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2007 APR 10 1P 4: 29

AZ CORP COMMISSION
DOCUMENT CONTROL

Arizona Corporation Commission

DOCKETED

APR 10 2007

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

DOCKETED BY

nr

8 **BEFORE THE ARIZONA CORPORATION COMMISSION**

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

Docket No. W-20512A-07-0103

**AMENDED APPLICATION FOR
ADJUDICATION**

15 Equestrian Estates at White Hills Water Cooperative Homeowner's Association ("Water
16 Cooperative") hereby submits this amended application to the Commission for an order adjudicating
17 it not a public service corporation. This amended application supercedes and replaces in its entirety
18 the original application for adjudication filed with the Commission on February 16, 2007.

19 **I**

20 Applicant Water Cooperative is a non-profit homeowner's association formed on September
21 19, 2006 and amended on March 23, 2007 for the purpose of operating and maintaining a water
22 supply and distribution system for the benefit of the participating lot and parcel owners of the
23 Equestrian Estates at White Hills subdivision in Mohave County ("Equestrian Estates"). Equestrian
24 Estates is a fixed territory which is not within the service area of a municipal or public utility. It is
25 located in the high desert of northern Arizona between Lake Mead and Lake Mohave. Equestrian
26 Estates itself consists of 116 lots and cannot be subdivided further. The Water Cooperative Bylaws
27 and the Covenants, Conditions and Restrictions (CC&R's") applicable to the Water Cooperative state
that "every customer of the Water System is a member/lot owner of [Water Cooperative] with equal

1 voting rights regarding water system matters, regardless of the number of lots owned, and each
2 member of the Water Cooperative is or will be a customer of Water System and is entitled to vote.”
3 The Bylaws and the CC&Rs also state that the service area involved encompasses a territory which is
4 not within the service area of a municipal utility or public service corporation.” The CC&R’s also
5 state that complete ownership of the system and necessary assets will be conveyed to Water
6 Cooperative upon a decision by the Arizona Corporation Commission adjudicating said entity. The
7 CC&R’s further reflects that membership is restricted to a specific number of actual or potential
8 customers. A Petition in support of this application is attached to this application. Mohave County
9 has required Water Cooperative to obtain this adjudication as a condition to final plat approval.

10 **II**

11 The legal description of Equestrian Estates is as follows:

12
13 Equiterian Estates at White Hills, Tract 3816, a subdivision encompassing Section 5,
14 Township 27 North, Range 19 West of the Gila and Salt River Meridian, Mohave
15 County, Arizona.

16 **III**

17 Water Cooperative has obtained an Approval to Construct Water Facilities (“ATC”) from the
18 Arizona Department of Environmental Quality. The ATC is for the installation of a new well (DWR
19 # 55-902005); an 125,000 gallon storage tank; four 220 gallon hydropneumatic tanks; an arsenic
20 removal system; a chlorinator; 10,950 LF of 4”, 42,570 LF of 6”, and 292 LF of 8” water lines (these
21 components are collectively referred to as the “System”). Water Cooperative is in the process of
22 constructing the System. It has obtained all other necessary approvals from state and local agencies.

23 **IV**

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

- 25 1. Articles of Incorporation as Amended and Amended Bylaws;
- 26 2. Amended Declaration of Covenants, Conditions & Restrictions, Mohave County Fee
27 Number 2007031167 recorded April 3, 2007;
3. Approval to Construct Water Facilities;
4. Well Registry Report;

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

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- 5. Final Plat Maps of Equestrian Estates;
- 6. Petition of Property Owners in Support of Application;
- 7. Certified Resolution of Board of Directors.

DATED this 10th day of April, 2007.

ENGELMAN BERGER, P.C.

By  _____

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

EXHIBIT 1

AMENDED ARTICLES OF INCORPORATION
AND
AMENDED BYLAWS

COMMISSIONERS
MIKE GLEASON - Chairman
WILLIAM A. MUNDELL
JEFF HATCH-MILLER
KRISTIN K. MAYES
GARY PIERCE



BRIAN C. MCNEIL
Executive Director

LINDA FISHER
Director, Corporations Division

ARIZONA CORPORATION COMMISSION

April 3, 2007

Engelman Berger, P.C.
Attn: William H. Hanger
3636 N. Central Avenue, Suite 700
Phoenix, AZ 85012

Re: EQUISTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE
HOMEOWNER'S ASSOCIATION

We are pleased to notify you that your Articles have been approved. This letter concerns the document checked below which was approved for the entity referenced above.

- | | | | |
|-------------------------------------|-------------------------|--------------------------|-------------------------------|
| <input checked="" type="checkbox"/> | Articles of Amendment | <input type="checkbox"/> | Application for New Authority |
| <input type="checkbox"/> | Articles of Restatement | <input type="checkbox"/> | Articles of Domestication |
| <input type="checkbox"/> | Articles of Merger | | |

You must publish the Articles in their entirety. The publication must be in a newspaper of general circulation in the county of the known place of business in Arizona as filed with the Commission, for three (3) consecutive publications. For your convenience we have attached a list of acceptable newspapers in each county and is also posted on the Commission web site.

Please make sure the newspaper publishes the corporation documents using the exact name filed with the Commission. Publication must be completed WITHIN SIXTY (60) DAYS and an affidavit from the newspaper, evidencing such publication, must be delivered to the Commission for filing WITHIN NINETY (90) DAYS from 04/03/2007, which is the date the document was processed and approved for filing by the Commission.

The Commission strongly recommends that you periodically check Commission records regarding the corporation. The Commission web site www.azcc.gov/corp contains information specific to each corporation of record and is a good general source of information.

Theresa Tittle (602) 542-0778

Examiner

Corporations Division

If you have any questions, please call the Corporations Division Phoenix (602) 542-3026, Tucson 520-628-6560 or toll free (Arizona residents only) at 1-800-345-5819
For more information contact our web site, at the address indicated below.

FilApprother
Revised 11/06

04/03/2007

State of Arizona Public Access System

12:27 PM

File Number: -1312866-3

Corp. Name: EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE HOMEOWN

Domestic Address
% PROPERTY MANAGEMENT SERVICES
1834 HIGHWAY 95

Second Address

BULLHEAD CITY, AZ 86442

Agent: STEVEN R BUCK
Status: APPOINTED 09/20/2006
Mailing Address:
% PROPERTY MANAGEMENT SERVICES
1834 HIGHWAT 95

BULLHEAD CITY, AZ 86442
Agent Last Updated: 11/30/2006

Business Type:

Domicile: ARIZONA
County: MOHAVE
Corporation Type: NON-PROFIT
Life Period: PERPETUAL
Incorporation Date: 09/20/2006
Approval Date: 09/20/2006
Last A/R Received: /
Date A/R Entered:
Next Report Due: 04/20/2007

Additional Corporate Information

A/R Returned:	A/R Ret Code:	Orig Pub Date: 11/07/2006
Merger Date:	Merger Waiver:	Merger Pub:
Amendment: 03/23/2007	Amend Waiver:	Amend Pub:
Amendment Type: NAME CHANGE		Disclosure:
Extension:	Extens Date:	Renewed:
Dis/With:	Dis/With Date:	Special:
Previous Year: 2008	Prev Fiscal:	Fiscal: 12
Reinstatement:	Revocation:	
Reinstatement:	Revocation:	Date A/R Sent: 02/15/2007
Status:	Status Date:	
Bankrupt Corp:	Bankrupt Off:	Expiration:
Comment:		

True Name:

Changes to Corporation

CHANGED FROM
EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE, INC.
ON 03/23/2007

FILED

MAR 23 2007

FILE NO. -1312866-3

**ARTICLES OF AMENDMENT
OF
EQUESTRIAN ESTATES AT WHITE HILLS WATER
COOPERATIVE, INC.**

1. The name of the corporation is Equestrian Estates at White Hills Water Cooperative, Inc.
2. Attached hereto as Exhibit A is the text of each amendment adopted.
3. The amendment was adopted the 23rd day of March, 2007.
4. The amendment was duly adopted by act of the Board of Directors.

DATED this 23rd day of March, 2007.

**EQUESTRIAN ESTATES AT WHITE HILLS
WATER COOPERATIVE, INC.**

By 
Ralph J. McGrath
Its: President

EXHIBIT A
AMENDMENT TO THE ARTICLES OF INCORPORATION OF
EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE, INC.

I. Article I is amended to read as follows:

The name of the corporation, a non-profit homeowner's association, is Equestrian Estates at White Hills Water Cooperative Homeowner's Association.

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



ARIZONA CORPORATION COMMISSION

BRIAN C. MCNEIL
Executive Director

DAVID RABER
Director, Corporations Division

September 26, 2006

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

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

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

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

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

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

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

Sincerely,

Shelly Weinzierl
Examiner
Corporations Division

CF:04

1300 WEST WASHINGTON, PHOENIX, ARIZONA 85007-2929 / 400 WEST CONGRESS STREET, TUCSON, ARIZONA 85701-1347

www.cc.state.az.us - 602-542-3135

REV. 01/2004



AZ CORPORATION COMMISSION
FILED

ARTICLES OF INCORPORATION

SEP 20 2006

OF

FILE NO. 13128063
EQUESTRIAN ESTATES AT WHITE HILLS
WATER COOPERATIVE, INC.

KNOW ALL MEN BY THESE PRESENTS:

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

ARTICLE I

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

ARTICLE II

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

ARTICLE III

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

ARTICLE IV

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

ARTICLE V

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

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

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

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

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

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

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

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

ARTICLE IX

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

ARTICLE X

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

ARTICLE XI

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

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

ARTICLE XII

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

ARTICLE XIII

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

ARTICLE XIV

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

ARTICLE XV

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

ARTICLE XVI

Incorporators. The names and addresses of the incorporators are:

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

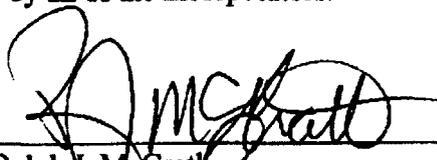
All powers, duties, and responsibilities of the incorporators shall cease at the time of the delivery of these Articles of Incorporation to the Arizona Corporation Commission.

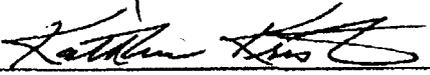
ARTICLE XVII

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

EXECUTED THIS 19th day of September, 2006 by all of the incorporators.

Signed: 
Ralph J. McGrath

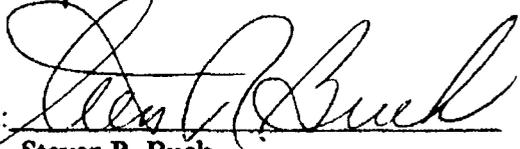
Signed: 
Kathleen Kristin

Signed: 
Kevin Leonard

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ACCEPTANCE OF APPOINTMENT BY STATUTORY AGENT

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

Signed: 
Steven R. Buck

FIRST AMENDED
BY-LAWS
OF
EQUESTRIAN ESTATES AT WHITE HILLS
WATER COOPERATIVE HOMEOWNER'S ASSOCIATION
a Non-Profit Association

These First Amended Bylaws supercede and replace in there entirety the Bylaws executed September 19, 2006 by the members

PURPOSE

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

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

The service area involved encompasses a territory which is not within the service area of a municipal utility or public service corporation.

Any provision of these Bylaws shall be null and void if such provision does not comply with the Arizona Corporation Commission Policy Decision No. 55568, dated May 7, 1987. Each customer of the Water System is a member/owner of the Association with equal voting rights regarding Water System matters, regardless of the number of lots owned, and that each member/owner is or will be a customer of the Water System and is entitled to vote.

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

ARTICLE I
DEFINITIONS

Section 1.1. Association. Association shall mean and refer to Equestrian Estates at White Hills Water Cooperative Homeowner's Association.

Section 1.2. Association Properties or Premises. Association properties or premises shall

mean all property owned by the Association, including personal property, equipment, tangible and intangible property and real property. The real property owned by or contracted to the Association is described as follows:

SEE EXHIBIT B ATTACHED HERETO AND MADE A PART HEREOF

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

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

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

ARTICLE II
MEMBERSHIP, QUALIFICATIONS FOR
MEMBERSHIP AND MEETINGS

Section 2.1. Membership. Each member/owner of a parcel of the "Membership Property" is a member and/or customer in the Association. Every member/owner has equal voting rights regarding water system matters, regardless of the number of lots owned and the each member is or will be a customer of the Water System.

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

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

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

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

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

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

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

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

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

ARTICLE III **DIRECTORS AND DIRECTORS' MEETINGS**

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

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

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

3.3.1 Staggered Terms. At the first annual meeting at which the Directors are elected there shall be elected three (3) Directors of the Association; the term of office of one Director shall be fixed for three (3) years. The term of office of one other director shall be two (2)

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

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

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

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

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

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

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

3.8.1 Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of meeting which they could take at a meeting by obtaining the

written approval of all the directors. Any action so approved will have the same effect as though taken at a meeting of the directors.

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

Section 3.10. Specific Powers.

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

(b) In the event an operating deficiency is realized in any fiscal year, the Board of Directors shall have the power to require the recovery of such deficiency from the members who were provided service in that fiscal year. The members' share of the deficiency shall be determined by the ratio of the member water usage for the fiscal year to the total water usage of all members for that fiscal year.

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

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

ARTICLE IV **OFFICERS**

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

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

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

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

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

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

ARTICLE V

MISCELLANEOUS PROVISIONS

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

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

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

constitute passage and adoption thereof by the Association.

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

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

Section 5.6. Liens. Pursuant to the provisions of the AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS all "Membership Property" is subject to the levy of an assessment in proportion to the water delivered to the property, for paying the cost of operating the water system and the common area and common elements. The Board of Directors is granted and has the authority to place a lien on a member's property for failure to meet any obligations as set forth in these By-laws and in the AMENDED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS.

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

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

ARTICLE VI **AMENDMENT OF BY-LAWS**

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

ARTICLE VII **MEMBERSHIP TERMINATION**

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

ARTICLE VIII
DIVIDENDS/REFUNDS

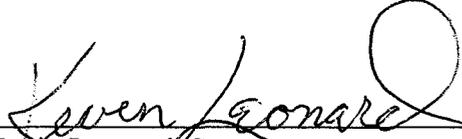
Dividends shall not be paid to members of the Association. In the event the usage Assessment to the members in a fiscal year exceeds the actual operating costs for that fiscal year, the Board of Directors may approve a refund of excess usage assessments collected in the fiscal year or such funds may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

ARTICLE IX
DISSOLUTION

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

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly elected and acting Secretary of Whitehills Equestrian Estates Landowners Water Cooperative, Inc., a Nonprofit Association, and that the foregoing by-laws constitute the original Bylaws of the Association as duly amended and adopted at a meeting of the members thereof, held on the 23rd day of March, 2007.



Kevin Leonard, Secretary

EXHIBIT "A"

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

EXHIBIT 2

AMENDED DECLARATION OF COVENANTS,
CONDITIONS & RESTRICTIONS, MOHAVE
COUNTY FEE NO. 2007031167, RECORDED
4/3/07

3

B: 6739 P: 455

OFFICIAL RECORDS
OF MOHAVE COUNTY
JOAN MCCALL
COUNTY RECORDER



04/03/2007 02:26 PM Fee: \$22.00
DOC TYPE: AMCCR
PAID BY: KEVIN LEONARD

When Recorded, Mail to:
William H. Anger
Engelman Berger, P.C.
3636 N. Central Ave., Suite 700
Phoenix, AZ 85012

**FIRST AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

The undersigned, being owners of record of all of the property subject to the Declaration of Covenants, Conditions and Restrictions set forth in the document recorded in the Office of the Mohave County Recorder on January 26, 2007 at Instrument No. 2007-007728 (the "Declaration") and executed by Ralph J. McGrath on behalf of White Hills Land Development L.L.C. as Managing Member of White Hills Land Development L.L.C. hereby amends the Declaration with this First Amendment to the Declaration ("First Amendment"). This First Amendment supercedes and replaces the Declaration in its entirety.

KNOW ALL ME BY THESE PRESENTS:

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

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

and desiring to establish the use and enjoyment of said premises, do hereby declare that the following restrictions shall apply to all said land, and that all conveyances of said real property or any part thereof shall be subject to these covenants, conditions, stipulations and restrictions. Complete ownership of the system and necessary assets will be conveyed to Equestrian Estates at White Hills Water Cooperative Homeowner's Association (hereinafter referred to as the "Association"), upon a decision by the Arizona Corporation Commission adjudicating the Association.

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

2. The service area involved encompasses a territory which is not within the service area of a municipal utility or public service corporation.

3. All lot owners of portions of the real property described on the attached Exhibit "A" shall be and become members of the Association by virtue of ownership of said property, payment of the membership fees and the recording of these covenants, conditions and restrictions, on their lot or parcel. Each customer of the Water System is a member/owner of the Association with equal

voting rights regarding Water System matters, regardless of the number of lots owned, and that each member/owner is or will be a customer of the Water System and is entitled to vote.. Membership is restricted to a specific number of actual or potential members/customers of the Water System. A member delinquent in the payment of any assessments or charges to the Association is disqualified from voting on any Association matter while his payment account is in arrears.

Only one owner in the event of multiplicity of ownership may exercise the right to cast the vote attributable to each parcel. A membership is coupled with ownership of land, and such ownership shall pass to owners on resale. Each member's interest in the Water System shall not be subject to partition under any circumstances.

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

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

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

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

8. Each owner of any portion of the real property by acceptance of a deed or other conveyance therefor, whether or not it shall be so expressed in any such deed or other conveyance, is conclusively deemed to covenant and agree to pay to the Association such water rates and assessments as are hereinbefore provided. Such water rates and assessments, together with interest at the highest legal rate of interest permitted to be charged, costs of collection and reasonable attorneys' fees shall be a charge on the land and shall be a continuing lien upon the property against which each such water charge and assessment is made. Each such water charge and assessment, together with such interest, costs and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of such property at the time when the water charge and assessment fell due. The personal obligation shall not pass to a successor in title unless it is

expressly assumed or unless prior to such transfer of title, a notice of lien for such assessments shall have been recorded in the records of the County Recorder of Mohave County, Arizona. If a notice of lien for such assessments has been recorded then both the owner of such property when the assessment fell due and the successor in title, unless the successor in title is the Association or a trust in which the Association is a beneficiary, will be jointly and severally liable for such unpaid obligation. If the successor in title is the Association (or its successor entity), the Association (or its successor entity) will not be liable for such unpaid obligation.

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

The lien provided for in this section shall be in favor of the Association for the benefit of all other owners. The Association, acting on behalf of the owners, shall have the power to bid in an interest foreclosed at foreclosure sale and to acquire and hold, lease, mortgage and convey the same.

The Association shall also be entitled to collect from the owner, owners and parties against whom the action is brought a reasonable processing fee and reimbursement for all expenses incurred for having to enforce said lien or the collection of any amounts due pursuant to this Declaration. In the event that the Association employs an attorney or attorneys to enforce said lien or the collection of any amounts due pursuant to this Declaration or to enforce compliance with or specific performance of the terms and conditions hereof, the owner, owners, and parties against whom the action is brought shall pay all attorneys' fees and costs thereby incurred by the Association in the event the Association prevails in any such action. No owner may exempt himself from liability for his contribution toward the common expense by waiver of the use or enjoyment of the facilities or by the abandonment of his land.

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

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

11. These covenants and restrictions are understood and agreed to be, and shall be taken and held to be for the benefit of all parcel owners, be they such now, or become such hereafter, and all covenants herein contained attach to the land and run with the title thereto and shall be binding on and remain operative and effective on all owners of parcels within the subject property for a term of (20) years from the date this Declaration is recorded, after which time it shall automatically renew for successive periods of 20 years thereafter unless altered or amended by an affirmative vote

of fifty (50) percent of the total number of membership votes, with each member having one vote. This Declaration may be amended at any time by an instrument signed by fifty-One (51) percent of the total number of membership votes, with each member having one vote and recorded with the Mohave County Recorder.

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

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

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

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

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

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

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

19. If in the future a water company becomes interested in acquiring the Water System from the Association and if a negotiated offer meets all the requirements of the Corporation Commission and if the Association membership approves the measure by a vote of two thirds (2/3)

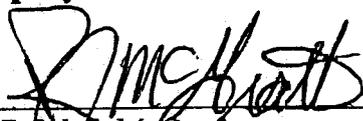
of the total number of membership votes, with each member having one vote, then this acquisition can take place.

20. These Covenants, Conditions and Restrictions may be executed in one or more counterparts, each of which should be deemed to constitute an original, but all of which when taken together, shall constitute one and the same instrument, with the same effect as if all of the parties to this agreement had executed the same counterpart.

I being the owner of Lots Nos.1 through 116 Equestrian Estates at White Hills by my signature below agree to all of the terms of the foregoing Declaration of Covenants, Conditions and Restrictions and agree to be a member of the Equestrian Estates at White Hills Water Cooperative Homeowner's Association.

Executed this 28th day of March, 2007.

**WHITE HILLS LAND DEVELOPMENT
L.L.C., an Arizona limited liability
company**

By 
Ralph J. McGrath
Its: Managing Member

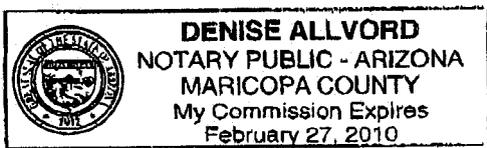
STATE OF ARIZONA)
) ss.
County of Mohave)

On this, the 28th day of March, 2007, before me, the undersigned Notary, personally appeared **Ralph J. McGrath**, and acknowledged that he was the Managing Member of **White Hills Land Development L.L.C.** and executed the foregoing instrument for the purposes therein contained.

In witness whereof I have hereunto set my hand and official seal.


Notary Public

My Commission Expires:
2-10-2007



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EXHIBIT "A"

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

EXHIBIT "B"

EQUESTRIAN ESTATES

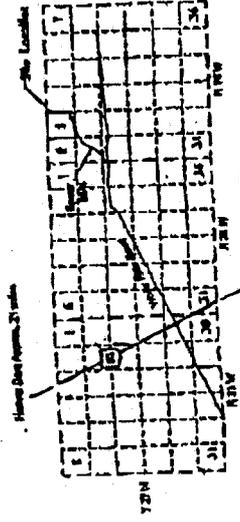
Water System Construction Plans

Water Company
 Questionnaire of Title with Meter
 1015 E. Quinn, Corp.
 Salisbury, N.C. 28158

Owner
 E.H.M. Development, Inc.
 10400 E. Sunset Court, No. 1
 Salisbury, N.C. 28158

Engineer
 R.L. McDowd, President
 R.L. McDowd, Inc.
 2701 E. Sunset Court, No. 1
 Salisbury, N.C. 28158

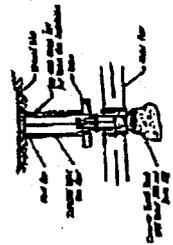
Approved For Construction
 [Signature]



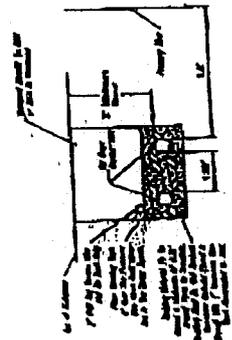
- Notes**
- No part of this water system is older than 100 years.
 - All existing construction shall conform to the provisions of the building code.
 - All components in this water system shall be listed.
 - Materials and workmanship shall conform to the standards of the American Water Works Association.
 - All components shall conform to the standards of the American Water Works Association.
 - Water mains shall be installed in accordance with AWWA C900.
 - All valves and fittings shall be pressure rated to match the highest pressure ratings of the system water supply.
 - Water mains shall be subject to a pressure and leakage test in accordance with AWWA C900.
 - The existing pressure in the pipe, the existing pressure shall be based on the highest allowable pressure point in the water main system.

Table of Contents

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



Standard Valve Riser and Cover
 Not to Scale



Pipe Detail - Common Trench
 Not to Scale

EQUESTRIAN ESTATES
WATER SYSTEM CONSTRUCTION PLANS
COVER SHEET

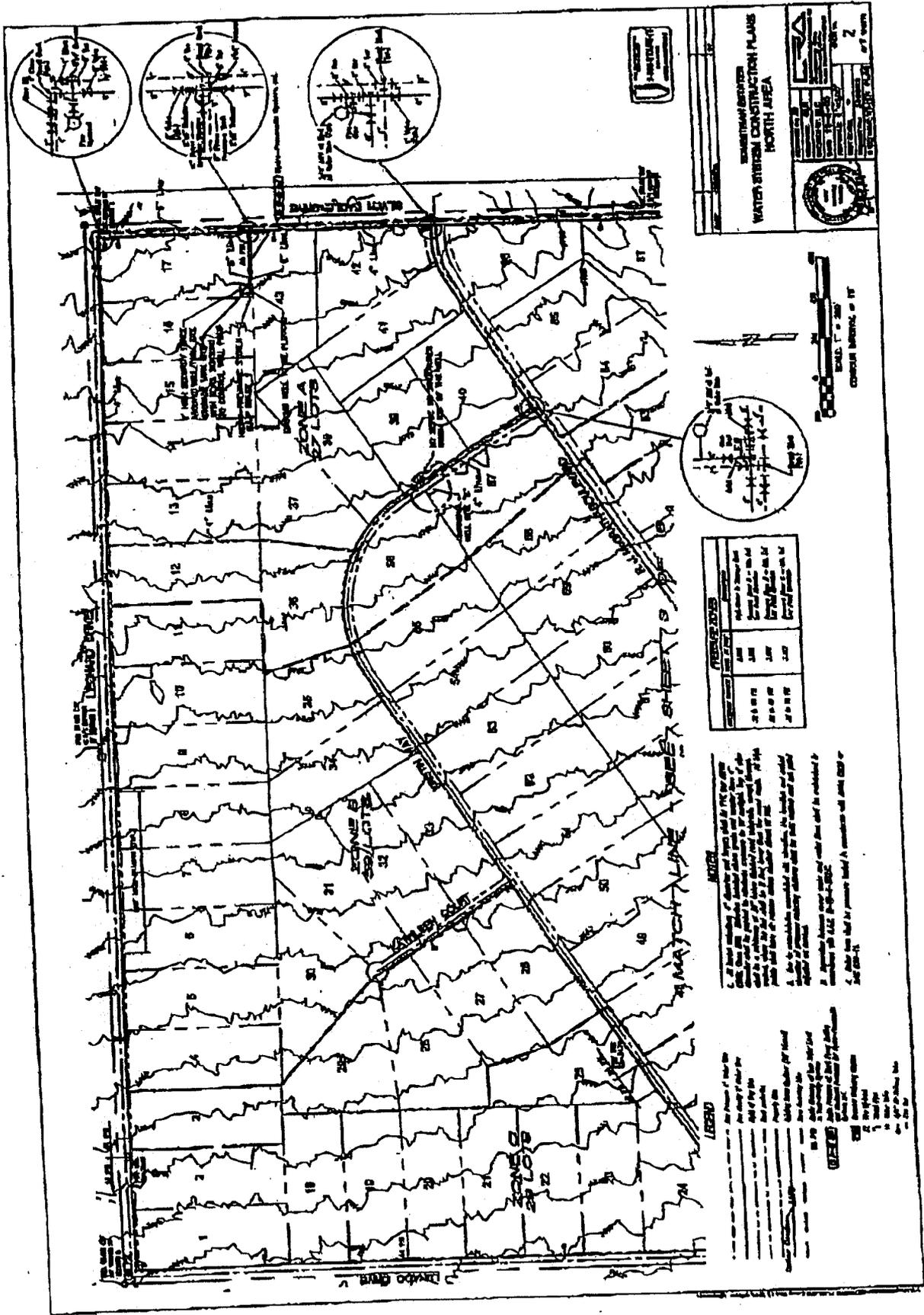
DATE: 10/1/58
 SHEET NO. 1
 OF 7 SHEETS

APPROVED FOR CONSTRUCTION
 [Signature]

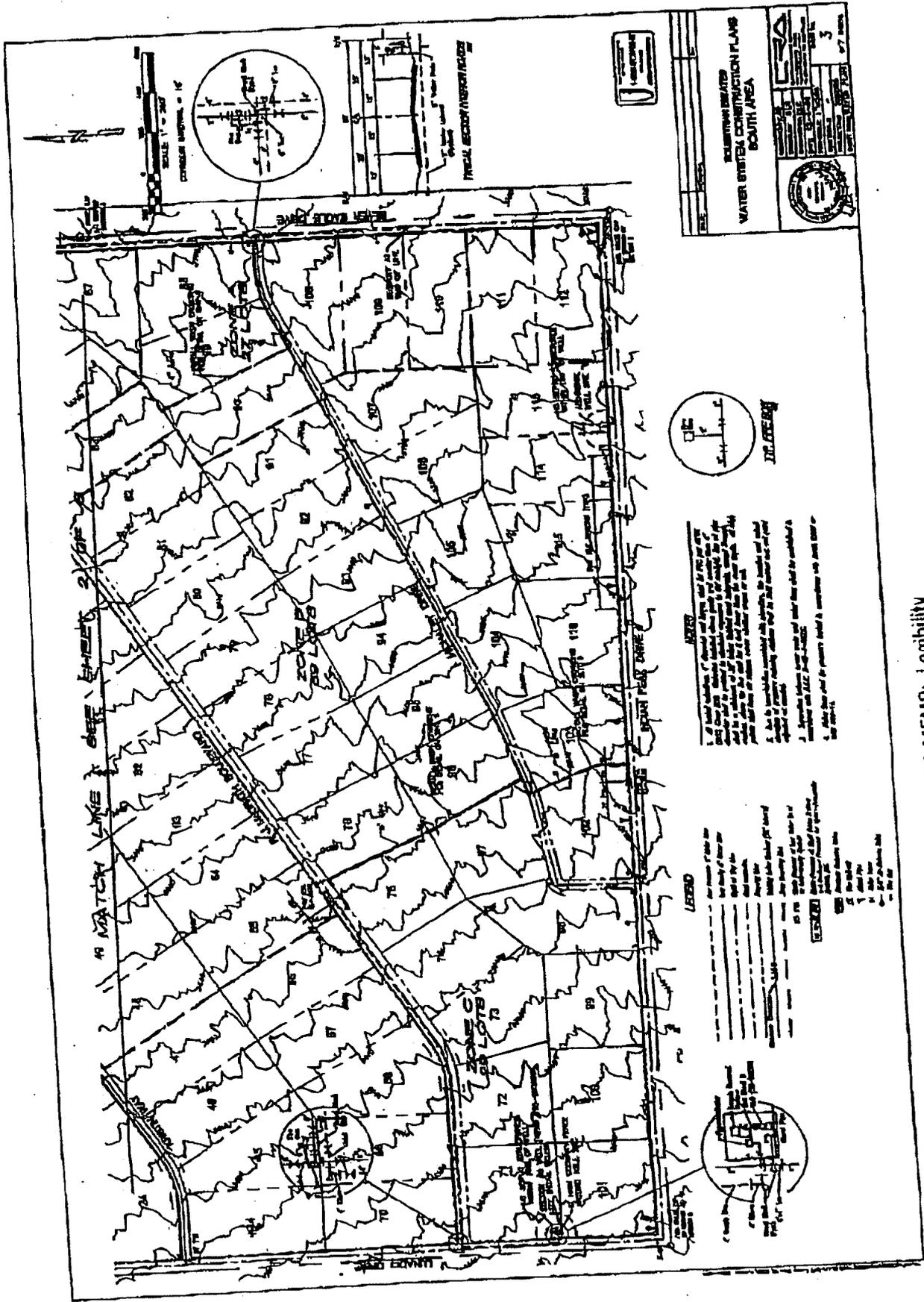
RECORDER'S MEMO: Legibility
 Questionable For Good Reproduction

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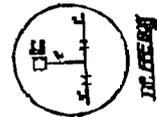


RECORDER'S MEMO: Legibility
Questionable For Good Reproduction



**WATER SYSTEM CONSTRUCTION PLAN
SOUTH AREA**

DATE	10/15/54
PROJECT NO.	100-118
SCALE	1" = 40'
DRAWN BY	J. J. [unclear]
CHECKED BY	[unclear]
APPROVED BY	[unclear]



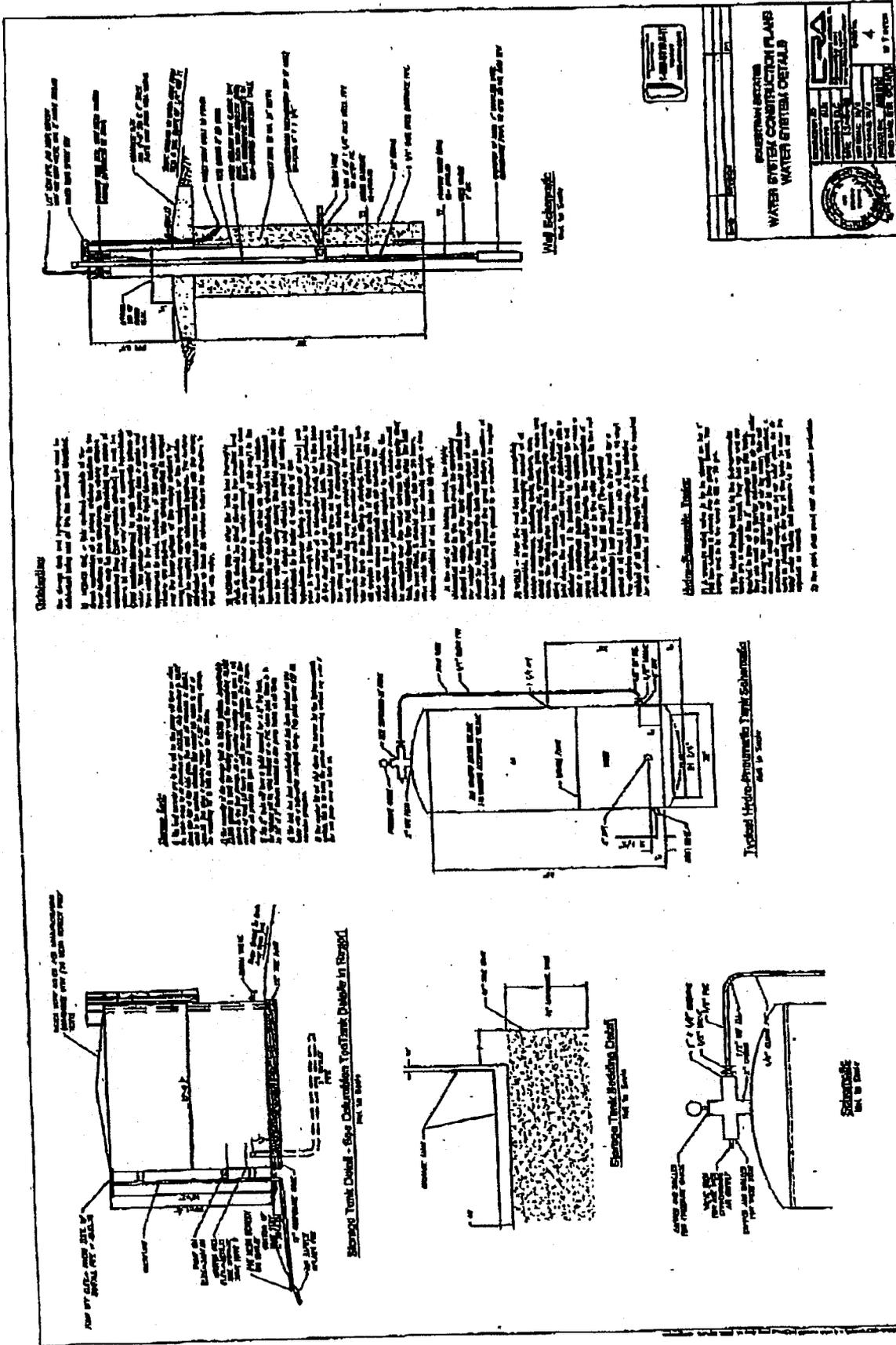
- NOTES**
1. All lots within 10' of trunk main and 20' of 12" or 18" water main shall be shown as 'ZONED LOTS' and shall be shown as 'ZONED LOTS' and shall be shown as 'ZONED LOTS'.
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 5. All lots within 10' of trunk main and 20' of 12" or 18" water main shall be shown as 'ZONED LOTS' and shall be shown as 'ZONED LOTS'.

- LEGEND**
- Trunk Main
 - 12" Water Main
 - 18" Water Main
 - 24" Water Main
 - 30" Water Main
 - 36" Water Main
 - 42" Water Main
 - 48" Water Main
 - 54" Water Main
 - 60" Water Main
 - 66" Water Main
 - 72" Water Main
 - 78" Water Main
 - 84" Water Main
 - 90" Water Main
 - 96" Water Main
 - 102" Water Main
 - 108" Water Main
 - 114" Water Main
 - 120" Water Main
 - 126" Water Main
 - 132" Water Main
 - 138" Water Main
 - 144" Water Main
 - 150" Water Main
 - 156" Water Main
 - 162" Water Main
 - 168" Water Main
 - 174" Water Main
 - 180" Water Main
 - 186" Water Main
 - 192" Water Main
 - 198" Water Main
 - 204" Water Main
 - 210" Water Main
 - 216" Water Main
 - 222" Water Main
 - 228" Water Main
 - 234" Water Main
 - 240" Water Main
 - 246" Water Main
 - 252" Water Main
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 - 270" Water Main
 - 276" Water Main
 - 282" Water Main
 - 288" Water Main
 - 294" Water Main
 - 300" Water Main



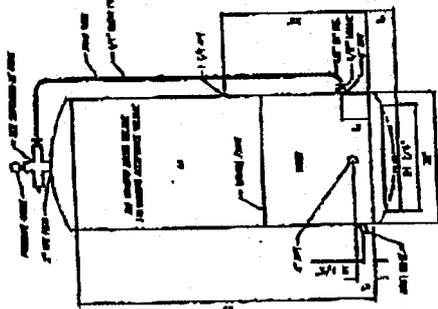
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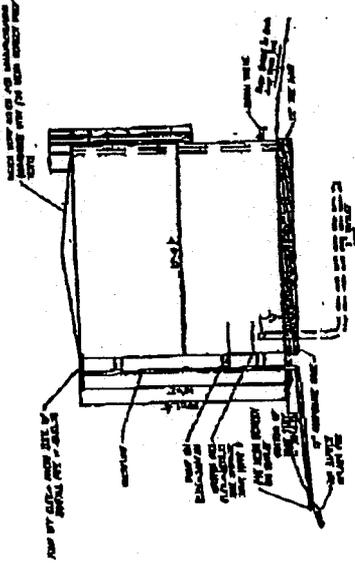


Cast-iron
 The cast-iron body of the valve is made of gray iron, and is designed to withstand a working pressure of 150 lbs. per sq. in. The valve is made in two pieces, the body and the head, which are bolted together. The body is 12 inches in diameter and 18 inches long. The head is 12 inches in diameter and 12 inches long. The valve is made in two pieces, the body and the head, which are bolted together. The body is 12 inches in diameter and 18 inches long. The head is 12 inches in diameter and 12 inches long.

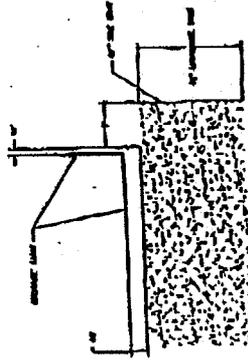
Cast-iron
 The cast-iron body of the valve is made of gray iron, and is designed to withstand a working pressure of 150 lbs. per sq. in. The valve is made in two pieces, the body and the head, which are bolted together. The body is 12 inches in diameter and 18 inches long. The head is 12 inches in diameter and 12 inches long. The valve is made in two pieces, the body and the head, which are bolted together. The body is 12 inches in diameter and 18 inches long. The head is 12 inches in diameter and 12 inches long.



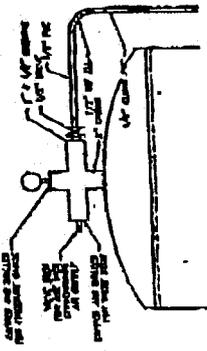
Typical Hydro-Armoured Tank Schematic
 See to Scale



Storage Tank Detail - Spigot Connections Typical Details in Detail
 See to Scale



Storage Tank Sectional Detail
 See to Scale

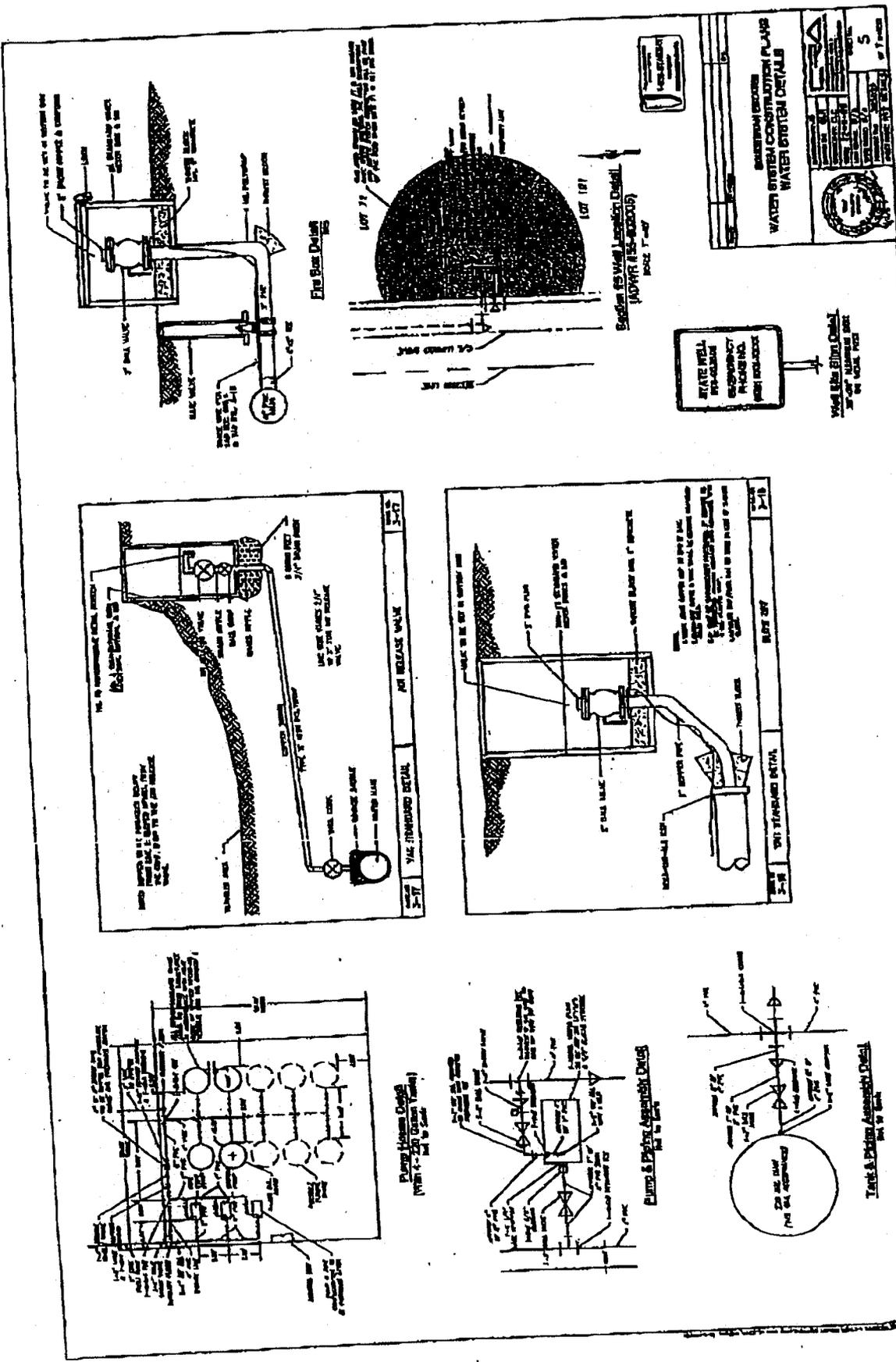


Schematic
 See to Scale



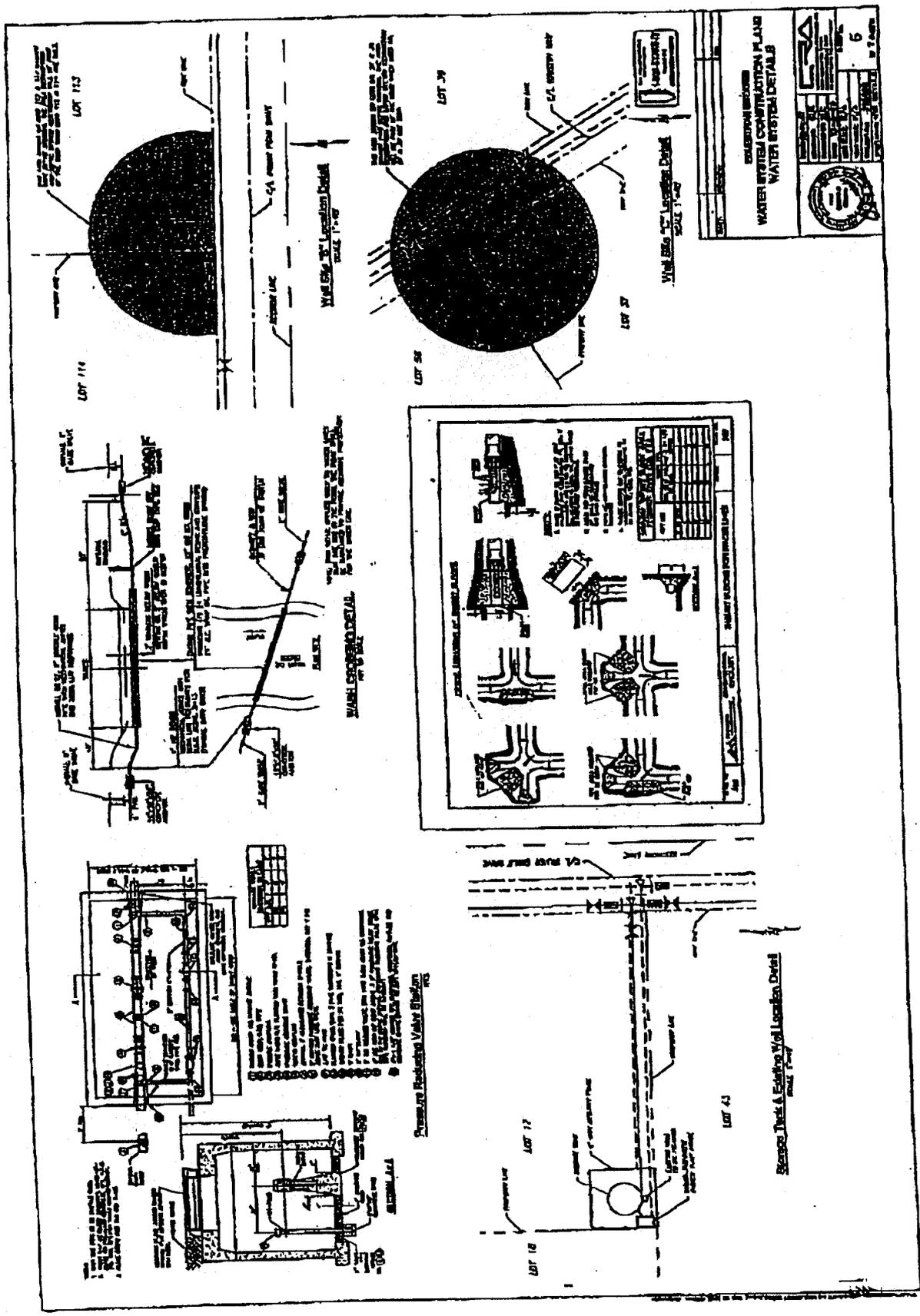
GENERAL NOTES	
WATER SYSTEM CONSTRUCTION PLANS	
WATER SYSTEM DETAILS	
DATE	4
PROJECT	10
SCALE	AS SHOWN
DESIGNED BY	
CHECKED BY	
APPROVED BY	

RECORDER'S MEMO: Legibility
 Questionable For Good Reproduction



RECORDER'S MEMO: Legibility
Questionable For Good Reproduction

666
467



RECORDER'S MEMO: Legibility
Questionable For Good Reproduction

EXHIBIT 3

APPROVAL TO CONSTRUCT
WATER FACILITIES



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

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

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

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

Reviewed by: AQ1

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

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

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

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

EXHIBIT 4.

WELL REGISTRY REPORT

Run Date: 02/16/2007

AZ DEPARTMENT OF WATER RESOURCES

WELL REGISTRY REPORT - WELLS55

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

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

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

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

Contamination Site: NO - NOT IN ANY WQARF SITE

Comments

Current Action

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

Action History

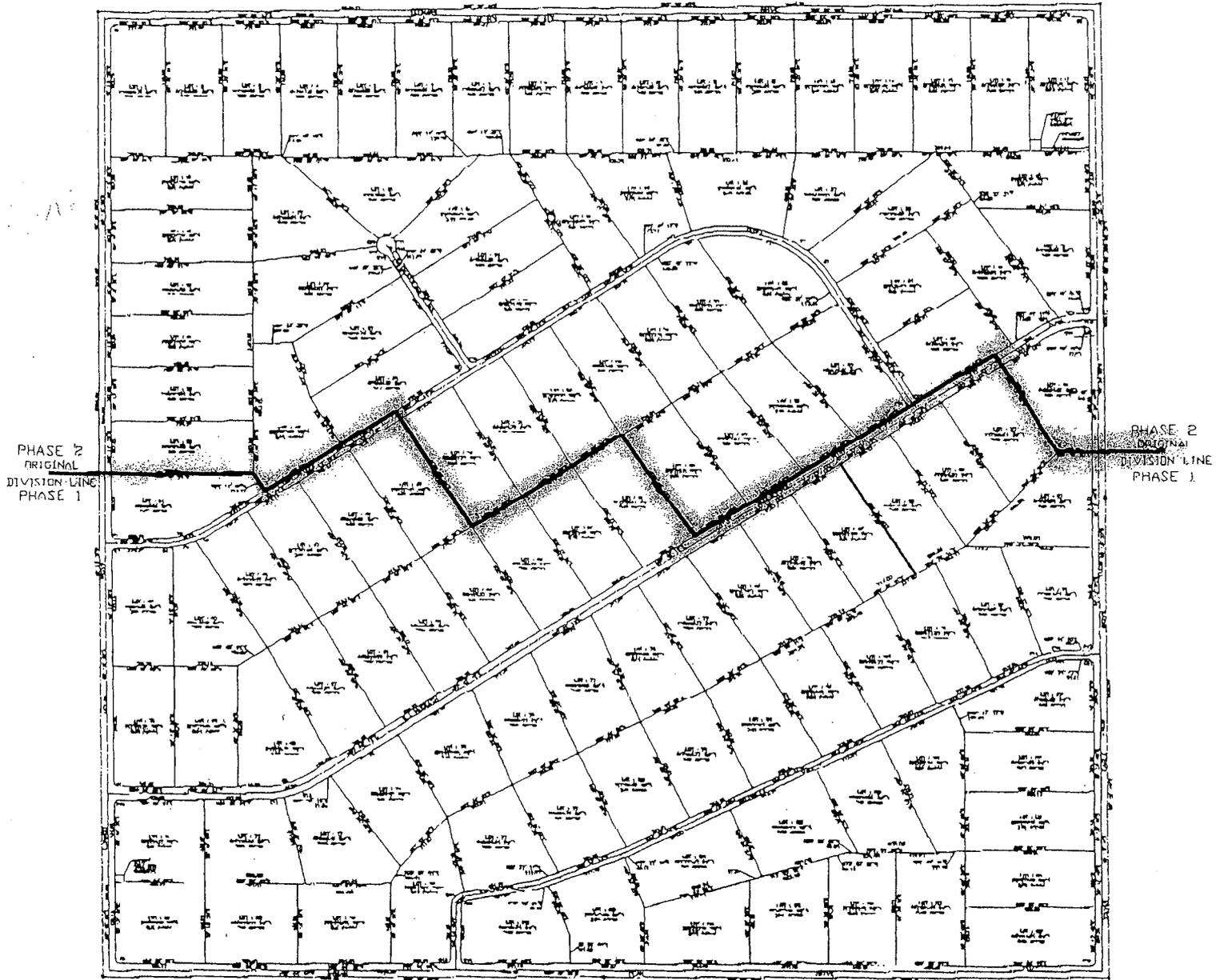
5/5/2005 750 WELL LOG RECEIVED
Action Comment: bjs
4/29/2005 855 CHANGE OF WELL LEGAL DESCRIPTION
Action Comment: OLD LEGAL DESC: B(27.0-19.0) 5 CAA
4/29/2005 855 CHANGE OF WELL LEGAL DESCRIPTION
Action Comment: DH
4/8/2005 150 NOI RECEIVED FOR A NEW PRODUCTION WELL
Action Comment: Processed through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

EXHIBIT 5.

**FINAL PLAT MAPS OF
EQUESTRIAN ESTATES**

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

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



PHASE 2
ORIGINAL
DIVISION LINE
PHASE 1

PHASE 2
ORIGINAL
DIVISION LINE
PHASE 1

PHASE 1
INCLUDING
LOTS
24, 44-49, 61-85, 87-116

330 AC 62 Lots

EXHIBIT 6.

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

EXHIBIT 4
WELL REGISTRY REPORT



Arizona Department of Water Resources
 Records Management Section
 500 N. 3rd Street ♦ Phoenix, Arizona 85004
 (602) 417-2405 ♦ (800) 352-8488
 www.water.az.gov

**Well Driller Report
 and
 Well Log**

- Review instructions prior to completing form
- This report should be prepared by the driller in detail and filed with the Department within 30 days following completion of the well.

MAY - 5 2005

** PLEASE PRINT CLEARLY **

FILE NUMBER B(27-19)5 CAA
WELL REGISTRATION NUMBER 55 - 902005
PERMIT NUMBER (IF ISSUED)

SECTION 1. REGISTRY INFORMATION						
Well Owner		Location of Well				
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL White Hills Development		WELL LOCATION ADDRESS (IF ANY) White Hills				
MAILING ADDRESS 10449 E. Desert Cove		TOWNSHIP (N/S) 27N	RANGE (E/W) 19W	SECTION 5	160 ACRE SW $\frac{1}{4}$	40 ACRE SW $\frac{1}{4}$
CITY / STATE / ZIP CODE Scottsdale, AZ, 85259		LATITUDE		"N	LONGITUDE "W	
CONTACT PERSON NAME AND TITLE		LAND SURFACE ELEVATION AT WELL Feet Above Sea Level				
TELEPHONE NUMBER 800 621-4563	FAX	METHOD OF LATITUDE / LONGITUDE (CHECK ONE)			<input type="checkbox"/> Hand-Held	
		<input type="checkbox"/> USGS Quad Map <input type="checkbox"/> Conventional Survey <input type="checkbox"/> GPS			<input type="checkbox"/> Survey-Grade	
		COUNTY ASSESSOR'S PARCEL ID NUMBER				
		BOOK 329	MAP 2	PARCEL 002		
		COUNTY WHERE WELL IS LOCATED Mohave				

SECTION 2. DRILLING AUTHORIZATION	
Drilling Firm	
NAME DRILL-TECH, INC.	
DWR LICENSE NUMBER 239	
TELEPHONE NUMBER 928-636-8006	FAX

SECTION 3. WELL CONSTRUCTION DETAILS		
DATE WELL CONSTRUCTION STARTED 4/7/05	DATE WELL CONSTRUCTION COMPLETED 4/15/05	IF FLOWING WELL, METHOD OF FLOW REGULATION <input type="checkbox"/> Valve <input type="checkbox"/> Other:

- Drill Method**
 CHECK ONE
- Air Rotary
 - Bored or Augered
 - Cable Tool
 - Dual Rotary
 - Mud Rotary

- Method of Well Development**
 CHECK ONE
- Airlift
 - Bail
 - Surge Block
 - Surge Pump
 - Other

- Method of Sealing at Reduction Points**
 CHECK ONE
- None
 - Packed
 - Swedged
 - Welded

static water level 545'
 Date Measured 4/15/05

ENTERED MAY - 9 2005

(Request to change info is being submitted to change level from NE, NE, NE - SW, SW SW)

Well Driller Report and Well Log

WELL REGISTRATION NUMBER
55 - 902005

SECTION 4. WELL CONSTRUCTION DESIGN (AS BUILT) (attach additional page if needed)

Borehole			Installed Casing													
DEPTH FROM SURFACE		BOREHOLE DIAMETER (inches)	DEPTH FROM SURFACE		OUTER DIAMETER (inches)	MATERIAL TYPE (T)				PERFORATION TYPE (T)						SLOT SIZE IF ANY (inches)
FROM (feet)	TO (feet)		FROM (feet)	TO (feet)		STEEL	PVC	ABS	IF OTHER TYPE, DESCRIBE	BLANK OR NONE	WIRE WRAP	SHUTTER SCREEN	MILLS KNIFE	SLOTTED	IF OTHER TYPE, DESCRIBE	
0	25	18	0	24	12	X				X						
25	1045	12 1/4	2	841	8	X				X						
			841	1045	8	X							X			

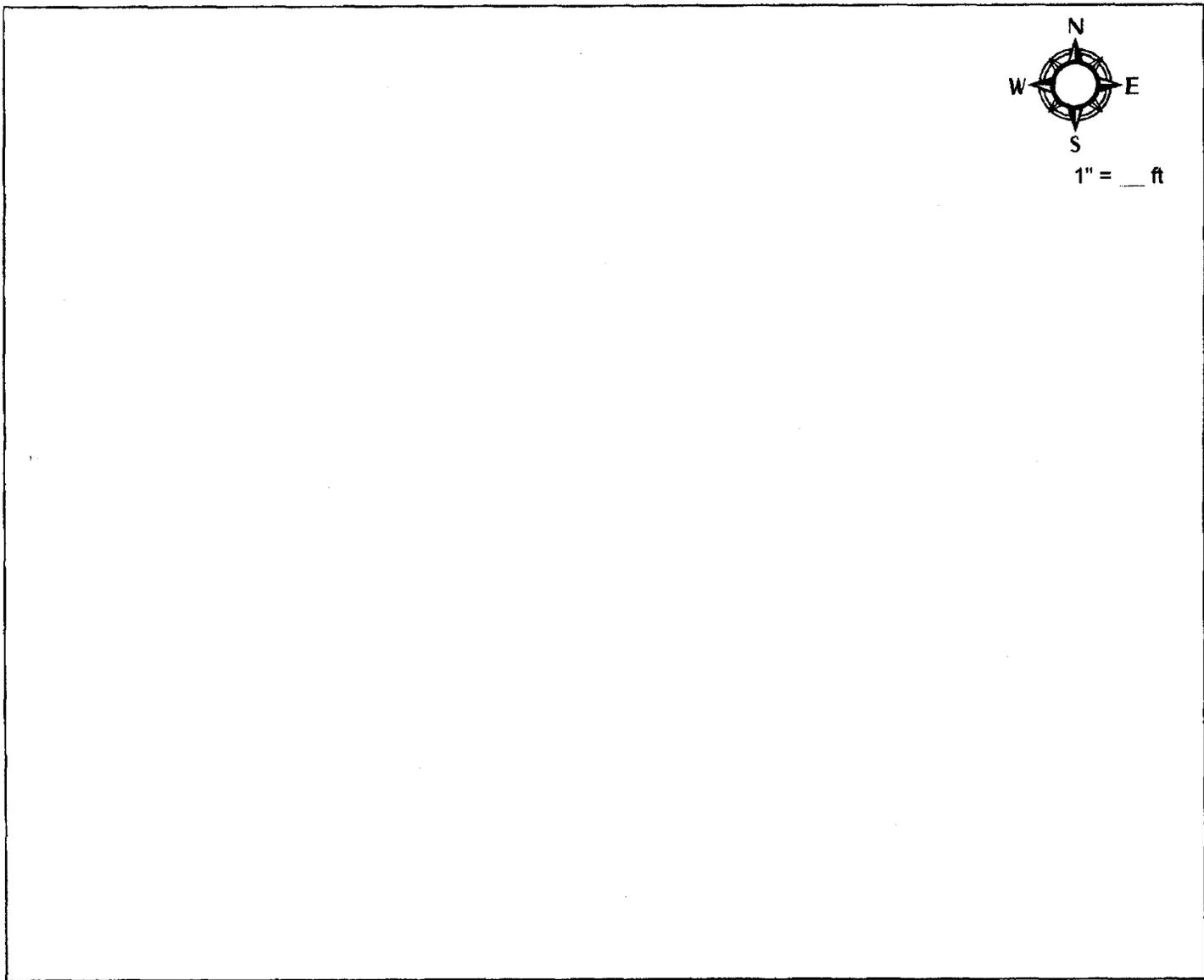
Installed Annular Material												
DEPTH FROM SURFACE		ANNULAR MATERIAL TYPE (T)								FILTER PACK		
FROM (feet)	TO (feet)	NONE	CONCRETE	NEAT CEMENT OR CEMENT GROUT	CEMENT-BENTONITE GROUT	BENTONITE			IF OTHER TYPE OF ANNULAR MATERIAL, DESCRIBE	SAND	GRAVEL	SIZE
						GROUT	CHIPS	PELLETS				
0	24			X								

DEPTH OF BORING 1045 Feet Below Land Surface	DEPTH OF COMPLETED WELL 1045 Feet Below Land Surface
--	--

ENTERED MAY - 9 2005

SECTION 6. WELL SITE PLAN			
NAME OF WELL OWNER		COUNTY ASSESSOR'S PARCEL ID NUMBER	
White Hills Development		BOOK 329	MAP 2
			PARCEL 002

- ❖ Please draw the following: (1) the boundaries of property on which the well was located; (2) the well location; (3) the locations of all septic tank systems and sewer systems on the property or within 100 feet of the well location, even if on neighboring properties; and (4) any permanent structures on the property that may aid in locating the well.
- ❖ Please indicate the distance between the well location and any septic tank system or sewer system.

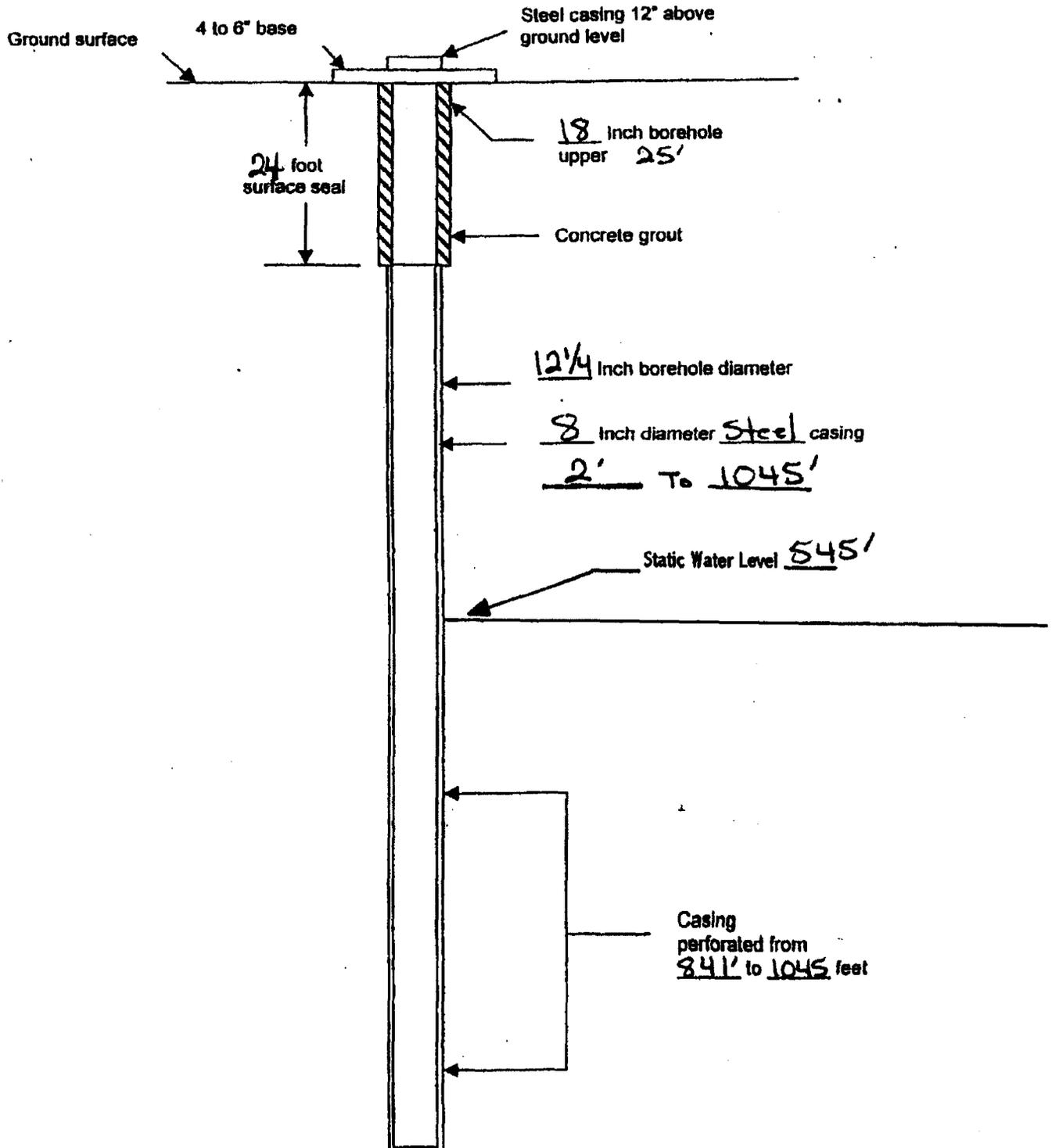


I state that this notice is filed in compliance with A.R.S. § 45-596 and is complete and correct to the best of my knowledge and belief.

DRILLING FIRM	SIGNATURE OF QUALIFYING PARTY	DATE
DRILL-TECH, INC.	<i>[Handwritten Signature]</i>	4/21/05

Well Design

Applicant's Name: White Hills Development Well No. 55-902005





Arizona Department of Water Resources
 Groundwater Management Support Section
 P.O. Box 458 • Phoenix, Arizona 85001-0458
 (602) 417-2470 • (800) 352-8488
 www.water.az.gov

Request to Change Well Information

R E C E I V E
APR 25 2005
 Information Management

FILE NUMBER
 WELL REGISTRATION NUMBER
55 902005

- ❖ Review instructions prior to completing form in black or blue ink.
- ❖ You must include with your Notice:
 - check or money order for any required fee(s)
- ❖ Authority for fee: A.A.C. R12-15-151(B)(4)(a), A.R.S. § 45-111(B)

**** PLEASE PRINT CLEARLY ****

SECTION 1. REGISTRY INFORMATION		Location of Well					
Well Owner		WELL LOCATION ADDRESS (IF ANY)					
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL White Hills Development		WELL LOCATION ADDRESS (IF ANY)					
MAILING ADDRESS 10449 E. DESERT COVE		TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
CITY / STATE / ZIP CODE Scottsdale AZ. 85250		27N	19W	5	SW 1/4	SW 1/4	SW 1/4
CONTACT PERSON NAME AND TITLE Ralph McGrath		LATITUDE			LONGITUDE		
TELEPHONE NUMBER	FAX	Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
		COUNTY ASSESSOR'S PARCEL ID NUMBER					
		BOOK	MAP		PARCEL		
		COUNTY WHERE WELL IS LOCATED Yavapai					

Type of Request (CHECK ONE)

Change of Well Drilling Contractor (Fill out Section 2)
 Change of Well Ownership (Fill out Section 3)
 Change of Well Information (location, use, etc.) (Fill out Section 4)

SECTION 2. REQUEST TO CHANGE WELL DRILLING CONTRACTOR (\$10 Fee Required) **\$10 FEE**

• If drilling or abandoning a well, the Department must receive this request and issue authorization to the new drilling firm prior to the commencement of well drilling or abandonment.

Current Well Drilling Contractor		New Well Drilling Contractor	
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL		FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL	
DWR LICENSE NUMBER		DWR LICENSE NUMBER	ROC LICENSE CATEGORY
TELEPHONE NUMBER	FAX	TELEPHONE NUMBER	FAX

SECTION 3. STATEMENT OF CHANGE OF WELL OWNERSHIP (\$10 Fee Required) **\$10 FEE**

• If this change pertains to more than one well and the names are the same, only one \$10 fee is required.

Previous Well Owner		New Well Owner	
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL		FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL	
MAILING ADDRESS		MAILING ADDRESS	
CITY / STATE / ZIP CODE		CITY / STATE / ZIP CODE	
CONTACT PERSON NAME AND TITLE		CONTACT PERSON NAME AND TITLE	
TELEPHONE NUMBER	FAX	TELEPHONE NUMBER	FAX

SECTION 4. CHANGE OF WELL INFORMATION (No Fee Required) **NO FEE**

NOTE: Applies only to wells that have already been drilled. For proposed wells, an amended Notice of Intent to Drill a Well must be filed.

EXPLAIN
Please change location to SW, SW, SW S.S 1.27 R19N

HEREBY CERTIFY that the above statements are true to the best of my knowledge and belief.

TYPE OR PRINT NAME AND TITLE: **Ralph McGrath** SIGNATURE OF WELL OWNER: *[Signature]* DATE: _____

ANSWERED BY 4-2-2005

WELL DRILLER'S REPORT

Start Date: 4/07/05 Finish Date: 4/15/05
 1. Owner: White Hills Development Well Location: Well Site # 2
 Mailing Address: 10449 E. Desert Cove Scottsdale, Az. 85250
 2. Legal Description: SW SW SW S5 T27 R19N County: Mohave
 Permit No.: 55-902005 Parcel: 329-02-002 Driller: Rod Subr

3. Work Performed: New Well Replace Recondition Deepen Abandon Other
 4. Proposed Use: Domestic Irrigation Test Municipal / Industrial Monitor Stock
 5. Well Type: Air RVC Cable Rotary

6. FORMATIONS	From	To	FORMATIONS	From	To
Sand & Gravel	0	40			
Schist	40	60			
Sand & Gravel	60	80			
Schist	80	600			
Mud Stone	600	760			
Clay	760	830			
Brown Malapai	830	890			
Blue - Gray w/ Quartz	890	1045			

7. WELL TEST DATA
 TEST METHOD: Bailer Pump Air Lift
 8. WELL CONSTRUCTION
 Depth Drilled: 1045 Feet Depth Cased 1045 Feet

Depth	G.P.M.	Draw Down (Ft. Below Static)	Time (Hours)	HOLE DIAMETER (BIT SIZE)		
870	5.7			<u>18</u> inches	<u>0</u> Feet	<u>25</u> Feet
890	10			<u>12 1/4</u> inches	<u>25</u> Feet	<u>1045</u> Feet
900	60+			_____ inches	_____ Feet	_____ Feet
975	75+			_____ inches	_____ Feet	_____ Feet
				_____ inches	_____ Feet	_____ Feet

CASING SCHEDULE

Size O.D (Inches)	Steel/PVC	Wall Thickness (Inches)	From (Ft)	To (Ft)	Perforations: Type perforation: Size perforation factory 8"
12	Steel	.188	+1	24	From <u>841</u> Feet to <u>1045</u> Feet
8	Steel	.188 Solid	+2	841	From _____ Feet to _____ Feet
8	Steel	.188 Perforated	841	1045	From _____ Feet to _____ Feet

Surface Seal: Yes No Seal Type: _____ Gravel Packed: Yes No
 Surface Size 12 _____ Neat Cement From _____ Feet to _____ Feet
 Depth of Seal 24' _____ Cement Grout
 Placement Method: Pumped Poured _____ Concrete Grout

9. WATER LEVEL
 Static water level 545 feet below surface GPM: 75+
 Artesian: _____

ARIZONA DEPARTMENT OF WATER RESOURCES

500 North Third Street
Phoenix, Arizona 85004

DRILLING CARD

THIS AUTHORIZATION SHALL BE IN POSSESSION OF THE DRILLER DURING ALL DRILLING OPERATIONS

WELL REGISTRATION NO: **55-902005**

AUTHORIZED DRILLER: **DRILL-TECH, INC.** LICENSE NO: **239**

NOTICE OF INTENT TO **DRILL AN EXEMPT WELL** HAS BEEN FILED WITH THE DEPARTMENT BY:

WELL OWNER: **White Hills Development**

ADDRESS: **10449 E. Desert Cove, Scottsdale , AZ, 85259**

The well(s) is/are to be located in the:

NE 1/4 of the NE 1/4 of the SW 1/4 Section 5 Township 27 N Range 19 W

No. of wells in this project: **1**

THIS AUTHORIZATION EXPIRES AT MIDNIGHT ON **4/7/2006**.

THE DRILLER MUST FILE A WELL DRILLER REPORT AND WELL LOG WITHIN 30 DAYS OF COMPLETION OF DRILLING



This drilling or abandonment authority was granted based upon the certifications made by the above-named driller in the notice of intent to drill or abandon. Those certifications, along with any variances granted, are listed below. By drilling or abandoning the well pursuant to this authorization, the above-named driller acknowledges the accuracy of the driller certifications. If the certifications are in error, this authorization is invalid and driller must contact the Department of Water Resource's NOI Section in writing at the address above to correct.

Variance(s) Granted To Driller: **None**

Certification(s) Made By Driller:

- By checking this box, I certify that I have all necessary Registrar of Contractor (ROC) licenses in all necessary license categories for this drilling or abandonment project and that those licenses are current.
- By checking this box, I certify that the proposed well site is not within 100 feet of any septic tank system, sewage disposal area, landfill, hazardous waste facility, storage area of hazardous materials or petroleum storage areas and tanks.
- By checking this box, I certify that the proposed well's water use meets the criteria of domestic purposes as outlined in the A.R.S. §45-454 and that the water will be used solely for domestic purposes.
- By checking this box, I certify that I have been authorized by the above-named well owner to submit this Notice of Intent on the well owner's behalf.
- By checking this box, I certify that the information above is complete and correct, and that the well shall be drilled or abandoned in compliance with all pertinent statutes and rules, including any special standards that may be required to protect the aquifer or other water sources.

ARIZONA DEPARTMENT OF WATER RESOURCES

Electronic Filing - NOI Report

500 North Third Street
Phoenix, Arizona 85004

NOI Type: Notice of Intent to Drill, Deepen, Replace or Modify a Well
Well Type: EXEMPT
Date Received at ADWR Website: 4/8/2005 9:10:40 AM

Fee Paid: \$75.00

Order Number: 2448

Well Registration Number: 55-902005
Number of Wells/Holes: 1

Drilling Authority Expires On: 4/7/2006

Driller's ADWR License Number: 239
Authorized Driller: DRILL-TECH, INC.
ROC License Number Entered By Driller: 120369 120370
Qualifying Party License Categories: A4 C53

Well Owner Name: White Hills Development
Well Owner Address: 10449 E. Desert Cove
Well Owner City, State - Zip: Scottsdale , AZ - 85259
Well Owner Phone: 800 621-4563

Book: 329 Map: 2 Parcel: 002

Is the Land Owner the same as the Well Owner?: Yes

Well Location: **NE 1/4 of the NE 1/4 of the SW 1/4 Section 5 Township 27 N Range 19 W**

AMA: NOT WITHIN ANY AMA OR INA
County: MOHAVE
Contamination Site: NOT IN ANY WQARF SITE

Design Pumping Capacity: <= 35 GPM

Primary Water Use: DOMESTIC
Secondary Water Use(s): N/A

Is the proposed water use for domestic purposes on <= 5 acres?: No

Variance(s) Granted To Driller: **None**

Certification(s) Made By Driller:

- By checking this box, I certify that I have all necessary Registrar of Contractor (ROC) licenses in all necessary license categories for this drilling or abandonment project and that those licenses are current.
- By checking this box, I certify that the proposed well site is not within 100 feet of any septic tank system, sewage disposal area, landfill, hazardous waste facility, storage area of hazardous materials or petroleum storage areas and tanks.
- By checking this box, I certify that the proposed well's water use meets the criteria of domestic purposes as outlined in the A.R.S. §45-454 and that the water will be used solely for domestic purposes.
- By checking this box, I certify that I have been authorized by the above-named well owner to submit this Notice of Intent on the well owner's behalf.
- By checking this box, I certify that the information above is complete and correct, and that the well shall be drilled or abandoned in compliance with all pertinent statutes and rules, including any special standards that may be required to protect the aquifer or other water sources.

ARIZONA DEPARTMENT OF WATER RESOURCES

500 N. Third Street • Phoenix, Arizona 85004-3921

Telephone (602) 417-2400 • Fax (602) 417-2401

Friday, April 08, 2005



JANET NAPOLITANO
Governor

HERB GUENTHER
Director

White Hills Development
10449 E. Desert Cove
Scottsdale, AZ, 85259

Registration No. 55-902005

File No. B(27-19)5 CAA

Dear Applicant:

Enclosed is a copy of the Notice of Intent to Drill, Deepen, Replace or Modify a Well ("NOI") which you recently filed with this Department pursuant to A.R.S. § 45-596. This is to inform you that the Department has approved the NOI and has mailed (or otherwise provided) a drilling card authorizing the drilling of the well to the well driller identified in the NOI. The driller may not begin drilling until he has received the drilling card which he must keep in his possession at the well site during drilling.

Well drilling activities must be completed within one year after the date the NOI was filed with the Department. If drilling is not completed within one year, you must file a new NOI before proceeding with further drilling. If in the course of drilling the well, it is determined that the well cannot be successfully completed as initially intended (dry hole, cave in, lost tools, etc.), the well must be properly abandoned and a Well Abandonment Completion Report filed as required by A.A.C. R12-15-816(F).

If you change drillers, you must notify the Department of the new driller's identity. Please ensure that the new driller is licensed by the Department to drill the type of well you require. A new driller may not begin drilling until he receives a new drilling card from the Department. If you are drilling a new or replacement well and it is necessary to change the location of the well, you may not proceed with drilling until you file a new NOI with the Department and the Department issues an amended drilling card to the driller. If county approval was required for the original well site plan (this applies to domestic wells on parcels that are five acres or less), you must submit a new well site plan with the new well location to your local county health authority for approval prior to filing the new NOI with the Department.

A.R.S. § 45-600 requires the registered well owner to complete and file a Pump Installation Completion Report form (DWR form 55-56) within 30 days after the installation of pumping equipment. A form is enclosed for your use. Also enclosed is a well owner's guide that provides useful information and advice concerning your upcoming well construction project. A.R.S. § 45-600 also requires the driller to file a complete and accurate Well Drillers Report and Well Log (DWR form 55-55) within 30 days after completion of drilling. That form was mailed to your driller with the drilling card. You should insist and ensure that all of the required forms are accurately completed and timely filed with the Department.

Please be advised that A.R.S. § 45-593(C) requires the person to whom a well is registered to notify the Department of a change in ownership of the well and/or information pertaining to the physical characteristics of the well in order to keep this well registration file current and accurate.

Any change in well information or a request to change well driller must be filed on a Request to Change Well Information form (DWR form 55-71A) that may be downloaded from the ADWR Internet website at <http://www.water.az.gov/adwr/content/forms/default.htm#NOI>.



Order ID: NOI-2448

Order Date: 4/8/2005 9:12:48 AM

Arizona Department of Water Resources

500 North Third Street.
Phoenix, AZ 85004 US
Phone: 602.417.2470
Fax: 602.417.2422
Email: wrnoi@adwr.state.az.us

Bill To:
Nick Owens
DRILL-TECH, INC.
P.O. BOX 3568
CHINO VALLEY, AZ 86323-3568 US
Phone: 928-636-8006
Fax: 928-636-8007
drilltech@cableone.net

Ship To:
Nick Owens
DRILL-TECH, INC.
P.O. BOX 3568
CHINO VALLEY, AZ 86323-3568 US
Phone: 928-636-8006

Additional Info.
: 902005

Status:	Success		
Authorization Code:	039488		
Error Code:	000: 000 - Authorization approved.		
AVS Code:	Y: Y - 5 digit Zip and Address both match.		
VISA	*****	10/2006	

Qty.	SKU	Description	Price Each	Total Price
1	000602	Domestic Use Outside AMA/INA 7/2004 - 6/2005	\$75.00	\$75.00
			Sub Total	\$75.00
			Adjusted Sub Total	\$75.00
			Tax Total	\$0.00
			No Shipping Required (0 weight units)	\$0.00
			Grand Total	\$75.00

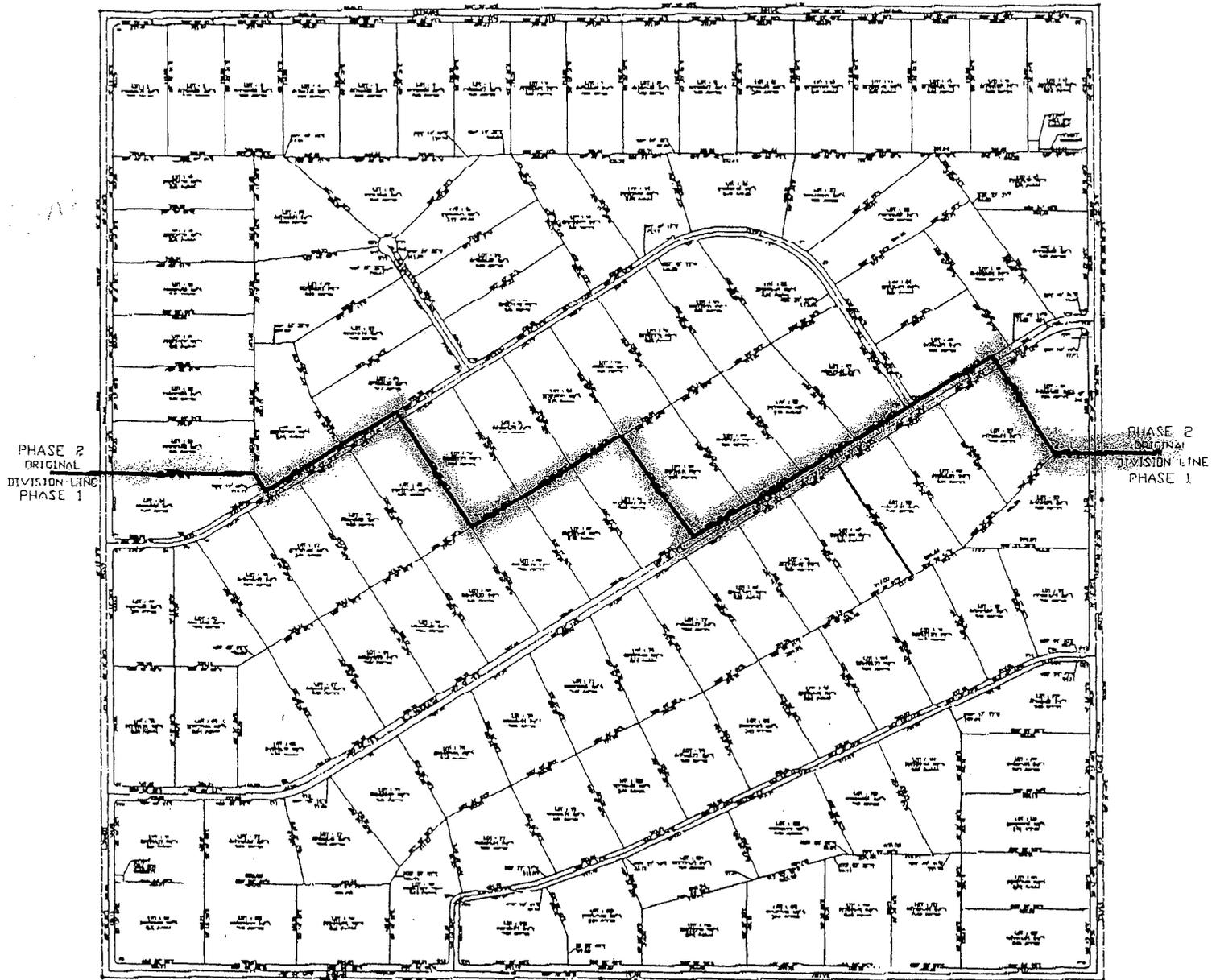
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EXHIBIT 5

FINAL PLAT MAPS OF ESQUESTRIAN
ESTATES

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

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



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

EXHIBIT 6

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

**PETITION IN SUPPORT OF APPLICATION FOR ADJUDICATION FOR
EQUESTRIAN ESTATES AT WHITE HILLS WATER COOPERATIVE
HOMEOWNER'S ASSOCIATION**

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

Executed this 23rd day of March, 2007.

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



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

EXHIBIT 7

**CERTIFIED RESOLUTION OF BOARD OF
DIRECTORS**

**Equestrian Estates at White Hill Water Cooperative Homeowner's Association
Notarized Certified Resolution and Authorization**

Ralph J. McGrath, Kathleen Kristin, and Kevin Leonard being all of the directors of Equestrian Estates at White Hill Water Cooperative Homeowner's Association ("Equestrian Estates") and on behalf of Equestrian Estates enter into the following resolutions to authorize Ralph J. McGrath to represent Equestrian Estates in its Application ("Application") for adjudication not a public service corporation before the Arizona Corporation Commission.

It is therefore hereby:

RESOLVED: That Ralph J. McGrath in his capacity as Equestrian Estates' President, acting on behalf of and in the name of Equestrian Estates, is hereby directed and authorized to represent Equestrian Estates before the Arizona Corporation Commission in Equestrian Estates' Application, including appearing before and executing any and all documents deemed necessary by Ralph J. McGrath to support said Application with such further additions, deletions or amendments thereto as such Ralph J. McGrath may make or cause to be made in his absolute discretion;

RESOLVED: That Ralph J. McGrath, Kathleen Kristin and Kevin Leonard being all of the directors of Equestrian Estates hereby support Equestrian Estates seeking and obtaining an adjudication from the Corporation Commission not a public service corporation.

RESOLVED: That any and all actions taken to date by Equestrian Estates' President or directors (or any of them) relating to the Application or to otherwise carry out the foregoing resolutions are hereby authorized, ratified, approved and confirmed in all respects.

The undersigned hereby adopt the foregoing Resolutions and Authorizations and agree not to challenge the actions being authorized by the foregoing Resolutions and Authorizations.

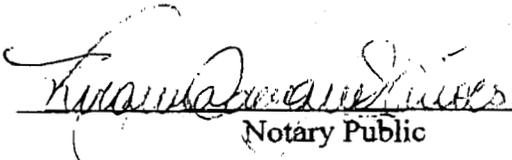
Dated and certified this 9th day of April, 2007.

Directors of Equestrian Estates at White Hills Water Cooperative Homeowner's Association:

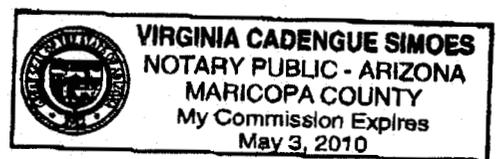
By: 
Ralph J. McGrath

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED TO AND SWORN before me this 10th day of April,
2007, by Ralph J. McGrath.


Notary Public

My commission expires:
May, 3, 2010



Directors of Equestrian Estates at White Hills Water Cooperative Homeowner's Association:

By *Kathleen Kristin*
Kathleen Kristin

STATE OF ARIZONA)
) ss.
County of Maricopa)

SUBSCRIBED TO AND SWORN before me this 10 day of April.

2007, by Kathleen Kristin.

Stacey M. Gaut
Notary Public

My commission expires:
4/29/09

