhouse & Saber		Carol Blazina	2000	2010		2,175.00	
El Sendero		Sheehan	2000		2001	4,641.16	750
Sierra Vista	400	Smith Dev>Engle Homes AZ	2000	2015		360,450.00	
25th Street		Rod Stewart	2000	2010	2000	5,880.00	1,920.00
48th Street	4800	William Griffin	2000		2001	5,000.00	500.00
5626 E MorningStar		Sharon Roden	2001		2001	7,988.00	500.00
38824 N 58th Pl		Flick Christy	2001		2001	6,867.52	500.00
50th St & Restin		Joyce Miles	2001		2001	6,480.00	500.00
24Th St & Cloud		Karen Cimaglia	2001		2001	6,776.43	500.00
27th & Cloud Rd		Hilario Quiroz	2001		2001	??????	500.00
Canyon Ridge II Phase I Lot 51-76	1600	M/I Homes, Inc	2001	2011		69,326.00	
26th Street	1700	Jirm Fartin	2001	2011		9,472	
United Bank of Arizona	3800	Desert Valley Nat'l Bk/ Desierto Cielo LLC/JV	2001	2011		8,000.00	
Canyon Crossings in Carefree	600	Canyon Crossing Holdings	2001	2011		64,420.00	

Hawksnest II	1800	Nighthawk on Black Mtn & Hawksnest HOA	2002	2012		37,350.00	
36880 N Schoolhouse Rd	3600	Scott & Elionica Saville	2002	2012		4,350.00	
Military & Schoolhouse Rds	3100	Arek Fressadi	2002	2012		18,000.00	
24th Way	2800	Town & Country Homes	2002	2012	2003	5,350.00	500
Sinkovich	2500	Pete Sinkovitch	2002	2012		6,405.00	
Schoolhouse Rd	2400	Bob Cox	2002	2012		7,630.00	
Monument Homes-Miramonte	2100	Monument Homes	2002	2012		9,017.00	
Monument Homes-Miramonte	2300	Monument Homes	2002	2012		6,204.51	
28th Street	2200	Jim Fantin	2002	2012		6,136.00	
27th Way	4800	Softwind Development	2002				no agmt found
Carefree Ironwood (Provence)	1900	Monterey Homes	2002	2012		106,038.40	
Azure Hills Drive	3200	Mileham/Webster, Hammer	2002	2012		9,050.00	
		Agins/Moore, Olszewski/					
		Olshefska					
5814 E Lone Mountain Rd	2000	David S. Larson	2002	2013	2003	7,700.00	500
6016 E Mesquite Rd	2900	Geraldine Gannon	2003	2013	2003	8,000.00	500
The Knolls	3500	Windsor Cave Creek LLC	2003	2013		48,750.00	
Carefree Market Pl - Eckerd's	3400	Ray & Alma School LLC	2003	2013		66,896.00	
Montacino Carefree	3300	Montacino-Carefree LLC	2003	2013		77,702.00	
36585 N 62nd Street	3000	David Cirigliano	2003	2013		6,490.00	
24th Street	2700	Aaron Grote	2003	2013		5,160.00	
25th Street	2600	Softwind Development	2003	2013		6,120.00	
37454 N Outram Rd	4400	Michael Wild	2003	2013		9,340.00	
El Sendero Rd	4300	William D. Eitrein	2003	2013		9,745.00	
Mesquite Ranch	4200	MK Custom Residential	2003	2013		60,456.88	
		Construction LLC					
36897 N 38th Street	4100	Christophe Martelly	2003	2013		4,625.00	
40th Street Alignment	4000	Mike Anderson	2003	2013		48,511.99	
Military & Schoolhouse Rds	3900	Keith Vartes	2003	2013		5,000.00	
Cave Creek & Schoolhouse	3700	Desierto Cielo LLC	2003	2013		4,950.00	
36877 N 38th Street	4700	Don/Yvonne Lastrup	2003	2013		6,225.00	
42nd street	4500	John Ross	2004	2014		9,200.00	



### Water Service Agreements

- 1) Mission Property Developers, LLC (Cave Creek Vistas)

Attached – was also sent to Martin via e-mail on 2-27-07 12:30pm.

- 2) Ulmer Trust (Black Mountain Vistas)

Attached – was provided in the LXA materials as a late addition.

- 3) Hermosa Vista, LLC (Highlands @ Canyon Ranch)

Attached

### Line Extension Agreements

- 1) Hermosa Vista, LLC (Highlands @ Canyon Ranch)

Attached

### Other Questions

**Crossings II and Tranquil Place** – were the two other (than Rod Stewart) potentially active 1995 LXA's from schedule 2.3.5. They were provided for reference purposes only since Rod Stewart's LXA had final payment submitted in 2006. So rather than have to at a later time explain their exclusion, they were included as a courtesy to verify that those agreements from the same year required no further payments. It also served to effectively mark the transition from active to inactive between Schedule 2.3.5 and the Global submitted list of active AIAC accounts.

**38<sup>th</sup> Street (Softwind Development-Kelly Miller)** – This is actually the Alderknott Holding LXA that was already submitted. This LXA was delayed in the ACC and was not approved until 2006. This project is not actually 38<sup>th</sup> street but was sometimes referred to that way .. the physical address of AIAC account 5800 is 35475 N. 36<sup>th</sup> St. and I've enclosed the LXA and the bid amount to Kelly Miller which is for \$43950 for the 36<sup>th</sup> street location... this is the same amount as the Alderknott LXA listed in 2006. Attached.

**27<sup>th</sup> way (Softwind Development)** – This will probably fall into the same category as Jesus Adame and Estado De Cholla I with regards to being pre-global and before the time of the Attorney we use for Cave Creek Line Extensions. We have put in a submission to see if a copy could be obtained. The Agreement was completed but was delayed in the ACC like the above LXA and we have not to the best of our knowledge ever received this back.

**Accounting** – Cave Creek Water Co. as we bought it did not process things in a manner that would allow for an accounting of what Cave Creek Water Co. has already paid. We've provided a complete record of AIAC payment by Global Water for 2006 and 2005. You can develop a projected future cost by utilizing that accounting however.

CURRENTLY ACTIVE AIAC ACCOUNTS

Subdivision Name	AIAC #	Contract Owner	Start Year	Final Year	BIO	\$ Amt of Contract	Global Water 2006	Global water 2005
Crossings II	10	Crossings II LTD	1995	2005		120540.00		
Tranquil Place	30	Carefree Buena LLC	1995	2005		59770.00	706.51	576.38
3039 E. Maddock Rd	900	Rod Stewart	1995					
Desert Creek	1200	Desert Creek Properties LTD	1998	2010		56350.00	656.73	520.88
Desert Enclave	700	New River Mountains Inc.	1998	2008		28925.00	636.51	563.9
Ocotillo Ridge Estates	1100	Ocotillo Ridge Estates LLC	1998	2009		139462.00	1977.08	2248.89
28th St	1000	Ted Ferris	1998	2007		11000.00	143.62	128.56
Canyon Ridge - Phase I	300	Cave Creek & Stagecoach	1999	2009		123338.00	1100.44	973.13
Rancho Manana Lot 2 Phase I	1300	RML Inc	1999	2009		9001.00	148.51	
South Forty	800	Canyon Ridge South LLC	1999	2014		40017.00	447.95	257.55
Canyon Creek	200	Cavalier Canyon Creek LLC	1999	2009		89930.00	1738.88	1524.72
Black Mountain Shadows	100	new Montalbano Homes	1999	2014		119397.20	2094.61	1710.05
28th & Joy Ranch	1500	Cavalier Black Mtn. Shadows LLC now Montalbano Homes	1999					
Desert Foothills Maintenance	1400	Jesus Adame	1999				384.54	421.34
Estado De Chololo I	500	Mark Widowiak	2000	2009		5908.00	212.45	142.7
Sierra Vista	400	Carefree Hwy & 48th St 80 LP Smith Devel./Engle Homes	2000	2015		99780.00	2225.39	1900.51
			2000			360450.00	6609.55	5706.56
Canyon Ridge II Ph. 1 Lot 51-76	1800	MI Homes, Inc.	2001	2011		69326.00	1775.09	1153.18
26th Street	1700	Jim Farlin	2001	2011		9472.00	159.96	155.23
United Bank of Arizona	3600	Desert Valley Nat'l Bank	2001	2011		8000.00	157.93	84.36
		Desierto Cielo LLC/JV						
Canyon Crossings in Carefree	600	Canyon Crossing Holdings	2001	2011		84420.00	1062.82	781.23
Hawksnest II	1800	Nighthawk on Black Mtn & Hawksnest HOA	2002	2012		37350.00	565.00	534.19
38580 N. Schoolhouse Rd	3600	Scott & Elonica Saville	2002	2012		4350.00	21.97	502
Military & Schoolhouse Rds.	3100	Arek Fressadi	2002	2012		18000.00	68.05	29.15
Sinkovich	2500	Pete Sinkovich	2002	2012		8405.00	127.23	32.15
Schoolhouse Rd	2400	Bob Cox	2002	2012		7630.00	96.15	96.15
Monument Homes - Miramonte	2100	Monument Homes	2002	2012		9017.00	110.61	84.9
Monument Homes - Miramonte	2300	Monument Homes	2002	2012		6204.51	164.13	141.72
28th St	2200	Jim Farlin	2002	2012		6136.00	70.51	62.99
							192.21	113.22

contract not found - should be last year of pa

See Exhibit C of Hawksnest II Agmt (AIAC 28)



## SCHEDULE 3.1.6

### CONTRACTS

The following list, to the Seller's Knowledge without verification or inquiry, may represent the contracts entered into during the normal course of business by the Water Companies. Buyer acknowledges its obligations under each contract listed, or any contract not listed but entered into during the normal course of business by the Water Companies. Financial obligations incurred after the First Closing Date are the responsibility of the Buyer.

Although the corporate records for Cave Creek are available for recent periods, they appear to be incomplete or inaccessible for periods prior to the mid-1970's. It is possible for a company of the nature of Cave Creek to have material contractual rights and obligations that continue for this period or longer.

The following hydrant agreements exist:

1. Hydrant Meter Agreement between Cave Creek and Mitchell Development.
2. Hydrant Meter Agreement between Cave Creek and Bud Owings.
3. Hydrant Meter Agreement between Cave Creek and Hanks Excavating.
4. Hydrant Meter Agreement between Cave Creek and Specialty Contractor of AZ
5. Hydrant Meter Agreement between Cave Creek and PK Development.

### **Leases, licenses, permits, franchises, insurance policies, warranties, guarantees, Governmental Approvals, and other contracts concerning or relating to the Companies' real property:**

1. Franchise Agreement between Cave Creek and the Town of Cave Creek, Arizona, dated July 5, 1988.
2. Franchise granted by the Board of Supervisors of Maricopa County, Arizona, dated December 3, 1984.
3. Permit to Operate granted by the Maricopa County Environmental Services Department, Permit No. 0701 6
4. Permit to Perform Work in a Public Right of Way, Permit No. 2005-03, from the Town of Cave Creek Public Works Department, dated January 10, 2005

**Performance bonds, completion bonds, bid bonds, suretyship agreements and similar instruments: None.**

**Agreements providing for the leasing to or by the Companies of personal property: None.**

In addition to those agreements listed previously on this Schedule, the following agreements exist:

1. Agreement between Cave Creek and Desert Hills Water Co., dated August 9, 1995.
2. Agreement between Cave Creek and Rancho Manana Golf Club, dated, May 10, 1994.
3. Supplemental Agreement between Cave Creek and Nighthawk on Black Mountain Estates, LLC, dated July 26, 2004.
4. Supplemental Agreement between Cave Creek and Hermosa Vista, LLC, dated September 29, 2004.
5. Supplemental Agreement between Cave Creek and GTNN, Inc. dated April 20, 2004.
6. Agreement with the Cave Creek Water Company for Un-Metered Water Services at Fire Hydrants between the Town of Carefree and Cave Creek, dated March 5, 2003.
7. Letter Agreement between Mike Godbehere of GCON Custom Homes and Cave Creek, dated October 1, 2004.
8. Agreement between Cave Creek and Carefree Water Co. for emergency water exchange.
9. Agreement between Cave Creek and Carefree Water Co. dated February 3, 1999 providing for the construction of facilities necessary to interconnect the two systems and to set forth the terms and conditions upon which Cave Creek and Carefree Water Co. agree to supplement each other's water supplies in case of emergency.
10. Utility Billing Agreement between the Town of Cave Creek and Cave Creek Water Co., dated July 10, 2000 providing for Cave Creek Water Co. to provide sewer billing services to the Town of Cave Creek.

## **Contracts Related to CAP**

1. Partial Assignment of Rights and Assumption of Obligations of Central Arizona Project Municipal and Industrial Water Service Subcontract, dated September 4, 2006
2. Amendment No. 1 to Cave Creek Water Company – Central Arizona Project Water Service Subcontract and Assignment
3. Agreement between the Central Arizona Water Conservation District and Cave Creek Water Company Providing for the Delivery of Excess Central Arizona Project Water, dated January 22, 2007
4. Subcontract Among the United States, The Central Arizona Water Conservation District and the Cave Creek Water Company Providing for Water Service – Central Arizona Project, dated October 24, 1985
5. Contract Between the United States and The Central Arizona Water Conservation District for Delivery of Water and Prepayment of Costs of the Central Arizona Project, dated December 15, 1972
6. Agreement for the Treatment and Transportation of Central Arizona Project Water between Carefree Water Company and Cave Creek Water company, dated May 1, 2002
7. Central Arizona Project Water Resale Agreement between Cave Creek Water Company and Rancho Manana Golf Club, Colorado, dated May 10, 1994
8. Central Arizona Project, Land Use License Information
9. Environmental Assessment for CAP Water Allocation Transfer Prepared for Cave Creek Water Company Prepared by SWCA Environmental Consultants, dated December 16, 2004
10. Central Arizona Project for Construction of 40 Foot Radio Antenna at Cave Creek Turnout dated September 14, 2000 (CAWCD #00-028)

**SCHEDULE 3.1.7**

**TAXES**

Subject to the Seller's Knowledge without verification or inquiry, the following list of tax filings is required:

CCWC	2006 Corporate Tax Filing
Pacer	2006 Corporate Tax Filing

### SCHEDULE 3.1.8

#### Litigation

Subject to the Seller's Knowledge without verification or inquiry, the following administrative processes are underway:

#### Cave Creek Water Company

1. ACC - CC&N Application (Docket # W-01452A-06-0449)
2. ADWR – Water System Plan – submitted 1 Jan 2007, awaiting approval
3. ACC – Pending Line Extensions:

Development	Developer/Owner	ACC Approved
Cahava Ranch	Apache Springs Land, LLC	PENDING
Stagecoach Village	Stagecoach Village, LLC	PENDING
Black Mountain Vistas	Derald D. Ulmer 2002 Trust	PENDING
Village at Surrey Hills, LLC	The Village at Surrey Hills, LLC	PENDING
Rancho Tuscana	Rancho Tuscana, LLC	PENDING
Cave Creek Vistas	Mission Property Developers, LLC	PENDING
Carefree Views	Windy City Group, LLC	PENDING
Stagecoach Pass	Legends Venture 43, LLC	PENDING
Lowe's Carefree Site	Lowe's HIW, Inc.	PENDING
Continental Mtn Estates	LS & SS Properties, Inc.	PENDING

4. MCESD - Annual O&M Inspection information required
  - Configuration of the well pipeline for the Neary Well
  - Updated exhibit depicting all well pipelines to the treatment plant
  - Configuration of the pipelines of eh well water to the golf course
  - Updated EOP

#### Sabrosa Water Company

1. ACC - Rate Case (Docket # W-02111A-06-0361)

## **SCHEDULE 4.4.2**

### **CUSTOMER REFUNDS UNDER LINE EXTENSION AGREEMENTS**

The following list, to the Seller's Knowledge without verification or inquiry, may represent refund obligations incurred by the Water Companies in the normal course of business. Buyer acknowledges that it is assuming all obligations for refunds for all Line Extension Agreement refunds post First Close Date.

See Schedule 3.1.5

### **SCHEDULE 4.4.3**

#### **NON-OWNED ASSETS**

The following list, to the Seller's Knowledge without verification or inquiry, may include assets employed by Global to operate the water Companies that are not transferred to the Buyer.

- CONEX Storage Units
- Portable Toilet
- ITRON Meter Reading System
- CyberTrails T1 Communication Line
- All uniforms and lockers
- Laptops
- VOIP phones and servers
- Cell phones
- Pagers
- 38<sup>th</sup> Street Booster station and associated controls, structures, fencing, piping and fittings.
- Any other Global supplied material

## **SCHEDULE 4.4.7**

### **Requests for Service**

CCWC has received requests for service from potential customers outside the CC&N which were submitted to ACC as part of CCWC's request to expand the CC&N as listed on Schedule 4.4.7, copies of which have been provided to Buyer. Sellers and Buyer agree that the requests to serve create no legal liability of Sellers. As between Sellers and Buyer, however, the legal responsibility and obligation for dealing with any assertion that there is such a legal liability shall rest with Buyer.

# GREER RANCH PROPERTY OWNERS ASSOCIATION

---

9495 E. SAN SALVADOR DRIVE, SUITE 100, SCOTTSDALE, AZ 85258  
PHONE (480) 860-2000, FAX (480) 860-2999

June 7, 2006

Cindy Liles  
Cave Creek Water Company  
22601 North 19<sup>th</sup> Avenue, Site 210  
Phoenix, AZ 85027

Dear Cindy:

Please accept this as a formal request for water services from Cave Creek Water Company. We will provide you with easements no less than 15 feet to encompass all necessary water lines and appurtenances, and all booster sites, storage sites and will sites deemed necessary by Cave Creek Water Company to provide water service to the area.

We will pay all costs of the water related facilities pursuant to a line extension agreement.

We will pay all applicable fees and charges approved by the Arizona Corporation Commission.

Sincerely,

Edwin H Grant, III  
Greer Ranch Property Owners Association  
RTD Holdings, Inc.

(June 13, 2006)

Ms. Cindy Liles, Senior Vice President  
Global Water Resources, Inc.  
21410 N. 19<sup>th</sup> Avenue  
Suite 201  
Phoenix, AZ 85027

*Re: Cave Creek Water Company CC&N Extension, Request for Service*

Dear Ms. Liles:

We understand that Global Water Resources, Inc. (Global) is in the process of filing an application for an extension to the Certificate of Convenience and Necessity (CC&N) issued by the Arizona Corporation Commission, for its subsidiary, Cave Creek Water Company (CCWC). If approved, this extension will allow Cave Creek Water Company to provide water service in parts of the Towns of Cave Creek, Carefree and an area in part of the unincorporated Maricopa County, west of the existing CC&N.

We support the filing by Global and/or CCWC to expand their CC&N and request from CCWC to provide water service to our property. We understand that this may require us to enter into a line extension agreement which must be approved by the Arizona Corporation Commission prior to construction. The legal description of our subject property is enclosed as Exhibit A.

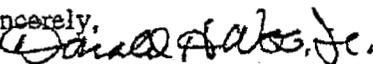
Sincerely,  
  
Donald H. Woo, Jr.  
2469 S. Gaucho  
Mesa, AZ 85202-7311

Exhibit A: Legal Description

Parcel 216-20-017A 2005 Sct/Twnshp/Rng/Qtr 23/6N/4E/

Property Description W2 SW4 SW4 SE4 5.00 AC

June 13, 2006

Ms. Cindy Liles, Senior Vice President  
Global Water Resources, Inc.  
21410 N. 19<sup>th</sup> Avenue  
Suite 201  
Phoenix, AZ 85027

*Re: Cave Creek Water Company CC&N Extension, Request for Service*

Dear Ms. Liles:

We understand that Global Water Resources, Inc. (Global) is in the process of filing an application for an extension to the Certificate of Convenience and Necessity (CC&N) issued by the Arizona Corporation Commission, for its subsidiary, Cave Creek Water Company (CCWC). If approved, this extension will allow Cave Creek Water Company to provide water service in parts of the Towns of Cave Creek, Carefree and an area in part of the unincorporated Maricopa County, west of the existing CC&N.

We support the filing by Global and/or CCWC to expand their CC&N and request from CCWC to provide water service to our property. We understand that this may require us to enter into a line extension agreement which must be approved by the Arizona Corporation Commission prior to construction. The legal description of our subject property is enclosed as Exhibit A.

Sincerely,

*Cathy D. Rucker*

Cathy D. Rucker

1927 E. TANYARD

PHX AZ 85086

623-465-4754

Assessor - Residential Parcel Information



Site Map | Search | Phone Directory | Departments | Services

Exhibit "A"

New Search

Property Information

View GIS Maps

Parcel #: 211-20-117-F  
MCR #: 8107

Subdivision Name: LA SALLE HEIGHTS  
Lot #: 4

Property Address: 1927 E TANYA RD  
85086

Property Description: LASALLE HEIGHTS MCR 81/07 W2 N 315F OF LOT 4 EX W 150F TH/DP  
Section Township Range: 27 6N 3E Associated Parcel:

Owner Information

View Tax Information

Owner: RUCKER CATHY D  
In Care Of:  
Mailing Address: 1927 E TANYA RD  
PHOENIX AZ 85086 USA  
Deed #: 050394436  
Deed Date: 3/18/2005

Sales Price: \$220,000  
Sales Date: 1/1/1999

View Comparables (COMPS)

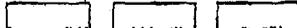
Tax Year:	2007	2006	2005
Full Cash Value (FCV):	\$351,500	\$217,500	\$217,500
Limited Property Value (LPV):	\$251,000	\$217,500	\$203,500
Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.			
Legal Class:	3	3	3
Assessment Ratio:	10.0%	10.0%	10.0%
Assessed FCV:	\$35,150	\$21,750	\$21,750
Assessed LPV:	\$25,100	\$21,750	\$20,350
Property Use Code:	0144	0144	0144
Tax Area Code:	970007	970007	970007

Additional Component Information (for this parcel)

Valuation Characteristics

New Search

Helpful Information:



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pg 2 of 3

June 13, 2006

Ms. Cindy Liles, Senior Vice President  
Global Water Resources, Inc.  
21410 N. 19<sup>th</sup> Avenue  
Suite 201  
Phoenix, AZ 85027

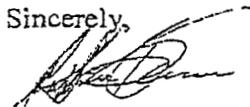
*Re: Cave Creek Water Company CC&N Extension, Request for Service*

Dear Ms. Liles:

We understand that Global Water Resources, Inc. (Global) is in the process of filing an application for an extension to the Certificate of Convenience and Necessity (CC&N) issued by the Arizona Corporation Commission, for its subsidiary, Cave Creek Water Company (CCWC). If approved, this extension will allow Cave Creek Water Company to provide water service in parts of the Towns of Cave Creek, Carefree and an area in part of the unincorporated Maricopa County, west of the existing CC&N.

We support the filing by Global and/or CCWC to expand their CC&N and request from CCWC to provide water service to our property. We understand that this may require us to enter into a line extension agreement which must be approved by the Arizona Corporation Commission prior to construction. The legal description of our subject property is enclosed as Exhibit A.

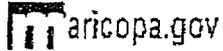
Sincerely,



Matthew D. Greene

38615 N. 16<sup>th</sup> PL  
Phoenix, AZ 85086

Assessor - Residential Parcel Information



Site Map | Search | Phone Directory | Departments | Services

Exhibit 'A'

~~Page 1 of 3~~  
~~Desert Hills~~  
Pg 3 of 3

New Search

Property Information

[View GIS Maps](#)

Parcel #: 211-20-118-E  
MCR #: 8102

Subdivision Name: LA SALLE HEIGHTS  
Lot #: 5

Property Address: 38613 N 16TH PL

Property Description: LA SALLE HEIGHTS MCR 81/07 N2 S2 E2 LOT 5

Section Township Range: 27 6N 3E

Associated Parcel:

Owner Information

[View Tax Information](#)

Owner: GREENE MATTHEW B/DIANE E  
In Care Of:  
Mailing Address: 38613 N 16TH PL  
DESERT HILLS AZ 85086 USA  
Deed #: 000837583  
Deed Date: 10/31/2000

Sales Price: \$196,500  
Sales Date: 10/1/2000

[View Comparables \(COMPS\)](#)

Tax Year:	2007	2006	2005
Full Cash Value (FCV):	\$324,500	\$206,000	\$206,000
Limited Property Value (LPV):	\$235,625	\$206,000	\$190,300
Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.			
Legal Class:	3	3	3
Assessment Ratio:	10.0%	10.0%	10.0%
Assessed FCV:	\$32,450	\$20,600	\$20,600
Assessed LPV:	\$23,563	\$20,600	\$19,030
Property Use Code:	0144	0144	0144
Tax Area Code:	970007	970007	970007

Additional Component Information (for this parcel)

[Valuation](#) [Characteristics](#)

New Search

Helpful Information:



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623.580-9659

ROBIN BAIN

DEAR ROBIN,

THIS FAX IS TO REQUEST WATER SERVICE  
TO OUR PROPERTY @ 2640 E. MADDOCK  
RD. IN CAVE CREEK, AZ 85331. I  
RECEIVED A COPY OF A MEMO FROM  
JAN GEORGE TO DAVE ADAMS  
CONCERNING FILING FOR A SERVICE  
AREA EXTENSION FOR OUR PROPERTY  
AND WOULD LIKE TO BE INCLUDED  
IN THIS FILING. AS OF THIS DATE  
WATER SERVICE TERMINATES 330' APPROXIMATELY  
TO THE EAST OF OUR EAST PROPERTY LINE.  
IF YOU COULD KEEP ME INFORMED OF ANY  
FUTURE DEVELOPMENTS REGARDING THIS ISSUE, I  
WOULD BE MOST APPRECIATIVE.

SINCERELY HASKLE DURE & JENNIFER MILLER,  
OWNERS OF THE ABOVE PARCEL.

HASKLE CELL 623 326 6466  
P.O. BOX 7070, CAVE CREEK AZ 85327



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[About Us](#) [Office Locations](#) [Jobs](#) [FAQs](#) [Contact Assessor](#)

New Search

**Property Information**

**Parcel #:** 211-67-023  
**MCR #:**  
**Property Address:** 2640 E MADDDCK RD  
85331  
**Property Description:** E2 SW4 SE4 NW4 5.00 AC  
**Section Township Range:** 35 6N 3E

[View GIS Maps](#)

**Subdivision Name:**  
**Lot #:**

**Associated Parcel:**

**Owner Information**

**Owner:** DUKE HASKLE WARD/MILLER JENNIFER A  
**In Care Of:**  
**Mailing Address:** PO BOX 7070  
CAVE CREEK AZ 85327 USA  
**Deed #:** 970126781  
**Deed Date:** 2/27/1997

[View Tax Information](#)

**Sales Price:** n/a  
**Sales Date:** n/a

[View Comparables \(COMPS\)](#)

Tax Year:	2007	2006	2005
Full Cash Value (FCV):	\$409,500	\$256,500	\$256,500
Limited Property Value (LPV):	\$294,750	\$256,500	\$240,772
<b>Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.</b>			
Legal Class:	3	3	3
Assessment Ratio:	10.0%	10.0%	10.0%
Assessed FCV:	\$40,950	\$25,650	\$25,650
Assessed LPV:	\$29,475	\$25,650	\$24,077
Property Use Code:	0134	0134	0134
Tax Area Code:	970000	970000	970000

**Additional Component Information (for this parcel)**

[Valuation](#) [Characteristics](#)

New Search

**Helpful Information:**

[Recorder](#) [Glossary](#) [Forms](#)

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Requests for Service -

211-67-064 A }  
211-67-064 B } Chien Hsing + Pao Shan Chen OK  
211-67-064 C }  
211-67-064 D }

211-67-023 Duke Haskell + Jennifer Miller OK.

211-62-024 A }  
211-62-024 B }  
211-62-024 C } Delta Builders OK.  
211-62-024 D }  
211-62-024 E }

211-19-006A Michael + Jean Danzer OK.

211-19-103 Mark + Carol Saton OK.

211-19-024 Charles + Susan Dodge

216-20-017A <sup>5/21/06</sup> Donald + Ginger Woo Family L.P. OK. Call Phone 602-295-1445  
e-mail donwoo@cox.net

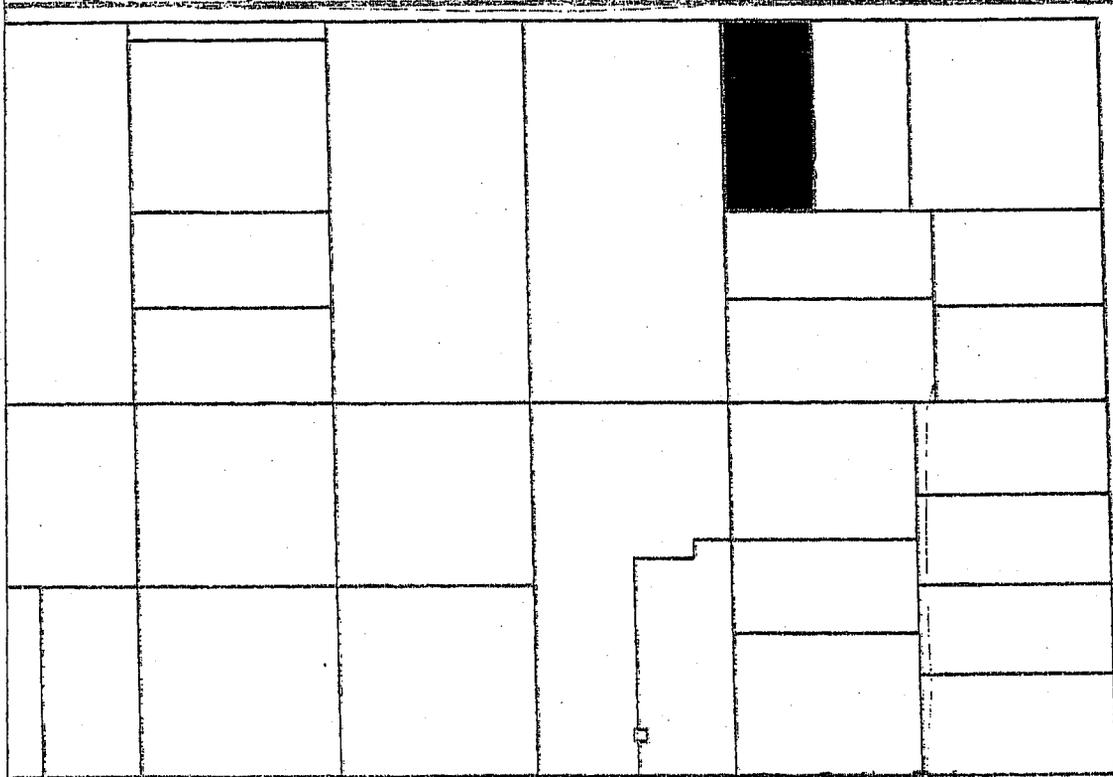
216-19-008 }  
216-19-006B } <sup>11/21/06</sup> lot of extension may considered later.  
216-19-002A } High Chaparral Construction. Martin Holmes  
602-647-9895

# County Parcels

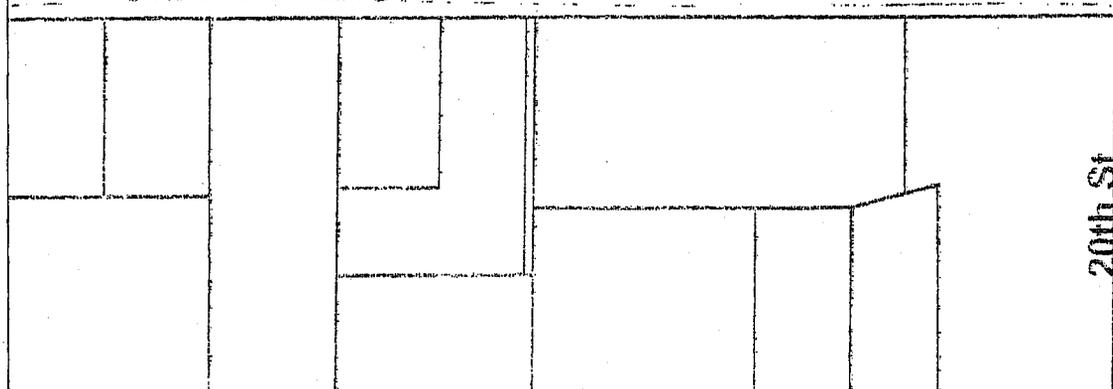
Paula Sisson

Parcel # 211-20-117D

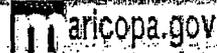
Tanya Rd



La Salle Rd



20th St



[Site Map](#) | [Search](#) | [Phone Directory](#) | [Departments](#) | [Services](#)

[About Us](#) [Office Locations](#) [Jobs](#) [FAQs](#) [Contact Assessor](#)

New Search

**Property Information**

[View GIS Maps](#)

Parcel #: 211-20-117-D      Subdivision Name: LA SALLE HEIGHTS  
 MCR #: 810Z      Lot #: 4  
 Property Address: 1919 E TANYA RD  
 PHOENIX 85086  
 Property Description: LASALLE HEIGHTS MCR 81-7 W 150F OF N 315F LOT 4  
 Section Township Range: 27 6N 3E      Associated Parcel:

**Owner Information**

[View Tax Information](#)

Owner: SISSON PAULA JEAN  
 In Care Of:  
 Mailing Address: 1919 E TANYA RD  
 PHOENIX AZ 85027 USA  
 Deed #: 990879885      Sales Price: \$189,000  
 Deed Date: 9/21/1999      Sales Date: 9/1/1999

[View Comparables \(COMPS\)](#)

Tax Year:	2007	2006	2005
Full Cash Value (FCV):	\$285,000	\$175,000	\$175,000
Limited Property Value (LPV):	\$202,500	\$175,000	\$163,713
<u>Notice: The values displayed on this page may not reflect constitutional or statutory adjustments.</u>			
Legal Class:	3	3	3
Assessment Ratio:	10.0%	10.0%	10.0%
Assessed FCV:	\$28,500	\$17,500	\$17,500
Assessed LPV:	\$20,250	\$17,500	\$16,371
Property Use Code:	0134	0134	0134
Tax Area Code:	970007	970007	970007

**Additional Component Information (for this parcel)**

[Valuation](#) [Characteristics](#)

New Search

**Helpful Information:**

[records](#) [glossary](#) [forms](#)

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Robin E. Bain, P.E., DEE  
Permitting Manager  
Global Water Resources  
21410 N. 19<sup>th</sup> Ave.  
Suite 201  
Phoenix, Arizona 85027  
623-580-9600 ext. 118  
Fax 623-580-9659  
Cell 623-217-7202

6/10/2006

This letter is a formal request by us to be included in your company's extension application to the Arizona Corporation Commission for consideration to obtain water service at our property located in Cave Creek, Arizona. We understand that to receive domestic water service we must extend a 6" main line approximately 330' to our property boundary over an existing utility easement, from an existing 6" valve to a 1" meter to be located within our property line. We currently have obtained a building permit, issued by the Town of Cave Creek, for a single family residence to be built upon the property, and have obtained funding to complete the project. The home we are building is for our personal primary residence and we intend to occupy the home in perpetuity. The prospect of drilling a well is very poor, but possible, in this area and we would much prefer to be serviced by your utility company for our domestic water needs.

Although the water needs have outstripped the infrastructure in our area, it is very clear that there is every intention by the municipalities to annex and develop this part of the North Valley. It is also clear that water is available and new sources may be added, but only the infrastructure needs to be built to deliver it to the end user. Reasonable conservation measures are in place to insure that water will be available now and in the future. It is critical to the maintenance of property values and tax base to provide water so that the 'quality of life' does not suffer, and the economy does not deteriorate.

The particulars of our lot are as follows:

**Legal Description;**

Government Lot 54, a part of the west half of the southeast quarter of the southeast quarter of section 36, township 6 north, range 3 east, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

This lot contains 214,754 square feet or 4.93 acres.  
It is currently not sub-dividable and zoned R-190.

The Arizona public address is - 3950 E Cloud Road, Cave Creek,  
Arizona, 85331.

The approximate location is 39<sup>th</sup> Street and Cloud Road alignments  
Assessors tax lot #211-19-024

Our plans for development include:

1 single family residence consisting of 3300 square feet air-  
conditioned living space, with 3 bedrooms and a home office, 4-1/2 baths,  
and a lap pool.

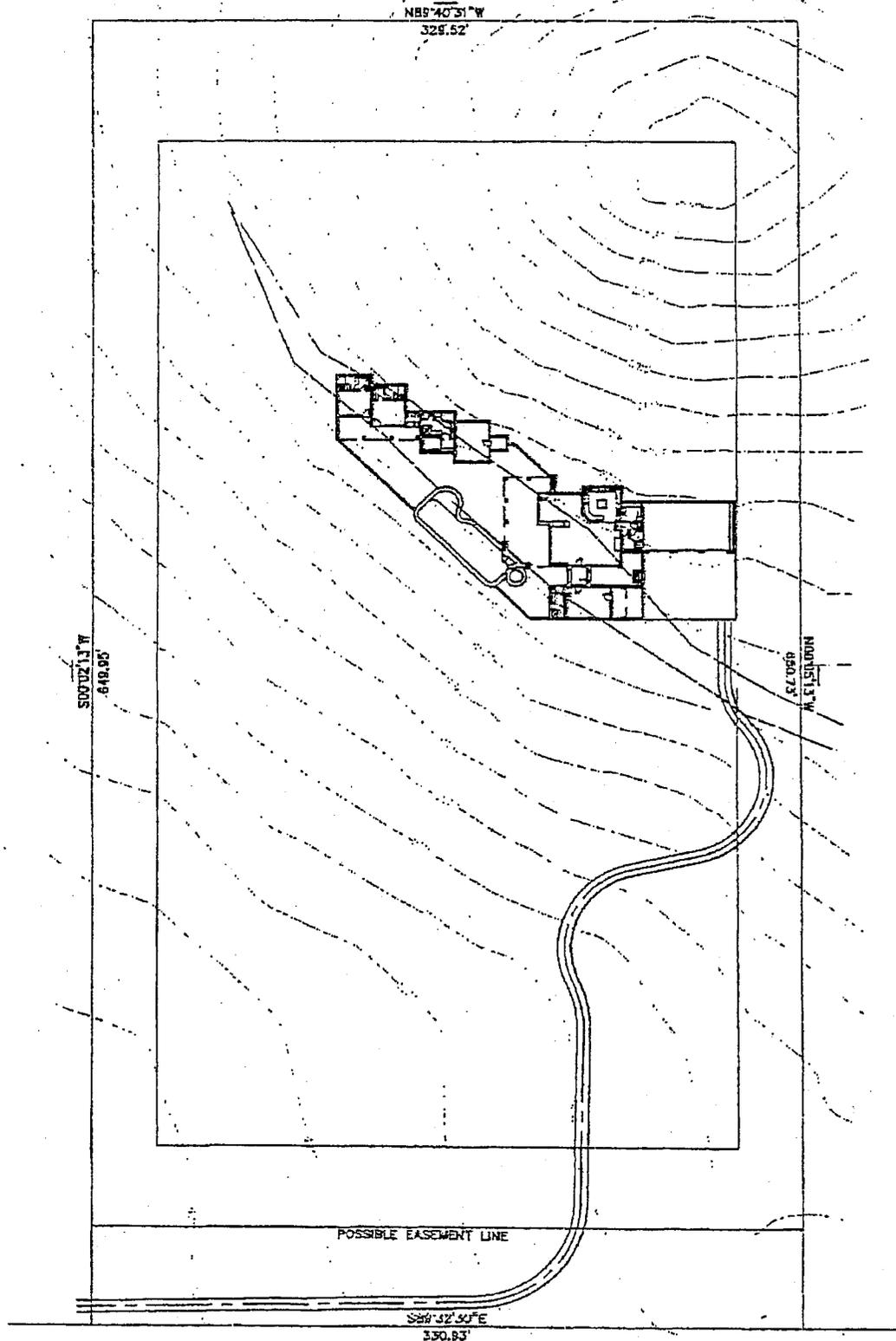
Our current water usage is between 230-250 gallons per day average. We  
are only disturbing approximately 8% of our lot, including the road. There  
are no plans to irrigate any landscaping except for the re-vegetation and  
replanting required by the town of Cave Creek. We also expect to develop  
our own domestic water pressure system, and filtering system to maintain a  
static water pressure sufficiently clean for domestic use and fire sprinkler  
protection, to off-set unanticipated drop in supply pressures.

We hope this process is expedited by all parties involved and we can  
soon depend on the continued sourcing and uninterrupted supply of domestic  
water from Global Water Resources, hopefully at least by the time we get  
our C. of O., in 6 to 8 months.

Sincerest regards,

Charlie Dodge 6/10/06  
Charlie Dodge date

Suzie Dodge 6/10/06  
Suzie Dodge date



# Fax Cover Sheet

## Loma Vista Development Co., LLC

28401 N. 55th Street  
Cave Creek, AZ 85331  
Phone 602-499-3927  
Fax 480-342-9902

Send to: Cave Creek Water Company	From: Les Englund
Attention: Jay George	Date: April 12, 2006
Office location:	Office location:
Fax number: 623-580-9659	Phone number:

Urgent  Reply ASAP  Please comment  Please review  For your information

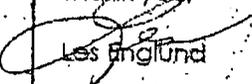
Total pages, including cover:

**Comments:**

Jay,

I am the contractor for Mr. and Mrs. Chen, owners of property located at 26th Street and Cloud Road. I am building on the Northern most parcel and have had my engineer prepare a line extension plan. Please call me to schedule a time when we can meet to get this started. The home is currently 50% complete and we will need to get this going soon.

Thank you

  
Les Englund

### FAX COVER SHEET

Michael Danzer  
5124 E. Paradise Lane  
Scottsdale, Arizona 85254  
(602) 882-0446  
Fax (602) 404-5941

Send to: Cavacreek Water	From: Michael Danzer
Attention: RICK	Date: 4/10/06
Number of pages, including cover: 3	Office number: (602) 569-9799 602-882-0446 cell
Fax number: 480-498-0439	Fax number: (602) 404-5941

Urgent  Reply ASAP  Please comment  Please review  For your information

Re: Water meter

Good day Rick,

I have bought a lot on 38<sup>th</sup> and Cloud.(Map attached) I am now going to apply for a permit to build my house. I want to have a Meter installed for my property.

Please call me so I can understand the process and a time frame for this Meter to be installed. I am also concerned that I have enough Pressure to operate my 8,000 Sq ft. House.

Please call me at your earliest convenience,  
Mike Danzer  
602-882-0446 Cell.



*above stiles, all the way to top of Hill.*

### FAX COVER SHEET

Michael Danzer  
 5124 E. Paradise Lane  
 Scottsdale, Arizona 85254  
 (602) 882-0446  
 Fax (602) 404-5941

Send to: Robin Bain	From: Michael Danzer
Attention: ROBIN BAIN	Date: 6/13/06
Number of pages, including cover: 3	Office number: (602) 569-9799    602-882-0446 cell
Fax number: 623-580-9659	Fax number: (602) 404-5941

Urgent     Reply ASAP     Please comment     Please review     For your information

Re:

Hello Robin, Jay George suggested that I apply to you for a water meter for the annexation of the new area you will provide for through the Corporation Commission. Jay was almost sure that you knew about my lot but wanted me to fax this to you anyway.

Any questions please call,  
 Mike Danzer

\* Need meter - New construction

SANTA CRUZ WATER COMPANY, L.L.C.  
22601 N. 19<sup>th</sup> Avenue, Ste. 210 PHOENIX, AZ 85027  
PHONE 623-5809600 - FAX 623-580-9659

MARICOPA AREA CUSTOMER SERVICE  
520-568-4452

HOME BUILDER APPLICATION

For a REPLACEMENT WATER METER AND INSTALLATION

PLEASE PRINT CLEARLY

REQUESTED DATE OF WATER SERVICE: 4/30/06

NAME OF APPLICANT: Mike Danzer DATE: 4/14/06

STREET ADDRESS: 38<sup>th</sup> / Cloud (LOCATION OF SERVICE) CITY: Cave Creek

STATE: AZ ZIP CODE: \_\_\_\_\_ DEVELOPMENT NAME: \_\_\_\_\_

SUBDIVISION NAME: \_\_\_\_\_ PARCEL NUMBER: 211-19-006A LOT NUMBER: \_\_\_\_\_

BILLING ADDRESS: 5124 E. Paradise Ln. CITY: Scottsdale AZ

CONTACT: Mike Danzer OFFICE PHONE: 602 882 0446

SANTA CRUZ WATER COMPANY, L.L.C.

METER SIZE (ONE METER PER ACCOUNT)	METER REPLACEMENT CHARGE			FILL IN METER REPLACEMENT CHARGE BELOW
3/4" X 5/8"	\$ 400.00			
1" X 5/8"	\$ 440.00			
1"	\$ 500.00			

Add Sales Tax at the rate of 8.6%

ACCOUNT ESTABLISHMENT FEE Not Applicable

TOTAL CHARGES ADD METER REPLACEMENT CHARGE  
PLEASE PAY THIS AMOUNT → \$

MAKE CHECK FOR TOTAL CHARGES PAYABLE TO SANTA CRUZ WATER COMPANY, L.L.C.

NOTE TO APPLICANT: YOUR REQUESTED WATER METER INSTALLATION CANNOT BE COMPLETED IF THE SERVICE LINE AND/OR THE METER BOX HAVE BEEN INCORRECTLY INSTALLED. YOU WILL BE NOTIFIED IF SERVICE CANNOT BE COMPLETED ON THE DATE REQUESTED.

Requested by: [Signature]  
Builder Representative

Request date: 4/13/06

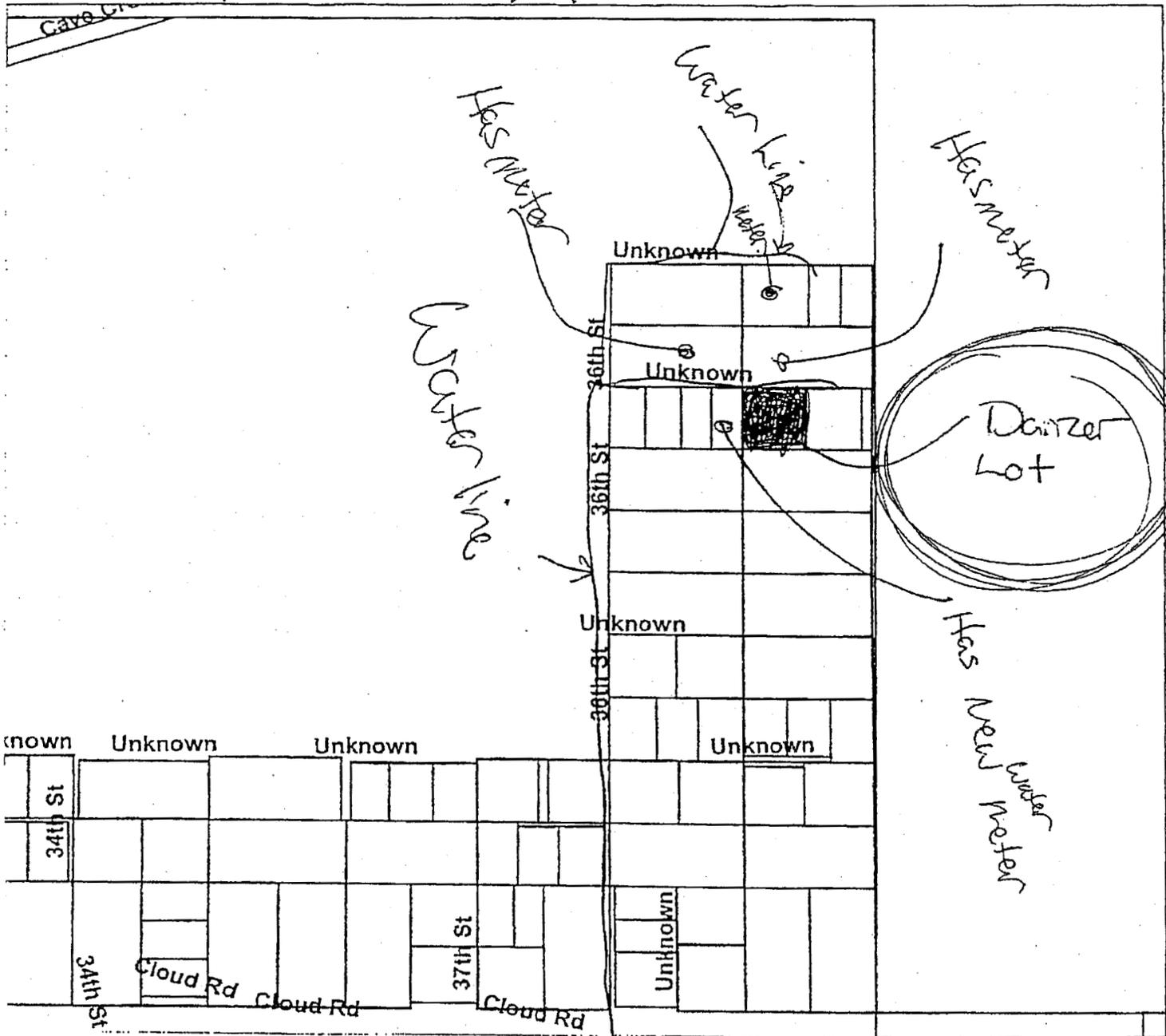
To be completed by Santa Cruz Water Company personnel:

Serial Number of damaged meter \_\_\_\_\_  
Ending Read of damaged meter \_\_\_\_\_  
Serial Number of replacement meter \_\_\_\_\_

Jay Garzer

# County Parcels

Parcel # 211-19-006A





# DELTA CUSTOM HOMES

## FACSIMILE TRANSMITTAL SHEET

TO: JAY GEORGE FROM: John Hickey CELL  
 COMPANY: GLOBAL WATER DATE: 5/23/06 480-570-6616  
 FAX NUMBER: 623-580-9659 TOTAL NO. OF PAGES INCLUDING COVER: 1  
 PHONE NUMBER: 623-580-9600 SENDER'S REFERENCE NUMBER:  
 RE: 27TH STREET AND MADDOCK RD PROPERTY YOUR REFERENCE NUMBER:  
 URGENT  FOR REVIEW  PLEASE COMMENT  PLEASE REPLY  PLEASE RECYCLE  
 NOTES/COMMENTS

JAY:  
 HERE ARE THE ADDRESSES FOR THE PROPERTY  
 WE ARE REQUESTING WATER SERVICE FOR:

LOT 1	37016 N 27TH PLUMB	CAVE CREEK	APN# 211-67-024
LOT 2	37118	✓	211-67-024E
LOT 3	37121	✓	211-67-024C
LOT 4	37119	✓	211-67-024D
LOT 5	37015	✓	211-67-024E

YOUR ESTIMATE FOR WATER SERVICE IN ± 120  
 DAYS WOULD BE WORKABLE FOR OUR CONSTRUCTION  
 SCHEDULE.

Thank you,  
*[Signature]*

Global Water  
22601 N 19<sup>th</sup> Ave  
Phoenix, AZ 85027

Mark Satran  
8223 West Monte Lindo  
Peoria, AZ 85383  
August 26, 2005

Subject: Water agreement 26450 North 40<sup>th</sup> Street

Attn: Robin

As discussed last week, I am in the final stages required to obtain a building permit from the town of Cave Creek for a residence I am building. As part of their process, they require a copy of a water agreement with your organization. Rick from Cave Creek water company met with the civil engineer (Mr. Joe McGill) and reviewed the plans and the nearest connection.

I have attached location maps illustrating the proposed house and the nearest existing connection. The water line would cross three other lots on an existing public easement. If you need the full site plan from the civil engineer, please let me know.

I can be reached at 602-284-2938 when you wish to discuss this further.

Regards,



Mark Satran

**From:** Cathyton@aol.com [mailto:Cathyton@aol.com]

**Sent:** Saturday, June 10, 2006 8:36 AM

**To:** Robin.Bain@GW resources.com

**Subject:** Official request

Hi Robin,

My name is Cathy Rucker. I live in Desert Hills and I have asked a few more people to email you also. Of course this is written in reference to the lack of water in our area. I would like to make an official request to Cave Creek water company to have water piped to my house. I have requested this from Desert Hills water for years with no answer to whether it would ever happen. Everyone in my area has wells but it is still not enough water .. I would just like to know if it is even a possibility, and what type of costs I would be facing. I would just like to have the opportunity to have a "Normal Household with water like everyone else."

Thank you in advance.

*Cathy Rucker*

-----Original Message-----

From: Diane Greene [mailto:[dianeg37@yahoo.com](mailto:dianeg37@yahoo.com)]

Sent: Thursday, June 08, 2006 6:47 PM

To: Robin Bain

Subject: Form Request

Hello Ms. Bain,

My husband and I live in Desert Hills, Arizona and have a well as our only source of water. We would like to make an official request for a form to be included in the CC&N for water to be piped to our home from Cave Creek Water Company.

Thank you very much. We appreciate your assistance with this matter.

Sincerely,

Matthew and Diane Greene

38613 North 16th Place  
Phoenix, Arizona 85086

623-742-6976 Home

**From:** Paula Sisson [mailto:pjsisson@e-ad.net]  
**Sent:** Tuesday, June 06, 2006 8:54 PM  
**To:** Robin Bain  
**Subject:** Information Requested Water Service to Tanya/16st

Robin,

I was told you were a contact concerning Cave Creek Water hook-ups to Desert Hills Homes.

Any info, would be appreciated.

-Paula Sisson  
1919 E Tanya  
Phoenix, AZ  
pjsisson@e-ad.net

Robin E. Bain, P.E., DEE  
Permitting Manager  
Global Water Resources  
21410 N. 19<sup>th</sup> Ave.  
Suite 201  
Phoenix, Arizona 85027  
623-580-9600 ext. 118  
Fax 623-580-9659  
Cell 623-217-7202

6/10/2006

This letter is a formal request by us to be included in your company's extension application to the Arizona Corporation Commission for consideration to obtain water service at our property located in Cave Creek, Arizona. We understand that to receive domestic water service we must extend a 6" main line approximately 330' to our property boundary over an existing utility easement, from an existing 6" valve to a 1" meter to be located within our property line. We currently have obtained a building permit, issued by the Town of Cave Creek, for a single family residence to be built upon the property, and have obtained funding to complete the project. The home we are building is for our personal primary residence and we intend to occupy the home in perpetuity. The prospect of drilling a well is very poor, but possible, in this area and we would much prefer to be serviced by your utility company for our domestic water needs.

Although the water needs have outstripped the infrastructure in our area, it is very clear that there is every intention by the municipalities to annex and develop this part of the North Valley. It is also clear that water is available and new sources may be added, but only the infrastructure needs to be built to deliver it to the end user. Reasonable conservation measures are in place to insure that water will be available now and in the future. It is critical to the maintenance of property values and tax base to provide water so that the 'quality of life' does not suffer, and the economy does not deteriorate.

The particulars of our lot are as follows:

Legal Description;

Government Lot 54, a part of the west half of the southeast quarter of the southeast quarter of section 36, township 6 north, range 3 east, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

This lot contains 214,754 square feet or 4.93 acres.  
It is currently not sub-dividable and zoned R-190.

The Arizona public address is - 3950 E Cloud Road, Cave Creek,  
Arizona, 85331.

The approximate location is 39<sup>th</sup> Street and Cloud Road alignments  
Assessors tax lot #211-19-024

Our plans for development include:

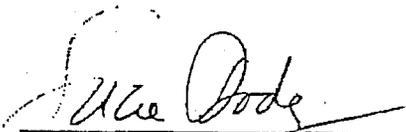
1 single family residence consisting of 3300 square feet air-  
conditioned living space, with 3 bedrooms and a home office, 4-1/2 baths,  
and a lap pool.

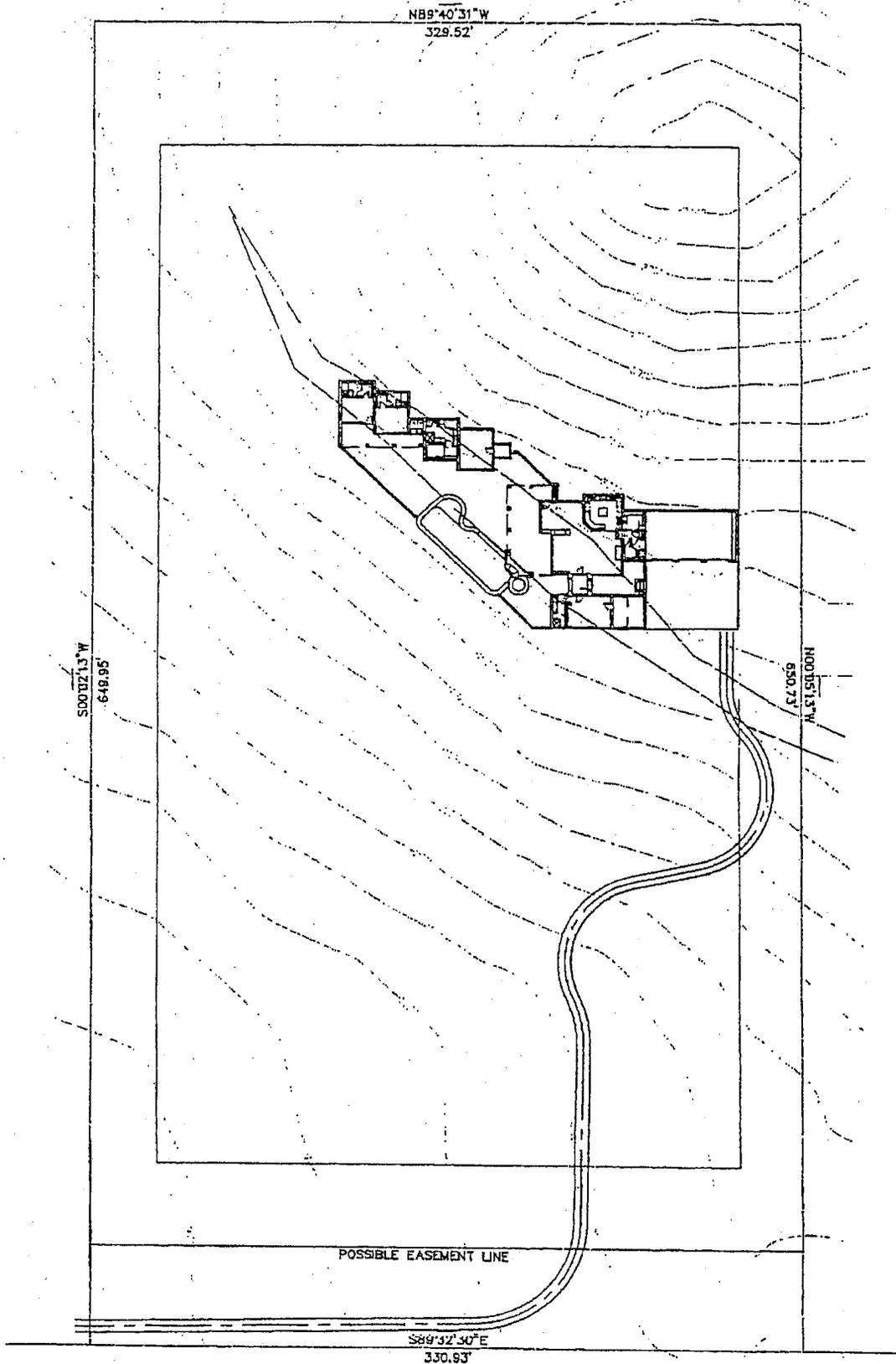
Our current water usage is between 230-250 gallons per day average. We  
are only disturbing approximately 8% of our lot, including the road. There  
are no plans to irrigate any landscaping except for the re-vegetation and  
replanting required by the town of Cave Creek. We also expect to develop  
our own domestic water pressure system, and filtering system to maintain a  
static water pressure sufficiently clean for domestic use and fire sprinkler  
protection, to off-set unanticipated drop in supply pressures.

We hope this process is expedited by all parties involved and we can  
soon depend on the continued sourcing and uninterrupted supply of domestic  
water from Global Water Resources, hopefully at least by the time we get  
our C. of O., in 6 to 8 months.

Sincerest regards,

  
Charlie Dodge 6/10/06  
date

  
Suzie Dodge 6/16/06  
date



Robin E. Bain, P.E., DEE  
Permitting Manager  
Global Water Resources  
21410 N. 19<sup>th</sup> Ave.  
Suite 201  
Phoenix, Arizona 85027  
623-580-9600 ext. 118  
Fax 623-580-9659  
Cell 623-217-7202

6/10/2006

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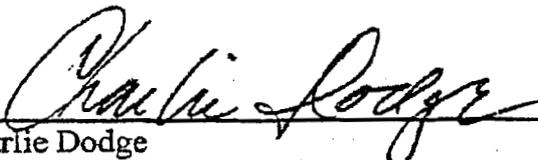
Our plans for development include:

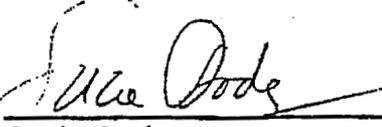
1 single family residence consisting of 3300 square feet air-  
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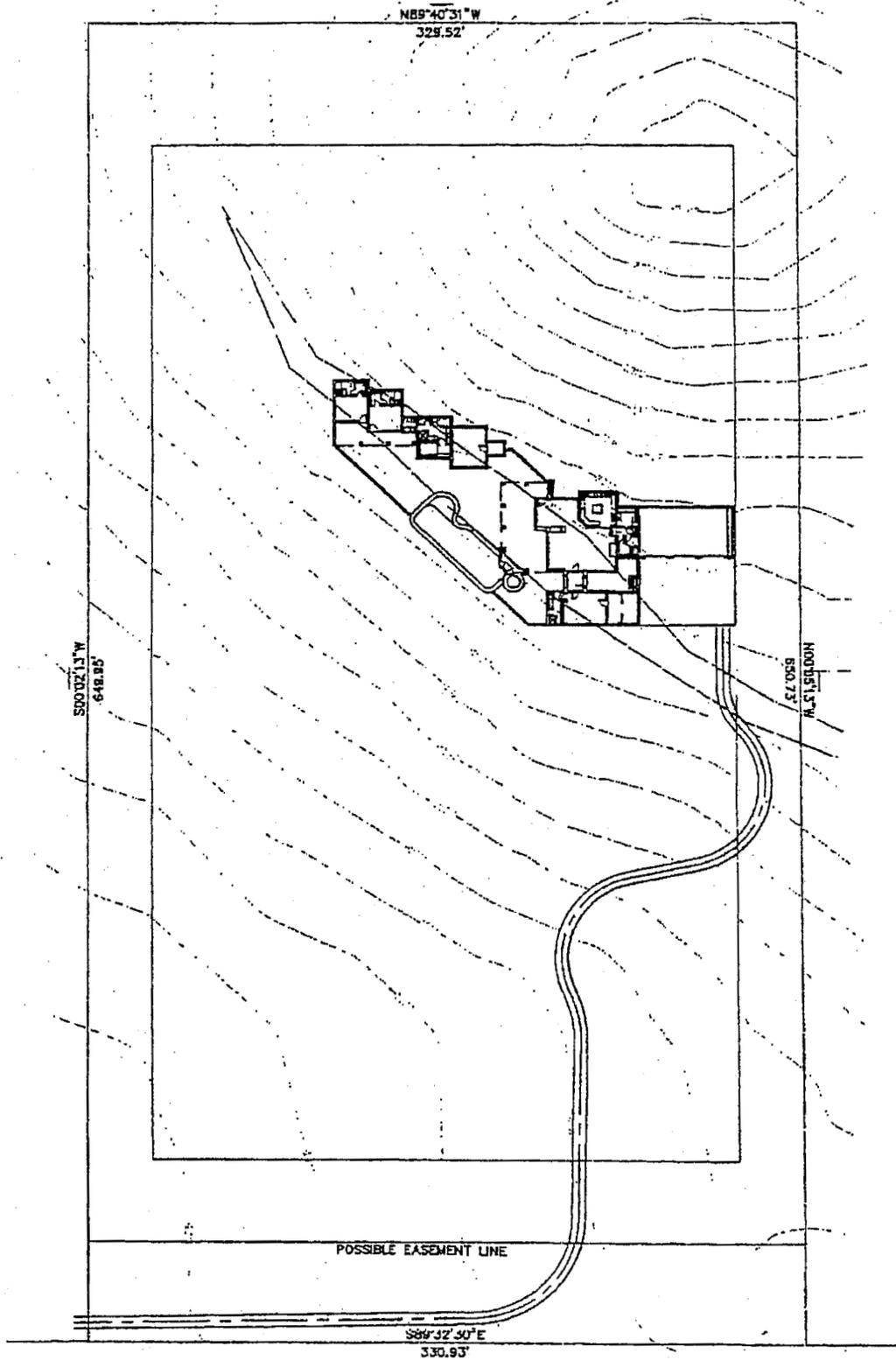
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static water pressure sufficiently clean for domestic use and fire sprinkler  
protection, to off-set unanticipated drop in supply pressures.

We hope this process is expedited by all parties involved and we can  
soon depend on the continued sourcing and uninterrupted supply of domestic  
water from Global Water Resources, hopefully at least by the time we get  
our C. of O., in 6 to 8 months.

Sincerest regards,

  
Charlie Dodge 6/10/06  
date

  
Suzie Dodge 6/10/06  
date



## **SCHEDULE 4.8**

### **ASSUMED LIABILITIES**

The following list, to the Seller's Knowledge without verification or inquiry, may represent all Liabilities incurred by the Water Companies in the normal course of business. Buyer acknowledges that it is assuming all obligations for performance under all approved and pending Line Extension Agreements, Will Serve Letters or other instruments of water service agreements. Financial obligations incurred after the First Closing Date are the responsibility of the Buyer.

See Schedule 3.1.5

# **EXHIBIT A**

6 1 0 0 5 0 1 1 1

## LEASE

This lease agreement (hereafter the "Lease" or the "Lease Agreement") is made by and between the Town of Cave Creek, an Arizona municipal corporation ("Lessor") and Global Water Resources, LLC, a Delaware limited liability company ("Lessee") on this \_\_\_\_\_ day of \_\_\_\_\_, 2005. Lessor and Lessee, collectively being referred to hereafter as the "Parties," agree as follows:

### **SECTION ONE LEASED PREMISES AND ACCESS**

For and in consideration of the mutual promises and covenants set forth in this Lease Agreement, Lessor leases to Lessee and Lessee leases from Lessor the parcel of real estate, including the easements and licenses pertaining to it, as set forth in Exhibit "A" attached and incorporated as an integral part of this Lease Agreement (such real estate, easements, and licenses being referred to in this Lease Agreement as the "Leased Premises"). As the Leased Premises are not directly adjacent to any public rights-of-way, and as Lessee needs ingress and egress to and from the Leased Premises from the public right-of-way, Lessor hereby grants to Lessee an access easement over and across real property owned by Lessor in the location described on Exhibit "B" attached hereto and incorporated herein by reference.

### **SECTION TWO TITLE TO LEASED PREMISES**

Lessor covenants that Lessor is seized of the Leased Premises in fee simple and has full right to enter into this Lease Agreement. The Leased Premises are subject to all zoning regulations, restrictions, easements, rules, ordinances, building restrictions, and other federal, state and local laws and regulations now in effect or which may in the future be adopted by any governmental authority having jurisdiction. Lessee has examined the title to the Leased Premises and has found the same to be satisfactory.

### **SECTION THREE ✓ TERM**

Subject to the terms, provisions, covenants, and conditions of this Lease Agreement, Lessee shall have, hold, possess, and enjoy the Leased Premises for a term of 99 years, which shall begin on the date of execution of this Lease Agreement and continue for a period of 99

years thereafter unless sooner terminated as provided below. "Lease year," as used in this Lease Agreement, shall mean each of the successive 12-month periods during the lease term, the first lease year to commence as above provided.

#### **SECTION FOUR COVENANT OF QUIET ENJOYMENT**

Lessor covenants that if and so long as Lessee keeps and performs each and every covenant, agreement, term, provision, and condition contained in this Lease Agreement on the part and on behalf of Lessee to be kept and performed, Lessee shall have quiet and peaceable possession and enjoyment of the Leased Premises during the lease term.

#### **SECTION FIVE ✓ USE OF LEASED PREMISES**

The Leased Premises shall be only used by Lessee for the open storage of water, which shall be defined to mean the storage of water in two 2-million gallon storage reservoirs and related equipment (which equipment includes, but is not necessarily limited to, pumps, meters, piping and the like) or for any other related lawful nonhazardous uses which are related to the storage of water and which are not detrimental to the Leased Premises. In no event shall the Leased Premises be used for any unlawful or hazardous purpose or any other purpose which would invalidate any insurance on the Leased Premises.

#### **SECTION SIX ✓ RENT**

Lessee hereby covenants and agrees to pay to Lessor during the lease term, without previous demand, at such address as Lessor may from time to time designate in writing, an annual rental in an amount equal to \$\_\_\_\_\_. The annual rental shall be payable in advance on the first day of each rental year during the lease term.

#### **SECTION SEVEN UTILITIES, LICENSES, AND FEES**

Lessee agrees to pay when due all charges and costs for water, gas, heat, air conditioning, electricity, telephone, and other utilities and services from time to time furnished to or consumed in or on the Leased Premises and improvements including, without limitation by reason of specification, any sewerage taxes or charges. Lessor shall incur no liability whatsoever and the obligations of Lessee under this Lease Agreement shall not be diminished or affected by reason of the unavailability, change, or cessation of any utility service on, to, or for the Leased Premises and improvements, or any part of the Leased Premises and improvements, provided, however, if the cessation of utilities is due to an act or omission of Lessor and causes a substantial part of the

Leased Premises and improvements to become untenable, all rent shall abate during the continuance of same. Lessee shall also acquire and pay for all permits or licenses which may be required for Lessee's business, and shall pay, when due, all taxes, permit fees and any other charges levied against the Leased Premises and improvements.

#### **SECTION EIGHT TAXES AND ASSESSMENTS**

Lessee shall pay when due all real estate taxes and all assessments, general and special, levied against the Leased Premises and improvements from time to time during the lease term. Lessee shall pay all of the mentioned taxes and assessments before any fine, penalty, interest, or cost may be added for nonpayment, and shall furnish to Lessor, on request, official receipts or other satisfactory proof evidencing such payment. Nothing contained in this Lease Agreement shall prevent or prohibit Lessee from protesting the validity or amount of any levy or assessment against the Leased Premises and improvements or from taking such actions as may be required or permitted by law for enforcing and affecting a protest, provided (a) the Leased Premises and improvements or any part of same or any interest in the Leased Premises and improvements, or the rent due under this Lease Agreement would not be in any material danger of being sold, forfeited, or lost solely by reason of such proceedings, and (b) Lessor would not be in any danger of any civil or criminal liability by reason of such protest. In connection with any such protest, Lessee may, if permitted or required by law, withhold the payment of any protested taxes or assessments, but only on the express condition that the withholding of payment shall be consented to by Lessor. Lessor's consent shall not be withheld so long as Lessee proceeds in the protest according to statute and provides satisfactory security under the statute or otherwise to the effect that the Leased Premises and improvements shall not be lost due to the nonpayment of such taxes or assessments.

#### **SECTION NINE MAINTENANCE AND REPAIRS**

Lessee shall, at its sole expense, keep and maintain the Leased Premises and improvements in good condition and repair, all ordinary wear and tear excepted, and to that end shall make all ordinary and necessary repairs and replacements to the Leased Premises, including ordinary repairs and replacements which may be necessary from time to time to the improvements on the Leased Premises, and to the electrical, plumbing and other equipment of all types on the Leased Premises.

#### **SECTION TEN ALTERATIONS AND IMPROVEMENTS**

Lessee may, any time during the lease term and at Lessee's sole expense, cause to be made such construction, alterations, changes, or additions of, in, on, or to the Leased Premises, or any buildings or other improvements located on the Leased Premises as Lessee deems necessary

or desirable provided there is no existing and unremedied default on the part of Lessee under the Lease and provided that prior to the commencement of any work whatever, Lessee obtains the approval of any applicable municipal and other governmental authorities. Any such construction, alterations, changes, or additions of, in, on, or to the Leased Premises, or any buildings or other improvements located on the Leased Premises, shall be performed as expeditiously as possible, in a good and workmanlike manner and in conformity with all applicable laws, ordinances and regulations. Lessee shall provide workman's compensation insurance on any of Lessee's employees who may work on the Leased Premises, and Lessee agrees to hold Lessor harmless from any and all claims which may arise as a result of Lessee's use of the Leased Premises, including, but not limited to, any workman's compensation related claims.

#### **SECTION ELEVEN DAMAGE OR DESTRUCTION OF LEASED PREMISES**

A. If the Leased Premises or the improvements shall be damaged or destroyed during the lease term by any cause or casualty, whether or not covered by insurance, Lessee shall repair or replace the same, unless this Lease Agreement shall be terminated pursuant to the provisions of subparagraph B of this Section. Such repairs or replacements shall be commenced as soon as reasonably possible after the occurrence of the cause or casualty and shall be conducted with all due diligence in accordance with the laws, regulations, and other requirements of the federal, state, county, municipal and/or other applicable governmental authorities. The proceeds of any insurance paid with respect to and on account of such damage or destruction shall be made available to Lessee to pay for the cost and expense of such repairs and replacements. All such insurance proceeds paid to Lessee on account of damage to or destruction of the Leased Premises or the improvements or any part of same shall be held by Lessee in trust and applied exclusively to the payment of the cost of the repairs and replacements to the extent the insurance proceeds shall be sufficient for the purpose, and shall be paid out by Lessee front time to time as the work progresses. All sums so paid to Lessee and any other insurance proceeds received or collected by or for the account of Lessee (other than by way of reimbursement to Lessee for sums previously paid by Lessee) shall be held by Lessee in trust for the purpose of paying the cost of the repairs or replacements. The amount of insurance proceeds, if any, not required to finance the cost of the repairs and replacements shall become the sole property of Lessee. Under no circumstances shall Lessor be obligated to make any payment, disbursement, or contribution towards the cost of the repairs or replacements except to the extent of any insurance proceeds actually received by Lessor.

B. If the Leased Premises and improvements shall be destroyed or damaged to such an extent that the cost to repair or replace the destruction or damage shall exceed 5 % of the fair market value of all of the buildings, improvements, furnishings, furniture, equipment, and trade fixtures on or in the Leased Premises immediately prior to the occurrence of such destruction or damage, then and in such event, and notwithstanding any of the prior provisions of this Section or any other Section of this Lease Agreement, Lessee shall have the right to terminate this Lease Agreement as of the date of the destruction by written notice to Lessor given within 30 days after the destruction, or to continue this Lease Agreement and rebuild and restore the Leased Premises

and improvements in accordance with subparagraph A of this Section. In the event that Lessee shall elect to terminate this Lease Agreement, rent, taxes, assessments, and any other sums payable by Lessee to Lessor under this Lease Agreement shall be prorated as of the termination date. In the event any rent taxes or assessments shall have been paid in advance, Lessor shall rebate any such payment for the unexpired period for which payment shall have been made. If this Lease Agreement shall be terminated by Lessee pursuant to the provisions of this subparagraph B, Lessor shall have no interest in or claim on the proceeds of insurance paid or payable on account of or with respect to such damage or destruction. Any prepaid rents shall be equitably prorated as of the date of damage or destruction. If Lessee terminates the Lease pursuant to this subparagraph B, Lessee's obligation to pay rent shall cease from the date of termination and thereafter.

## SECTION TWELVE INSURANCE

A. Lessee agrees during the lease term to provide, pay for and maintain a policy or policies of general personal injury liability insurance and property damage with policy limits of not less than \$ \_\_\_\_\_ for each occurrence. Lessee shall have Lessor named as an additional insured on the insurance policy and shall cause a copy of the policy or policies to be furnished to Lessor. The policy or policies shall be written by an insurance company authorized to transact business in Arizona.

B. Any insurance required to be maintained by Lessee pursuant to this Section may be evidenced by blanket insurance policies covering the Leased Premises and improvements and other property or assets of Lessee.

C. All insurance policies covering the Leased Premises and improvements shall expressly waive any right on the part of the insurer to be subrogated to any rights of Lessor or any mortgagee against Lessee and to any rights of Lessee against Lessor or any mortgagee.

D. In the event of the failure of Lessee either to obtain the insurance required under this Section or to pay the premiums for such insurance or to deliver the policies (or certificates of blanket policies) to Lessor, Lessor shall be entitled, but shall have no obligation, to affect such insurance and pay the premiums for the insurance, which premiums shall be repayable by Lessee to Lessor with the next installment of rent. Failure of Lessee to so repay to Lessor such premiums shall carry with it the same consequence as failure to pay any installment of rent.

## SECTION THIRTEEN INSPECTIONS

Lessee shall permit Lessor, its agents, employees, mortgagees and contractors, and prospective Lessees, lenders and purchasers to enter all parts of the Leased Premises and the improvements during Lessee's business hours to inspect the same and to enforce or carry out any provisions of this Lease Agreement, provided Lessee is given 3 days' prior notice (except in an emergency), and in the case of an emergency, Lessee's business shall not be unreasonably interfered with.

**SECTION FOURTEEN  
SUBORDINATION OF FEE INTEREST**

Lessor agrees that at any time within \_\_\_\_ years from the date of the execution of this Lease, Lessor shall, if called on by Lessee, join with Lessee in the execution of a mortgage on the Leased Premises to secure a borrowing or borrowings of Lessee. The proceeds of any notes or other indebtedness secured by such mortgage shall be disbursed solely for payment of obligations incurred by Lessee in affecting this Lease and constructing improvements on the Leased Premises and otherwise only as Lessor and Lessee shall agree. The form and content of the mortgage in which Lessor shall be requested to join shall be subject to the approval of Lessor, which approval shall not be withheld so long as the terms and provisions of the mortgage are consistent with the provisions of this Lease. The mortgage shall also, without limitation by reason of specification, contain provisions to the following effect: (a) Shall state that Lessor joins in the execution of the Mortgage solely and exclusively for the purpose of subordinating Lessor's interest in the Leased Premises to the lien of the mortgage, and for no other purpose and, notwithstanding Lessor's inclusion as a mortgagor, without assuming any liability for the payment of the note or other indebtedness secured by the mortgage or for the performance or observance of any covenants or agreements contained in the note or other indebtedness or the mortgage; (b) Shall provide that, notwithstanding any other provisions of the mortgage, in the event of any default in the performance or observance of any of the terms and conditions of the mortgage or the note or other indebtedness secured by the mortgage (which default shall not have been cured within the grace periods therefore accorded to Lessee, as mortgagor, in the mortgage), the mortgagee shall give written notice to Lessor of the continuance of the default and shall grant to Lessor an additional period (over and above any such grace periods) of \_\_\_\_\_ days from the date of Lessor's receipt of the notice within which to cure the default, and shall provide that any payment made by Lessor pursuant to such provision shall be recognized by the mortgagee as fully as if made by Lessee; provided, however, that neither such provision nor any other provision of the mortgage shall be construed so as to impose any liability whatsoever on Lessor to make any payment or perform or observe any covenant or condition of the mortgage or note or other indebtedness secured by the mortgage; and (c) shall or may provide for the assignment to the mortgagee of any rents due and payable to Lessee under any sublease of this Lease Agreement, provided, however, that such assignment of rents will be effective only on default in the payment or performance of any obligations imposed by the terms of the mortgage or note or other indebtedness secured by the mortgage.

**SECTION FIFTEEN**  
Intentionally Omitted

**SECTION SIXTEEN**  
**EMINENT DOMAIN** ✓

The parties acknowledge that there is a pending condemnation action involving Lessor and Lessee. In the event that any portion of the Leased Premises is taken pursuant to said or any other such action, the parties agree that just compensation shall be paid for the leasehold interest and any improvements in accordance with applicable law.

**SECTION SEVENTEEN**  
Intentionally Omitted

**SECTION EIGHTEEN**  
**SUBLEASES**

A. Lessee shall not assign or sub-lease any of its rights under the Lease without the prior written consent of Lessor, which consent shall not be unreasonably withheld or denied. Any assignment or sub-leasing entered into by Lessee without the consent of Lessor shall be null and void and shall cause the Lessee to be in default under the terms of the Lease. Lessor may assign its right under the Lease in the event the property is sold by Lessor, and upon receipt of notice of any such assignment by Lessor, any future rental payments which may become due and payable shall be paid by Lessee to Lessor's assignee.

B. Each and every sublessee shall immediately be and become and remain liable for the payment of the rent and other charges payable under this Lease Agreement, and for the due performance of all the covenants, Agreements, terms, and provisions of this Lease Agreement on Lessee's part to be performed prior to the expiration or earlier termination of the lease term.

C. During the lease term, any subletting by Lessee of the Leased Premises and improvements in whole or in part shall not release Lessee from, or otherwise affect in any manner, any of Lessee's obligations under this Lease Agreement.

**SECTION NINETEEN**  
**DEFAULT**

A. In the event Lessee shall fail to pay for the utilities consumed on the Leased Premises and improvements or to maintain, repair and replace such items as are required by this Lease Agreement, Lessor may, at its option, pay for such utilities or perform such maintenance, repairs and replacements, as the case may be, and the amounts so expended by Lessor shall become due and payable with the installment of annual rental next becoming due. If Lessor defaults or fails or refuses to perform its obligations under this Leases, Lessee, after giving Lessor written notice of such default, failure, or refusal, may demand that Lessor remedy the condition or matter referred to in said notice and agree to reimburse Lessee for any expense reasonably incurred in connection with same; or such expense or any part of it, at Lessee's option, may be deducted in whole or in part from subsequent installments of rent. In the event of

any dispute between the parties as to the right of Lessee to such reimbursement or deduction, Lessor shall not give Lessee any notice of default or termination of this Lease Agreement unless Lessee shall fail to make good to Lessor for any such deduction within 10 days after receipt of notice by Lessee of a judgment in favor of Lessor.

B. If Lessee fails or refuses to pay rent as required under this Lease and said failure continues for 20 days after written notice of the default has been given to Lessee, or if default be made in the performance or observance of any of the other covenants or conditions contained in this Lease on the part of Lessee and the default shall continue for 40 days after written notice of the default shall have been given to Lessee, or if the default is not of a type that can reasonably be corrected within 30 days, then if Lessee fails to commence promptly and in good faith to proceed with due diligence to correct the default, then, and in any of the above-described events, Lessor may elect, without notice, to terminate this Lease Agreement and declare the lease term ended, to reenter the Leased Premises and improvements or any part of same, expel and remove Lessee or any person or persons occupying the same, and repossess and enjoy the Leased Premises and improvements. No such entry, expulsion, or removal, whether by direct act of Lessor or through legal proceedings, shall affect the liability of Lessee for the past due rent and future rent to accrue under this Lease. In any of such events, Lessor is hereby authorized to relet the Leased Premises and improvements in whole or in part to such party or parties and on such terms as Lessor may deem best, and after paying the costs and expenses of reletting, to apply the net proceeds from reletting on the rent and other charges reserved in this Lease Agreement. Lessee shall pay any deficiency that may arise.

C. The remedies afforded the parties in this Section shall not be deemed to be exclusive or alternative, but such remedies shall at all times be deemed to be cumulative. In addition to such remedies, each party shall have each and every other remedy afforded it by this Lease Agreement, by custom and usage, and by law and equity.

## SECTION TWENTY

Intentionally Omitted

## SECTION TWENTY-ONE

### SURRENDER

On any expiration or other termination of this Lease Agreement, Lessee shall surrender the Leased Premises, provided that Lessee shall remove or cause to be removed from the Leased Premises and the improvements any personal property belonging to Lessee or third parties, which can be so removed without material damage to the Leased Premises and the improvements, and at its cost and expense shall repair any damage caused by such removal. Personal property not so removed shall become the property of Lessor, which may thereafter cause the property to be removed from the Leased Premises and the improvements and disposed of. On the termination or expiration of this Lease Agreement, Lessor may without further notice enter on, reenter, possess, and repossess the Leased Premises and the improvements, by force, summary proceedings, ejectment, or otherwise, and may dispossess and remove Lessee and all other

persons and property from the Leased Premises and the improvements and may have, hold and enjoy the Leased Premises and the improvements and the right to receive all rental and other income of and from the same. The voluntary or other surrender of this Lease Agreement by Lessee, or a mutual cancellation of this Lease Agreement, shall, at the option of Lessor, terminate all or any existing subleases, or may, at the option of Lessor, operate as an assignment to it of any or all such subleases.

#### **SECTION TWENTY-TWO HOLDING OVER**

No holding over by Lessee after the termination or expiration of the lease term shall be considered to be a renewal or extension of this Lease Agreement unless written approval of the holding over and a definite agreement to that effect is signed by Lessor defining the length of the additional term. Any holding over without the consent of Lessor shall be considered to be a month-to-month tenancy at the monthly rate of the annual rent provided in this Lease Agreement, computed on the basis of a 30-day month.

#### **SECTION TWENTY-THREE ABANDONMENT OF PREMISES**

Lessee shall not vacate or abandon the Leased Premises or the improvements for more than 30 days at any time during the lease term. If Lessee abandons, vacates, or surrenders operation of the Leased Premises or the improvements, or is dispossessed from same by process of law, or otherwise, any personal property belonging to Lessee and left in or on the Leased Premises or the improvements shall be deemed to be abandoned, at the option of Lessor, except such property as may be encumbered to Lessor.

#### **SECTION TWENTY-FOUR WAIVER OF BREACH**

The failure of either party to seek redress for violation or breach of, or to insist on the strict performance of any covenant, agreement, term, provision, or condition of this Lease Agreement, or any of the rules and regulations issued or to be issued under it, shall not constitute a waiver and either party shall have all remedies provided in this Lease Agreement and by applicable law with respect to any subsequent act, which would have originally constituted a violation. The receipt by Lessor or payment by Lessee of rent with knowledge of the breach of any covenant, agreement, term, provision, or condition of this Lease Agreement shall not be deemed a waiver of that breach. No provision of this Lease Agreement shall be deemed to have been waived, unless the waiver is in writing and signed by the waiving party. The receipt and retention by Lessor of rent from anyone other than Lessee shall not be deemed a waiver by Lessor of any breach by Lessee of any covenant, agreement, term, provision, or condition contained in this Lease Agreement, or the acceptance of such other person as a Lessee, or a release of Lessee from the further performance of the covenants, agreements, terms, provisions,

and conditions contained in this Lease Agreement.

#### **SECTION TWENTY-FIVE ARBITRATION**

Any dispute or claim in law or equity arising out of this Lease shall be decided by neutral binding arbitration in accordance with the rules of the American Arbitration Association, and not by court action except as provided by Arizona law for judicial review of arbitration proceedings. Judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof.

#### **SECTION TWENTY-SIX NOTICES**

All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by either party to the other shall be in writing and shall be deemed to have been properly given or sent (a) by mailing by registered or certified mail with the postage prepaid, addressed to such party at the address set forth above and, in the case of any notice to Lessor, with a copy to: \_\_\_\_\_; and, in the case of any notice to Lessee, with a copy to: \_\_\_\_\_. Either party may designate by notice in writing a new address to which any notice, demand, request, or communication may be so given, served, or sent. Either party shall promptly furnish to the other party a copy of any notice it may receive from any third person which may affect the rights of any party under this Lease Agreement.

#### **SECTION TWENTY-SEVEN TIME OF ESSENCE**

Time is of the essence for each and every provision of this Lease Agreement.

#### **SECTION TWENTY-EIGHT DELAYS**

In any case where either party to this Lease Agreement is required to do any act (other than make a payment of money), delays caused by or resulting from an Act of God, severe weather conditions, war, insurrection, riot, civil commotion, other casualty, strikes, lockouts, inability to obtain labor or materials, government regulations, or other causes beyond the party's control shall not be counted in determining the time when the performance of the act must be completed, whether that time is designated by a fixed time, a fixed period of time, or "a reasonable time." In any case where construction or replacement work is to be paid for out of insurance proceeds or condemnation awards, due allowance shall be made, both to the party required to perform the work and to the party required to make the payment, for reasonable delay in the collection of the proceeds and awards.

**SECTION TWENTY-NINE  
PERSONS BOUND**

The covenants, agreements, terms, provisions, and conditions of this Lease Agreement shall bind and inure to the benefit of the respective heirs, distributees, executors, administrators, successors, assigns and legal representatives of the parties to this Lease Agreement with the same effect as if mentioned in each instance where a party to this Lease Agreement is named or referred to. The term "Lessor" as used in this Lease Agreement shall mean the Lessor at the particular time in question and it is agreed that the covenants and obligations of Lessor under this Lease Agreement shall not be binding on a Lessor named in this Lease Agreement or any subsequent Lessor with respect to any period subsequent to the transfer of its interest under this Lease Agreement by operation of law or otherwise (except with respect to covenants or obligations of any such Lessor which have accrued during the period of the Lessor's ownership, for which the Lessor shall remain liable), and that in the event of any such transfer, Lessee agrees to look solely to the transferee for the performance of the obligations of Lessor under this Lease Agreement, but only with respect to the period beginning with such transfer and ending with a subsequent transfer of the interest.

**SECTION THIRTY  
ATTORNEY FEES**

In the event that any action is filed in relation to this Lease Agreement, the unsuccessful party in the action shall pay to the successful party, in addition to all the sums that either party may be called upon to pay, a reasonable sum for the successful party's attorney fees.

**SECTION THIRTY-ONE  
SHORT LEASE RECORDING**

The parties to this Lease Agreement agree that on the request of either party each will execute, acknowledge, and deliver a short form of lease in recordable form but excluding explicit financial provisions.

**SECTION THIRTY-TWO  
ENTIRE AGREEMENT**

This Lease Agreement, with the schedules, riders, and exhibits, if any, attached, contains the entire agreement between Lessor and Lessee. Any prior understanding or representation of any kind preceding the date of this Lease Agreement shall not be binding on either party except to the extent incorporated in this Lease Agreement.

**SECTION THIRTY-THREE  
MODIFICATION**

Any modification of this Lease Agreement or additional obligation assumed by either party in connection with this Lease Agreement shall be binding only if evidenced in writing and signed by each party or an authorized representative of each party.

**SECTION THIRTY-FOUR  
HEADINGS**

The Section headings of this Lease Agreement are for convenience only and shall not be used to explain, modify, simplify, limit, define, or aid in determining the meaning or content of this Lease Agreement.

**SECTION THIRTY-FIVE  
PRONOUNS**

All pronouns and any variations of same shall be deemed to refer to the masculine, feminine, neuter, singular, or plural, as the identity of the person or persons may require.

**SECTION THIRTY-SIX  
ENFORCEABILITY**

If any provision of this Lease Agreement or the application of such a provision to any person or circumstances shall be determined to be invalid or unenforceable, the remaining provisions of this Lease Agreement or the application of the provision to persons or circumstances other than those to which it is held invalid or unenforceable shall not be affected thereby and shall be valid and enforceable to the fullest extent.

**SECTION THIRTY-SEVEN  
GOVERNING LAW**

The Parties agree that this Lease Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Arizona.

**SECTION THIRTY-EIGHT  
COUNTERPARTS**

This Lease Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

In witness, the Parties have executed this Lease Agreement as of the day and year first above written.

**LESSEE**

**GLOBAL WATER RESOURCES, LLC**, a Delaware limited liability company

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

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

**LESSOR**

**TOWN OF CAVE CREEK**, an Arizona municipal corporation

\_\_\_\_\_  
Mayor

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

ATTEST:

\_\_\_\_\_  
Clerk/Deputy Clerk,

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

Approval As To Form

By: \_\_\_\_\_  
Town Attorney

STATE OF ARIZONA     )  
                                  ) ss.



NOTE:  
 THE FOLLOWING BEARINGS AND  
 DISTANCES WERE TAKING FROM A  
 RECORDED DOCUMENT RECORDED IN  
 DOCUMENT 2002-0918079.

S89°47'15"E 1314.26'

S89°47'15"E  
478.89'

NORTHWEST CORNER  
OF GLO LOT 3

S57°27'24"E  
288.78'

C1

S27°27'02"W  
376.84'

S36°07'39"E  
337.70'

L2

L3

L4

L5

L6

TRUE POINT OF BEGINNING



SCALE: 1" = 300'

NORTHWEST CORNER OF SECTION 9  
 TOWNSHIP 6 NORTH, RANGE 4 EAST  
 GILA AND SALT RIVER BASIN  
 POINT OF COMMENCEMENT

# SPUR CROSS ROAD TANK SITE EXHIBIT

NO.	BEARING	LENGTH
L1	S39°24'21"E	349.73'
L2	N50°35'39"E	54.70'
L3	N15°11'00"E	215.00'
L4	S74°49'00"E	300.00'
L5	S15°11'00"W	215.00'
L6	N74°49'00"W	300.00'

BOUNDARY LINE AS DESCRIBED IN  
 INSTRUMENT NO. 2002-0918079



RBF JOB NO.  
 45102557  
 SHEET 1 OF 1



CURVE TABLE						
NO.	DELTA	RADIUS	LENGTH	TANGENT	CHORD	CHORD BEARING
C1	13°46'43"	873.51'	210.06'	105.54'	209.56'	S34°20'23"W

**SPUR CROSS ROAD  
TANK SITE  
LEGAL DESCRIPTION  
November 22, 2005**

THE FOLLOWING LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY USING THE BEARINGS AND DISTANCES FROM THE RECORDED DOCUMENT AS DESCRIBED AT INSTRUMENT NO. 2002-0918079, MARICOPA COUNTY RECORDER'S OFFICE.

A PARCEL OF LAND SITUATE IN A PORTION OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 9;

THENCE SOUTH 89°47'15" EAST, ALONG THE NORTHERLY LINE OF SAID SECTION 9, A DISTANCE OF 1314.26 FEET TO THE NORTHWEST CORNER OF GLO LOT 3;

THENCE CONTINUING SOUTH 89°47'15" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 478.89 FEET;

THENCE SOUTH 57°27'24" EAST, A DISTANCE OF 288.76 FEET TO A POINT ON THE NORTHWESTERLY BOUNDARY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED AT INSTRUMENT NO. 2002-0918079, MARICOPA COUNTY RECORDERS OFFICE AND TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 48°46'15" EAST, A DISTANCE OF 873.51 FEET;

THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY BOUNDARY LINE AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 13°46'43", AN ARC DISTANCE OF 210.06 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 27°27'02" WEST, ALONG SAID NORTHWESTERLY BOUNDARY LINE, A DISTANCE OF 376.64 FEET TO THE MOST WESTERLY NORTHWESTERLY CORNER OF SAID PROPERTY;

THENCE SOUTH 36°07'39" EAST, ALONG THE WESTERLY BOUNDARY LINE OF SAID PROPERTY, A DISTANCE OF 337.70 FEET;

THENCE SOUTH 39°24'21" EAST, ALONG SAID WESTERLY BOUNDARY LINE, A DISTANCE OF 349.73 FEET;

THENCE NORTH 50°35'39" EAST, DEPARTING SAID WESTERLY BOUNDARY LINE, A DISTANCE OF 54.70 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 15°11'00" EAST, A DISTANCE OF 215.00 FEET;

THENCE SOUTH 74°49'00" EAST, A DISTANCE OF 300.00 FEET;

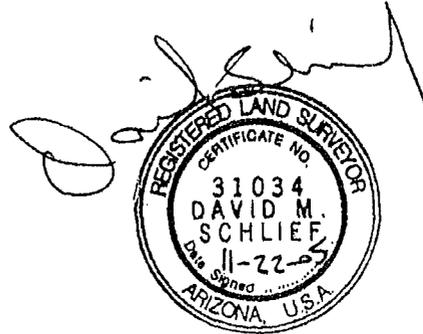
THENCE SOUTH 15°11'00" WEST, A DISTANCE OF 215.00 FEET;

THENCE NORTH 74°49'00" WEST, A DISTANCE OF 300.00 FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL OF LAND CONTAINS 64,500 SQUARE FEET OR 1.4807 ACRES MORE OR LESS.

SAID LANDS SUBJECT TO EASEMENTS, RIGHTS OF WAY, RESTRICTIONS AND RESERVATIONS OF RECORD, IF ANY.

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Parcel name: TANK\_SITE\_TIE

North: 10658.5445 East: 8263.0823 (POINT OF COMMENCEMENT)  
Line Course: S 89-47-15 E Length: 1314.26  
North: 10653.6701 East: 9577.3333  
Line Course: S 89-47-15 E Length: 478.89  
North: 10651.8940 East: 10056.2200  
Line Course: S 57-27-24 E Length: 288.76  
North: 10496.5592 East: 10299.6403  
Curve Length: 210.06 Radius: 873.51  
Delta: 13-46-43 Tangent: 105.54  
Chord: 209.56 Course: S 34-20-23 W  
Course In: S 48-46-15 E Course Out: N 62-32-58 W  
RP North: 9920.8529 East: 10956.5893  
End North: 10323.5240 East: 10181.4278  
Line Course: S 27-27-02 W Length: 376.64  
North: 9989.2903 East: 10007.8032  
Line Course: S 36-07-39 E Length: 337.70  
North: 9716.5276 East: 10206.9057  
Line Course: S 39-24-21 E Length: 349.73  
North: 9446.3021 East: 10428.9175  
Line Course: N 50-35-39 E Length: 54.70  
North: 9481.0262 East: 10471.1825 (TRUE POINT OF BEGINNING)



Project: 45102557  
Parcel Map Check

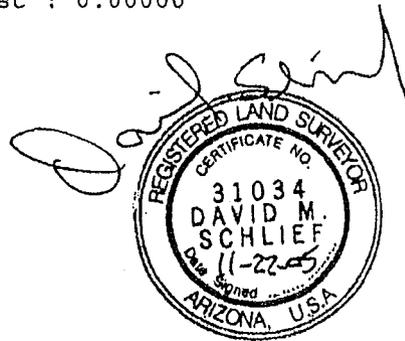
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Parcel name: TANK\_SITE

North: 9481.0338	East : 10471.1750
Line Course: N 15-11-00 E Length: 215.00	
North: 9688.5288	East : 10527.4853
Line Course: S 74-49-00 E Length: 300.00	
North: 9609.9562	East : 10817.0132
Line Course: S 15-11-00 W Length: 215.00	
North: 9402.4613	East : 10760.7028
Line Course: N 74-49-00 W Length: 300.00	
North: 9481.0338	East : 10471.1750

Perimeter: 1030.00 Area: 64,500.00 sq.ft. 1.4807 acres

Mapcheck Closure - (Uses listed courses and chords)  
Error Closure: 0.0000 Course: S 90-00-00 E  
Error North: 0.00000 East : 0.00000  
Precision 1: 1,030,000,000.00





**SPUR CROSS ROAD  
TANK SITE ACCESS EASEMENT  
LEGAL DESCRIPTION**

November 22, 2005

THE FOLLOWING LEGAL DESCRIPTION AND ATTACHED EXHIBIT WERE PREPARED BY USING THE BEARINGS AND DISTANCES FROM THE RECORDED DOCUMENT AS DESCRIBED AT INSTRUMENT NO. 2002-0918079, MARICOPA COUNTY RECORDER'S OFFICE.

A 30.00 FOOT EASEMENT SITUATE IN A PORTION OF THE NORTHWEST QUARTER OF SECTION 9, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID SECTION 9;

THENCE SOUTH 89°47'15" EAST, ALONG THE NORTHERLY LINE OF SAID SECTION 9, A DISTANCE OF 1314.26 FEET TO THE NORTHWEST CORNER OF GLO LOT 3;

THENCE CONTINUING SOUTH 89°47'15" EAST, ALONG SAID NORTHERLY LINE, A DISTANCE OF 478.89 FEET;

THENCE SOUTH 57°27'24" EAST, A DISTANCE OF 288.76 FEET TO A POINT ON THE NORTHWESTERLY BOUNDARY LINE OF THE PROPERTY DESCRIBED IN THE DOCUMENT RECORDED AT INSTRUMENT NO. 2002-0918079, MARICOPA COUNTY RECORDERS OFFICE AND TO THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 48°46'15" EAST, A DISTANCE OF 873.51 FEET;

THENCE SOUTHWESTERLY ALONG SAID NORTHWESTERLY BOUNDARY LINE AND SAID CURVE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 13°46'43", AN ARC DISTANCE OF 210.06 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 27°27'02" WEST, ALONG SAID NORTHWESTERLY BOUNDARY LINE, A DISTANCE OF 376.64 FEET TO THE MOST WESTERLY NORTHWESTERLY CORNER OF SAID PROPERTY;

THENCE SOUTH 36°07'39" EAST, ALONG THE WESTERLY BOUNDARY LINE OF SAID PROPERTY, A DISTANCE OF 67.25 FEET TO THE TRUE POINT OF BEGINNING;

THENCE NORTH 29°39'23" EAST, DEPARTING SAID WESTERLY LINE, A DISTANCE OF 32.89 FEET;

THENCE SOUTH 36°07'39" EAST, ALONG A LINE PARALLEL WITH AND 30.00 FEET NORTHEASTERLY OF SAID WESTERLY LINE, A DISTANCE OF 283.50 FEET;

THENCE SOUTH 39°24'21" EAST, ALONG A LINE PARALLEL WITH AND 30.00 FEET  
NORTHEASTERLY OF SAID WESTERLY LINE, A DISTANCE OF 210.14 FEET;

THENCE SOUTH 74°49'00" EAST, A DISTANCE OF 127.06 FEET;

THENCE SOUTH 15°11'00" WEST, A DISTANCE OF 30.00 FEET;

THENCE NORTH 74°49'00" WEST, A DISTANCE OF 136.63 FEET TO A POINT LYING ON  
THE WESTERLY BOUNDARY LINE OF SAID PROPERTY;

THENCE NORTH 39°24'21" WEST, ALONG SAID WESTERLY BOUNDARY LINE, A DISTANCE  
OF 220.58 FEET;

THENCE NORTH 36°07'39" WEST, ALONG SAID WESTERLY LINE, A DISTANCE OF 270.83  
FEET TO THE TRUE POINT OF BEGINNING.

THE ABOVE DESCRIBED EASEMENT CONTAINS 18,731 SQUARE FEET OR 0.4300 ACRES  
MORE OR LESS.

SAID LANDS SUBJECT TO EASEMENTS, RIGHTS OF WAY, RESTRICTIONS AND  
RESERVATIONS OF RECORD, IF ANY.

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Project: 45102557  
Parcel Map Check

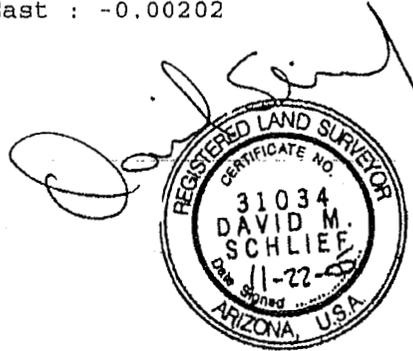
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Parcel name: TANK\_SITE\_ACCESS

North: 9934.9807	East : 10047.4479
Line Course: N 29-39-23 E Length: 32.91	
North: 9963.5798	East : 10063.7316
Line Course: S 36-00-50 E Length: 273.77	
North: 9742.1342	East : 10224.7033
Line Course: S 39-24-21 E Length: 219.92	
North: 9572.2089	East : 10364.3105
Line Course: S 74-49-00 E Length: 127.01	
North: 9538.9439	East : 10486.8869
Line Course: S 15-11-00 W Length: 30.00	
North: 9509.9911	East : 10479.0297
Line Course: N 74-49-00 W Length: 136.60	
North: 9545.7678	East : 10347.1980
Line Course: N 39-24-21 W Length: 221.01	
North: 9716.5354	East : 10206.8989
Line Course: N 36-07-39 W Length: 270.45	
North: 9934.9797	East : 10047.4458

Perimeter: 1311.67 Area: 18,657.86 sq.ft. 0.4283 acres

Mapcheck Closure - (Uses listed courses and chords)  
Error Closure: 0.0023 Course: S 63-18-14 W  
Error North: -0.00102 East : -0.00202  
Precision 1: 570,291.30



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Parcel name: ACCESS-ESMT-TIE

North: 10658.5445                      East: 8263.0823                      (POINT OF COMMENCEMENT)  
Line Course: S 89-47-15 E Length: 1314.26  
North: 10653.6701                      East: 9577.3333  
Line Course: S 89-47-15 E Length: 478.89  
North: 10651.8940                      East: 10056.2200  
Line Course: S 57-27-24 E Length: 288.76  
North: 10496.5592                      East: 10299.6403  
Curve Length: 210.06                      Radius: 873.51  
Delta: 13-46-43                      Tangent: 105.54  
Chord: 209.56                      Course: S 34-20-23 W  
Course In: S 48-46-15 E                      Course Out: N 62-32-58 W  
RP North: 9920.8529                      East: 10956.5893  
End North: 10323.5240                      East: 10181.4278  
Line Course: S 27-27-02 W Length: 376.64  
North: 9989.2903                      East: 10007.8032  
Line Course: S 36-07-39 E Length: 67.25                      (TRUE POINT OF BEGINNING)



Unofficial Document

When recorded, return to:

MARISCAL, WEEKS, MCINTYRE & FRIEDLANDER, P.A. 2901 North Central Avenue, Suite 200 Phoenix, Arizona 85012-2705 Attn: Jason A. Donkersley

6/6 First American Title 336-1413554 GENERAL WARRANTY DEED

For the consideration of Ten Dollars, and other valuable consideration, Henry Tom and Jean Tom, as Trustees under Trust Agreement dated January 8, 1965, as to an undivided 43 %; Scott Bradley Tom, an unmarried man, as to an undivided 3.5 %; Carole Jean Tom, an unmarried woman, as to an undivided 1.75 %; Steven Michael Tom, an unmarried man, as to an undivided 1.75 %; P. Donald Voelz, husband of Eleanor D. Voelz, dealing with his sole and separate property, as to an undivided 8.75 %; Norman M. Foster, a widower, as to an undivided 13.75 %; Christopher Gruys, Personal Representative of the Estate of J. Curtis Earl, deceased, probate no. PB 2000-003553, as to an undivided 22.5 %; and Mary R. Bonnell, a single woman, as to an undivided 5 %, all as tenants in common (collectively, the "Grantor"), hereby conveys to THE TOWN OF CAVE CREEK, an Arizona Municipal corporation ("Grantee"), the following described real property situated in Maricopa County, Arizona, together with all rights and privileges appurtenant thereto:

See the legal description set forth in Exhibit "A" attached and incorporated by this reference (the "Property").

SUBJECT TO all matters of record as of the date of recording of this Deed in the Official Records of Maricopa County, Arizona.

The Grantor hereby binds itself and its successors to warrant and defend the title, as against all persons whomsoever and all acts whatsoever, subject to the matters above set forth.

Dated as of SEPTEMBER 5, 2002.

\*\*SIGNATURES APPEAR ON THE FOLLOWING PAGES\*\*

EXEMPT ARS 11-1143 #A3

20020918079

No. 336-1413554

## EXHIBIT "A"

Reference No.: 02450151

## MINING PARCEL

All that portion of the "Phoenix" Mining Claim and a portion of the "West Side" Mining Claim per Mineral Survey No. 2727 being located in a portion of Section 4 and Section 9, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

BEGINNING at the Northwest corner of said Section 9;

thence South 89 degrees 47 minutes 15 seconds East (record) South 89 degrees 47 minutes 15 seconds East (measured) and along the North line of said Section 9, a distance of 1314.21 feet (record) 1314.26 feet (measured) to the Northwest corner of said G.L.O. Lot 3;

thence South 89 degrees 50 minutes East (record) South 89 degrees 47 minutes 15 seconds East (measured) and continuing along the North line of said Section 9 also being the North line of said G.L.O. Lot 3, a distance of 479.06 feet (record) 478.89 feet (measured) to a point on the Southwesterly line of the "West Side Mill Site" per Mining Claim recorded in Mineral Survey No. 2727;

thence South 57 degrees 25 minutes East (record) South 57 degrees 27 minutes 24 seconds East (measured) and along the Southwesterly line of said "West Side Mill Site" and the Southeasterly prolongation thereof, a distance of 288.75 feet (measured) to the TRUE POINT OF BEGINNING of the herein described parcel and being a point on a curve concave Southeasterly, having a radius of 873.51 feet (measured) and whose center bears South 48 degrees 46 minutes 16 seconds East (measured) from the last described point;

thence Northeasterly along the arc of said curve, through a central angle of 12 degrees 53 minutes 43 seconds (measured) an arc length of 196.60 feet (measured) to a point on the Northwesterly line of said "West Side" Mining Claim;

thence North 54 degrees 10 minutes East (record) North 54 degrees 07 minutes 27 seconds East (measured) and along the Northwesterly line of said "West Side" Mining Claim, a distance of 731.75 feet (measured) 731.58 feet (record);

thence South 36 degrees 07 minutes East (record) South 36 degrees 05 minutes 28 seconds East (measured) and along the Northeasterly line of said "West Side" Mining Claim, a distance of 600 feet (record) 599.53 feet (measured);

thence South 54 degrees 10 minutes West (record) South 53 degrees 27 minutes 18 seconds West (measured) and along the Southeasterly line of said "West Side" Mining Claim, a distance of 60 feet (record) 59.40 feet (measured) to the Northerly corner of the "Phoenix" Mining Claim per Mineral Survey No. 2727;

20020918079

No. 336-1413554

thence South 39 degrees 22 minutes East (record) South 39 degrees 23 minutes 04 seconds East (measured) and along the Northeasterly line of said "Phoenix" Mining Claim, a distance of 590.48 feet (record) 590.24 feet (measured);

thence South 53 degrees 47 minutes West (record) South 53 degrees 43 minutes 07 seconds West (measured) and along the Southeasterly line of said "Phoenix" Mining Claim, a distance of 1400.77 feet (record) 1400.98 feet (measured);

thence North 39 degrees 22 minutes West (record) North 39 degrees 24 minutes 21 seconds West (measured) and along the Southwesterly line of said "Phoenix" Mining Claim, a distance of 600 feet (record) 600.67 feet (measured) to the Southerly corner of said "West Side" Mining Claim;

thence North 36 degrees 07 minutes West (record) North 36 degrees 07 minutes 39 seconds West (measured) and along the Southwesterly line of the said "West Side" Mining Claim, a distance of 337.70 feet (measured);

thence North 27 degrees 27 minutes 02 seconds East, (measured) a distance of 376.64 feet (measured) to a point of curve concave Southeasterly having a radius of 873.51 feet (measured) and whose center bears South 62 degrees 32 minutes 58 seconds East (measured) from the last described point;

thence Northeasterly along the arc of said curve through a central angle of 13 degrees 46 minutes 42 seconds (measured) an arc length of 210.00 feet (measured) to the TRUE POINT OF BEGINNING.



# **EXHIBIT B**

[Bank Stationery]  
IRREVOCABLE LETTER OF CREDIT  
NO. \_\_\_\_\_

[Date]

Cave Creek Water Co. and Pacer Equities Co. ("Sellers")  
Attn: Trevor Hill, President and CEO  
21410 N. 19<sup>th</sup> Avenue, Suite 201  
Phoenix, Arizona 85027

Dear Sir:

The undersigned, \_\_\_\_\_ ("Bank"), hereby establishes, at the request and for the account of "Town" (as defined below), in your favor, this Irrevocable Letter of Credit No. \_\_\_\_\_, effective \_\_\_\_\_ [date]. This Letter of Credit is established pursuant to that certain Bargain Sale Agreement, dated as of \_\_\_\_\_, 2007 (the "Sale Agreement"), by and between the Town of Cave Creek, an Arizona municipal corporation ("Town"), and Cave Creek Water Co. and Pacer Equities Co. ("Sellers"). This Letter of Credit is established pursuant to the Sale Agreement and in connection with the stipulated order for immediate possession and the stipulated final judgment in Matter No. CV2005-005882 in the Maricopa County Superior Court titled as Town of Cave Creek v. Cave Creek Water Company, et al.

1. Total Credit. The maximum aggregate amount of credit available under this Letter of Credit shall be Two Million Dollars (\$2,000,000), which amount is hereinafter referred to as the "Total Credit".

2. Expiration. The expiration date of this Letter of Credit (the "Stated Termination Date") shall be the earlier of:

i) the date on which the Bank receives the executed Termination Notice Under Irrevocable Letter Of Credit No. \_\_\_\_\_ executed by the Sellers and the Town substantially in the form attached hereto as Exhibit B.

ii) the date on which the Total Credit is reduced to zero because payment of the full amount which may be drawn under this Letter of Credit has been made by us to you; or

iii) the term "Planned Expiration Date", as used herein, which shall mean two (2) years from the date of this Irrevocable Letter of Credit.

In the event the Planned Expiration Date is not a Business Day (as hereinafter defined), then this Letter of Credit shall expire on the next succeeding Business Day. The term "Business Day" means any day other than (i) a Saturday or Sunday or (ii) a day on which the New York Stock Exchange or the Bank's offices in Chicago, Illinois are closed.

3. Demands. The Bank hereby irrevocably authorizes you to draw on this Letter of Credit in accordance with the terms and conditions hereinafter set forth, in one or more drawings

by one or more of your drafts (any such draft being a "Demand") an aggregate amount not exceeding the Total Credit.

4. Method of Demand. Funds from the Bank under this Letter of Credit are available to you against your Demand referring thereon to the number of this Letter of Credit and accompanied by your completed certificate signed by you substantially in the form of Exhibit A attached hereto. Such Demand and Certificate shall be presented, together with a copy of this Letter of Credit, to the Bank at \_\_\_\_\_ or such other address as we may notify you of (the "Bank's Office") on a Business Day. A Demand may be delivered to us in person, by mail or by an express delivery service, to the Bank's Office. Unless otherwise agreed, payment under this Letter of Credit shall be made in immediately available funds in accordance with the instructions contained in the Demand.

5. Transferability. This Letter of Credit may be transferred by Sellers to their parent corporation in connection with any liquidation of Sellers. Except as provided in the preceding sentence, this Letter of Credit is not transferable

6. Uniform Customs and Practice. This Letter of Credit is issued and subject to and the performance under this Letter of Credit by the Bank, its correspondents and beneficiaries will be governed by, the rules of the "Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication No. 500" or such later revision as may be published by the International Chamber of Commerce, without regard to Article 41 thereof.

7. Address for Communication. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at the Bank's Office, specifically referring thereon to our Irrevocable Letter of Credit No. \_\_\_\_\_. All notices, requests and other communications to the Town or the Sellers shall be in a writing and shall be given at the following address:

If to the Town, to:

Town of Cave Creek  
Attention: Vincent Francia, Mayor  
37622 North Cave Creek Rd.  
Cave Creek, AZ 85331  
Fax no.: 480-488-2263  
E-mail address: [vfrancia@turfparadise.net](mailto:vfrancia@turfparadise.net)

With copies to:

Town of Cave Creek  
Attention: Town Manager  
37622 North Cave Creek Rd.  
Cave Creek, AZ 85331  
Fax no.: 480-488-2263  
E-mail address: [townmanager@cavecreek.org](mailto:townmanager@cavecreek.org)

and

Marvin S. Cohen, Esq.  
Sacks Tierney, P.A.  
4250 North Drinkwater Blvd.  
4<sup>th</sup> Floor  
Scottsdale, Arizona 85251-3900  
Fax no.: 480-425-4933  
E-mail address: [marvin.cohen@sackstierney.com](mailto:marvin.cohen@sackstierney.com)

If to the Sellers, to:

Cave Creek Water Co.  
Pacer Equities Co.  
Attention: Trevor Hill, President & CEO  
21410 N. 19th Avenue, Suite 201  
Phoenix, Arizona 85027  
Fax no.: (623) 580-9659  
E-mail address: [trevor.hill@gwresources.co](mailto:trevor.hill@gwresources.co)

With copies to:

K. Layne Morrill, Esq.  
Morrill & Aronson, PLC  
One East Camelback Road, Suite 340  
Phoenix, Arizona 85012  
Fax no.: 602.285-9544

E-mail address: [lmorrill@maazlaw.com](mailto:lmorrill@maazlaw.com)

or at such other addresses as shall be furnished by the Sellers or the Town by like notice. Except as otherwise expressly provided herein, each such notice, request or other communication shall be effective upon the earlier of (i) actual receipt, and (ii) receipt of confirmation of delivery, in each case at the address specified in this section.

8. Complete Agreement. This Letter of Credit, including the exhibits hereto, sets forth in full the terms of our undertaking. Reference in this Letter of Credit to other documents or instruments is for identification purposes only and such reference shall not modify or affect the terms hereof or cause such documents or instruments to be deemed incorporated herein.

Very truly yours,

\_\_\_\_\_

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

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

**EXHIBIT A**  
**CERTIFICATE IN CONNECTION WITH A DRAWING**  
**(TITLE IV NOTICE)**  
**UNDER IRREVOCABLE LETTER OF CREDIT**  
No. \_\_\_\_\_

The undersigned, Cave Creek Water Co. and Pacer Equities Co. (the "Sellers"), hereby certify to \_\_\_\_\_ (the "Bank") with reference to Irrevocable Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_ (as amended from time to time, the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Sellers, is making a drawing under the Letter of Credit in the amount of \_\_\_\_\_ and that under the provisions of Section 7.2(d) of the Sale Agreement, such amount is now due from the Town because the judgment in Case No. CV2005-005882 has not been timely satisfied and Sellers have suffered damages as a result in the amount of \$ \_\_\_\_\_.

The undersigned hereby certifies to the Bank and Buyer that it has delivered a copy of this Certificate to Buyer at the address set forth in Section 7 of the Letter of Credit by overnight courier.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 2007.

Cave Creek Water Co., an Arizona corporation

By \_\_\_\_\_

Authorized Officer

Pacer Equities Co., an Arizona corporation

By \_\_\_\_\_

Authorized Officer

**EXHIBIT B**

**TERMINATION NOTICE  
UNDER IRREVOCABLE LETTER OF CREDIT**

No. \_\_\_\_\_

The undersigned, Town of Cave Creek, ("Town"), and Cave Creek Water Co. and Pacer Equities Co. (the "Sellers"), hereby certify to \_\_\_\_\_ (the "Bank") with reference to Irrevocable Letter of Credit No. \_\_\_\_\_ dated \_\_\_\_\_, 2007 (as amended from time to time, the "Letter of Credit", the terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Sellers, that Buyer has paid, and the Sellers have received, all funds required to be paid to the Sellers pursuant to Section 2.4 of the Sale Agreement. Therefore, the Town and the Sellers direct that the Letter of Credit be terminated and the Bank not honor any further Demands thereunder

IN WITNESS WHEREOF, the undersigned have executed and delivered this Certificate as of the \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

**Cave Creek Water Co.**

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

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

**Pacer Equities Co.**

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

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

**Town of Cave Creek.**

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

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

# **EXHIBIT C**

**Opinion of Counsel to Sellers**

March 7, 2007

Town of Cave Creek  
Attention: Vincent Francia, Mayor  
37622 North Cave Creek Rd.  
Cave Creek, AZ 85331

Marvin S. Cohen, Esq.  
Sacks Tierney, P.A.  
4250 North Drinkwater Blvd.  
4<sup>th</sup> Floor  
Scottsdale, Arizona 85251-3900

**Re: *Town of Cave Creek/Cave Creek Water Co.***

Gentlemen:

We have acted as counsel to Cave Creek Water Co., an Arizona corporation and Pacer Equities Co., an Arizona corporation (each a "Seller" and collectively "Sellers") in connection with the Bargain Sale Agreement dated March 6, 2007 (the "Agreement") between Sellers and the Town of Cave Creek, an Arizona municipal corporation ("Buyer"), concerning the Assets of Sellers. This is the opinion contemplated by Section 5.2.4(b) of the Agreement. All capitalized terms used in this opinion without definition have the respective meanings given to them in the Agreement or the Accord referred to below. If both the Agreement and the Accord define a particular term, the definition in the Agreement shall govern and control.

This Opinion Letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991). As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Accord, and this Opinion Letter should be read in conjunction therewith. The law covered by the opinions expressed herein is limited to the Federal Law of the United States and the Law of the State of Arizona.

In connection with this opinion, we have reviewed such documents or certifications as we have deemed necessary or appropriate in rendering the opinions set forth herein. We also have made such inquiries of Sellers as we have deemed necessary or appropriate in connection with such opinions. In connection with the opinions hereafter expressed, we have assumed the due authorization, execution and delivery of the Agreement by all parties thereto other than Sellers and of the enforceability of the Agreement against such parties. When used in this opinion, the words "to our actual knowledge" signify that in the course of our representation of Sellers, no information has come to our attention that would give us actual knowledge that any of the

March 7, 2007

Page 2

opinions we express are not accurate or that any of the foregoing documents on which we have relied are not accurate and complete, and we have made reasonable inquiry of Sellers in connection therewith.

Based on the foregoing, our opinion is as follows:

1. The Agreement, the Settlement Agreement, the Escrow Agreement, the Stipulated Final Judgment, the Stipulated Immediate Possession Order, and the Stipulated Final Order in Condemnation are enforceable against the Sellers. All of the documents described in this paragraph 1 are hereinafter referred to as the "Transaction Documents."

2. Neither the execution and delivery of the Agreement nor the consummation of any or all of the Contemplated Transactions (a) violates any provision of the certificate of incorporation or bylaws (or other governing instrument) of either Seller, (b) based solely upon an Officer's Certificate of Sellers and to our actual knowledge, breaches or constitutes a default (or an event that, with notice or lapse of time or both, would constitute a default) under, or results in the termination of, or accelerates the performance required by, or excuses performance by any Person of any of its obligations under, or causes the acceleration of the maturity of any debt or obligation pursuant to, or results in the creation or imposition of any Encumbrance upon any property or assets of either Seller under, any agreement or commitment to which either Seller is a party or by which any of their respective properties or assets are bound, or to which any of the properties or assets of either Seller is subject, or (c) based solely upon an Officer's Certificate of Sellers and to our actual knowledge, violates any statute, law, regulation, or rule, or any judgment, decree or order of any court or other Governmental Body applicable to either Seller.

We hereby confirm to you that based solely upon an Officer's Certificate of Sellers and to our actual knowledge, except as set forth in Schedule 3.1.8 of the Agreement, there is no Proceeding by or before any court or Governmental Body pending or overtly threatened against or involving either Seller or that questions or challenges the validity of the Transaction Documents or any action taken or to be taken by either Seller pursuant to the Transaction Documents or in connection with the Contemplated Transactions, and neither Seller is subject to any judgment, order or decree having prospective effect.

The Accord is changed for purposes of this Opinion Letter pursuant to '21 of the Accord as follows: the Primary Lawyer Group shall include all lawyers presently at our firm who have given substantive attention to the affairs of the Sellers since April 6, 2005.

In rendering the foregoing opinions, we have made the following assumptions. We have made these assumptions without independent verification, and with the understanding that we are under no duty to inquire or investigate regarding such matters; however, we have no actual knowledge of any facts or information that would lead us to believe that any of our assumptions are not justified, or are contrary to known facts, or are unreasonable.

March 7, 2007

Page 3

- (a) The genuineness of all signatures not witnessed by us.
- (b) That each natural person who is executing any of the Transaction Documents possesses the legal competency and capacity necessary for such individual to execute such documents.
- (c) That the Transaction Documents accurately and completely describe and contain the parties' mutual intent, understanding and business purposes in all material respects, and that there are no oral or written statements, agreements, understandings or negotiations, nor any usage of trade or course of prior dealing among the parties, that directly or indirectly modify, define, amend, supplement or vary, or purport to modify, define, amend, supplement or vary, any of the terms of the Transaction Documents or any of the parties' rights or obligations thereunder, by waiver or otherwise.
- (d) The authenticity of all documents submitted as originals, and the conformity of each document that is a copy to an authentic original.
- (g) That the Transaction Documents have been, to the extent necessary, duly and validly authorized, executed, acknowledged and delivered by the Buyer, and that all other legal requirements applicable to the Buyer have been satisfied to the extent necessary to make the Transaction Documents enforceable against the Buyer in accordance with their terms.
- (h) That the Buyer has complied with all legal requirements pertaining to its status as such status relates to its rights to enforce the Transaction Documents against Buyer.
- (i) That Sellers hold the requisite title and rights to any real property or personal property involved in the Contemplated Transactions or otherwise purported to be owned by them.

This opinion is being provided to Buyer, and this opinion may be relied upon only by Buyer and its counsel and any of Buyer's' successors and assigns.

We express no opinion under (1) above concerning Section 4.12 of the Agreement.

The opinions set forth in this letter are based upon current circumstances, laws and regulations in existence as of the date hereof, and we have not undertaken any obligation to update these opinions in the event of changes thereto or additional legislation or judicial action.

Very truly yours,

March 7, 2007  
Page 4

MORRILL & ARONSON, P.L.C.

K. Layne Morrill

KLM:dln

# **EXHIBIT D**

**Opinion of Counsel to Buyer**

March 7, 2007

Global Water Inc.  
Attention: Trevor Hill, President & CEO  
21410 N. 19th Avenue, Suite 201  
Phoenix, Arizona 85027

K. Layne Morrill, Esq.  
Morrill & Aronson, PLC  
One East Camelback Road, Suite 340  
Phoenix, Arizona 85012

***Re: Town of Cave Creek/Cave Creek Water Co.***

Gentlemen:

We have acted as counsel to the Town of Cave Creek, an Arizona municipal corporation ("Buyer"), in connection with the Bargain Sale Agreement dated March 6, 2007 (the "Agreement") among Cave Creek Water Co., an Arizona corporation and Pacer Equities Co., an Arizona corporation (each a "Seller" and collectively "Sellers") and Buyer. This is the opinion contemplated by Section 5.3.2(d) of the Agreement. All capitalized terms used in this opinion without definition have the respective meanings given to them in the Agreement or the Accord referred to below. If both the Agreement and the Accord define a particular term, the definition in the Agreement shall govern and control.

This Opinion Letter is governed by, and shall be interpreted in accordance with, the Legal Opinion Accord (the "Accord") of the ABA Section of Business Law (1991). As a consequence, it is subject to a number of qualifications, exceptions, definitions, limitations on coverage and other limitations, all as more particularly described in the Accord, and this Opinion Letter should be read in conjunction therewith. The law covered by the opinions expressed herein is limited to the Federal Law of the United States and the Law of the State of Arizona.

In connection with this opinion, we have reviewed such documents or certifications as we have deemed necessary or appropriate in rendering the opinions set forth herein. We also have made such inquiries of Buyer as we have deemed necessary or appropriate in connection with such opinions. In connection with the opinions hereafter expressed, we have assumed the due authorization, execution and delivery of the Agreement by all parties thereto other than Buyer and of the enforceability of the Agreement against such parties. When used in this opinion, the

March 7, 2007

Page 2

words "to our actual knowledge" signify that in the course of our representation of Buyer, no information has come to our attention that would give us actual knowledge that any of the opinions we express are not accurate or that any of the foregoing documents on which we have relied are not accurate and complete, and we have made reasonable inquiry of Buyer in connection therewith.

Based on the foregoing and subject to the limitation set forth below, our opinion is as follows:

1. The Agreement, the Settlement Agreement, the Escrow Agreement, the Stipulated Final Judgment, the Stipulated Immediate Possession Order, and the Stipulated Final Order in Condemnation are enforceable against Buyer in accordance with their respective terms, except as may be limited by (a) bankruptcy, insolvency or other similar laws affecting the rights and remedies of creditors generally, (b) general principles of equity whether enforcement is sought in a proceeding in equity or law, and (c) general public policy considerations. All documents referred to in this paragraph 1 are hereinafter collectively referred to as the "Transaction Documents."

2. Neither the execution and delivery of the Transaction Documents nor the consummation of any or all of the transactions contemplated thereby (the "Contemplated Transactions") (a) violates any provision of the Town Code of Buyer, (b) based solely upon an Officer's Certificate of Buyer and our actual knowledge, breaches or constitutes a default (or an event that, with notice or lapse of time or both, would constitute a default) under any agreement or commitment to which Buyer is party or (c) based solely upon an Officer's Certificate of Buyer and our actual knowledge, violates any statute, law, regulation or rule, or any judgment, decree or order of any court or Governmental Body applicable to Buyer.

We hereby confirm to you that, based solely upon an Officer's Certificate of Buyer and our actual knowledge, except as set forth in Schedule 3.1.8 of the Agreement, there is no Proceeding by or before any court or Governmental Authority pending or overtly threatened against or involving Buyer or that questions or challenges the validity of the Transaction Documents or any action taken or to be taken by Buyer pursuant to the Transaction Documents or in connection with the Contemplated Transactions, and Buyer is not subject to any judgment, order or decree relating to the Transaction Documents having prospective effect.

The Accord is changed for purposes of this Opinion Letter pursuant to '21 of the Accord as follows: the Primary Lawyer Group shall include all lawyers presently at our firm who have given substantive attention to the affairs of the Buyer since April 6, 2005.

-----In rendering the foregoing opinions, we have made the following assumptions. We have made these assumptions without independent verification, and with the understanding that we are

March 7, 2007

Page 3

under no duty to inquire or investigate regarding such matters; however, we have no actual knowledge of any facts or information that would lead us to believe that any of our assumptions are not justified, or are contrary to known facts, or are unreasonable.

(a) The genuineness of all signatures not witnessed by us.

(b) That each natural person who is executing any of the Transaction Documents possesses the legal competency and capacity necessary for such individual to execute such documents.

(c) That the Transaction Documents accurately and completely describe and contain the parties' mutual intent, understanding and business purposes in all material respects, and that there are no oral or written statements, agreements, understandings or negotiations, nor any usage of trade or course of prior dealing among the parties, that directly or indirectly modify, define, amend, supplement or vary, or purport to modify, define, amend, supplement or vary, any of the terms of the Transaction Documents or any of the parties' rights or obligations thereunder, by waiver or otherwise.

(d) The authenticity of all documents submitted as originals, and the conformity of each document that is a copy to an authentic original.

(g) That the Transaction Documents have been, to the extent necessary, duly and validly authorized, executed, acknowledged and delivered by the Sellers, and that all other legal requirements applicable to the Sellers have been satisfied to the extent necessary to make the Transaction Documents enforceable against the Sellers in accordance with their terms.

(h) That the Sellers have complied with all legal requirements pertaining to their status as such status relates to their rights to enforce the Transaction Documents against Buyer.

(i) That Buyer holds the requisite title and rights to any real property or personal property involved in the Contemplated Transactions or otherwise purported to be owned by them.

This opinion is being provided to Sellers, and this opinion may be relied upon only by Sellers and their counsel and any of Sellers' successors and assigns.

We express no opinion under (1) above concerning Section 4.12 of the Agreement.

The opinions set forth in this letter are based upon current circumstances, laws and regulations in existence as of the date hereof, and we have not undertaken any obligation to update these opinions in the event of changes thereto or additional legislation or judicial action.

March 7, 2007  
Page 4

Very truly yours,

SACKS TIERNEY, P.A.

By \_\_\_\_\_  
Marvin S. Cohen

# **EXHIBIT 2**

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MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
SUITE 340  
PHOENIX, ARIZONA 85012  
TELEPHONE (602) 263-8993

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,  
  
Plaintiff,  
  
v.  
  
CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,  
  
Defendants.

No. CV2005-005882

**STIPULATED ORDER FOR  
IMMEDIATE POSSESSION**

(Assigned to the Honorable  
Ruth H. Hilliard)

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Pursuant to Stipulation of the relevant parties, and good cause appearing therefor,  
IT IS HEREBY ORDERED that the Plaintiff Town of Cave Creek shall have  
immediate possession, as of the date of this Order, of the assets and real property interests  
("Assets") of Defendant Cave Creek Water Company and Defendant Pacer Equities  
Company, as described on the attached Exhibit A, which is incorporated by this reference.

It is further ordered that this Stipulated Order of Immediate Possession is being  
entered in conjunction with the Stipulated Judgment submitted by and stipulated to by the  
Town of Cave Creek, Cave Creek Water Company, Pacer Equities Company and Global  
Water Resources, LLC on this same date, including as exhibits the Settlement Agreement  
and Release with the Bargain Sale Agreement and schedules and exhibits thereto between  
those same parties ("Stipulated Judgment with Exhibits").

It is further ordered that this Stipulated Order of Immediate Possession shall be  
effective immediately, as of the date of this Order, in accordance with the terms of the  
Stipulated Judgment with Exhibits regarding payments by the Town to the Water Company  
Defendants, without the deposit of any additional sums above and beyond the payments  
and schedule for such payments in the Stipulated Judgment with Exhibits. So, it is further  
ordered that the cash bond and other requirements of A.R.S. § 12-1116, and any other  
relevant statutory provisions or other legal requirements regarding possession of the Assets,  
are hereby superceded and controlled by the Stipulated Judgment with Exhibits.

DONE IN OPEN COURT this \_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Ruth H. Hilliard  
Maricopa County Superior Court Judge

**EXHIBIT A**

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# **EXHIBIT 3**

1 MORRILL & ARONSON, P.L.C.

2 ATTORNEYS AT LAW

3 ONE EAST CAMELBACK

4 SUITE 340

5 PHOENIX, ARIZONA 85012

6 TELEPHONE (602) 263-8993

7 Martin A. Aronson - 009005

8 John T. Moshier - 007460

9 Robert J. Moon - 019909

10 Attorneys for Defendants Cave Creek Water Co.,

11 Pacer Equities Co., and Global Water

12 Resources, LLC

13 **IN THE SUPERIOR COURT OF THE STATE OF ARIZONA**

14 **IN THE COUNTY OF MARICOPA**

15 TOWN OF CAVE CREEK, a municipal  
16 corporation of the State of Arizona,

17 Plaintiff,

18 v.

19 CAVE CREEK WATER CO., an Arizona  
20 corporation; PACER EQUITIES CO., haste  
21 Arizona corporation; GLOBAL WATER  
22 RESOURCES, LLC, a Delaware limited  
23 liability company; COUNTY OF  
24 MARICOPA, a political subdivision of the  
25 State of Arizona; OCOTILLO RIDGE  
26 ESTATES HOMEOWNERS'  
27 ASSOCIATION, an Arizona corporation;  
28 OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,

Defendants.

No. CV2005-005882

**STIPULATED FINAL JUDGMENT  
IN CONDEMNATION**

(Assigned to the Honorable  
Ruth H. Hilliard)

1 Pursuant to the Stipulation of Plaintiff Town of Cave Creek (“Town”) and  
2 Defendants Cave Creek Water Company, Pacer Equities Company and Global Water  
3 Resources, LLC (“Water Company Defendants”), and good cause appearing therefor,

4 IT IS HEREBY ORDERED, ADJUDGED AND DECREED as follows:

- 5 1. That the Town and the Water Company Defendants have entered into a  
6 Settlement Agreement and Release, including the Bargain Sale Agreement  
7 with Schedules and Exhibits (“Settlement Agreement with Exhibits”), all of  
8 which are attached as Exhibit A and which are incorporated by this reference  
9 as part of the Judgment of this Court.
- 10 2. That Plaintiff Town of Cave Creek have Judgment condemning the assets and  
11 real property interests (collectively “Assets”) of Defendants Cave Creek Water  
12 Company and Pacer Equities Company, as defined in Section 3.1.4 of the  
13 attached Bargain Sale Agreement between those same parties.
- 14 3. That the attached Exhibits B-1 and B-2, which are also incorporated by this  
15 reference, describe the area of the Certificate of Convenience and Necessity  
16 issued by the Arizona Corporation Commission to Defendant Cave Creek  
17 Water Company. As requested in the prayer for relief in the First Amended  
18 Complaint, the Certificate of Convenience and Necessity of Defendant Cave  
19 Creek Water Company for the areas described on Exhibits B-1 and B-2, (and  
20 for any other areas within Maricopa County, if any), is hereby extinguished  
21 and the status of the Defendant Cave Creek Water Company as a public  
22 service corporation is hereby terminated.
- 23 4. That the Town shall pay the total amount of \$19,500,000.00, plus interest,  
24 subject to adjustment, as set forth in the Settlement Agreement with Exhibits  
25 attached as Exhibit A. The payment terms and the interest to be paid shall be  
26 controlled by the Settlement Agreement with Exhibits attached as Exhibit A,  
27 which shall supercede and control any and all statutory rates of interest or other  
28 payment requirements of the relevant Arizona statutes and other law.

- 1           5.     Except as set forth in this Stipulated Judgment and the Settlement Agreement  
2           with Exhibits, no other sums shall be due to any Defendants to satisfy this  
3           Judgment. Furthermore, each party shall bear its own attorneys' fees, costs,  
4           and expenses in connection with this action, unless the Town does not timely  
5           satisfy this Judgment according to the provisions of the Settlement Agreement  
6           with Exhibits.
- 7           6.     Upon timely receipt of full payment as required by the Settlement Agreement  
8           with Exhibits, the Water Company Defendants shall file a Satisfaction of  
9           Judgment and then the Court shall enter a Stipulated Final Order of  
10          Condemnation vesting in the Town title in the Assets, which Assets shall then  
11          not be subject to or encumbered by any existing, past, or future rights, liens,  
12          claims or other encumbrances, but rather shall then be superior to any such  
13          rights, liens, claims or other encumbrances except as provided in the  
14          Settlement Agreement with Exhibits.
- 15          7.     That this Stipulated Final Judgment, including the provisions of the Settlement  
16          Agreement with Exhibits, constitutes a final determination as to all issues  
17          raised in the Town's First Amended Complaint and all matters pertaining to  
18          damages and compensation due for the taking of the Assets.
- 19          8.     That other than the Parties named in this action, no other person, partnership,  
20          corporation or other entity has any right, title or interest in and to the Assets.
- 21          9.     In the event that the Town does not make timely full payment, as set forth in  
22          the Settlement Agreement with Exhibits, then the Water Company Defendants,  
23          in their sole and absolute discretion, may elect either: (a) to execute upon and  
24          collect the money compensation owed under this Stipulated Judgment,  
25          including all interest, all as set forth in the Settlement Agreement with  
26          Exhibits; or (b) to retake possession and control (without any claim to, or  
27          encumbrance upon, or cloud upon title thereto, by the Town or any other party)  
28          of the Assets (and also to any improvements or additional assets then used in

1 conjunction with the Assets for the operation of the water utility) and also to  
2 collect all damages, including but not limited to abandonment damages and  
3 attorneys' fees and legal expenses arising out of the Town's breach of the  
4 Settlement Agreement with Exhibits.

5 10. That Defendant Ocotillo Ridge Estates Homeowners' Association, an Arizona  
6 corporation, was adjudged and declared to have no right or interest in the  
7 property described in the First Amended Complaint pursuant to a Judgment by  
8 Default entered by the Court on September 14, 2006.

9 11. That Defendant Ocotillo Ridge Estates, LLC, an Arizona limited liability  
10 company, was dismissed by Order of this Court dated February 27, 2006,  
11 based upon Plaintiff's Notice of Voluntary Dismissal of that same Defendant.

12 12. That Defendant Desert Foothills Land Trust, Inc., an Arizona non-profit  
13 corporation, was adjudged and declared to have no right or interest in the  
14 property described in the First Amended Complaint pursuant to a Judgment by  
15 Default entered by the Court on September 14, 2006.

16 13. That Defendant Wells Fargo Bank, National Association, a national banking  
17 association, as the successor-in-interest to First Interstate Bank of Arizona,  
18 N.A., a national banking association was dismissed by Order of this Court  
19 dated February 27, 2006, based upon Plaintiff's Notice of Voluntary Dismissal  
20 of that same Defendant.

21 14. That Defendant Harris Trust, as successor-in-interest to Defendant Century  
22 Bank, an Arizona corporation, filed a Disclaimer of Interest with this Court on  
23 or about March 2, 2007, such that Defendant Century Bank has no right or  
24 interest in the property described in the First Amended Complaint.

25 15. That Defendant JP Morgan Chase Bank, a national banking association as the  
26 successor-in-interest to the Valley National Bank of Arizona, a national  
27 banking association, was adjudged and declared to have no right or interest in  
28 the property described in the First Amended Complaint pursuant to a Judgment

1 by Default entered by the Court on September 14, 2006.

2 16. That Defendant Maricopa County, a political subdivision of the State, filed a  
3 Disclaimer of Interest with this Court on or about March 2, 2007, such that  
4 Defendant Maricopa County has no right or interest in the property described  
5 in the First Amended Complaint.

6  
7 DONE IN OPEN COURT this \_\_\_\_ day of \_\_\_\_\_, 2007.

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11 Ruth H. Hilliard  
12 Maricopa County Superior Court Judge  
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# **EXHIBIT 4**

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MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
SUITE 340  
PHOENIX, ARIZONA 85012  
TELEPHONE (602) 263-8993

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA**

DAVID L. PHELPS,  
Plaintiff,

vs.

TOWN OF CAVE CREEK, an Arizona  
municipal corporation; DESERT HILLS  
WATER CO., INC., an Arizona corporation,  
Defendants.

No. CV 2006-017664

**STIPULATION FOR DISMISSAL  
WITH PREJUDICE**

(Assigned to the Honorable  
Pendleton Gaines)

The parties, through their undersigned attorneys, hereby stipulate that this case shall be dismissed with prejudice, with each party to bear its own attorneys' fees and costs. A proposed form of Order is attached for the Court's convenience.

RESPECTFULLY SUBMITTED this \_\_\_\_ day of \_\_\_\_\_, 2007.

SACKS TIERNEY, P.A.

By \_\_\_\_\_  
Marvin S. Cohen  
Stephen J. Anthony  
4250 North Drinkwater Blvd., 4<sup>th</sup> Floor  
Scottsdale, AZ 85251-3696  
Attorneys for Defendants Town of Cave Creek  
and Desert Hills Water Company Inc.

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DALTON PLC

By \_\_\_\_\_  
R. Douglas Dalton  
1850 North Central Avenue  
Suite 1100  
Phoenix, Arizona 85004  
Attorneys for Plaintiff David L. Phelps

The ORIGINAL of the foregoing was electronically filed with the CLERK and A COPY was electronically and hand-delivered this \_\_\_\_\_ day of February, 2007, to:

The Honorable Pendleton Gaines  
Judge of the Superior Court  
101 West Jefferson Street  
Phoenix, AZ 85003-2243

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MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
SUITE 340  
PHOENIX, ARIZONA 85012  
TELEPHONE (602) 263-8993

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA**

DAVID L. PHELPS,  
  
Plaintiff,  
  
vs.  
  
TOWN OF CAVE CREEK, an Arizona  
municipal corporation; DESERT HILLS  
WATER CO., INC., an Arizona corporation,  
  
Defendants.

No. CV 2006-017664

**PROPOSED ORDER OF DISMISSAL  
WITH PREJUDICE**

(Assigned to the Honorable  
Pendleton Gaines)

Pursuant to stipulation of the parties, and good cause appear therefor,  
IT IS HEREBY ORDERED that this case is dismissed with prejudice, with each party  
to bear its own attorneys' fees and costs.

DONE IN OPEN COURT this \_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Pendleton Gaines  
Maricopa County Superior Court Judge

# **EXHIBIT 5**

SACKS TIERNEY P.A., LAWYERS  
4250 NORTH DRINKWATER BOULEVARD  
FOURTH FLOOR  
SCOTTSDALE, ARIZONA 85251-3893

1 Marvin S. Cohen (No. 000923)  
Stephen J. Anthony (No. 016354)  
2 SACKS TIERNEY P.A.  
4250 North Drinkwater Blvd., 4<sup>th</sup> Floor  
3 Scottsdale, Arizona 85251-3693  
Telephone: (480) 425-2600  
4 Attorneys for Plaintiff Cave Creek

6 SUPERIOR COURT OF ARIZONA

7 MARICOPA COUNTY

8 TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,

No. CV2005-005882

9 Plaintiff,

8 **FINAL ORDER OF  
CONDEMNATION**

10 v.

(Assigned to the Honorable Ruth H.  
Hilliard)

11 CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., an  
12 Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
13 liability company; COUNTY OF  
14 MARICOPA, a political subdivision of the  
State of Arizona, et. al.,

15 Defendants.

16  
17 It appearing to the Court that the Stipulated Judgment heretofore entered in this  
18 matter has been fully paid and satisfied and that a satisfaction of this judgment has been  
19 filed,

20 IT IS ORDERED, ADJUDGED AND DECREED that the Assets, as defined in the  
21 Stipulated Judgment and as described in Exhibit A hereto, are hereby condemned for  
22 municipal purposes and that the fee title or easements to the real property, as the case may  
23 be, in and to the real property interests as described in Exhibit A be, and are hereby vested  
24 in and to the Town of Cave Creek, free and clear of any and all liens and encumbrances;  
25 (except as may be otherwise provided in the Settlement Agreement with Exhibits attached  
26 as an exhibit to the Stipulated Judgment); and that the ownership of the personal property,  
27 facilities, contract rights and all other Assets as described in Exhibit A be, and the same are  
28 hereby vested in and to the Town of Cave Creek.

SACKS TIERNEY P.A., LAWYERS  
4250 NORTH DRINKWATER BOULEVARD  
FOURTH FLOOR  
SCOTTSDALE, ARIZONA 85251-3693

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Dated this \_\_\_\_ day of \_\_\_\_\_, 2007.

\_\_\_\_\_  
Ruth H. Hilliard  
Maricopa County Superior Court Judge

ORIGINAL OF THE FOREGOING  
MAILED this \_\_\_\_\_  
day of March, 2007, to:

Martin A. Aronson, Esq.  
John T. Moshier, Esq.  
Morrill & Aronson, P.L.C.  
One East Camelback, Suite 340  
Phoenix, AZ 85012  
Attorneys for Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

Marvin S. Cohen, Esq.  
Stephen J. Anthony, Esq.  
Sacks Tierney P.A.  
4250 North Drinkwater Blvd., 4<sup>th</sup> Floor  
Scottsdale, AZ 85251-3693  
Attorneys for Plaintiff Cave Creek

641360.01

# **EXHIBIT 6**

**COMMISSIONERS**  
MIKE GLEASON - Chairman  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
KRISTIN K. MAYES  
GARY PIERCE



**BRIAN C. McNEIL**  
Executive Director

**ARIZONA CORPORATION COMMISSION**

March 5, 2007

Mr. Usama Abujbarah  
Manager, Town of Cave Creek  
37622 North Cave Creek Road  
Cave Creek, Arizona 85331

RE: ARIZONA CORPORATION COMMISSION V. SABROSA WATER COMPANY  
DOCKET NO. W-02111A-00-0286

Dear Mr. Abujbarah:

The Town of Cave Creek ("Town") has acquired the Desert Hills Water Company and is in the process of acquiring the assets of Cave Creek Water Co. and Pacer Equities, Co. Global Water Resources ("Global") has been acting as interim manager of Sabrosa Water Company ("Sabrosa"), New River, Arizona, since February 1, 2005, pursuant to a letter agreement entered into by the Utilities Division ("Division") in accordance with Arizona Corporation Commission Decision Nos. 62572 and 63136. Since the Town will own and operate the nearby water utilities at Desert Hills and Cave Creek (when acquired), it is my understanding the Town is willing to assume the interim management of Sabrosa.

Pursuant to the above-referenced Decisions, the Utilities Division represents that it has the authority to accept the Town as interim manager for Sabrosa. The following are the terms and conditions which are to govern the interim management of Sabrosa by the Town. The Town agrees to serve as interim manager of Sabrosa, commencing on the date that the Town takes possession of the Cave Creek Water Company and Pacer Equities assets, under the following terms and conditions:

The Town will use its best efforts, either directly or through a contracted management entity, to operate, manage and maintain Sabrosa Water Company, in order to bring the utility into full compliance with Arizona Law, the Commission's Rules and orders, and with all other regulatory agencies such as the Department of Environmental Quality, Department of Water Resources, etc.

This is not a permanent arrangement and is subject to revocation at any time by either party without the approval of the other party. However, should the Town desire to discontinue its activities as interim manager at any time, it shall first give the Division 30 days notice prior to its decision to discontinue. Both the Division and the Town acknowledge that there is no contract with the Town, and no compensation will be due the Town from the Division, the Commission or the State of Arizona as a consequence of operating Sabrosa Water Company.

Mr. Usama Abujbarah  
Page 2

Further, the Town and the Division acknowledge that the Town will act as an independent interim operator and has no affiliation with Sabrosa. The Town is not assuming any obligations of Sabrosa. It is further understood that the Town as interim manager will not assist Sabrosa in any other capacity than that specified in this agreement.

The Division acknowledges and agrees that the Town is a separate and independent entity from Sabrosa. Except for any problems caused directly by the Town after its assumption of the interim manager responsibilities, the Town is not responsible or liable for any violations or problems with Sabrosa currently existing, arising prior to or after, caused by operations of Sabrosa prior to the Town's assumption of its interim manager responsibilities, including environmental health and/or any other problems or violations. Further, the Division acknowledges and agrees that the Town is under no obligation and is not liable to repay, settle, or otherwise resolve any debts, judgments, actions, balances and/or claims, including unpaid sales, property or income taxes against Sabrosa unless it is demonstrated that the interim manager was negligent in carrying out its responsibilities.

The Division agrees that, effective upon the Town's assumption of its duties hereunder, Global Water Resources will have no further responsibilities or obligations as interim manager of Sabrosa and hereby waives the requirement of 30-days advance notice by Global Water Resources to terminate the agreement between the Division and Global Water Resources relating to Sabrosa. The parties acknowledge that Global Water Resources is an intended third-party beneficiary of this provision.

The Division agrees that the Town, as interim manager, has the authority to perform the duties normally attendant with the operation and maintenance of a water company as a public service corporation including, but not limited to, the following:

1. The mailing and/or hand-delivery of customer notification letters informing all the customers about the change of interim managers and contact information.
2. The timely reading of meters and the prompt collection of bills from customer ratepayers of the system, including billing and collection for back due services.
3. The prompt adjustment of legitimate ratepayer complaints.
4. The connection and disconnection of service in accordance with the tariffs of Sabrosa and the rules of the Arizona Corporation Commission.
5. The filing of tariffs for Sabrosa under Arizona Corporation Commission rules.
6. The day-to-day testing and monitoring of the systems as required by applicable regulatory authorities.

Mr. Usama Abujbarah

Page 3

7. The right to examine, pay, prioritize and/or reject bills or debts associated with interim operation of Sabrosa in the manner in which a prudent owner of a water company would pay the bills of the company.
8. The making of minor repairs associated with the interim operation of Sabrosa (such repairs to be paid for out of the receipts and proceeds from interim operations).
9. The keeping of accounting and payment records as interim operator of Sabrosa. The Town will keep such records strictly as the agreed interim manager.
10. The making of capital improvements to the water system of Sabrosa at the Town's discretion.
11. The Town, as the interim system operator acting on behalf of Sabrosa, may pursue and file a rate case. The Town, in its interim operator capacity, may seek a rate increase on an emergency and/or a permanent basis for Sabrosa.

In addition, the Town agrees that it will do the following:

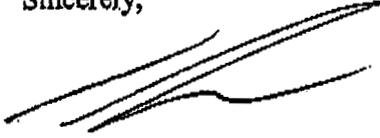
1. The Town will file a Progress Report with the Division's Compliance Section every 180 days, and each 180 days thereafter, after taking over the operation, maintenance and management of Sabrosa water system. The Progress Reports shall include information detailing all funds received and funds dispersed by expense category. These Progress Reports shall also include updates detailing the resolution of all formal customer complaints.
2. The Town will assume responsibility for all pending and future regulatory filings, and seek to ensure that the certified public service corporation is in compliance with all Commission Decisions and Rules.

As interim manager, the Town will be entitled to a monthly fee for interim management equal to the costs incurred during the month in performing items 1-11 above plus \$100. The Town may utilize funds and payments received from customers of Sabrosa to pay the management fee, and at the Town's discretion, any operating debts of Sabrosa. If the funds and payments received from customers of Sabrosa during any month are insufficient to recoup the monthly management fee noted above, the deficit shall be considered a debt of Sabrosa. The Town shall be entitled to collect any unpaid monthly management fees through future rates collected on behalf of Sabrosa Water Company. The Town has the right to file for an accounting order regarding interim operation expenditures and outlays.

Mr. Usama Abujbarah  
Page 4

The Division acknowledges that certain third parties may claim a secured or property interest in portions of Sabrosa Water System. The Division represents that it has no knowledge of the Commission approving any such encumbrances or rights under Ariz. Rev. Stat. § 40-285.

Sincerely,



*Ernest G. Johnson*  
Ernest G. Johnson, Director  
Utilities Division

By signature below, the Town accepts the position of interim manager of Sabrosa Water Company pursuant to the terms and conditions outlined above.

Usama Abujbarah  
Usama Abujbarah  
Town of Cave Creek

3/05/07  
Date

**EXHIBIT B-1**

## EXHIBIT B-1

### CAVE CREEK WATER COMPANY CERTIFICATED AREA

Sections 1, 12, 13, 23, 24, 25, 26, 35, 36 and the south half of Section 14, Township 6 North, Range 3 East, G&SRB&M, Maricopa County, Arizona;

Sections 1 and 2, Township 5 North, Range 3 East, G&SRB&M, Maricopa County, Arizona;

Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, and the west half, the west half of the east half, and the northeast quarter of the northeast quarter of Section 34, all in Township 6 North, Range 4 East, G&SRB&M, Maricopa County, Arizona;

Sections 4, 5 and 6, all in Township 5 North, Range 4 East, G&SRB&M, Maricopa County, Arizona.

### PROSPECTIVE ADDITIONS TO CAVE CREEK WATER COMPANY'S CERTIFICATED AREA

1. The extension of Cave Creek Water Company's Certificated Area applied for in Docket No. W-01452A-05-0082 before the Arizona Corporation Commission, to the extent that the application is granted. This requested extension is described on Exhibit A-1-1 and is incorporated herein by this reference.
2. The extension of Cave Creek Water Company's Certificated Area applied for in Docket No. W-01452A-04-0810 before the Arizona Corporation Commission, to the extent that the application is granted. This requested extension is described on Exhibit A-1-2 and is incorporated herein by this reference.

**EXHIBIT B-1-1**

## EXHIBIT B-1-1

### LEGAL DESCRIPTION

The Southeast quarter of the Northwest quarter of Section 34, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona EXCEPTING therefrom the following described parcel:

BEGINNING at the 2 inch diameter brass cap that is stamped center of Section 34, Township 6 North, Range 4 East, L.S. 1681, said point being also the Southeast corner of the Southeast quarter of the Northwest quarter of Section 34;

thence South 89 degrees 07 minutes 56 seconds West, 362.49 feet along the south line of said Southeast quarter of the Northwest quarter to an iron pipe tagged L.S. 1681 set for the Southwest corner of the herein described parcel of land;

thence North 00 degrees 42 minutes 47 seconds West, 1107.69 feet parallel with the East line of said Southwest quarter of the Northwest quarter to an iron pipe tagged L.S. 1681 set for the Northwest corner of the herein described parcel of land;

thence North 89 degrees 07 minutes 56 seconds East, 362.49 feet parallel with the South line of said Southeast quarter of the Northwest quarter to an iron pipe tagged L.S. 1681 set for the Northeast corner of the herein described parcel of land at a point that is on the East line of said Southeast quarter of the Northwest quarter and from which point the Northeast corner of said Southeast quarter of the Northwest quarter bears North 00 degrees 42 minutes 47 seconds West, 205.77 feet;

thence from said Northeast quarter of the herein described parcel of land South 00 degrees 42 minutes 47 seconds East, 1107.69 feet along the east line of said Southeast corner of the Northwest quarter to said 2 inch diameter brass cap that is Southeast corner of the herein described parcel of land and the POINT OF BEGINNING.

EXCEPT from all the above, all the coal and other minerals as reserved in Patent from the United States of America.

**EXHIBIT B-1-2**

**EXHIBIT B-1-2**

**LEGAL DESCRIPTION**

THAT PART OF THE LITTLE HOPE MINING CLAIM IN THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 4, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS;

COMMENCING AT THE NORTHWEST CORNER OF THE NORTHEAST CORNER OF THE NORTHEAST CORNER OF SAID SECTION 4;

THENCE SOUTH 00 DEGREES 07 MINUTES 22 SECONDS EAST (RECORD SOUTH 00 DEGREES 07 MINUTES 48 SECONDS EAST) A DISTANCE OF 494.41 FEET (RECORD 494.48 FEET) TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 00 DEGREES 07 MINUTES 22 SECONDS EAST (RECORD SOUTH 00 DEGREES 07 MINUTES 48 SECONDS EAST) A DISTANCE OF 1454.39 FEET (RECORD 1454.42 FEET);

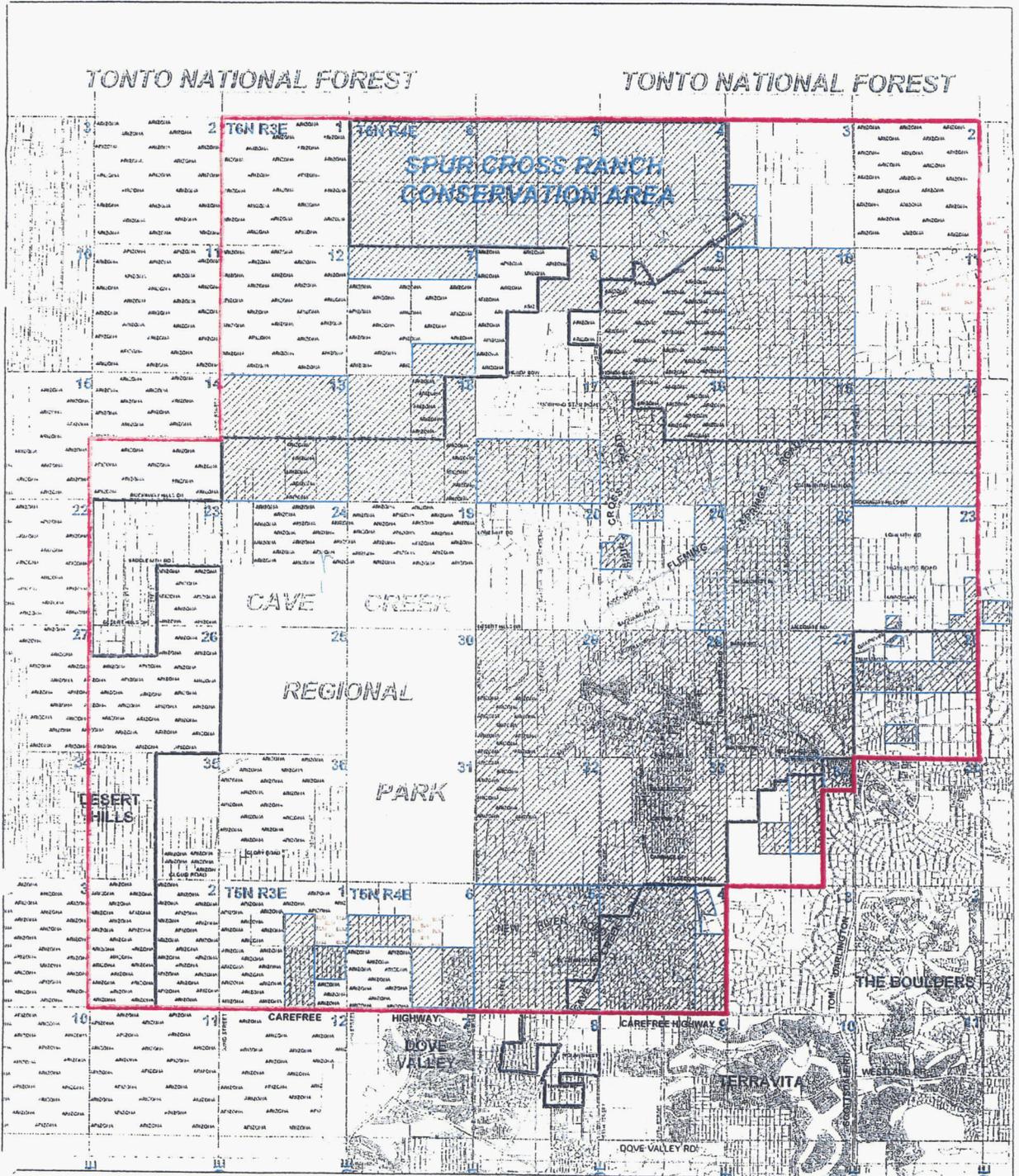
THENCE SOUTH 77 DEGREES 30 MINUTES 39 SECONDS WEST (RECORD SOUTH 77 DEGREES 30 MINUTES 35 SECONDS WEST) A DISTANCE OF 26.03 FEET;

THENCE NORTH 20 DEGREES 40 MINUTES 50 SECONDS WEST A DISTANCE OF 1435.12 FEET (RECORD 1435.15 FEET);

THENCE NORTH 77 DEGREES 29 MINUTES 46 SECONDS EAST (RECORD NORTH 77 DEGREES 32 MINUTES EAST) A DISTANCE OF 541.99 FEET TO THE TRUE POINT OF BEGINNING.

**EXHIBIT B-2**

# CAVE CREEK WATER COMPANY SERVICE AREA & FRANCHISED AREA



### LEGEND

- TOWN OF CAVE CREEK JURISDICTIONAL BOUNDARY
- CAVE CREEK WATER COMPANY FRANCHISED AREA BOUNDARY
- CAVE CREEK WATER COMPANY SERVICE AREA



March 28th, 2006

DWG. BY: L. SAHR

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MORRILL & ARONSON, P.L.C.  
ATTORNEYS AT LAW  
ONE EAST CAMELBACK  
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CERTIFIED COPY

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

FILED  
3-7-07 9:48 am  
MICHAEL K. JEANES, Clerk  
By [Signature]  
Gilbert, Deputy

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,  
  
Plaintiff,  
  
v.  
  
CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,  
  
Defendants.

No. CV2005-005882

STIPULATED ORDER FOR  
IMMEDIATE POSSESSION

(Assigned to the Honorable  
Ruth H. Hilliard)

EXHIBIT  
A-10

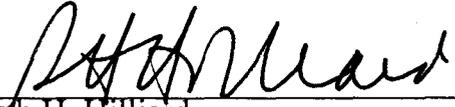
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Pursuant to Stipulation of the relevant parties, and good cause appearing therefor,  
IT IS HEREBY ORDERED that the Plaintiff Town of Cave Creek shall have  
immediate possession, as of the date of this Order, of the assets and real property interests  
("Assets") of Defendant Cave Creek Water Company and Defendant Pacer Equities  
Company, as described on the attached Exhibit A, which is incorporated by this reference.

It is further ordered that this Stipulated Order of Immediate Possession is being  
entered in conjunction with the Stipulated Judgment submitted by and stipulated to by the  
Town of Cave Creek, Cave Creek Water Company, Pacer Equities Company and Global  
Water Resources, LLC on this same date, including as exhibits the Settlement Agreement  
and Release with the Bargain Sale Agreement and schedules and exhibits thereto between  
those same parties ("Stipulated Judgment with Exhibits").

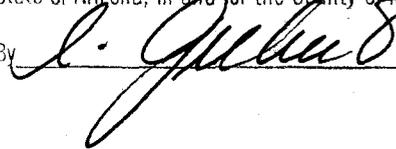
It is further ordered that this Stipulated Order of Immediate Possession shall be  
effective immediately, as of the date of this Order, in accordance with the terms of the  
Stipulated Judgment with Exhibits regarding payments by the Town to the Water Company  
Defendants, without the deposit of any additional sums above and beyond the payments  
and schedule for such payments in the Stipulated Judgment with Exhibits. So, it is further  
ordered that the cash bond and other requirements of A.R.S. § 12-1116, and any other  
relevant statutory provisions or other legal requirements regarding possession of the Assets,  
are hereby superceded and controlled by the Stipulated Judgment with Exhibits.

DONE IN OPEN COURT this 7<sup>th</sup> day of March, 2007.

  
Ruth H. Hilliard  
Maricopa County Superior Court Judge

The foregoing instrument is a full, true and correct copy  
of the original document.

Attest March 7 20 07  
MICHAEL K. JEANES, Clerk of the Superior Court of the  
State of Arizona, in and for the County of Maricopa.

By  Deputy

**EXHIBIT A**

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**COPY**

Martin A. Aronson - 009005  
John T. Moshier - 007460  
Robert J. Moon - 019909  
Attorneys for Defendants Cave Creek Water Co.,  
Pacer Equities Co., and Global Water  
Resources, LLC

**IN THE SUPERIOR COURT OF THE STATE OF ARIZONA  
IN THE COUNTY OF MARICOPA**

TOWN OF CAVE CREEK, a municipal  
corporation of the State of Arizona,  
  
Plaintiff,  
  
v.  
  
CAVE CREEK WATER CO., an Arizona  
corporation; PACER EQUITIES CO., haste  
Arizona corporation; GLOBAL WATER  
RESOURCES, LLC, a Delaware limited  
liability company; COUNTY OF  
MARICOPA, a political subdivision of the  
State of Arizona; OCOTILLO RIDGE  
ESTATES HOMEOWNERS'  
ASSOCIATION, an Arizona corporation;  
OCOTILLO RIDGE ESTATES, LLC, an  
Arizona limited liability company; DESERT  
FOOTHILLS LAND TRUST, INC., an  
Arizona non-profit corporation; WELLS  
FARGO BANK, NATIONAL  
ASSOCIATION, a national banking  
association AS THE SUCCESSOR IN  
INTEREST TO FIRST INTERSTATE  
BANK OF ARIZONA, N.A., a national  
banking association; CENTURY BANK, an  
Arizona corporation; JP MORGAN CHASE  
BANK, a national banking associations AS  
THE SUCCESSOR IN INTEREST TO THE  
VALLEY NATIONAL BANK OF  
ARIZONA, a national banking association;  
JOHN DOES 1 through 10, and BLACK  
AND WHITE PARTNERSHIP 1 through 10,  
  
Defendants.

No. CV2005-005882

**STIPULATION FOR IMMEDIATE  
POSSESSION**

(Assigned to the Honorable  
Ruth H. Hilliard)

1 Plaintiff Town of Cave Creek and Defendants Cave Creek Water Company, Pacer  
2 Equities Company and Global Water Resources, LLC ("Water Company Defendants")  
3 hereby stipulate that the attached Stipulated Order for Immediate Possession be entered as  
4 an order of the Court.

5 This Stipulation is part of the Settlement Agreement and Release between these same  
6 parties, and is also in conjunction with the form of Stipulated Judgment submitted to the  
7 Court on this same date, in accordance with that same Settlement Agreement and Release.

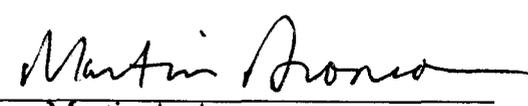
8 RESPECTFULLY SUBMITTED this 7<sup>th</sup> day of March, 2007.

9 SACKS TIERNEY, P.A.

10  
11 By 

12 Marvin S. Cohen  
13 Stephen J. Anthony  
14 4250 North Drinkwater Blvd., 4<sup>th</sup> Floor  
15 Scottsdale, AZ 85251-3696  
16 Attorneys for the Town of Cave Creek

17 MORRILL & ARONSON, P.L.C.

18  
19 By 

20 Martin A. Aronson  
21 John T. Moshier  
22 Scott D. Larmore  
23 One East Camelback Road, Suite 340  
24 Phoenix, AZ 85012  
25 Attorneys for Defendants Cave Creek  
26 Water Co., Pacer Equities Co., and  
27 Global Water Resources, LLC

28 The ORIGINAL of the foregoing was  
electronically filed with the CLERK and A COPY  
was electronically and hand-delivered this 7<sup>th</sup>  
day of ~~February~~, 2007, to:  
March

The Honorable Ruth H. Hilliard  
Judge of the Superior Court  
101 West Jefferson Street, Suite 4C  
Phoenix, AZ 85003-2243

## SCHEDULE 3.1.4

### ASSETS

#### Equipment

The following list is a representation, to the Seller's Knowledge without verification or inquiry, of the assets that will be transferred to the Buyer. This list may or may not represent all assets required to operate the Water Companies in a compliant manner.

### VEHICLES

Type	VIN
F250	3FTHF25G4VMA49421
Sonoma	1GTCS195X18189724
Sierra	1GTEC14V21E289282
Backhoe	T0710BD704217

### TREATMENT PLANT

Equipment	Quantity	Year Installed
40'x60' Metal Bunker Building	1	1990
1MGD Microfloc Filter Skid	3	1990, 2000 & 2006
Controls for 3 Filters	2	1990, 2006
Backwash Pit (11.5X11.6x 10.6-grade)	1	1990
15 HP Pump for Backwash Pit 3X4 cement slab	1	2005
3 Hp Mud Pump for Backwash Pit	1	1990
Drying Bed (30x40x6)	1	1990
5 HP Effluent Pump	3	1990, 2000 & 2006
Chemical Feed Pump	15	1990, 2000, 2005 & 2006
PH Meter	6	2005 & 2006
Turbidity Meter	7	2-1992, 1-2000 & 4-2006
Free Chlorine Meter	2	1992 & 2006
7 pen Chart Recorder (water quality tests)	1	1992
Radio for SCADA	1	2000
Antenna for Radio	1	2000
Chemical Containment Vessels	3	1990
Chlorination Equipment		2004
Activated Carbon injection System		1990
Piping for 3 Filters		1990, 2000 & 2006
Pneumatic Valves	6	1990, 2000, 2004, 2006
Air Compressor for Pneumatic Valves	2	60 gal-2003, 80gal-2006

Refrigerator Air Dryer	1	2006
Electric Control Panels for Pumps Etc.	2	1990 & 2006
7.5 HP Backwash Pump (backup) (3x5) slab	1	1989
Chlorine Storage & Air Comp. (8.5x23) slab	1	1990
Confined Space Enclosure for Cl <sub>2</sub> (6x2)	1	2006
Transfer Pump slab (10x13.5)	1	1990
Backflow support slab (7x4)	1	1990
Power Panel slab (11x6.5)	1	1990
Generator slab	1	2006
Chemical Containment (for 55 gal barrel)	2	2000
Blower slab unit 2 (1.5x2.5)	1	2006
Blower slab unit 3 (2x2.5)	1	2006
Cover for Activated C & Compressor (7.5x12)	1	1990
Front access Handy Cap slab (3.5x5)	1	1990
Back door slab (3.5x5)	1	1990
Effluent Pump slab unit 1&2 (1.3x3)	2	1990
Effluent Pump slab unit 3 (1.66x3)	1	2006
6" Magnetic flow meter	1	2006
Vault for magnetic meter (4.5x4.5x8)	1	2006
6" Meter for Rancho Manana Golf Club	1	2006

Equipment	Quantity	Year Installed
Vault for RM meter (18x11x8)	1	2005
6" Rancho Manana Golf Club automatic valve	1	2005
6" Golf Course Check Valve	1	2005
6" Turbo Meter for Golf Club	1	1989 Rebuilt 2006
Concrete vault for well valve (4.5x4.5x4)	1	2001
Sea Matie Flow Meter at CAP Canal w	1	2005
Digital Readout to SCADA		
4" Standpipe w compound meter	1	2005
Hewlet Packard Office Jet G85	1	2004
Dell Dimension 8300 Computer	1	2004

### PIPELINES

Installed pipelines, fittings, meters employed to deliver water to the Treatment Plant and distribute water to registered Company customers.

### TOOLS

Those tools only as normally carried in the vehicles as noted above, or normally located at the Treatment Plant and owned by the Company and used for the provision of water service.

Computer Programs  
SCADA - PC

Windows - 2000  
Dell Accessories  
Intel network Adapters  
Internet Explorer  
Outlook Express  
Dell True Mobile  
Administrative Tools  
Wonder Ware Factory Suite  
Windows Journal Viewer  
Win Zip  
Symantic PC Anywhere  
Microsoft Office  
Adobe Acrobat Reader 4.0  
Standard Automation Products  
Hewlet Packard Printer Software  
Pro Worx  
Trend Micro Client Server Security Agent

**WELL AND BOOSTER SITES**

Note: Location and elevations determined from map not GIS (numbers approximate).

Address 6109 E Hidden Valley Dr. Cave Creek, AZ

Name Neary Installation  
Dates

ADWR well # 55-625095

Location NE1/4SW1/4SE1/4 Sec 28 T6N R3E

Elevation 2130

Electric service	480 VAC 3-phase	?amp service	1971 <sup>1</sup>
	Well Controls		1971
	Booster Pump Controls		1971
	4 Keyed HOA Switches		2006

Well	270 ft deep Concrete slab (8.33' x 8.16')	1971
1971		
Well casing	16" 0-28' perforated torch cut 14" 28'-90' perforated torch cut 10" 90'-270' perforated torch cut	
Well pump	10 HP Jacuzzi pump, Model # 10S6M4	?
Storage	45,000 gal low profile tank (empty) 110,000 gal low profile tank 110K tank exterior painted	1960 1971
1999/2000	110,000 gal repaired and interior epoxy coated	2000
Booster pumps	15 HP Baldor motor, Model# JMM3314T Berkley pump, Model# B1 ½ ZPLS 15 HP Baldor motor, Model# JMM3314T Berkley pump, Model# B2 ZPLS 30 HP Baldor motor, Model# JMM3314T Berkley Pump, Model#B21/2 ZPLS	2002 2002 2002
Surge tank	5000 gal surge tank	1960'S
Air Compressor	½ HP Speed Aire 2Z499 air Compressor	2000
Fence	328 LF Chain Link Fence	

Notes:

1. Upgraded electric panel 3/1996.
2. Installed prior to 1994.

Address	38225 N Basin Rd. Cave Creek, AZ	
Name	Wright I	Installation
Dates		
ADWR well #	55-625094	
Location	SW1/4NE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase 200 amp service	1970
	Well Controls	1970
	Booster Pump Controls	1970
	5 Keyed HOA Switches	2006
	Weather guard (12'x6')	1973
Well	303 ft deep constructed in	1970
	Concrete slab (6' x6')	1970
Well casing	12" 0-75' perforated 8 cuts/ft.	
	10" 75'-301' perforated 4 cuts/ft	
Well pump	10 HP submersible	1994
	Berkley pump, Model # 6SA115	
Storage	110,000 gal low profile tank	1971
	All tanks painted	
1999/2000		
	110,000 gal repaired, interior epoxy coated	2000
	42,000 gal tank	1999
Booster pumps	30 HP Baldor motor, model# JMM33114T	2003
	Berkley pump, model# B21/2 ZPLS	
	30 HP Baldor motor, model# JMM33114T	2003 <sup>4</sup>
	Berkley pump, model# B21/2 ZPLS	
	40 HP submersible	2006
	Berkley pump, model # 7T455	
	15HP Submersible pump	1998
	Concrete slab (8'x11')	1963
	Shade structure (12'x14')	1999
Surge tank	5000 gal surge tank	1963
	Concrete slabs 2-(2'x7')	1963
Air Compressor	½ HP Speed Aire 2Z499	1998

	Concrete slab (2'x3')	2006
Fencing (2003)	431 LF Chain link (with razor wire)	1998
4.	Repaired and returned to service.	
Address	38235 N. Basin Rd.	
Name	Wright II	Installation
Dates		
ADWR well #	55-516266	
Location	SW1/4NE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase ?amp service	1989
	Well Control	1989
	Booster Pump Controls	1989
Well	357 ft deep constructed	1989
	Concrete slab (6'x6')	1989
Well casing	8" 0-340'	
Well pump	10 HP submersible Berkley pump, Model # 6S2BH5	1997
Transfer pumps	15 HP GE motor, model # 5K254AK201	2000 <sup>5</sup>
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	2000 <sup>6</sup>
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	1989
	Peerless pump, model # 8943657, type C1040A	
	15 HP GE motor, model # 5K254AK201	2006
	Peerless pump, model # 8943657, type C1040A	
Backflow Devices	10" Reduced pressure backflow on backwash line	1989
	3" Reduced pressure backflow on surface wash line	1989

5 Repaired and returned to service.

6 Repaired and returned to service.

Address	40625 N School House Rd.	
Name	Carol Heights	Installation
Dates		
ADWR well #	55-625096	
Location	SW1/4NW1/4NW1/4 Sec 22 T6N R4E	
Elevation (2003)	2227 LF Chain Link fence (with razor wire)	1989
Electric service	480 VAC 3-phase ?amp service	1994
	Booster Pump Controls 1-30HP, 1- 30HP	1994
	Booster Pump Controls 1-30 HP	2004
	Weather structure over electric panel	1994
Well	744 ft deep constructed	1970
	Concrete slab (6'x6')	1970
Well casing	10" 0- 703' perforated torch cut	
Storage	110,000 gal steel above ground storage tank	1970
	15,000 gal tank	1960'S
Booster pumps	30 HP Baldor motor, model # JMM3314T	2000 <sup>7</sup>
	Berkley pump, model # B11/2ZPLS	
	30 HP Baldor motor, Model #JMM2534T	2004
	Berkley pump, model # B21/2ZPLS	
	30 HP motor, Berkley pump, model # B21/2ZPLS	2004
	Concrete slab (8'x8')	1970
Surge tank	5000 gal surge tank	1970
	Concrete slab 2-(2'x7')	1970
Fence	374 LF chain link fence	1970
Air Compressor	1/2 HP air compressor	

7 Rebuilt and returned to service.

Address	41243 N Echo Canyon	
Name	Rockaway Hills	Installation
Dates		
ADWR well #	55-625097	
Location	NW1/4SW1/4SE1/4 Sec 15 T6N R4E	
Elevation	2322 Ft.	
Electric service	220 VAC 1-phase 7amp service capacitive start for motors	1971
	Well Controls	1971
	Booster Pump Controls	1971
	Weather Structure over electric panel (5'x8')	1971
Well	482 ft deep constructed	1971
	Concrete slab (8'x8')	1971
Well casing	16" 0-296'	
	10' 296'-320'	
	6" 320'-422'	
Well pump	10 HP motor	
	Goulds pump, Model # 18E	
	Concrete slab (6'x6')	
Storage	110,000 gal steel above ground storage tank	1971
	15,000 gal tank	1971
Booster pumps	5 HP GE motor, model # 5KC184DL15 (submersible)	2003
	Deming/Crane pump, figure 6602, size MU6S (high pressure side)	
	5 HP motor (submersible)	? <sup>8</sup>
	Berkley pump, model #48GS50 (high pressure side)	
	3 HP motor (submersible)	
	? <sup>9</sup>	
	Berkley pump, model # 4CLM14	
	5 HP motor	2000
	Berkley pump, model # 3S6A6	
	Concrete slab (6'x6')	1971
Surge tank	5000 gal surge tank on low pressure side	2005
	Concrete slab 2-(2.5'x7.5')	1971
	1000 gal surge tank on high pressure side	1971
	Concrete slab 2-(2.x6.5)	1971

Air Compressor	2 - ½ HP Speed Aire 2Z499	1980
Fence	1030 LF Chain Link fence	1971
8	Installed prior to 1994.	
9	Installed prior to 1994.	
Address	38250 N Linda Dr	
Name	Linda Drive/Pee Wee II	Installation
Dates		
ADWR well #	55-625098	
Location	NW1/4SE1/4SE1/4 Sec 28 T6N R4E	
Elevation	2160	
Electric service	480 VAC 3-phase ?amp service	1971
	480 VAC 3-phase 200 amp service	1989
	Well Controls	1977
	Booster Pump Controls 2-30 HP	1971
	Booster Pump Controls 2-30 HP	1996
	Booster Pump Controls 2-50 HP	2004
	2- Keyed HOA switch	2006
	Weather Structure over electric panel	1971
SCADA	Radio	2000
	Radio Antenna	2000
Well	322 ft deep constructed	1971
	Concrete slab (6'x6')	1971
Well casing	16" 0-110'	
	10" 110'-213' perforated torch cut	
	8" 213'-322' perforated torch cut	
Well pump	7.5 HP motor	1999
	Berkley pump, Model # 6S2ALL4	
Storage	200,000 gal steel above ground storage tank	1989
Booster pumps	50 HP Baldor motor, model # JMM2542 T	2006
	Paco pump, model # 3656	
	50 HP Baldor motor, model # JMM2542 T	2006
	Paco pump, model # 3656	
	30 HP Baldor motor, model # JMM2534T	2002

	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	1996
	Berkley pump, model # B21/2 ZPLS	
	Concrete slab (8'x8')	1971
	Concrete slab (7'x4')	1989
	Concrete slabs (2.33'x4')	2001
Surge tank	5000 gal surge tank	2005
	Concrete slab (7'x2')	1971
Fence	328 LF Chain Link fence	1971
	90 LF Chain Link fence	1989
Air Compressor	2 HP 4B234A	1996

Address	6021 E Leisure Lane	
Name	Sentinel Rock Booster Station	Installation
Dates		
Location:	SW1/4 SE1/4 NE1/4 SEC 4 T5N R4E	
Elevation	= 2200	
Electric service	480 VAC 3-phase 7amp service	1982
	Booster Pump Controls	1982
	Weather Structure over electric panel (10'x2')	1982
Booster pumps	30 Hp GE motor, model # 5K284 JL 1224	2000 <sup>10</sup>
	Pacific pump, model # 71-30705-74010	
	15 HP Baldor motor, model # JMM3314 T	2003
	Berkley pump, model # B2ZPLS	
	15 HP Baldor motor, model # JMM3314 T	2002 <sup>11</sup>
	Berkley pump, model # B2ZPLS	
Surge tanks	1000 gal on low pressure side (max pressure 160 psi)	1982
	Concrete slab (4'x1')	1982
	5000 gal on high pressure side	1987
	Concrete slab (8'x2')	1987
Air Compressor	7.5 HP Curtis Toledo CCR1229	1987
Fence	110 LF Block fence	1982

10 Repaired and returned to service.

11 Repaired and returned to service.

Address	5951 E Carriage Dr.	
Name	Carriage Drive Booster (Station Station being redone WIP See Carriage Water Plans in WIP)	
Dates		Installation
Location:	SE1/4 NW1/4 SE1/4 SEC 33 T6N R4E	
Elevation	2200<2250	
Electric service	220 VAC 3-phase ?amp service	1968
	Booster Pump Controls	1968
	Weather Structure over electric panel (10'x3')	1968
Booster pumps	15 HP Baldor motor, model # JMM3314 T	2002
	Berkley pump, model # B11/2ZPLS	
	15 HP Baldor motor, model # JMM3314 T	2006
	Berkley pump, model # B11/2ZPLS	
	Concrete slab (6'x4')	1968
	Shade structure over pumps (5'x4')	1968
Surge tanks	1000 gal on low pressure side	2000
	Concrete slab (5'x2')	1968
	1000 gal on high pressure side	2000
	Concrete slab (5'x2')	1968
Air Compressor	½ HP air compressor	
SCADA	Radio Repeater	2000
	Radio Antenna	2000
Fence	116 LF Chain Link Fence	1968

Address	37590 N Schoolhouse Rd.	
Name	Schoolhouse Rd. South Booster Station	Installation
Dates		
Location:	NE1/4 NE1/4 NE1/4 SEC 33 T6N R4E	
Elevation	2250<2300	
Electric service	220 VAC 1-phase ?amp service Booster Pump Controls	199? <sup>12</sup> 199? <sup>12</sup>
Booster pumps	3 Hp magnatek motor, cat # B131 Weber pump, model # L20B23 3 Hp magnatek motor, cat # B131 Weber pump, model # L20B23 1 HP Magnatek motor, cat # B719 Weber pump, model # L 35B6 Concrete slab (6'x4.5')	199? <sup>12</sup>  199? <sup>12</sup>  199? <sup>12</sup>  199? <sup>12</sup>
Surge tanks	1000 gal on low pressure side 1997 Concrete slab 2-(5'x1.75) 300 gal on high pressure side 1997 Concrete slab (3.5'x 3')	199? <sup>12</sup> 199? <sup>12</sup> 199? <sup>12</sup> 199? <sup>12</sup>

12 Believe booster station constructed 1995, first customer connected to station 8/1995.

Address	6999 E Hawksnest Rd.	
Name	Hawksnest Booster Station	Installation
Dates		
Location:	NE1/4 NW1/4 SE1/4 SEC 34 T6N R4E	
Elevation	=2450	
Electric service	220 VAC 1-phase ?amp service Booster Pump Controls Weather Structure over electric panel (2'x2')	? <sup>13</sup> 2003 <sup>14</sup> ? <sup>13</sup>
Booster pumps	5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 5 Hp Baldor motor, cat # VM3613T G&L pump, cat # 2SVBK11 Concrete slab (4'x1')	2005  2005  2005  2003  2003
Surge tanks	1000 gal on high pressure side Concrete slab 2-(3'x1')	1990 ? <sup>13</sup>
Air Compressor	1/3 HP Magnetek 164549 air compressor	2003
Fence	97.5 LF Chain Link Fence	? <sup>13</sup>
13	Water Company took over existing facility in 1991.	
14	Water Company rebuilt pump controls	

Address	6999 E 38 <sup>th</sup> Street.	
Name	38 <sup>th</sup> Street Booster Station	Installation
Dates		
Location:	SE1/4 NW1/4 SE1/4 SEC 35 T6N R3E	
Elevation	=1975	
Electric service	220 VAC 1-phase ?amp service	2006
	Booster Pump Controls	2006
	Weather Structure over electric panel (2'x2')	
Booster pumps	Concrete slab (5'x3')	2006
Surge tanks		
Fence	40 LF Chain Link Fence	
	2006	

Address	37996 N Galloway Dr.	
Name	Galloway Booster Station	Installation
Dates		
Location:	SW1/4 SE1/4 SE1/4 SEC 27 T6N R4E	
Elevation	=2300	
Electric service	480 VAC 3-phase 7amp service	1996
	Booster Pump Controls	1996
	Weather Structure	1996
Booster pumps	30 HP Baldor motor, model # JMM2534T	2006
	Berkley pump, model # B21/2 ZPLS	
	30 HP Baldor motor, model # JMM2534T	2003
	Berkley pump, model # B21/2 ZPLS	
	15 HP Baldor motor, model # JMM3314 T	1996
	Berkley pump, model # B2ZPLS	
	Concrete slab (3'x1.66')	1996
Surge tanks	5000 gal on high pressure side	1996
	Concrete slab (6'x1.75')	1996
	1000 gal on low pressure side	2003
	Concrete slab (4.75'x1')	1996
Air Compressor	2 HP Dayton 8WJ55U air compressor	1996
Fence	133 LF Chain Link Fence	1996

Address	7602 E. Stevens Rd.	
Name	Ocotillo I Booster Station	Installation
Dates		
Location:	SW1/4 SW1/4 NE1/4 SEC 26 T6N R4E	
Elevation	2400<2450	
Electric service	480 VAC 3-phase ?amp service	2000
	Booster Pump Controls	2000
Booster pumps	50 HP Baldor motor, model # JMM2542T	2005
	Goulds pump, cat # 26ST1S200	
	50 HP Baldor motor, model # JMM2542T	2005
	Goulds pump, cat # 26ST1S200	
	15 HP Baldor motor, model # JMM3314 T	2004
	Goulds pump, cat # 7ST11635	
	Concrete slab (7.8'x7')	2000
Surge tanks	5000 gal on high pressure side	2000
	Concrete slab 2-(6'x3')	2000
	300 gal on low pressure side	2000
Air Compressor	7.5 HP Curtis Toledo	2000
Fence	107 LF Block Wall	2000

Address	39505 N Ocotillo Ridge Rd.	
Name	Ocotillo II Booster Station	Installation
Dates		
Location:	SE1/4 SE1/4 SE1/4 SEC 23 T6N R4E	
Elevation	=2500	
Electric service	480 VAC 3-phase 7amp service	2002
	Variable Speed Booster Pump Controls	2002
Booster pumps	15 HP Baldor variable speed motor, model # JMM2333T	2002
	Berkley pump,	
	15 HP Baldor variable speed motor, model # JMM2333T	2002
	Berkley pump	
	15 HP Baldor variable speed motor, model # JMM2333 T	2002
	Berkley pump	
Concrete Vault	Concrete Vault (17.5x12')	2002

Address	38060 N Vermeersch Rd.	
Name	Vermeersch well	Installation
Dates		
ADWR well #	55-518050	
Location	SE1/4NW1/4SE1/4 Sec 27 T6N R4E	
Elevation	2263 Ft.	
Electric service	480 VAC 3-phase 7amp service	1988
	Well Control	1988
Well	700 ft deep constructed in Concrete slab (7'x7')	1988 1988
Well casing	10" 0-700'	
Well pump	40 HP motor Berkley pump, Model # 6S2AM12	1995
Surge tank	1000 gal Concrete slab 2-(7.8'x2')	1988 1988
Air Compressor	3/4 HP Speed Aire 2Z499 air Compressor 1988	1998
Fence (1990)	99 LF Block Wall (with razor wire)	1988

Address	38617 N Schoolhouse Rd	
Name	Hazelton well	Installation
Dates		
ADWR well #	55-518052	
Location	SW1/4SW1/4Sw1/4 Sec 22 T6N R4E	
Elevation	2202 Ft.	
Electric service	480 VAC 3-phase ?amp service	1988
	Well Control	1988
	Weather Structure (6.5'x3')	1988
Well	800 ft deep constructed	1988
	Concrete slab (6.5'x6')	1988
Well casing	8" casing	
Well pump	15 HP motor	2003
	Goulds pump, Model # 70L15	
Surge tank	1000 gal	1999
	Concrete slab 2-(5'x1.75')	1988
Fence	91 LF Chain Link fence	1988

Address	6370 E Arroyo Rd.	
Name	Faber well	Installation
Dates		
ADWR well #	55-521032	
Location	NE1/4SE1/4SE1/4 Sec 21 T6N R4E	
Elevation	2206 Ft.	
Electric service	480 VAC 3-phase 7amp service	1987
	Well Control	1987
	Weather Structure (10'x2')	1987
Well	850 ft deep	1987
	Concrete slab (6'x6')	1987
Well casing	8" casing	
Well pump	25 HP motor	2006
	Grundfos pump, Model # SP2715	
Surge tank	1000 gal	2006
	Concrete slab	1987
Fence	94 LF Block wall	1987

Address	6370 E Grapevine Rd.	
Name	Triangle well (NOT IN SERVICE)	Installation
Dates		
ADWR well #	55-625093	
Location	Sec 28 T6N R4E	
Elevation	2100 ft.	
Electric service	480 VAC 3-phase 7amp service Well Control Weather Structure (10'x2')	
Well	ft deep Concrete slab (6'x6')	
Well casing	" casing	
Well pump	Not in Service	
Surge tank	Removed from Site Concrete slab 2-(6'x2')	
Fence	297 LF Chain Link fence	

Address	2141 E. Deer Valley Rd., Phoenix, AZ	
Name	CAP Canal booster station	Installation
Dates		
Location:	NE1/4 SW1/4 SE1/4 SEC 15 T4N R3E	
Elevation	1530	
Turnout	In side of CAP Canal	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	1989
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	75 HP motor, with soft start	2006
	Turbine pump	
	75 HP motor, with soft start	2006
	Turbine pump	
	75 HP motor, with soft start	2006
	Turbine pump	
	Concrete slab	1989
	3- Surge Protectors	2005
Surge tank:	500 gal. bladder tank	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	26602 N. Cave Creek Rd., Phoenix, AZ	
Name	Jomax Rd. booster station	Installation
Dates		
Location:	SW1/4 SE1/4 SW1/4 SEC 36 T5N R3E	
Elevation	1685	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2003
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	30428 N. Rd., Phoenix, AZ	
Name	Tatum Ranch booster station	Installation
Dates		
Location:	SW1/4 SW1/4 NE1/4 SEC 19 T5N R4E	
Elevation	1880	
Electric service	480 VAC 3-phase 7amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Address	38235 N. Cave Creek Rd., Phoenix, AZ	
Name	Carefree Highway booster station	Installation
Dates		
Location:	SW1/4 SE1/4 SE1/4 SEC 5 T5N R4E	
Elevation	2045	
Electric service	480 VAC 3-phase ?amp service	1989
	Booster Pump Controls	2000
	Soft Start Controls	2000
	AC for soft start	2000
	Weather Structure	1989
Booster Pumps:	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2000
	Turbine pump	
	40 HP motor, with soft start	2005
	Turbine pump	
	3- Surge Protectors	2005
Vault	Concrete Vault (see CAP Plans)	1989
SCADA:	Radio Communication	2000
	Radio Antenna	2000
	Intrusion Alarm	2000

Meter Vault

Address NW corner of Tranquil Place and Tranquil Trail

Name Carefree Meter Vault at Tranquil Place

Location: NE1/4 SE1/4 SW1/4 SEC 26 T6N R4E

Elevation 2380 ft elevation

Meter: 4" Micrometer Flow Meter Installed 2003

Vault Plastic Vault (4'x2') Installed 2003

Meter Vault

Address West side of Tom Darlington Dr. south of Ridgeview Pl.

Name Carefree Meter Vault at Tom Darlington Dr.

Location: NW1/4 NW1/4 NW1/4 SEC 35 T6N R4E

Elevation 2350 ft elevation

Meter: 4" Amco Turbo with built in strainer 2004

Vault Concrete Vault (7'x4.5') with double metal lid 2004

Meter Vault

Address	NW corner of 24 <sup>th</sup> Street and Cloud Rd.	
Name	Desert Hills Meter Vault	
Location:	SE1/4 SE1/4 SE1/4 SEC 34 T6N R3E	
Elevation	1869 ft elevation	
Meter:	3" Neptune turbo meter 4136	1996
	4" Sensus Turbo Meter W-1000	1996
Other equipment	2- 3" gate valves	1996
	2- 4" gate valves	1996
	1- 2" Bermaid pressure sustaining valve	2003
	1- 4" Singer pressure sustaining valve 106PL	2003
Vault	Concrete vault (5.5'x11'x6') with double metal lid 1996	

Meter Vault

Address	SE corner of 24 <sup>th</sup> Street and Joy Ranch Rd.	
Name	Desert Hills Meter Vault 2	
Location:	NW1/4 NW1/4 NW1/4 SEC 35 T6N R3E	
Elevation	1926 ft elevation	
Meter:	8" Micrometer flow meter ML-08	2006
Vault	Concrete vault (4.5'x4.5'x5.5') with metal lid	2006

PRV Vault

Address East side of Cave Creek Rd. south of Canyon Creek Cir.

Name Cave Creek Rd. East Vault

Location: NW1/4 NW1/4 SW1/4 SEC 4 T5N R4E

Elevation 2090 ft. elevation

PRV: 8" Singer Model # 106PG 1999

Vault Concrete vault (5.6'x11'x5') with metal lid 1999

PRV Vault

Address West side of Cave Creek Rd. south of Canyon Ridge Dr.

Name Cave Creek Rd. West Vault

Location: NE ¼ SW1/4 NW1/4 SEC 4 T5N R4E

Elevation 2050 ft. elevation

PRV: 8" Singer PRV Model 106 PG 1989

Vault Concrete vault (4'x4'x4') with metal lid 1989

PRV Vault

Address South side of Canyon Ridge Dr. North west of Cave Creek Rd.

Name Canyon Crossings Vault

Location: NW1/4 SW1/4 NW1/4 Sec 4 T5N R4E

Elevation 2050 ft. elevation

PRV: 6" Singer PRV Model 106PG 2002

Vault Concrete vault (7.3'x7.3'x6') with cast iron lid 2002

PRV Vault

Address North side of Carefree Hwy. west of Sunset Tr.

Name Carefree Highway Los Reales Vault

Location: SE1/4 SW1/4 SE1/4 SEC 4 T5N R4E

Elevation 2150 ft elevation

PRV: 8" Singer PRV Model 106PG 1996

Vault Concrete vault (3' diameter manhole 5" deep) 1996

PRV Vault

Address North side of Carefree Hwy. east of Mountainside Dr.  
Name Carefree Highway Ironwood Estates Vault  
Location: SE1/4 SW1/4 SW1/4 SEC 4 T5N R4E  
Elevation 2180 ft. elevation  
PRV: 8" Singer PRV Model 106 PG 2003  
Vault Concrete vault (4.66'x4.66'x6') with manhole lid 2003

PRV Vault

Address SW corner of Spur Cross Rd. and Yucca

Name Spur Cross Road Vault

Location: SW1/4 NE1/4 SW1/4 SEC 21 T6N R4E

Elevation 2125 ft. elevation

PRV: 8" Bermad PRV 1998

Vault Concrete vault (4'x8'x4') 1998

Water Quality Sampling Port

Equipment  
1500

Same as short 1" service plus All-In-One Sampling Station Model

- 4- Installed 2003
- 6- Installed 2005

### Real Property

The following is a list, to the Seller's Knowledge without verification or inquiry, of property titled to the Water Companies. Seller does not warrant that all real property, easements, rights of way, access etc have been properly conveyed or recorded. Buyer acknowledges that this list may or may not represent all real property to operate the Water Companies.

**EXHIBIT "A"**

PARCEL NO. 1:

THE SOUTH 40 FEET OF THE NORTH 320 FEET OF THE EAST 60 FEET OF THE WEST 724.33 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 2:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHWEST QUARTER OF SECTION TWENTY-EIGHT (28), TOWNSHIP SIX (6) NORTH, RANGE FOUR (4) EAST, GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, AND RUNNING THENCE NORTH 89 DEGREES 48 MINUTES 25 SECONDS WEST 380.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE SOUTH 0 DEGREES 11 MINUTES 35 SECONDS WEST 50.00 FEET;

THENCE NORTH 89 DEGREES 48 MINUTES 25 SECONDS WEST 25.00 FEET;

THENCE NORTH 00 DEGREES 11 MINUTES 35 SECONDS EAST 50.00 FEET;

THENCE SOUTH 89 DEGREES 48 MINUTES 25 SECONDS EAST 25.00 FEET TO THE POINT OF BEGINNING;

EXCEPT ALL COAL AND OTHER MINERALS AS RESERVED IN PATENT FROM THE UNITED STATES OF AMERICA.

PARCEL NO. 3:

A WELLSITE OVER THAT PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, TOWN OF CAVE CREEK, MARICOPA COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23;

THENCE NORTH 00 DEGREES 01 MINUTES 55 SECONDS WEST, ALONG THE WEST LINE OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 23, A DISTANCE OF 343.03 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00 DEGREES 01 MINUTES 55 SECONDS WEST, A DISTANCE OF 50.00 FEET;

THENCE NORTH 89 DEGREES 58 MINUTES 05 SECONDS EAST, A DISTANCE OF 50.00 FEET;

THENCE SOUTH 00 DEGREES 01 MINUTES 55 SECONDS EAST, A DISTANCE OF 50.00 FEET;

THENCE SOUTH 89 DEGREES 58 MINUTES 05 SECONDS WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 4:

TRACTS D AND E, OF OCOTILLO RIDGE ESTATES, LOTS 1-22 AND TRACTS A-E, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 475 OF MAPS, PAGE 46.

EXCEPTING THEREFROM ALL COAL, OIL, GAS AND OTHER MINERALS DEPOSITS AS RESERVED IN THE PATENT TO THE LAND.

PARCEL NO. 5:

THE SOUTH 40 FEET OF THE NORTH 280 FEET OF THE EAST 60 FEET OF THE WEST 724.33 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 6:

A PORTION OF THE WEST 440 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER AND THAT PART OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, SOUTH OF CAVE CREEK CAMP CREEK ROAD, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

FROM A POINT IN THE SOUTH 33 FOOT RIGHT-OF-WAY LINE OF THE CAVE CREEK CAMP CREEK ROAD WHICH BEARS 440 FEET DUE EAST (ASSUMED BEARING) FROM THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28, GO SOUTH 0 DEGREES 02 MINUTES EAST ALONG THE EAST LINE OF SAID 440 FEET, A DISTANCE OF 325 FEET TO THE POINT OF BEGINNING;

THENCE DUE WEST 50 FEET;

THENCE SOUTH 0 DEGREES 02 MINUTES EAST, 75 FEET;

THENCE EAST 50 FEET TO THE SAID EAST LINE;

THENCE NORTH 0 DEGREES 02 MINUTES WEST 75 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 7:

BEGINNING AT THE SOUTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA (CENTER OF SECTION);

THENCE DUE NORTH ALONG THE EAST LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER, 50.40 FEET TO THE SOUTHERLY LINE OF GRAPEVINE ROAD;

THENCE SOUTH 71 DEGREES 04 MINUTES 40 SECONDS WEST ALONG SAID LINE 50.50 FEET;

THENCE SOUTH 79 DEGREES 49 MINUTES WEST ALONG SAID SOUTHERLY LINE, 188.95 FEET, TO THE INTERSECTION WITH THE SOUTH LINE OF SAID SOUTHEAST QUARTER OF THE NORTHWEST QUARTER;

THENCE SOUTH 89 DEGREES 51 MINUTES EAST ALONG SAID SOUTH LINE 233.74 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 8:

THAT PORTION OF UNIT 3A, OF OCOTILLO RIDGE ESTATES, A SUBDIVISION PLAT, RECORDED AS BOOK 581 OF MAPS, PAGE 39, MARICOPA COUNTY RECORDERS OFFICE, ALSO BEING A PORTION OF THE SOUTHEAST QUARTER OF SECTION 23, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID UNIT 3A, SAID POINT ALSO BEING THE SOUTHEAST CORNER OF SAID SECTION 23, MONUMENTED BY A STONE, FROM WHICH THE EAST QUARTER CORNER OF SAID SECTION 23, MONUMENTED BY A 3/4" PIPE, BEARS AS A BASIS OF BEARING NORTH 00 DEGREES 02 MINUTES 28 SECONDS EAST, A DISTANCE OF 2624.49 FEET;

THENCE NORTH 00 DEGREES 02 MINUTES 38 SECONDS EAST, ALONG THE EASTERLY LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 23, A DISTANCE OF 400.60 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF OCOTILLO RIDGE DRIVE AS SHOWN ON SAID PLAT, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 33 DEGREES 39 MINUTES 42 SECONDS EAST, A DISTANCE OF 670.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE LEFT, THROUGH A CENTRAL ANGLE OF 05 DEGREES 19 MINUTES 25 SECONDS, AN ARC DISTANCE OF 62.25 FEET TO A POINT OF NON-TANGENCY, SAID POINT ALSO BEING THE TRUE POINT OF BEGINNING;

THENCE SOUTH 40 DEGREES 25 MINUTES 08 SECONDS EAST, A DISTANCE OF 31.57 FEET;

THENCE SOUTH 49 DEGREES 34 MINUTES 52 SECONDS WEST, A DISTANCE OF 25.00 FEET;

THENCE NORTH 40 DEGREES 25 MINUTES 08 SECONDS WEST, A DISTANCE OF 31.72 FEET TO A POINT ON THE SOUTHERLY RIGHT-OF-WAY LINE OF OCOTILLO RIDGE DRIVE AS SHOWN ON SAID PLAT, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHEASTERLY, WHOSE RADIUS POINT BEARS SOUTH 41 DEGREES 07 MINUTES 25 SECONDS EAST, A DISTANCE OF 670.00 FEET;

THENCE NORTHEASTERLY ALONG SAID SOUTHERLY RIGHT-OF-WAY LINE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 02 DEGREES 08 MINUTES 17 SECONDS, AN ARC DISTANCE OF 25.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 9:

THAT PORTION OF LOT 39, SURREY HILLS UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 84 OF MAPS, PAGE 15, DISCLOSED AS FOLLOWS:

THE WEST 12 FEET; AND

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 39;

THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 39, A DISTANCE OF 105 FEET TO THE TRUE POINT OF BEGINNING;

THENCE EAST 55 FEET;

THENCE SOUTH 40 FEET;

THENCE WEST 55 FEET;

THENCE NORTH 40 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 10:

TRACT A, OF AZURE HILLS ESTATES UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER RECORDED IN BOOK 103 OF MAPS, PAGE 21.

PARCEL NO. 11:

THAT PORTION OF TRACT B, OF HIDDEN VALLEY, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 63 OF MAPS, PAGE 42, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE SOUTH LINE OF TRACT B, 131.91 FEET FROM THE SOUTHEAST CORNER OF SAID TRACT;

THENCE CONTINUING SOUTH 65 DEGREES 24 MINUTES WEST ALONG SAID SOUTH LINE 134.70 FEET TO THE SOUTHWEST CORNER;

THENCE NORTH 1 DEGREE 49 MINUTES EAST 57.69 FEET TO A POINT ON THE RIGHT-OF-WAY LINE OF HIDDEN VALLEY DRIVE;

THENCE NORTHEASTERLY ALONG THE ARC OF A 70 FOOT RADIUS CURVE CONCAVE NORTHWEST TO THE POINT OF TANGENCY;

THENCE NORTH 1 DEGREE 49 MINUTES EAST 78.24 FEET TO THE NORTHWEST CORNER OF THIS WELL SITE;

THENCE SOUTH 88 DEGREES 11 MINUTES EAST AT RIGHT ANGLES TO THE RIGHT-OF-WAY LINE 100 FEET;

THENCE SOUTH 1 DEGREE 49 MINUTES WEST, 106.76 FEET TO THE SOUTH LINE OF TRACT B AND THE POINT OF BEGINNING.

PARCEL NO. 12:

BEGINNING AT THE SOUTHEAST CORNER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH, ALONG THE EAST LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER, 222.05 FEET TO A POINT IN THE SOUTH LINE OF OCOTILLO ROAD;

THENCE IN A SOUTHWESTERLY DIRECTION 619 FEET TO A POINT IN THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE NORTHWEST QUARTER;

THENCE EAST, ALONG SAID SOUTH LINE, 578 FEET TO THE POINT OF BEGINNING;

EXCEPT THEREFROM THE EAST 400 FEET AS MEASURED ALONG THE SOUTH LINE.

PARCEL NO. 13:

THAT PORTION OF CARROLL HEIGHTS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 68 OF MAPS, PAGE 27, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF LOT 6;

THENCE EAST 172 FEET ALONG THE NORTH LINE OF LOT 6;

THENCE SOUTH 60 FEET ALONG A LINE PARALLEL TO THE WEST LINE OF LOT 6;

THENCE WEST 172 FEET ALONG A LINE PARALLEL TO THE NORTH LINE OF LOT 6;

THENCE NORTH 60 FEET ALONG THE WEST LINE OF LOT 6, TO THE POINT OF BEGINNING.

PARCEL NO. 14:

LOT 10, OF ROCKAWAY HILLS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 67 OF MAPS, PAGE 40;

EXCEPT THE SOUTH 422 FEET THEREOF.

PARCEL NO. 15:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 395, OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF THE CAVE CREEK VISTA SUBDIVISION, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST 171.09 FEET ALONG THE SOUTH LINE OF THE TRILBY GILLISPIE PROPERTY;

THENCE NORTH 200 FEET ALONG THE WEST LINE OF THE TRILBY GILLISPIE PROPERTY;

THENCE WEST TO THE NORTHEAST CORNER OF MOUNTAIN VIEW SUBDIVISION AMENDED;

THENCE SOUTH 8 FEET;

THENCE EAST TO A POINT 8 FEET WEST OF THE WEST LINE OF THE TRILBY GILLISPIE PROPERTY;

THENCE SOUTH 200 FEET;

THENCE EAST TO THE WEST LINE OF CAVE CREEK VISTA SUBDIVISION;

THENCE NORTH 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 16:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 396 OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE SOUTHEAST CORNER OF LOT 2 IN CAVE CREEK VISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST ALONG THE SOUTH LINE OF SAID LOT A DISTANCE OF 130.26 FEET TO THE SOUTHWEST CORNER OF SAID LOT;

THENCE NORTH A DISTANCE OF 8 FEET;

THENCE EAST 130.26 FEET;

THENCE SOUTH ALONG THE EAST LINE OF SAID LOT A DISTANCE OF 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 17:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN DOCKET 1947, PAGE 398 OVER THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1 IN CAVE CREEK VISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 56 OF MAPS, PAGE 7;

THENCE WEST ALONG THE NORTH LINE OF SAID LOT, A DISTANCE OF 130.26 FEET TO THE NORTHWEST CORNER OF SAID LOT;

THENCE SOUTH 8 FEET;

THENCE EAST 130.26;

THENCE NORTH 8 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 18:

AN EASEMENT FOR WATER LINE AS CREATED IN DOCKET 2318, PAGE 286 OVER THE SOUTH 8 FEET OF LOT 8, CARROLL HEIGHTS, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 68 OF MAPS, PAGE 27.

PARCEL NO. 19:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 7623, PAGE 907 OVER THE WEST 40 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 20:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 8260, PAGE 811 OVER THE SOUTH 8 FEET OF LOT 9, SURREY HILLS UNIT TWO, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 84 OF MAPS, PAGE 15.

PARCEL NO. 21:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 8274, PAGE 463 OVER THE WEST 33 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 22:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 466 OVER THE WEST 8 FEET OF THE NORTH 160 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 34, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 23:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 467 OVER THE SOUTH 16 FEET OF THE EAST 25 FEET OF THE WEST HALF AND THE SOUTH 16 FEET OF THE WEST 25 FEET OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 24:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 468 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE NORTHWEST OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 25:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9237, PAGE 469 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 26:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9781, PAGE 718 OVER THE WEST 33 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 27:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9316, PAGE 35 OVER THE FOLLOWING DESCRIBED PROPERTY:

THE SOUTH 25 FEET OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

AND

THE NORTH 25 FEET OF THE SOUTH HALF OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 28:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 9781, PAGE 719 OVER THE WEST 33 FEET OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 29:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 10058, PAGE 892 OVER THE FOLLOWING DESCRIBED PROPERTY:

THE WEST 25 FEET AND THE SOUTH 25 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15 TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 30:

AN EASEMENT TO CONSTRUCT, OPERATE, MAINTAIN AND REMOVE WATER LINES AND OTHER FACILITIES AS CREATED IN DOCKET 13127, PAGE 24 OVER THE EAST 12 FEET OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 SOUTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL NO. 31:

A PERPETUAL EASEMENT FOR UTILITIES AS CREATED IN 86-193908 OF OFFICIAL RECORDS, OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE NORTH LINE OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28, SAID POINT BEING 65.00 FEET WESTERLY OF THE NORTHEAST CORNER OF THE WEST 195.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28;

THENCE EASTERLY ALONG SAID NORTH LINE TO SAID NORTHEAST CORNER;

THENCE SOUTHERLY ALONG THE EAST LINE OF SAID WEST 195.00 FEET, A DISTANCE OF 65.00 FEET;

THENCE NORTHWESTERLY TO THE POINT OF BEGINNING; AND

THAT PORTION OF THE NORTH 16.00 FEET OF THE WEST 195.00 FEET OF THE EAST HALF OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28 NOT INCLUDED IN THE HEREINABOVE DESCRIBED TRIANGULAR PARCEL.

PARCEL NO. 32:

A PERPETUAL EASEMENT FOR PUBLIC UTILITY PURPOSES AS CREATED IN 88-464636 OF OFFICIAL RECORDS WITH THE RIGHT TO ERECT, CONSTRUCT, INSTALL, AND LAY, AND THEREAFTER USE, OPERATE, INSPECT, REPAIR, MAINTAIN, REPLACE, AND REMOVE A WATER DELIVERY AND DISTRIBUTION SYSTEM, INCLUDING, BUT NOT LIMITED TO, A 16" TRANSMISSION LINE, OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE SOUTH HALF OF SECTION 15, TOWNSHIP 4 NORTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 15;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST ALONG THE EAST LINE OF SAID SECTION 15, A DISTANCE OF 2401.10 FEET TO THE TRUE POINT OF BEGINNING, SAID POINT IS ALSO THE BEGINNING OF A CIRCULAR CURVE CONCAVE SOUTHEASTERLY WHOSE RADIUS POINT BEARS SOUTH 79 DEGREES 48 MINUTES 01 SECONDS EAST A DISTANCE OF 2910.79 FEET;

THENCE SOUTHWESTERLY ALONG THE SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 11 MINUTES 59 SECONDS AND A DISTANCE OF 518.17 FEET TO A POINT OF TANGENCY;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST A DISTANCE OF 537.83 FEET;

THENCE SOUTH 45 DEGREES 19 MINUTES 43 SECONDS WEST A DISTANCE OF 47.81 FEET;

THENCE NORTH 89 DEGREES 20 MINUTES 34 SECONDS WEST A DISTANCE OF 1548.13 FEET TO A POINT ON THE NORTHEASTERLY RIGHT-OF-WAY LINE OF CENTRAL ARIZONA PROJECT;

THENCE NORTH 53 DEGREES 35 MINUTES 06 SECONDS WEST ALONG SAID RIGHT-OF-WAY LINE A DISTANCE OF 6.85 FEET;

THENCE SOUTH 89 DEGREES 20 MINUTES 34 SECONDS EAST A DISTANCE OF 1552.01 FEET;

THENCE NORTH 45 DEGREES 19 MINUTES 43 SECONDS EAST A DISTANCE OF 44.47 FEET;

THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST A DISTANCE OF 536.16 FEET TO A POINT OF CURVATURE OF A CIRCULAR CURVE CONCAVE SOUTHEASTERLY HAVING A RADIUS OF 2914.79 FEET;

THENCE NORTHERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 10 DEGREES 37 MINUTES 40 SECONDS A DISTANCE OF 540.66 FEET TO A POINT ON THE EAST LINE OF SAID SECTION 15;

THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID EAST LINE A DISTANCE OF 22.13 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 33:

A UTILITY EASEMENT FOR WATER LINE AS CREATED IN 90-168876 OF OFFICIAL RECORDS BEING 16 FEET WIDE AND IMMEDIATELY NORTHEAST OF THE FOLLOWED DESCRIBED PROPERTY:

BEGINNING AT THE NORTHWEST CORNER OF SECTION 16, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE SOUTH 38 DEGREES 15 MINUTES EAST TO A POINT ON THE SOUTH LINE OF THE NORTH HALF OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER TO THE POINT OF TERMINATION.

PARCEL NO. 34:

A WELL SITE EASEMENT AGREEMENT AS DISCLOSED IN INSTRUMENT RECORDED AS 87-274337 OF OFFICIAL RECORDS, ASSIGNMENTS AND ASSUMPTION OF EASEMENT RECORDED AS 89-541610 OF OFFICIAL RECORDS, 89-541611 OF OFFICIAL RECORDS, 90-499571 OF OFFICIAL RECORDS, 90-499572 OF OFFICIAL RECORDS, 90-499573 OF OFFICIAL RECORDS AND 90-576708 OF OFFICIAL RECORDS, LOCATED IN THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, MORE PARTICULARLY DESCRIBED AS FOLLOWS:

- A BEGINNING AT A POINT NORTH 75 FEET AND EAST 75 FEET FROM THE SOUTHWEST CORNER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE EAST 50 FEET;

THENCE NORTH 50 FEET;

THENCE WEST 50 FEET;

THENCE SOUTH 50 FEET TO THE POINT OF BEGINNING.

- B Beginning at the Southeast corner of the Northeast Quarter of the Southeast Quarter of Section 21, Township 6 North, Range 4 East, Gila & Salt River Base & Meridian; and running thence N89°56'32"W along the line between the Northeast Quarter of the Southeast Quarter and the Southeast Quarter of the Southeast Quarter of said Section a distance of 255.0 feet; thence South perpendicular to said line a distance of 25.0 feet to the southerly right-of-way line of the roadway in the Southeast Quarter of the Southeast Quarter of said Section 21 dedicated by that Deed of Dedication recorded in Docket 1682, page 165, Official Records of Maricopa County, Arizona (commonly known as Palo Verde Road) and the true point of beginning; thence continuing South along said perpendicular line a distance of 20.0 feet; thence N89°56'32"W a distance of 20.0 feet; thence North a distance of 20.0 feet to the southerly right-of-way line of said Palo Verde Road; thence East along said southerly right-of-way line of said Palo Verde Road a distance of 20.0 feet to the true point of beginning.

- C BEGINNING at the Northeast corner of the Southwest quarter of Section Twenty-eight (28), Township Six (6) North, Range Four (4) East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona; and running thence North 89 degrees 48 minutes 25 seconds West 380.00 feet to the True Point of Beginning; thence South 0 degrees 11 minutes 35 seconds West 50.00 feet; thence North 89 degrees 48 minutes 25 seconds West 25.00 feet; thence North 00 degrees 11 minutes 35 seconds East 50.00 feet; thence South 89 degrees 48 minutes 25 seconds East 25.00 feet to the point of beginning;

EXCEPTING therefrom a 15.00 foot emergency access easement over and across the aforementioned easement.

PARCEL NO. 35:

AN EASEMENT FOR PLACING WATER RELATED FACILITIES UNDERGROUND AND TO HAVE INGRESS AND EGRESS TO MAINTAIN SAID FACILITIES AS CREATED IN 93-0223909 OF OFFICIAL RECORDS AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THE CENTERLINE OF A 12.00 FEET EASEMENT FOR UTILITIES DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTH QUARTER CORNER OF SECTION 15, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 12 MINUTES 56 SECONDS WEST 1314.61 FEET ALONG THE NORTH SOUTH MIDSECTION LINE OF SAID SECTION 15 TO THE SOUTHWEST CORNER OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 15;

THENCE NORTH 89 DEGREES 39 MINUTES 07 SECONDS EAST 639.01 FEET ALONG THE SOUTH LINE OF SAID NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 15 TO THE POINT OF BEGINNING;

THENCE NORTH 00 DEGREES 14 MINUTES 36 SECONDS WEST 631.00 FEET;

THENCE NORTH 89 DEGREES 39 MINUTES 07 SECONDS EAST 181.25 FEET;

THENCE NORTH 00 DEGREES 14 MINUTES 36 SECONDS WEST 365.64 FEET;

THENCE NORTH 52 DEGREES 52 MINUTES 07 SECONDS WEST 321.39 FEET TO A POINT ON THE SOUTHEASTERLY LINE OF THE 40.00 FEET RIGHT OF WAY OF FLEMING SPRINGS ROAD AND THE END OF THIS EASEMENT.

PARCEL NO. 36:

AN EASEMENT TO PLACE WATERLINE FACILITIES UNDERGROUND AND INGRESS AND EGRESS TO MAINTAIN AND OPERATE FACILITIES AS CREATED IN 96-0721798 OF OFFICIAL RECORDS OVER AN AREA 20 FEET WIDE AND 371.43 FEET LONG CONSISTING OF THE NORTH 10 FEET OF LOT 4 AND THE SOUTH 10 FEET OF LOT 5, OF THE VILLAGE AT MIRAVISTA, ACCORDING TO THE PLAT OF RECORD IN THE OFFICE OF THE COUNTY RECORDER OF MARICOPA COUNTY, ARIZONA, RECORDED IN BOOK 408 OF MAPS, PAGE 25 AND AFFIDAVIT OF CORRECTION RECORDED AUGUST 5, 1997 AS 97-0531728 OF OFFICIAL RECORDS.

PARCEL NO. 37:

AN EASEMENT OVER THE NORTH 40 FEET TO PLACE WATER RELATED FACILITIES UNDERGROUND AND TO HAVE INGRESS AND EGRESS TO MAINTAIN AND OPERATE SAID FACILITIES AS CREATED IN 99-0632401 OF OFFICIAL RECORDS OF THE FOLLOWING DESCRIBED PROPERTY:

THAT PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 28, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF VILLAGE VISTA, ACCORDING TO PLAT RECORDED IN BOOK 82 OF MAPS, PAGE 15, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE NORTH 348.10 FEET, MORE OR LESS, TO A POINT ON THE SOUTH LINE OF THE EAST 200 FEET OF THE NORTH 240 FEET OF THE EAST 440 FEET OF THE WEST 880 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28, SAID POINT ALSO BEING ON THE SOUTH LINE OF PROPERTY CONVEYED TO LAVINA ROBINSON IN BOOK 233 OF DEEDS, PAGE 459, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE WESTERLY ALONG SAID SOUTH LINE, 105.67 FEET TO A POINT ON THE EAST LINE OF A 50 FOOT ROADWAY QUIT-CLAIMED TO MARICOPA COUNTY IN DOCKET 2805, PAGE 514, RECORDS OF MARICOPA COUNTY, ARIZONA;

THENCE SOUTH ALONG SAID EAST LINE, 348.10 FEET, MORE OR LESS, TO A POINT ON THE NORTH LINE OF SAID VILLAGE VISTA SUBDIVISION;

THENCE NORTH 89 DEGREES 44 MINUTES EAST, ALONG SAID NORTH LINE, 105.67 FEET TO THE POINT OF BEGINNING;

EXCEPT ANY PART THEREOF LYING WITHIN THE EAST 440 FEET OF SAID SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 28.

PARCEL NO. 38:

A PERPETUAL AND EXCLUSIVE EASEMENT ON, OVER, UNDER AND ACROSS THE FOLLOWING DESCRIBED PROPERTY FOR THE PURPOSE OF WATER SERVICE UTILITIES AS CREATED IN 98-0526607 OF OFFICIAL RECORDS:

BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 26 MINUTES 28 SECONDS EAST 20.00 FEET;

THENCE SOUTH 89 DEGREES 33 MINUTES 32 SECONDS EAST 5.00 FEET PERPENDICULAR TO THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE NORTH 00 DEGREES 26 MINUTES 28 SECONDS EAST 641.86 FEET PARALLEL WITH AND 5 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE SOUTH 84 DEGREES 14 MINUTES 36 SECONDS EAST 64.75 FEET;

THENCE SOUTH 38 DEGREES 24 MINUTES 33 SECONDS WEST 80.40 FEET;

THENCE SOUTH 00 DEGREES 26 MINUTES 28 SECONDS WEST 407.03 FEET PARALLEL WITH AND 20 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE SOUTH 44 DEGREES 32 MINUTES 58 SECONDS EAST 70.72 FEET;

THENCE SOUTH 00 DEGREES 26 MINUTES 28 SECONDS WEST 145.00 FEET PARALLEL WITH AND 70 FEET EAST OF THE WEST LINE OF THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22;

THENCE NORTH 89 DEGREES 32 MINUTES 24 SECONDS WEST 70.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 39:

WELL AGREEMENT AND PERPETUAL UTILITY EASEMENT AS CREATED IN 98-0321336 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE SOUTHEAST CORNER OF SECTION 27, TOWNSHIP 6 NORTH, RANGE 4 EAST, OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

THENCE NORTH 00 DEGREES 22 MINUTES 15 SECONDS WEST, ALONG THE EAST LINE OF SAID SECTION 27, A DISTANCE OF 27.60 FEET TO A POINT ON THE CENTERLINE OF CAVE CREEK ROAD;

THENCE NORTH 87 DEGREES 13 MINUTES 13 SECONDS WEST, ALONG SAID CENTERLINE, A DISTANCE OF 125.90 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 1909.85 FEET;

THENCE WESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 18 DEGREES 12 MINUTES 30 SECONDS A DISTANCE OF 606.94 FEET, SAID CURVE BEING STILL BEING SAID CENTERLINE;

THENCE NORTH 69 DEGREES 00 MINUTES 43 SECONDS WEST, ALONG SAID CENTERLINE, A DISTANCE

OF 436.23 FEET TO THE BEGINNING OF A CURVE TO THE RIGHT WHICH HAS A RADIUS OF 2291.85 FEET;

THENCE NORTHWESTERLY ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 09 DEGREES 20 MINUTES 30 SECONDS A DISTANCE OF 373.67 FEET, SAID CURVE STILL BEING SAID CENTERLINE;

THENCE NORTH 59 DEGREES 40 MINUTES 13 SECONDS WEST ALONG SAID CENTERLINE, A DISTANCE OF 209.48 FEET;

THENCE NORTH 02 DEGREES 54 MINUTES 07 SECONDS EAST A DISTANCE OF 976.30 FEET;

THENCE NORTH 87 DEGREES 05 MINUTES 53 SECONDS WEST A DISTANCE OF 19.00 FEET TO THE TRUE POINT OF BEGINNING;

THENCE CONTINUING NORTH 87 DEGREES 05 MINUTES 53 SECONDS WEST A DISTANCE OF 30.00 FEET;

THENCE NORTH 02 DEGREES 54 MINUTES 07 SECONDS EAST A DISTANCE OF 30.00 FEET;

THENCE SOUTH 87 DEGREES 05 MINUTES 53 SECONDS EAST A DISTANCE OF 30.00 FEET;

THENCE SOUTH 02 DEGREES 54 MINUTES 07 SECONDS WEST A DISTANCE OF 30.00 FEET TO THE TRUE POINT OF BEGINNING.

PARCEL NO. 40:

ENTRY WALL, LANDSCAPE, BOOSTER STATION, PUBLIC UTILITY AND ACCESS EASEMENT AS CREATED IN 99-0510290 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

COMMENCING AT THE MOST SOUTHERLY CORNER OF LOT 1, OCOTILLO RIDGE ESTATES, LOTS 1 - 22 AND TRACTS A - E, AS RECORDED IN BOOK 475 OF MAPS, PAGE 46, OFFICE OF THE MARICOPA COUNTY RECORDER, SAID CORNER BEING THE BEGINNING OF A CURVE, CONCAVE NORTHWESTERLY AND FOR WHICH THE RADIAL CENTER BEARS NORTH 01 DEGREES 55 MINUTES 57 SECONDS WEST A RADIUS OF 87.00 FEET;

THENCE NORTHEASTERLY ALONG THE ARC OF SAID CURVE TO THE LEFT AND THE SOUTHERLY BOUNDARY OF SAID LOT 1, THROUGH A CENTRAL ANGLE OF 38 DEGREES 45 MINUTES 46 SECONDS, A DISTANCE OF 58.86 FEET TO THE BEGINNING OF THE HEREIN DESCRIBED EASEMENT;

THENCE NORTH 04 DEGREES 36 MINUTES 55 SECONDS WEST, A DISTANCE OF 105.76 FEET;

THENCE NORTH 09 SECONDS 28 MINUTES 01 SECONDS EAST, A DISTANCE OF 10.17 FEET;

THENCE NORTH 36 DEGREES 24 MINUTES 07 SECONDS EAST, A DISTANCE OF 26.75 FEET;

THENCE NORTH 36 DEGREES 42 MINUTES 03 SECONDS EAST, A DISTANCE OF 27.97 FEET;

THENCE NORTH 57 DEGREES 32 MINUTES 19 SECONDS EAST, A DISTANCE OF 27.58 FEET;

THENCE NORTH 53 DEGREES 24 MINUTES 17 SECONDS EAST, A DISTANCE OF 42.87 FEET TO A POINT ON THE SOUTHEASTERLY BOUNDARY OF SAID LOT 1,

THENCE SOUTH 06 DEGREES 06 MINUTES 42 SECONDS WEST ALONG SAID SOUTHEASTERLY BOUNDARY OF LOT 1, A DISTANCE OF 37.27 FEET TO THE BEGINNING OF A TANGENT CURVE, CONCAVE NORTHWESTERLY AND HAVING A RADIUS OF 69.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID SOUTHEASTERLY BOUNDARY OF LOT 1 AND THE ARC OF SAID

THE SOUTHWEST QUARTER OF SECTION 11, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE EAST ALONG THE SOUTH LINE OF SAID SECTION 11, A DISTANCE OF 349.15 FEET;

THENCE NORTH 60 DEGREES 59 MINUTES 10 SECONDS EAST 370.11 FEET;

THENCE NORTH 68 DEGREES 27 MINUTES 39 SECONDS EAST 48.95 FEET TO THE SOUTHWESTERLY CORNER OF THAT CERTAIN PARCEL OF LAND DESCRIBED IN DOCKET 11725, PAGE 412;

THENCE NORTH 00 DEGREES 34 MINUTES 49 SECONDS WEST ALONG THE WESTERLY LINE OF SAID PARCEL, 460.12 FEET WEST OF THE NORTHWESTERLY CORNER OF SAID PARCEL, SAID POINT BEGINNING ON THE NORTH LINE OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE NORTH 89 DEGREES 59 MINUTES 36 SECONDS WEST ALONG SAID NORTH LINE 717.11 FEET TO THE NORTHWEST CORNER OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SAID SECTION 11;

THENCE SOUTH 00 DEGREES 04 MINUTES 00 SECONDS WEST ALONG THE WEST LINE OF SAID SECTION 11, A DISTANCE OF 659.40 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 43:

EASEMENT AGREEMENT AS CREATED IN 2002-0235563 OF OFFICIAL RECORDS OVER THE FOLLOWING DESCRIBED PROPERTY:

A PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5;

THENCE SOUTH 89 DEGREES 59 MINUTES 35 SECONDS WEST ALONG THE NORTH LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5, A DISTANCE OF 140.90 FEET TO A POINT ON THE EASTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD;

THENCE SOUTH 27 DEGREES 27 MINUTES 57 SECONDS WEST ALONG SAID EASTERLY RIGHT OF WAY LINE OF CAVE CREEK ROAD, A DISTANCE OF 22.54 FEET;

THENCE NORTH 89 DEGREES 59 MINUTES 35 SECONDS EAST A DISTANCE OF 151.27 FEET TO A POINT ON THE EAST LINE OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 5;

THENCE NORTH 0 DEGREES 03 MINUTES 37 SECONDS EAST ALONG SAID EAST LINE, A DISTANCE OF 20.00 FEET TO THE POINT OF BEGINNING.

PARCEL NO. 44:

AN EASEMENT FOR PUBLIC UTILITIES AS CREATED IN INSTRUMENT RECORDED AS 97-0126840 OF OFFICIAL RECORDS OVER THE SOUTH 10 FEET OF THE FOLLOWING DESCRIBED PROPERTY:

THE EAST HALF OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 35, TOWNSHIP 6 NORTH, RANGE 3 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

No. NCS-144103-PHX1

PARCEL NO. 45:

AN EASEMENT FOR WATER MAINS AS CREATED IN DOCKET 11757, PAGE 537, OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 75 FEET OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 34, TOWNSHIP 6 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA;

EXCEPT ANY PORTION LYING WITHIN THE SOUTH 460 FEET THEREOF.

PARCEL NO. 46:

AN EASEMENT TO CONSTRUCT, OPERATE, MAINTAIN AND REMOVE WATER LINE AND OTHER FACILITIES AS CREATED IN INSTRUMENT RECORDED AS DOCKET 13695, PAGE 1245, OVER THE FOLLOWING DESCRIBED PROPERTY:

THE EAST 12 FEET OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA AND THE SOUTH 12 FEET OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 5, TOWNSHIP 5 NORTH, RANGE 4 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA.

PARCEL 47

PARCEL NO. 1:

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, page 14.

PARCEL NO. 2:

A part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, page 14, described as follows:

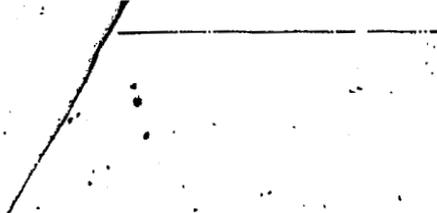
BEGINNING at the Northwest corner of Lot 27, MOON RIDGE;

THENCE South along the West line of said Lot a distance of 45.78 feet;

THENCE East to the East line of said Lot;

THENCE North 36.21 feet to a corner and being the Northeast corner of said Lot;

THENCE West along the North line of said Lot a distance of 132.61 feet to the POINT OF BEGINNING.



PARCEL 48

(THE TREATMENT SITE)

PARCEL NO. 1:

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

PARCEL No. 2:

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

Hold for  
RJR

Unofficial  
Documents

When Recorded Return to:  
James R. Huntwork, Esq.  
Salmon, Lewis & Weldon, P.L.C.  
2850 E. Camelback Rd., Ste. 200  
Phoenix, AZ 85016

2005-0081833 01/21/05 10:07  
1 OF 2

**QUIT CLAIM DEED**  
(Certain Improvements Only)

WHEREAS, on December 21, 2001, Pacer Equities Co., an Arizona corporation ("Grantor"), obtained a default judgment in the Maricopa County Superior Court Cause No. CV2001-003260 against Jerome M. George, III, Kathleen [sic] George and the Estate of Jerome M. George, Jr. (the "Quiet Title Action"), whereby Grantor was declared to be the true and lawful owner of certain real property described on Exhibit A attached hereto (the "Treatment Site"), all as provided in Document No. 2001-1222415 of the Official Records of the Maricopa County Recorder (the "Default Judgment").

WHEREAS, Cave Creek Water Co., an Arizona corporation ("Grantee") purchased a Trident Water Systems Neptune Microfloc modular steel package plant, model TR-420A, and its associated appurtenances including an Adsorption Clarifier, Mixed Media Filter, numerically controlled effluent control valve and a 5 horsepower effluent pump (the "Skid"), which is housed within the Treatment Site.

WHEREAS, on December 20, 2004, the Maricopa County Superior Court in Case No. CV 2002-019621, entered a ruling finding that as a matter of law, the Skid is a fixture and that because the Skid was attached to the Treatment Site in advance of the Quiet Title Action, any interest claimed by Grantee to the Skid was extinguished by the Default Judgment (the "Summary Judgment #4 Ruling").

WHEREAS, Grantee was not a party to the Quiet Title Action nor did the court in the Quiet Title Action have jurisdiction over Grantee under Rule 4.2(g) of the Arizona Rules of Civil Procedure. As such, title to Grantee's property cannot have been affected by the Default Judgment.

WHEREAS, because Grantee's interest in the Skid could not have been affected by the Default Judgment, the Summary Judgment #4 Ruling was manifestly erroneous and should be reconsidered by the court or reversed on appeal.

WHEREAS, it was never the intention of the Grantor or Grantee for the Grantor to obtain legal ownership of the Skid.

EXEMPT PER ARS 11-1134

AS

10

20050081833

WHEREAS, for the purposes of correcting the record of ownership of the Skid, Grantor wishes to transfer, set over, sell, quit claim and assign any and all right, title and interest to the Skid to Grantee.

WHEREAS, concurrently with the execution of this Quit Claim Deed, Grantor is granting to Grantee an easement for the use, operation and maintenance of the Skid, together with ingress and egress upon the Treatment Site.

NOW, THEREFORE, for the consideration of ten dollars, and other valuable considerations, Grantor hereby quit claims to Grantee, all of Grantor's right, title and interest in the Skid.

IN WITNESS WHEREOF, Grantor has executed this Quit Claim Deed as of the 17<sup>th</sup> day of January, 2005.

Unofficial Document

Pacer Equities Co.,  
an Arizona corporation

By: Jerome M. George III  
Name: Jerome M. George, III  
Title: President

STATE OF ARIZONA            )  
  ) ss.  
County of Maricopa         )

The foregoing instrument was acknowledged before me this 17<sup>th</sup> day of January, 2005, by Jerome M. George the President of Pacer Equities Co., an Arizona corporation, on behalf of the corporation.

Joyce E. Mlejnek  
Notary Public

My commission expires:

 Notary Public State of Arizona  
Maricopa County  
Joyce E. Mlejnek  
Expires March 28, 2008

20050081833

EXHIBIT A  
(THE TREATMENT SITE)

PARCEL NO. 1:

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

PARCEL No. 2:

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

Unofficial Document

PARCEL 49

LOT Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, in book 64 of Maps, Page 14.

PARCEL 50

A Right-of-Way Easement and the right to construct, operate, maintain and remove such water line and other facilities as created in instrument recorded as Docket 13216, Page 32 over the following described property:

The West 12 feet of Lot 39, Survey Hills  
Unit Two, Book 84 of Maps, Page 15, M.C.R.A beginning at the North-  
west corner of said Lot 39 thence South, along the West line of said  
Lot 39, 105 feet to the TRUE POINT OF BEGINNING; thence East 55 feet;  
thence South 40 feet; thence West 55 feet; thence North 40 feet to  
the TRUE POINT OF BEGINNING.

PARCEL 51

A Wellsite and Temporary Construction Easement as created in 98-0506883 of Official Records over the following described property:

WELL SITE

That part of the Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Town of Cave Creek, Maricopa County, Arizona; Being more particularly described as follows:

Commencing at the Southwest corner of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23; Thence N-00°01'55"-W, along the West line of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, a distance of 343.03 feet to the Point of Beginning;

Thence continuing N-00°01'55"-W, a distance of 50.00 feet;  
Thence N-89°58'05"-E, a distance of 50.00 feet;  
Thence S-00°01'55"-E, a distance of 50.00 feet;  
Thence S-89°58'05"-W, a distance of 50.00 feet to the Point of Beginning.

WELL SITE  
TEMPORARY CONSTRUCTION EASEMENT

An Easement for Construction over that part of the Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, Township 6 North, Range 4 East of the Gila and Salt River Base and Meridian, Town of Cave Creek, Maricopa County, Arizona; Being more particularly described as follows:

Commencing at the Southwest corner of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23; Thence N-00°01'55"-W, along the West line of said Southeast quarter of the Southeast quarter of the Southwest quarter of Section 23, a distance of 318.03 feet to the Point of Beginning;

Thence continuing N-00°01'55"-W, a distance of 100.00 feet;  
Thence N-89°58'05"-E, a distance of 100.00 feet;  
Thence S-00°01'55"-E, a distance of 100.00 feet;  
Thence S-89°58'05"-W, a distance of 100.00 feet to the Point of Beginning.

PARCEL 52

A water mains easement and the right to construct, operate, maintain, inspect, repair and remove such water line and other facilities as created in instrument recorded as Docket 6567, Page 88 over the following described property:



PARCEL 53

An easement for the installation and operation of a treatment Skid and the right to ingress and egress over, across and upon the Property as may be necessary to provide access to and from the Skid as created in 2005-0081834 of Official Records over the following described property:

**PARCEL NO. 1:**

Lot Twenty-Six (26), MOON RIDGE, according to the plat of record in the office of the county Recorder of Maricopa County, Arizona, recorded in book 64 of Maps, Page 14.

**PARCEL No. 2:**

a part of Lot Twenty-Seven (27), MOON RIDGE, according to the plat of record in the office of the County Recorder of Maricopa County, Arizona, recorded in Book 64 of Maps, Page 14, described as follows: Beginning at the NORTHWEST Corner of Lot 27, MOONRIDGE; THENCE SOUTH along the West line of said LOT a distance of 45.78 Feet; THENCE EAST to the EAST line of said LOT; THENCE NORTH 36.21 feet to a corner and being the NORTHEAST Corner of said LOT; THENCE WEST along the NORTH line of said LOT a distance of 132.61 feet to the POINT OF BEGINNING.

PARCEL 54

An Easement for Underground Domestic Waterline and the right of full ingress and egress as created in 92-0507479 of Official Records over the following described property:

A 15 foot easement for a water line and appurtenant equipment, 7.5 feet on all sides of a centerline described as follows:

Commencing from the Northeast corner of Section 6, Township 5 North, Range 4 East of the Gila and Salt River Principal Meridian:

Thence South  $00^{\circ} 08' 41''$  West along the East line of said Section 6, a distance of 1,308.12 feet to the Northeast corner of the Southeast quarter of the Northeast quarter of said Section 6, said corner being identical with the Northeast corner of a parcel of land described in Result of Survey by Yavapai Engineering and Surveying, dated March 20, 1988;

Thence South  $89^{\circ} 44' 18''$  West along the North line of the Southeast quarter of the Northeast quarter of said Section 6 and of said described parcel a distance of 1,312.30 feet to a point from which the Northwest corner of the Southeast quarter of the Northeast quarter of said Section 6 and of said described parcel bears South  $85^{\circ} 44' 18''$  West a distance of 10 feet, said point being the POINT OF BEGINNING;

Thence North  $76^{\circ} 31' 07''$  West a distance of 190.54 feet.

PARCEL 55

A Private Easement for Underground Utilities and the right to construct, operate, maintain and remove such underground utilities as created in Instrument recorded as Docket 12710, Page 24 over the following described property:

three-and-one-half (3 1/2) feet on each side of the West line of the Southeast Quarter of the Southwest Quarter of the Southeast Quarter of the Northeast Quarter, Section 5, Township 5 North, Range 4 East, of the Gila and Salt River Base and Meridian,

PARCEL 56

A Water Main Easement and the right to construct, operate, maintain, inspect, repair and remove such underground utilities as created in instrument recorded as Docket 6567, Page 87 over the following described property:

The east 7 feet of the east 10 feet of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of the Southwest Quarter of Section 5, Township 5 North, Range 4 East GILIA and Salt River Base and Meridian, Maricopa County, Arizona

PARCEL 57

An Easement to place water related facilities underground and to have ingress and egress to maintain and operate said facilities and an Easement for placement of gas lines underground and related facilities to have ingress and egress for maintenance and operation of said facilities as created in 92-0663908 of Official Records over the following described property:

Desert Forest Park Tract A, Lot 62A Book 211 Map 15 assessment map

**LIST OF UNRECORDED EASEMENTS BELONGING TO CAVE CREEK WATER  
COMPANY AND/OR PACER EQUITIES COMPANY**

1. Black Mountain Mobile Home Park --- 1989, Black Mountain Mobile Home Park Community Ctr., Grantor, water mains easement --- 8-foot easement located in the Southeast Quarter of Section 28, Township 6N, Range 4E.
2. Patterson --- 1991, Michael and Charlene Patterson, Grantor, water mains easement --- located in a portion of the West Half Northwest Quarter of Section 5, Township 5N, Range 4E.
3. Cafferella --- 1998, Joseph and Mary Cafferella, Grantor, water mains easement --- located in a portion of Section 35, Township 6N, Range 4E.
4. Cable --- 2000, Ruth Cable, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
5. Collins --- Floyd Collins, Grantor, water mains easement --- located in a portion of the Northeast Quarter of the Northeast Quarter of Section 28, Township 6N, Range 4E.
6. School House Rd. South Booster Station --- 1994, Gary and Dawn Ford, Grantor, booster station and water mains easement --- a 15-foot by 15-foot booster site located in the Northeast Quarter of the Northeast Quarter of Section 33, Township 6N, Range 4E.
7. Cable-Woodworth LE --- 1996, Norman and Linda Rash, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
8. Cable-Woodworth LE --- 1996, Everette and Wilma Jean Baker, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
9. Cable-Woodworth LE --- 1996, James Woodworth and Susan Holden, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
10. Cable-Woodworth LE --- 1996, Ruth Cable, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
11. Cable-Woodworth LE --- 1996, Andy Reichenberger, Grantor, water mains easement --- located in a portion of the Southwest Quarter of Section 35, Township 6N, Range 3E.
12. Gibson --- 1976, Robert and Shirley Gibson, water mains easement --- located at the West 6 feet of the East Half of the Northwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 5, Township 6N, Range 4E.

13. Oliphant ---- 1991, Bruce and Joanna Oliphant, Grantor, water mains easement --- 15-foot easement located in the West Half of the Northwest Quarter of Section 5, Township 5N, Range 4E.
14. Arcaro ---- 1995, Anthony Arcaro, Grantor, water mains easement --- 10-foot easement located in the West Half of the Northwest Quarter of Section 5, Township 5N, Range 4E.
15. Otwell ---- 1956, Rosella Mae Otwell, easement --- 50-foot easement located in the North Half of Section 33, Township 6N, Range 4E.
16. Wilderman ---- 1982, Rita Killingback, Karen Wilderman, et. al., Grantor, water mains easement --- located in the North 25 feet of the Southeast Quarter of the Southeast Quarter of the Southeast Quarter of the Northeast Quarter of Section 5, Township 5N, Range 4E.
17. Crooks ---- Jerry and Julie Nelson, William Crooks, Grantor, water mains easement --- 12-foot easement located in a portion of the East Half of the Southwest Quarter of the Northeast Quarter of the Southeast Quarter of Section 22, Township 6N, Range 4E.
18. Sierra Vista ---- Arizona State Land Department, Grantor, water mains easement --- located in the East 25 feet of the South 78 feet of the Northeast Quarter of the Northeast Quarter of Section 1, Township 5N, Range 4E.
19. Sierra Vista ---- BLM, Grantor, water mains easement --- located in a portion of Section 1, Township 5N, Range 4E.
20. CAO ---- Arizona State Land Department, Grantor, water mains easement --- no location provided.