ORIGINAL NEW APPLICATION

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BEFORE THE ARIZONA CORPORATION COMMISSION

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COMMISSIONERS
JEFF HATCH-MILLER – Chairman
WILLIAM A. MUNDELL
MARC SPITZER
MIKE GLEASON
KRISTIN K. MAYES

SW-04316A-06-0382

IN THE MATTER OF THE APPLICATION OF ENTRADA DEL ORO SEWER COMPANY FOR AN EXTENSION OF ITS CERTIFICATE OF CONVENIENCE AND NECESSITY FOR WASTEWATER SERVICE.

Docket No. SW-04316A-06-

APPLICATION TO EXTEND CERTIFICATE OF CONVENIENCE AND NECESSITY

Entrada Del Oro Sewer Company ("Entrada"), requests an extension of its Certificate of Convenience and Necessity ("CC&N") for wastewater service to include an area encompassing the development known as Ranch 160 ("Development"). In support of this Application, Entrada states as follows:

1. Entrada is an Arizona corporation formed for the purpose of providing wastewater utility service, within portions of Pinal County, Arizona. A copy of Entrada's Certificate of Good Standing is attached as Exhibit 1.

2. The Commission granted Entrada a CC&N in Decision No. 68306 (November 14, 2005). The Development is located in the vicinity of Entrada's existing CC&N territory, but is not adjacent to said territory. The Development is located in Pinal County approximately 4 miles east of Gold Canyon.

3. The area covered by this Application includes approximately 160 acres, and will include approximately 550 residential units, a school site and certain common areas. The legal description of the Development for which Entrada seeks the extension is attached as Exhibit 2.

4. The owner of the property containing the Development has requested that Entrada provide wastewater utility service to the Development and has entered into a main extension agreement with Entrada. A copy of the main extension agreement is attached as Exhibit 3.

Arizona Water Company already possesses a certificate of convenience and necessity to provide water service in the Development.

5. Attached as Exhibit 4 is the Commission's standard form application for a CC&N extension for wastewater service.

6. Entrada proposes to charge its existing rates and charges, as set forth in its tariff on file with the Commission, and as approved by the Commission in Decision No. 68306 (November 14, 2005).

7. The facilities to serve the Development will be financed through a Main Extension Agreement ("MXA") between Entrada and the developer of the Development.

8. Entrada's attorneys are:

Michael W. Patten
Roshka DeWulf & Patten, PLC
One Arizona Center,
400 East Van Buren Street
Phoenix, Arizona 85004.

9. Entrada currently has a Central Arizona Association of Governments ("CAAG") §208 Plan for wastewater service for its existing service area. An amendment to this plan will be required to serve the Development. Entrada has discussed the need for a §208 Plan amendment with CAAG and CAAG has indicated its support for the amendment. Entrada is in the process of applying for this amendment. A copy of the application for the amendment will be submitted as a late filed exhibit once it is received.

10. Entrada has an Aquifer Protection Permit ("APP") for a 300,000 gallons per day ("gpd") wastewater treatment plant to serve its existing service area, a copy of which is on file in Entrada's original CC&N docket. The 300,000 gpd treatment plant is will be sufficient to serve the anticipated growth in both Entrada's existing CC&N area and the extension area until 2010. At full build out of its existing CC&N and the extension area, the treatment capacity of the plant will need to be expanded from 300,000 gpd to 450,000 gpd. As a result, Entrada ultimately will require an amendment to its APP to expand the treatment plant. Entrada is in the process of applying for this amendment. A copy of application for the APP amendment will be submitted when available.

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FACSIMILE 602-256-6800

11. Entrada also has an AZPDES permit for its existing treatment plant, a copy of which is on file in Entrada's original CC&N docket. The existing AZPDES permit authorizes sufficient capacity for several years of growth. However, at some point Entrada may need an amendment to its AZPDES permit and intends to seek that amendment as necessary.

12. The wastewater facilities needed to serve the area covered by this Application will be constructed as needed to provide service to customers. It is anticipated that wastewater flows from the Ranch 160 Development will commence at least a year after wastewater flows commence from the existing CC&N area. Presently, the currently permitted treatment capacity of 300,000gpd will be sufficient to treat the anticipated wastewater flows from the current CC&N area and the requested extension area until 2010. Entrada intends to expand the treatment plant to 450,000gpd – which will provide sufficient treatment capacity for full build out of both the existing CC&N area and the requested extension area -- well in advance of the need for treatment capacity in excess of 300,000gpd.

13. Entrada is aware of the Commission's general preference for regional providers of wastewater service. Entrada believes that Pinal County also prefers regional providers of wastewater service. Pinal County and CAAG have indicated their support for Entrada to be the regional wastewater provider in the vicinity of its current service area.[1] This application is consistent with the regional provider concept as Entrada currently holds a CC&N which is located in the vicinity of the Development. Entrada is the closest certificated wastewater provider to the Development, and is therefore the logical choice to serve the Development. Further, this application is supported by the landowner in the extension area.

14. Notice of this Application will be given by publication in a newspaper of general circulation as required by the Commission. Proof of publication will be filed with the Commission

15. Entrada maintains that this Application is in the public interest and should be granted. There is an imminent need for wastewater service in the Development. Given the location

[1] Arizona Water Company already holds an extensive water CC&N in the region.

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of the Development, Entrada is effectively the only option to provide wastewater service to the Development.

WHEREFORE, Entrada respectfully requests that the Commission:

A. Issue a Procedural Order scheduling a hearing on this matter as timely as reasonably possible;

B. Upon completion of said hearing, issue an Opinion and Order approving the requested extension of Entrada's Certificate of Convenience to provide wastewater to the Development.

C. Grant such other and further relief as may be appropriate under the circumstances herein.

RESPECTFULLY SUBMITTED this 6th day of June, 2006.

Entrada del Oro Sewer Company

By _____

Michael W. Patten
ROSHKA DEWULF & PATTEN, PLC
One Arizona Center
400 East Van Buren Street, Suite 800
Phoenix, Arizona 85004
(602) 256-6100

Attorneys for Entrada del Oro Sewer Company

Original and 13 copies of the foregoing filed this 6th day of June, 2005 with:

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

ROSHKA DEWULF & PATTEN, PLC
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Copies of the foregoing hand-delivered/mailed
this 6th day of June, 2005

Lyn A. Farmer, Esq.
Chief Administrative Law Judge
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Steve Olea
Assistant Director, Utilities Division
Arizona Corporation Commission
1200 West Washington
Phoenix, Arizona 85007

Christopher C. Kempley
Chief Counsel, Legal Division
Arizona Corporation Commission
1200 West Washington
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By Mary Ippolito

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EXHIBIT

"1"

STATE OF ARIZONA

Office of the

CORPORATION COMMISSION

CERTIFICATE OF GOOD STANDING

To all to whom these presents shall come, greeting:

I, Brian C. McNeil, Executive Director of the Arizona Corporation Commission, do hereby certify that

****ENTRADA DEL ORO SEWER COMPANY****

a domestic corporation organized under the laws of the State of Arizona, did incorporate on March 2, 2005.

I further certify that according to the records of the Arizona Corporation Commission, as of the date set forth hereunder, the said corporation is not administratively dissolved for failure to comply with the provisions of the Arizona Business Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-122, 10-123, 10-125 & 10-1622, has been delivered to the Arizona Corporation Commission for filing; and that the said corporation has not filed Articles of Dissolution as of the date of this certificate.

This certificate relates only to the legal existence of the above named entity as of the date issued. This certificate is not to be construed as an endorsement, recommendation, or notice of approval of the entity's condition or business activities and practices.

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 19th Day of May, 2006, A. D.

Executive Director

Order Number: 67476

EXHIBIT

"2"

LEGAL DESCRIPTION

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA MORE PARTICULARY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 BEARS SOUTH 00°48'00" EAST, A DISTANCE OF 2654.73 FEET, SAID POINT BEING THE POINT OF BEGINNING.

THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, SOUTH 89°39'15" WEST, A DISTANCE OF 1324.50 FEET TO THE EAST 1/16TH CORNER, A FOUND 1/2 INCH REBAR;

THENCE ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 6, NORTH 00°48'07" WEST, A DISTANCE OF 2656.74 FEET TO A FOUND 1/2 INCH REBAR AT THE CENTER-EAST 1/16TH CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 6;

THENCE NORTH 89°44'27" EAST ALONG THE EAST-WEST MID-SECTION LINE, A DISTANCE OF 1324.61 FEET TO A FOUND 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 AT THE EAST CORNER OF SAID SECTION 6;

THENCE NORTH 89°27'10" EAST ALONG THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1327.27 FEET TO A FOUND 3/4 INCH PIPE AT THE CENTER-WEST 1/16TH CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

THENCE SOUTH 00°47'37" EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2654.99 FEET TO A FOUND 1/2 INCH REBAR WITH A TAG STAMPED LS 2217 AT THE WEST 1/16TH CORNER OF SAID SOUTHWEST QUARTER OF SECTION 5;

THENCE SOUTH 89°27'49" WEST ALONG THE SOUTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, A DISTANCE OF 1325.98 TO THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING THE POINT OF BEGINNING;

CONTAINING 7,038,176 SQUARE FEET (161.57 ACRES) MORE OR LESS

EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT

RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 6, SAID POINT BEING A BRASS CAP;

THENCE SOUTH 89°39'15" WEST ALONG THE SOUTH LINE OF SAID SECTION 6, A DISTANCE OF 220.63 FEET TO A POINT;

THENCE NORTH 00°01'45" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°01'45" WEST, A DISTANCE OF 99.44 FEET TO A POINT ON A 50 FOOT RADIUS OF NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, WHOSE RADIAL BEARING IS NORTH 20°39'23" EAST;

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 104°47'58", A DISTANCE OF 91.45' TO A POINT;

THENCE SOUTH 84°08'35" EAST, A DISTANCE OF 101.34 FEET TO A POINT 50.00 FEET WEST OF THE EAST LINE OF SECTION 6;

THENCE SOUTH 00°48'00" EAST, A DISTANCE OF 129.77 FEET, RUNNING 50.00 FEET WEST AND PARALLEL WITH THE EAST LINE OF SAID SECTION 6 TO A POINT LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 6;

THENCE SOUTH 89°39'15" WEST, A DISTANCE OF 169.96 FEET, RUNNING 50.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 6 TO THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

ALSO, EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING A BRASS CAP;

THENCE NORTH 89°27'49" EAST ALONG THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 1207.43 FEET TO A POINT;

THENCE NORTH 00°32'11" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°32'11" WEST, A DISTANCE OF 131.55 FEET TO A POINT;

THENCE NORTH 89°27'49" EAST, A DISTANCE OF 117.73 FEET TO A POINT;

THENCE SOUTH 00°47'37" EAST, A DISTANCE OF 131.55 FEET TO A POINT LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 5;

THENCE SOUTH 89°27'49" WEST, A DISTANCE OF 118.33 FEET, RUNNING 50.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 5 TO THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

EXHIBIT

"3"

MAIN EXTENSION AGREEMENT
(SEWER SERVICE)

THIS AGREEMENT is made this 10 day of April, 2006, by and between ENTRADA DEL ORO SEWER COMPANY, an Arizona public service corporation ("Utility"), and RANCH 160, LLC, an Arizona limited liability corporation ("Developer"), for the purposes and consideration hereinafter set forth.

RECITALS

A. Developer is the owner of certain real property generally situated in Pinal County, Arizona, more particularly described in Exhibit "A" attached hereto and incorporated herein by this reference (the "Property"). The Property contains approximately 160 acres. The Property is not located within the Certificate of Convenience and Necessity ("CC&N") of any other certificated sewer utility or within the service area of any municipal or other wastewater service provider.

B. Utility is a public service corporation as defined in Article 15, Section 2, of the Arizona Constitution and, as such, is regulated by the Arizona Corporation Commission ("Commission"). Utility has been granted, or expects to soon be granted, a CC&N by the Commission, authorizing Utility to provide sewer utility service within its certificated service area. Utility's CC&N is located in the vicinity of the Property, but is not contiguous to and does not include any portion of the Property. Utility is willing, however, to seek approval of the Commission to extend its CC&N to include the Property following execution of this Agreement.

C. Subject to the terms and conditions hereof, Developer has requested that sewer utility service be extended and provided to the Property by Utility in furtherance of Developer's development plans. Developer intends to develop a residential subdivision presently known as

Ranch 160 (the "Subdivision") that will contain up to approximately 550 residential dwellings, a school site and certain common areas. Developer is willing to construct and install collection and transmission mains, lift stations, manholes and/or other facilities, both on-site and off-site necessary for Utility to furnish service to the Subdivision. Developer is willing to convey title to these facilities following completion of construction. All amounts paid by Developer for such facilities will be treated as an advance in aid of construction according to the terms and conditions set forth hereinafter. Developer is also willing to contribute funds to Utility for purposes of increasing wastewater treatment capacity at Utility's wastewater treatment plant.

NOW, THEREFORE, in consideration of the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

AGREEMENTS

1. Facilities Construction by Developer.

a. Construction of Facilities; Right of Inspection. Subject to Sections 2 through 4 below, Developer shall construct and install, or shall cause to be constructed and installed, at its sole expense: (i) all on-site transmission and collection mains and pipelines, manholes, fittings, service lines and/or all other related items of utility plant required to extend utility service to each lot or building within the Subdivision as more particularly described in Exhibit "B" attached hereto and incorporated herein by this reference and (ii) certain off-site facilities as more particularly described in Exhibit "C" attached hereto and incorporated by reference (hereinafter the on-site and the off-site facilities together are referred to as the "Facilities"). Developer agrees that the size, design, type and quality of materials used to construct the Facilities, as well as the location of the Facilities upon and under the ground, shall

be approved by Utility prior to the commencement of construction and that the Facilities shall be designed and constructed in accordance with all applicable standards of the Arizona Department of Environmental Quality ("ADEQ"), the Commission and any other governmental agencies exercising jurisdiction over the design and construction of wastewater utilities systems. All plans and specifications shall be submitted to Utility for approval prior to submission to the regulatory agencies, except for any such plans and specifications that have already been submitted to regulatory agencies (such plans and specifications will be provided to Utility promptly upon execution of the Agreement). Utility shall have twenty (20) days within which to revise or approve the plans. If Utility does not provide comments within that twenty-day period, the plans and specifications will be deemed approved by Utility.

Utility shall have the right to require over sizing of facilities installed by Developer, provided Utility pays for the proportionate costs. Utility shall also have the right to require certain configurations which meet prudent utility practice and general industry practice, to participate in design review and design verification activities, pre- and post- construction inspection requirements, commissioning requirements, test and trials (design validation), and to prescribe certain equipment over other equipment. However, Utility cannot require changes to the configuration, design or equipment after approval of the plans and specification. If Utility requests changes to the configuration, design or equipment after approval, Developer may grant such request providing Utility pays for work related to the request.

b. Corrective Action. Utility shall have the right to inspect and test the Facilities at reasonable times during the course of construction as necessary to ensure conformance with the approved plans and specifications. If at any time before the final acceptance by Utility of the Facilities, any construction, materials or workmanship are found to be defective or deficient in

any way, or the Facilities fail to conform to the plans and specifications, then Utility may reject such defective or deficient construction, materials and/or workmanship and require Developer to fully pay for all necessary corrective construction efforts ("Corrective Action"). Utility reserves the right to withhold approval and to forbid connection of any defective portion of the Facilities to Utility's system unless and until the Facilities have been constructed in accordance with plans and specifications and all applicable regulatory requirements. Further, Developer shall promptly undertake any Corrective Action required to remedy such defects and deficiencies in construction, materials and workmanship upon receipt of notice by Utility. The foregoing notwithstanding, Utility shall not unreasonably withhold or delay inspection, testing or acceptance of the Facilities. Further, any determination by Utility that any construction, materials and/or workmanship are deficient or defective, or that the Facilities fail to conform with the plans and specifications, shall not be arbitrarily made, but shall be made in good faith.

2. Transfer of Ownership; As-Built Plans; Warranty.

a. Transfer. Upon proper completion, testing and final inspection of the Facilities by Utility, and receipt of approval from the Commission to the extension of Utility's CC&N as contemplated below, Utility shall promptly thereafter issue a written notice of acceptance to Developer. Immediately upon the satisfaction of the last of the two conditions for acceptance specified in the preceding sentence, Developer shall convey to Utility, via a bill of sale in a form reasonably satisfactory to Utility, the Facilities together with any permanent easements and/or rights-of-way required pursuant to Section 4 below. All facilities so transferred shall thereafter become and remain the sole property and responsibility of Utility, subject to the terms of any warranty provisions.

b. As-Built Plans. At the time of transfer of the Facilities, Developer shall provide to Utility three (3) hard-copy sets of "as-built" drawings and specifications for the Facilities, certified and sealed by Developer's engineers to be true and correct, in a form reasonably acceptable to Utility. In addition, Developer will furnish one electronic version of the as-built plans.

c. Warranty. Developer warrants that upon completion of the Facilities that they will be free from all defects and deficiencies in design, specification, construction, materials and workmanship for a period of one (1) year from the date of Utility's acceptance and further warrant that the performance of the system meets the design requirements. During the warranty period, Developer agrees to promptly undertake any Corrective Action required to remedy such defects and deficiencies upon notice by Utility. Upon Utility's acceptance of the Facilities, as provided in Section 2.a of this Agreement, Utility shall be deemed to have accepted the Facilities in "as is" and "as-constructed" condition, subject only to the one-year warranty period concerning defects and deficiencies in construction, materials and workmanship.

3. Reimbursement for Inspection Costs, Overhead and Other Expenses of Utility. Developer shall reimburse Utility for Utility's reasonable fees, costs and expenses incurred in connection with its review of the engineering plans and specifications for the Facilities, and inspection and testing of the Facilities during and after their construction, and other fees, costs and expenses reasonably and necessarily incurred by Utility with respect to preparation of this Agreement and other necessary legal and/or technical services including, without limitation, legal costs associated with obtaining approval from the Commission to extend Utility's CC&N, obtaining an extension of Utility's Pinal County Franchise and obtaining necessary amendments to Utility's Aquifer Protection Permit and AzPDES permit (collectively, "Administrative

Costs"). On a monthly basis, Utility shall provide Developer paid invoices supporting such Administrative Costs. Payment shall be made by Developer on or before the fifteenth (15th) day of the calendar month following the month in which Utility's statement and supporting invoices are received by Developer. Developer will pay Utility a deposit of $10,000.00 upon execution of this Agreement and Utility hereby acknowledges its receipt of $10,000.00 from Developer as a deposit, which shall be applied as a credit against Administrative Costs incurred by Utility hereunder.

4. Public Streets and Rights-of-Way; Easements; Spacing of Mains. At or before the time of transfer of ownership of any Facilities as provided in Section 2 above, Developer shall provide Utility with evidence reasonably satisfactory to Utility that all Facilities, both within and outside the Property, are located within dedicated streets and/or public rights-of-way. In the event that any of the Facilities are not located within dedicated streets and/or public rights-of-way, then, at the time of transfer of ownership of such Facilities, Developer shall grant to Utility, or shall cause to be granted to Utility, easements and/or rights-of-way, free from all liens and security interests thereon, and in a form that is satisfactory to Utility, over, under, and across any real property, within or outside the Property, as necessary to operate, maintain and repair the Facilities. Unless otherwise mutually agreed upon in writing, such easements and/or rights-of-way shall be free of physical encroachments, encumbrances or obstacles, and shall have a minimum width of ten (10') feet and the mains and service lines shall be separated by a reasonable distance from other utility lines and facilities to prevent damage or conflicts in the event of repairs or maintenance.

5. Advances in Aid of Construction.

a. Determination of Amount of Developer Advances. The actual cost of constructing and installing the Facilities described in Section 1 above, and all amounts paid by Developer pursuant to Section 1 above, shall constitute an advance in aid of construction and shall be refundable to Developer in accordance with Section 5.b of this Agreement. Developer shall provide Utility with a written statement setting forth in detail Developer's actual costs of construction within twenty (20) business days following receipt of Utility's notice of acceptance of the Facilities, together with copies of all invoices, bills, statements and other documentation evidencing the cost of construction. The cost of any Corrective Action, the cost of curing any defects arising during the warranty period, as provided for herein, and the cost of any unreasonable overtime incurred in the construction of the Facilities shall not be included in the actual cost of constructing and installing the Facilities, and shall not be subject to refund by Utility hereunder.

b. Refunds of Advances to Developer. Utility shall refund annually to Developer an amount equal to ten percent (10%) of the gross annual revenues received by Utility from the provision of sewer utility service to each bona fide customer within the Subdivision. Such refunds shall be paid by Utility on or before December 31 of each calendar year, commencing in the calendar year immediately following the calendar year in which title to the Facilities is transferred to Utility and continuing thereafter in each succeeding calendar year for a total of ten (10) years or until Developer has received refunds equal to the actual amount of Developer Advances, whichever comes first, at which point refunds will cease. No interest shall accrue or be payable on the amounts to be refunded hereunder. The entitlement to refunds as herein described is personal to Developer and may, at Developer's option, either be retained by

Developer or assigned by Developer to a successor owner of the Property upon a disposition of the Property by Developer.

6. Developer Contribution for Treatment Capacity.

a. Initial Contribution. Developer shall pay Utility a contribution for wastewater treatment capacity in the amount reasonably necessary to expand the Utility's wastewater treatment plant from 300,000 gpd to 450,000 gpd. That amount is presently estimated to be approximately $800,000, as set forth in Exhibit "D" and such estimated payment shall not change except upon at least thirty (30) days' prior notice to Developer. The payment of the estimated amount shall be due at the time Developer provides a written request to Utility to commence construction of the expansion of the wastewater treatment plant and shall be non-refundable. The payment of such contribution shall be a condition precedent to the Utility's obligation to provide sewer utility service to the Subdivision.

b. True Up of Actual Construction Costs. Upon completion of the plant expansion, Utility shall provide Developer documentation of actual construction costs for the expansion and Developer shall pay Utility the amount of construction costs in excess of the estimate set forth in Exhibit "D" within thirty (30) days of receipt of said documentation. If actual construction costs are less than the estimate set forth in Exhibit "D", Utility will refund to Developer the difference between the estimated and actual construction costs within thirty (30) days after it is determined that the cost of such actual construction was less than the estimated cost thereof.

7. Liability for Income Taxes. In the event it is determined that all or any portion of Developer's advance or contribution in aid of construction hereunder constitute taxable income to Utility as of the date of this Agreement or at the time Utility actually receives such advances

hereunder, Developer will advance funds to Utility equal to the income taxes resulting from Developer's advances hereunder. These funds shall be paid to Utility within twenty (20) days following written notification from Utility to Developer that a determination has been made by the taxing authority having jurisdiction over Utility that any such advances constitute taxable income, whether by virtue of any determination or notification by a governmental authority, amendment to the Internal Revenue Code, any regulation promulgated by the Internal Revenue Service, or similar change to any statute, rule or regulation relating to this matter. Such notification shall include documentation reasonably necessary to substantiate the Utility's liability for income taxes resulting from the Developer advances in aid of construction under this Agreement. In the event that additional funds are paid by Developer under this Paragraph, such funds shall also constitute advances in aid of construction. In addition, Developer shall indemnify and hold Utility harmless for, from and against any tax-related interest, fines and penalties assessed against Utility and other costs and expenses incurred by utility as a consequence of a failure by Developer to pay such amounts within the twenty (20) day period described above.

8. Notice. All notices and other written communications required hereunder shall be sent to the parties as follows:

Entrada del Oro Sewer Company
Attn: Chuck Kennedy
5010 E. Shea Blvd., Suite A216
Scottsdale, AZ 85254

and

Ranch 160, LLC
Attn: Ward Bell
14425 North 7th Street, Suite 101
Phoenix, Arizona 85022

Each party shall advise the other part in writing of any change in the manner in which notice is to be provided hereunder. All notices which either party hereto is required or may desire to give to the other shall be in writing and may be given by delivering the same personally, by delivery by a nationally recognized overnight courier service, or by sending the same by United States mail, certified or registered, return receipt requested, postage pre-paid, to the addresses as stated above, or to such other place as may from time to time be designated by one party to the other in a written notice as herein provided. Any notice that is personally delivered shall be deemed to be sufficiently served or given upon such delivery. Any notice that is mailed or sent via overnight courier as aforesaid shall be deemed to be sufficiently served or given on the next business day after the mailing thereof or the deposit thereof with the overnight courier, as applicable. Any notice refused shall be deemed received as of the date of such refusal.

9. Default. Any claim that Utility or Developer is in default or breach of this Agreement shall be in writing and notice of such alleged breach or default shall be given pursuant to Section 8 above. No default shall become effective until twenty (20) days after the actual or deemed receipt of notice of such default by the party claimed to be in default such that such party shall have an opportunity to cure the alleged default.

10. Risk of Loss: Indemnification. Until Utility has issued its written notice of acceptance of the Facilities constructed by Developer hereunder, all risk of loss with respect to the Facilities shall remain with Developer. Developer shall indemnify and hold Utility and its officers, directors, employees and agents harmless for, from and against all claims or other liability, whether actually asserted or threatened, arising out of or related to Developer's construction of the Facilities hereunder. Developer's obligations under this Paragraph shall not extend to any claims or liability arising out of Utility's ownership and operation of the Facilities following their acceptance.

11. Utility's Obligation to Serve. Utility shall have no obligation to accept and operate the Facilities to be constructed hereunder in the event Developer, after notice and the expiration of the applicable cure period: (i) fails to make any payment provided in this Agreement, (ii) fails to complete the construction and installation of the Facilities in accordance with their plans and specifications, or (iii) otherwise fails to comply with any of the terms and conditions of this Agreement in any material respect. Further, it is understood by Developer that Utility shall have no obligation to accept and operate the Facilities to be constructed hereunder in the event Utility does not receive necessary approvals to extend its sewer utility service to the Property as contemplated in Paragraph 13 below; provided, however, Utility hereby covenants and agrees to promptly, diligently and in good faith pursue all such necessary approvals. Subject to the foregoing and following receipt of necessary approvals as contemplated in Paragraph 13 below, Utility shall promptly provide sewer utility service to the property upon completion and acceptance of the Facilities and payment by Developer on all amounts pursuant to Sections 1, 2, 3 and 6.a herein above.

12. Right of Assignment. Developer may assign this Agreement, or any of its rights and obligations hereunder, to another party provided that such assignment is made in connection with the sale of the Property and further provided that Developer first receives written consent of such assignment from Utility prior to the effective date of the assignment, which consent shall not be unreasonably withheld, conditioned or delayed; provided, however, that Developer acknowledges that Utility may, in its sole discretion, require that the assignee agree and consent in writing to fully perform all Developer's obligations hereunder in Developer's place and stead as if said assignee is an original party hereto, to be bound by this Agreement and to require that the assignee demonstrate financial ability to timely discharge Developer's obligations hereunder.

Upon execution of such agreement and consent by assignee and confirmation by Utility of assignee's financial ability to timely discharge Developer's obligations hereunder, Developer will be released from any and all liability or obligation under this Agreement.

13. Extension of Utility's CC&N and Other Approvals. Utility shall seek authority from the Commission for the extension of its CC&N to include the Property in Utility's CC&N promptly after the granting of its initial CC&N. All of Developer's obligations under this Agreement shall be conditioned upon Utility receiving: (i) authority from the Commission to include the Property in Utility's certificated service area; (ii) an extension of its Pinal County Franchise to include Property; and (iii) an amendment to the CAAG 208 Plan that will allow Utility to provide wastewater treatment service to Property and to expand its wastewater treatment plant to 450,000 gallons per day. All amounts paid to or advanced by Developer pursuant to this Agreement shall be reimbursed by Utility in the event Utility does not receive necessary authority to provide wastewater service to Property within 15 months from the date of execution of this Agreement, except for Administrative Costs reasonably and necessarily incurred by Utility in preparing this Agreement and pursuing Utility's application to extend its CC&N and Pinal County Franchise, as well as its APP and AzPDES permit amendments. Developer hereby consents to and approves inclusion of the Property in Utility's CC&N. Further, Developer covenants and agrees to support Utility's application to extend its CC&N, and shall, upon request by Utility, provide testimony and/or public comment supporting Utility's application in connection with any proceeding before the Commission. The foregoing notwithstanding, if Utility has not received the necessary authority to provide wastewater service to the Property within fifteen (15) months from the date of execution of this Agreement, Developer may, at any time thereafter prior to Utility's receiving such authority, terminate this

Agreement upon not less than ten (10) days prior written notice to Utility. Upon any such termination by Developer, the consent herein given to include the Property in Utility's CC&N shall automatically be deemed revoked.

14. Alternative Dispute Resolution. The parties hereto agree that each will use good faith efforts to resolve, through negotiation, disputes arising hereunder without resorting to mediation, arbitration or litigation. If the parties fail to resolve the dispute within sixty (60) days, either party may submit the matter to mandatory and binding arbitration in accordance with the rules of the American Arbitration Association currently in effect unless the parties mutually agree otherwise or commence litigation in a court or other tribunal of appropriate jurisdiction.

15. Commission Rules and Regulations. This Agreement, and all rights and obligations hereunder, shall be subject to the Commission's rules and regulations regarding the operation of sewer utility company (A.A.C. R14-2-601, *et seq.*) and all applicable rates, fees, charges, and tariffs of Utility relating to sewer utility service as approved by the Commission or as may be modified in the future.

16. Attorneys' Fees. The prevailing party in any litigation or other proceeding concerning or related to this Agreement, or the enforcement of thereof, shall be entitled to recover its costs and reasonable attorneys' fees.

17. Miscellaneous. This Agreement shall be governed by the laws of the State of Arizona. This Agreement, and each and every term and condition contained herein, shall be binding upon and inure to the benefit of the successors and assigns of Utility and Developer. This Agreement sets forth the entire agreement between the parties and supersedes all prior negotiations, understandings and agreements between them, except as otherwise expressly

provided herein. No change in, addition to, or waiver of any provisions of this Agreement shall be binding upon either party unless in writing and signed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ENTRADA DEL ORO SEWER CO.
An Arizona public service corporation
"Utility"

By_____

Its President

RANCH 160, LLC
an Arizona limited liability corporation
"Developer"

By_____

Its MANAGING MEMBER

SCHEDULE OF EXHIBITS

Exhibit "A"	Legal Description of approximately 160 acres owned by Developer ("Property")
Exhibit "B"	Description of the on-site facilities to be constructed by Developer
Exhibit "C"	Description of the off-site facilities to be constructed by Developer.
Exhibit "D"	Estimated Budget for Wastewater Treatment Plant Expansion from 300,000 gpd to 450,000 gpd.

EXHIBIT A
LEGAL DESCRIPTION
RANCH 160

LEGAL DESCRIPTION

THAT PORTION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 AND THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA MORE PARTICULARY DESCRIBED AS FOLLOWS:

COMMENCING AT THE EAST QUARTER CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 6, BEING A 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 BEARS SOUTH 00°48'00" EAST, A DISTANCE OF 2654.73 FEET, SAID POINT BEING THE POINT OF BEGINNING.

THENCE ALONG THE SOUTH LINE OF THE SOUTHEAST QUARTER OF SAID SECTION 6, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, SOUTH 89°39'15" WEST, A DISTANCE OF 1324.50 FEET TO THE EAST 1/16TH CORNER, A FOUND 1/2 INCH REBAR;

THENCE ALONG THE WEST LINE OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 6, NORTH 00°48'07" WEST, A DISTANCE OF 2656.74 FEET TO A FOUND 1/2 INCH REBAR AT THE CENTER-EAST 1/16TH CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 6;

THENCE NORTH 89°44'27" EAST ALONG THE EAST-WEST MID-SECTION LINE, A DISTANCE OF 1324.61 FEET TO A FOUND 3 INCH PINAL COUNTY BRASS CAP STAMPED 1962 AT THE EAST CORNER OF SAID SECTION 6;

THENCE NORTH 89°27'10" EAST ALONG THE NORTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5 A DISTANCE OF 1327.27 FEET TO A FOUND 3/4 INCH PIPE AT THE CENTER-WEST 1/16TH CORNER OF THE SOUTHWEST QUARTER OF SAID SECTION 6;

THENCE SOUTH 00°47'37" EAST ALONG THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, A DISTANCE OF 2654.99 FEET TO A FOUND 1/2 INCH REBAR WITH A TAG STAMPED LS 2217 AT THE WEST 1/16TH CORNER OF SAID SOUTHWEST QUARTER OF SECTION 5;

THENCE SOUTH 89°27'49" WEST ALONG THE SOUTH LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SAID SECTION 5, ALSO BEING THE CENTERLINE OF RANCH 160 BOULEVARD, A DISTANCE OF 1325.98 TO THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING THE POINT OF BEGINNING;

CONTAINING 7,038,176 SQUARE FEET (161.57 ACRES) MORE OR LESS

EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHEAST QUARTER OF SECTION 6, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT

RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID SECTION 6, SAID POINT BEING A BRASS CAP;

THENCE SOUTH 89°39'15" WEST ALONG THE SOUTH LINE OF SAID SECTION 6, A DISTANCE OF 220.63 FEET TO A POINT;

THENCE NORTH 00°01'45" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°01'45" WEST, A DISTANCE OF 99.44 FEET TO A POINT ON A 50 FOOT RADIUS OF NON-TANGENT CURVE, CONCAVE TO THE NORTHWEST, WHOSE RADIAL BEARING IS NORTH 20°39'23" EAST;

THENCE EASTERLY ALONG THE ARC OF SAID CURVE, THROUGH A CENTRAL ANGLE OF 104°47'58", A DISTANCE OF 91.45' TO A POINT;

THENCE SOUTH 84°08'35" EAST, A DISTANCE OF 101.34 FEET TO A POINT 50.00 FEET WEST OF THE EAST LINE OF SECTION 6;

THENCE SOUTH 00°48'00" EAST, A DISTANCE OF 129.77 FEET, RUNNING 50.00 FEET WEST AND PARALLEL WITH THE EAST LINE OF SAID SECTION 6 TO A POINT LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 6;

THENCE SOUTH 89°39'15" WEST, A DISTANCE OF 169.96 FEET, RUNNING 50.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 6 TO THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

ALSO, EXCEPTING A PARCEL OF LAND SITUATED WITHIN THE SOUTHWEST QUARTER OF SECTION 5, TOWNSHIP 2 SOUTH, RANGE 10 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, PINAL COUNTY, ARIZONA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 5, SAID POINT BEING A BRASS CAP;

THENCE NORTH 89°27'49" EAST ALONG THE SOUTH LINE OF SAID SECTION 5, A DISTANCE OF 1207.43 FEET TO A POINT;

THENCE NORTH 00°32'11" WEST, A DISTANCE OF 50.00 FEET TO THE POINT OF BEGINNING;

THENCE CONTINUING NORTH 00°32'11" WEST, A DISTANCE OF 131.55 FEET TO A POINT;

THENCE NORTH 89°27'49" EAST, A DISTANCE OF 117.73 FEET TO A POINT;

THENCE SOUTH 00°47'37" EAST, A DISTANCE OF 131.55 FEET TO A POINT LYING 50.00 FEET NORTH OF THE SOUTH LINE OF SAID SECTION 5;

THENCE SOUTH 89°27'49" WEST, A DISTANCE OF 118.33 FEET, RUNNING 50.00 FEET NORTH OF AND PARALLEL WITH THE SOUTH LINE OF SAID SECTION 5 TO THE POINT OF BEGINNING;

EXCEPTING ALL URANIUM, THORIUM OR OTHER MATERIALS WHICH ARE OR MAY BE DETERMINED TO BE PECULIARLY ESSENTIAL TO THE PRODUCTION OF FISSIONABLE MATERIALS, AS RESERVED IN THE PATENT TO THE LAND.

EXHIBIT B
ON-SITE SEWER
RANCH 160

On site sewer system to serve 550 lots consisting of approximately:

18,800 lineal feet of 8" sewer

230 lineal feet of 10" sewer

70 manholes.

EXHIBIT C
OFF-SITE SEWER
RANCH 160

Off-site sewer to serve 550 lots at Ranch 160:

Approximately 19,000 lineal feet of 8" force main

38 manholes.

A lift station

EXHIBIT D

Estimated Budget for Wastewater Treatment Plant Expansion

$25,000	excavation
$558,000	3rd train tank, equipment and covers
$50,000	engineering and inspection
$29,150	construction management
$40,810	direct job costs at 7%
$37,900	sales tax
$58,300	10% misc. and contingency
$799,160	estimated total

EXHIBIT

"4"

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN EXTENSION OF CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER AND/OR SEWER

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

Entrada Del Oro Sewer Company
11811 N. Tatum Blvd, Suite 1060
Phoenix, Arizona 85028
602-867-6501

B. The name, address and telephone number of management contact is:

Chuck Kennedy
Entrada Del Oro Sewer Company
11811 N. Tatum Blvd, Suite 1060
Phoenix, Arizona 85028
602-867-6501

Paul and Kris Hendricks
EUSI, LLC
4501 W. Tierra Buena Lane
Glendale, Arizona 85306
602.548.4135

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

Paul and Kris Hendricks
EUSI, LLC
4501 W. Tierra Buena Lane
Glendale, Arizona 85306
602.548.4135

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

Michael W. Patten
Roshka, DeWulf & Patten, PLC
One Arizona Center, 400 East Van Buren Street, Suite 800

Phoenix, Arizona 85004
602.256.6100

E. Attach the following documents that apply you:

1. Certificate of Good Standing (if corporation)

Attached as Exhibit "1" to Application.

2. Corporate Resolution Authorizing this application (if required by the corporation's Articles of Incorporation)

Not Required.

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

Attached As Exhibit "2" to Application.

G. Attach a detailed map using the form provided as attachment B. Shade and outline the area requested. Also indicate the present certificated area by using different colors.

See Attachment G.

H. Attach a current balance sheet and profit and loss statement.

To be late filed upon preparation of 2006 2Q Report.

I. Provide the following information:

1. Indicate the estimated number of customers, by class, to be served in the new area in each of the next five years:

Residential:

First Year **50** Second Year **150** Third Year **250** Fourth Year **350**

Fifth Year **450**

Commercial: N/A

First Year Second Year _____Third Year _____Fourth Year
Fifth Year

Industrial: N/A

First Year Second Year _____Third Year _____Fourth Year
Fifth Year

Irrigation: N/A

First Year Second Year _____Third Year _____Fourth Year

Fifth Year

Other: (specify) **School service not within first 5 years**

First Year Second Year _____Third Year _____Fourth Year

Fifth Year

2. (WATER ONLY) Indicate the projected annual water consumption, in gallons, for each of the customer classes in the new area for each of the next five years:

Residential:

First Year N/A Second Year _____Third Year _____

Fourth Year _____Fifth Year _____

Commercial:

First Year N/A Second Year _____Third Year _____

Fourth Year _____ Fifth Year _____

Industrial:

First Year N/A Second Year_____Third Year _____

Fourth Year _____ Fifth Year _____

Irrigation:

First Year N/A Second Year _____ Third Year _____

Fourth Year_____ Fifth Year_____

3. Indicate the total estimated annual operating revenue from the new area for each of the next five years:

First Year **$42,000** Second Year **$126,000** Third Year **$210,000**
Fourth Year **$294,000** Fifth Year **$378,000**

- **Complete Attachment "D" (Water Use Data Sheet) for the past 13 months**

N/A

4. Indicate the total estimated annual operating expenses attributable to the new area for each of the next five years:

First Year **$46,950** Second Year **$93,900** Third Year **$93,900**
Fourth Year **$93,900** Fifth Year **$93,900**

J. Total estimated cost to construct utility facilities to serve customers in the requested area:

$800,000 for additional treatment capacity (150,000gpd expansion)

$1,500,000 (est.) for on-site collection system and connection main as described in MXA, Exs. B and C

K. Explain method of financing utility facilities (see paragraph 8 of instructions)

Main Extension Agreement containing both advances and contributions in aid of construction by developer

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

Starting date: Second Quarter of 2007 for collection system and connection main

Completion date: Third Quarter of 2007 for collection system and connection main

M. Attach the following permits:

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

Application will be provided as a late-filed exhibit.

2. Arizona Department of Environmental Quality or designee's approval to construct facilities.

Will be provided when available.

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.

5. (WATER ONLY) If the area requested is within an Active Management Area, attach a copy of, either the utility's Designation of an Assured Water Supply, or the developer's Certificate of 100 Year Assured Water Supply issued by the Arizona Department of Water Resources.

N/A

- If the area requested is outside an Active Management Area, attach the developer's Adequacy Statement issued by the Arizona Department of Water Resources if applied for by the developer.

- If the area requested is outside an Active Management Area and the developer does not obtain an Adequacy Statement, provide sufficient detailed information to prove that adequate water exists to provide water to the area requested.

EXHIBIT

"G"

proposed CC&N expansion

ATTACHMENT "B"

COUNTY	SECTION	TOWNSHIP	RANGE
Pinal	6	2 South	10 East

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Type or Print Description Here:

Please see attached legal - Exhibit 2 to Application

Existing CC&N

ATTACHMENT "B"

COUNTY	SECTION	TOWNSHIP	RANGE
Pinal	30	1 South	10 East

6	5	4	3	2	1
7	8	9	10	11	12
18	17	16	15	14	13
19	20	21	22	23	24
30	29	28	27	26	25
31	32	33	34	35	36

Type or Print Description Here:

Please See attached legal

EXHIBIT A

LEGAL DESCRIPTION
ENTRADA DEL ORO
PINAL COUNTY, ARIZONA

Government Lots 1, 2, and 3, the Southeast quarter of the Southwest quarter, the Southeast quarter of the Northwest quarter, the Northeast quarter of the Southwest quarter, the South half of the Northeast quarter, the Northeast quarter of the Northwest quarter, and the North half of the Northeast quarter of Section 30, Township 1 South, Range 10 East, of the Gila and Salt River Base and Meridian, Pinal County, Arizona, described as follows:

Commencing at the Southwest corner of Section 30, said point being a found G.L.O. brass cap, thence North 0 degrees 52 minutes 48 seconds East, 1319.82 feet along the west line of Section 30 to the Southwest corner of GLO Lot 3, said point being the POINT OF BEGINNING;
thence North 0 degrees 52 minutes 48 seconds East, 1319.82 feet to the West quarter corner of Section 30, said point being a found G.L.O. brass cap;
thence North 0 degrees 51 minutes 03 seconds East, 2641.20 feet to the Northwest corner of Section 30;
thence South 89 degrees 03 minutes 34 seconds East, 2788.95 feet to the North quarter corner of Section 30;
thence South 89 degrees 03 minutes 34 seconds East, 2637.30 feet to the Northeast corner of Section 30;
thence South 1 degrees 01 minutes 42 seconds West, 2634.15 feet to the East quarter corner of Section 30;
thence North 89 degrees 08 minutes 02 seconds West, 2633.33 feet to the Center of Section 30;
thence South 0 degrees 56 minutes 31 seconds West, 2640.91 feet to the South quarter corner of Section 30;
thence North 89 degrees 06 minutes 28 seconds West, 1318.75 feet to the Southwest corner of the Southeast quarter of the Southwest quarter of Section 30;
thence North 0 degrees 56 minutes 35 seconds East, 1320.15 feet to the Southeast corner of GLO Lot 3;
thence North 89 degrees 07 minutes 15 seconds West, 1464.61 feet to the Southwest corner of GLO Lot 3 and the POINT OF BEGINNING.

Containing 452.671 acres, more or less, and being subject to easements of record.

REGISTERED LAND SURVEYOR
CERTIFICATE NO.
21071
MARTY F.
KENNEDY
Date Signed 7/8/03
ARIZONA, U.S.A.