



Jacobson Engineering
 CIVIL ENGINEERS / PLANNERS / SURVEYORS
 1334 SOUTH FIFTH AVENUE YUMA, ARIZONA 85364
 PHONE (602) 782-1881



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Docketed

11-27-93 10 218

August 5, 1993

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

Arizona Corporation Commission
DOCKETED

8-13-93

RE: Far West Sewer Co.

DOCKETED BY	<i>ew</i>
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Gentlemen:

Submitted herewith are 10 copies of Application for Sewer CCN for the Far West Sewer Co.

If you have any questions, please advise.

Respectfully,

Norman Bruce Jacobson
 Norman Bruce Jacobson, P.E.

J

enclosures

FAR WEST SEWER COMPANY

DIVISION OF H & S DEVELOPERS, INC.

Telephone
(602) 342-1238

12486 Foothills Blvd.
Yuma, AZ 85365

August 2, 1993

U 2726 13 218

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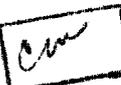
Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

Attached is an application by the H & S Developers, Inc., dba Far West Sewer Co. for a Certificate of Convenience and Necessity to provide sewer service in the State of Arizona. The purpose of this application is to include the requested areas in a franchised area recognized by the State. The reason for the request is that there is no sewer service in the area and ADEQ currently is requiring sewer service for new customers.


Henry Schechert

Arizona Corporation Commission
DOCKETED

AUG 13 1993

DOCKETED BY 

ARIZONA CORPORATION COMMISSION

APPLICATION FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY
TO PROVIDE SEWER SERVICE IN THE STATE OF ARIZONA

U-2726-43-218

A. The name, address and telephone number of the Applicant is:

H & S Developers, Inc.
12486 Foothills Blvd. Yuma, Arizona 85365

B. The Applicant is:

X Corporation, "S" Corporation Partnership
 Sole Proprietorship other (Specify)

C. If doing business under a name other than the Applicant name please specify Far West Sewer Co.

D. If Applicant is a corporation:

1. List names of Officers and Directors:

Henry H. Schechert - President
Lynn Wagner - Secretary

2. List name, address and telephone number of management contact:

Henry H. Schechert 12486 Foothills Blvd. Yuma, Arizona 85365

3. Indicate number of shares of stock authorized to issue: 4,000,000

4. If stock has been issued, indicate number of shares issued 2,850

E. If Applicant is a partnership:

1. List names of general partners:

N/A

Arizona Corporation Commission
DOCKETED

AUG 13 1993

DOCKETED BY

2. List name, address and telephone number of managing partner:

N/A

F. If Applicant is a sole proprietor, list name, address and telephone number of individual:

N/A

G. Attach the following exhibits that apply to you:

1. Articles of Incorporation (if corporation)
2. By-Laws (if corporation)
3. Certificate of Good Standing (if corporation)
4. Articles of Partnership (if partnership)

H. List names and addresses of any other public utility interest Applicant has:

1. Far West Water Co
2. 12486 Foothills Blvd. Yuma, Arizona 85365
3. _____
4. _____

I. Attach a legal description of the area requested by either **CADAstral** (quarter section description) or **Metes and Bounds** survey. References to parcels and docket numbers will not be accepted.

J. Attach a detailed map using the form provided as attachment B. Shade and outline, the area requested. Also indicate any other utility within the general area using different colors of shading and outline

K. Attach financial information in a format similar to attachment C.

L. Estimated number of customers to be served in each of the first five years of operation:

First Year 15 Second Year 60 Third Year 65
Fourth Year 60 Fifth Year 65 Total of First Five Years 265

M. Total estimated annual operating revenue for each of the first five years of operation:

First Year 1800 Second Year 5400 Third Year 12,900
Fourth Year 18,600 Fifth Year 27,900
Total of First Five Years 60,000

N. Total estimated annual operating expenses for each of the first five years of operation:

First Year 6,000 Second Year 9,000 Third Year 12,000

Fourth Year 15,000 Fifth Year 25,000

Total of First Five Years 67,000

N. Total estimated cost to construct utility facilities: 300,000

O. Explain method of financing utility facilities (use additional sheets if necessary): From cashflow of corporation.

P. Estimated starting and completion date of construction of utility facilities:

Starting date November 1, 1993 Completion date February 1994

Q. Attach proposed Tariffs using the form of attachment D, unless another form is approved by the Utilities Division prior to the filing of this application.

R. Attach the following permits:

1. Franchise from either the City or County for the area requested.

2. Arizona Department of Environmental Quality or designee's approval to construct facilities. Currently being reviewed by ADEQ.

N/A 3. Arizona State Land Department approval. (If you are including any State land in your requested area this approval is needed.)

N/A 4. U.S. Forest Service approval. (If you are including any U.S. Forest Service land in your requested area this approval is needed.)

S. List the name, address and telephone number of the certified operator by the Arizona Department of Environmental Quality:

Norman Bruce Jacobson 1334 S. 5th Avenue Yuma, Arizona 85364
Taking Examination January (602) 782-1801

T. List the name, address and telephone number of the on-site manager of the utility:

Rex Knoll 12486 Foothills Blvd. Yuma, AZ. 85365 342-1238

U. List the name, address and telephone number of the attorney for the Applicant:

Stephen Shadle 2260 South 4th Avenue Yuma, Arizona 85364
(602) 783-8321

V. Attach an affidavit indicating proof that notice of this application has been made to all property owners in the area requested at least thirty days prior to filing this application. (Please use the form of notice provided as attachment E, unless another form is approved by the Utilities Division prior to the filing of this application.)

NOTE: All land in this filing is owned by the applicant except County roads.

A. S. Selsman
(signature of authorized representative)

President
(title)

SUBSCRIBED AND SWORN to before me this 2nd day of August, 1993

Janette Keesley
NOTARY PUBLIC

My Commission Expires 4/20/94

STATE OF ARIZONA

Corporation Commission



To all to Whom these Presents shall Come, Greeting:

BE IT KNOWN THAT H & S DEVELOPERS, INC.

HAVING SUBMITTED TO THE ARIZONA CORPORATION COMMISSION EVIDENCE OF COMPLIANCE WITH THE LAWS OF THE STATE OF ARIZONA GOVERNING THE INCORPORATION OF COMPANIES, IS, BY VIRTUE OF THE POWER VESTED IN THE COMMISSION UNDER THE CONSTITUTION AND THE LAWS OF THE STATE OF ARIZONA, HEREBY GRANTED THIS

CERTIFICATE OF INCORPORATION

AUTHORIZING SAID COMPANY TO EXERCISE THE FUNCTIONS OF A CORPORATION, UNDER THE LAWS NOW IN EFFECT IN THE STATE OF ARIZONA, AND SUBJECT TO SUCH LAWS AS MAY HEREAFTER BE ENACTED, AND SHALL HAVE PERPETUAL EXISTENCE FROM THE DATE HEREOF, UNLESS SOONER REVOKED BY AUTHORITY OF LAW.

BY ORDER OF THE ARIZONA CORPORATION COMMISSION.



Witness Whereof, I, E. T. "EDDIE" WILLIAMS, JR.

CHAIRMAN, HAVE HEREUNTO SET MY HAND AND CAUSED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION TO BE AFFIXED AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 20th DAY OF July A. D. 1962

E. T. "Eddie" Williams, Jr.
CHAIRMAN.

ATTEST:

Lance J. Reynolds
SECRETARY.

NO. 60443

BY

ASSISTANT SECRETARY.

STATE OF ARIZONA

Corporation Commission



To all to whom these presents shall come, Greeting:

I, **Francis J. Byrnes**,

SECRETARY OF THE ARIZONA

CORPORATION COMMISSION, DO HEREBY CERTIFY THAT the annexed is a true and complete copy of the ARTICLES OF INCORPORATION of H & S DEVELOPERS, INC., which were filed in the office of the Arizona Corporation Commission on the 5th day of June, 1962, at 10:00 A.M., as provided by law.

IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND AFFIXED THE OFFICIAL SEAL OF THE ARIZONA CORPORATION COMMISSION, AT THE CAPITOL, IN THE CITY OF PHOENIX, THIS 5th DAY OF June A. D. 1962

BY *Francis J. Byrnes* SECRETARY

ASSISTANT SECRETARY

ARTICLES OF INCORPORATION

of

H & S DEVELOPERS, INC.

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, having associated ourselves together for the purpose of forming a Corporation under and by virtue of the laws of the State of Arizona, hereby adopt the following Articles of Incorporation:

ARTICLE I.

The name of the Corporation shall be "H & S DEVELOPERS, INC.", and its principal place of business shall be at Yuma, Arizona, but other offices may be established and maintained within or outside of Arizona, in such places as the Board of Directors may designate where meetings of stockholders and directors may be held.

ARTICLE II.

The Incorporators are :

HENRY SCHECHERT - 2269 East 25th Street,
Yuma, Arizona.

H. R. HOUCK - 2920 Wesleyan, Houston,
Texas.

DOROTHY SCHECHERT - 2269 East 25th
Street, Yuma, Arizona

ARTICLE III.

The general nature of the business to be transacted is "to deal in investments, mortgages, loans, notes, contracts for the purchase and sale of real and personal property; to deal in and own real and personal property, including the purchase and sale thereof and mortgaging and otherwise encumbering thereof; to deal in timber and lumber, including felling, harvesting, transporting, milling, manufacturing, buying and selling thereof;

HYMAN GREEN
ATTORNEY AT LAW
188 FIRST AVENUE, P. O. BOX 1748
YUMA, ARIZONA

1 to deal in general contracting, including the construction of all
2 types of houses, buildings, roads and other improvements, the
3 contracting, buying and selling thereof; to deal, both wholesale
4 and retail in lumber, hardware, food, clothes and drug items, to
5 deal as agent or otherwise in real estate, ranches, farms, cattle
6 and all types of personal property; to deal in mines and minerals,
7 including mining, manufacturing, milling, buying and selling
8 thereof; and in general to do all things, perform all services,
9 and exercise any and all powers which it is now or may hereafter
10 be lawful for the Corporation to do, or exercise, under and in
11 pursuance of the Statutes of the State of Arizona. In furtherance
12 thereof, the Corporation may do any and all acts which are not
13 prohibited to it by law, including therein, without limitation
14 thereof, to buy, sell, mortgage or otherwise encumber real and
15 personal property; to own, handle and control letters patent and
16 inventions, and shares of its own capital stock and that of other
17 corporations; to engage in partnership with individuals and other
18 Corporations, and to vote any shares of stock owned by it the
19 same as a natural person might do; to issue bonds, notes,
20 debentures and other evidences of indebtedness and secure the
21 payment of the same by mortgage, deed of trust or otherwise; to
22 act as agent, trustee, broker or in any other fiduciary capacity
23 and to borrow and loan money; and in general to do and perform
24 such acts and things and transact such business in connection with
25 the foregoing objects, not inconsistent with law, in any part of
26 the world, as the Board of Directors may deem to the advantage
27 of the Corporation.

28

BYRNE & GREEN
ATTORNEYS AT LAW
122 FIRST AVENUE - P. O. BOX 1248
TUMACACI, ARIZONA

BYRNE & GREEN
ATTORNEYS AT LAW
185 WEST AVENUE - P. O. BOX 1748
TUMACACI, ARIZONA

ARTICLE IV.

1
2 The capital stock of the Corporation shall be FOUR
3 MILLION (\$4,000,000) DOLLARS, divided into FOUR MILLION (4,000,000)
4 shares of the par value of ONE (\$1.00) DOLLAR each, of common stock.
5 At such time or times as the Board of Directors may by Resolution
6 direct, said stock shall be sold by this Corporation for cash or
7 by sale or transfer to the Corporation of real or personal pro-
8 perty, contracts, services or other valuable rights or things for
9 the use and purposes of the Corporation. In the absence of actual
10 fraud in the transaction, the Judgment of the Board of Directors
11 as to the value of the consideration paid for said stock shall
12 be conclusive. No shares of capital stock shall be issued until
13 fully paid for, and after issue of same, all stock shall become
14 non-assessable. The Board of Directors, at their discretion, can
15 restrict the transferability of any stock in said Corporation,
16 prior to issuance of same.

ARTICLE V.

17
18 The time of the commencement of this Corporation
19 shall be the day these Articles are filed and a certified copy
20 of the same recorded in accordance with law and a Certificate
21 of Incorporation delivered by the Corporation Commission, and
22 termination thereof shall be twenty-five (25) years thereafter,
23 with the privilege of renewal as provided by law.

ARTICLE VI.

24
25 The affairs of the Corporation shall be conducted
26 by the Board of Directors and such officers as the said Directors
27 may elect or appoint. The number of Directors shall be designated by
28 the stockholders, and they need not hold stock of said Corporation

1 to be eligible for election and the holding of the office of
 2 Director. The annual meeting of the stockholders shall be on
 3 the Second Tuesday in FEBRUARY of each year
 4 unless otherwise provided by the By-laws. The directors may be
 5 elected or removed at any time the stockholders so resolve at a
 6 meeting properly called. A meeting of stockholders may be called
 7 by the President, a majority of the Board of Directors, or any
 8 holders of ten (10%) per cent of the capital stock of the
 9 Corporation. Notice of said meeting shall be in a manner provided
 10 by the By-laws. Until the first annual meeting of the Stockholders,
 11 and until their successors have been elected and qualified, the
 12 following named persons shall be Directors:

HENRY SCHECHERT

H. R. HOUCK

DOROTHY SCHECHERT

ARTICLE VII.

17 Until the first annual meeting of the Stockholders,
 18 and until their successors have been elected and have qualified,

H. R. HOUCK shall be the President; HENRY

SCHECHERT shall be the Vice-President; DOROTHY

SCHECHERT shall be the Secretary and DOROTHY

22 SCHECHERT shall be the Treasurer of said Corpora-
 23 tion, and until their successors are elected, shall conduct all of
 24 the affairs of the Corporation.

ARTICLE VIII.

26 The highest amount of indebtedness or liability,
 27 direct or contingent, to which the Corporation is at any time
 28 to subject itself shall not be in excess of two-thirds (2/3) of

BYRNE & GREEN
 ATTORNEYS AT LAW
 188 WEST ARIZONA, P.O. BOX 1258
 YUMA, ARIZONA

1 the total amount of capital stock of the Corporation.

2 ARTICLE IX.

3 The private property of the stockholders, Directors
4 and officers of this Corporation shall be forever exempt from
5 its debts and obligations.

6 ARTICLE X.

7 PETER C. BYRNE, having been a bona fide resident
8 of Yuma, Arizona, for more than three (3) years last past, whose
9 address is 152 1st Avenue, P. O. Box 1749, Yuma, Arizona, is
10 hereby appointed and made the lawful agent for and in behalf of
11 this Corporation in and for the State of Arizona, to accept and
12 acknowledge service of, and upon whom processes in any action,
13 suit or proceeding that may be had or brought against the said
14 Corporation in any of the Courts of the said State of Arizona, such
15 service of process or notice or the acceptance thereof by him
16 endorsed thereon to have the same force and effect as if served
17 upon the President and Secretary of the Corporation. This
18 appointment may be revoked at any time by filing the appointment
19 of another agent by the Directors.

20 IN WITNESS WHEREOF, the undersigned have hereunto
21 affixed their signatures this 23rd day of May, 1962.

22 *Henry Schichert*

23 HENRY SCHECHERT
24 2269 East 25th Street
25 Yuma, Arizona
26 Incorporator

27 *H. R. Houck*

28 H. R. HOUCK
29 2920 Waslayan
30 Houston, Texas
31 Incorporator

Dorothy Schichert

DOROTHY SCHECHERT
2269 East 25th Street
Yuma, Arizona
Incorporator

DOCKET 331 PAGE 27

-3-

1 STATE OF ARIZONA)
2)ss.
3 County of Yuma)

4 On this the 23rd day of May, 1962, before
5 me, the undersigned Notary Public, personally appeared HENRY
6 SCHECHERT and DORCIHY SCHECHERT, known to me to be two of the
7 incorporators in the foregoing instrument and acknowledged to me
8 that they executed the same for the purposes therein contained.

9 IN WITNESS WHEREOF, I hereunto set my hand and
10 official seal.


Notary Public

11 My Commission Expires:

12 Feb. 26, 1964

14 STATE OF Arizona)
15)ss.
16 County of Yuma)

17 On this the 23rd day of May, 1962, before
18 me, the undersigned Notary Public, personally appeared H. R. HOUCK
19 known to me to be one of the Incorporators in the foregoing
20 instrment and acknowledged to me that he executed the same for
21 the purposes therein contained.

22 IN WITNESS WHEREOF, I hereunto set my hand and
23 official seal.


Notary Public

24 My Commission Expires:

25 Feb. 26, 1964

BYRNE & GREEN
ATTORNEYS AT LAW
122 FIRST AVENUE - P. O. BOX 774
YUMA, ARIZONA

60443

1962
10:00 A.M.
Byrne and Green
P. O. Box 1749
Yuma, Arizona
Beverly Reynolds

8328



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BY - LAWS
OF
H & S DEVELOPERS, INC.

ARTICLE I.

OFFICES - STATUTORY AGENT

Section 1. OFFICES.—The principal place of business of the corporation shall be in the City of Yuma County of Yuma, State of Arizona. The corporation may have offices and places of business at such other places as may be determined by the Board of Directors.

Section 2. STATUTORY AGENT.—The statutory agent of the corporation in Arizona, upon whom all notices and processes, including summons, may be served, is PETER C. BYRNE, who at the time of his appointment was a bona fide resident of Arizona for at least three (3) years.

ARTICLE II.

STOCKHOLDERS

Section 1. PLACE OF MEETINGS.—All meetings of the stockholders shall be held at the office of the corporation, in the City of Yuma County of Yuma and State of Arizona, or at such other place within Arizona as shall from time to time be determined by the Board of Directors.

Section 2. ANNUAL MEETINGS.—An annual meeting of stockholders shall be held on the Second TUESDAY in FEBRUARY, in each year, if not a legal holiday, and if a legal holiday, then on the next secular day following at 200 o'clock P.M., when they shall elect by a majority vote a Board of Directors, and transact such other business as may properly be brought before the meeting.

Section 3. ANNUAL ELECTION OF DIRECTORS.—The annual election of directors shall be conducted by two inspectors of election, neither of whom shall be a candidate for the office of director. The inspectors shall be chosen at each annual meeting of stockholders to serve for the ensuing year and if such inspectors shall not be present at any election, the meeting may appoint others in their place. The inspectors shall be sworn faithfully to perform their duties and shall make a written certificate of the result of the election.

Section 4. SPECIAL MEETINGS.—Special meetings of the stockholders for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President, and shall be called by the President or Secretary at the request in writing of a majority of the Board of Directors, or at the request in writing of

stockholders owning twenty-five per cent (25%) in amount of the entire capital stock of the corporation issued and outstanding, and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. The business transacted at all special meetings shall be confined to the objects stated in the call.

Section 5. NOTICES.—Written notice of annual and special meetings of stockholders, stating the time, place and object thereof, shall be mailed, postage prepaid, at least ten (10) days before such meeting, to each stockholder, entitled to vote thereat at such address as appears on the books of the corporation, except such as may in writing waive such notice; provided, however, that thirty (30) days notice shall be given at which it is proposed to amend the Articles of Incorporation as provided for by Section 10-321 of the General Corporation Law of Arizona.

Section 6. QUORUM.—The holders of a majority of the stock issued and outstanding and entitled to vote thereat, present in person, or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law. If, however, such majority shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until the requisite amount of voting stock shall be present. At such adjourned meetings at which the requisite amount of voting stock shall be represented, any business may be transacted which might have been transacted at the meeting as originally notified.

Section 7. CUMULATIVE VOTING.—At all stockholders meetings at which directors of this corporation are to be elected, each stockholder entitled to vote shall have as many votes as shall equal the number of shares of voting stock owned by him, multiplied by the number of directors to be elected, and he may cast all of such votes for a single director or may distribute them among the number to be voted for, or any two or more of them as he may see fit.

ARTICLE III.

DIRECTORS

Section 1. NUMBER, QUALIFICATION AND TERM.—The property and business of the corporation shall be managed by its Board of Directors, consisting of ~~persons designated by the stockholders~~ ~~persons~~ ~~persons~~. Directors need not be stockholders. They shall be elected at the annual meeting of the stockholders, or from time to time by resolution of the Board of Directors, and each director shall be elected to serve until his successor shall be elected and shall qualify.

Section 2. VACANCIES.—If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, the remaining directors, though less than a quorum shall choose a successor or successors who shall hold office until the next annual election and until a successor or successors have been duly elected, unless sooner displaced.

Section 3. ADDITIONAL POWERS.—In addition to the powers and authorities by these By-Laws expressly conferred upon it, the Board of Directors may exercise all such powers of the corporation and do all such lawful acts and things as are not by statute or by the Articles of Incorporation or by these By-Laws directed or required to be exercised or done by the stockholders.

Section 4. MEETINGS OF THE BOARD OF DIRECTORS.—A regular meeting of the Board of Directors shall be held without notice immediately after the annual meeting of stockholders at the same place at which such meeting is held, or at such other place within the State of Arizona as the directors shall designate; thereafter, regular meetings of the Board of Directors shall be held on five (5) days' notice, at such time and such place as the Board of Directors shall designate.

Special meetings may be held at any time upon the call of the President, and shall be called by the President or Secretary or other officer performing his duties, on the request of two (2) directors, which request need not be in writing. Notice of special meetings shall be given by the Secretary or other officer performing his duties, orally or by telegraph or by mail. Such notice shall be given or sent or mailed not less than five (5) days before the meeting. Meetings may be held at any time without notice if all the directors are present or if those not present waive notice of the meeting in writing, either before or after the meeting.

Section 5. QUORUM.—A majority of the directors shall constitute a quorum at any meeting, except when otherwise provided by law, but a less number may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

ARTICLE IV.

OFFICERS AND AGENTS

Section 1. ELECTION AND APPOINTMENT.—The Board of Directors, as soon as may be after each annual meeting of stockholders and election, shall choose a President of the corporation, and from time to time shall choose one or more Vice-Presidents, a Secretary and a Treasurer, and from time to time may appoint such other officers, agents and employees as it may deem proper.

The office of Secretary and Treasurer may be held by the same person, and a President or a Vice-President of the corporation may also be the Treasurer. Any Vice-President may also be a Secretary. The President shall be chosen from among the directors.

Section 2. TERM OF OFFICE.—The President shall hold office, unless he shall become disqualified or sooner removed by a vote of a majority of all the members of the Board, for the term of one (1) year. All other officers shall hold office at the pleasure of the Board.

Section 3. POWERS AND DUTIES OF THE PRESIDENT.—The President shall be the chief executive officer of the corporation, and shall have the general management and superintendence of the affairs of the corporation; he shall preside at all meetings of the stockholders and directors; and in all cases where, and to

the extent that, the duties of the other officers of the company are not specially prescribed by the By-Laws, rules or regulations of the Board of Directors, the President may prescribe such duties. He shall have and may exercise any and all powers and perform any and all duties pertaining to the office of President, or conferred or imposed upon the President by the By-Laws, or by the Board of Directors.

Subject to such limitations as the Board of Directors may from time to time prescribe, the President shall have power to appoint and dismiss all such agents and employees of the company (including any appointed by the Board) as he may deem proper, and to prescribe their duties, and subject to like limitations, may from time to time, delegate to other officers of the company any of the powers and duties conferred upon him by the By-Laws or by the Board of Directors.

Section 4. POWERS AND DUTIES OF THE VICE-PRESIDENTS.—The Vice-Presidents in the order of their seniority, in the absence or disability of the President, shall perform the duties and exercise the powers of the President and shall perform such other duties, as may be prescribed by the Board of Directors and subject thereto by the President.

Section 5. POWERS AND DUTIES OF THE SECRETARY.—The Secretary shall attend all sessions of the Board and all meetings of the stockholders and act as Clerk thereof, and record all votes and the minutes of all proceedings in a book to be kept for that purpose, and shall perform like duties for any committee of the Board when required. He shall cause to be given notice of all meetings of stockholders and directors and shall perform such other duties as pertain to his office. He shall keep in safe custody the seal of the corporation and when authorized by the Board of Directors, affix it when required to any instrument.

Section 6. POWERS AND DUTIES OF THE TREASURER.—The Treasurer shall have the custody of all the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the corporation in such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and directors at the regular meetings of the Board, or whenever they may require it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

Section 7. POWERS AND DUTIES OF OTHER OFFICERS.—All other officers shall have such duties and exercise such powers as generally pertain to their respective offices as well as such duties and powers as from time to time may be prescribed by the President or the Board of Directors.

ARTICLE V.

STOCK AND STOCK CERTIFICATES

Section 1. TRANSFERS.—The shares of stock of the corporation shall be transferable only on the books of the corporation.

Section 2. STOCK CERTIFICATES.—Certificates of stock shall be signed by the President or Vice-President and the Secretary or Treasurer, and shall be sealed with the corporate seal.

ARTICLE VI.

FINANCE

Section 1. RESERVES.—Before making any distribution of profits there may be set aside out of the net profits of the corporation such sum or sums as the directors from time to time in their absolute discretion deem expedient as a reserve fund to meet contingencies, or for equalizing dividends, or for maintaining any property of the corporation, or for any other purpose, and any profits of any year not distributed as dividends shall be deemed to have been thus set apart until otherwise disposed of by the Board of Directors.

Section 2. CHECKS.—The moneys of the corporation shall be deposited in the name of the corporation in such bank or banks or trust company or trust companies as the Board of Directors shall designate, and shall be drawn out only by check signed by such persons as may be designated from time to time by resolution of the Board of Directors.

Section 3. FISCAL YEAR.—The fiscal year of the corporation shall begin on June 1 and end on May 31 of each year, unless otherwise provided by the Board of Directors.

ARTICLE VII.

WAIVER OF NOTICE

Section 1. WAIVER OF NOTICE.—Any stockholder, officer or director may waive any notice required to be given under these By-Laws.

When under the provisions of these By-Laws notice is required to be given to any director, officer or stockholder, it shall not be construed to mean personal notice, but such notice may be given in writing by depositing the same in a postoffice or letter box, in a postpaid, sealed wrapper, addressed to such stockholder, officer or director, at such address as appears on the books of the corporation.

ARTICLE VIII.

SEAL

Section 1. CORPORATE SEAL.—The Corporate Seal of the corporation shall consist of two concentric circles, between which shall be the name of the corporation, and in the center shall be inscribed the year of its incorporation and the words, "Corporate Seal, Arizona."

ARTICLE IX.

AMENDMENTS

Section 1. AMENDMENTS.—These By-Laws may be amended by vote of a majority of the stockholders entitled to vote at any annual meeting, or at any special meeting of stockholders called for that purpose.

State of Arizona



OFFICE OF THE CORPORATION COMMISSION

To all to Whom these Presents shall Come, Greeting:

I, the Executive Secretary of the Arizona Corporation Commission, DO HEREBY
CERTIFY that

H & S DEVELOPERS, INC.

a Domestic Corporation organized under the laws of the State of Arizona, did incorporate on
June 5, 1962

I FURTHER CERTIFY that this corporation has filed all affidavits and annual reports and paid all annual filing fees required to date and, therefore, is in good standing in this state.



IN WITNESS WHEREOF, I have hereunto
set my hand and affixed the official seal
of the Arizona Corporation Commission.
Done at Phoenix, the Capital, this
14th day of _____ May _____

19⁹³ _____, A.D.

James Matthews
Executive Secretary

By *Lucann Gilmore*

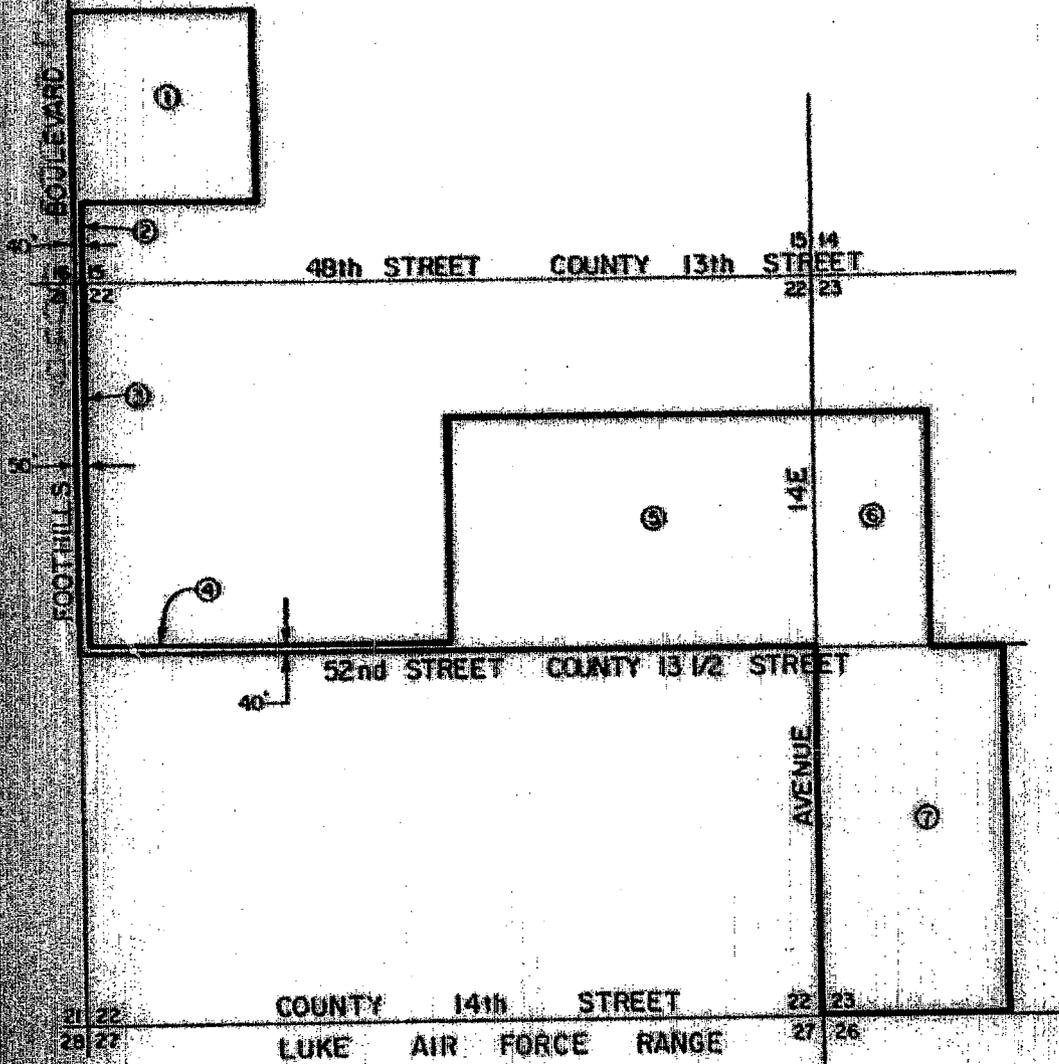
**Legal Description
of Area for
Far West Sewer Co.**

1. **South One-Half of the Southwest Quarter & the North One Half of the Southwest Quarter of the Southwest Quarter of Section 15**
2. **West 40 feet of the South One-Half of the Southwest Quarter of the Southwest Quarter of Section 15**
3. **West 50 feet of the northwest Quarter of Section 22**
4. **South 40 feet of the Northwest Quarter of Section 22**
5. **Northeast Quarter of Section 22 EXCEPT the North 960 feet**
6. **East 830 feet of the Northwest Quarter of Section 23 EXCEPT the North 960 feet**
7. **West One-Half of the Southwest Quarter of Section 23**

All in Township 9 South, Range 21 West, Gila and Salt River Base and Meridian, Yuma County, Arizona.

SEWER FRANCHISE BOUNDARY MAP
YUMA COUNTY

44th STREET COUNTY 12 1/2 STREET



LEGAL DESCRIPTIONS

- ① S 1/2 NW 1/4 SW 1/4 & N 1/2 SW 1/4 SW 1/4 SEC. 15
- ② W 40' S 1/2 SW 1/4 SW 1/4 SECTION 15
- ③ W 50' NW 1/4 SECTION 22
- ④ S 40' NW 1/4 SECTION 22
- ⑤ NE 1/4 SEC. 22 EXCEPT N 960'
- ⑥ E 830' NW 1/4 SEC. 23 EXCEPT N 960'
- ⑦ W 1/2 SW 1/4 SEC. 23

ALL IN T.9S. R.21W. G.B.S.R.B.M.
YUMA COUNTY, ARIZONA



1" = 1000'

Jacobson Engineering
2010 W. 14th Street, Suite 101
Yuma, AZ 85404

11-2-1001-0011

H & S DEVELOPERS, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 1992

H & S DEVELOPERS, INC.
 BALANCE SHEET
 AT
 DECEMBER 31, 1992

ASSETS

CURRENT ASSETS

CASH IN BANKS AND TRUSTS	\$ 425,453.65	
ACCOUNTS RECEIVABLE	57,901.19	
NOTE REC'BLE-SUNSET VISTA	17,800.00	
CONTRACTS REC'BLE-CURRENT	317,398.54	
ACCRUED INTEREST INCOME	536.21	
PREPAID INSURANCE	2,580.00	
INVENTORY-HOMESITES	5,401,815.80	
TOTAL CURRENT ASSETS		\$ 6,223,485.39

INVESTMENTS

CONTRACTS RECEIVABLE	1,577,881.66	
LAND AT WHOLESALE	5,314,800.00	
FAR WEST WATER COMPANY	4,837,264.40	
FOOTHILLS RESTAURANT	243,773.29	
FOOTHILL VILLAGE RV PARK	.00	
THE GROCERY STORE	1,416,257.58	
		13,389,976.93

FIXED ASSETS

ACCUMULATED DEPRECIATION	3,114,243.53	
	(1,312,739.23)	
		1,801,504.30
		21,414,986.63

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
BALANCE SHEET
AT
DECEMBER 31, 1992

LIABILITIES & CAPITAL

CURRENT LIABILITIES

NOTES PAYABLE	\$ 572,000.00	
ACCOUNTS PAYABLE	320,155.49	
MORTGAGES PAYABLE-CURRENT	405,798.77	
PAYROLL TAX & INS PAYABLE	1,714.18	
DEPOSITS ON SALES	16,610.28	
ACCRUED EXPENSES	43,787.04	
ACCRUED INTEREST	12,144.89	
TOTAL CURRENT LIABILITIES		\$ 1,372,210.65

LONG TERM LIABILITIES

LONG TERM DEBTS PAYABLE	459,132.11	
LESS CURRENT PORTIONS	(405,798.77)	53,333.34

OTHER LIABILITIES

STOCKHOLDERS LOANS	(28,121.07)	
DEFERRED INCOME	1,236,947.32	
		1,208,826.25

STOCKHOLDERS EQUITY

ISSUED COMMON STOCK	2,850.00	
PAID IN SURPLUS	43,400.00	
APPRECIATION SURPLUS	12,460,580.26	
ACCUMULATED ADJUSTMENTS	4,219,753.89	
OTHER ADJUSTMENTS ACCOUNT	77,124.00	
RETAINED EARNINGS	2,021,888.27	
	18,845,596.38	
LESS TREASURY STOCK	(65,000.00)	
		18,780,596.38

21,414,966.68

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 STATEMENT OF INCOME
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

440049

	YEAR-TO-DATE
INCOME	
HOMESITE SALES	\$ 3,565,084.16
CONSTRUCTION SALES	862,329.51
COUNTRY CLUB INCOME	133,513.95
TOTAL INCOME	4,560,927.62
DIRECT EXPENSES	
HOMESITES	1,443,082.18
CONSTRUCTION	588,602.52
COUNTRY CLUB	117,871.89
TOTAL DIRECT COSTS	2,149,556.59
GROSS PROFIT	2,411,371.03
OPERATING EXPENSES	1,294,442.25
OPERATING PROFIT	1,116,928.78
OTHER INCOME	783,719.96
OTHER EXPENSES	204,331.92
NET PROFIT FOR PERIOD	1,696,316.82

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 BALANCE SHEET DETAIL
 AT
 DECEMBER 31, 1992

4100-400-0-116

CASH IN BANKS & TRUSTS		
CASH ON HAND-OFFICE	\$	25.00
CASH ON HAND-COUNTRY CLUB		696.63
CITIZENS TRUST #1000-CASH		9,518.27
PAYROLL ACCOUNT		566.64
CASH SO. AZ. BANK OF YUMA		(32,414.94)
SO AZ BANK MONEY MARKET		227,509.80
H&S CD #1205		6,558.81
H&S CD-FME 13		126,500.00
SVNGS-LJT RLSES/025039407		86,493.44
TOTAL CASH	\$	425,453.01
ACCOUNTS RECEIVABLE		
ACCOUNTS RECEIVABLE-TRADE		58,199.81
ACCOUNTS REC-EMPLOYEES		(298.62)
TOTAL ACCOUNTS RECEIVABLE		57,901.19
INVENTORY-HOMESITES		
DESERT FOOTHILL EST #4		3,220.00
DESERT FOOTHILL EST #6		11,125.00
FOOTHILL MOBILE ESTATES13		294,408.00
FOOTHILL MOBILE ESTATES14		208,342.00
FOOTHILLS NORTH #3-1		520.00
LOTS C24/25/26		2,320.00
FOOTHILLS NORTH #3-2		16,952.00
TOTAL HOMESITE LAND COST		536,887.00
DEVELOPMENT COSTS		
DESERT FOOTHILL EST #4		10,147.40
DESERT FOOTHILL EST #6		63,947.34
FOOTHILL MOBILE ESTATES13		998,392.80
FOOTHILL MOBILE ESTATES14		363,760.46
FOOTHILL MOBILE ESTATES15		25,162.00
FOOTHILLS NORTH #3-1		14,334.35
FOOTHILLS NORTH #3-2		476,990.38
APPRECIATION OF HOMESITES		2,912,204.07
TOTAL HOMESITE INVENTORY		4,864,928.80

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 BALANCE SHEET DETAIL
 AT
 DECEMBER 31, 1992

INVESTMENTS

CONTRACTS RECEIVABLE		
CITIZENS TRUST #1000 C/R	\$	94,519.47
CITIZENS TRUST #2000 C/R		1,800,760.73
LESS CURRENT PORTIONS		(317,398.54)
TOTAL CONTRACTS RECEIVABLE	\$	1,577,881.66

LAND HELD FOR FUTURE USE		
UNDEVELOPED LAND AT COST		1,444,007.47
LAND APPRECIATION		3,870,792.53
TOTAL LAND AT WHOLESALE		5,314,800.00

FIXED ASSETS

OFFICE EQUIPMENT		25,402.13
OFFICE BUILDING		34,795.65
RESTAURANT BUILDING		243,270.99
COUNTRY CLUB FACILITIES		139,229.98
EQUIPMENT		1,160,852.81
RESTAURANT EQUIPMENT		150,964.32
LAND IMPROVEMENTS		2,947.56
RESTAURANT LAND		7,000.00
AUTOMOTIVE EQUIPMENT		69,110.36
TRUCKS AND TRAILERS		180,669.73
FIXED ASSET COST		2,014,243.53
FIXED ASSET APPRECIATION		1,100,000.00
FIXED ASSET VALUE		3,114,243.53

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

F & S DEVELOPERS, INC.
BALANCE SHEET DETAIL
AT
DECEMBER 31, 1992

NOTES PAYABLE			
SO. AZ. BANK LOAN 2904	\$	450,000.00	
STHRN AZ BANK LOAN-1224		122,000.00	\$
TOTAL NOTES PAYABLE			572,000.00
ACCOUNTS PAYABLE		320,155.49	
ACCOUNTS PAYABLE-TRADE			320,155.49
TOTAL ACCOUNTS PAYABLE			
PAYROLL TAX & INS PAYABLE		795.71	
ARIZONA UNEMP INS PAYABLE		499.67	
FEDERAL UNEMP INS PAYABLE		428.80	
WORKMENS COMP INSURANCE			1,714.18
TOTAL PAYROLL TAX PAYABLE			
DEPOSITS ON SALES OF CONTRACTS		16,610.28	
WILLIAM SCRINGEOUR DEPOST			16,610.28
TOTAL DEPOSITS ON SALES			
ACCRUED EXPENSES		42,128.89	
ACCRUED PROPERTY TAXES		1,658.15	
ACCRUED SALES TAXES			43,787.04
TOTAL ACCRUED EXPENSES			
ACCRUED INTEREST		12,144.89	
ACCRUED INTEREST-GENERAL			12,144.89
TOTAL ACCRUED INTEREST			

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 BALANCE SHEET DETAIL
 AT
 DECEMBER 31, 1992

100-700-001-0

MORTGAGES PAYABLE		\$	106,666.67	
MOON NOTE-THE GROCERY STR			352,465.44	
ARIZONA INDUSTRIAL MACH				\$ 459,132.11
TOTAL LONG TERM DEBTS				
STOCKHOLDER LOANS			(213,995.28)	
STOCKHOLDER LOAN-HENRY				
STOCKHOLDER LOAN-SANDRA			100,759.07	
STOCKHOLDER LOAN-PAULA			85,115.21	
TOTAL STOCKHOLDER LOANS				(29,121.00)
DEFERRED ITEMS				
DEFERRED INSTALLMENT SALE			1,236,947.32	
TOTAL DEFERRED INCOME				1,236,947.32
ACCUMULATED ADJUSTMENTS				
PROFIT ALLOCATION-HENRY	\$	6,602,357.12		
DISTRIBUTIONS-HENRY		(4,107,803.25)		
ACCUM ADJUSTMENTS-HENRY			2,494,553.87	
PROFIT ALLOCATION-SANDRA		1,460,455.64		
DISTRIBUTIONS-SANDRA		(597,855.63)		
ACCUM ADJUSTMENTS-SANDRA			862,600.01	
PROFIT ALLOCATION-PAULA		1,460,455.64		
DISTRIBUTIONS-PAULA		(597,855.63)		
ACCUM ADJUSTMENTS-PAULA			862,600.01	
TOTAL ACCUM ADJUSTMENTS				4,219,753.90
OTHER ADJUSTMENTS ACCOUNT			67,331.38	
OTHER ADJUSTMENTS-HENRY			14,896.31	
OTHER ADJUSTMENTS-SANDRA			14,896.31	
OTHER ADJUSTMENTS-PAULA				97,124.00
TOTAL OTHER ADJUSTMENTS				

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 INCOME STATEMENT DETAIL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

	YEAR-TO-DATE	% OF BASE
OPERATING EXPENSE		
OFFICERS SALARIES	\$ 50,000.00	.8
OFFICE SALARIES	61,040.09	.9
SALARIES AND WAGES	58,577.26	.9
COMMISSIONS	439,468.58	6.7
PAYROLL TAX & INSURANCE	10,701.15	.2
ADVERTISING & PROMOTION	9,566.44	.1
AUTOMOBILE EXPENSES	86.33	
BAD DEBTS	(1,682.40)	
COLLECTION EXPENSE	6,633.33	.1
COMPUTER EXPENSES	507.98	
CONTRIBUTIONS	100.00	
CONTRACT SERVICES	238.00	
DUES AND SUBSCRIPTIONS	1,134.00	
DEPRECIATION	95,539.68	1.5
EQUIPMENT RENTAL	875.81	
FUEL AND OIL	70,097.84	1.1
INSURANCE	57,433.85	.9
GROUP INSURANCE	39,014.10	.6
LEGAL AND ACCOUNTING	4,817.33	.1
MEDICAL EXPENSES	50.00	
MISC OPERATING EXPENSES	307.01	
OFFICE EXPENSES	11,242.92	.2
RENT	7,537.02	.1
REPAIRS AND MAINTENANCE	244,563.56	3.7
SUPPLIES	15,661.83	.2
TAXES AND LICENSES	18,947.82	.3
REAL ESTATE TAXES	75,058.25	1.1
TELEPHONE	10,752.00	.2
UTILITIES	6,172.47	.1
 TOTAL OPERATING EXPENSES	 1,294,442.25	 19.8

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 INCOME STATEMENT DETAIL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

	YEAR-TO-DATE	% OF BASE
OTHER INCOME		
INTEREST EARNED	\$ 239,860.92	3.7
DEFERRED INCOME RECOGNIZED	129,927.57	2.0
RENTS	15,492.00	.2
GAIN ON SALES OF ASSETS	1,200.00	
SHARED SERVICES	127,486.20	1.9
PROFIT-FAR WEST WATER CO.	268,606.59	4.1
MISCELLANEOUS INCOME	1,146.68	
TOTAL OTHER INCOME	783,719.96	12.0
OTHER EXPENSES		
INTEREST PAID	54,657.50	.8
LOSS-THE GROCERY STORE	149,674.42	2.3
TOTAL OTHER EXPENSES	204,331.92	3.1

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

M & S DEVELOPERS, INC.
 INCOME STATEMENT DETAIL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

100-100-0000

	YEAR-TO-DATE
HOMESITE REVENUE	
SALES-HOMESITES	\$ 3,835,414.75
SALES-OTHER REAL ESTATE	59,141.50
DEFERRED INCOME ADJUSTMNT	(304,021.80)
CONTRACT VALUATION DISC.	(4,445.63)
DISCOUNTS ON CONTRACTS	(214.54)
RETURNS AND ALLOWANCES	120,790.12
TOTAL HOMESITE SALES	3,565,084.16
COST OF SALES	
COST OF HOMESITES SOLD	234,945.00
DEVELOPMENT COSTS	1,195,748.58
CLOSING COSTS	22,388.60
TOTAL COST OF LAND SALES	1,443,082.18
GROSS PROFIT	2,122,001.98

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

M & S DEVELOPERS, INC.
 INCOME STATEMENT DETAIL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

100-400-410

	YEAR-TO-DATE
CONSTRUCTION REVENUE	
MATERIAL SALES	\$ 8,304.00
EQUIPMENT RENTAL	14,866.25
DRIVEWAY CONSTRUCTION	58,302.10
LABOR SALES	3,542.20
SALES-CONSTRUCTION GRAVEL	95,675.67
WATER SALES	80.00
FILL DIRT	54,703.04
UTILITIES SOLD	520,676.00
ELECTRIC PEDISTALS	5,555.25
OTHER CONSTRUCTION SALES	101,250.00
RETURNS AND ALLOWANCES	625.00
TOTAL CONSTRUCTION SALES	862,329.51
COST OF SALES	
LABOR	212,722.03
LABOR COSTS	29,781.08
TAXES AND PERMITS	35,474.00
MATERIALS AND SUPPLIES	309,995.81
OTHER DIRECT COSTS	629.60
TOTAL CONSTRUCTION COSTS	588,602.52
GROSS PROFIT	273,726.99

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 INCOME STATEMENT DETAIL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

	YEAR-TO-DATE
COUNTRY CLUB	
REVENUE	
MEMBERSHIP FEES	\$ 22,570.00
NON-MEMBER FEES	18,386.75
RENT-PARTIES	697.00
RENT-TRAILER SPACES	40,038.40
ELECTRICITY SALES	3,377.96
DANCE FEES	5,261.00
BEVERAGE SALES	1,494.19
OTHER CLUB INCOME	1,985.35
TOTAL CLUB REVENUE	93,810.65
DIRECT EXPENSES	
SALARIES AND WAGES	29,007.89
BANDS AND ENTERTAINMENT	5,325.00
PURCHASES-BEVERAGES	916.38
DEPRECIATION	5,566.73
ELECTRICITY-RENTORS	1,236.16
EQUIPMENT RENTAL	140.00
INSURANCE	3,765.64
OFFICE EXPENSES	287.29
OTHER CLUB EXPENSES	1,227.42
REPAIRS AND MAINTENANCE	21,715.21
SUPPLIES	10,953.37
TAXES AND LICENSES	150.00
REAL ESTATE TAXES	1,175.38
TELEPHONE	935.26
UTILITIES	15,843.46
TOTAL CLUB EXPENSES	95,772.87
GROSS PROFIT	(1,962.22)

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
INCOME STATEMENT DETAIL
FOR 12TH MONTH ENDED
DECEMBER 31, 1992

	YEAR-TO-DATE
RESTAURANT LEASE ACTIVITY	
REVENUE	\$ 39,703.30
LEASE INCOME	
TOTAL LEASE REVENUE	39,703.30
LEASE EXPENSES	8,376.52
DEPRECIATION	4,294.64
INSURANCE	(2,056.00)
REPAIRS & MAINTENANCE	2,008.08
TAXES & LICENSES	9,475.78
REAL ESTATE TAXES	
TOTAL LEASE EXPENSES	22,099.02
GROSS PROFIT	17,604.28

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 STATEMENT OF CHANGES IN FINANCIAL POSITION
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

SOURCES OF WORKING CAPITAL:

PROFIT FOR THE PERIOD	\$ 1,696,316.82	
ITEMS NOT REQUIRING THE OUTLAY OF WORKING CAPITAL:		
ACCUMULATED DEPRECIATION	58,054.36	

TOTAL FROM OPERATIONS	1,754,371.18	\$ 1,754,371.18
OTHER SOURCES		
LAND AT WHOLESALE		60,000.00
FAR WEST WATER COMPANY		35,015.06
LONG TERM DEBTS PAYABLE		210,014.64
DEFERRED INCOME		174,094.23
APPRECIATION SURPLUS		355,908.01
OTHER ADJUSTMENTS ACCOUNT		10,465.00

TOTAL SOURCES OF WORKING CAPITAL:		2,599,868.10

APPLICATIONS OF WORKING CAPITAL:

CONTRACTS RECEIVABLE		166,200.18
THE GROCERY STORE		674,713.72
FIXED ASSET COST		477,269.80
LESS CURRENT PORTIONS		367,511.21
STOCKHOLDERS LOANS		288,893.09
ACCUMULATED ADJUSTMENTS		731,547.00

TOTAL APPLICATIONS OF WORKING CAPITAL:		2,706,135.00

NET DECREASE IN WORKING CAPITAL	\$	(106,266.90)
		=====

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

H & S DEVELOPERS, INC.
 ANALYSIS OF CHANGES IN WORKING CAPITAL
 FOR 12TH MONTH ENDED
 DECEMBER 31, 1992

450.007.0070

		INCREASE (DECREASE)
CASH IN BANKS AND TRUSTS	\$	(195,377.95)
ACCOUNTS RECEIVABLE		(31,405.30)
NOTE RECVBLE-SUNSET VISTA		17,800.00
CONTRACTS RECVBLE-CURRENT		91,169.46
ACCRUED INTEREST INCOME		(6,794.27)
PREPAID INSURANCE		(3,500.27)
INVENTORY-HOMESITES		636,127.35
NOTES PAYABLE		(122,000.00)
ACCOUNTS PAYABLE		(157,701.07)
MORTGAGES PAYABLE-CURRENT		(367,511.21)
PAYROLL TAX & INS PAYABLE		18,462.96
DEPOSITS ON SALES		11,869.81
ACCRUED EXPENSES		(2,893.20)
ACCRUED INTEREST		5,486.79

NET DECREASE IN WORKING CAPITAL \$		(106,266.90)
		=====

SEE ANY ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

SEWER TARIFF SCHEDULE

UTILITY: Far West Sewer Co.
DOCKET NO: _____

PAGE _____ OF _____
DECISION NO. _____
EFFECTIVE _____

RATES AND CHARGES

FLAT RATE

RESIDENTIAL \$ _____ PER MONTH
COMMERCIAL \$ _____ PER MONTH

BASED ON WATER USAGE

RESIDENTIAL MINIMUM \$ 10.00 FOR 7000 GALLONS
EXCESS OF MINIMUM \$ 2.00 FOR 1000 GALLONS
COMMERCIAL MINIMUM \$ 15.00 FOR 5000 GALLONS
EXCESS OF MINIMUM \$ 3.00 FOR 1000 GALLONS

SERVICE LINE CONNECTION CHARGE \$ 30.00

SERVICE CHARGES:

- | | |
|--------------------------------------------------|------------------|
| 1. ESTABLISHMENT (R14-2-603.D.1) | \$ <u>750.00</u> |
| 2. RECONNECTION/DELINQUENT (R14-2-603.D.1) | \$ <u>20.00</u> |
| 3. DEPOSIT (R14-2-603.B.7) | \$ <u>50.00</u> |
| 4. DEPOSIT INTEREST (R14-2-603.B.3) | \$ <u>-0-</u> |
| 5. REESTABLISHMENT W/N 12 MONTHS (R14-2-603.D.1) | \$ <u>15.00</u> |
| 6. NSF CHECK (R14-2-608.E.1) | \$ <u>15.00</u> |
| 7. LATE PAYMENT PENALTY (R14-2-608.F.1) | \$ <u>2.00</u> |

OTHER CHARGES AS SPECIFIED BY ORDER:

BEFORE THE BOARD OF SUPERVISORS
OF
YUMA COUNTY, STATE OF ARIZONA

In the Matter of the Application)
of)
Far West Sewer Company, Inc.)
a corporation _____)

APPLICATION FOR A
PUBLIC SERVICE FRANCHISE

TO THE HONORABLE BOARD OF SUPERVISORS:

The undersigned, a citizen or citizens, and resident of, or a company doing business in Yuma County, State of Arizona, hereby petitions your body for a Public Service Franchise to construct, maintain and operate a sewer collection system, consisting of pipe lines, manholes, connections, and all necessary equipment to serve the residents of:

N 1/2 SW 1/4 SW 1/4 and the S 1/2 NW 1/4 SW 1/4 of section 15 along with the West 40 feet of the S 1/2 SW 1/4 SW 1/4 of Section 15, and the NE 1/4 of Section 22 except the North 960 feet along with the South 40 feet and the West 50 feet of the NW 1/4 of Section 22, and the West 830 feet of the NW 1/4 of Section 23 except the North 960 feet; and the E 1/2 SW 1/4 of Section 23, all in Township 9 South, Range 21 West, G&SRB&M, Yuma County, Arizona.

Your petitioner has made application to the Arizona Corporation Commission for a Certificate of Public Convenience and Necessity to exercise the functions of a public utility to furnish sewer to persons living within the said area, subject to the laws of the State of Arizona, that your petitioner, if granted the franchise, proposes to engage in and carry on the business of a sewer collection company in all its branches; to install sewer lines and manholes; to work, build and construct; to lay down and maintain pump stations, sewer lines and manholes, treatment plants and filter beds, mains and other works and things necessary or convenient for obtaining, storing, selling, measuring, and collection of sewage from persons in the area herein described.

II

That your petitioner is financially able to undertake installation of the said service and collection of sewer lines within the said territory for which this franchise is requested.

III

That by reason of the facts already stated herein and because of the fact that no adequate and safe sewer collection system is now available to persons now living, or who may live, within the said area herein before described, and because of the further fact that sewer collection promptly supplied to waiting customers and prospective applicants will do much to develop and improve the area described, and to increase health, safety and welfare of the communities within which services are supplied, your petitioner respectfully petitions your Honorable Board of Supervisors to grant this application for a right and franchise from the County of Yuma, State of Arizona, to construct, maintain and operate their pipelines and sewer collection systems for a period of twenty-five (25) years for the transmission and collection of sewage from domestic sources, along, upon, under and across public highways, roads, alleys, and thoroughfares (excepting State highways) within that portion of Yuma County herein before described and not within the confines of any incorporated city or town, and under such restrictions and limitations and upon such terms as this Board may provide, not inconsistent with law and order and rules of the Arizona Corporation Commission and that this Board take such proceedings herein as are provided by the laws of the State of Arizona

DATED at Yuma, Arizona, this 2nd day
of August, 1993.

FAR WEST SEWER COMPANY, INC.

NAME: By H. Delacruz

ADDRESS: 12486 Foothills Blvd.
Yuma, Arizona 85365

Attachment E

Far West Sewer Co. has applied to the Arizona Corporation Commission for authority to provide sewer service to an area in which records indicate you are a property owner. If the application is granted, The Far West Sewer Co. would be the exclusive provider of sewer service to the area. We will be required by the Commission to provide this service under the rates and charges and terms and conditions established by the Commission. The granting of the application would not necessarily prohibit an individual from providing service to themselves from an individually owned septic system on their property.

If you have any questions about this application or have any objections to its approval, you may contact the undersigned or the Utilities Division of the Arizona Corporation Commission at 1200 West Washington, Phoenix, Arizona 85007, or call at 1-800-222-7000.

As a property owner, you have a right to intervene in the proceeding, or you may appear at the hearing and make a statement on your own behalf. You may contact the Commission at the address and phone listed above for more information on intervention and for the date and time of the hearing. You will not receive any further notice of the proceeding unless requested by you.

FAR WEST SEWER CO.

By Henry Schechert
Henry Schechert, President

1-800-222-7000

MARCIA WEEKS
CHAIRMAN
BENZ G. JENNINGS
COMMISSIONER
DALE H. MORGAN
COMMISSIONER



JAMES MATTHEWS
EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

August 16, 1993

Henry Schechert, President
Far West Sewer Company
12486 Foothills Boulevard
Yuma, Arizona 85365

RE: FAR WEST SEWER CO.

This letter will acknowledge receipt of your application for a Certificate of Convenience and Necessity to provide sewer service in Yuma County, Arizona. We have assigned Docket No. U-2726-93-218 to your application. Please refer to this number when filing any additional information.

After the Utilities Division Staff has completed their review of the application, you will be notified of the date, time and place of the hearing (if necessary).

Sincerely,

Carmen Madrid

Carmen Madrid
Administrative Assistant II
Docket Control Center