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AZ CORP COMMISSION
DOCKET CONTROL

February 5, 2010

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

Attn: Kiana M. Sears, Executive Consultant I

RE: Corrected CCR's Adjudication not a Public Service Corporation
Docket Control Number: W-20704A-09-0467

Dear Ms. Sears:

Enclosed please find an Amendment to the Declaration of Establishment of Covenants, Conditions and Restrictions for Kayenta Estates.

If I have not properly corrected the deficiencies as per our conversation, please let me know. If you have any questions or additional information is needed, please call.

Thank you for your assistance with this matter.

Very truly yours,

ANN P. ROBERTS

Arizona Corporation Commission

DOCKETED

FEB 9 2010

DOCKETED BY

KAYENTA ESTATES

**AMENDMENT TO THE DECLARATION OF ESTABLISHMENT
OF
COVENANTS, CONDITIONS AND RESTRICTIONS**

The undersigned, being first duly sworn upon oath, depose and say:

THIS AMENDMENT TO THE DECLARATION OF ESTABLISHMENT OF COVENANTS, CONDITIONS AND RESTRICTIONS, executed the 14th day of December, 2009, is hereby made on this 5th day of February, 2010, as hereinafter set forth, by JOHN J. SCULLY, hereinafter "Declarant".

WITNESSTH:

WHEREAS, Declarant is the sole owner of Lot Nos. 1 through 27 of Kayenta Estates subdivision, recorded on the 26th day of March, 2008, in Book 15, pages 95 through 95 E, Records of Cochise County, State of Arizona; and,

WHEREAS, on the 14th day of December, 2009, Declarant executed certain restrictive covenants, conditions and restrictions to be applied upon conveying said real property; and,

WHEREAS, the Declarant hereby wishes to amend Article II. of said Declaration of Covenants, Conditions and Restrictions executed on the 14th day of December, 2009.

NOW THEREFORE, Declarant hereby amends Article II, entitled "Membership and Voting Rights" as set forth in the "Declaration of Covenants, Conditions and Restrictions executed on the 14th day of December, 2009", to read as follows:

**ARTICLE II.
MEMBERSHIP AND VOTING RIGHTS**

I. ASSOCIATION VOTING RIGHTS FOR GENERAL MEMEBERSHIP:

Section 1. Every Owner of a Lot that is subject to assessment by the Association shall be a General Member of the Association. General Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

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...

Section 2. The General Members of the Association shall be of two classes:

Class A Member(s). Class A General Members shall be any Owner(s) other than the Declarant and shall be entitled one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be General Members and the one (1) vote for such Lot shall be exercised as they determine. In no event shall more than one (1) vote be cast with respect to any one (1) Lot.

Class B Member(s). The Declarant shall be the Class B General Member(s) and shall be entitled to twenty (27) votes for each Lot owned. Declarant's Class B general membership shall cease and be converted to Class A general membership on the happening of either of the following events, whichever occurs earlier:

a. The Class B general membership shall cease and be converted to Class A general membership at such time as the total votes outstanding in the Class A general membership exceeds the total votes outstanding in the Class B general membership; or,

b. On December 31, 2020.

Section 3. At all meetings of General Members, each General Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the General Member of his Lot.

II. ASSOCIATION VOTING RIGHTS FOR SPECIAL MEMBERSHIP:

Section 1. Every Customer of the Kayenta Estates Water System shall be subject to assessment by the Association and shall be a Special Member of the Association and Special Membership in the Association shall be solely restricted to the customers of the Kayenta Estates Water System.

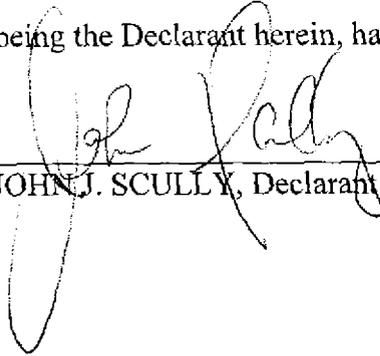
Section 2. The Special Members of the Association shall be the only members of the Association entitled to vote upon any matters relating to the Kayenta Estates Water System. Special membership shall be entitled to one (1) vote per customer account connected to the water system.

Section 3. Special Members voting rights shall automatically cease upon cessation of the customer account by the Special Member.

Section 4. At all meetings of Special Members, each Special Member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon cessation of the customer account by the Special Member.

FURTHER, Declarant, by this amendment hereby reaffirms the "Declaration of Covenants, Conditions and Restrictions executed on the 14th day of December, 2009" and the "Hidden Valley Declaration of Establishment of Conditions, Reservations and Restrictions", recorded as document number 0209-27692, Records of Cochise County, State of Arizona.

IN WITNESS WHEREOF, the undersigned, being the Declarant herein, has executed this Declaration this 5th day of February, 2010.



JOHN J. SCULLY, Declarant

STATE OF ARIZONA)
)ss:
County of Cochise)

The foregoing Declaration was subscribed and sworn to before me this 5th day of February, 2010, by JOHN J. SCULLY.



Notary Public

My Commission Expires:

