

ORIGINAL



0000126509

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW

P. O. BOX 1448  
TUBAC, ARIZONA 85646

(520) 398-0411  
FAX: (520) 398-0412  
EMAIL: TUBACLAWYER@AOL.COM

OF COUNSEL TO  
MUNGER CHADWICK, P.L.C.

ADMITTED TO PRACTICE IN:  
ARIZONA, COLORADO, MONTANA,  
NEVADA, TEXAS, WYOMING,  
DISTRICT OF COLUMBIA

May 18, 2011

Arizona Corporation Commission  
DOCKETED

JUN 20 2011

DOCKETED BY

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

ARIZONA CORPORATION  
COMMISSION  
DOCKET CONTROL

2011 JUN 20 P 2:03

RECEIVED

Re: Docket No. W-20689A-09-0327  
and Docket No. W-04236A-09-0327

Decision No. 72002 – Compliance Filings

To Whom It May Concern:

This letter and the enclosed materials are intended to provide a status report on compliance with the Ordering Paragraphs of Decision No. 72002, as issued by the Commission on December 10, 2010.

In that regard, the First and Second Ordering Paragraphs of Decision No. 72002 do not require any type of compliance filing; and, Gary Smyth (“Smyth”) is charging the rates and charges for water service previously authorized for the Tierra Linda Homeowners Association, Inc. (“HOA”) by the Commission in connection with the water system assets and operations he acquired on April 11, 2011. Accordingly, Smyth and the HOA are in compliance with those provisions of the aforesaid decision.

Pursuant to the Third Ordering Paragraph of the Commission’s Decision No. 72002, enclosed as Appendix “A” are ~~(i) one (1) hard copy~~ <sup>of</sup> of the documentation transferring ownership of the HOA’s water system assets to Smyth, ~~and (ii) one (1) CD containing all of such documentation.~~ In addition, a copy of both the hard copy documentation and the CD are concurrently being mailed to Kimberly Battista in the Compliance Section in the Commission’s Utilities Division.

In addition, pursuant to the Fourth Ordering Paragraph of Decision No. 72002, enclosed as Appendix “B” are fifteen (15) copies of email correspondence between the United States Department of Veterans Affairs (“Veterans Affairs”) and an attorney for the HOA (Thomas M.

Docket Control, Arizona Corporation Commission  
May 18, 2011  
Page 2 of 2

Pace) within which Veterans Affairs informs Mr. Pace that Veterans Affairs has concluded that Veteran Affairs does not need to approve the amendment to the Tierra Linda Nueva Subdivision CC&Rs, which authorized the HOA to sell its water system assets to Smyth. A copy of this email correspondence is also being mailed to Ms. Battista.

With reference to the Fifth Ordering Paragraph of Decision No. 72002, Smyth will shortly file an application with Pima County, Arizona requesting either (i) transfer of the water utility franchise previously granted to the HOA to Smyth, or (ii) granting a replacement Public Utility License Agreement to Smyth. Copies of that application will thereafter be filed with Docket Control and mailed to Ms. Battista.

Furthermore, on January 20, 2011, the HOA filed with Docket Control the proposed Curtailment Tariff which was the subject of the Sixth Ordering Paragraph of Decision No. 72002.

Finally, pursuant to the Seventh Ordering Paragraph of Decision No. 72002, enclosed as Appendix "C" are fifteen (15) copies of page 12 of the 2010 Utilities Division Annual Report for the HOA. As may be determined therefrom, the water loss experienced during 2010 was less than ten percent (10%). Thus, no further action would appear to be necessary with respect to this compliance condition. A copy of this document is also being mailed to Ms. Battista.

Thank you for your assistance in connection with the foregoing and the enclosed materials. Please let me know if you have any questions.

Sincerely,

  
Lawrence V. Robertson, Jr.

cc: Kimberly Battista, w-enclosures  
Hon. Belinda A. Martin, w/o enclosures

# Appendix “A”

## **LIST OF ITEMS ON DISK**

Affidavit of Property Value-Ticor/Smyth  
Affidavit of Property Value-Tierra /Smyth  
Affidavit No Liens  
Asset Purchase Agreement  
Certificate Re RUCO ACC  
Closing funds receipt  
Closing Statement-Final  
Closing Statement-Executed  
Commitment for Title Insurance  
Corporate Resolution  
Deed-buyer approved  
Deed-Beneficiary approved  
Deed-Ticor/Smyth  
Deed-Tierra Linda/Smyth  
Disclaimer Deed  
Escrow Terms and Conditions  
FIRPTA  
First amendment to CCR-1<sup>st</sup> Rec  
First amendment to CCR-2<sup>nd</sup> Rec  
First Amendment –Asset Purchase  
Joint Application  
Owners Affidavit  
Proceeds  
Request to Change Well Information  
Special Warranty Deed - Ticor  
Supplemental Escrow Instructions  
Warranty Bill of Sale  
Water Management Operations

**TITLE SECURITY AGENCY OF ARIZONA  
JUDY SUSALLA  
2730 E. BROADWAY BLVD SUITE 400  
TUCSON, ARIZONA 85716  
Phone. 520-747-1644  
Fascimile. 520-747-1403**

**ESCROW NO. 400-19666 JS**



*First American Title*

Commitment for Title Insurance

ISSUED BY

First American Title Insurance Company

**Commitment**

File No.: 400-19666

**First American Title Insurance Company**, a California corporation ("Company"), for a valuable consideration, commits to issue its policy or policies of title insurance, as identified in Schedule A, in favor of the Proposed Insured named in Schedule A, as owner or mortgagee of the estate or interest in the land described or referred to in Schedule A, upon payment of the premiums and charges and compliance with the Requirements; all subject to the provisions of Schedules A and B and to the Conditions of this Commitment.

This Commitment shall be effective only when the identity of the Proposed Insured and the amount of the policy or policies committed for have been inserted in Schedule A by the Company.

All liability and obligation under this Commitment shall cease and terminate 180 days after the Effective Date or when the policy or policies committed for shall issue, whichever first occurs, provided that the failure to issue the policy or policies is not the fault of the Company.

The Company will provide a sample of the policy form upon request.

In Witness Whereof, **First American Title Insurance Company** has caused its corporate name and seal to be affixed by its duly authorized officers on the date shown in Schedule A.

**First American Title Insurance Company**



Dennis J. Gilmore  
President

Timothy Kemp  
Secretary

ISSUED BY

**Title Security Agency of Arizona**  
as agent for **First American Title Insurance Company**

(This Commitment is valid only when Schedules A and B are attached) document.

This jacket was created electronically and constitutes an original

Copyright 2006-2009 American Land Title Association. All rights reserved. The use of this form is restricted to ALTA licensees and ALTA members in good standing as of the date of use. All other uses are prohibited. Reprinted under license from the American Land Title Association.

## CONDITIONS

1. The term mortgage, when used herein, shall include deed of trust, trust deed, or other security instrument.
2. If the proposed Insured has or acquired actual knowledge of any defect, lien, encumbrance, adverse claim or other matter affecting the estate or interest or mortgage thereon covered by this Commitment other than those shown in Schedule B hereof, and shall fail to disclose such knowledge to the Company in writing, the Company shall be relieved from liability for any loss or damage resulting from any act of reliance hereon to the extent the Company is prejudiced by failure to so disclose such knowledge. If the proposed Insured shall disclose such knowledge to the Company, or if the Company otherwise acquires actual knowledge of any such defect, lien, encumbrance, adverse claim or other matter, the Company at its option may amend Schedule B of this Commitment accordingly, but such amendment shall not relieve the Company from liability previously incurred pursuant to paragraph 3 of these Conditions.
3. Liability of the Company under this Commitment shall be only to the named proposed Insured and such parties included under the definition of Insured in the form of policy or policies committed for and only for actual loss incurred in reliance hereon in undertaking in good faith (a) to comply with the requirements hereof, or (b) to eliminate exceptions shown in Schedule B, or (c) to acquire or create the estate or interest or mortgage thereon covered by this Commitment. In no event shall such liability exceed the amount stated in Schedule A for the policy or policies committed for and such liability is subject to the insuring provisions and Conditions and the Exclusions from Coverage of the form of policy or policies committed for in favor of the proposed Insured which are hereby incorporated by reference and are made a part of this Commitment except as expressly modified herein.
4. This Commitment is a contract to issue one or more title insurance policies and is not an abstract of title or a report of the condition of title. Any action or actions or rights of action that the proposed Insured may have or may bring against the Company arising out of the status of the title to the estate or interest or the status of the mortgage thereon covered by this Commitment must be based on and are subject to the provisions of this Commitment.
5. The policy to be issued contains an arbitration clause. All arbitrable matters when the Amount of Insurance is \$2,000,000 or less shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. You may review a copy of the arbitration rules at < <http://www.alta.org/>>.



*First American Title*

Commitment for Title Insurance

BY

First American Title Insurance Company

**Schedule A**

File No.: 400-19666

1. Effective Date: 03/22/2011 at 7:30 AM, Amendment Date: 04/04/2011, Amendment No.: 2
2. Policy (or Policies) to be issued: AMOUNT
  - a. **ALTA Standard Owners Policy (10-17-92)** **\$30,000.00**  
Proposed Insured:  
**Gary Smyth, a married man, as his sole and separate property**
  - b. **None** **\$**  
Proposed Insured:
  - c. **None** **\$**  
Proposed Insured:

3. The estate or interest in the land described or referred to in this Commitment is **fee**

4. Title to the estate or interest in the land is at the Effective Date vested in:  
**Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation, as to Parcel 1 and Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258, as to Parcel 2**

5. The land referred to in this Commitment is described as follows:  
**See Exhibit A attached hereto and made a part hereof.**

Countersigned:

By: \_\_\_\_\_  
Authorized Officer or Agent  
(This Schedule A valid only when Schedule B is attached.)

**Note:** Please direct all inquiries and correspondence to **Judy Susalla**, Title Security Agency of Arizona, issuing agent for First American Title Insurance Company  
**2730 E. Broadway Suite 100**, P. Jacquemain/PJ  
**Tucson, AZ 85716**, Title Officer  
Phone: **(520)747-1644**, PJ  
Typist

 <b>First American Title</b>	Commitment for Title Insurance
	BY <b>First American Title Insurance Company</b>
<b>Exhibit A</b>	

File No.: 400-19666

LEGAL DESCRIPTION

Parcel 1:

**WELL SITE** located Southeast of Lot 20, TIERRA LINDA, a subdivision according to the map or plat thereof of record in the office of the county Recorder of Pima county, Arizona, in Book 17 of Maps and Plats at page 92.

Parcel 2:

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

**BEGINNING** at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

**THENCE** from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

**THENCE** from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

**THENCE**, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

**THENCE**, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

**THENCE** leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.



*First American Title*

Commitment for Title Insurance

BY

**First American Title Insurance Company**

**Schedule BI**

File No.: 400-19666

**REQUIREMENTS**

The following requirements must be satisfied:

- (a) Payment of the necessary consideration for the estate or interest to be insured.
- (b) Pay all premiums, fees and charges for the policy.
- (c) Documents creating the estate or interest to be insured, must be properly executed, delivered and recorded,
- (d) Payment of all taxes and/or assessments levied against the subject premises which are due and payable.

1. TAX NOTE:

Year	2010
Parcel No.	215-29-0530
Total Tax	\$11.78
First Half	\$Paid
Second Half	\$Paid

(Parcel 1)

2. TAX NOTE:

Year	2010
Parcel No.	215-29-054B
Total Tax	\$Exempt

(Parcel 2)

- 3. Requirement intentionally deleted.
- 4. Requirement intentionally deleted.
- 5. Requirement intentionally deleted.
- 6. Approval in writing by the parties to this transaction of the legal description used in this report.  
APPROVED: \_\_\_\_\_

7. FURNISH currently certified copy of a Resolution of the Board of Directors of the Corporation named below, authorizing the execution and delivery by the proper officers of all instruments required to consummate this transaction. Said certification must be by an officer other than the officer(s) authorized to sign and must state that the Resolution has not been revoked:

Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation

**SCHEDULE BI**  
**(Continued)**

8. Property herein appears to be free and clear of liens. Please verify. Further requirements may be deemed necessary upon said disclosure.
9. Requirement satisfied.
10. RECORD Deed from Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation, as to Parcel 1 and Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258, as to Parcel 2 to Gary Smyth, a married man, as his sole and separate property.

NOTE: ARS 11:1133 may require the completion and filing of an Affidavit of Value.

COMPLIANCE with Section 33-404 A.R.S., which states essentially that the names and addresses of the beneficiaries under a trust must appear on the face of any conveyance of Real Property wherein the Grantor or Grantee is named Trustee.

11. RECORD disclaimer Deed from \_\_\_\_\_, spouse of Gary Smyth to Gary Smyth.

Note: Title is vested in Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation by Quitclaim Deed recorded January 12, 1996 in Docket 10209, page 2026, as to Parcel 1 and Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258, by QuitClaim Deed recorded August 27, 2004 in Docket 12375, page 227 and re-recorded November 19, 2004 in Docket 12432, page 728, as to Parcel 2.



*First American Title*

Commitment for Title Insurance

BY

**First American Title Insurance Company**

**Schedule BII**

File No.: 400-19666

**EXCEPTIONS**

Printed exceptions and exclusions from coverage are contained in the policy or policies to be issued. Copies of the policy forms should be read. They are available from the office that issued this commitment.

1. TAXES AND ASSESSMENTS collectible by the County Treasurer, a lien not yet due and payable for the following year:

2011

2. Reservations or exceptions in Patents or in Acts authorizing the issuance thereof.
3. EASEMENTS, restrictions, reservations and conditions as set forth on the recorded plat of said subdivision in Book 17 of Maps and Plats at page 92.

Thereafter, as amended by instruments recorded in Docket 12345, page 2208, Docket 12375, page 227 re-recorded in Docket 12432, page 728, in Docket 12375, page 232 and in Docket 13087, page 939.

4. Resolution No. 1991-210 by the Pima County Board of Supervisors authorizing a franchise for Tierra Linda Water Company Inc. recorded in Docket 9144, page 460.
5. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, llabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Docket	9330
Page	1524
Re-recorded in Docket	9340
Page	1835
Docket	12419
Page	521
Docket	12559
Page	2096
Re-recorded in Docket	12612
Page	7587
Docket	12875
Page	3465
Docket	13840
Page	1050

and as shown on the recorded plat of said subdivision.

**SCHEDULE BII**  
**(Continued)**

- 6. RESTRICTIONS, CONDITIONS, COVENANTS, RESERVATIONS, including but not limited to any recitals creating easements, liabilities, obligations or party walls, omitting, if any, from the above, any restrictions based on race, color, religion sex, handicap, familial status or national origin contained in instrument:

Docket 12204  
Page 738

- 7. AGREEMENT according to the terms and conditions contained therein:

Purpose Membership in the Central Arizona Groundwater Replenishment  
District  
Docket 12204  
Page 744

- 8. EASEMENT and rights incident thereto, as set forth in instrument:

Recorded in Docket 12657  
Page 954  
Purpose electric and communication lines and facilities

- 9. Intentionally Omitted.

- 10. Intentionally Omitted.

- 11. Any matters which may arise by reason of the Pima County Assessor's Office failure to accurately vest title in correct owner as to Parcel 2.



*First American Title*

## Privacy Information

### We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our subsidiaries we have adopted this Privacy Policy to govern the use and handling of your personal information.

### Applicability

This Privacy Policy governs our use of the information that you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its Fair Information Values.

### Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

### Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

### Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

### Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's Fair Information Values. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

### Information Obtained Through Our Web Site

First American Financial Corporation is sensitive to privacy issues on the Internet. We believe it is important you know how we treat the information about you we receive on the Internet.

In general, you can visit First American or its affiliates' Web sites on the World Wide Web without telling us who you are or revealing any information about yourself. Our Web servers collect the domain names, not the e-mail addresses, of visitors. This information is aggregated to measure the number of visits, average time spent on the site, pages viewed and similar information. First American uses this information to measure the use of our site and to develop ideas to improve the content of our site.

There are times, however, when we may need information from you, such as your name and email address. When information is needed, we will use our best efforts to let you know at the time of collection how we will use the personal information. Usually, the personal information we collect is used only by us to respond to your inquiry, process an order or allow you to access specific account/profile information. If you choose to share any personal information with us, we will only use it in accordance with the policies outlined above.

### Business Relationships

First American Financial Corporation's site and its affiliates' sites may contain links to other Web sites. While we try to link only to sites that share our high standards and respect for privacy, we are not responsible for the content or the privacy practices employed by other sites.

### Cookies

Some of First American's Web sites may make use of "cookie" technology to measure site activity and to customize information to your personal tastes. A cookie is an element of data that a Web site can send to your browser, which may then store the cookie on your hard drive.

FirstAm.com uses stored cookies. The goal of this technology is to better serve you when visiting our site, save you time when you are here and to provide you with a more meaningful and productive Web site experience.

### Fair Information Values

**Fairness** We consider consumer expectations about their privacy in all our businesses. We only offer products and services that assure a favorable balance between consumer benefits and consumer privacy.

**Public Record** We believe that an open public record creates significant value for society, enhances consumer choice and creates consumer opportunity. We actively support an open public record and emphasize its importance and contribution to our economy.

**Use** We believe we should behave responsibly when we use information about a consumer in our business. We will obey the laws governing the collection, use and dissemination of data.

**Accuracy** We will take reasonable steps to help assure the accuracy of the data we collect, use and disseminate. Where possible, we will take reasonable steps to correct inaccurate information. When, as with the public record, we cannot correct inaccurate information, we will take all reasonable steps to assist consumers in identifying the source of the erroneous data so that the consumer can secure the required corrections.

**Education** We endeavor to educate the users of our products and services, our employees and others in our industry about the importance of consumer privacy. We will instruct our employees on our fair information values and on the responsible collection and use of data. We will encourage others in our industry to collect and use information in a responsible manner.

**Security** We will maintain appropriate facilities and systems to protect against unauthorized access to and corruption of the data we maintain.

## DISCLOSURE NOTICES

### Good Funds Law

Arizona Revised Statutes Section 6-843 regulates the disbursement of escrow funds by an escrow agent. The law requires that funds be deposited in the escrow agent's escrow account and available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company in the form of cashier's checks, certified checks or teller's checks, or checks which are made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution, may be disbursed the same day as deposited. If funds are deposited with the Company by other methods, recording and/or disbursement may be delayed.

### PURCHASER DWELLING ACTIONS NOTICE

Pursuant to Arizona Revised Statutes Section 12-1363.N, notice is hereby provided to the purchaser of a dwelling of the provisions of Arizona Revised Statutes Sections 12-1361, 1362 and 1363. These statutory sections set forth the requirements to be met by a purchaser prior to bringing an action against the seller of a dwelling arising out of or related to the design, construction, condition or sale of the dwelling. "Dwelling" means a single or multifamily unit designed for residential use and common areas and improvements owned or maintained by an association or its members. "Seller" means any person, firm, partnership, corporation, association or other organization engaged in the business of designing, constructing or selling dwellings. The complete statutory sections can be viewed on the Arizona State Legislature's web site: [www.azleg.state.az.us/ars/ars.htm](http://www.azleg.state.az.us/ars/ars.htm).

### NOTICE:

Pursuant to Arizona Revised Statutes 11-480, effective January 1, 1991, the County Recorder may not accept documents for recording that do not comply with the following:

- a Print must be ten-point type (pica) or larger.
- b Margins of at least one-half inch along the left and right sides one-half inch across the bottom and at least two inches on top for recording and return address information.
- c Each instrument shall be no larger than 8 ½ inches in width and 14 inches in length.

**NOTICE OF TITLE POLICY DISCOUNTS**  
**Residential Resale and Refinance Transactions – Arizona**

**Escrow No.: 400-19666**

Please note certain discounts sometimes apply to reduce title insurance premiums. You should review the possible discounts listed below and tell your escrow officer if you think any apply. For some of the discounts, you may be asked to provide additional information to allow us to verify that the discount is applicable. The discount will be subject to specific formulas filed by the Underwriter with the Arizona Department of Insurance and the location of the property.

**SHORT/LONG TERM RESALE RATE:**

There are certain discounts available if your purchase was within last 5 years and insured by us or another title company. The discount will vary depending on when you purchased your property and who insured it.

**REFINANCE RATE:**

There are certain discounts available if your current transaction is a refinance of a prior loan that was insured by us, or another title insurance company. This rate is subject to determination of loan balances in some instances, depending on the formula filed by the Underwriter being used to insure the current transaction.

**BULK INSURANCE RATE / INVESTOR RATE:**

There are certain discounts available to developers, investors, contractors or subdividers. An Investor rate is available to a person who in the ordinary course of their business invests money in real estate so that the real estate may produce a revenue, income or profit from its employment.

(MINIMUM POLICY FEES APPLY)

**Please acknowledge your understanding of the foregoing disclosure, even if no discount applies, by signing below.**

Date: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Seller/Buyer/Borrower

\_\_\_\_\_  
Signature of Seller/Buyer/Borrower

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**NOTICE  
OF  
IMPORTANT CHANGE TO ARIZONA NOTARY LAWS**

**If your client is a foreign citizen, you will want to be aware of this change.**

Arizona law currently provides that "satisfactory evidence of identity" for purposes of a notary's acknowledging signatures or performing jurats includes a "current form of identification issued by a federal, state or tribal government..." (A.R.S. 41-311.11.) Effective August 25, 2004, however, this provision has been amended to provide that the current form of identification must be issued by "the United States government or a state or tribal government..." This change means that a current form of identification issued by a foreign government, such as a foreign driver's license, will **NOT** meet the statutory identification requirements.

To avoid delays in closing transactions involving foreign citizens who may not have appropriate identification, you should determine as soon as possible what form(s) of identification your clients have. If they do not have appropriate identification, then you may wish to suggest, depending on their circumstances, that they apply for and obtain an appropriate form of U.S. or state identification.

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") by and between Tierra Linda Homeowners Association, Inc. ("Seller") and Gary Smyth, a married man dealing with his sole and separate property (on behalf of himself and his heirs and assigns) ("Buyer") is effective as of this 16<sup>th</sup> day of June 2009.

### RECITALS

A. Seller is a public service corporation under Arizona law with respect to its ownership and operation of a water utility system, and is subject to regulation by the Arizona Corporation Commission ("ACC").

B. On July 9, 2004, the ACC issued its Decision No. 67104 granting Seller a Certificate of Convenience and Necessity ("CC&N") by means of which Seller was authorized to provide water service to the public within a designated service area. A legal description and a map of the service area are attached hereto as Appendices "A" and "B," respectively, and are incorporated herein by this reference.

C. Seller is also a non-profit corporation under Arizona law, which was organized for the purpose of providing various services to residents of the Tierra Linda Nueva Subdivision ("Subdivision") in Pima County, Arizona, which residents are members of Seller. Such services include the provision of potable water service to the aforesaid residents.

D. Seller anticipates acquiring title to the water system facilities constructed by the developer of the Subdivision by means of a Water Main Extension Agreement For Developer - Installed On-Site and Off-Site Facilities that has been entered into between Seller and Tierra Linda Development, L.L.C. (herein, the "Facilities Agreement"). The approval of the Facilities Agreement (attached hereto as Appendix "C," and incorporated herein by this reference) by the ACC is a condition precedent to the legal effectiveness of the Facilities Agreement.

E. The water system which serves the Subdivision has been funded through advances in aid of construction, contributions in aid of construction and equity provided by the developer of the Subdivision.

F. The water system which serves the Subdivision may over time need significant additional capital expenditures, including a second well and possibly arsenic treatment facilities. Seller does not desire to collect reserve funds from its members for future capital expenditures, maintenance and repairs and is further desirous of conveying the existing water system to a qualified successor.

G. Buyer currently owns and is operating water utility facilities providing service to the public elsewhere in Pima County, Arizona. At present, Buyer owns and operates Lakewood Water Company in the vicinity of Amado, Arizona, which is subject to regulation by the ACC.

H. Buyer possesses the financial resources necessary to make the aforesaid capital expenditures required by Seller's water system, as and if necessary; and, Buyer is prepared to make such capital expenditures following the ACC approval of Buyer's acquisition of Seller's water system assets.

I. Seller's members are desirous of selling their water system facilities, in order to assure ongoing adequate and reliable water service to the Subdivision; and, Buyer is desirous of acquiring Seller's water utility system.

#### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and the mutual promises, covenants and agreements hereinafter contained, the parties agree as follows:

#### Section I. Definitions.

The following capitalized words used in this Agreement shall have the meanings set forth below:

Accounts Receivable: Any right to payment for services or goods provided or rendered by Seller whether or not evidenced by an instrument or chattel paper, arising out of or in any way related to the Business.

Aid in Construction Agreements: The Facilities Agreement entered into between Seller and Tierra Linda Development, LLC, a copy of which is attached as Appendix "C".

Assets: Collectively, the Real Property, Goodwill, Improvements, Equipment, Inventory, Contract Rights, Licenses, Certificates, Warranties and Guarantees, and Records owned and used by Seller in connection with the Business, to be sold by Seller and purchased by Buyer pursuant to this Agreement; provided, however, Assets shall not include Accounts Receivable and cash on hand or in any of Seller's bank/brokerage accounts at Closing.

Assignment and Assumption of Contract Rights and Intangibles: Those certain documents to be given by Seller to Buyer assigning all of Seller's interest in the Contract Rights, and the Buyer's assumption of all Seller's obligations under the Contract Rights, and assigning all of Seller's interest in the Goodwill, Licenses, Certificates, Warranties and Guarantees that are transferable to Buyer as defined below.

Bill of Sale: That certain document to be given by Seller to Buyer conveying all of Seller's interest in and to the Equipment, Inventory and Records as defined below.

Business: That certain business known as Tierra Linda Homeowners Association Water Company, which is currently owned by Seller and is engaged as a public service corporation in the sale of water for domestic, commercial and other uses in the Certificated Area pursuant to a Certificate issued by the Arizona Corporation Commission ("ACC"), and other related services in connection therewith.

Buyer: Gary Smyth, a married man dealing with his sole and separate property (on behalf of himself and his heirs and assigns).

Certificate: That certain Certificate of Convenience and Necessity issued by the ACC in Decision No. 67104, authorizing Seller to engage as a public service corporation in the sale of water for domestic, commercial and other uses in the Certificated Area.

Certificated Area: The legally described area set forth on Appendix "A" in which Seller conducts its Business, which area is more particularly shown on the map of the existing service area attached hereto as Appendix "B", which map is for the purpose of showing the boundaries of the Certificated Area.

Closing: That point in time when (a) all of Seller's obligations and Buyer's obligations hereunder have been fulfilled; (b) the Escrow Agent has received all required funds and documents from the parties; and (c) the Escrow Agent disburses the sale proceeds and records the Transfer Instruments as required by this Agreement.

Commitment: The Commitment for Title Insurance issued by Title Insurer for extended coverage title insurance showing status of title to the Real Property as of the date of the Commitment.

Contract Rights: The right to have services, goods or Equipment provided to the Business by third persons, including, without limitation, any leases of Equipment by Seller and the Aid in Construction Agreements.

Creditors: Any and all persons or entities to whom Seller owes money, goods or services.

Equipment: Tangible personal property, whether affixed or not to the Real Property, which has been acquired by or is under lease to Seller for use primarily in the Business, including but not limited to all equipment used in the operation of wells, storage reservoirs, booster stations, transmission mains and distribution systems, office equipment and motor vehicles.

Escrow Agent: Lisa Quigley, Fidelity National Title, 1630 E. River Rd., Suite 120, Tucson, Arizona 85718, Phone: (520) 382-3013, Fax: (520) 529-7026, Email: [lisa.quigley@fnf.com](mailto:lisa.quigley@fnf.com).

Feasibility Period: The period beginning upon the Opening of Escrow and ending September 20, 2009.

Goodwill: The goodwill of the Business.

Improvements: Wells, storage reservoirs, booster stations, transmission mains and distribution systems, and any other structures or tangible property used by Seller in connection with its water utility operations as described on Appendix "D."

Inventory: Goods that are held by Seller as of the Closing for the treatment of water or otherwise used or consumed in the ordinary course of operating the Business.

Licenses: Those rights to use the public rights of way of Pima County granted to Seller, as described on Appendix "E," which rights are to be transferred to Buyer at Closing.

Opening of Escrow: The date upon which a fully executed copy of this Agreement is delivered to the Escrow Agent.

Permitted Encumbrances: All matters of record approved in writing by Buyer during the Feasibility Period with respect to the Real Property.

Real Property: The real property legally described in Appendix "F" hereto, including all well sites, storage reservoirs, booster stations, transmission mains and distribution systems located within the Certificated Area, together with all easements, licenses and appurtenances pertaining thereto which are used by Seller in the Business.

Records: All of Seller's service agreements, service and repair records, water treatment records, hydrology and assured water supply studies and reports, Arizona Department of Water Resources ("ADWR") filings and correspondence, ACC filings and correspondence, Arizona Department of Environmental Quality ("ADEQ") filings and correspondence, customer data base information (including master file information, billing and payment histories, and complaints), meter reading information, and any other documents arising out of or in any way relating to the Business and the Assets.

Seller: Tierra Linda Homeowners Association, Inc.

Title Insurer: Lisa Quigley, Fidelity National Title, 1630 E. River Rd., Suite 120, Tucson, Arizona 85718, Phone: (520) 382-3013, Fax: (520) 529-7026, Email: [lisa.quigley@fnf.com](mailto:lisa.quigley@fnf.com).

Transfer Instruments: Those instruments customarily required for the transfer of the Assets, including, but not limited to:

- (i) Special Warranty Deed substantially in the form attached hereto as Appendix "G" hereto;
- (ii) Assignment and Assumption of Easements and Property Rights substantially in the form attached hereto as Appendix "H";
- (iii) Assignment of Water Rights and Well Registrations substantially in the form attached hereto as Appendix "I" hereto;
- (iv) Affidavit of Value;
- (v) Foreign Investment in Real Property Tax Act Affidavit;

- (vi) Bill of Sale substantially in the form attached hereto as Appendix "J";
- (vii) Assignment and Assumption of Contract Rights and Intangibles substantially in the form attached hereto as Appendix "K"; and
- (viii) Such other documents as Seller and Buyer may agree upon during the Feasibility Period or Escrow Agent may require in order to complete a transfer of the Assets in accordance with the requirements of the Commitment and the Title Requirements.

Warranties and Guarantees: Any and all existing written warranties and/or guarantees affecting the Improvements, or any features thereof and any personal property located therein or thereon, and any and all existing written warranties and/or guarantees affecting the Equipment, which shall be conveyed to Buyer at the Closing.

Section 2. Conveyance of Assets. Subject to the conditions and limitations set forth herein, Seller hereby agrees to sell and Buyer hereby agrees to purchase the Assets.

2.1 Equipment, Inventory and Records. The Equipment, Inventory and Records shall be conveyed at Closing by the execution and delivery by Seller of the Bill of Sale. The Bill of Sale for such items shall include a list identifying all Equipment, Inventory and Records and shall be substantially in the form of Appendix "J" hereto,

2.2 Contract Rights; Goodwill, Licenses, Certificates, Warranties and Guarantees. The Contract Rights shall be assigned by Seller and assumed by Buyer, and the Goodwill, Licenses, Certificates, Warranties, if any, and Guarantees, if any, that are transferable shall be assigned by Seller to Buyer, at Closing by the execution and delivery by Seller and Buyer of the Assignment and Assumption of Contract Rights and Intangibles. Seller does not warranty or guarantee the condition of any of the Improvements, Equipment or Inventory. The Assignment and Assumption of Contract Rights and Intangibles shall include a list identifying all Contract Rights assigned to and assumed by Buyer and shall be substantially in the form of Appendix "K" hereto. Buyer shall not be obligated to assume any contracts not disclosed by Seller as Contract Rights and specifically assumed in writing by Buyer pursuant to Appendix "K."

2.3 Real Property. The Real Property shall be conveyed at Closing by the execution and delivery by Seller of (a) Special Warranty Deed, (b) an Assignment of Easements and Property Rights, (c) an Assignment of Water Rights and Well Registrations and (d) such other Transfer Instruments as may be appropriate as determined by Buyer or Title Insurer. The Special Warranty Deed shall be substantially in the form attached hereto as Appendix "G" hereto. Seller shall deliver the Real Property at Closing to Buyer subject only to Permitted Encumbrances. Within a reasonable time after the Closing, Escrow Agent shall furnish the Buyer with the Title Insurer's ALTA Extended Owner's Policy of Title Insurance in the amount of the Purchase Price (defined in Section 4.1), subject only to Permitted Encumbrances (the "Owner's Title Policy").

2.4 Limitations. The purchase of the Assets pursuant hereto shall not constitute a purchase of Seller by Buyer nor render Buyer a successor-in-interest to Seller. This Agreement is limited to the purchase and sale of the Assets only and Buyer is not assuming any liabilities of Seller with respect to the Assets or the Business that may exist at any time unless otherwise specifically set forth herein, provided, however, Buyer shall assume Seller's refund obligations under the Facilities Agreement. Buyer shall have no obligation of any kind under any contract or obligation assumed by Seller unless disclosed to, and assumed by, Buyer in writing, as provided herein. The provisions of this Section 2.4 shall survive the Closing.

**Section 3. Commitment; Information from Seller; Feasibility Period.**

3.1 Delivery of Materials.

3.1.1 Delivery of Commitment. Within five (5) days following the Opening of Escrow, the Escrow Agent shall deliver the Commitment to Buyer and Seller together with legible copies of all documents referenced therein.

3.1.2 Delivery of Other Information. Upon the Opening of Escrow, Seller shall deliver to Buyer copies of (a) all employment, service, operations, maintenance and supply contracts affecting or pertaining to the Real Property, Equipment, Improvements, Inventory or the Business conducted thereon; (b) the Warranties and Guarantees, together with any insurance policies or binders; (c) all environmental studies and assessments, and regulatory filings and reports concerning the Assets or the Business, including, but not limited to, ADEQ, ADWR and ACC utility and corporate filings; and (d) all similar or relevant information and documentation requested by Buyer or which could reasonably affect or influence Buyer's use of the Assets for the purposes for which they are being acquired.

3.2 Feasibility Period. During the Feasibility Period Buyer shall have the right to enter upon the Real Property and the right to review all Records with Buyer's representatives and agents for the purpose of testing, examining and investigating the Assets and to make written objections ("Title Requirements") to matters shown in the Commitment or any amendment thereto or a survey of the Real Property. During the Feasibility Period Seller shall make reasonable and diligent efforts at Seller's sole cost and expense to satisfy the Title Requirements on terms and conditions satisfactory to Buyer. Buyer shall have the right during the Feasibility Period to terminate this Agreement if Buyer is dissatisfied, in Buyer's sole and absolute discretion, with the progress in satisfying the Title Requirements or the feasibility of the Assets for Buyer's purposes. On or before the expiration of the Feasibility Period, Buyer shall give written notice to Seller and Escrow Agent of its election whether or not to terminate this Agreement. If Buyer elects to terminate this Agreement, Escrow Agent shall return the Earnest Money and all documents deposited in escrow by Buyer to Buyer, all documents deposited in escrow by Seller to Seller, and this Agreement and escrow shall terminate. If Buyer elects not to terminate this transaction, the Earnest Money shall become nonrefundable to Buyer. Buyer's failure to timely give written notice of its election to terminate or not terminate this transaction shall be deemed an election by Buyer not to terminate this transaction.

**Section 4. Earnest Money and Purchase Price.**

4.1 Earnest Money and Purchase Price. Buyer agrees to pay Seller as the total purchase price for Seller's interest in the Assets, the following sums (the "Purchase Price"):

4.1.1 Earnest Money. Buyer will deposit the sum of One Thousand Dollars (\$1,000.00) (the "Earnest Money") with the Escrow Agent within three (3) days after the execution of this Agreement by Buyer and Seller. The Earnest Money shall be placed in an interest bearing account, and all interest accruing thereon ("Earnest Money Interest") shall be deemed to increase, and be a part of, such Earnest Money and shall be paid to the party entitled to receive payment of the Earnest Money in accordance with this Agreement. The Earnest Money shall be disbursed to Seller at Closing, provided that all of Seller's obligations herein have been satisfied.

4.1.2 Balance of Purchase Price. The Balance of the Purchase Price shall be Sixty-Nine Thousand Dollars (\$69,000.00), and shall be paid by Buyer in immediately available United States funds at Closing through Escrow Agent.

**Section 5. Regulatory Approvals and Conditions to Closing.** Buyer's and Seller's obligations to proceed with Closing under this Agreement are contingent upon: (i) Buyer and Seller obtaining such approval(s) of the ACC as may be necessary to complete the sale of the Assets to Buyer and the transfer of the Certificate to Buyer on terms and conditions satisfactory to Buyer in its sole and absolute discretion (the "Regulatory Approvals"), including the ACC's prior approval of the Facilities Agreement; (ii) Buyer's receipt of the Title Insurer's irrevocable commitment to issue the Owner's Title Policy; (iii) Seller's satisfaction of all requirements of the Commitment and all Title Requirements set forth by Buyer during the Feasibility Period on terms and conditions satisfactory to Buyer in its sole and absolute discretion; (iv) execution and delivery of the Transfer Instruments; (v) the payment of any closing costs, proratable amounts or any other amounts required to be paid under this Agreement on or before the Closing; (vi) the parties' representations and warranties contained in this Agreement being true and correct in all material respects as of the Closing ("Closing Conditions"), and (vii) Declarant's execution of a legally effective First Amendment to Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva Subdivision. Buyer and Seller shall cooperate in all reasonable respects to obtain the Regulatory Approvals, and each party shall bear its own costs incurred in such regard. The Closing shall occur at a mutually agreeable time and place within ten (10) business days after expiration of the Feasibility Period, or such earlier date that all Closing Conditions have been satisfied and Buyer has delivered written notice to Seller that Buyer has elected to proceed with the transaction ("Buyer's Election to Proceed"). If (i) any the Closing Conditions have not been satisfied by October 15, 2009, and (ii) the parties do not extend the date of Closing according to the provisions of Section 10 of this Agreement, then the Earnest Money shall be returned to Buyer, and this Agreement shall terminate.

**Section 6. Representations and Warranties.**

6.1 Seller's Representations. Seller hereby jointly and severally represents and warrants to Buyer the following:

6.1.1 Title. Seller is the owner of, and has good and marketable title to, the personal and Real Property that is a part of the Assets to be conveyed hereunder.

6.1.2 Disclosed Agreements. Except for this Agreement, Seller has entered into no agreement currently in effect to sell the Assets.

6.1.3 Liabilities. To the best of Seller's knowledge, there are no judgments, liens, actions or proceedings pending against Seller or the Assets that would adversely affect this transaction or the title that Buyer will receive, other than those that have been disclosed in writing to Buyer.

6.1.4 Liens. No judgments, liens, security interests or other monetary obligations against the Assets will be outstanding at the time of Closing, except Permitted Encumbrances and current real estate taxes which are not yet due and payable.

6.1.5 Labor, Materials. All bills and invoices for labor and materials furnished to or on behalf of the Assets which have been incurred by Seller prior to the time of conveyance and transfer to Buyer, if any, will be paid by Seller prior to or at the time of Closing.

6.1.6 Proceedings. To the best of Seller's knowledge, there are no actions or proceedings by any person or governmental entity or any other facts or circumstances, including any causes of action, lawsuits or claims, whether existing or threatened, which might materially and adversely affect the Assets.

6.1.7 No Breach. Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated by this Agreement will result (either immediately or after the passage of time and/or the giving of notice) in a breach or default by Seller under any agreement or understanding to which Seller is a party or by which Seller may be bound or which would have an effect upon Seller's ability to fully perform its obligations under this Agreement.

6.1.8 No Bankruptcy. Seller has not (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition or suffered the filing of an involuntary petition by Seller's creditors, (c) suffered the appointment of a receiver to take all, or substantially all, of Seller's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, or (e) admitted in writing its inability to pay its debts as they fall due, and no such action is threatened or contemplated.

6.1.9 Regulations. To the best of Seller's knowledge, there are currently no violations of any applicable zoning regulation or ordinance or other law, order, ordinance, rule, regulation or requirement, or of any covenant, condition or restriction affecting or relating to the

use or occupancy of the Real Property from any governmental agency having jurisdiction over the Assets or from any other person entitled to enforce the same.

6.1.10 Permits. To be best of Seller's knowledge, Seller has all permits, licenses, authorization and approvals required by law or any governmental agency to conduct the Business.

6.1.11 Condemnation. To be best of Seller's knowledge, there are no pending or threatened condemnation or eminent domain proceedings which would affect the Business or Assets.

6.1.12 Creditors. As of the Closing or thereafter when such obligations are then due (except for items to be prorated at Closing pursuant to Section 13 of this Agreement), all bills and invoices for goods and services related to or which are a part of the Assets shall be paid; all Creditors shall be paid; all employees (if any) and salaries, wages, bonuses, vacation pay and benefits accrued up to the date of Closing shall be paid; all withholdings, payroll taxes, unemployment insurance, worker's compensation benefits, and all other similar payments shall be paid current to the date of Closing; and no claims by Creditors shall exist which may encumber the Assets.

6.1.13 Organization. Seller has been duly formed and presently exists as an Arizona public service corporation, and subject to the Regulatory Approvals, has the full right and authority to enter into this Agreement, to consummate the sale of the Assets herein and to observe and perform all of its covenants and obligations hereunder. The person executing this Agreement and any other document required hereby has full authority to act on behalf of and to bind the Seller in and to the obligations imposed on it by this Agreement.

6.1.14 Commissions. Seller has made no agreements respecting commissions or brokerage fees in connection herewith. Seller shall indemnify Buyer for any claims of commission through Seller. This indemnification provision shall survive the Closing.

6.1.15 Environmental Regulations. To the best of Seller's knowledge, the Assets to be conveyed hereunder are in compliance with all current applicable environmental, health and safety laws and regulations.

6.1.16 Insurance Coverage. Seller carries, and has for the four (4) years immediately preceding the date of this Agreement carried, what it believes to be a commercially reasonable liability insurance policy on an occurrence basis. Such insurance shall be maintained in full force and effect through Closing.

6.1.17 ACC Filings. To the best of Seller's knowledge, there are no material inaccuracies in the information contained in the latest Annual Report(s) filed with Corporation and the Utilities Division(s) of the ACC.

6.1.18 Sufficiency and Adequacy. To the best of Seller's knowledge, the Real Property to be conveyed pursuant hereto is adequate and sufficient to permit the Buyer to operate

the Business in its usual and customary manner, and all Improvements are located within the Real Property conveyed pursuant hereto.

6.1.19 Accuracy of Representations and Warranties. None of the representations and warranties of Seller contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive the Closing for a period of one (1) year and thereafter shall lapse except with respect to any breach of such warranties and representations with respect to which Buyer has commenced an action against Seller prior to the expiration of such one (1) year period.

6.2 Buyer's Representations. Buyer hereby represents to Seller as follows:

6.2.1 Authority. The person executing this Agreement and any other documents required hereby has full authority to act on behalf of and to bind the Buyer in and to the obligations imposed on it by this Agreement.

6.2.2 Commissions. Buyer has made no agreements respecting commissions or brokerage fees in connection herewith. Buyer shall indemnify Seller for any claims of commission through Buyer. This indemnification provision shall survive the Closing.

6.2.3 Accuracy of Representations and Warranties. None of the representations and warranties of Buyer contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive the Closing for a period of one (1) year and thereafter shall lapse except with respect to any breach of such warranties and representations with respect to which Seller has commenced an action against Buyer prior to the expiration of such one (1) year period.

6.2.4 Construction of Second Well. Buyer hereby agrees to construct a second well to provide water service to residents of the Subdivision prior to occupancy of fifty percent (50%) of the currently pending platted lots within the Subdivision. This commitment upon Buyer's part shall survive Closing until fully discharged.

**Section 7. Indemnification.**

7.1 **By Seller.** Seller hereby agrees to indemnify Buyer against, and to hold Buyer harmless from, all actions, suits, proceedings, demands, claims, assessments, judgments, costs and expenses, including without limitation legal fees and disbursements, incurred by Buyer relating to (i) the Assets or Business and arising from acts, occurrences or matters that took place prior to the Closing and (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Seller.

7.2 **By Buyer.** Buyer hereby agrees to indemnify Seller against, and to hold Seller harmless from, all actions, suits, proceedings, demands, claims, assessments, judgments, costs and expenses, including without limitation legal fees and disbursements, incurred by Seller relating to (i) the Assets and arising from acts, occurrences or matters that took place after the Closing (excluding acts of Seller, its agents or employees) and (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Buyer.

**Section 8. Aid in Construction Agreements.** At Closing, Seller shall assign and Buyer shall assume Seller's rights and obligations under the Aid in Construction Agreement, provided that no party thereunder is in default of their obligations under such Agreement.

**Section 9. Escrow Agent.**

9.1 **Delivery of Transfer Instruments.** The Transfer Instruments and any other documents required by this Agreement or applicable laws shall be placed by the parties into escrow with the Escrow Agent and shall be delivered to the appropriate party upon Closing.

9.2 **Other.** The Escrow Agent agrees to do all things reasonably required by the terms of this Agreement to close this transaction.

**Section 10. Closing.** The Closing of this sale shall occur no later than ten (10) business days after expiration of the Feasibility Period, but in no event later than October 15, 2009, as provided under **Section 5** of this Agreement. Notwithstanding the foregoing, the parties may extend the date of Closing until such later time by executing and delivering a written instrument to the Escrow Agent setting a new date for Closing. The new Closing date shall also be the new date for proration.

**Section 11. Closing Documents.**

11.1 **Seller's Deposits.** Prior to Closing, Seller shall deposit with Escrow Agent for delivery to Buyer, the following:

11.1.1 The Transfer Instruments required by this Agreement.

11.1.2 The form of Certificate re RUCO and ACC Assessments, substantially in the form set forth in **Appendix "L"** hereto.

11.1.3 Any other documents or instruments required by this Agreement.

11.1.4 Any other instruments necessary to or reasonably required by Buyer or Escrow Agent to effectuate the transaction contemplated herein.

11.2 Buyer's Deposits. Prior to Closing, Buyer shall deposit with Escrow Agent for delivery to Seller the following:

11.2.1 The Balance of the Purchase Price in immediately available United States funds.

11.2.2 Any other instruments necessary to or reasonably required by Seller or Escrow Agent to effectuate the transaction contemplated herein.

Section 12. Costs. Costs of Closing and/or expenses connected with the transfer of the Assets and the sale thereof shall be divided between Buyer and Seller, and paid through escrow, as follows:

12.1 Attorneys' Fees. Except as provided in Section 21.4 of this Agreement, each party shall pay its own attorneys' fees and costs.

12.2 Escrow Fees. The escrow fee and all filing and recording fees shall be divided equally between Buyer and Seller, to the extent that such recording fees or filing fees are for the Transfer Instruments. If any recording fees or filing fees are necessary as a result of recordings required to clear title, they shall be paid by Seller.

12.3 Title Insurance. The premium for the Owner's Title Policy attributable to standard coverage and the cost of any endorsements required to satisfy the Commitment or Title Requirements shall be paid by Seller. Buyer shall pay the difference between the standard premium and an extended premium, if any, plus the costs of any additional requirements for an extended title insurance policy.

Section 13. Prorations.

13.1 Prorations. All current real estate taxes against the Real Property shall be prorated as of 12:01 a.m. on the date of Closing. Any errors in the proration resulting in a deficit in the payment of taxes through Closing shall thereafter remain the obligation of Seller. Any delinquent taxes, penalties and interest thereon for the Property shall be paid by Seller on or before Closing.

13.2 Assessments. All current assessments, both principal and interest, against the Real Property shall be prorated as of 12:01 a.m. on the date of Closing. Seller shall pay any delinquent amounts on or before Closing.

13.3 Other.

13.3.1 Seller shall deliver the Records to Buyer on the Closing date.

13.3.2 Seller shall transfer utility operations to Buyer as of Closing.

13.3.3 Leases for Equipment (including vehicles) or premises, if any, shall be prorated as of Closing.

13.3.4 Any meter deposits collected by Seller, refunds of which are payable to Seller's customers, shall be transferred to Buyer as of Closing.

13.3.5 Personal property tax shall be prorated as of Closing.

**Section 14. Risk of Loss.**

14.1 Prior to Closing. The risk of loss for damage by fire or other casualty, or the taking by eminent domain, until Closing, shall remain the responsibility of Seller. Upon the happening of any material loss and within ten (10) business days after notification thereof, Buyer may elect in writing to terminate this Agreement or close the sale. If an election to terminate the Agreement is made, any money on deposit shall be returned to Buyer with accrued interest thereon and this Agreement shall thereupon become null and void. In the alternative, if an election to proceed with Closing is made by Buyer, any insurance proceeds and/or condemnation award in connection with the loss shall be given to Buyer, but there shall be no adjustment to the Purchase Price.

14.2 After Closing. The risk of loss or damage by fire or other casualty, or the taking by eminent domain, shall be assumed by and be the responsibility of Buyer from and after the Closing.

**Section 15. Insurance.** Buyer shall place its own insurance coverage on the Assets as of Closing. Insurance previously carried by Seller shall be canceled by Seller as of Closing.

**Section 16. Assignment of Agreement.** The rights of each party under this Agreement may be assigned only with the prior written consent of the other party, which consent may be withheld for any reason, or for no reason.

**Section 17. Default.**

17.1 Seller's Default.

17.1.1 Non-Monetary Default. For the purposes of this **Section 17**, a "Non-Monetary Default" shall mean the failure of Seller to close this transaction after Buyer has tendered full performance when that failure is the result of any action by a third party encumbering the Assets by creating a cloud on the title of Seller's ownership status which is not practicably susceptible to financial satisfaction prior to Closing and was not accepted by Buyer as a Permitted Encumbrance during the Feasibility Period.

17.1.2 Monetary Default. For the purpose of this **Section 17**, a "Monetary Default" shall mean the failure of Seller to close this transaction after Buyer has tendered full performance, when that failure is a result of a monetary lien or encumbrance upon the Assets,

which lien or encumbrance was not disclosed in the Commitment when received by Buyer and which can be cured by the application of a portion of the Closing proceeds.

17.1.3 Seller's Willful Refusal. For the purpose of this Section 17, "Seller's Willful Refusal" shall mean the wrongful failure of Seller to close this transaction for reasons within Seller's control, after Buyer has tendered full performance.

17.1.4 Remedies. In the event of a default by Seller, Buyer's exclusive remedies shall be as follows:

17.1.4.1 In the event of a Non-Monetary Default, Buyer shall have ten (10) business days following such default in which to elect in writing to terminate this Agreement or waive the Non-Monetary Default and close this transaction. In the event Buyer elects to terminate this Agreement, this Agreement shall thereupon be null and void and the Earnest Money shall be immediately returned to Buyer, together with any interest earned thereon. If Buyer elects to waive the Non-Monetary Default and close the transaction, then Closing shall occur within ten (10) business days after Buyer's written notice to close. There shall be no adjustment in the Purchase Price and Buyer shall accept whatever title Seller may be able to convey.

17.1.4.2 In the event of a Monetary Default, the Escrow Agent is hereby instructed to withhold from Seller's proceeds from the Closing a sufficient amount to cure the Monetary Default.

17.1.4.3 In the event of Seller's Willful Refusal, then Buyer shall be entitled to pursue its legal and equitable remedies as then may be available, including specific performance.

17.2 Buyer's Default. In the event Buyer fails to close this transaction after Seller has tendered full performance and all conditions to Buyer's obligation to close have been satisfied, Seller shall be entitled to immediately receive the Earnest Money from the Escrow Agent as liquidated damages (and not as a penalty) for its damages incurred as a result of Buyer's default.

**Section 18. Customer Deposits.** Any meter deposits collected by Seller, refunds of which are payable to Seller's customers, shall be transferred to Buyer and refunded by Buyer as and when due. Seller shall provide a list of all such refundable customer deposits and meter deposits to Escrow Agent and Buyer prior to Closing.

**Section 19. Employees.** Buyer shall not be obligated to employ any of Seller's employees, if any, nor have any obligations to such employees, whatsoever.

**Section 20. Meter Readings and Billings.**

20.1 Meter Readings.

20.1.1 Seller shall use its best efforts to read all customer meters on the date of Closing, but in any event, all meters will be read within five (5) days prior to Closing (the "Final Reading").

20.1.2 Seller shall continue to bill in its usual sequence for water usage prior to Closing and may, at its option, delay its usual billing sequence to coincide with the Final Reading.

20.1.3 Seller shall bill for all services provided prior to the Final Reading at Seller's rates. Buyer shall bill for all services provided after the Final Reading at Buyer's rates.

20.1.4 With respect to any amounts billed for Seller's services provided prior to the Final Reading, Buyer shall have no obligation or liability to take any action to effect collection on behalf of Seller, but Seller may, at its option, pursue the collection of its unpaid billings.

**Section 21. Miscellaneous Provisions.**

21.1 Notices.

All notices and communications hereunder shall be in writing and shall be given by personal delivery, private courier whose practice it is to obtain a receipt upon delivery, or mailed first class, registered or certified mail, postage prepaid, and shall be deemed received upon the earlier of actual delivery or two (2) days after deposit in the United States Mail as aforesaid. Notices to Seller or Buyer as the case may be shall be delivered or mailed to the following addresses:

Seller

Tierra Linda Homeowners Association, Inc.  
c/o Tierra Linda Homeowners Association Water Company  
4729 E. Sunrise Drive, #311  
Tucson, Arizona 85718

Buyer

Gary Smyth  
c/o Smyth Steel  
4010 East Illinois  
Tucson, Arizona 85714

21.2 Nature of Agreement.

21.2.1 Agreement Negotiated. The terms and provisions of this Agreement represent the results of negotiations between Seller and Buyer, each of which has been represented by counsel of its own choosing and none of which have acted under duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and Seller and Buyer hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of the Agreement, including (without limitation) any rule of law to the effect that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the party whose attorney prepared the executed draft or any earlier draft thereof. The Rule of Strict Construction shall not be used to interpret this Agreement, but rather this Agreement shall be construed to provide each party with the benefit of the bargain it has struck with the other party.

21.2.2 Integration. All understandings and agreements heretofore between the parties are merged into this Agreement, which alone fully and completely expresses their agreement; the same is entered into after full investigation and neither party is relying upon any statements or representations by the other not embodied in this Agreement.

21.2.3 Other Inducements. The parties agree that there are no promises, inducements, representations or agreements in connection with this Agreement except those specifically set forth herein in writing.

21.2.4 Binding Effect upon Successors, Assigns and Heirs. Subject only to the provisions of Section 16, above, the provisions of this Agreement, and all rights and obligations hereunder, shall be binding upon the respective successors, assigns and heirs of Seller and Buyer.

21.2.5 Modification. This Agreement may not be changed orally, but only by an agreement in writing, signed by the parties.

21.2.6 Other Agreements. Seller shall not enter into any contracts, leases, agreements or amendments to existing agreements or encumbrances affecting the Assets while this Agreement remains in force or subsequent to Closing of this transaction without the express written consent of Buyer, other than to remove a matter which the Title Insurer requires be removed to close.

21.3 Relation of Parties; No Agency. It is expressly agreed and understood by the parties hereto that neither party is the agent partner, nor a joint venture partner of the other. It is also expressly agreed and understood that neither Seller nor Buyer has any obligations or duties to the other except as specifically provided for in this Agreement.

21.4 Attorney's Fees. In the event of any dispute regarding this Agreement, the prevailing party shall be entitled to receive, in addition to any other award, reasonable attorneys' fees and costs, determined by the court or arbitrator and not a jury.

21.5 Construction.

21.5.1 Time. Time is of the essence of this Agreement. However, if any action is required to be taken on a Saturday, Sunday or legal holiday, the action shall be deemed timely taken if it is taken on the next regular business day.

21.5.2 Headings. The headings of this Agreement have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Whenever a personal pronoun is used in any one gender, it shall be deemed to include all other genders as the case may require, and the singular shall include the plural, and vice versa, unless the context indicates to the contrary.

21.5.3 Adverbs. Whenever the terms "herein", "hereunder", "hereof", "therefor", "thereover", or similar terms are used, they shall refer to this entire Agreement as a whole and shall not refer solely to any particular section.

21.5.4 Exhibits. All recitals, schedules and exhibits to this Agreement are fully incorporated herein as though set forth at length herein.

21.5.5 State Law. This Agreement and the conveyance provided for herein shall be governed by the laws of the State of Arizona.

21.5.6 Counterparts. This Agreement may be executed in counterparts, and the signature of any person required by this Agreement shall be effective if signed on any and/or all counterparts. All counterparts together shall be considered one and the same Agreement.

21.6 Force Majeure. The term "Force Majeure" as used herein shall mean cause beyond the control and without the fault or negligence of the party failing to perform, whether foreseen or unforeseen, including, but not limited to: Acts of God, acts of the public enemy, wars, insurrections, civil unrest, riots, terrorism, labor disputes, boycotts, fires, explosions, floods, unanticipated adverse geological and weather conditions, and acts of judicial or military authorities. Neither party will be liable to the other for any delay or non-performance of its obligations under this Agreement in the event and to the extent that such delay or nonperformance is caused by any event of Force Majeure. Each party will inform the other party of the occurrence of any event of Force Majeure, and its expected duration and cessation, respectively, as soon as reasonably practical. In the event the Closing under this Agreement becomes suspended as the result of an event of Force Majeure for a continuous period exceeding sixty (60) days, then either party may terminate the Agreement with respect to the unperformed part of the Agreement and the Earnest Money shall be returned to Buyer.

10

**Section 22. Inspection, Acceptance and Maintenance of Assets.**

22.1 Buyer. Buyer acknowledges that as of Closing, it will have inspected the condition of such of the Assets as it deems reasonably necessary, and will accept the Assets in "AS IS" condition, with no warranties express or implied except as set forth in Section 6 of this Agreement.

22.2 Seller. Seller agrees to maintain the condition of the Assets in their current condition, ordinary wear excepted, to the date of Closing. Furthermore, Seller agrees that, from the Effective Date of this Agreement through the date of Closing, Seller shall consult with Buyer and take all reasonable steps to ensure that any infrastructure built or approved conforms with Buyer's construction standards and does not impair Title Insurer's willingness to issue the Title Policy.

**Section 23. Miscellaneous**

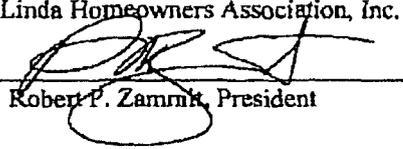
23.1 Receivables. Buyer acknowledges that the records to be transferred to Buyer will contain information that may be needed by Seller from time to time. Buyer therefore agrees that Seller will have the right to reasonable access to such information for that purpose after reasonable prior notice and during regular business hours after Closing, including the right to make copies of such documents as Seller may need.

23.2 Annual Regulatory Assessments. Seller agrees and acknowledges that it shall be responsible for and pay all accrued and or payable ACC and RUCO Annual Regulatory Assessments at or prior to Closing.

**SELLER:**

Tierra Linda Homeowners Association, Inc.

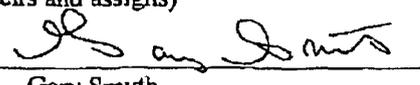
By: \_\_\_\_\_

  
Robert P. Zammit, President

**BUYER:**

Gary Smyth, a married man, dealing with his sole and separate property (on behalf of himself and his heirs and assigns)

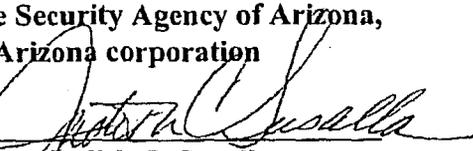
By: \_\_\_\_\_

  
Gary Smyth

Escrow Agent:

Copy of Agreement, including the Exhibits  
Attached hereto, received and acknowledged:

Title Security Agency of Arizona,  
An Arizona corporation

BY: 

Name: Judith C. Susalla

Title: Escrow Agent

Date Received: 2/28/2011

**ESCROW AGENT:**

Copy of the Agreement, including the Exhibits  
attached hereto, received and acknowledged:

Fidelity National Title

By: \_\_\_\_\_  
Name: Lisa Quigley  
Title: Escrow Agent  
Date received: \_\_\_\_\_

# Appendix "A"

Tierra Linda Homeowners Association, Inc.  
(Legal Description)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

PARCEL A

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the north quarter corner of said Section 29, marked by a General Land Office brass capped pipe and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, southerly along west line of the northeast quarter of said Section 29, S 00° 13' 24" E, 45.00 feet (calculated) to a point on the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, said point being the TRUE POINT OF BEGINNING of Parcel "A" herein described;

THENCE from said TRUE POINT OF BEGINNING, easterly along said south right-of-way line, N 89° 49' 46" E, 339.01 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly and along the west line of Lot 11 as shown on the plat of Tierra Linda, a subdivision of said Pima County recorded in Book 17 of Maps and Plats at Page 92 thereof, S 00° 09' 39" E, 624.72 feet (Record), S 00° 10' 41" E, 626.26 feet (calculated), to the southwest corner thereof, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said southwest corner, easterly along the south line of Lots 11, 12, and 13 of said recorded subdivision,

N 89° 50' 21" E, 922.53 feet (Record)

N 89° 51' 90" E, 923.97 feet (calculated)

N 89° 49' 46" E, 925.11 feet (measured) to the southeast corner of said Lot 13, marked by a 1/2" diameter rebar with registration tag RLS 15933;

THENCE leaving said southeast corner, southerly along the west right-of-way line of Socorro as shown on the plat of said Tierra Linda

S 00° 16' 51" E, 1465.00 feet (Record)

S 00° 17' 12" E, 1465.00 feet (calculated)

S 00° 15' 53" E, 1465.55 feet (measured) to the northeast corner of a parcel recorded in Docket 11488 at Page 4197 thereof, records of said Pima County, marked by a 1/2" rebar;

THENCE leaving said northeast corner, westerly along the north line of said recorded parcel and the westerly prolongation thereof, S 89° 50' 21" W (Record), S 89° 51' 38" W, 926.57 feet (calculated) to a point thereon;

THENCE leaving said north line, northwesterly, N 33° 16' 52" W, 276.55 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 46" W, 181.14 feet to a calculated point;

THENCE leaving said point southeasterly S 85° 57' 43" E, 104.77 feet to a calculated point;

THENCE leaving said point, northwesterly, N 06° 20' 24" W, 282.28 feet to a calculated point;

RECEIVED  
2004 MAR -9 SA 10:37  
AZ COP COMMISSION  
DOCUMENT CONTROL

THENCE leaving said point, southwesterly, S 73° 29' 57" W, 99.62 feet to a calculated point;  
THENCE leaving said point, northwesterly, N 16° 37' 32" W, 226.98 feet to a calculated point;  
THENCE leaving said point, southwesterly, S 68° 10' 39" W, 198.23 feet to a calculated point;  
THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1015.13 feet to a point thereon;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 430.00 feet to a calculated point;  
THENCE leaving said point, westerly, S 89° 48' 14" W, 93.91 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 47" W, 430.00 feet to a calculated point;  
THENCE leaving said point, easterly, N 89° 48' 14" E, 820.00 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 428.00 feet to a calculated point on the south right of way line of said Emigh Road, marked by a No. 4 rebar with registration tag RLS 26932;  
THENCE leaving said point, easterly along said right-of-way line, N 89° 48' 11" E, 370.70 feet to the TRUE POINT OF BEGINNING;  
CONTAINING 69.18 acres of land [M/L], subject to and together with all matters of public record.

Parcel B

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the southwest corner of the north half of said Section 29, marked by a ¼" diameter rebar with registration tag RLS 4399 and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, northerly along the measured west line of the northwest quarter of said Section 29, N 00° 13' 13" W, 868.89 feet to a calculated point thereon;

THENCE leaving said west line, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1505.18 feet to a point thereon;

THENCE leaving said parallel line, northerly, N 00° 11' 46" W, 440.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 1053.13 feet to a point thereon;

THENCE leaving said parallel line, northeasterly, N 68° 10' 39" E, 198.23 feet to a calculated point;

THENCE leaving said point, southeasterly, S 16° 37' 32" E, 226.98 feet to a calculated point;

THENCE leaving said point, northeasterly, N 73° 29' 57" E, 99.62 feet to a calculated point;

THENCE leaving said point, southeasterly, S 06° 20' 24" E, 282.28 feet to a calculated point;

THENCE leaving said point, northwesterly, N 85° 57' 43" W, 104.77 feet to a calculated point;

THENCE leaving said point, southerly, S 00° 11' 46" E, 181.14 feet to a calculated point;

THENCE leaving said point, southeasterly, S 33° 16' 52" E, 276.55 feet to a calculated point on the north line of a parcel of land recorded in Docket 11535 at Page 2479, records of said Pima County;

THENCE leaving said point, westerly along said north line, S 89° 51' 38" W, 308.11 feet (calculated), S 89° 51' 12" W, 306.50 feet (measured) to the northwest corner of said recorded parcel, marked by a ½" rebar;

THENCE leaving said northwest corner, southerly along the west line of said recorded parcel, S 00° 12' 16" E, 509.00 feet (Record), S 00° 13' 24" E, 509.00 feet (calculated), S 00° 02' 30" E, 508.96 feet (measured), to a point on the south line of the north half of said Section 29, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said point, westerly along said south line, S 89° 50' 21" W, 2671.64 feet (Record), S 89° 51' 08" W, 2670.84 feet (calculated) to the POINT OF BEGINNING of Parcel "B" herein described;

CONTAINING 68.99 acres of land [M/L]; subject to and together with all matters of public record.

Parcel C

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the northwest corner of said Section 29, marked by an accepted 1.5" diameter open iron pipe with Pima County Highway Department reference ties;

THENCE from said point of beginning, southerly along the measured west line of the northwest quarter of said Section 29, S 00° 13' 13" E, 45.00 feet to the TRUE POINT OF BEGINNING of Parcel "C" herein described, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE from said TRUE POINT OF BEGINNING, leaving said west line, easterly along the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per said plat of Tierra Linda), 2270.00 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly, S 00° 11' 46" E, 428.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 820.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 47" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 93.91 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 38.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 440.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 1505.18 feet to a calculated point on the measured west line of the northwest quarter of said Section 29;

THENCE leaving said parallel line, northerly along said west line, N 00° 13' 13" W, 1728.00 feet to the TRUE POINT OF BEGINNING;

CONTAINING 67.05 acres of land (M/L); subject to and together with all matters of public record.

# Appendix "B"

Tierra Linda Homeowners Association, Inc.

(Map)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

Map No. 10

**COUNTY: Pima**

**RANGE 11 East**

**TOWNSHIP 12 South**

-  W-2136 (2)  
Ava Water Cooperative, Inc.
-  W-4236 (1)  
Tierra Linda Homeowners Association, Inc.
-  (4)  
Cortaro-Marana Irrigation District
-  (4)  
Town of Marana (Nonjurisdictional)  
(Palo Verde System)

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

TABLE OF JUL 2004

# Appendix "C"

Tierra Linda Homeowners Association, Inc.  
Water Main Extension Agreement for  
Developer-Installed On-Site and Off-Site  
Facilities  
(Facilities Agreement)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

**WATER MAIN EXTENSION AGREEMENT  
FOR DEVELOPER-INSTALLED, ON-SITE AND OFF-SITE FACILITIES**

for the  
**Tierra Linda Nueva**  
Phase 1 and Phase 2 Onsite and Offsite

THIS WATER MAIN EXTENSION AGREEMENT (this "Agreement") is entered into as of the 10 day of JUNE 2009, by and between the TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation (hereinafter referred to as the "Company"), and TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company (hereinafter referred to as "Applicant").

**RECITALS:**

A. Company holds a Certificate of Convenience and Necessity from the Arizona Corporation Commission ("ACC") to provide water service in and around Tierra Linda Nueva, including Lot Nos. 50-56, 64-119, and 177-190 ("Phase 1"), and Lot Nos. 35-49, 57-63, and 151-176 (Phase 2") as more specifically described on Exhibit A attached hereto and incorporated herein by this reference (collectively the "Property"); and

B. Certain on-site and off-site water facilities have been designed, constructed, installed and connected to Company's system in order to permit Company to deliver adequate water service to the Property; and

C. Applicant is the sole beneficiary of Title Security Agency of Arizona Trust No. 939, which is fee title owner of the Property, and, having developed the Property, Applicant has financed, designed, installed and constructed the necessary on-site and off-site water facilities pursuant to its request of Company to provide water service to the Property, subject to Company's approval of such design and construction.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Facilities to be Constructed: This Agreement governs the construction, installation and financing of the Water Facilities set forth in engineering plans WATER DISTRIBUTION SYSTEM TO SERVE PHASE 1, Lots 50-56, 64-119, and 177-190, Chris Brozek, Engineer, dated 10/15/04, WATER DISTRIBUTION SYSTEM TO SERVE PHASE II, Lots 35-49, 57-63, and 151-176, Chris Brozek, Engineer, dated October 15, 2004, AND TIERRA LINDA WATER PLANT, Westland Resources, Engineer, dated April 16, 2004, incorporated herein by this reference as Exhibit B (the "Plans"), as modified in final engineering plans approved by Company, the ACC, the Arizona Department of Environmental Quality ("ADEQ") or its delegatee and/or such other governmental agency, if any, having authority to review and approve the engineering plans. Such modifications shall be deemed to amend the Plans and are incorporated herein by reference. The on-site and off-site facilities constructed pursuant to the Plans are hereinafter referred to as the "Water Facilities." Any additional lines, or water facilities necessary to provide adequate water service to the Property, or any portion thereof, are beyond the scope of this Agreement and will be the subject matter of separate and distinct agreements.

2. Applicant to Construct and Pay: Applicant has designed, constructed and installed the Water Facilities and paid all of the costs related thereto, and has completed

and paid the costs of engineering, computer modeling analysis, materials, labor, transportation, equipment, regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges, regulatory fees, necessary permits, easements, inspections, administrative overhead, attorney's fees, approvals, testing, correction, insurance and bonds.

3. Advance in Aid of Construction. Upon the mutual execution of this Agreement, the Applicant shall convey the Water Facilities to Company, and pay Company One Hundred Dollars (\$100.00), as and for Company's costs. The actual expenses incurred by Applicant in the construction of the Water Facilities together with Company's costs, as supported by documentation as required by Paragraph 5, shall be deemed as follows: (i) Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) as advances-in-aid of construction, (ii) Two Hundred Six Thousand Three Hundred Twenty-Six Dollars (\$206,326) as contributions-in-aid of construction, and (iii) One Hundred Eight-Six Thousand Seven Hundred Twenty-Three Dollars (\$186,723) as equity. The aforesaid Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) of advances-in-aid of construction shall be subject to the prospect of refund pursuant to Paragraph 6 hereof.

4. Actual Costs Shall Govern: The total cost of the Water Facilities is One Million Fifty-Eight Thousand Three Hundred Fifty-Nine Dollars (\$1,058,359) as shown on Exhibit C. Applicant has paid the actual cost of the Water Facilities, and agrees to provide Company with as-built costs, together with all receipts in connection therewith, upon the execution of this Agreement.

5. Documentation: Applicant has, as a condition of acceptance of the Water Facilities by Company, furnished Company with:

- 5.1 copies of all bills, invoices and other statements of expenses incurred by Applicant, covering all costs of materials, equipment, supplies, construction and installation of the Water Facilities;
- 5.2 lien waivers and releases from contractors, subcontractors and vendors for materials, labor, equipment, supplies and construction included in Water Facilities;
- 5.3 receipts, specifying exact amounts or payments in full by Applicant to all contractors, subcontractors or vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities;
- 5.4 "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and approved by Company, and showing the location and respective sizes of Water Facilities; and
- 5.5 all easements, bills of sale, deeds and other evidences of ownership, and/or right to operate, maintain, repair and replace the Water Facilities requested by Company.

6. Refund of Advance: Applicant's costs for the construction and installation of the Water Facilities, to be advanced by Applicant to Company pursuant to this Agreement and evidenced by invoices furnished to Company pursuant to Paragraph 4 hereof, are subject to refund by Company to Applicant, in accordance with this section. Company shall make refunds annually on or before August 31, for the preceding July 1, through June 30 period. The amount to be refunded annually shall be ten percent (10%) of revenues (excluding all gross receipts collected as sales taxes, franchise fees and/or any other assessment, fee, tax or charge imposed by a state, federal or local governmental body or

pursuant to a cost adjustment mechanism approved by the ACC) derived from the provision of water served from each customer service line of each customer located within the Property leading up to and taken from water mains installed by Applicant pursuant to this Agreement. Refunds for revenues received from customers receiving water from the facilities constructed pursuant to this agreement shall be payable for a period of ten (10) years commencing on the Effective Date of this Agreement. In no event shall the funds paid hereunder exceed the total amounts paid by Applicant as advances-in-aid-of-construction pursuant to this Agreement. Any balance remaining at the end of the ten (10) year period shall become non-refundable unless the refund period is extended from year to year at the sole option of Company. No interest shall be paid on any amount advanced by Applicant pursuant to this Agreement.

7. Company's Right of First Refusal: Before selling or transferring the refund obligation of Company under this Agreement, Applicant shall first give Company, and its heirs, successors and assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Applicant has received from any third person or persons which Applicant may desire to accept.

8. Governmental Approvals: Applicant shall pay for and provide to Company copies of all requisite permits, highway construction permits, zoning and other governmental approvals, as required, and necessary for Applicant to install, construct and maintain the Water Facilities, including the Approval(s) To Construct and Approval(s) of Construction issued by the Pima County Department of Environmental Quality, attached hereto as Exhibit "D", and the Water Use Data Sheet attached as Exhibit "E".

9. Provision and Use of Easements: Applicant shall, at no cost to and in a form acceptable to Company, furnish Company any and all easements and rights-of-way reasonably necessary to insure the proper provision of utility service by Company, as determined in the sole discretion of Company. In addition, Company shall have the right to use any of the existing or future dedications, easements, or recorded rights-of-way on the Property in furtherance of the proper provision of utility service by Company.

10. Time of Construction: Applicant and Company acknowledge that construction of the Water Facilities has been completed as of the Effective Date of this Agreement.

11. Contractor's License: Applicant and Company acknowledge that all construction, installation and connection of Water Facilities has been done by a contractor having a valid contractor's license issued by the State of Arizona Registrar of Contractors encompassing the work to be performed (usually a Class A, A-12 or A-16 license).

12. Construction Standards: The Applicant and Company acknowledge that the size, design, type and quality of materials are in accordance with good utility practices and the requirements of Company (as identified on or before the date of this Agreement or as attached as Exhibit B), the rules, regulations, orders and requirements of the ACC, ADEQ and any other public agency having jurisdiction thereover, including, but not limited to, traffic control, compaction, safety, pavement removal and replacement, sloping, shielding, shoring, OSHA regulations and Arizona Department of Health Services Bulletins No. 8 and No. 10. Additionally, all of said plans and specifications meet or exceed the standards and specifications of the Pima County Health Department, and are hereby approved by the Company. The Water Facilities have been designed and constructed with sufficient capacity

to accommodate the water service requirement of the Property, including fire flow requirements imposed by a governmental entity.

13. Inspection and Testing: Applicant has complied with the inspection and testing requirements of Company, and Company acknowledges that any governmental agency having jurisdiction over the construction, installation and connection of the Water Facilities have approved the Water Facilities.

14. Acceptance of Facilities: The Water Facilities will be deemed accepted as of the date that this Agreement is entered upon by Applicant and Company.

15. Risk of Loss: All risk of loss shall be with Applicant until the effective date of this Agreement.

16. Title to Property: The Water Facilities constructed pursuant to this Agreement shall become the property of Company upon the effective date of this Agreement, and shall remain the sole property of Company without the requirement of further written documents of transfer. Applicant shall not have any further right, title, ownership or ownership interest herein whatsoever, except for the right to receive refunds of the particular advance-in-aid-of-construction pursuant to the method herein described. However, Applicant shall furnish any document pertaining to ownership and title as may reasonably be requested by Company including documents which evidence or confirm transfer of possession to Company of good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant.

17. Warranty: Unless otherwise provided in Exhibit B, Applicant warrants to Company that all materials and equipment furnished under this Agreement were new at the time of installation, and that the Water Facilities are of good quality, free from faults and defects. If required by Company, Applicant shall furnish satisfactory evidence as to the kind and quality of materials and equipment used on the Water Facilities.

18. Indemnification:

18.1 Applicant shall indemnify and hold harmless Company, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of Applicant's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought on account of Applicant's action or inaction, Applicant will assume the defense at Applicant's own expense and will pay all judgments rendered therein;

18.2 Company shall indemnify and hold harmless Applicant, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Company, its agents, servants, employees, contractors or subcontractors in the execution of Company's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought

on account Company's action or inaction, Company will assume the defense at Company's own expense and will pay all judgments rendered therein;

18.3 The provisions of this Paragraph shall survive termination of this Agreement.

19. Water Service: Upon Applicant complying fully with this Agreement, including receiving Company's written acceptance of the Water Facilities, and obtaining all requisite governmental approvals to sell lots within the Property, Company agrees to offer domestic water service to the Property. Water service shall be offered in accordance with Company's Articles of Incorporation, By-laws, rules and regulations, and under the tariffs and rules and regulations approved by the ACC, as amended from time to time. This Agreement shall not preclude Company from requiring applications for water service to be executed and complied with prior to the actual delivery of water service to individual lots within the Property.

COMPANY EXPRESSLY DISCLAIMS ANY RESPONSIBILITY OR OBLIGATION TO PROVIDE WATER AT A SPECIFIC PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY FIRE STANDPIPE, OR FIRE HYDRANT, OR FOR FIRE PROTECTION SERVICE. IN THE EVENT FIRE PROTECTION SERVICE IS INTERRUPTED, IRREGULAR, DEFECTIVE, OR FAILS FROM CAUSES BEYOND THE COMPANY'S CONTROL OR THROUGH ORDINARY NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE COMPANY WILL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.

Company shall have no obligation whatsoever to provide service to the Property or any portion thereof, unless and until: Applicant has paid the full cost of the Water Facilities as required hereunder; Applicant has secured all governmental approvals required hereunder or as a condition to the sale and/or occupancy of the subdivided lots; construction of the Water Facilities has been completed and accepted in writing by Company, and Applicant has paid all fees, charges, and deposits authorized to be charged by the ACC including, but not limited to, meter and service lines which are not a part of the Water Related Facilities covered by this Agreement.

20. Conservation Requirement: To the extent Applicant contracts for or constructs residences or other water consuming facilities on the Property, Applicant shall make its best efforts to ensure that construction of said residences and facilities incorporates the latest technologies in water conservation consistent with the economic investment therein and limits water using features.

21. Non-Agents: It is agreed that Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent of Company and shall not incur any costs or expenses on behalf of Company.

22. Communication: Communications hereunder shall be sent to Applicant addressed as follows:

Tierra Linda Development, LLC  
6262 N. Swan Rd., Suite 125  
Tucson, AZ 85718

or to such other addresses or addressees as Applicant may advise Company in writing, and to Company at:

Tierra Linda Homeowners Association, Inc.  
c/o Tierra Linda Homeowners Association Water Company  
PO Box 69868  
Tucson, AZ 85737

or to such other addresses or addressees as Company may advise Applicant in writing.

23. Assignability: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns and either party may record the Agreement with the County Recorder's office in the county where the Property is located. However, Applicant shall only assign its rights, obligations and interests in this Agreement to a successor-in-interest that agrees in writing to assume all of Applicant's obligations to Company under this Agreement.

24. Rights and Remedies: The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available at law or equity. No action or failure to act by Company or Applicant shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any action or failure to act constitute an approval of or acquiescence in any breach, except as may be specifically agreed in writing.

25. Litigation: Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damage claimed or portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorneys fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if the parties so elect in the event of a dispute hereunder.

26. Entire Agreement/Time of the Essence/Waiver: This Agreement sets forth the full and entire agreement of the parties and it may only be altered, amended or supplemented in writing. This Agreement shall be governed by the laws of the State of Arizona. Time is of the essence in performing all obligations hereunder. Waiver of a breach of any term, condition or covenant of this Agreement by any party shall be limited to the particular instance and shall not be deemed to waive future breaches of the other party of the same or other terms, conditions or covenants.

27. Counterparts: This Agreement may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

28. Effective Date: This Agreement shall have no force or effect whatsoever and shall not be binding upon Company or Applicant until such time as it is executed by all parties and approved by the staff of the Utilities Division of the Commission.

29. Authority to Execute: Each party warrants and represents that it has lawful authority to execute this Agreement and to perform all acts required hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

**COMPANY**  
Tierra Linda Homeowners Ass'n, Inc.  
an Arizona public service corporation

**APPLICANT**  
Tierra Linda Development, LLC,  
an Arizona limited liability  
company

By: ROBERT P. ZAMMIT  
Title: PRESIDENT  
Date: 6/23/09

By: ROBERT P. ZAMMIT  
Title: MANAGER  
Date: 6/23/09

Approved: [Signature]  
Date: \_\_\_\_\_

Approved: [Signature]

Utilities Division:  
Arizona Corporation Commission

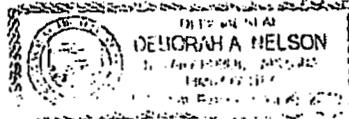
**ACKNOWLEDGMENTS**

STATE OF ARIZONA     )  
                                  ) ss.  
COUNTY OF PIMA     )

On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared ROBERT P. ZAMMIT who acknowledged himself to be the ~~MANAGER~~ of TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires \_\_\_\_\_  
[Signature] Notary Public



STATE OF ARIZONA     )  
                                  ) ss.  
COUNTY OF PIMA     )

On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared ROBERT P. ZAMMIT who acknowledged himself to be the ~~PRESIDENT~~ of TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

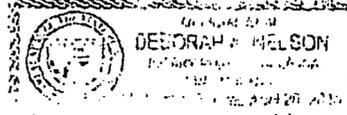
六

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

My Commission Expires:



Notary Public



# Appendix "D"

Tierra Linda Homeowners Association, Inc.  
(List of Water System Improvements)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

**FIRST AMENDMENT TO  
ASSET PURCHASE AGREEMENT**

This First Amendment to Asset Purchase Agreement ("First Amendment") by and between Tierra Linda Homeowners Association, Inc. ("Seller") and Gary Smyth, a married man dealing with his sole and separate property (on behalf of himself and his heirs and assigns) ("Buyer") is effective as of this 11<sup>th</sup> day of April 2011.

**RECITALS**

WHEREAS, Seller and Buyer previously entered into an Asset Purchase Agreement ("Agreement") effective as of June 16, 2009 which provided for Buyer's acquisition of the water system assets and Certificate of Convenience and Necessity of Seller, subject to approval by the Arizona Corporation Commission ("ACC"); and,

WHEREAS, Seller's ownership of the aforesaid water system assets was contingent upon ACC approval of a June 10, 2009 Water Main Extension Agreement Developer-Installed, On-Site and Off-Site Facilities for the Tierra Linda Nueva Subdivision ("Water Main Extension Agreement"); and,

WHEREAS, the Agreement provided for an October 15, 2009 date for Closing of the aforesaid transaction between Seller and Buyer; and,

WHEREAS, the aforesaid approval of the Water Main Extension Agreement was not obtained until September 24, 2010; and,

WHEREAS, the aforesaid required approval of the subject transaction by the ACC was not obtained until December 10, 2010; and,

WHEREAS, other matters related to Closing the aforesaid transaction between Seller and Buyer have further delayed Closing of the same; and,

WHEREAS, as a consequence thereof, Seller and Buyer believe it is appropriate to amend the Agreement by means of this First Amendment as set forth below.

**AGREEMENT**

NOW, THEREFORE, in consideration of the foregoing Recitals, and the mutual promises, covenants and agreements contained in the Agreement as hereinafter contained, the parties agree as follows:

Section 1. Extension of Closing Date. Pursuant to Section 10 of the Agreement, the Closing Date is hereby extended to April 11, 2011, which new Closing Date shall also be the date for proration.

Section 2. Aid In Construction Agreement. Proration of Seller's refund obligation under the Water Main Extension Agreement shall be as follows:

1. Seller shall be liable for refunds due during the period September 24, 2010 to April 11, 2011; and,
2. Buyer shall be liable for refunds due during the period April 11, 2011 through June 30, 2011.

Section 3. Reaffirmation of Remainder of Agreement. Seller and Buyer hereby reaffirm all other provisions of the Agreement.

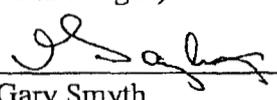
**SELLER:**

Tierra Linda Homeowners Association, Inc.

By:   
Robert P. Zammit, President

**BUYER:**

Gary Smyth, a married man, dealing with his sole and separate property (on behalf of himself and his heirs and assigns)

By:  4/11/11  
Gary Smyth

**FIRPTA  
CERTIFICATION OF NON-FOREIGN STATUS BY INDIVIDUAL**

Escrow No: **400-19666-JS**  
Subject Property: **Tierra Linda Homeowners Association Water Company/Well Site  
Tucson, AZ**

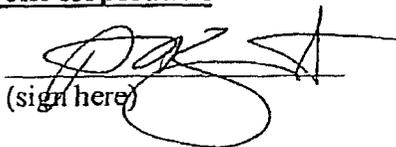
Section 1445 of the Internal Revenue Code provides that transferee (Buyer) of a U. S. real property interest must withhold tax if the transferor (Seller) is a foreign person. To inform the Buyer that the withholding of tax is not required on the disposition of the above described U. S. real property interest, the undersigned hereby certifies as follows:

1. The Seller(s) name, home address and Social Security number is/are as follows:

Name and Address	I. D. Number
<u>Robert P. Zammit, President Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation 4729 E. Sunrise Dr. Suite 311 Tucson, Arizona 85718</u>	33-1130439

2. None of the undersigned Seller(s) is a non-resident alien for purposes of U. S. income taxation (as that term is defined in the Internal Revenue Code and Income Tax Regulations).
3. The undersigned understand(s) that this Tax Certification may be disclosed to the Internal Revenue Service by the Buyer and that any false statement contained herein could be punishable by fine, imprisonment or both. Under penalty of perjury, the undersigned declare(s) that the undersigned has/have examined this Tax Certification and that, to the best of the undersigned's knowledge and belief, it is true, correct and complete. If Seller is an entity, the undersigned further declare that the undersigned has all necessary authority to execute this document on behalf of the Seller.

Seller: Robert P. Zammit, President Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

  
(sign here)

Date: April 11, 2011

NOTICE TO SELLER(S): Before you sign, any questions relating to the legal sufficiency of this form, or to whether it applies to a particular transaction, or the definition of any of the terms used herein should be referred to your attorney, accountant or the Internal Revenue Service.



**COURIER/OVERNIGHT FEES:**

Buyer(s)/Seller(s) agree to pay their respective courier/overnight fees in the amount of \$20.00.

**WELL EXISTENCE:**

Title Security Agency of Arizona will complete the "Request to Change Well Information Form" and will also charge the transfer fee of \$120.00 for the Arizona Department of Water Resources half to the buyer and half to the seller.

**HOMEOWNERS ASSOCIATION:**

The undersigned Sellers herein certify and attest that there is an active homeowners association on the subject property. Buyers herein agree and understand that they shall be responsible for any future homeowner association dues and/or assessments that may become due in the future.

**INSURANCE:** The buyer will provide insurance on the property as set forth in paragraph 6.1.16 of the Asset Purchase Agreement and all costs will be paid by the buyer direct and outside of escrow.

**SATISFACTION OF TERMS AND CONDITIONS:**

All parties herein certify that they have personal knowledge that all terms, conditions, contingencies and repairs agreed to in the contract/escrow instructions have been satisfied and/or completed. If applicable, Buyer has read and approved the Seller's property disclosure statement and parties instruct Title Security Agency of Arizona to proceed with closing and recordation.

**INVOICES:**

If for any reason invoices for work performed on premises are not deposited into escrow, all payments due shall become the responsibility of the parties to pay direct and outside this transaction.

Parties signatures on Settlement Statement approve costs and items charged in connection with this escrow. Parties further authorize the adjustment of any items which may be subject to change between the date of signing and the actual disbursement date and further agree to immediately deposit with Escrow Agent any additional funds that may be due.

The undersigned agree, if requested by Title Security Agency of Arizona to fully cooperate and adjust for clerical errors, any and all closing documents, if deemed necessary by Title Security Agency of Arizona to complete the transaction in accordance with the purchase agreement, and any amendments thereto, including but not limited to final adjustments to the Settlement Statement.

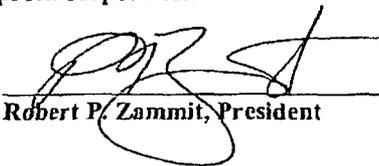
All other Terms and Conditions to remain the same.

Our signatures hereon designate our full approval thereof. These Instructions may be executed in counterpart and each counterpart so executed shall constitute but one and the same original document.

Each of the undersigned states that he has read the foregoing amended instructions and understands and agrees to them.

SELLER(S)

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

  
Robert P. Zammit, President

BUYER(S)

  
Gary Smyth

Date: April 10, 2011

Escrow No. : 400-19666-JS

Escrow Officer: Judy Susalla

## ESCROW TERMS AND CONDITIONS COMMERCIAL

The undersigned Buyer and Seller hereby employ Title Security Agency of Arizona to act as Escrow Agent in closing the above escrow. They understand and agree, and instruct Escrow Agent, as follows:

1. *Deposit of Documents and Funds by Parties.* Seller and Buyer will deposit with Escrow Agent the necessary documents to complete the sale as established by the terms of the Asset Purchase Agreement (the "Purchase Contract") and all monies payable under the Purchase Contract unless otherwise specified.
2. *Disbursement of Funds.* They instruct Escrow Agent to pay from funds held for said purpose, amounts necessary to procure the documents and to pay charges and obligations necessary to consummate this transaction, in accordance with the Purchase Contract. Escrow Agent shall be under no obligation to disburse any funds until advised by the bank that the check or draft deposited has been honored. In the event any check given by, or on behalf of, Buyer is subsequently dishonored, Seller agrees to refund any remittance made to Seller by Escrow Agent.
3. *Completion, Recording, Filing and Delivery of Documents.* They authorize Escrow Agent to act upon any statement furnished by a lien holder or his agent without liability to Escrow Agent. At the appropriate time as set forth in the Purchase Contract, Escrow Agent shall deliver to the proper party, or record or file in the appropriate public office, as applicable, all necessary documents, disburse all funds, and issue any title insurance policy.
4. *Deposit of Funds by Escrow Agent.* All monies deposited with Escrow Agent in connection with this escrow will be deposited into a non-interest bearing account with a financial institution (the "Funds Depository") whose deposits are covered by FDIC or FSLIC insurance. The parties acknowledge that, in calculating the amount of available insurance, the FDIC or FSLIC will consolidate money deposited under this escrow with all other funds of the undersigned which are on deposit with the Funds Depository. Therefore, the parties hereby release Escrow Agent from any liability and assume all responsibility for any loss which may result from a lack of FDIC or FSLIC insurance in excess of \$250,000. IF SO INSTRUCTED BY SELLER OR BUYER, ESCROW AGENT WILL INVEST ANY DEPOSITED FUNDS IN AN INTEREST BEARING ACCOUNT ESTABLISHED IN THE NAME OF TITLE SECURITY AGENCY OF ARIZONA AS ESCROW AGENT. THE DEPOSITING PARTY HAS A RIGHT TO EARN INTEREST ON ANY ESCROWED FUNDS WHICH ARE DEPOSITED IN THE INTEREST BEARING ACCOUNT. A GOOD FAITH ESTIMATE FOR INTEREST EARNED ON A TYPICAL INVESTMENT ACCOUNT WITH A FEDERALLY INSURED INSTITUTION IS AS FOLLOWS: DEPOSIT OF \$1,000 AT 5% PER ANNUM WOULD PAY APPROXIMATELY \$4.17 PER MONTH, OR AT 6% PER ANNUM WOULD PAY APPROXIMATELY \$5.00 PER MONTH. THE ACCOUNT MAY BE ESTABLISHED BY CONTACTING THE ESCROW AGENT AT THE TELEPHONE NUMBER OR ADDRESS LISTED ABOVE AND EXECUTING ESCROW AGENT'S CUSTOMARY INVESTMENT INSTRUCTION.
5. *Written instructions.* Escrow Agent shall not be bound by, nor be obligated to act upon any instruction, demand or notice not in writing and signed by the party or its agent delivering such instruction, demand or notice.
6. *Taxes/Assessments.* Personal property taxes and assessments, if applicable, are to be prorated based on the latest tax/assessment bill(s) available to Escrow Agent at the close of escrow. Escrow Agent is not liable in the event a subsequent tax/assessment bill is different for that used as the basis for the proration.
7. *Closing Costs/Escrow Fees.* Unless the parties provide otherwise, all closing costs and escrow fees will be paid one-half by Buyer and one-half by Seller.
8. *Indemnity.* Buyer and Seller will pay all costs, damages, attorneys' fees and expenses which Escrow Agent may incur or sustain in connection with this transaction, except as caused by the gross negligence of Escrow Agent.
9. *Resignation.* At any time and in its sole discretion, Escrow Agent can resign as Escrow Agent by sending written notice to all parties to the escrow. All money and documents held by Escrow Agent will be returned to the party who delivered them into escrow.

10. Close of Escrow. Should Escrow Agent be closed on day of compliance with these instructions, the requirements may be met on the next succeeding day Escrow Agent is open for business. "Close of Escrow" shall mean full finding of the purchase price and full execution of the requisite documents to close this transaction and, if applicable, the due filing or recording of any Uniform Commercial Code Financing Statements given as collateral for any new loan.
11. Excluded Matters. Escrow Agent shall have no responsibility for (i) determination of ownership, possession or control of, or liens or encumbrances against, the Personal Property; (ii) verification of the existence or transfer of utilities, security deposits, insurance policies, water rights, liquor licenses, professional licenses or business licenses; (iii) collection of cancellation premiums from Seller's hazard or other insurance policies; (iv) renewal, procurement, assignability or effectiveness of flood, hazard or any other insurance; (v) transfer of control or possession of Personal Property; (vi) investigation and/or and payment of personal property or any other taxes affecting the Personal Property; (vi) employee matters, including but not limited to retention, firing, hiring, verification of nationality or immigration status, or any other matter relating to existing employees, independent contractors or other agents of Seller or Buyer; (vii) any environmental matters; (viii) zoning conformance or subsequent zoning changes or grandfathered rights; (ix) verification of building permits or certificates of occupancy for any premises; (x) perfection of liens under the Uniform Commercial Code (this is only covered by any title insurance obtained by Buyer or any lender); (xi) any Personal Property which could be considered a consumer good under the Uniform Commercial Code; and (xii) verification, renewal, consent to or transfer of, or release from, any franchise or lease or licensing rights. All of the foregoing matters will be handled by the parties directly and outside of escrow, and Escrow Agent shall have no responsibility with regard thereto.
12. Unclaimed Funds Charge. Pursuant to A.R.S. Section 44-317 Escrow Agent will charge a \$25.00 service fee for the processing and administration coincidental with any unclaimed funds. This one time \$25.00 charge will be earned by Escrow Agent after Escrow Agent has made a diligent effort to locate the party which includes written notice.
13. Conflicting Demands. Seller and Buyer authorize Escrow Agent in the event of any conflicting demands made upon it concerning these instructions, or this escrow, at its election, to hold any money and documents deposited hereunder until it receives mutual instructions by all parties or until a civil action shall have been finally concluded in a Court of competent jurisdiction, determining the rights of all parties. In the alternative, Escrow Agent may at its discretion at any time, commence a civil action to interplead any conflicting demands to a Court of competent jurisdiction to determine its rights and the rights of the parties to this escrow. In accordance with paragraph eight (8), the parties will pay to Escrow Agent its expenses and attorneys' fees sustained in connection with the civil action, and any appeal, to determine its rights and the rights of the parties to this escrow. They therefore authorize and direct Escrow Agent to deduct it's charges, expenses, and attorney's fees incurred in connection with any interpleader action from any funds before depositing those funds into court.
14. Cancellation. Seller(s) and Buyer(s) acknowledge that some escrows, including For Sale by Owners, are of a complex nature or require special services. Escrow Agent requires an additional fee or charge for those escrows in the amount of \$250.00, paid at the acceptance and opening of the escrow. Should the escrow cancel for any reason, Seller(s) and Buyer(s) agree that the additional fee or charge shall be retained by Escrow Agent as a cancellation/special services charge. The additional fee/charge  will  will not be required for this transaction.

Upon the close of escrow, the additional fee or charge shall be credited against the closing costs of the party depositing the money as shown below:

Amount of additional fee or deposit paid by Seller	\$
Amount of additional fee or deposit paid by Buyer	\$
Total	\$250.00

15. **GOOD FUNDS LAW:** All parties are aware and understand that Arizona Revised Statutes Section 6-843 requires that an escrow agent disburse money from an escrow account only if funds are deposited and available for withdrawal. Availability of funds is determined as follows:
  - (i) ELECTRONIC TRANSFERS ("wired funds") are available for disbursement THE SAME DAY AS RECEIVED.
  - (ii) CASHIER'S CHECKS, CERTIFIED CHECKS OR TELLER'S CHECKS are available for disbursement THE SAME DAY AS DEPOSITED.
  - (iii) CHECKS made by an affiliate of a state or federally regulated depository institution when the check is drawn on that institution are available for disbursement THE SAME DAY AS DEPOSITED.

In order to avoid unnecessary delays of two days or more, please use the above methods of payment whenever possible.

Escrow Agent shall be under no obligation to disburse any funds represented by check or draft, and no check or draft shall be payment to Escrow in compliance with any of the requirements hereof, until it is advised by the Bank in which it is deposited that such check or draft has been honored; and Buyer and Seller agree to pay Escrow upon demand, all charges payable by them respectively, as provided herein or on the Estimated or Final Closing Statement (s).

16. **Mediation.** In the event that there is an unresolved dispute not provided for in any other section of these Escrow Terms and Conditions, any party hereto may make written demand for mediation to the other party and to a Special Mediator selected by Escrow Agent. Within five (5) days after receipt of such demand, the responding party may forward to the Special Mediator and the initiating party a written response setting forth any other issues and concerns which he or she believes are relevant to the issues presented for mediation. Unless otherwise agreed, once a demand for mediation has been filed, there shall be no *ex parte* communications with the Special Mediator. The Special Mediator shall promptly determine if all parties are in possession of adequate information necessary to evaluate the issues and concerns set forth in the demand notice and/or the response thereto (collectively the "Claims"). In the event he/she deems that they are not, he/she shall utilize best efforts to obtain the information in a prompt manner. The Special Mediator shall immediately prepare an agenda consisting of the various issues and concerns comprising the Claims, and shall deliver the agenda to both parties within fifteen (15) days after the demand for mediation was received. The Special Mediator shall then schedule a conference among the parties, to occur within thirty (30) days after the demand for mediation was received. The conference will be attended by the persons most familiar with the issues set forth in the Claims, and by a representative of each party, who is authorized to act on behalf of such party as to reaching an agreement on the Claims. The Special Mediator shall lead negotiations between the parties in an impartial manner, and shall endeavor to develop a consensus and agreement as to all of the issues and concerns. Agreements as to any issues, if reached, shall be acknowledged by the parties upon preparation of a written summary by the Special Mediator. The proceedings and all documents prepared exclusively for use in these proceedings shall be deemed to be matters pertaining to settlement negotiations, and not subsequently admissible at any further proceeding, except for the summaries of agreements prepared by the Special Mediator and acknowledged by the parties. The cost of the Special Mediator shall be borne equally by the parties to the mediation. Upon a determination by the Special Mediator that further negotiations are unlikely to achieve further meaningful results, he/she shall declare the mediation procedure terminated. In the event mediation is unsuccessful, either party may proceed to elect to resolve the dispute through binding arbitration, by delivering written notice to the other within fifteen (15) days after the termination of the mediation process.
17. **Arbitration.** Any and all disputes, controversies, claims and differences arising out of or relating to these Escrow Terms and Conditions or any breach thereof, which are unable to first be resolved by mediation and which cannot be settled through mutual consent of the parties hereto, shall be finally settled by arbitration. Within thirty (30) days of one party making a written demand for arbitration, each other party to the dispute shall select and designate one party to appoint the arbitrator. Within thirty (30) days of their selection, these collective parties shall agree upon and select the arbitrator. In the event that the parties appointed to select the arbitrator are unable to agree upon an arbitrator within the thirty (30) days, then each party shall select a new party to appoint the arbitrator, and the process shall continue until an arbitrator is selected. If an arbitrator is not selected within ninety (90) days, then at the request of either party, the arbitrator shall be appointed by the American Arbitration Association. The arbitrator shall conduct the arbitration under the Arizona Uniform Rules of Procedure for Arbitration. In the event of any conflict between the Uniform Rules of Procedure for Arbitration and the provisions of this Section, the provisions of this Section shall govern. Arbitration proceedings shall be held in Tucson, Arizona. The decision of the arbitrator shall be final and binding upon the parties hereto, and not subject to appeal, and shall deal with the issue of the award of costs of the arbitration, including attorneys' fees.
18. **Governing Law.** These Escrow Terms and Conditions and the rights and obligations of the Escrow Agent, Buyer and Seller hereunder shall be governed by and interpreted in accordance with the internal laws of the State of Arizona, without regard to conflicts of laws principles.
19. **Binding Effect; Assignment.** These Escrow Instructions shall apply to, inure to the benefit of and be binding upon and enforceable against the parties hereto and their respective successors, heirs, legal representatives and permitted assigns. No party hereto may assign this Agreement or any rights hereunder, in whole or in part.

20. Attorneys' Fees. In the event of a dispute arising out of the terms hereunder, the prevailing party shall be awarded reasonable attorneys' fees in addition to court costs and other costs incidental thereto.

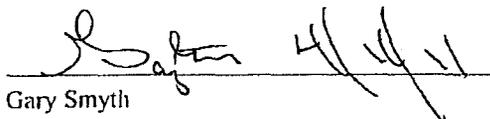
21. Time of Essence. Time shall be considered to be of the essence as to all provisions of these Escrow Terms and Conditions.

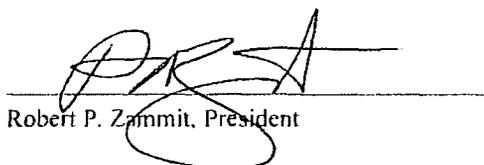
THE UNDERSIGNED HEREBY ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE MATTERS CONTAINED IN THESE ESCROW TERMS AND CONDITIONS. THEY UNDERSTAND THAT ESCROW AGENT IS RELYING UPON THIS ACKNOWLEDGMENT IN CLOSING THE SUBJECT ESCROW.

Buyer(s):

Seller(s):

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

  
Gary Smyth

  
Robert P. Zammit, President

ESCROW ACCEPTANCE PROVISION

AFFIDAVIT

The undersigned, being duly sworn according to law, deposes and says:

1. That they are the owners of that certain real property known as Tierra Linda Homeowners Association Water Company/Well Site Tucson, AZ in the County of Pima, State of Arizona, described in First American Title Insurance Company Commitment to Insure No. 400-19666 JS, ("the property").
2. In my capacity as such, I am personally familiar with the management and operation of the Property, including the existence of any tenancies, leases, parties in possession and other occupancies, and payment of taxes and assessments in connection therewith.
3. The Owner's enjoyment of the Property has been peaceful and undisturbed and the title to the Property has never been disputed or questioned to my knowledge, nor do I know of any facts by reason of which title to, or possession of the Property might be disputed or questioned, or by reason of which any claim to the Property or any portion thereof might be asserted adversely to.
4. A complete list of all parties in possession of any portion of the Property is attached hereto as **EXHIBIT "A"** and made a part hereof. There are no other tenancies, leases, parties in possession or other occupancies of the Property and each of the parties disclosed on the attached list occupies either as a tenant from month to month without lease or pursuant to the terms of an unrecorded lease without any option to purchase or any right of first refusal to purchase any or all of the Property.
5. No proceedings in Bankruptcy has ever been instituted by or against the owner, nor has the owner ever made an assignment for the benefit of creditors.
6. I know of no action or proceeding relating to the Property in any State or Federal Court in the United States, nor do I know of any State or Federal Judgment or any Federal Lien of any kind or nature whatever which now constitutes a lien or charge upon the Property.
7. There are no unrecorded documents affecting title to the Property.
8. We have had no notice of any taxes and/or special assessments affecting the Property other than those shown on the Commitment.
9. There are no unpaid charges for taxes, water, and/or services or unpaid special assessments for items such as improvements for sidewalks, curbs, gutters, sewers, etc., not shown as existing liens in the public records.
10. There are no unpaid bills or claims for labor or services performed or materials furnished or delivered during the last twelve (12) months for alterations, repair work, or new construction on the Property, except: (if none, state "NONE").  
NONE
11. The building or buildings located on the Property were completed more than 4 years ago.
12. I know of no contract for the making of repairs or improvements on the Property except as follows: (if none, state "NONE").  
NONE

13. That no person(s) other than those mentioned above have any rights, easements, licenses, or agreements allowing them to use, encroach on, or travel over said real property except (if none, state "NONE").

\_\_\_\_\_

14. That this affidavit is given for the purposes in inducing First American Title Insurance Company and Title Security Agency of Arizona to issue its policy (ies) of title insurance which may provide coverage as to the items mentioned above and that the statements made herein are true and correct of my own knowledge.

Dated: April // 2011

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

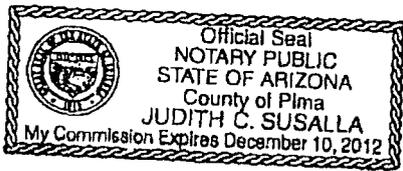
BY: [Signature]  
Robert P. Zammit, President

STATE OF ARIZONA }  
County of Pima } SS

The foregoing instrument was acknowledged, subscribed, and sworn to before me, the undersigned, this 11<sup>th</sup> day of April, 2011 by Robert P. Zammit, President of Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

[Signature]  
Notary Public

My commission expires 12/10/12



# AFFIDAVIT OF NO LIENS

Escrow No.:400-19666-JS

Before me, the undersigned authority, on this \_\_ day of April, 2011, personally appeared **Tierra Linda Homeowner's Association, Inc.**, an Arizona non-profit corporation, hereinafter referred to as Seller(s)/Borrower(s), personally known by me or proved to be the person(s) whose names are subscribed hereto, who being by me first duly sworn, on their oaths state the following to be true and correct.

1. I / We are the Owner's of the real property/land described as follows:

**See Exhibit A attached hereto:**

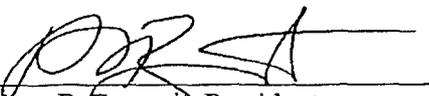
There are no liens against the real property/land and no judgments or tax liens against us, the subject property is free and clear of any Mortgage, Deed of Trust, or any other type of instrument that places an encumbrance secured by the subject property or owner of record. *(If there are additional liens, the Undersigned must disclose at this time, and Escrow Agent and/or Title Insurer reserve the right to make additional requirements prior to issuance of any policy of title insurance.)*

2. All taxes and assessments by a taxing authority are paid through 2010 and there have been no special tax assessments granted on the real property/land or tax exemptions that were not lawful.
3. All assessments by the homeowner's association or other governing body with authority for the subdivision/condominium/town or patio home are paid current, and there are no outstanding assessments payable that have not been disclosed to all parties.
4. There have been no improvements added to the real property / land, or construction on the land within the last 12 months except for as disclosed in writing to Escrow Agent as follows: \_\_\_\_\_.

I / We indemnify and hold harmless **Title Security Agency of Arizona** and it's underwriter **First American Title Insurance Company**, as issuing agent from, from any loss, liability, costs, expenses and attorney's fees, including attorney's fees to enforce this agreement, because of errors or incorrectness of this affidavit and because of any defects, liens encumbrances or other matters affecting or that may affect the title to the real property/land before the recordation of our conveyance or mortgage.

Dated: 4/10/2011

Tierra Linda Homeowner's Association,  
Inc., an Arizona non-profit corporation

  
\_\_\_\_\_  
Robert P. Zammit, President

AFFIDAVIT OF NO LIENS

State of ARIZONA }ss:  
County of Pima

On this 14th day of April, 2011, before me,  
The Undersigned

FOR NOTARY SEAL OR STAMP

a Notary Public in and for said County and State, personally appeared  
Robert P. Zammit, President of: Tierra Linda Homeowner's  
Association, Inc., an Arizona corporation

personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/she/they executed the  
same in his/her/their authorized capacity(ies), and that by his/her/their  
signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument  
WITNESS my hand and official seal.

Notary Public Judith C. Susalla  
My commission expires 12/10/12

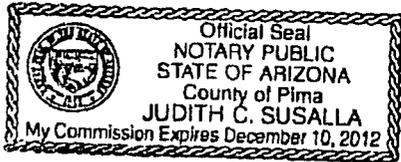


Exhibit "A"

Parcel 1:

WELL SITE located Southeast of Lot 20, TIERRA LINDA, a subdivision according to the map or plat thereof of record in the office of the county Recorder of Pima county, Arizona, in Book 17 of Maps and Plats at page 92.

Parcel 2:

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

THENCE from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

THENCE from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

THENCE, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

THENCE, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

THENCE leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.

CWH2 Services, LLC, P.O. Box 70022, Tucson, AZ 85737

# CWH2 Services, LLC

9/25/2005

**Re; Water Management / Operations Agreement – Tierra Linda HOA**

**Attn; Robert Zammit**

\_\_\_\_\_ via fax 529-1312

**From: Christopher W. Hill, CWH2 Services, LLC**  
**Home 297-2185, Cell 904-0741, Fax 297-9494**

**Robert:**

CWH2 Services is pleased to offer professional management services to Tierra Linda HOA (Company). Management services will be provided by CWH2 Services, in the persons of Christopher Hill and associates, serving in the capacity as Management and Certified Operator services for the Company. The relationship of CWH2 Services and the Company will be an independent contractor – client relationship. Chlorination disinfection facilities at the well site(s) is strongly encouraged.



CWH2 Services, LLC, P.O. Box 70022, Tucson, AZ 85737

## SCOPE OF SERVICES

CWH2 Services, LLC responsibilities and duties include:

1 – Provide Management / Certified Operator services for the Company. Make periodic visits, make adjustments, monitor, and determine system is in good operating condition.

2 – Perform monthly meter reading, new meter installations, billing and collections for the Company's new or connected water services. Provide Company monthly statistics on consumption, billing and accounts receivables.

3 – Provide monthly bookkeeping services, and provide Company monthly financial statements, including balance sheet, income statement and trial balance. All pertinent records are understood to be the property of the Company.

4 – Manage bank accounts(s) and perform monthly accounts payable services for all vendors per Company's authorization.

5 – Provide periodic reports to required agencies, ADEQ, ACC and ADWR.

6 – Act as liaison representing Company in affairs associated with administering financial functions, management, regular maintenance and operation, and compliance of the Company's statutory requirements (e.g. ADEQ, AWDR, ACC and any other regulatory entities).

7 – Provide flexibility in a professional environment to complete tasks as accepted by the Company.

8 – Work with Company's owner(s) or Board of Directors, engineers, accountants, attorneys, etc., as needed.

9 – Supervise Company's certified operators on plant and distribution, governmental compliance, billing, water usage, etc.



CWH2 Services, LLC, P.O. Box 70022, Tucson, AZ 85737

10 - This agreement shall commence on full execution by the parties and terminate 90 days following written notice by either party to the other of termination.

11 - Term of this agreement is for one (1) year from the date of signature and automatically renewed annually, unless terminated by either party per #10 above. Fees in Attachment A will be increased 3% annually, or by CPI, whichever is greater, per automatic renewals.

12 - Indemnification

Either party to this agreement shall hold the other party harmless for acts, functions, emergencies or any other situations beyond the control of each party, except for acts of negligence, willful neglect or intentional harm by either party.

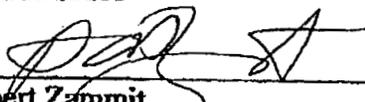
All notices shall be postage pre-paid and addressed:

CWH2 Services, LLC:  
P.O Box 70022  
Tucson, AZ 85737

Company:  
Tierra Linda HOA  
(Address)

**Tierra Linda Homeowners Assoc.**  
**6262 N. Swan Rd., Suite 125**  
**Tucson, AZ 85718**

Tierra Linda HOA

By:  9/20/05  
Robert Zammit Date  
Its: PRESIDENT

CWH2 Services, LLC

By: \_\_\_\_\_  
Christopher W. Hill Date

CWHZ Services, LLC, P.O. Box 70022, Tucson, AZ 85737

10 - This agreement shall commence on full execution by the parties and terminate 90 days following written notice by either party to the other of termination.

11 - Term of this agreement is for one (1) year from the date of signature and automatically renewed annually, unless terminated by either party per #10 above. Fees in Attachment A will be increased 3% annually, or by CPI, whichever is greater, per automatic renewals.

12 - Indemnification

Either party to this agreement shall hold the other party harmless for acts, functions, emergencies or any other situations beyond the control of each party, except for acts of negligence, willful neglect or intentional harm by either party.

All notices shall be postage pre-paid and addressed:

CWHZ Services, LLC:  
P.O Box 70022  
Tucson, AZ 85737

Company:  
Tierra Linda HOA  
(Address)

Tierra Linda Homeowners Assoc.  
6262 N. Swan Rd., Suite 125  
Tucson, AZ 85718

Tierra Linda HOA

By: [Signature] 9/20/05  
Robert Zammit Date  
Its: PRESIDENT

CWHZ Services, LLC

By: [Signature] 9-26-05  
Christopher W. Hill Date

CWH2 Services, LLC, P.O. Box 70022, Tucson, AZ 85737

### Attachment A – Fee Schedule

#### 1 – Management / Certified Operator Services – per Month

\$75.00 per hour for all scope of services, up to 50 service connections. Monthly hourly fees will not exceed \$ 750.00 per month.

*NE*

Thereafter;

\$10.50 Per Service Connection (51 to Build-Out).

Special services not detailed in this agreement, i.e., emergency services / repairs, special meetings (outside of Pima County), etc. shall be billed at the hourly rate. (*#75.00/H.R.*)

*PPS*

#### 2 – Meters, Billing, Collection and Vendor Payment Services

Included, except postage costs

#### 3 – Lab Analysis not Covered by Monitoring Assistance Program

Cost, plus hourly rate (Nitrate, Lead and Copper, DBP, Monthly coliform, etc.)

#### 4 – Approved Maintenance and Emergency Repairs and New Meter Installs

Subcontractors – Cost  
-or-

*(PASS THROUGH)* *PPS*

CWH2 Services, LLC, all costs (e.g. materials, new meters, etc.) plus hourly rate

*PPS*

CWHZ Services, LLC, P.O. Box 70022, Tucson, AZ 85737

**5 – Annual escalator per annual renewal: 3% or CPI, whichever is greater.**



## WARRANTY BILL OF SALE

FOR AND IN CONSIDERATION of the performance of the below parties pursuant to the terms and conditions set forth in that certain Asset Purchase Agreement executed by Buyer and Seller effective as of June 16, 2009 (the "Purchase Agreement"), and other valuable consideration paid by Gary Smyth, a married man as his sole & separate property ("Buyer"), the receipt and sufficiency of which is hereby acknowledged, Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation ("Seller"), does by these presents grant, bargain, sell and convey to Buyer, its successors, administrators and assigns, the following, free and clear of all liens and encumbrances:

See Exhibit A attached hereto and by this reference incorporated herein (the "Property").

Seller covenants and agrees to warrant and defend the sale of such Property unto the Buyer, its successors and assigns, against each and every person claiming or who may make a claim against the Property conveyed herein.

All the terms, covenants and conditions herein contained shall inure to the benefit of and shall bind the respective parties hereto, and their legal representatives, successors and assigns. In all references herein to any parties, persons entities or corporations, the use of any particular gender or the plural or singular number is intended to include the appropriate gender or number as the text of the within instrument may require.

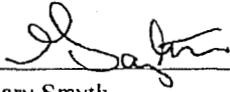
Seller covenants and warrants that it (a) is the owner of and in actual possession of the Property, and (b) has the absolute right and authority to convey same under the conditions and terms set forth herein.

Seller further covenants and warrants that, to the best of its knowledge and belief, (1) there are no judgments nor have any bankruptcy or insolvency proceedings been instituted against Seller, (2) no person or corporation has any claim whatsoever against the Property, and (3) the Property is free and clear of any liens, taxes, debts, judgments levies, attachments, executions or encumbrance of any nature, except as set forth in the Purchase Agreement and approved in writing by Buyer.

DATED this 11<sup>th</sup>

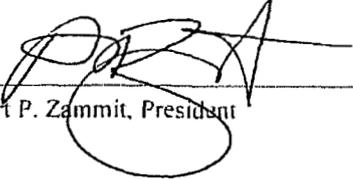
day of April, 2011,

Buyer(s):

 4/4/11  
Gary Smyth

Seller(s):

Tierra Linda Homeowner's Association, Inc., an  
Arizona non-profit corporation

  
Robert P. Zammit, President

**EXHIBIT "A"**  
**Schedule of Personal Property**

**ATTACH LIST OF ALL PROPERTY BEING ACQUIRED**

EXHIBIT "A"

Water System Assets

Real Estate

- 0.68 acre wellsite, dkt. 10209, pg. 2027
- non-exclusive right to 20' wide utility and access easement to wellsite located within lot 20 of Tierra Linda, Dkt. 17, Pg. 92
- non-exclusive right to 50' wide private ingress/egress & utility easement to wellsite located within lot 53 of Tierra Linda Nueva, Bk. 59, Pg. 3.

Structures and Improvements

- wellsite fencing and gates
- wellsite concrete slabs
- wellsite gravel and riprap

Wells and Springs

- well with 12" casing

Pumping Equipment

- 25 hp submersible pump
- 450 lf drop pipe, cable and sounding tube
- Two 10 hp and one 50 hp booster pumps
- piping, valves, flow meters, supports
- electrical equipment and panels
- compressor and related piping, valves and fittings
- 5000 gallon hydro-pneumatic tank, valves, fittings and connection

Distribution Reservoirs and Standpipes

- wellsite ductile iron pipe, fittings and connections
- 400,000 gallon storage tank, piping, fittings and connections
- 8" elevated overflow and supports

Transmission and Distribution Mains

- 1,520 lf 12" mains, (4) 12" valves
- 6,922 lf 8" mains, (31) 8" valves
- 1,000 lf 6" mains, (0) 6" valves
- (15) 2" DVAs

Services

- Phase 1: 37 single water services, 40 double water services, 2 irrigation services
- Phase 2: 22 single water services, 13 double water services

Meters and Meter Installations

- 60 5/8" x 3/4" meters

Hydrants

- Phase 1: 15 hydrants
- Phase 2: 8 hydrants

Other Plant and Misc. Equipment

- chlorination system
- cellular phone connection to telemetry system

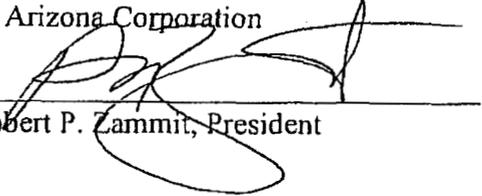
Water Hose for blowing off dead ends	Value	\$200.00
One Meter and a Couple of Fittings	Value	\$150.00

**Certificate re RUCO and ACC Assessments**

Tierra Linda Homeowners Association, Inc., an Arizona corporation, hereby certifies that (i) the annual Arizona Corporation Commission ("ACC") assessment, due and payable pursuant to A.R.S. § 40-401, and (ii) the Annual Residential Utility Consumer Office Assessment, due and payable pursuant to A.R.S. § 40-401.01, have been paid in full for gross operating revenues received by the company during calendar 2010.

Dated this 11 day of APRIL 2011.

Tierra Linda Homeowners Association, Inc.,  
an Arizona Corporation

  
Robert P. Zammit, President

**CERTIFICATE OF CORPORATE RESOLUTION**

State of Arizona }  
County of Pima } SS:

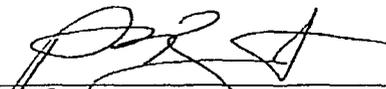
I, ROBERT P. ZAMMIT, as PRESIDENT of Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation, an Arizona corporation, do hereby certify that the following is a true copy of a resolution passed at a regular meeting of the Board of Directors of said corporation, duly called, and held at the offices of the corporation at - Tucson, Az on 4/11/11, 3:00 pm, at the hour of on said day, at which meeting a quorum was present:

RESOLVED that **Robert P. Zammit**, as **President** of the corporation is hereby authorized to execute for and on behalf of the corporation deeds, contracts of sale, mortgages, deeds of trust, satisfactions of mortgages, leases and any other documents or instruments pertaining to or connected with real property to be acquired or currently held by this corporation.

I do further certify that said resolution was adopted by the unanimous vote of the directors present, and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand, as Secretary of Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation, , this 11th day of April, 2011 .

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

BY:   
Its: PRESIDENT

RECORDING REQUESTED BY  
Title Security Agency of Arizona  
AND WHEN RECORDED MAIL TO:  
Gary Smyth

ESCROW NO.: 400-19666-JS  
400-19666-PJ

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,  
**Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258**  
do/does hereby convey to  
**Gary Smyth, a married man, as his sole and separate property**  
the following real property situated in **Pima County, Arizona:**

See Exhibit "A" attached hereto and made a part hereof.

Pursuant to ARS 33-404, the name and address of the Beneficiary is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated: April 11, 2011

*es D. 4/11/11*

Accepted and approved:

Grantees:

Grantors:

Ticor Title Agency of Arizona, Inc., an Arizona  
corporation, as Trustee under Trust no. 12,258

\_\_\_\_\_  
Gary Smyth

BY: \_\_\_\_\_

State of ARIZONA                                }ss:  
County of Pima

On this \_\_\_\_\_ day of April, 2011, before me,

The Undersigned \_\_\_\_\_

a Notary Public in and for said County and State, personally appeared

\_\_\_\_\_  
As Trust officer of Ticor Title Agency of Arizona, Inc., an Arizona corporation

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

\_\_\_\_\_

Escrow No.: 400-19666-JS

State of **ARIZONA** )ss:  
County of Pima

On this \_\_\_\_\_ day of April, 2011, before me,

FOR NOTARY SEAL OR STAMP

The Undersigned \_\_\_\_\_,

a Notary Public in and for said County and State, personally appeared  
Gary Smyth

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument  
WITNESS my hand and official seal.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

Exhibit "A"

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

**BEGINNING** at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

**THENCE** from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

**THENCE** from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

**THENCE**, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

**THENCE**, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

**THENCE** leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.

RECORDING REQUESTED BY  
Title Security Agency of Arizona  
AND WHEN RECORDED MAIL TO:  
Gary Smyth

ESCROW NO.: 400-19666-JS  
400-19666-PJ

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,

**Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258**

do/does hereby convey to

**Gary Smyth, a married man, as his sole and separate property**

the following real property situated in Pima County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

Pursuant to ARS 33-404, the name and address of the Beneficiary is:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.

And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated: April 11, 2011

DATE

4/11/11

RE: YOUR TRUST NO. #12/258  
YOU ARE AUTHORIZED AND DIRECTED TO EXECUTE  
AND DELIVER THE INSTRUMENT OF WHICH THE  
FOREGOING IS A TRUE COPY.



Accepted and approved:

Grantees:

Grantors:

Ticor Title Agency of Arizona, Inc., an Arizona  
corporation, as Trustee under Trust no. 12,258

\_\_\_\_\_  
Gary Smyth

BY: \_\_\_\_\_

State of ARIZONA )ss:  
County of Pima

On this \_\_\_\_\_ day of April, 2011, before me,  
The Undersigned  
a Notary Public in and for said County and State, personally appeared

As Trust officer of Ticor Title Agency of Arizona, Inc., an Arizona corporation

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal.

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

\_\_\_\_\_

Escrow No.: 400-19666-JS

State of ARIZONA }ss:  
County of Pima

On this \_\_\_\_\_ day of April, 2011, before me,

The Undersigned

a Notary Public in and for said County and State, personally appeared  
Gary Smyth

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal.

FOR NOTARY SEAL OR STAMP

Notary Public \_\_\_\_\_

My commission expires \_\_\_\_\_

Exhibit "A"

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

THENCE from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

THENCE from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

THENCE, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

THENCE, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

THENCE leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.

**Title Security Agency of Arizona**

2730 E. Broadway, Suite 100, Tucson, AZ 85716

(520)747-1644

**CLOSING STATEMENT**

Final

**Seller(s)/Lender(s):**

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

**Property:** Tierra Linda Homeowners Association Water Company/Well Site  
Tucson, AZ  
Pima

**Buyer(s)/Borrower(s):**

Gary Smyth

**Escrow No:** 400-19666

**Escrow Officer:** Judy Susalla

**Closing Date:** 04/11/2011

**Proration Date:** 04/11/2011

**Date Prepared:** 04/13/2011

Seller		Description	Buyer	
Debit	Credit		Debit	Credit
<b>TOTAL CONSIDERATION:</b>				
	70,000.00	Total Consideration	70,000.00	
<b>PRORATIONS AND ADJUSTMENTS:</b>				
	2,565.25	A/R to seller for prior months	2,565.25	
	764.15	A/R for April	764.15	
630.00		reimbursement for meter deposit		630.00
17,000.00		new service refundable AIAC deposit		17,000.00
41,468.09		loan repayment to Gary Smyth		41,468.09
3.23		County taxes 1/1/2011 to 4/11/2011		3.23
		closing funds paid by buyer		14,895.58
<b>PAYOFFS:</b>				
<b>ESCROW CHARGES:</b>				
190.00		Escrow Fee to Title Security Agency of Arizona	190.00	
300.00		Business Escrow fee-822 to Title Security Agency of Arizona	300.00	
50.00		filing fees to Title Security Agency of Arizona	50.00	
20.00		Wire Transfer Fee - 813 to Title Security Agency of Arizona	20.00	
10.00		Basic Charges (Courier) - 810 to Title Security Agency of Arizona	10.00	
37.50		Recording Services - 814 to Title Security Agency of Arizona	37.50	
<b>TITLE CHARGES:</b>				
493.00		Owners Policy Ch I Sec 101.A - Premium - \$30000.00 to Title Security Agency of Arizona		
<b>ADDITIONAL CHARGES:</b>				
60.00		well transfer fee Arizona Dept of Water Resources	60.00	
25.00		Deed fees and closeout fees to Fidelity National Title		
60,286.82	73,329.40	Sub Totals	73,996.90	73,996.90
13,042.58		Net Proceeds Due to Seller		
73,329.40	73,329.40	Totals	73,996.90	73,996.90

**Title Security Agency of Arizona**

2730 E. Broadway, Suite 100, Tucson, AZ 85716  
(520)747-1644

**CLOSING STATEMENT**

ESTIMATED - Figures subject to change

**Seller(s)/Lender(s):**

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

**Buyer(s)/Borrower(s):**

Gary Smyth

**Property:** Tierra Linda Homeowners Association Water Company/Well Site  
Tucson, AZ  
Pima

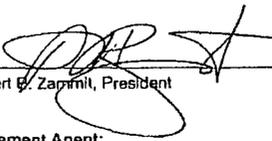
**Escrow No:** 400-19666  
**Escrow Officer:** Judy Susalla  
**Closing Date:** 04/11/2011  
**Proration Date:**  
**Date Prepared:** 04/11/2011

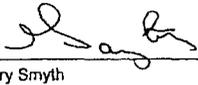
Seller		Description	Buyer	
Debit	Credit		Debit	Credit
		<b>TOTAL CONSIDERATION:</b>		
	70,000.00	Total Consideration	70,000.00	
		<b>PRORATIONS AND ADJUSTMENTS:</b>		
	2,565.25	A/R to seller for prior months	2,565.25	
	764.15	A/R for April	764.15	
630.00		reimbursement for meter deposit		630.00
17,000.00		new service refundable AIAC deposit		17,000.00
41,468.09		loan repayment to Gary Smyth		41,468.09
3.23		County taxes 1/1/2011 to 4/11/2011		3.23
		<b>PAYOFFS:</b>		
		<b>ESCROW CHARGES:</b>		
190.00		Escrow Fee to Title Security Agency of Arizona	190.00	
300.00		Business Escrow fee-822 to Title Security Agency of Arizona	300.00	
50.00		filling fees to Title Security Agency of Arizona	50.00	
20.00		Wire Transfer Fee - 813 to Title Security Agency of Arizona	20.00	
10.00		Basic Charges (Courier) - 810 to Title Security Agency of Arizona	10.00	
37.50		Recording Services - 814 to Title Security Agency of Arizona	37.50	
		<b>TITLE CHARGES:</b>		
493.00		Owners Policy Ch I Sec 101.A - Premium - \$30000.00 to Title Security Agency of Arizona		
		<b>ADDITIONAL CHARGES:</b>		
60.00		well transfer fee Arizona Dept of Water Resources	60.00	
25.00		Deed fees and closeout fees to Fidelity National Title		
60,286.82	73,329.40	Sub Totals	73,996.90	59,101.32
13,042.58		Net Proceeds Due to Seller		14,895.58
				Due From Buyer, via certified funds or cashier's check payable to ( Title Security Agency of Arizona)
73,329.40	73,329.40	Totals	73,996.90	73,996.90

**Seller(s)/Lender(s) Signatures:**

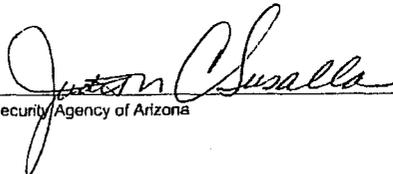
**Buyer(s)/Borrower(s) Signatures:**

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

 4/11/11  
Robert E. Zammit, President

 4/11/11  
Gary Smyth

**Settlement Agent:**

  
Title Security Agency of Arizona

4/11/11  
Date:



Title Security Agency of Arizona  
 2730 E. Broadway, Suite 100, Tucson, AZ 85716  
 Phone (520)747-1644/Fax (520)747-1403

**RECEIPT**

RECEIPT #: 33190  
 Office: Judy Susalla  
 Escrow No. 400-19666

Date: April 11, 2011  
 Received from: Gary Smyth  
 Escrow Name: Smyth / Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation  
 Type of Transaction: Closing Funds  
 In the Amount of: \$14,895.58 In the Form Of: Check # 304133

**NOTICE OF RIGHT TO EARN INTEREST ON DEPOSITED FUNDS - ARS 6-834**

Interest may be earned on all deposited funds by requesting the Escrow Officer who is handling your transaction to place the escrowed funds into an interest bearing account. The Escrow Holder's charge to setup such an account is \$25.00 (as filed with the Arizona Department of Financial Institutions), and a fully completed and signed *Form W-9* and separate specific directions to invest funds will be required prior to setting up any such account. The funds so deposited will earn interest at the prevailing rate of interest paid by the federally insured financial institution where your funds would be deposited. (For example; in a typical transaction, a \$1,000.00 deposit for a thirty (30) day period with the prevailing interest rate of 3% per annum, the interest earned would be \$2.40). Title Security Agency of Arizona or its underwriter shall not be responsible for any penalties or loss of principal or any delays in the withdrawal of funds which may be imposed by the Depository as a result of the making or redeeming of the investment pursuant to our instruction.

**PURSUANT TO ARS 6-841.02**

The buyer and seller of a residential dwelling may be offered a closing protection letter from the title insurer that provides protection for the loss of escrow monies due to fraud or dishonesty of the escrow agent.

**NOTICE OF UNINSURED MONIES PURSUANT TO ARS 6-841.03**

Monies deposited in an escrow account are not insured against loss from fraud or theft by the State of Arizona or the United States Government.

**FDIC NOTICE AND WAIVER**

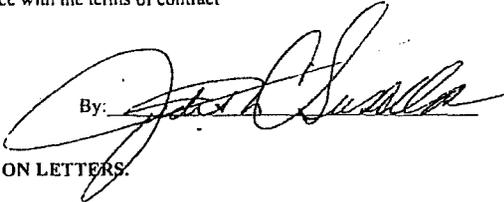
The depositing party or parties hereto specifically understand and acknowledge that any funds in excess of \$250,000.00 deposited into any single account are *NOT insured* by the FDIC (or any other governmental agency) and the parties hereto hold the Escrow Holder harmless from any loss of funds incurred in the event of failure of institution where the funds are on deposit.

**ALL CHECKS RECEIVED SUBJECT TO COLLECTION**

Payments accepted only if such payment is in accordance with the terms of contract

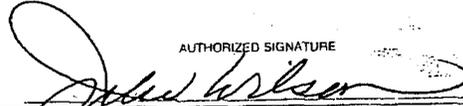
Copy of the foregoing provided to the following:

1. Seller
2. Buyer
3. \_\_\_\_\_

By: 

Title Security Agency offers CLOSING PROTECTION LETTERS.

Created By Judy Susalla on 04/11/2011 13:49:30 PM

		<b>CASHIER'S CHECK</b>		<b>304133</b>
Remitter: <u>GARY SMYTH</u>		Date: <u>April 11, 2011</u>		91-532/1221
Pay: <u>***FOURTEEN THOUSAND EIGHT HUNDRED NINETY FIVE and 58/100*** US Dollars</u>		\$ <b>***14,895.58***</b>		
To The Order Of: <u>***TITLE SECURITY AGENCY - ESCROW # 400-19666***</u>				AUTHORIZED SIGNATURE
001 09 2702				



# Title Security Agency of Arizona

## PROCEEDS AUTHORIZATION

April 10, 2011

Escrow No.: 400-19666-JS  
Property Address: Tierra Linda Homeowners Association Water Company/Well Site, Tucson, AZ  
Seller/Buyer: Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation/Gary Smyth

Proceeds in the amount of \$ \_\_\_\_\_ (subject to changes)

**NOTE: This proceeds authorization is subject to your bank placing a "HOLD ON YOUR PROCEEDS CHECK".**

I/We hereby authorize Title Security Agency of Arizona to disburse our proceeds as stated above in the following manner. (choose one)

- Hold/Call for pick up- Phone No 977-4860
- Mail to: \_\_\_\_\_
- Overnight Delivery to: \_\_\_\_\_  
(A \$25.00 delivery fee will be charged for each overnight delivery)
- Deposit to: \_\_\_\_\_ (Deposit Slip Required)
- Transfer funds to escrow with: \_\_\_\_\_
- Please accept this as my irrevocable authorization to assign the sum of \$ \_\_\_\_\_ from proceeds due the undersigned thru the above numbered escrow, to escrow File# \_\_\_\_\_. No further authorization necessary. *This instruction Must be signed by all parties that may have an interest in those funds.*
- Wire Transfer Funds to: (Bank Name \_\_\_\_\_  
Address: \_\_\_\_\_ Phone# \_\_\_\_\_  
ABA/Routing No: \_\_\_\_\_ Account No: \_\_\_\_\_  
Name on Account: \_\_\_\_\_  
Type of Acct Checking  Savings   
(\*If applicable, a \$20.00- Domestic and/or International Wire Fee will be charged and/or deducted from your wire)

Provided that funds are wire transferred in accordance with these instructions, Title Security Agency of Arizona shall not be liable for any act or omission of any financial institution or any other persons, nor shall Title Security Agency of Arizona have any liability for loss of funds or interest thereof. The undersigned parties shall indemnify and hold harmless Title Security Agency of Arizona, its successors and/or assigns, from any loss, liability and cost incurred as a result of any incorrect information supplied.

Accepted and Approved:

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

Robert P. Zammit, President

Escrow Officer/ Branch Manager

Funder

Title Security Agency  
Tucson's Closing Company

When recorded, return to:  
Thomas M. Pace, Esq.  
1670 East River Road, Suite 124  
Tucson, Arizona 85718-8900

**FIRST AMENDMENT  
TO  
SECOND AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
TIERRA LINDA NUEVA**

Lot Nos. 1 through 190, Common Areas A and B and Wellsite  
as recorded in Book 59 of Maps and Plats, at Page 3, Pima County, Arizona

This First Amendment (the "Amendment") is made this 17<sup>th</sup> day of April, 2006, by Title Security Agency, an Arizona corporation, as Trustee under Trust No. 939 (hereinafter the "Declarant"), and amends as set forth below that Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tierra Linda Nueva, recorded August 9, 2005, in the Office of the County Recorder, Pima County, Arizona, at Docket 12612, page 7587, et seq. (the "Declaration"). All other terms and conditions of the Declaration shall remain in full force and effect. All terms used but not defined in this Amendment shall have the meanings assigned to such terms in the Declaration.

1. Section 9.1 of the Declaration ("Duty to Provide Water Service to Members") is hereby amended with the addition of a new first sentence as follows:

Notwithstanding the provisions of this Article VIII, the Association may sell the Water Facilities and the Wellsite to a person or entity which shall become a public service corporation regulated by the Arizona Corporation Commission with a duty to deliver water to the Property.

2. This Amendment has been approved by:

a. The written consent of Declarant who holds at least sixty percent (60%) of the votes in Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation, pursuant to Section 11.2.1 of the Declaration;

b. The approval of fifty-one percent (51%) of the Eligible Mortgage Holders, if any, who responded within the twenty (20) day period, pursuant to Section 11.2.2 of the Declaration; and

IN WITNESS WHEREOF, Declarant has executed this Declaration the day, month and year first above written.

TITLE SECURITY AGENCY  
an Arizona corporation, as Trustee under Trust No. 939, only and not in its corporate capacity

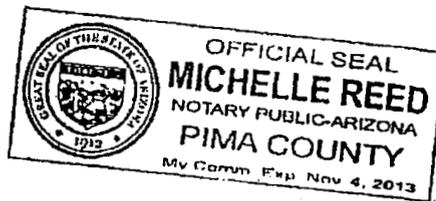
By: [Signature]  
Its: Trust Officer

STATE OF ARIZONA )  
                                  ) ss.  
COUNTY OF PIMA )

SUBSCRIBED AND SWORN to before me this 7<sup>th</sup> day of April,  
2013, by Diane L. Sloane, the Trust Officer  
of Title Security Agency, an Arizona corporation, as Trustee under Trust No. 939, on behalf  
of said Trust.

Michelle Reed  
Notary Public

My Commission expires:  
11/4/2013



# Pima County Recorder's Office

[New Search](#)

Last Name	First Name	To/From	Instrument Type	Sequence
TIERRA LINDA NUEVA	L 1-190	F	AMENDED RESTRICTION	20110970681
TIERRA LINDA NUEVA	L 69	T	NOTICE SALE	20102240502
TIERRA LINDA NUEVA	L 185	F	RESTRICTION	20102100732
TIERRA LINDA NUEVA	L 185	F	COVENANT	20102100731
TIERRA LINDA NUEVA	L 113	F	RESTRICTION	20101870844
TIERRA LINDA NUEVA	L 113	F	COVENANT	20101870843
TIERRA LINDA NUEVA	L 110	F	RESTRICTION	20101870842
TIERRA LINDA NUEVA	L 110	F	COVENANT	20101870841
TIERRA LINDA NUEVA	L 68	F	COVENANT	20101470589
TIERRA LINDA NUEVA	L 90	F	RESTRICTION	20101370481
TIERRA LINDA NUEVA	L 90	F	COVENANT	20101370480
TIERRA LINDA NUEVA LLC		F	DEED OF TRUST/ASGT RNTS/FIN ST	20101240284
TIERRA LINDA NUEVA LLC		T	ASGT RIGHTS	20101240283
TIERRA LINDA NUEVA LLC		T	WARRANTY DEED	20101240282
TIERRA LINDA NUEVA	L 86	F	COVENANT	20100790831
TIERRA LINDA NUEVA	L 102	T	NOTICE SALE	20092500830
TIERRA LINDA NUEVA	L 114	F	COVENANT	20092320652
TIERRA LINDA NUEVA	L 96	T	NOTICE SALE	20092110335
TIERRA LINDA NUEVA	L 106	F	COVENANT	20091500842
TIERRA LINDA NUEVA	L 176	F	COVENANT	20091190681

1 2 3 4 >>

[Export Search Results To Excel](#)

Document Details

<b>Details</b>	
Docket:	0 Page: 0
No. of Pages:	2
Sequence:	20110970681
Recorded:	Apr 07, 2011
Customer Code:	TTISE
Affidavit:	
Exemption:	NO

Grantor/Grantees			
To/From	Last Name	First Name	Title
From	TIERRA LINDA NUEVA	L 1-190	
To	RESTRICTION		

Cr  
Dir  
TO

---

When recorded please mail to:

Thomas M. Pace, Esq.  
1670 East River Rd. Suite 124  
Tucson, Arizona 85718-8900

DOCUMENT TITLE:

FIRST AMENDMENT TO SECOND AMENDED AND  
RESTATED DECLARATION OF COVENANTS, CONDITIONS  
AND RESTRICTIONS OF TIERRA LINDA NUEVA

This document is being recorded to replace and correct sequence  
no. 20110970681

400-19666-JCS

When recorded, return to:  
Thomas M. Pace, Esq.  
1670 East River Road, Suite 124  
Tucson, Arizona 85718-8900

**FIRST AMENDMENT  
TO  
SECOND AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF  
TIERRA LINDA NUEVA**

Lot Nos. 1 through 190, Common Areas A and B and Wellsite  
as recorded in Book 59 of Maps and Plats, at Page 3, Pima County, Arizona

This First Amendment (the "Amendment") is made this 11<sup>th</sup> day of April, 2007, by Title Security Agency, an Arizona corporation, as Trustee under Trust No. 939 (hereinafter the "Declarant"), and amends as set forth below that Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tierra Linda Nueva, recorded August 9, 2005, in the Office of the County Recorder, Pima County, Arizona, at Docket 12612, page 7587, et seq. (the "Declaration"). All other terms and conditions of the Declaration shall remain in full force and effect. All terms used but not defined in this Amendment shall have the meanings assigned to such terms in the Declaration.

1. Section 9.1 of the Declaration ("Duty to Provide Water Service to Members") is hereby amended with the addition of a new first sentence as follows:

Notwithstanding the provisions of this Article ~~VIII~~ <sup>IX</sup>, the Association may sell the Water Facilities and the Wellsite to a person or entity which shall become a public service corporation regulated by the Arizona Corporation Commission with a duty to deliver water to the Property.

2. This Amendment has been approved by:

a. The written consent of Declarant who holds at least sixty percent (60%) of the votes in Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation, pursuant to Section 11.2.1 of the Declaration;

b. The approval of fifty-one percent (51%) of the Eligible Mortgage Holders, if any, who responded within the twenty (20) day period, pursuant to Section 11.2.2 of the Declaration; and

IN WITNESS WHEREOF, Declarant has executed this Declaration the day, month and year first above written.

TITLE SECURITY AGENCY  
an Arizona corporation, as Trustee under Trust No. 939, only and not in its corporate capacity

By: *Diane L. Sloane*  
Diane L. Sloane

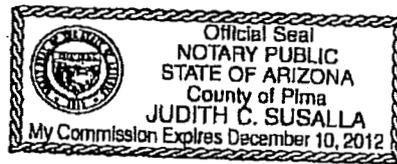
Its: \_\_\_\_\_

STATE OF ARIZONA )  
                                  ) ss.  
COUNTY OF PIMA )

SUBSCRIBED AND SWORN to before me this 12<sup>th</sup> day of April, 2011, by Diane L. Sloane, the Trust Officer of Title Security Agency, an Arizona corporation, as Trustee under Trust No. 939, on behalf of said Trust.

*Judith C. Susalla*  
Notary Public

My Commission expires:  
12/10/12



RECORDING REQUESTED BY  
Title Security Agency of Arizona  
AND WHEN RECORDED MAIL TO:  
Gary Smyth

ESCROW NO.: 400-19666-JS  
400-19666-PJ

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,  
Ticor Title Agency of Arizona, Inc., an Arizona corporation, as Trustee under Trust No. 12,258  
do/does hereby convey to  
Gary Smyth, a married man, as his sole and separate property  
the following real property situated in Pima County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

Pursuant to ARS 33-404, the name and address of the Beneficiary is:

Disclosed in Deed  
12476 Arb page 3708

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.  
And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated: April 11, 2011

Accepted and approved:

Grantees:

Gary Smyth

Grantors:

Ticor Title Agency of Arizona, Inc., an Arizona

corporation, as Trustee under Trust no. 12,258

TICOR TITLE AGENCY OF ARIZONA, INC.

BY: ~~as Trustees under Trust No. 12,258~~  
~~as Trustee only and not in its corporate~~  
capacity

By: Martha L. Hill

State of ARIZONA ) ss:  
County of Pima

On this 12<sup>th</sup> day of April, 2011, before me,  
The Undersigned

a Notary Public in and for said County and State, personally appeared

MARSHA L. HILL As Trust officer of Ticor Title Agency of Arizona, Inc., an Arizona corporation

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument

WITNESS my hand and official seal.

Notary Public Linda Rhyne

My commission expires 10.20.2012

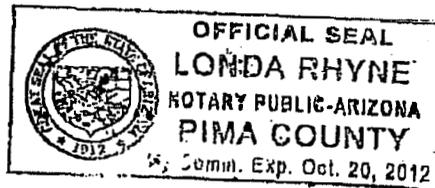


Exhibit "A"

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

THENCE from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

THENCE from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

THENCE, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

THENCE, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

THENCE leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.

**AFFIDAVIT OF PROPERTY VALUE**

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)  
 Primary Parcel: 219-29-054B  
 BOOK MAP PARCEL SPLIT LETTER  
 Does this sale include any parcels that are being split / divided?  
 Check one: Yes  No   
 How many parcels, other than the Primary Parcel, are included in this sale? 2  
 Please list the additional parcels below (no more than four):  
 (1) \_\_\_\_\_ (3) \_\_\_\_\_  
 (2) \_\_\_\_\_ (4) \_\_\_\_\_

9. FOR OFFICIAL USE ONLY: Buyer and Seller leave blank  
 (a) County of Recordation: \_\_\_\_\_  
 (b) Docket and Page Number: \_\_\_\_\_  
 (c) Date of Recording: \_\_\_\_\_  
 (d) Fee / Recording Number: \_\_\_\_\_  
 Validation Codes:  
 (e) ASSESSOR \_\_\_\_\_ (f) DOR \_\_\_\_\_  
 -----  
**ASSESSOR'S USE ONLY**  
 Verify Primary Parcel in Item 1: \_\_\_\_\_  
 Use Code: \_\_\_\_\_ Full Cash Value: \$ \_\_\_\_\_

2. SELLER'S NAME AND ADDRESS  
Ticor Title Insurance Company 4729 E. Sunrise Drive no. 311  
Tucson, AZ 85718  
 3. (a) BUYER'S NAME AND ADDRESS:  
Gary Smyth  
c/o Smyth Steel, 4010 East Illinois  
Tucson, AZ 85714  
 (b) Are the Buyer and Seller related? Yes \_\_\_\_\_ No   
 If Yes, state relationship: \_\_\_\_\_

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):  
 a.  Warranty Deed d.  Contract or Agreement  
 b.  Special Warranty Deed e.  Quit Claim Deed  
 c.  Joint Tenancy Deed f.  Other: \_\_\_\_\_

4. ADDRESS OF PROPERTY:  
VACANT  
 5. MAIL TAX BILL TO:  
Gary Smyth  
c/o Smyth Steel 4010 East Illinois Tucson, Arizona 85714,

11. SALE PRICE: \$ 5,000.00  
 12. DATE OF SALE (Numeric Digits): 6 / 09  
 Month Year  
 (For example: 03 / 05 for March 2005)

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box  
 a.  Vacant Land f.  Commercial or Industrial Use  
 b.  Single Family Residence g.  Agricultural  
 c.  Condo or Townhouse h.  Mobile or Manufactured Home  
 d.  2-4 Plex i.  Other Use; Specify:  
Easement  
 e.  Apartment Building

13. DOWN PAYMENT: \$ 5,000.00  
 14. METHOD OF FINANCING:  
 a.  Cash (100% of Sale Price) (1)  Conventional  
 b.  Exchange or Trade (2)  VA  
 c.  Assumption of existing loan(s) (3)  FHA  
 f.  Other financing; Specify: \_\_\_\_\_  
 d.  Seller Loan (Carryback) \_\_\_\_\_

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:  
 To be occupied by owner or "family member."  
 To be rented to someone Other than "family member."  
 See reverse side for definition of a "family member."

15. PERSONAL PROPERTY (see reverse side for definition):  
 (a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes \_\_\_\_\_ No   
 (b) If Yes, provide the dollar amount of the Personal Property:  
 \$ 00 AND  
 briefly describe the Personal Property: \_\_\_\_\_

8. NUMBER OF UNITS: \_\_\_\_\_  
 For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, Briefly describe the partial interest: \_\_\_\_\_  
 17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):  
Title Security Agency of Arizona  
2730 E. Broadway, Suite 100  
Tucson, AZ 85716 Phone (520)747-1644  
 18. LEGAL DESCRIPTION (attach copy if necessary)  
 See Exhibit "A" attached hereto and made a part hereof.

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

~~Tierra Linda Home Owner's Association, Inc. - Arizona non-profit corporation~~  
Robert J. Zimm, President Signature of Seller/Agent  
 State of Arizona, County of Pima  
 Subscribed and sworn to before me this 11th day of April 2011  
 Notary Public Judith C. Susalla  
 Notary Expiration Date 12/10/12

Gary Smyth Signature of Buyer/Agent  
 State of Arizona, County of Pima  
 Subscribed and sworn to before me this 11th day of April 2011  
 Notary Public Judith C. Susalla  
 Notary Expiration Date 12/10/12

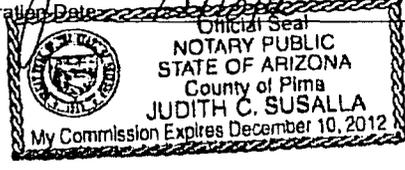
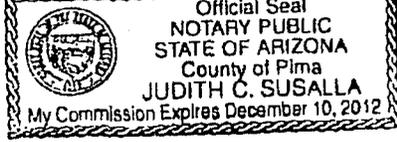


Exhibit "A"

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

**BEGINNING** at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

**THENCE** from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

**THENCE** from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

**THENCE**, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

**THENCE**, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

**THENCE** leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.

RECORDING REQUESTED BY  
Title Security Agency of Arizona  
AND WHEN RECORDED MAIL TO:

Gary Smyth  
c/o 4010 E. Illinois  
Tucson, AZ 85714

ESCROW NO.: 400-19666-JS  
400-19666-PJ

SPACE ABOVE THIS LINE FOR RECORDER'S USE

### Special Warranty Deed

For the consideration of Ten Dollars, and other valuable considerations, I or we,  
**Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation**  
do/does hereby convey to  
**Gary Smyth, a married man, as his sole and separate property**  
the following real property situated in **Pima** County, Arizona:

See Exhibit "A" attached hereto and made a part hereof.

SUBJECT TO: Current taxes and other assessments, reservations in patents and all easements, rights of way, encumbrances, liens, covenants, conditions, restrictions, obligations, and liabilities as may appear of record.  
And the Grantor hereby binds itself and its successors to warrant and defend the title, against all acts of the Grantor herein, and no other, subject to the matters set forth.

Dated: April 11, 2011

Accepted and approved:

Grantees:

  
\_\_\_\_\_  
Gary Smyth

Grantors:

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation

  
\_\_\_\_\_  
Robert P. Zammit, President

State of ARIZONA }ss:  
County of Pima

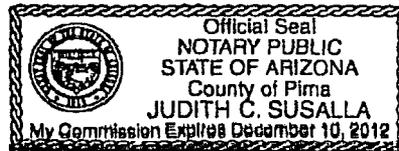
On this 11<sup>th</sup> day of April, 2011, before me,  
The Undersigned

FOR NOTARY SEAL OR STAMP

a Notary Public in and for said County and State, personally appeared  
Robert P. Zammit, President of: Tierra Linda Homeowner's  
Association, Inc., an Arizona corporation

personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/~~she~~/they executed the  
same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their  
signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument  
WITNESS my hand and official seal.

Notary Public Judith C. Susalla  
My commission expires 12/10/12



State of ARIZONA }ss:  
County of Pima

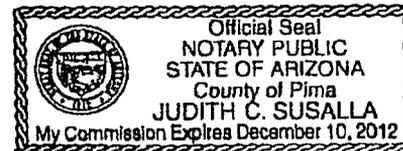
On this 11<sup>th</sup> day of April, 2011, before me,  
The Undersigned

FOR NOTARY SEAL OR STAMP

a Notary Public in and for said County and State, personally appeared  
Gary Smyth

personally known to me (or proved to me on the basis of satisfactory  
evidence) to be the person(s) whose name(s) is/are subscribed to the  
within instrument and acknowledged to me that he/~~she~~/they executed the  
same in his/~~her~~/their authorized capacity(ies), and that by his/~~her~~/their  
signature(s) on the instrument the person(s), or the entity upon behalf of  
which the person(s) acted, executed the instrument  
WITNESS my hand and official seal.

Notary Public Judith C. Susalla  
My commission expires 12/10/12



Escrow No.: 400-19666-JS

Exhibit "A"

WELL SITE located Southeast of Lot 20, TIERRA LINDA, a subdivision according to the map or plat thereof of record in the office of the county Recorder of Pima county, Arizona, in Book 17 of Maps and Plats at page 92.

**AFFIDAVIT OF PROPERTY VALUE**

1. ASSESSOR'S PARCEL IDENTIFICATION NUMBER(s)  
 Primary Parcel: 215-29-0530  
 BOOK MAP PARCEL SPLIT LETTER  
 Does this sale include any parcels that are being split / divided?  
 Check one: Yes  No   
 How many parcels, other than the Primary Parcel, are included in this sale? 2  
 Please list the additional parcels below (no more than four):  
 (1) 215-29-054B (3) \_\_\_\_\_  
 (2) \_\_\_\_\_ (4) \_\_\_\_\_

9. FOR OFFICIAL USE ONLY: Buyer and Seller leave blank  
 (a) County of Recordation: \_\_\_\_\_  
 (b) Docket and Page Number: \_\_\_\_\_  
 (c) Date of Recording: \_\_\_\_\_  
 (d) Fee / Recording Number: \_\_\_\_\_  
 Validation Codes:  
 (e) ASSESSOR \_\_\_\_\_ (f) DOR \_\_\_\_\_  
 -----  
**ASSESSOR'S USE ONLY**  
 Verify Primary Parcel in Item 1: \_\_\_\_\_  
 Use Code: \_\_\_\_\_ Full Cash Value: \$ \_\_\_\_\_

2. SELLER'S NAME AND ADDRESS  
Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation  
4729 E. Sunrise Drive no. 311  
Tucson, AZ 85718  
 3. (a) BUYER'S NAME AND ADDRESS:  
Gary Smyth  
c/o Smyth Steel, 4010 East Illinois  
Tucson, AZ 85714  
 (b) Are the Buyer and Seller related? Yes \_\_\_\_\_ No   
 If Yes, state relationship: \_\_\_\_\_

10. TYPE OF DEED OR INSTRUMENT (Check Only One Box):  
 a.  Warranty Deed d.  Contract or Agreement  
 b.  Special Warranty Deed e.  Quit Claim Deed  
 c.  Joint Tenancy Deed f.  Other:

4. ADDRESS OF PROPERTY:  
VACANT

11. SALE PRICE: \$ 25,000.00

5. MAIL TAX BILL TO:  
Gary Smyth  
c/o Smyth Steel 4010 East Illinois Tucson, Arizona 85714,

12. DATE OF SALE (Numeric Digits): 06 / 2009  
 Month Year  
 (For example: 03 / 05 for March 2005)

6. PROPERTY TYPE (for Primary Parcel): NOTE: Check Only One Box  
 a.  Vacant Land f.  Commercial or Industrial Use  
 b.  Single Family Residence g.  Agricultural  
 c.  Condo or Townhouse h.  Mobile or Manufactured Home  
 d.  2-4 Plex i.  Other Use; Specify: Well Site and easement  
 e.  Apartment Building

13. DOWN PAYMENT: \$ 25,000.00

7. RESIDENTIAL BUYER'S USE: If you checked b, c, d or h in Item 6 above, please check one of the following:  
 To be occupied by owner or "family member."  To be rented to someone Other than "family member."  
 See reverse side for definition of a "family member."

14. METHOD OF FINANCING:  
 a.  Cash (100% of Sale Price) e.  New loan(s) from financial institution:  
 b.  Exchange or trade (1)  Conventional  
 c.  Assumption of existing loan(s) (2)  VA  
 (3)  FHA  
 f.  Other financing; Specify:  
 d.  Seller Loan (Carryback)

8. NUMBER OF UNITS: \_\_\_\_\_  
 For Apartment Properties, Motels, Hotels, Mobile Home Parks, RV Parks, Mini-Storage Properties, etc.

15. PERSONAL PROPERTY (see reverse side for definition):  
 (a) Did the Sale Price in Item #11 include Personal Property that impacted the Sale Price by 5% or more? Yes \_\_\_\_\_ No   
 (b) If Yes, provide the dollar amount of the Personal Property:  
 \$ \_\_\_\_\_ 00 AND  
 briefly describe the Personal Property: \_\_\_\_\_

THE UNDERSIGNED BEING DULY SWORN, ON OATH, SAYS THAT THE FOREGOING INFORMATION IS A TRUE AND CORRECT STATEMENT OF THE FACTS PERTAINING TO THE TRANSFER OF THE ABOVE DESCRIBED PROPERTY.

Tierra Linda Homeowner's Association, Inc., an Arizona non-profit corporation  
Robert P. Zammit Signature of Seller/Agent  
 State of Arizona, County of Pima  
 Subscribed and sworn to before me this 11<sup>th</sup> day of April 2011  
 Notary Public Judith C. Susalla  
 Notary Expiration Date 12/10/12

16. PARTIAL INTEREST: If only a partial ownership interest is being sold, Briefly describe the partial interest: \_\_\_\_\_  
 17. PARTY COMPLETING AFFIDAVIT (Name, Address, Phone):  
Title Security Agency of Arizona  
2730 E. Broadway, Suite 100  
Tucson, AZ 85716 Phone (520)747-1644  
 18. LEGAL DESCRIPTION (attach copy if necessary)  
 See Exhibit "A" attached hereto and made a part hereof.

Gary Smyth Signature of Buyer/Agent  
 State of Arizona, County of Pima  
 Subscribed and sworn to before me this 11<sup>th</sup> day of April 2011  
 Notary Public Judith C. Susalla  
 Notary Expiration Date 12/10/12

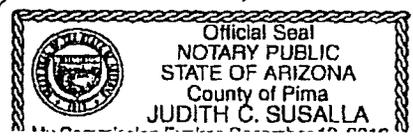
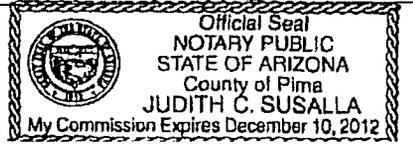


Exhibit "A"

**WELL SITE located Southeast of Lot 20, TIERRA LINDA, a subdivision according to the map or plat thereof of record in the office of the county Recorder of Pima county, Arizona, in Book 17 of Maps and Plats at page 92.**

RECORDING REQUESTED BY  
Title Security Agency of Arizona  
AND WHEN RECORDED MAIL TO:

Gary Smyth  
4010 E Illinois  
Tucson, AZ 85714

ESCROW NO.:400-19666-JS  
400-19666-PJ

SPACE ABOVE THIS LINE FOR RECORDER'S USE

## Disclaimer Deed

EXEMPT ARS 11-1134 B-3

WITNESSETH THIS DISCLAIMER DEED, made by

**Elizabeth Fiona Bailey, wife of Gary Smyth**

hereinafter called "the undersigned" to

**Gary Smyth, husband of Elizabeth Fiona Bailey, as his sole and separate property**

hereinafter called "the spouse;"

WHEREAS:

1. The spouse has acquired title to the following described property situated in Pima County, State of Arizona, to-wit:

See Exhibit "A" attached hereto and made a part hereof.

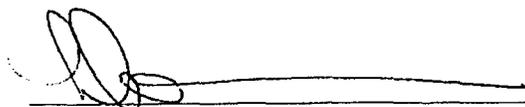
2. The property above described is the sole and separate property of the spouse having been purchased with separate funds of the spouse.

3. The undersigned has no present right, title, interest, claim or lien of any kind or nature whatsoever in, to or against said property. This instrument shall also constitute a waiver, by the undersigned, in favor of any mortgagee, deed of trust beneficiary or deed of trust trustee of any right to file a declaration or claim of homestead affecting the above described property.

4. This instrument is executed not for the purpose of making a gift to the spouse, but solely for the purpose of clearly showing of record that the undersigned has and claims no interest in and to said property, the undersigned expecting third persons to rely on this disclaimer.

NOW, THEREFORE, in consideration of the premises, the undersigned does hereby disclaim, remise, release and quitclaim unto the spouse and to the heirs and assigns of said spouse forever, all right, title, interest, claim and demand which the undersigned might appear to have in and to the above described property.

Dated: April 6, 2011

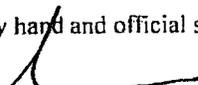
  
Elizabeth Fiona Bailey

State of ARIZONA }ss:  
County of Pima

On this 6th day of April, 2011, before me,  
The Undersigned \_\_\_\_\_  
a Notary Public in and for said County and State, personally appeared  
Elizabeth Fiona Bailey

personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity, and that by her signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument

WITNESS my hand and official seal.

Notary Public   
My commission expires 3/30/2015

FOR NOTARY SEAL OR STAMP

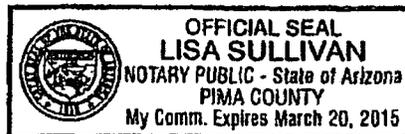


Exhibit "A"



Parcel 1:

WELL SITE located Southeast of Lot 20, TIERRA LINDA, a subdivision according to the map or plat thereof of record in the office of the county Recorder of Pima county, Arizona, in Book 17 of Maps and Plats at page 92.

Parcel 2:

All that certain real property situate in the County of Pima, State of Arizona, being a part of a drainageway shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the center quarter corner of said Section 29, being the intersection of the centerline of Via Cielo Vasto with the south line of said Tierra Linda as shown on the recorded plat thereof;

THENCE from said point of beginning, easterly along the south line of said subdivision, North 89° 51' 08" East, 324.21 feet to the True Point of Beginning;

THENCE from said True Point of Beginning, leaving said south line, northerly along a line being the southerly extension of the west line of a wellsite parcel recorded in Docket 10209 at Page 2027 thereof, North 00° 10' 49" West, 44.00 feet to the southwest corner thereof, marked by a ½" diameter rebar;

THENCE, leaving said southwest corner, easterly along the south line of said recorded wellsite parcel, North 89° 51' 08" East, 157.00 feet to the southeast corner thereof;

THENCE, leaving said southeast corner, southerly along a line being the southerly extension of the east line of said wellsite parcel, South 00° 10' 49" East, 44.00 feet to a point on the south line of said subdivision;

THENCE leaving said point, westerly along said south line, South 89° 51' 08" West 157.00 feet to the True Point of Beginning.



Arizona Department of Water Resources  
 Water Management Division  
 P.O. Box 36020 Phoenix, Arizona 85067-6020  
 (602) 771-8500 • www.azwater.gov

### Request to Change Well Information

- Review instructions prior to completing form in black or blue ink.
  - You must include with your Notice:
    - check or money order for any required fee(s)
  - Authority for fee: A.R.S. § 45-113 and A.A.C. R12-15-104
- \*\* PLEASE PRINT CLEARLY \*\***

FILE NUMBER  
 WELL REGISTRATION NUMBER  
**55 - 801582**

#### SECTION 1: REGISTRY INFORMATION

<b>Well Owner</b>		<b>Location of Well</b>					
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL		WELL LOCATION ADDRESS (IF ANY)					
Tierra Linda Homeowner's Association, Inc.							
MAILING ADDRESS		TOWNSHIP (N/S)	RANGE (E/W)	SECTION	160 ACRE	40 ACRE	10 ACRE
an Arizona non profit corporation					¼	¼	¼
4729 E. Sunrise Dr. No. 311		LATITUDE			LONGITUDE		
CITY / STATE / ZIP CODE		"N"			"W"		
Tucson, Arizona 85718		Degrees	Minutes	Seconds	Degrees	Minutes	Seconds
CONTACT PERSON NAME AND TITLE		METHOD OF LATITUDE/LONGITUDE (CHECK ONE)					
ROBERT P. ZAMMIT, PRESIDENT		<input type="checkbox"/> USGS Quad Map <input type="checkbox"/> Conventional Survey <input type="checkbox"/> GPS: Survey-Grade <input type="checkbox"/> GPS: Hand-Held					
TELEPHONE NUMBER		*IF GPS WAS USED, GEOGRAPHIC COORDINATE DATUM (CHECK ONE)					
520-529-1330	FAX	<input type="checkbox"/> NAD-83 <input type="checkbox"/> Other (please specify):					
	520-529-1312	COUNTY ASSESSOR'S PARCEL ID NUMBER			COUNTY WHERE WELL IS LOCATED		
		BOOK	MAP	PARCEL			

**Type of Request (CHECK ONE)**

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

#### SECTION 2: REQUEST TO CHANGE WELL DRILLING CONTRACTOR

FEE \$120 per Well

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

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

#### SECTION 3: STATEMENT OF CHANGE OF WELL OWNERSHIP

FEE \$120 per Well

<b>Previous Well Owner</b>		<b>New Well Owner</b>	
FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL		FULL NAME OF COMPANY, ORGANIZATION, OR INDIVIDUAL	
Tierra Linda Homeowner's Association, Inc.		GARY SMYTH	
MAILING ADDRESS		MAILING ADDRESS	
4729 E. Sunrise Dr. No. 311		4010 East Illinois	
CITY / STATE / ZIP CODE		CITY / STATE / ZIP CODE	
Tucson, Arizona 85718		Tucson, Arizona 85714	
CONTACT PERSON NAME AND TITLE		CONTACT PERSON NAME AND TITLE	
Robert P. Zammit, President		Gary Smyth	
TELEPHONE NUMBER	FAX	TELEPHONE NUMBER	FAX
520-529-1330	520-529-1312	520-495-5771	520-838-8778

#### SECTION 4: CHANGE OF WELL INFORMATION

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

EXPLAIN

#### SECTION 5: OPTIONAL BY PROPERTY OWNER AND WELL OWNER ONLY

By checking this box, I hereby provide ADWR permission to enter the property for the purpose of taking water level measurements at this well. (See instructions.)

#### SECTION 6: WELL OWNER SIGNATURE

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

TYPE OR PRINT NAME AND TITLE	SIGNATURE OF WELL OWNER	DATE
ROBERT P. ZAMMIT, PRESIDENT		4/11/11

# NEW APPLICATION

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW

P. O. Box 1448  
TUBAC, ARIZONA 85646

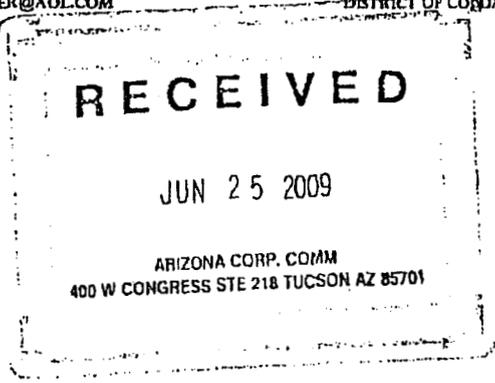
(520) 398-0411  
FAX: (520) 398-0412  
EMAIL: TUBACLAWYER@AOL.COM

ADMITTED TO PRACTICE IN:  
ARIZONA, COLORADO, MONTANA,  
NEVADA, TEXAS, WYOMING,  
DISTRICT OF COLUMBIA

OF COUNSEL TO  
MUNGER CHADWICK, P.L.C.

June 25, 2009

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



Re: Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

W-20689A-09-0327  
W-04236A-09-0327

To Whom It May Concern:

Enclosed for filing are the original and thirteen (13) copies of a Joint Application on behalf of Tierra Linda Homeowners Association, Inc. and Gary Smyth.

Please let me know if you have any questions. Thank you for your assistance.

Sincerely,

Angela R. Trujillo  
Secretary  
Lawrence V. Robertson, Jr.

Arizona Corporation Commission  
**DOCKETED**  
JUN 26 2009

DOCKETED BY:

RECEIVED  
2009 JUN 26 P 4:30  
ARIZONA CORP. COMM  
DOCKET CONTROL

# NEW APPLICATION

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

KRISTIN K. MAYES, Chairman  
GARY PIERCE  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BOB STUMP

RECEIVED  
2009 JUN 26 P 4:30  
CORP COMMISSION DOCKET CONTROL  
JUN 25 2009  
ARIZONA CORP. COMM  
400 W CONGRESS STE 218 TUCSON AZ 85701

IN THE MATTER OF THE JOINT APPLICATION )  
OF TIERRA LINDA HOMEOWNERS )  
ASSOCIATION, INC. AND GARY SMYTH FOR ) DOCKET NO. W-04236A-09-  
AN OPINION AND ORDER (i) AUTHORIZING )  
SALE OF WATER SYSTEM ASSETS, AND (ii) ) JOINT APPLICATION  
TRANSFERRING CERTIFICATE OF )  
CONVENIENCE AND NECESSITY )

W-20689A-09-0327  
W-04236A-09-0327

Pursuant to A.R.S. § 40-285 and A.R.S. § 40-282, Tierra Linda Homeowners Association, Inc. ("Tierra Linda"), an Arizona non-profit corporation, and Gary Smyth ("Smyth"), an individual, by and through undersigned counsel, submit this Joint Application for an Opinion and Order of the Commission (i) authorizing the sale and transfer of the water system assets of Tierra Linda to Smyth, and (ii) transferring Tierra Linda's certificate of convenience and necessity ("CC&N") to Smyth, as more fully described below. In support of this Joint Application, Tierra Linda and Smyth submit the following information.

I.

IDENTITY OF APPLICANTS

Tierra Linda was incorporated in Arizona on May 18, 1992 to represent future homeowners in Tierra Linda Nueva Subdivision in Pima County, Arizona. In that regard, attached hereto as Appendix "A," and incorporated herein by this reference, is a Certificate of Good Standing for Tierra Linda, as issued by the Commission on June 15, 2009. Tierra Linda's functions and responsibilities are governed by a Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva ("CC&Rs"), which were recorded in Pima County on August 9, 2005 in Docket 12612, beginning at page 7587. Included among

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW  
P.O. Box 1448  
Tubac, Arizona 85646  
(520) 398-0411

1 those responsibilities is the ownership and operation of a domestic water system for the benefit  
2 of Tierra Linda's members.

3 Smyth is an individual who resides in Tucson, Arizona. For 32 years, he has owned and  
4 operated Smyth Steel. Among its other business activities, Smyth Steel provides the following  
5 construction and installation services to water utility systems located within the State of Arizona:  
6 storage reservoirs, booster stations, hydro pneumatic tanks, arsenic treatment facilities, piping,  
7 electrical panels and SCAIDA systems. In addition, in 2008, Smyth acquired Lakewood Water  
8 Company ("Lakewood") through a stock purchase. Lakewood is subject to regulation by the  
9 Commission, and currently is providing water service to approximately 300 residential  
10 customers.

11 **II.**

12 **BACKGROUND AND PROPOSED TRANSACTION DESCRIPTION**

13 Attached hereto as Appendix "B," and incorporated herein by this reference, is a legal  
14 description of the water service area which was certificated to Tierra Linda by Decision No.  
15 67104, as issued on July 9, 2004. Attached hereto as Appendix "C," and incorporated herein by  
16 this reference, is a map which depicts Tierra Linda's certificated water service area. Tierra  
17 Linda currently provides water service to approximately 50 residential customers. As currently  
18 platted, Tierra Linda's certificated service area has the potential for a total of 190 residential  
19 customer connections.

20 Tierra Linda's current water system was funded through a combination of (i) advances-  
21 in-aid of construction, (ii) contributions-in-aid of construction and (iii) equity provided by Tierra  
22 Linda Development, L.L.C. ("Development"), an Arizona limited liability company. Prior to  
23 Development providing the aforesaid water system funding, Tierra Linda and Development  
24 reached an agreement in principle as to the terms and conditions which would govern  
25 Development's provision of such funds. However, due to inadvertence, that agreement in  
26 principle was not reduced to writing until recently. As a consequence, and as a prerequisite to  
27 the proposed transaction which is the subject of this Joint Application, Tierra Linda is  
28 contemporaneously requesting Commission approval of a June 16, 2009 Water Main Extension

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW  
P.O. Box 1448  
Tubac, Arizona 85646  
(520) 398-0411

1 Agreement For Developer-Installed On-Site and Off-Site Facilities ("Facilities Agreement")  
2 entered into by Tierra Linda and Developer.<sup>1</sup> A copy of the aforesaid Facilities Agreement is  
3 attached hereto as Appendix "D," and incorporated herein by this reference. Upon Commission  
4 approval of the Facilities Agreement, Tierra Linda will have full legal title to the water system  
5 assets herein proposed to be sold to Smyth.

6 Tierra Linda's current water system possesses the capability to provide adequate and  
7 reliable service on an ongoing basis to its existing customer load. However, over time the water  
8 system will require significant additional capital expenditures, including a second well and  
9 possibly arsenic treatment facilities. In that regard, Tierra Linda does not desire to collect  
10 reserve funds from its members for future capital expenditures, maintenance and repairs; and, it  
11 prefers to convey the existing water system to a qualified successor. Accordingly, attached  
12 hereto as Appendix "E," and incorporated herein by this reference, is a copy of a Certificate of  
13 Resolution of Tierra Linda's Board of Director's conditionally approving a sale of the Tierra  
14 Linda water system to Smyth.

15 In turn, Smyth is quite familiar with the Tierra Linda water system, having constructed  
16 and installed it; and, he is desirous of acquiring the same. In addition, he has the knowledge and  
17 means to competently operate and expand the system now and in the future consistent with the  
18 needs of the water system's customers. In that regard, attached hereto as Appendix "F," and  
19 incorporated herein by this reference, is a financial statement for Smyth which readily attests to  
20 his financial solvency.

21 Accordingly, on June 16, 2009, Tierra Linda and Smyth entered into an Asset Purchase  
22 Agreement by means of which Smyth would acquire Tierra Linda's water system assets and  
23 CC&N, subject to prior Commission approval. A copy of that agreement is attached hereto as  
24 Appendix "G," and incorporated herein by this reference.

25  
26  
27  
28 <sup>1</sup> The original of the Facilities Agreement, together with the requisite number of copies, is being filed with the  
Commission's Utilities Division concurrent with the filing of this Joint Application.

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW  
P.O. Box 1448  
Tucson, Arizona 85646  
(520) 398-0411

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

III.

MISCELLANEOUS INFORMATION

**A. Contact Information.**

The contact person and contact information for Tierra Linda in connection with this Joint Application are as follows:

Robert P. Zammit  
4729 E. Sunrise Drive #311  
Tucson, Arizona 85718  
Phone: (520) 529-1330  
Fax: (520) 529-1312

The contact person and contact information for Smyth in connection with this Joint Application are as follows:

Gary Smyth  
c/o Smyth Steel  
4010 East Illinois  
Tucson, Arizona 85714  
Phone: (520) 750-8719  
Fax: (520) 750-9544

**B. Water System Assets.**

Attached hereto as Appendix "H," and incorporated herein by this reference is a list of the water system assets Tierra Linda will convey to Smyth in the event of Commission approval of the Asset Purchase Agreement and transfer of Tierra Linda's CC&N to Smyth.

**C. Water System Personnel.**

Tierra Linda currently does not have any full- or part-time employees in connection with its operation and maintenance of the Tierra Linda water system. Rather, it contracts for provision of the necessary services. In the event of Commission approval of the proposed transaction and transfer of the CC&N, Smyth will operate and maintain the water system with employees of Smyth Steel and/or contract for provision of the necessary services as appropriate.

**D. "Meter Deposits" Defined.**

As used in Section 13.3.4 of the attached Asset Purchase Agreement, the phrase "meter deposits" includes refunds due on any meter and service line deposits actually made by homeowner.

1 **E. Notice of Proposed Transaction.**

2 Finally, Tierra Linda intends to provide written notice to its members of the proposed  
3 transaction with Smyth once (i) the Commission's Utilities Division has issued a Sufficiency  
4 Letter with regard to this Joint Application, and (ii) the Commission's Hearing Division has set a  
5 hearing date. A copy of the currently contemplated form of written notice is attached hereto as  
6 Appendix "I," and is incorporated herein by this reference.

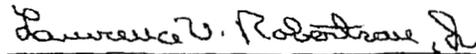
7 **IV.**

8 **CONCLUSION**

9 WHEREFORE, Tierra Linda and Smyth hereby request that the Commission issue an  
10 Opinion and Order (i) authorizing the sale and transfer of Tierra Linda's water system assets to  
11 Smyth pursuant to the provisions of the Asset Purchase Agreement, and (ii) transferring Tierra  
12 Linda's CC&N to Smyth.

13  
14 Dated this 16<sup>th</sup> of June 2009.

15 Respectfully submitted,

16 

17 Lawrence V. Robertson, Jr.  
18 Attorney for Tierra Linda Homeowners  
Association, Inc. and Gary Smyth

19 The original and thirteen (13) copies of the  
20 foregoing Joint Application will be filed  
21 this 25<sup>th</sup> day of June 2009 with:

22 Docket Control  
23 Arizona Corporation Commission  
24 c/o 400 W. Congress, Suite 218  
Tucson, Arizona 85701

25 A copy of the same served by first  
class mail this same date to:

26 Hon. Lyn Farmer  
27 Arizona Corporation Commission  
1200 W. Washington  
28 Phoenix, Arizona 85007-2927

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW  
P.O. Box 1448  
Tucson, Arizona 85646  
(520) 398-0411

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Hon. Jane Rodda  
Arizona Corporation Commission  
400 West Congress, Suite 218  
Tucson, Arizona 85701

Janice Alward, Chief Counsel  
Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ernest Johnson, Director  
Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

  
\_\_\_\_\_

LAWRENCE V. ROBERTSON, JR.  
ATTORNEY AT LAW  
P.O. Box 1448  
Tucson, Arizona 85646  
(520) 398-0411

# Appendix "A"

Tierra Linda Homeowners Association, Inc.  
(Certificate of Good Standing)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

# STATE OF ARIZONA



Office of the  
**CORPORATION COMMISSION**  
**CERTIFICATE OF GOOD STANDING**

To all to whom these presents shall come, greeting:

I, Michael P. Kearns, Interim Executive Director of the Arizona Corporation Commission, do hereby certify that

**\*\*\*TIERRA LINDA HOMEOWNERS ASSOCIATION, INC.\*\*\***

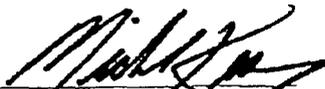
a domestic nonprofit corporation organized under the laws of the State of Arizona, did incorporate on May 18, 1992.

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 Nonprofit Corporation Act; and that its most recent Annual Report, subject to the provisions of A.R.S. sections 10-3122, 10-3123, 10-3125, & 10-11622, 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 15th Day of June, 2009, A. D.



  
Interim Executive Director

Order Number: 360157

# Appendix "B"

Tierra Linda Homeowners Association, Inc.  
(Legal Description)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

PARCEL A

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the north quarter corner of said Section 29, marked by a General Land Office brass capped pipe and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, southerly along west line of the northeast quarter of said Section 29, S 00° 13' 24" E, 45.00 feet (calculated) to a point on the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, said point being the TRUE POINT OF BEGINNING of Parcel "A" herein described;

THENCE from said TRUE POINT OF BEGINNING, easterly along said south right-of-way line, N 89° 49' 46" E, 339.01 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly and along the west line of Lot 11 as shown on the plat of Tierra Linda, a subdivision of said Pima County recorded in Book 17 of Maps and Plats at Page 92 thereof, S 00° 09' 39" E, 624.72 feet (Record), S 00° 10' 41" E, 626.26 feet (calculated), to the southwest corner thereof, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said southwest corner, easterly along the south line of Lots 11, 12, and 13 of said recorded subdivision,

N 89° 50' 21" E, 922.53 feet (Record)

N 89° 51' 90" E, 923.97 feet (calculated)

N 89° 49' 46" E, 925.11 feet (measured) to the southeast corner of said Lot 13, marked by a 1/2" diameter rebar with registration tag RLS 15933;

THENCE leaving said southeast corner, southerly along the west right-of-way line of Via Socorro as shown on the plat of said Tierra Linda

S 00° 16' 51" E, 1465.00 feet (Record)

S 00° 17' 12" E, 1465.00 feet (calculated)

S 00° 15' 53" E, 1465.55 feet (measured) to the northeast corner of a parcel recorded in Docket 11488 at Page 4197 thereof, records of said Pima County, marked by a 1/2" rebar;

THENCE leaving said northeast corner, westerly along the north line of said recorded parcel and the westerly prolongation thereof, S 89° 50' 21" W (Record), S 89° 51' 38" W, 926.57 feet (calculated) to a point thereon;

THENCE leaving said north line, northwesterly, N 33° 16' 52" W, 276.55 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 46" W, 181.14 feet to a calculated point;

THENCE leaving said point southeasterly S 85° 57' 43" E, 104.77 feet to a calculated point;

THENCE leaving said point, northwesterly, N 06° 20' 24" W, 282.28 feet to a calculated point;

RECEIVED  
2004 MAR -9 A 10:37  
AZ CORP COMMISSION  
DOCUMENT CONTROL

THENCE leaving said point, southwesterly, S 73° 29' 57" W, 99.62 feet to a calculated point;  
THENCE leaving said point, northwesterly, N 16° 37' 32" W, 226.98 feet to a calculated point;  
THENCE leaving said point, southwesterly, S 68° 10' 39" W, 198.23 feet to a calculated point;  
THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1015.13 feet to a point thereon;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 430.00 feet to a calculated point;  
THENCE leaving said point, westerly, S 89° 48' 14" W, 93.91 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 47" W, 430.00 feet to a calculated point;  
THENCE leaving said point, easterly, N 89° 48' 14" E, 820.00 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 428.00 feet to a calculated point on the south right of way line of said Emigh Road, marked by a No. 4 rebar with registration tag RLS 26932;  
THENCE leaving said point, easterly along said right-of-way line, N 89° 48' 11" E, 370.70 feet to the TRUE POINT OF BEGINNING;  
CONTAINING 69.18 acres of land [M/L], subject to and together with all matters of public record.

Parcel B

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the southwest corner of the north half of said Section 29, marked by a ½" diameter rebar with registration tag RLS 4399 and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, northerly along the measured west line of the northwest quarter of said Section 29, N 00° 13' 13" W, 868.89 feet to a calculated point thereon;

THENCE leaving said west line, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1505.18 feet to a point thereon;

THENCE leaving said parallel line, northerly, N 00° 11' 46" W, 440.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 1053.13 feet to a point thereon;

THENCE leaving said parallel line, northeasterly, N 68° 10' 39" E, 198.23 feet to a calculated point;

THENCE leaving said point, southeasterly, S 16° 37' 32" E, 226.98 feet to a calculated point;

THENCE leaving said point, northeasterly, N 73° 29' 57" E, 99.62 feet to a calculated point;

THENCE leaving said point, southeasterly, S 06° 20' 24" E, 282.28 feet to a calculated point;

THENCE leaving said point, northwesterly, N 85° 57' 43" W, 104.77 feet to a calculated point;

THENCE leaving said point, southerly, S 00° 11' 46" E, 181.14 feet to a calculated point;

THENCE leaving said point, southeasterly, S 33° 16' 52" E, 276.55 feet to a calculated point on the north line of a parcel of land recorded in Docket 11535 at Page 2479, records of said Pima County;

THENCE leaving said point, westerly along said north line, S 89° 51' 38" W, 308.11 feet (calculated), S 89° 51' 12" W, 306.50 feet (measured) to the northwest corner of said recorded parcel, marked by a ½" rebar;

THENCE leaving said northwest corner, southerly along the west line of said recorded parcel, S 00° 12' 16" E, 509.00 feet (Record), S 00° 13' 24" E, 509.00 feet (calculated), S 00° 02' 30" E, 508.96 feet (measured), to a point on the south line of the north half of said Section 29, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said point, westerly along said south line, S 89° 50' 21" W, 2671.64 feet (Record), S 89° 51' 08" W, 2670.84 feet (calculated) to the POINT OF BEGINNING of Parcel "B" herein described;

CONTAINING 68.99 acres of land [M/L]; subject to and together with all matters of public record.

## Parcel C

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the northwest corner of said Section 29, marked by an accepted 1.5" diameter open iron pipe with Pima County Highway Department reference ties;

THENCE from said point of beginning, southerly along the measured west line of the northwest quarter of said Section 29, S 00° 13' 13" E, 45.00 feet to the TRUE POINT OF BEGINNING of Parcel "C" herein described, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE from said TRUE POINT OF BEGINNING, leaving said west line, easterly along the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per said plat of Tierra Linda), 2270.00 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly, S 00° 11' 46" E, 428.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 820.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 47" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 93.91 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 38.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 440.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 1505.18 feet to a calculated point on the measured west line of the northwest quarter of said Section 29;

THENCE leaving said parallel line, northerly along said west line, N 00° 13' 13" W, 1728.00 feet to the TRUE POINT OF BEGINNING;

CONTAINING 67.05 acres of land [M/L]; subject to and together with all matters of public record.

# Appendix "C"

Tierra Linda Homeowners Association, Inc.  
(Map)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

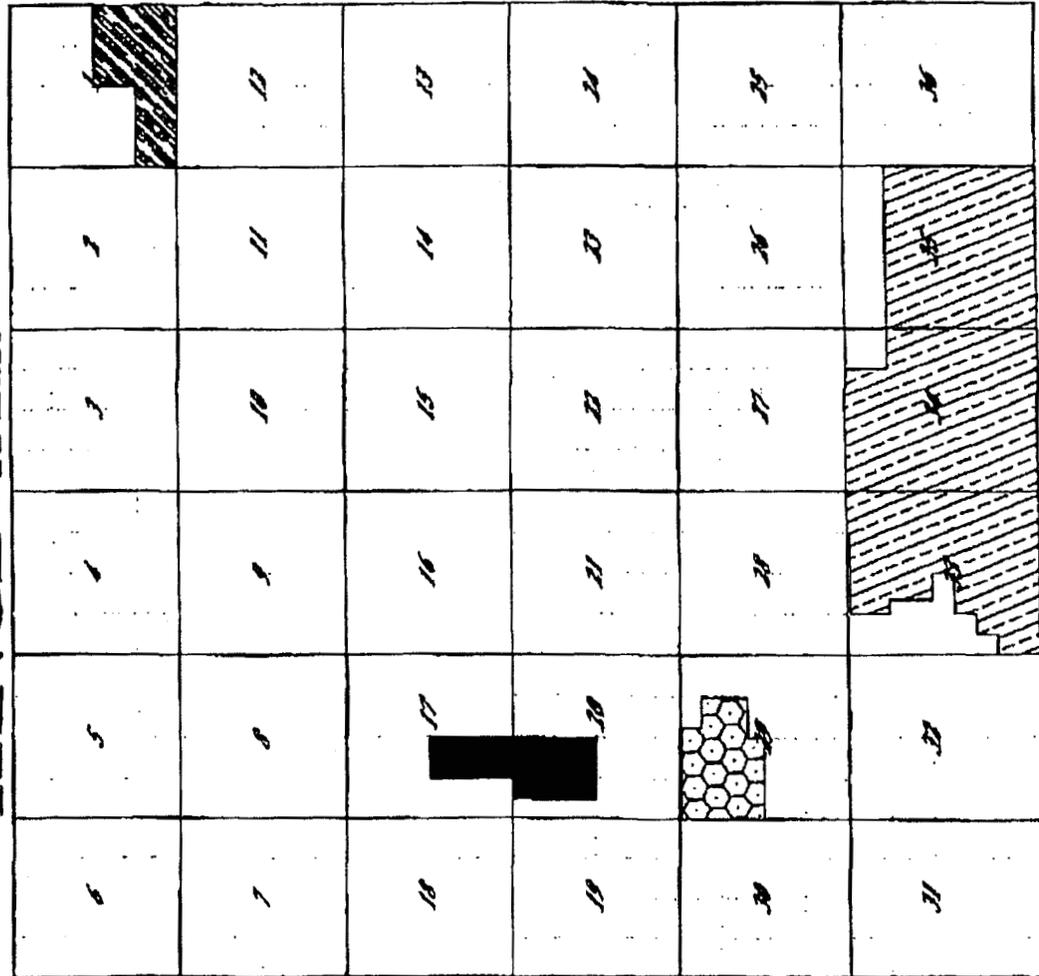
Map No. 10

**COUNTY of Pima**

**RANGE 11 East**

**TOWNSHIP 12 South**

-  W-2126 (2)  
Avra Water Cooperative, Inc.
-  W-4236 (1)  
Tierra Linda Homeowners Association, Inc.
-  (4)  
Cortaro-Marana Irrigation District
-  (4)  
Town of Marana (Nonjurisdictional)  
(Palo Verde System)



---

# **Appendix “D”**

**Tierra Linda Homeowners Association, Inc.  
(Tierra Linda Development, L.L.C.  
Facilities Agreement for Developer-Installed  
On-Site and Off-Site Facilities)**

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

**WATER MAIN EXTENSION AGREEMENT  
FOR DEVELOPER-INSTALLED, ON-SITE AND OFF-SITE FACILITIES**  
for the  
**Tierra Linda Nueva**  
Phase 1 and Phase 2 Onsite and Offsite

THIS WATER MAIN EXTENSION AGREEMENT (this "Agreement") is entered into as of the 10 day of JUNE 2009, by and between the TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation (hereinafter referred to as the "Company"), and TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company (hereinafter referred to as "Applicant").

**RECITALS:**

A. Company holds a Certificate of Convenience and Necessity from the Arizona Corporation Commission ("ACC") to provide water service in and around Tierra Linda Nueva, including Lot Nos. 50-56, 64-119, and 177-190 ("Phase 1"), and Lot Nos. 35-49, 57-63, and 151-176 (Phase 2") as more specifically described on Exhibit A attached hereto and incorporated herein by this reference (collectively the "Property"); and

B. Certain on-site and off-site water facilities have been designed, constructed, installed and connected to Company's system in order to permit Company to deliver adequate water service to the Property; and

C. Applicant is the sole beneficiary of Title Security Agency of Arizona Trust No. 939, which is fee title owner of the Property, and, having developed the Property, Applicant has financed, designed, installed and constructed the necessary on-site and off-site water facilities pursuant to its request of Company to provide water service to the Property, subject to Company's approval of such design and construction.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. **Facilities to be Constructed:** This Agreement governs the construction, installation and financing of the Water Facilities set forth in engineering plans WATER DISTRIBUTION SYSTEM TO SERVE PHASE 1, Lots 50-56, 64-119, and 177-190, Chris Brozek, Engineer, dated 10/15/04, WATER DISTRIBUTION SYSTEM TO SERVE PHASE II, Lots 35-49, 57-63, and 151-176, Chris Brozek, Engineer, dated October 15, 2004, AND TIERRA LINDA WATER PLANT, Westland Resources, Engineer, dated April 16, 2004, incorporated herein by this reference as Exhibit B (the "Plans"), as modified in final engineering plans approved by Company, the ACC, the Arizona Department of Environmental Quality ("ADEQ") or its delegatee and/or such other governmental agency, if any, having authority to review and approve the engineering plans. Such modifications shall be deemed to amend the Plans and are incorporated herein by reference. The on-site and off-site facilities constructed pursuant to the Plans are hereinafter referred to as the "Water Facilities." Any additional lines, or water facilities necessary to provide adequate water service to the Property, or any portion thereof, are beyond the scope of this Agreement and will be the subject matter of separate and distinct agreements.

2. **Applicant to Construct and Pay:** Applicant has designed, constructed and installed the Water Facilities and paid all of the costs related thereto, and has completed

and paid the costs of engineering, computer modeling analysis, materials, labor, transportation, equipment, regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges, regulatory fees, necessary permits, easements, inspections, administrative overhead, attorney's fees, approvals, testing, correction, insurance and bonds.

3. Advance in Aid of Construction. Upon the mutual execution of this Agreement, the Applicant shall convey the Water Facilities to Company, and pay Company One Hundred Dollars (\$100.00), as and for Company's costs. The actual expenses incurred by Applicant in the construction of the Water Facilities together with Company's costs, as supported by documentation as required by Paragraph 5, shall be deemed as follows: (i) Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) as advances-in-aid of construction, (ii) Two Hundred Six Thousand Three Hundred Twenty-Six Dollars (\$206,326) as contributions-in-aid of construction, and (iii) One Hundred Eight-Six Thousand Seven Hundred Twenty-Three Dollars (\$186,723) as equity. The aforesaid Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) of advances-in-aid of construction shall be subject to the prospect of refund pursuant to Paragraph 6 hereof.

4. Actual Costs Shall Govern: The total cost of the Water Facilities is One Million Fifty-Eight Thousand Three Hundred Fifty-Nine Dollars (\$1,058,359) as shown on Exhibit C. Applicant has paid the actual cost of the Water Facilities, and agrees to provide Company with as-built costs, together with all receipts in connection therewith, upon the execution of this Agreement.

5. Documentation: Applicant has, as a condition of acceptance of the Water Facilities by Company, furnished Company with:

- 5.1 copies of all bills, invoices and other statements of expenses incurred by Applicant, covering all costs of materials, equipment, supplies, construction and installation of the Water Facilities;
- 5.2 lien waivers and releases from contractors, subcontractors and vendors for materials, labor, equipment, supplies and construction included in Water Facilities;
- 5.3 receipts, specifying exact amounts or payments in full by Applicant to all contractors, subcontractors or vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities;
- 5.4 "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and approved by Company, and showing the location and respective sizes of Water Facilities; and
- 5.5 all easements, bills of sale, deeds and other evidences of ownership, and/or right to operate, maintain, repair and replace the Water Facilities requested by Company.

6. Refund of Advance: Applicant's costs for the construction and installation of the Water Facilities, to be advanced by Applicant to Company pursuant to this Agreement and evidenced by invoices furnished to Company pursuant to Paragraph 4 hereof, are subject to refund by Company to Applicant, in accordance with this section. Company shall make refunds annually on or before August 31, for the preceding July 1, through June 30 period. The amount to be refunded annually shall be ten percent (10%) of revenues (excluding all gross receipts collected as sales taxes, franchise fees and/or any other assessment, fee, tax or charge imposed by a state, federal or local governmental body or

pursuant to a cost adjustment mechanism approved by the ACC) derived from the provision of water served from each customer service line of each customer located within the Property leading up to and taken from water mains installed by Applicant pursuant to this Agreement. Refunds for revenues received from customers receiving water from the facilities constructed pursuant to this agreement shall be payable for a period of ten (10) years commencing on the Effective Date of this Agreement. In no event shall the funds paid hereunder exceed the total amounts paid by Applicant as advances-in-aid-of-construction pursuant to this Agreement. Any balance remaining at the end of the ten (10) year period shall become non-refundable unless the refund period is extended from year to year at the sole option of Company. No interest shall be paid on any amount advanced by Applicant pursuant to this Agreement.

7. Company's Right of First Refusal: Before selling or transferring the refund obligation of Company under this Agreement, Applicant shall first give Company, and its heirs, successors and assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Applicant has received from any third person or persons which Applicant may desire to accept.

8. Governmental Approvals: Applicant shall pay for and provide to Company copies of all requisite permits, highway construction permits, zoning and other governmental approvals, as required, and necessary for Applicant to install, construct and maintain the Water Facilities, including the Approval(s) To Construct and Approval(s) of Construction issued by the Pima County Department of Environmental Quality, attached hereto as Exhibit "D", and the Water Use Data Sheet attached as Exhibit "E".

9. Provision and Use of Easements: Applicant shall, at no cost to and in a form acceptable to Company, furnish Company any and all easements and rights-of-way reasonably necessary to insure the proper provision of utility service by Company, as determined in the sole discretion of Company. In addition, Company shall have the right to use any of the existing or future dedications, easements, or recorded rights-of-way on the Property in furtherance of the proper provision of utility service by Company.

10. Time of Construction: Applicant and Company acknowledge that construction of the Water Facilities has been completed as of the Effective Date of this Agreement.

11. Contractor's License: Applicant and Company acknowledge that all construction, installation and connection of Water Facilities has been done by a contractor having a valid contractor's license issued by the State of Arizona Registrar of Contractors encompassing the work to be performed (usually a Class A, A-12 or A-16 license).

12. Construction Standards: The Applicant and Company acknowledge that the size, design, type and quality of materials are in accordance with good utility practices and the requirements of Company (as identified on or before the date of this Agreement or as attached as Exhibit B), the rules, regulations, orders and requirements of the ACC, ADEQ and any other public agency having jurisdiction thereover, including, but not limited to, traffic control, compaction, safety, pavement removal and replacement, sloping, shielding, shoring, OSHA regulations and Arizona Department of Health Services Bulletins No. 8 and No. 10. Additionally, all of said plans and specifications meet or exceed the standards and specifications of the Pima County Health Department, and are hereby approved by the Company. The Water Facilities have been designed and constructed with sufficient capacity

to accommodate the water service requirement of the Property, including fire flow requirements imposed by a governmental entity.

13. Inspection and Testing: Applicant has complied with the inspection and testing requirements of Company, and Company acknowledges that any governmental agency having jurisdiction over the construction, installation and connection of the Water Facilities have approved the Water Facilities.

14. Acceptance of Facilities: The Water Facilities will be deemed accepted as of the date that this Agreement is entered upon by Applicant and Company.

15. Risk of Loss: All risk of loss shall be with Applicant until the effective date of this Agreement.

16. Title to Property: The Water Facilities constructed pursuant to this Agreement shall become the property of Company upon the effective date of this Agreement, and shall remain the sole property of Company without the requirement of further written documents of transfer. Applicant shall not have any further right, title, ownership or ownership interest herein whatsoever, except for the right to receive refunds of the particular advance-in-aid-of-construction pursuant to the method herein described. However, Applicant shall furnish any document pertaining to ownership and title as may reasonably be requested by Company including documents which evidence or confirm transfer of possession to Company of good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant.

17. Warranty: Unless otherwise provided in Exhibit B, Applicant warrants to Company that all materials and equipment furnished under this Agreement were new at the time of installation, and that the Water Facilities are of good quality, free from faults and defects. If required by Company, Applicant shall furnish satisfactory evidence as to the kind and quality of materials and equipment used on the Water Facilities.

18. Indemnification:

18.1 Applicant shall indemnify and hold harmless Company, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of Applicant's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought on account of Applicant's action or inaction, Applicant will assume the defense at Applicant's own expense and will pay all judgments rendered therein;

18.2 Company shall indemnify and hold harmless Applicant, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Company, its agents, servants, employees, contractors or subcontractors in the execution of Company's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought

on account Company's action or inaction, Company will assume the defense at Company's own expense and will pay all judgments rendered therein;

18.3 The provisions of this Paragraph shall survive termination of this Agreement.

19. Water Service: Upon Applicant complying fully with this Agreement, including receiving Company's written acceptance of the Water Facilities, and obtaining all requisite governmental approvals to sell lots within the Property, Company agrees to offer domestic water service to the Property. Water service shall be offered in accordance with Company's Articles of Incorporation, By-laws, rules and regulations, and under the tariffs and rules and regulations approved by the ACC, as amended from time to time. This Agreement shall not preclude Company from requiring applications for water service to be executed and complied with prior to the actual delivery of water service to individual lots within the Property.

COMPANY EXPRESSLY DISCLAIMS ANY RESPONSIBILITY OR OBLIGATION TO PROVIDE WATER AT A SPECIFIC PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY FIRE STANDPIPE, OR FIRE HYDRANT, OR FOR FIRE PROTECTION SERVICE. IN THE EVENT FIRE PROTECTION SERVICE IS INTERRUPTED, IRREGULAR, DEFECTIVE, OR FAILS FROM CAUSES BEYOND THE COMPANY'S CONTROL OR THROUGH ORDINARY NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE COMPANY WILL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.

Company shall have no obligation whatsoever to provide service to the Property or any portion thereof, unless and until: Applicant has paid the full cost of the Water Facilities as required hereunder; Applicant has secured all governmental approvals required hereunder or as a condition to the sale and/or occupancy of the subdivided lots; construction of the Water Facilities has been completed and accepted in writing by Company, and Applicant has paid all fees, charges, and deposits authorized to be charged by the ACC including, but not limited to, meter and service lines which are not a part of the Water Related Facilities covered by this Agreement.

20. Conservation Requirement: To the extent Applicant contracts for or constructs residences or other water consuming facilities on the Property, Applicant shall make its best efforts to ensure that construction of said residences and facilities incorporates the latest technologies in water conservation consistent with the economic investment therein and limits water using features.

21. Non-Agents: It is agreed that Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent of Company and shall not incur any costs or expenses on behalf of Company.

22. Communication: Communications hereunder shall be sent to Applicant addressed as follows:

Tierra Linda Development, LLC  
6262 N. Swan Rd., Suite 125  
Tucson, AZ 85718

or to such other addresses or addressees as Applicant may advise Company in writing, and to Company at:

Tierra Linda Homeowners Association, Inc.  
c/o Tierra Linda Homeowners Association Water Company  
PO Box 69868  
Tucson, AZ 85737

or to such other addresses or addressees as Company may advise Applicant in writing.

23. Assignability: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns and either party may record the Agreement with the County Recorder's office in the county where the Property is located. However, Applicant shall only assign its rights, obligations and interests in this Agreement to a successor-in-interest that agrees in writing to assume all of Applicant's obligations to Company under this Agreement.

24. Rights and Remedies: The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available at law or equity. No action or failure to act by Company or Applicant shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any action or failure to act constitute an approval of or acquiescence in any breach, except as may be specifically agreed in writing.

25. Litigation: Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damage claimed or portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorneys fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if the parties so elect in the event of a dispute hereunder.

26. Entire Agreement/Time of the Essence/Waiver: This Agreement sets forth the full and entire agreement of the parties and it may only be altered, amended or supplemented in writing. This Agreement shall be governed by the laws of the State of Arizona. Time is of the essence in performing all obligations hereunder. Waiver of a breach of any term, condition or covenant of this Agreement by any party shall be limited to the particular instance and shall not be deemed to waive future breaches of the other party of the same or other terms, conditions or covenants.

27. Counterparts: This Agreement may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

28. Effective Date: This Agreement shall have no force or effect whatsoever and shall not be binding upon Company or Applicant until such time as it is executed by all parties and approved by the staff of the Utilities Division of the Commission.

29. Authority to Execute: Each party warrants and represents that it has lawful authority to execute this Agreement and to perform all acts required hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

**COMPANY**

Tierra Linda Homeowners Ass'n, Inc.  
an Arizona public service corporation

**APPLICANT**

Tierra Linda Development, LLC,  
an Arizona limited liability  
company

By: ROBERT P. ZAMMIT  
Title: PRESIDENT  
Date: 6/23/09

By: ROBERT P. ZAMMIT  
Title: MANAGER  
Date: 6/23/09

Approved: [Signature]  
Date: \_\_\_\_\_

Approved: [Signature]

Utilities Division:  
Arizona Corporation Commission

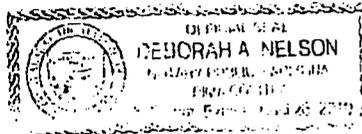
ACKNOWLEDGMENTS

STATE OF ARIZONA     )  
  ) ss.  
COUNTY OF PIMA     )

On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared ROBERT P. ZAMMIT who acknowledged himself to be the MANAGER of TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires: \_\_\_\_\_  
[Signature] Notary Public

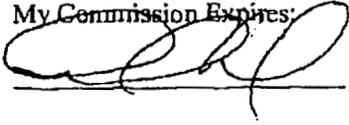


STATE OF ARIZONA     )  
  ) ss.  
COUNTY OF PIMA     )

On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared ROBERT P. ZAMMIT who acknowledged himself to be the PRESIDENT of TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires:



Notary Public

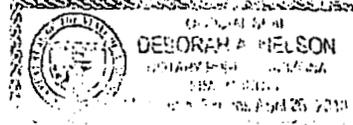


Exhibit "A"

[Legal description of the Subdivision follows  
behind this page]

Lots 1 through 190 and Common Areas "A" and "B" of Tierra Linda Nueva,  
according to the Map or Plat thereof of record in the Office of the County Recorder,  
Pima County, Arizona, in Book 59 of Maps and Plats, Page 3.

PARCEL A

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the north quarter corner of said Section 29, marked by a General Land Office brass capped pipe and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, southerly along west line of the northeast quarter of said Section 29, S 00° 13' 24" E, 45.00 feet (calculated) to a point on the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, said point being the TRUE POINT OF BEGINNING of Parcel "A" herein described;

THENCE from said TRUE POINT OF BEGINNING, easterly along said south right-of-way line, N 89° 49' 46" E, 339.01 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly and along the west line of Lot 11 as shown on the plat of Tierra Linda, a subdivision of said Pima County recorded in Book 17 of Maps and Plats at Page 92 thereof, S 00° 09' 39" E, 624.72 feet (Record), S 00° 10' 41" E, 626.26 feet (calculated), to the southwest corner thereof, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said southwest corner, easterly along the south line of Lots 11, 12, and 13 of said recorded subdivision,

N 89° 50' 21" E, 922.53 feet (Record)

N 89° 51' 90" E, 923.97 feet (calculated)

N 89° 49' 46" E, 925.11 feet (measured) to the southeast corner of said Lot 13, marked by a 1/2" diameter rebar with registration tag RLS 15933;

THENCE leaving said southeast corner, southerly along the west right-of-way line of Via Socorro as shown on the plat of said Tierra Linda

S 00° 16' 51" E, 1465.00 feet (Record)

S 00° 17' 12" E, 1465.00 feet (calculated)

S 00° 15' 53" E, 1465.55 feet (measured) to the northeast corner of a parcel recorded in Docket 11488 at Page 4197 thereof, records of said Pima County, marked by a 1/2" rebar;

THENCE leaving said northeast corner, westerly along the north line of said recorded parcel and the westerly prolongation thereof, S 89° 50' 21" W (Record), S 89° 51' 38" W, 926.57 feet (calculated) to a point thereon;

THENCE leaving said north line, northwesterly, N 33° 16' 52" W, 276.55 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 46" W, 181.14 feet to a calculated point;

THENCE leaving said point southeasterly S 85° 57' 43" E, 104.77 feet to a calculated point;

THENCE leaving said point, northwesterly, N 06° 20' 24" W, 282.28 feet to a calculated point;

RECEIVED  
2008 MAR -9 10:37  
AZ COP COMMISSION  
DOCUMENT CONTROL

THENCE leaving said point, southwesterly, S 73° 29' 57" W, 99.62 feet to a calculated point;  
THENCE leaving said point, northwesterly, N 16° 37' 32" W, 226.98 feet to a calculated point;  
THENCE leaving said point, southwesterly, S 68° 10' 39" W, 198.23 feet to a calculated point;  
THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1015.13 feet to a point thereon;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 430.00 feet to a calculated point;  
THENCE leaving said point, westerly, S 89° 48' 14" W, 93.91 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 47" W, 430.00 feet to a calculated point;  
THENCE leaving said point, easterly, N 89° 48' 14" E, 820.00 feet to a calculated point;  
THENCE leaving said point, northerly, N 00° 11' 46" W, 428.00 feet to a calculated point on the south right of way line of said Emigh Road, marked by a No. 4 rebar with registration tag RLS 26932;  
THENCE leaving said point, easterly along said right-of-way line, N 89° 48' 11" E, 370.70 feet to the TRUE POINT OF BEGINNING;  
CONTAINING 69.18 acres of land [M/L], subject to and together with all matters of public record.

Parcel B

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the southwest corner of the north half of said Section 29, marked by a ½" diameter rebar with registration tag RLS 4399 and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, northerly along the measured west line of the northwest quarter of said Section 29, N 00° 13' 13" W, 868.89 feet to a calculated point thereon;

THENCE leaving said west line, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1505.18 feet to a point thereon;

THENCE leaving said parallel line, northerly, N 00° 11' 46" W, 440.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 1053.13 feet to a point thereon;

THENCE leaving said parallel line, northeasterly, N 68° 10' 39" E, 198.23 feet to a calculated point;

THENCE leaving said point, southeasterly, S 16° 37' 32" E, 226.98 feet to a calculated point;

THENCE leaving said point, northeasterly, N 73° 29' 57" E, 99.62 feet to a calculated point;

THENCE leaving said point, southeasterly, S 06° 20' 24" E, 282.28 feet to a calculated point;

THENCE leaving said point, northwesterly, N 85° 57' 43" W, 104.77 feet to a calculated point;

THENCE leaving said point, southerly, S 00° 11' 46" E, 181.14 feet to a calculated point;

THENCE leaving said point, southeasterly, S 33° 16' 52" E, 276.55 feet to a calculated point on the north line of a parcel of land recorded in Docket 11535 at Page 2479, records of said Pima County;

THENCE leaving said point, westerly along said north line, S 89° 51' 38" W, 308.11 feet (calculated), S 89° 51' 12" W, 306.50 feet (measured) to the northwest corner of said recorded parcel, marked by a ½" rebar;

THENCE leaving said northwest corner, southerly along the west line of said recorded parcel, S 00° 12' 16" E, 509.00 feet (Record), S 00° 13' 24" E, 509.00 feet (calculated), S 00° 02' 30" E, 508.96 feet (measured), to a point on the south line of the north half of said Section 29, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said point, westerly along said south line, S 89° 50' 21" W, 2671.64 feet (Record), S 89° 51' 08" W, 2670.84 feet (calculated) to the POINT OF BEGINNING of Parcel "B" herein described;

CONTAINING 68.99 acres of land [M/L]; subject to and together with all matters of public record.

Parcel C

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the northwest corner of said Section 29, marked by an accepted 1.5" diameter open iron pipe with Pima County Highway Department reference ties;

THENCE from said point of beginning, southerly along the measured west line of the northwest quarter of said Section 29, S 00° 13' 13" E, 45.00 feet to the TRUE POINT OF BEGINNING of Parcel "C" herein described, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE from said TRUE POINT OF BEGINNING, leaving said west line, easterly along the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per said plat of Tierra Linda), 2270.00 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly, S 00° 11' 46" E, 428.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 820.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 47" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 93.91 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 38.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 440.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 1505.18 feet to a calculated point on the measured west line of the northwest quarter of said Section 29;

THENCE leaving said parallel line, northerly along said west line, N 00° 13' 13" W, 1728.00 feet to the TRUE POINT OF BEGINNING;

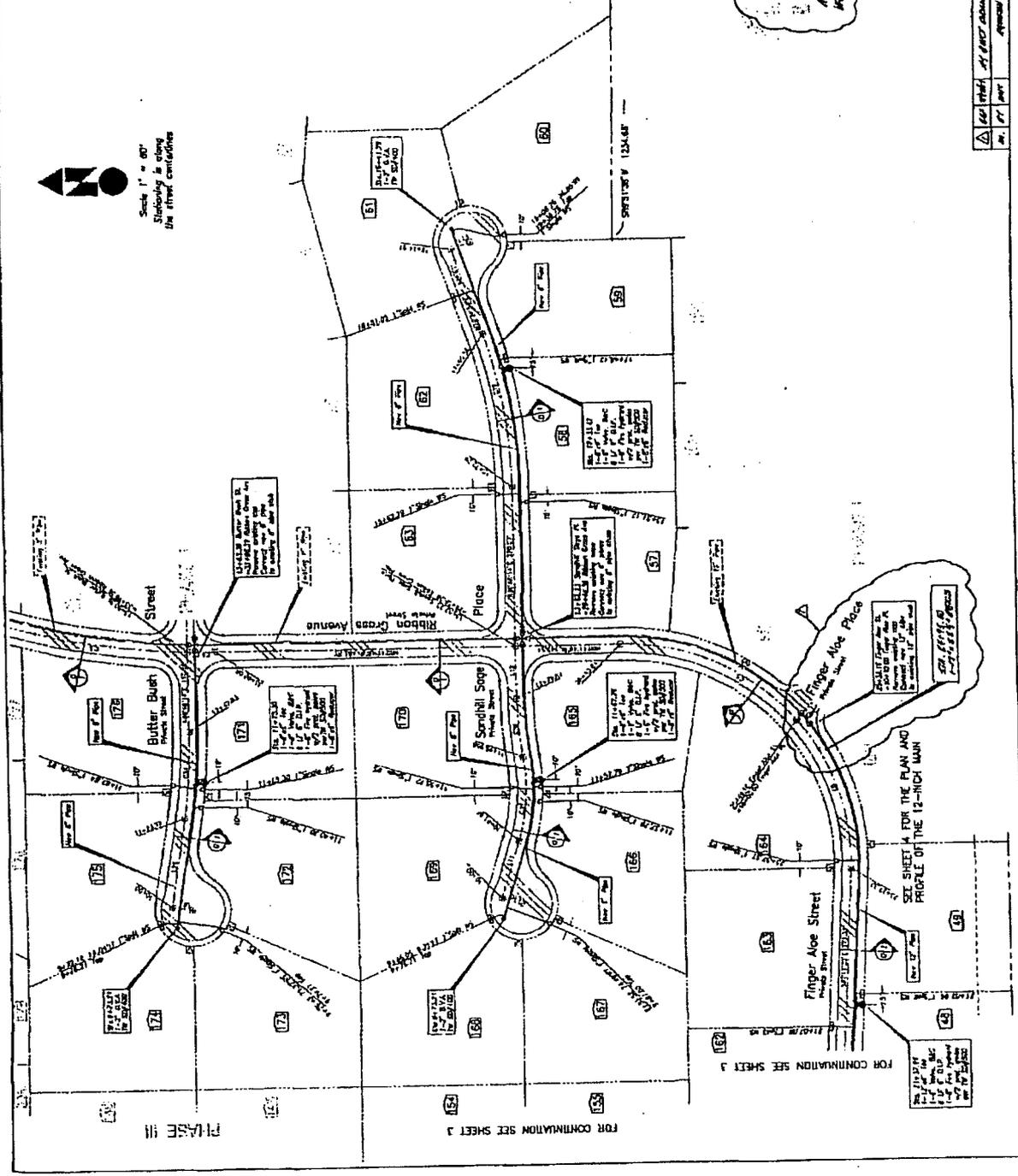
CONTAINING 67.05 acres of land [M/L]; subject to and together with all matters of public record.

Exhibit "B"  
[Engineering Plans for the Water Facilities]





Scale 1" = 60'  
 Stationing is along  
 the street centerlines



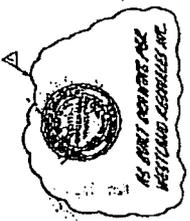
**Curve Data**

STATION	PC	PT	PI	LC	TR	TR	TR
17	11+25.71	12+18.91	11+72.31	11+25.71	11+25.71	11+25.71	11+25.71
18	12+18.91	13+12.11	12+72.31	12+18.91	12+18.91	12+18.91	12+18.91
19	13+12.11	14+05.31	13+72.31	13+12.11	13+12.11	13+12.11	13+12.11
20	14+05.31	14+98.51	14+72.31	14+05.31	14+05.31	14+05.31	14+05.31
21	14+98.51	15+91.71	15+72.31	14+98.51	14+98.51	14+98.51	14+98.51
22	15+91.71	16+84.91	16+72.31	15+91.71	15+91.71	15+91.71	15+91.71
23	16+84.91	17+78.11	17+72.31	16+84.91	16+84.91	16+84.91	16+84.91
24	17+78.11	18+71.31	18+72.31	17+78.11	17+78.11	17+78.11	17+78.11
25	18+71.31	19+64.51	19+72.31	18+71.31	18+71.31	18+71.31	18+71.31
26	19+64.51	20+57.71	20+72.31	19+64.51	19+64.51	19+64.51	19+64.51
27	20+57.71	21+50.91	21+72.31	20+57.71	20+57.71	20+57.71	20+57.71
28	21+50.91	22+44.11	22+72.31	21+50.91	21+50.91	21+50.91	21+50.91
29	22+44.11	23+37.31	23+72.31	22+44.11	22+44.11	22+44.11	22+44.11
30	23+37.31	24+30.51	24+72.31	23+37.31	23+37.31	23+37.31	23+37.31
31	24+30.51	25+23.71	25+72.31	24+30.51	24+30.51	24+30.51	24+30.51
32	25+23.71	26+16.91	26+72.31	25+23.71	25+23.71	25+23.71	25+23.71
33	26+16.91	27+10.11	27+72.31	26+16.91	26+16.91	26+16.91	26+16.91
34	27+10.11	28+03.31	28+72.31	27+10.11	27+10.11	27+10.11	27+10.11
35	28+03.31	28+96.51	29+72.31	28+03.31	28+03.31	28+03.31	28+03.31
36	28+96.51	29+89.71	30+72.31	28+96.51	28+96.51	28+96.51	28+96.51
37	29+89.71	30+82.91	31+72.31	29+89.71	29+89.71	29+89.71	29+89.71
38	30+82.91	31+76.11	32+72.31	30+82.91	30+82.91	30+82.91	30+82.91
39	31+76.11	32+69.31	33+72.31	31+76.11	31+76.11	31+76.11	31+76.11
40	32+69.31	33+62.51	34+72.31	32+69.31	32+69.31	32+69.31	32+69.31
41	33+62.51	34+55.71	35+72.31	33+62.51	33+62.51	33+62.51	33+62.51
42	34+55.71	35+48.91	36+72.31	34+55.71	34+55.71	34+55.71	34+55.71
43	35+48.91	36+42.11	37+72.31	35+48.91	35+48.91	35+48.91	35+48.91
44	36+42.11	37+35.31	38+72.31	36+42.11	36+42.11	36+42.11	36+42.11
45	37+35.31	38+28.51	39+72.31	37+35.31	37+35.31	37+35.31	37+35.31
46	38+28.51	39+21.71	40+72.31	38+28.51	38+28.51	38+28.51	38+28.51
47	39+21.71	40+14.91	41+72.31	39+21.71	39+21.71	39+21.71	39+21.71
48	40+14.91	41+08.11	42+72.31	40+14.91	40+14.91	40+14.91	40+14.91
49	41+08.11	42+01.31	43+72.31	41+08.11	41+08.11	41+08.11	41+08.11
50	42+01.31	42+94.51	44+72.31	42+01.31	42+01.31	42+01.31	42+01.31
51	42+94.51	43+87.71	45+72.31	42+94.51	42+94.51	42+94.51	42+94.51
52	43+87.71	44+80.91	46+72.31	43+87.71	43+87.71	43+87.71	43+87.71
53	44+80.91	45+74.11	47+72.31	44+80.91	44+80.91	44+80.91	44+80.91
54	45+74.11	46+67.31	48+72.31	45+74.11	45+74.11	45+74.11	45+74.11
55	46+67.31	47+60.51	49+72.31	46+67.31	46+67.31	46+67.31	46+67.31
56	47+60.51	48+53.71	50+72.31	47+60.51	47+60.51	47+60.51	47+60.51
57	48+53.71	49+46.91	51+72.31	48+53.71	48+53.71	48+53.71	48+53.71
58	49+46.91	50+40.11	52+72.31	49+46.91	49+46.91	49+46.91	49+46.91
59	50+40.11	51+33.31	53+72.31	50+40.11	50+40.11	50+40.11	50+40.11
60	51+33.31	52+26.51	54+72.31	51+33.31	51+33.31	51+33.31	51+33.31
61	52+26.51	53+19.71	55+72.31	52+26.51	52+26.51	52+26.51	52+26.51
62	53+19.71	54+12.91	56+72.31	53+19.71	53+19.71	53+19.71	53+19.71
63	54+12.91	55+06.11	57+72.31	54+12.91	54+12.91	54+12.91	54+12.91
64	55+06.11	55+99.31	58+72.31	55+06.11	55+06.11	55+06.11	55+06.11
65	55+99.31	56+92.51	59+72.31	55+99.31	55+99.31	55+99.31	55+99.31
66	56+92.51	57+85.71	60+72.31	56+92.51	56+92.51	56+92.51	56+92.51
67	57+85.71	58+78.91	61+72.31	57+85.71	57+85.71	57+85.71	57+85.71
68	58+78.91	59+72.11	62+72.31	58+78.91	58+78.91	58+78.91	58+78.91
69	59+72.11	60+65.31	63+72.31	59+72.11	59+72.11	59+72.11	59+72.11
70	60+65.31	61+58.51	64+72.31	60+65.31	60+65.31	60+65.31	60+65.31
71	61+58.51	62+51.71	65+72.31	61+58.51	61+58.51	61+58.51	61+58.51
72	62+51.71	63+44.91	66+72.31	62+51.71	62+51.71	62+51.71	62+51.71
73	63+44.91	64+38.11	67+72.31	63+44.91	63+44.91	63+44.91	63+44.91
74	64+38.11	65+31.31	68+72.31	64+38.11	64+38.11	64+38.11	64+38.11
75	65+31.31	66+24.51	69+72.31	65+31.31	65+31.31	65+31.31	65+31.31
76	66+24.51	67+17.71	70+72.31	66+24.51	66+24.51	66+24.51	66+24.51
77	67+17.71	68+10.91	71+72.31	67+17.71	67+17.71	67+17.71	67+17.71
78	68+10.91	69+04.11	72+72.31	68+10.91	68+10.91	68+10.91	68+10.91
79	69+04.11	69+97.31	73+72.31	69+04.11	69+04.11	69+04.11	69+04.11
80	69+97.31	70+90.51	74+72.31	69+97.31	69+97.31	69+97.31	69+97.31
81	70+90.51	71+83.71	75+72.31	70+90.51	70+90.51	70+90.51	70+90.51
82	71+83.71	72+76.91	76+72.31	71+83.71	71+83.71	71+83.71	71+83.71
83	72+76.91	73+70.11	77+72.31	72+76.91	72+76.91	72+76.91	72+76.91
84	73+70.11	74+63.31	78+72.31	73+70.11	73+70.11	73+70.11	73+70.11
85	74+63.31	75+56.51	79+72.31	74+63.31	74+63.31	74+63.31	74+63.31
86	75+56.51	76+49.71	80+72.31	75+56.51	75+56.51	75+56.51	75+56.51
87	76+49.71	77+42.91	81+72.31	76+49.71	76+49.71	76+49.71	76+49.71
88	77+42.91	78+36.11	82+72.31	77+42.91	77+42.91	77+42.91	77+42.91
89	78+36.11	79+29.31	83+72.31	78+36.11	78+36.11	78+36.11	78+36.11
90	79+29.31	80+22.51	84+72.31	79+29.31	79+29.31	79+29.31	79+29.31
91	80+22.51	81+15.71	85+72.31	80+22.51	80+22.51	80+22.51	80+22.51
92	81+15.71	82+08.91	86+72.31	81+15.71	81+15.71	81+15.71	81+15.71
93	82+08.91	83+02.11	87+72.31	82+08.91	82+08.91	82+08.91	82+08.91
94	83+02.11	83+95.31	88+72.31	83+02.11	83+02.11	83+02.11	83+02.11
95	83+95.31	84+88.51	89+72.31	83+95.31	83+95.31	83+95.31	83+95.31
96	84+88.51	85+81.71	90+72.31	84+88.51	84+88.51	84+88.51	84+88.51
97	85+81.71	86+74.91	91+72.31	85+81.71	85+81.71	85+81.71	85+81.71
98	86+74.91	87+68.11	92+72.31	86+74.91	86+74.91	86+74.91	86+74.91
99	87+68.11	88+61.31	93+72.31	87+68.11	87+68.11	87+68.11	87+68.11
100	88+61.31	89+54.51	94+72.31	88+61.31	88+61.31	88+61.31	88+61.31

**Line Data**

15 15+00.00 15+00.00  
 16 16+00.00 16+00.00  
 17 17+00.00 17+00.00  
 18 18+00.00 18+00.00  
 19 19+00.00 19+00.00  
 20 20+00.00 20+00.00  
 21 21+00.00 21+00.00  
 22 22+00.00 22+00.00  
 23 23+00.00 23+00.00  
 24 24+00.00 24+00.00  
 25 25+00.00 25+00.00  
 26 26+00.00 26+00.00  
 27 27+00.00 27+00.00  
 28 28+00.00 28+00.00  
 29 29+00.00 29+00.00  
 30 30+00.00 30+00.00  
 31 31+00.00 31+00.00  
 32 32+00.00 32+00.00  
 33 33+00.00 33+00.00  
 34 34+00.00 34+00.00  
 35 35+00.00 35+00.00  
 36 36+00.00 36+00.00  
 37 37+00.00 37+00.00  
 38 38+00.00 38+00.00  
 39 39+00.00 39+00.00  
 40 40+00.00 40+00.00  
 41 41+00.00 41+00.00  
 42 42+00.00 42+00.00  
 43 43+00.00 43+00.00  
 44 44+00.00 44+00.00  
 45 45+00.00 45+00.00  
 46 46+00.00 46+00.00  
 47 47+00.00 47+00.00  
 48 48+00.00 48+00.00  
 49 49+00.00 49+00.00  
 50 50+00.00 50+00.00  
 51 51+00.00 51+00.00  
 52 52+00.00 52+00.00  
 53 53+00.00 53+00.00  
 54 54+00.00 54+00.00  
 55 55+00.00 55+00.00  
 56 56+00.00 56+00.00  
 57 57+00.00 57+00.00  
 58 58+00.00 58+00.00  
 59 59+00.00 59+00.00  
 60 60+00.00 60+00.00  
 61 61+00.00 61+00.00  
 62 62+00.00 62+00.00  
 63 63+00.00 63+00.00  
 64 64+00.00 64+00.00  
 65 65+00.00 65+00.00  
 66 66+00.00 66+00.00  
 67 67+00.00 67+00.00  
 68 68+00.00 68+00.00  
 69 69+00.00 69+00.00  
 70 70+00.00 70+00.00  
 71 71+00.00 71+00.00  
 72 72+00.00 72+00.00  
 73 73+00.00 73+00.00  
 74 74+00.00 74+00.00  
 75 75+00.00 75+00.00  
 76 76+00.00 76+00.00  
 77 77+00.00 77+00.00  
 78 78+00.00 78+00.00  
 79 79+00.00 79+00.00  
 80 80+00.00 80+00.00  
 81 81+00.00 81+00.00  
 82 82+00.00 82+00.00  
 83 83+00.00 83+00.00  
 84 84+00.00 84+00.00  
 85 85+00.00 85+00.00  
 86 86+00.00 86+00.00  
 87 87+00.00 87+00.00  
 88 88+00.00 88+00.00  
 89 89+00.00 89+00.00  
 90 90+00.00 90+00.00  
 91 91+00.00 91+00.00  
 92 92+00.00 92+00.00  
 93 93+00.00 93+00.00  
 94 94+00.00 94+00.00  
 95 95+00.00 95+00.00  
 96 96+00.00 96+00.00  
 97 97+00.00 97+00.00  
 98 98+00.00 98+00.00  
 99 99+00.00 99+00.00  
 100 100+00.00 100+00.00

**Note to Contractor**  
 For each hydrant shown on this plan, the contractor shall install a 12-inch main and a 4-inch branch to the hydrant.



1-800-782-6348  
 Blue State Center

TIERRA LINDA NUEVA ASSOCIATION WATER DISTRICT  
 WATER DISTRIBUTION SYSTEM  
 LOTS 35-48, 57-63 AND 161-178  
 OF  
 TIERRA LINDA NUEVA

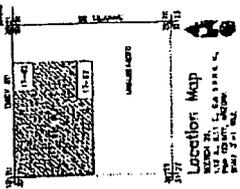


Scale 1" = 60'  
 Primary utility  
 for street construction

Curve Data	PC	PVI	PT	Length	Area	Volume
1	711.121	804.40	897.61	186.49	10.41	81.42
2	812.24	1047.00	1281.81	469.57	26.42	197.88
3	1012.24	1304.00	1531.81	519.57	28.42	216.30
4	1212.24	1561.00	1781.81	569.57	30.42	234.72
5	1412.24	1818.00	2031.81	619.57	32.42	253.14
6	1612.24	2075.00	2281.81	669.57	34.42	271.56
7	1812.24	2332.00	2531.81	719.57	36.42	290.00
8	2012.24	2589.00	2781.81	769.57	38.42	308.44
9	2212.24	2846.00	3031.81	819.57	40.42	326.88
10	2412.24	3103.00	3281.81	869.57	42.42	345.32
11	2612.24	3360.00	3531.81	919.57	44.42	363.76
12	2812.24	3617.00	3781.81	969.57	46.42	382.20
13	3012.24	3874.00	4031.81	1019.57	48.42	400.64
14	3212.24	4131.00	4281.81	1069.57	50.42	419.08
15	3412.24	4388.00	4531.81	1119.57	52.42	437.52
16	3612.24	4645.00	4781.81	1169.57	54.42	455.96
17	3812.24	4902.00	5031.81	1219.57	56.42	474.40
18	4012.24	5159.00	5281.81	1269.57	58.42	492.84
19	4212.24	5416.00	5531.81	1319.57	60.42	511.28
20	4412.24	5673.00	5781.81	1369.57	62.42	529.72
21	4612.24	5930.00	6031.81	1419.57	64.42	548.16
22	4812.24	6187.00	6281.81	1469.57	66.42	566.60
23	5012.24	6444.00	6531.81	1519.57	68.42	585.04
24	5212.24	6701.00	6781.81	1569.57	70.42	603.48
25	5412.24	6958.00	7031.81	1619.57	72.42	621.92
26	5612.24	7215.00	7281.81	1669.57	74.42	640.36
27	5812.24	7472.00	7531.81	1719.57	76.42	658.80
28	6012.24	7729.00	7781.81	1769.57	78.42	677.24
29	6212.24	7986.00	8031.81	1819.57	80.42	695.68
30	6412.24	8243.00	8281.81	1869.57	82.42	714.12
31	6612.24	8500.00	8531.81	1919.57	84.42	732.56
32	6812.24	8757.00	8781.81	1969.57	86.42	751.00
33	7012.24	9014.00	9031.81	2019.57	88.42	769.44
34	7212.24	9271.00	9281.81	2069.57	90.42	787.88
35	7412.24	9528.00	9531.81	2119.57	92.42	806.32
36	7612.24	9785.00	9781.81	2169.57	94.42	824.76
37	7812.24	10042.00	10031.81	2219.57	96.42	843.20
38	8012.24	10299.00	10281.81	2269.57	98.42	861.64
39	8212.24	10556.00	10531.81	2319.57	100.42	880.08
40	8412.24	10813.00	10781.81	2369.57	102.42	898.52
41	8612.24	11070.00	11031.81	2419.57	104.42	916.96
42	8812.24	11327.00	11281.81	2469.57	106.42	935.40
43	9012.24	11584.00	11531.81	2519.57	108.42	953.84
44	9212.24	11841.00	11781.81	2569.57	110.42	972.28
45	9412.24	12098.00	12031.81	2619.57	112.42	990.72
46	9612.24	12355.00	12281.81	2669.57	114.42	1009.16
47	9812.24	12612.00	12531.81	2719.57	116.42	1027.60
48	10012.24	12869.00	12781.81	2769.57	118.42	1046.04
49	10212.24	13126.00	13031.81	2819.57	120.42	1064.48
50	10412.24	13383.00	13281.81	2869.57	122.42	1082.92
51	10612.24	13640.00	13531.81	2919.57	124.42	1101.36
52	10812.24	13897.00	13781.81	2969.57	126.42	1119.80
53	11012.24	14154.00	14031.81	3019.57	128.42	1138.24
54	11212.24	14411.00	14281.81	3069.57	130.42	1156.68
55	11412.24	14668.00	14531.81	3119.57	132.42	1175.12
56	11612.24	14925.00	14781.81	3169.57	134.42	1193.56
57	11812.24	15182.00	15031.81	3219.57	136.42	1212.00
58	12012.24	15439.00	15281.81	3269.57	138.42	1230.44
59	12212.24	15696.00	15531.81	3319.57	140.42	1248.88
60	12412.24	15953.00	15781.81	3369.57	142.42	1267.32
61	12612.24	16210.00	16031.81	3419.57	144.42	1285.76
62	12812.24	16467.00	16281.81	3469.57	146.42	1304.20
63	13012.24	16724.00	16531.81	3519.57	148.42	1322.64
64	13212.24	16981.00	16781.81	3569.57	150.42	1341.08
65	13412.24	17238.00	17031.81	3619.57	152.42	1359.52
66	13612.24	17495.00	17281.81	3669.57	154.42	1377.96
67	13812.24	17752.00	17531.81	3719.57	156.42	1396.40
68	14012.24	18009.00	17781.81	3769.57	158.42	1414.84
69	14212.24	18266.00	18031.81	3819.57	160.42	1433.28
70	14412.24	18523.00	18281.81	3869.57	162.42	1451.72
71	14612.24	18780.00	18531.81	3919.57	164.42	1470.16
72	14812.24	19037.00	18781.81	3969.57	166.42	1488.60
73	15012.24	19294.00	19031.81	4019.57	168.42	1507.04
74	15212.24	19551.00	19281.81	4069.57	170.42	1525.48
75	15412.24	19808.00	19531.81	4119.57	172.42	1543.92
76	15612.24	20065.00	19781.81	4169.57	174.42	1562.36
77	15812.24	20322.00	20031.81	4219.57	176.42	1580.80
78	16012.24	20579.00	20281.81	4269.57	178.42	1599.24
79	16212.24	20836.00	20531.81	4319.57	180.42	1617.68
80	16412.24	21093.00	20781.81	4369.57	182.42	1636.12
81	16612.24	21350.00	21031.81	4419.57	184.42	1654.56
82	16812.24	21607.00	21281.81	4469.57	186.42	1673.00
83	17012.24	21864.00	21531.81	4519.57	188.42	1691.44
84	17212.24	22121.00	21781.81	4569.57	190.42	1709.88
85	17412.24	22378.00	22031.81	4619.57	192.42	1728.32
86	17612.24	22635.00	22281.81	4669.57	194.42	1746.76
87	17812.24	22892.00	22531.81	4719.57	196.42	1765.20
88	18012.24	23149.00	22781.81	4769.57	198.42	1783.64
89	18212.24	23406.00	23031.81	4819.57	200.42	1802.08
90	18412.24	23663.00	23281.81	4869.57	202.42	1820.52
91	18612.24	23920.00	23531.81	4919.57	204.42	1838.96
92	18812.24	24177.00	23781.81	4969.57	206.42	1857.40
93	19012.24	24434.00	24031.81	5019.57	208.42	1875.84
94	19212.24	24691.00	24281.81	5069.57	210.42	1894.28
95	19412.24	24948.00	24531.81	5119.57	212.42	1912.72
96	19612.24	25205.00	24781.81	5169.57	214.42	1931.16
97	19812.24	25462.00	25031.81	5219.57	216.42	1949.60
98	20012.24	25719.00	25281.81	5269.57	218.42	1968.04
99	20212.24	25976.00	25531.81	5319.57	220.42	1986.48
100	20412.24	26233.00	25781.81	5369.57	222.42	2004.92

Line Data	ID	START	END	LENGTH
1	115	0+00	0+50	50.00
2	115	0+50	1+00	50.00
3	115	1+00	1+50	50.00
4	115	1+50	2+00	50.00
5	115	2+00	2+50	50.00
6	115	2+50	3+00	50.00
7	115	3+00	3+50	50.00
8	115	3+50	4+00	50.00
9	115	4+00	4+50	50.00
10	115	4+50	5+00	50.00
11	115	5+00	5+50	50.00
12	115	5+50	6+00	50.00
13	115	6+00	6+50	50.00
14	115	6+50	7+00	50.00
15	115	7+00	7+50	50.00
16	115	7+50	8+00	50.00
17	115	8+00	8+50	50.00
18	115	8+50	9+00	50.00
19	115	9+00	9+50	50.00
20	115	9+50	10+00	50.00
21	115	10+00	10+50	50.00
22	115	10+50	11+00	50.00
23	115	11+00	11+50	50.00
24	115	11+50	12+00	50.00
25	115	12+00	12+50	50.00
26	115	12+50	13+00	50.00
27	115	13+00	13+50	50.00
28	115	13+50	14+00	50.00
29	115	14+00	14+50	50.00
30	115	14+50	15+00	50.00
31	115	15+00	15+50	50.00
32	115	15+50	16+00	50.00
33	115	16+00	16+50	50.00
34	115	16+50	17+00	50.00
35	115	17+00	17+50	50.00
36	115	17+50	18+00	50.00
37	115	18+00	18+50	50.00
38	115	18+50	19+00	50.00
39	115	19+00	19+50	50.00
40	115	19+50	20+00	50.00
41	115	20+00	20+50	50.00
42	115	20+50	21+00	50.00
43	115	21+00	21+50	50.00
44	115	21+50	22+00	50.00
45	115	22+00	22+50	50.00
46	115	22+50	23+00	50.00
47	115	23+00	23+50	50.00
48	115	23+50	24+00	50.00
49	115	24+00	24+50	50.00
50	115	24+		





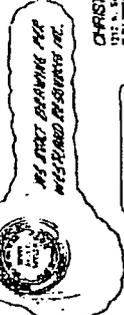
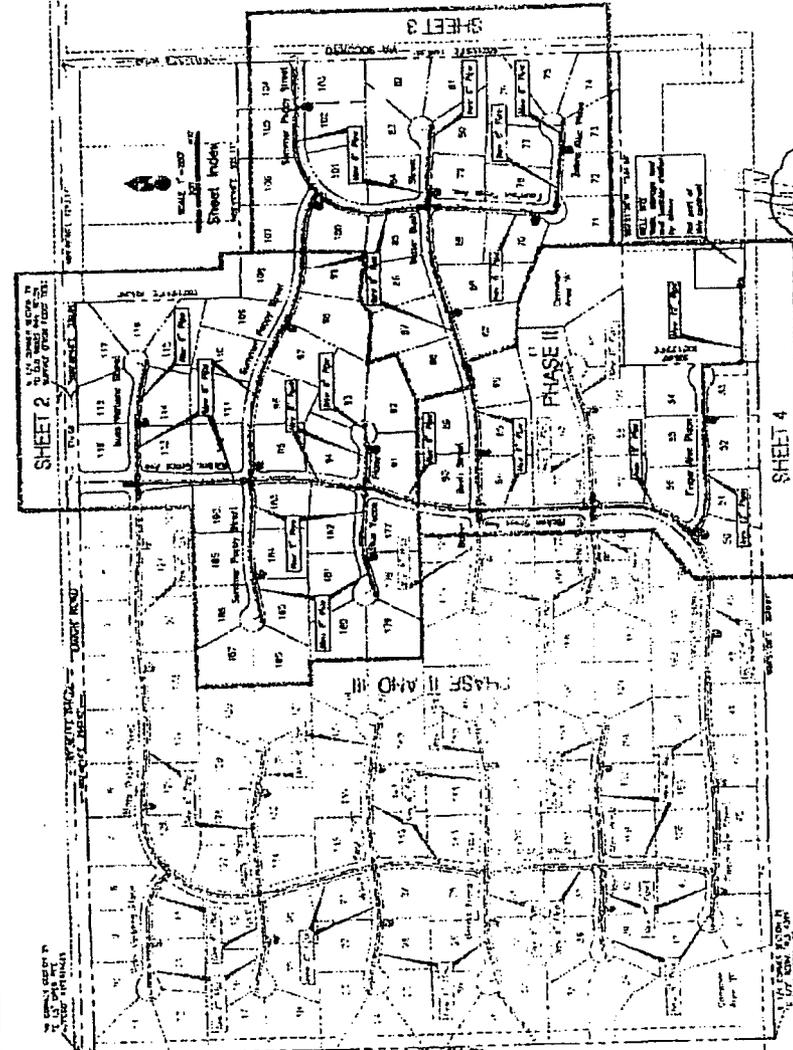
**Legend**

Symbol 1	1. 10' x 10' grid
Symbol 2	2. 5' x 5' grid
Symbol 3	3. 1' x 1' grid
Symbol 4	4. 1/2" x 1/2" grid
Symbol 5	5. 1/4" x 1/4" grid
Symbol 6	6. 1/8" x 1/8" grid
Symbol 7	7. 1/16" x 1/16" grid
Symbol 8	8. 1/32" x 1/32" grid
Symbol 9	9. 1/64" x 1/64" grid
Symbol 10	10. 1/128" x 1/128" grid
Symbol 11	11. 1/256" x 1/256" grid
Symbol 12	12. 1/512" x 1/512" grid
Symbol 13	13. 1/1024" x 1/1024" grid
Symbol 14	14. 1/2048" x 1/2048" grid
Symbol 15	15. 1/4096" x 1/4096" grid
Symbol 16	16. 1/8192" x 1/8192" grid
Symbol 17	17. 1/16384" x 1/16384" grid
Symbol 18	18. 1/32768" x 1/32768" grid
Symbol 19	19. 1/65536" x 1/65536" grid
Symbol 20	20. 1/131072" x 1/131072" grid
Symbol 21	21. 1/262144" x 1/262144" grid
Symbol 22	22. 1/524288" x 1/524288" grid
Symbol 23	23. 1/1048576" x 1/1048576" grid
Symbol 24	24. 1/2097152" x 1/2097152" grid
Symbol 25	25. 1/4194304" x 1/4194304" grid
Symbol 26	26. 1/8388608" x 1/8388608" grid
Symbol 27	27. 1/16777216" x 1/16777216" grid
Symbol 28	28. 1/33554432" x 1/33554432" grid
Symbol 29	29. 1/67108864" x 1/67108864" grid
Symbol 30	30. 1/134217728" x 1/134217728" grid
Symbol 31	31. 1/268435456" x 1/268435456" grid
Symbol 32	32. 1/536870912" x 1/536870912" grid
Symbol 33	33. 1/1073741824" x 1/1073741824" grid
Symbol 34	34. 1/2147483648" x 1/2147483648" grid
Symbol 35	35. 1/4294967296" x 1/4294967296" grid
Symbol 36	36. 1/8589934592" x 1/8589934592" grid
Symbol 37	37. 1/17179869184" x 1/17179869184" grid
Symbol 38	38. 1/34359738368" x 1/34359738368" grid
Symbol 39	39. 1/68719476736" x 1/68719476736" grid
Symbol 40	40. 1/137438953472" x 1/137438953472" grid
Symbol 41	41. 1/274877906944" x 1/274877906944" grid
Symbol 42	42. 1/549755813888" x 1/549755813888" grid
Symbol 43	43. 1/1099511627776" x 1/1099511627776" grid
Symbol 44	44. 1/2199023255552" x 1/2199023255552" grid
Symbol 45	45. 1/4398046511104" x 1/4398046511104" grid
Symbol 46	46. 1/8796093022208" x 1/8796093022208" grid
Symbol 47	47. 1/17592186444416" x 1/17592186444416" grid
Symbol 48	48. 1/35184372888832" x 1/35184372888832" grid
Symbol 49	49. 1/70368745777664" x 1/70368745777664" grid
Symbol 50	50. 1/14073749155328" x 1/14073749155328" grid
Symbol 51	51. 1/28147498310656" x 1/28147498310656" grid
Symbol 52	52. 1/56294996621312" x 1/56294996621312" grid
Symbol 53	53. 1/112589993242624" x 1/112589993242624" grid
Symbol 54	54. 1/225179986485248" x 1/225179986485248" grid
Symbol 55	55. 1/450359972970496" x 1/450359972970496" grid
Symbol 56	56. 1/900719945940992" x 1/900719945940992" grid
Symbol 57	57. 1/1801439891881984" x 1/1801439891881984" grid
Symbol 58	58. 1/3602879783763968" x 1/3602879783763968" grid
Symbol 59	59. 1/7205759567527936" x 1/7205759567527936" grid
Symbol 60	60. 1/14411519135058872" x 1/14411519135058872" grid
Symbol 61	61. 1/28823038270117744" x 1/28823038270117744" grid
Symbol 62	62. 1/57646076540235488" x 1/57646076540235488" grid
Symbol 63	63. 1/115292153080470976" x 1/115292153080470976" grid
Symbol 64	64. 1/230584306160941952" x 1/230584306160941952" grid
Symbol 65	65. 1/461168612321883904" x 1/461168612321883904" grid
Symbol 66	66. 1/922337224643767808" x 1/922337224643767808" grid
Symbol 67	67. 1/1844674449287535616" x 1/1844674449287535616" grid
Symbol 68	68. 1/3689348898575071232" x 1/3689348898575071232" grid
Symbol 69	69. 1/7378697797150142464" x 1/7378697797150142464" grid
Symbol 70	70. 1/14757395594300284928" x 1/14757395594300284928" grid
Symbol 71	71. 1/29514791188600569856" x 1/29514791188600569856" grid
Symbol 72	72. 1/59029582377201139712" x 1/59029582377201139712" grid
Symbol 73	73. 1/118059164754402279424" x 1/118059164754402279424" grid
Symbol 74	74. 1/236118329508804558848" x 1/236118329508804558848" grid
Symbol 75	75. 1/472236659017609117696" x 1/472236659017609117696" grid
Symbol 76	76. 1/944473318035218235392" x 1/944473318035218235392" grid
Symbol 77	77. 1/1888946636070436470784" x 1/1888946636070436470784" grid
Symbol 78	78. 1/3777893272140872941568" x 1/3777893272140872941568" grid
Symbol 79	79. 1/7555786544281745883136" x 1/7555786544281745883136" grid
Symbol 80	80. 1/15111573088563491766272" x 1/15111573088563491766272" grid
Symbol 81	81. 1/30223146171126983532544" x 1/30223146171126983532544" grid
Symbol 82	82. 1/60446292342253967065088" x 1/60446292342253967065088" grid
Symbol 83	83. 1/120892584684507934130176" x 1/120892584684507934130176" grid
Symbol 84	84. 1/241785169369015868260352" x 1/241785169369015868260352" grid
Symbol 85	85. 1/483570338738031736520704" x 1/483570338738031736520704" grid
Symbol 86	86. 1/967140677476063473041408" x 1/967140677476063473041408" grid
Symbol 87	87. 1/1934281354952126946082816" x 1/1934281354952126946082816" grid
Symbol 88	88. 1/3868562709904253892165632" x 1/3868562709904253892165632" grid
Symbol 89	89. 1/7737125419808507784331264" x 1/7737125419808507784331264" grid
Symbol 90	90. 1/15474250839617015568662528" x 1/15474250839617015568662528" grid
Symbol 91	91. 1/30948501679234031137325056" x 1/30948501679234031137325056" grid
Symbol 92	92. 1/61897003358468062274650112" x 1/61897003358468062274650112" grid
Symbol 93	93. 1/123794006716936124549300224" x 1/123794006716936124549300224" grid
Symbol 94	94. 1/247588013437872249098600448" x 1/247588013437872249098600448" grid
Symbol 95	95. 1/495176026875744498197200896" x 1/495176026875744498197200896" grid
Symbol 96	96. 1/990352053751488996394401792" x 1/990352053751488996394401792" grid
Symbol 97	97. 1/198070410750297799278880384" x 1/198070410750297799278880384" grid
Symbol 98	98. 1/396140821500595598557760768" x 1/396140821500595598557760768" grid
Symbol 99	99. 1/792281643001191197115521536" x 1/792281643001191197115521536" grid
Symbol 100	100. 1/158456328600238235423104272" x 1/158456328600238235423104272" grid

**Boats of Bearings**  
 Bearings of Section 21  
 The bearings of the lines of Section 21  
 are as follows: N 17° 15' 00" E, 100.00  
 S 72° 45' 00" W, 100.00  
 S 17° 15' 00" W, 100.00  
 N 72° 45' 00" E, 100.00  
 The bearings of the lines of Section 22  
 are as follows: N 17° 15' 00" E, 100.00  
 S 72° 45' 00" W, 100.00  
 S 17° 15' 00" W, 100.00  
 N 72° 45' 00" E, 100.00

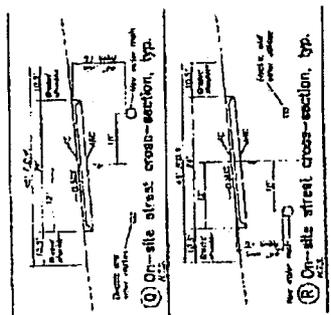
**Client**  
 Terra Linda Properties, L.P.  
**Developer**  
 Terra Linda Properties, L.P.  
 6011 N. 17th Street, Suite 100  
 Portland, OR 97218  
 Phone: (503) 281-1138  
**Consultant**  
 CHRISTOPHER BRIDGEMAN ASSOCIATES  
 1717 N. 17th Street, Suite 100  
 Portland, OR 97218  
 Phone: (503) 281-1138

NO. 1	DATE	DESCRIPTION
1	10/1/00	ISSUED FOR PERMITS
2	10/1/00	ISSUED FOR PERMITS
3	10/1/00	ISSUED FOR PERMITS
4	10/1/00	ISSUED FOR PERMITS
5	10/1/00	ISSUED FOR PERMITS
6	10/1/00	ISSUED FOR PERMITS
7	10/1/00	ISSUED FOR PERMITS
8	10/1/00	ISSUED FOR PERMITS
9	10/1/00	ISSUED FOR PERMITS
10	10/1/00	ISSUED FOR PERMITS
11	10/1/00	ISSUED FOR PERMITS
12	10/1/00	ISSUED FOR PERMITS
13	10/1/00	ISSUED FOR PERMITS
14	10/1/00	ISSUED FOR PERMITS
15	10/1/00	ISSUED FOR PERMITS
16	10/1/00	ISSUED FOR PERMITS
17	10/1/00	ISSUED FOR PERMITS
18	10/1/00	ISSUED FOR PERMITS
19	10/1/00	ISSUED FOR PERMITS
20	10/1/00	ISSUED FOR PERMITS
21	10/1/00	ISSUED FOR PERMITS
22	10/1/00	ISSUED FOR PERMITS
23	10/1/00	ISSUED FOR PERMITS
24	10/1/00	ISSUED FOR PERMITS
25	10/1/00	ISSUED FOR PERMITS
26	10/1/00	ISSUED FOR PERMITS
27	10/1/00	ISSUED FOR PERMITS
28	10/1/00	ISSUED FOR PERMITS
29	10/1/00	ISSUED FOR PERMITS
30	10/1/00	ISSUED FOR PERMITS
31	10/1/00	ISSUED FOR PERMITS
32	10/1/00	ISSUED FOR PERMITS
33	10/1/00	ISSUED FOR PERMITS
34	10/1/00	ISSUED FOR PERMITS
35	10/1/00	ISSUED FOR PERMITS
36	10/1/00	ISSUED FOR PERMITS
37	10/1/00	ISSUED FOR PERMITS
38	10/1/00	ISSUED FOR PERMITS
39	10/1/00	ISSUED FOR PERMITS
40	10/1/00	ISSUED FOR PERMITS
41	10/1/00	ISSUED FOR PERMITS
42	10/1/00	ISSUED FOR PERMITS
43	10/1/00	ISSUED FOR PERMITS
44	10/1/00	ISSUED FOR PERMITS
45	10/1/00	ISSUED FOR PERMITS
46	10/1/00	ISSUED FOR PERMITS
47	10/1/00	ISSUED FOR PERMITS
48	10/1/00	ISSUED FOR PERMITS
49	10/1/00	ISSUED FOR PERMITS
50	10/1/00	ISSUED FOR PERMITS
51	10/1/00	ISSUED FOR PERMITS
52	10/1/00	ISSUED FOR PERMITS
53	10/1/00	ISSUED FOR PERMITS
54	10/1/00	ISSUED FOR PERMITS
55	10/1/00	ISSUED FOR PERMITS
56	10/1/00	ISSUED FOR PERMITS
57	10/1/00	ISSUED FOR PERMITS
58	10/1/00	ISSUED FOR PERMITS
59	10/1/00	ISSUED FOR PERMITS
60	10/1/00	ISSUED FOR PERMITS
61	10/1/00	ISSUED FOR PERMITS
62	10/1/00	ISSUED FOR PERMITS
63	10/1/00	ISSUED FOR PERMITS
64	10/1/00	ISSUED FOR PERMITS
65	10/1/00	ISSUED FOR PERMITS
66	10/1/00	ISSUED FOR PERMITS
67	10/1/00	ISSUED FOR PERMITS
68	10/1/00	ISSUED FOR PERMITS
69	10/1/00	ISSUED FOR PERMITS
70	10/1/00	ISSUED FOR PERMITS
71	10/1/00	ISSUED FOR PERMITS
72	10/1/00	ISSUED FOR PERMITS
73	10/1/00	ISSUED FOR PERMITS
74	10/1/00	ISSUED FOR PERMITS
75	10/1/00	ISSUED FOR PERMITS
76	10/1/00	ISSUED FOR PERMITS
77	10/1/00	ISSUED FOR PERMITS
78	10/1/00	ISSUED FOR PERMITS
79	10/1/00	ISSUED FOR PERMITS
80	10/1/00	ISSUED FOR PERMITS
81	10/1/00	ISSUED FOR PERMITS
82	10/1/00	ISSUED FOR PERMITS
83	10/1/00	ISSUED FOR PERMITS
84	10/1/00	ISSUED FOR PERMITS
85	10/1/00	ISSUED FOR PERMITS
86	10/1/00	ISSUED FOR PERMITS
87	10/1/00	ISSUED FOR PERMITS
88	10/1/00	ISSUED FOR PERMITS
89	10/1/00	ISSUED FOR PERMITS
90	10/1/00	ISSUED FOR PERMITS
91	10/1/00	ISSUED FOR PERMITS
92	10/1/00	ISSUED FOR PERMITS
93	10/1/00	ISSUED FOR PERMITS
94	10/1/00	ISSUED FOR PERMITS
95	10/1/00	ISSUED FOR PERMITS
96	10/1/00	ISSUED FOR PERMITS
97	10/1/00	ISSUED FOR PERMITS
98	10/1/00	ISSUED FOR PERMITS
99	10/1/00	ISSUED FOR PERMITS
100	10/1/00	ISSUED FOR PERMITS



1-800-782-5348  
 Best Home Care

**ACCEPTED**  
 WATER DISTRIBUTION SYSTEM  
 LOS BLANOS 64-110 AND 177-400  
 OF  
 TIERRA LINDA NUEVA



- Contract Notes**
1. All work shall be in accordance with the plans and specifications.
  2. The contractor shall be responsible for obtaining all necessary permits.
  3. The contractor shall be responsible for maintaining access to adjacent properties.
  4. The contractor shall be responsible for protecting existing utilities.
  5. The contractor shall be responsible for maintaining accurate records.
  6. The contractor shall be responsible for maintaining accurate records.
  7. The contractor shall be responsible for maintaining accurate records.
  8. The contractor shall be responsible for maintaining accurate records.
  9. The contractor shall be responsible for maintaining accurate records.
  10. The contractor shall be responsible for maintaining accurate records.
  11. The contractor shall be responsible for maintaining accurate records.
  12. The contractor shall be responsible for maintaining accurate records.
  13. The contractor shall be responsible for maintaining accurate records.
  14. The contractor shall be responsible for maintaining accurate records.
  15. The contractor shall be responsible for maintaining accurate records.
  16. The contractor shall be responsible for maintaining accurate records.
  17. The contractor shall be responsible for maintaining accurate records.
  18. The contractor shall be responsible for maintaining accurate records.
  19. The contractor shall be responsible for maintaining accurate records.
  20. The contractor shall be responsible for maintaining accurate records.
  21. The contractor shall be responsible for maintaining accurate records.
  22. The contractor shall be responsible for maintaining accurate records.
  23. The contractor shall be responsible for maintaining accurate records.
  24. The contractor shall be responsible for maintaining accurate records.
  25. The contractor shall be responsible for maintaining accurate records.
  26. The contractor shall be responsible for maintaining accurate records.
  27. The contractor shall be responsible for maintaining accurate records.
  28. The contractor shall be responsible for maintaining accurate records.
  29. The contractor shall be responsible for maintaining accurate records.
  30. The contractor shall be responsible for maintaining accurate records.
  31. The contractor shall be responsible for maintaining accurate records.
  32. The contractor shall be responsible for maintaining accurate records.
  33. The contractor shall be responsible for maintaining accurate records.
  34. The contractor shall be responsible for maintaining accurate records.
  35. The contractor shall be responsible for maintaining accurate records.
  36. The contractor shall be responsible for maintaining accurate records.
  37. The contractor shall be responsible for maintaining accurate records.
  38. The contractor shall be responsible for maintaining accurate records.
  39. The contractor shall be responsible





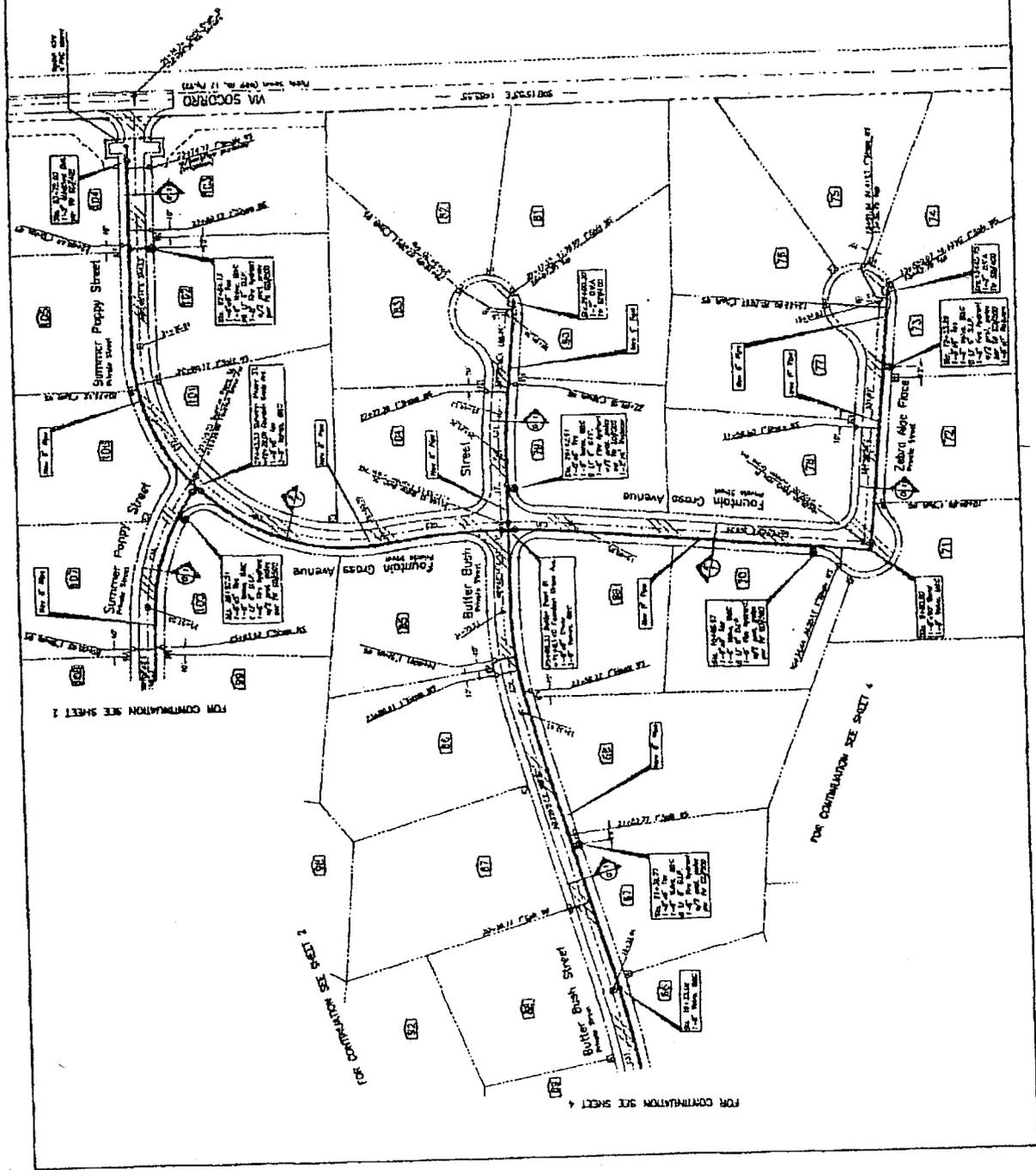
Scale 1" = 60'  
 Boundary is shown  
 by shaded centerline

Curve Data	Station	Length	Area	Volume	Weight	Post
1	1+00.00	100.00	100.00	100.00	100.00	1+00.00
2	2+00.00	200.00	400.00	200.00	200.00	2+00.00
3	3+00.00	300.00	900.00	300.00	300.00	3+00.00
4	4+00.00	400.00	1600.00	400.00	400.00	4+00.00
5	5+00.00	500.00	2500.00	500.00	500.00	5+00.00
6	6+00.00	600.00	3600.00	600.00	600.00	6+00.00
7	7+00.00	700.00	4900.00	700.00	700.00	7+00.00
8	8+00.00	800.00	6400.00	800.00	800.00	8+00.00
9	9+00.00	900.00	8100.00	900.00	900.00	9+00.00
10	10+00.00	1000.00	10000.00	1000.00	1000.00	10+00.00

Note to Contractor  
 For more information  
 contact the City Engineer



1-800-782-5346  
 City of Tierra Linda Nueva  
 WATER DISTRIBUTION SYSTEM  
 TO SERVE PARCEL  
 Lots 60-66, 64-119 and 177-180  
 TIERRA LINDA NUEVA



FOR CONTINUATION SEE SHEET 1

FOR CONTINUATION SEE SHEET 4

FOR CONTINUATION SEE SHEET 5







Exhibit "C"

[Construction Cost for the Water Facilities]

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	45,800	3,813	41,987
307	Wells and Springs	32,054	2,668	29,386
311	Pumping Equipment	185,397	57,937	127,460
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	195,918	10,873	185,045
331	Transmission and Distribution Mains	490,046	24,502	465,544
333	Services	35,822	2,982	32,840
334	Meters and Meter Installations	9,279	1,822	7,457
335	Hydrants	59,819	2,991	56,828
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment	4,225	704	3,521
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	<b>TOTALS</b>	<b>1,058,359</b>	<b>108,293</b>	<b>950,066</b>

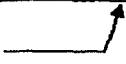
This amount goes on the Balance Sheet Acct. No. 108 

Exhibit "D"

[Approval To Construct/Approval of Construction]

# Water plant

PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY  
TECHNICAL SERVICES DIVISION  
150 West Congress, 1st Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

915.05  
A-820

## APPROVAL OF CONSTRUCTION (WATER)

Project Description: INSTALLATION OF A NEW 280,000 GALLON STORAGE TANK, 1,800 -GALLON PER MINUTE BOOSTER STATION, AND AN EQUIPMENT UPGRADE OF AN EXISTING WELL (ADWR #55-801582, POE-001).

Location: T-12 -S, R-11-E, Section 29 County: PIMA

Project Owner: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY

This Approval of Construction is based upon the following items:

1. Pima County Department of Environmental Quality Certificate of Approval to Construct for PDEQ File No. PO21304 signed on May 25, 2004.
2. Original sealed Engineer's Certificate of Completion, sealed on February 2, 2006 by Mark F Taylor, P.E., Certificate No. 22999, dated and submitted after the completion of construction and final inspection.
3. 10 pages of as-built plans for above-described project dated February 11, 2006, sealed by Mark F Taylor, P.E., Certificate No. 22999, and approved for construction under PDEQ File No. PO21304, sealed on April 16, 2004 by Mark F Taylor, P.E., Certificate No. 22999.
4. Test results for pressure, chlorination and microbiological, signed by Scott Strimple, dated February 1, 2006, consisting of 15 pages.

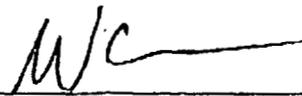
Approval to operate the above, described facilities as represented in the approved plan documents on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

1. Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.
2. The Department reserves the right of entry for State or local officials to inspect the facility and collect any samples needed to determine compliance with any standards.
3. The Project owner and each subsequent owner shall notify each buyer about all operation, maintenance, inspection and reporting requirements and all other terms and conditions of this certificate of Approval to Construct and, when issued, the certificate of APPROVAL OF CONSTRUCTION.

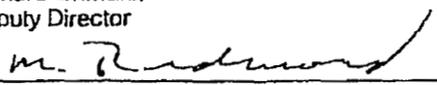
Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: February 21, 2006

URSULA KRAMER,  
DIRECTOR

By:   
Richard Grimaldi  
Deputy Director

Cc: PDEQ File No: PO21304  
ADEQ, SRO  
ACC  
Project Owner: Tierra Linda Homeowners  
Assoc. Water Company  
Project Engineer: Westland Resources

By:   
Mike Redmond, R.S.  
Sr. Civil Engineering Assistant

PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY  
TECHNICAL SERVICES DIVISION  
150 West Congress, 1<sup>st</sup> Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

MAY 27 2004

CERTIFICATE OF APPROVAL TO CONSTRUCT  
Water and/or Wastewater Facilities

System Name: TIERRA LINDA WATER PLANT System No.: 10-411  
Project Owner: TIERRA LINDA DEVELOPMENT, LLC.  
Address: 6262 N. SWAN Rd., SUITE 125, TUCSON, AZ 85718  
Project Location: T- 12 -S, R- 11 -E, SECTION 29 County: PIMA  
Description: INSTALLATION OF A 280,000 GALLON STORAGE TANK, 1,600 GPM  
BOOSTER STATION, AND UPGRADE AND EQUIP A 200 GPM WELL.

Approval to construct the above, described facilities as represented in the approved plan on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

A PROFESSIONAL ENGINEER, REGISTERED IN THE STATE OF ARIZONA, OR A PERSON UNDER THE DIRECT SUPERVISION THEREOF, SHALL COMPLETE A FINAL INSPECTION AND SUBMIT A CERTIFICATE OF COMPLETION TO THE DEPARTMENT. AFTER COMPLETION OF CONSTRUCTION, AND ACCEPTANCE BY PIMA COUNTY, ACCURATE "AS BUILT" PLANS, AN ENGINEER'S CERTIFICATE OF COMPLETION, PRESSURE AND MICROBIOLOGICAL TESTING SHALL BE PREPARED AND SUBMITTED TO PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY IN ORDER TO OBTAIN AN APPROVAL OF CONSTRUCTION.

The State law, A.R.S. 49-353, requires that construction of the project must be in accordance with the rules and regulations of the Arizona Department of Environmental Quality.

If this project includes trenching, land stripping, earthmoving or road construction, an air quality activity permit may be required pursuant to P. C. C. Title 17.12.470. For inquires, regarding air quality activity permits, please call 740-3957.

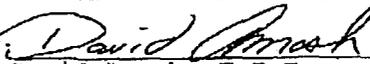
If construction has not started within one year of the date of this issue, this certificate will be void and a written extension of time shall be required.

Date Approved: MAY 25, 2004

Ursula Kramer,  
Director

By:   
Eric Shepp, P.E.  
Interim Technical Services Manager

Cc: P-File No. PO 21304  
P-ADEQ, SRO  
Tierra Linda Water HOA  
Engineer-Westland Resources

By:   
David Amash, E.I.T.  
Civil Engineering Asst.

Water Distribution

915.05

B870

PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY  
TECHNICAL SERVICES DIVISION  
150 West Congress, 1st Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

APPROVAL OF CONSTRUCTION (WATER)

Project Description: NEW WATER DISTRIBUTION SYSTEM TO SERVE TIERRA LINDA NUEVA, PHASE 1, LOTS 50-56, 64-119, AND 177-190.

Location: T-12 -S, R-11-E, Section 29 County: PIMA

Project Owner: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY

This Approval of Construction is based upon the following items:

1. Pima County Department of Environmental Quality Certificate of Approval to Construct for PDEQ File No. PO06505 signed on March 7, 2005.
2. Original sealed Engineer's Certificate of Completion, sealed on February 2, 2006 by Mark F. Taylor, P.E., Certificate No. 22999, dated and submitted after the completion of construction and final inspection.
3. 6 pages of as-built plans for above-described project dated February 6, 2006, sealed by Mark F. Taylor, P.E., Certificate No. 22999, and approved for construction under PDEQ File No. PO06505, sealed on October 15, 2004 by Christoph Brozek, P.E., Certificate No. 13904.
4. Test results for pressure, chlorination and microbiological, signed by Scott Strimple, dated February 1, 2006, consisting of 11 pages.

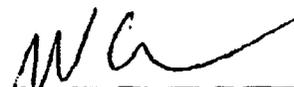
Approval to operate the above, described facilities as represented in the approved plan documents on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

1. Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.
2. The Department reserves the right of entry for State or local officials to inspect the facility and collect any samples needed to determine compliance with any standards.
3. The Project owner and each subsequent owner shall notify each buyer about all operation, maintenance, inspection and reporting requirements and all other terms and conditions of this certificate of Approval to Construct and, when issued, the certificate of APPROVAL OF CONSTRUCTION.

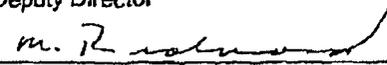
Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: February 21, 2006

URSULA KRAMER,  
DIRECTOR

By: 

Richard Grimaldi  
Deputy Director

By: 

Mike Redmond, R.S.  
Sr. Civil Engineering Assistant

Cc: PDEQ File No: PO06505  
ADEQ, SRO  
ACC  
Project Owner: Tierra Linda Homeowners Assoc. W.C.  
Project Engineer: Westland Resources  
Design Engineer: Christopher Brozek

PIMA COUNTY DEPARTMENT ENVIRONMENTAL QUALITY  
TECHNICAL SERVICES DIVISION  
150 West Congress, 1<sup>st</sup> Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

CERTIFICATE OF APPROVAL TO CONSTRUCT  
Water and/or Wastewater Facilities

System Name: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY

System No.: 10-411

Project Owner: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY

Address: 6262 NORTH SWAN ROAD, #125, TUCSON, AZ 85718

Project Location: T-12-S, R-11-E, SECTION 29 County: PIMA

Description: NEW WATER DISTRIBUTION SYSTEM TO SERVE TIERRA LINDA NUEVA,  
PHASE 1, LOTS 50-56, 64-119, AND 177-190.

Approval to construct the above, described facilities as represented in the approved plan on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

A PROFESSIONAL ENGINEER, REGISTERED IN THE STATE OF ARIZONA, OR A PERSON UNDER THE DIRECT SUPERVISION THEREOF, SHALL COMPLETE A FINAL INSPECTION AND SUBMIT A CERTIFICATE OF COMPLETION TO THE DEPARTMENT. AFTER COMPLETION OF CONSTRUCTION, AND ACCEPTANCE BY PIMA COUNTY, ACCURATE "AS BUILT" PLANS, AN ENGINEER'S CERTIFICATE OF COMPLETION, PRESSURE AND MICROBIOLOGICAL TESTING SHALL BE PREPARED AND SUBMITTED TO PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY IN ORDER TO OBTAIN AN APPROVAL OF CONSTRUCTION.

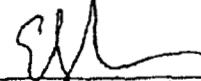
The State law, A.R.S. 49-353, requires that construction of the project must be in accordance with the rules and regulations of the Arizona Department of Environmental Quality.

If this project includes trenching, land stripping, earthmoving or road construction, an air quality activity permit may be required pursuant to P. C. C. Title 17.12.470. For inquiries, regarding air quality activity permits, please call 740-3957.

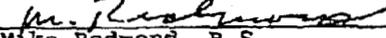
If construction has not started within one year of the date of this issue, this certificate will be void and a written extension of time shall be required.

Date Approved: March 7, 2005

Ursula Kramer,  
Director

By:   
Eric Shepp, P.E.  
Interim Technical Services Manager

Cc: P-File No. PO06505  
P-ADEQ, SRO  
Engineer-Christopher Brozek, AICP, P.E.  
Tierra Linda Homeowners Assoc. W.C.

By:   
Mike Redmond, R.S.  
Sr. Civil Engineering Asst.

PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY  
ENGINEERING REVIEW UNIT  
150 West Congress, 1st Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

APPROVAL OF CONSTRUCTION (WATER)

Project Description: WATER EXTENSION TO SERVE TIERRA LINDA NUEVA, PHASE 2, LOTS 35-49, 57-63, 151-176

Location: T-12-S, R-11-E, Section 29 County: PIMA

Project Owner: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY

This Approval of Construction is based upon the following items:

1. Pima County Department of Environmental Quality Certificate of Approval to Construct for PDEQ File No. PO06605, signed on March 7, 2005.
2. Original sealed Engineer's Certificate of Completion, sealed on July 27, 2007 by Kristen Whatley P.E., Certificate No. 45171, dated and submitted after the completion of construction and final inspection.
3. Four pages of as-built plans for above-described project dated July 27, 2007, sealed by Kristen Whatley, P.E., Certificate No. 45171, and approved for construction under PDEQ File No. PO06605, sealed on October 15, 2004 by Christoph Brozek, P.E., Certificate No. 13904.
4. Test results for pressure and microbiological, signed by Scott Strimple, dated March 16, 2007, consisting of 12 pages.

Approval to operate the above, described facilities as represented in the approved plan documents on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

2. The Department reserves the right of entry for State or local officials to inspect the facility and collect any samples needed to determine compliance with any standards.
3. The Project owner and each subsequent owner shall notify each buyer about all operation, maintenance, inspection and reporting requirements, and all other terms and conditions of the certificate of Approval to Construct and this certificate of Approval of Construction.

Arizona Revised Statutes require that the operation of the project must be in accordance with the rules of the Arizona Department of Environmental Quality.

Date Approved: August 14, 2007

URSULA KRAMER, P.E.  
DIRECTOR

By: David Amash  
David Amash, P.E.  
Civil Engineer

cc: PDEQ File No: PO06605  
ADEQ, SRO  
ACC  
Project Owner: Tierra Linda Homeowners Assoc,  
Project Engineer: Westland Resources  
Design Engineer: Christopher Bozek, AICP, P.E.

By: Paul Strobak  
Paul Strobak  
Civil Engineering Assistant

PIMA COUNTY DEPARTMENT ENVIRONMENTAL QUALITY  
TECHNICAL SERVICES DIVISION  
150 West Congress, 1<sup>st</sup> Floor, Tucson, Arizona 85701-1317  
Telephone: 740-3340

CERTIFICATE OF APPROVAL TO CONSTRUCT  
Water and/or Wastewater Facilities

System Name: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY  
System No.: 10-411  
Project Owner: TIERRA LINDA HOMEOWNERS ASSOCIATION WATER COMPANY  
Address: 6262 NORTH SWAN ROAD, #125, TUCSON, AZ 85718  
Project Location: T-12-S, R-11-E, SECTION 29 County: PIMA  
Description: NEW WATER DISTRIBUTION SYSTEM TO SERVE TIERRA LINDA NUEVA,  
PHASE 2, LOTS 35-49, 57-63, 151-176.

Approval to construct the above, described facilities as represented in the approved plan on file with the Pima County Department of Environmental Quality is hereby given subject to the following provisions:

A PROFESSIONAL ENGINEER, REGISTERED IN THE STATE OF ARIZONA, OR A PERSON UNDER THE DIRECT SUPERVISION THEREOF, SHALL COMPLETE A FINAL INSPECTION AND SUBMIT A CERTIFICATE OF COMPLETION TO THE DEPARTMENT. AFTER COMPLETION OF CONSTRUCTION, AND ACCEPTANCE BY PIMA COUNTY, ACCURATE "AS BUILT" PLANS, AN ENGINEER'S CERTIFICATE OF COMPLETION, PRESSURE AND MICROBIOLOGICAL TESTING SHALL BE PREPARED AND SUBMITTED TO PIMA COUNTY DEPARTMENT OF ENVIRONMENTAL QUALITY IN ORDER TO OBTAIN AN APPROVAL OF CONSTRUCTION.

The State law, A.R.S. 49-353, requires that construction of the project must be in accordance with the rules and regulations of the Arizona Department of Environmental Quality.

If this project includes trenching, land stripping, earthmoving or road construction, an air quality activity permit may be required pursuant to P. C. C. Title 17.12.470. For inquires, regarding air quality activity permits, please call 740-3957.

If construction has not started within one year of the date of this issue, this certificate will be void and a written extension of time shall be required.

Date Approved: July 17, 2006  
This approval superseded the approval dated 3/7/05 to account for a one year time extension.

Ursula Kramer,  
Director

By: Mike Redmond  
Mike Redmond, R.S.  
Water/Waste Program Mgr.

Cc: File No. PO06605  
ADEQ, SRO  
Engineer-Christopher Brozek, AICP, P.E.  
Tierra Linda Homeowners Assoc. W.C.  
Westland Resources

By: David Amash  
David Amash, P.E.  
Civil Engineer

Exhibit "E"  
[Water Use Data Sheet]

COMPANY NAME: <u>Tierra Linda Homeowners Association, Inc.</u>	2008
Name of System: <u>Tierra Linda HOA Water Co.</u>	ADEQ Public Water System Number: <u>10-411</u>

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2008**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	54	312.5		
FEBRUARY	54	304.2		
MARCH	54	284.4		
APRIL	54	353.2		
MAY	54	463.5		
JUNE	54	418.6		
JULY	54	491.5		
AUGUST	54	484.7		
SEPTEMBER	54	486.9		
OCTOBER	55	427.1		
NOVEMBER	55	404.7		
DECEMBER	56	419.6		
TOTALS →			5,222	

What is the level of arsenic for each well on your system? 0.0095 mg/l  
*(If more than one well, please list each separately.)*

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes       No

If yes, provide the GPCPD amount: \_\_\_\_\_

***Note: If you are filing for more than one system, please provide separate data sheets for each system.***

# Appendix “E”

Tierra Linda Homeowners Association, Inc.  
(Corporate Resolution)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

**CERTIFICATE OF RESOLUTION**

I, Robert P. Zammit, do hereby certify that I am the sole officer of Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation organized under the laws of the State of Arizona (the "Corporation"); that the following is true, complete and correct copy of a resolution duly adopted at a Special Meeting of the Board of Directors of the Corporation, duly and properly called and held on the June 10, 2009; that a quorum was present at the meeting; and that this Resolution is set forth in the minutes of the meeting and has not been rescinded, revoked or modified and is now in full force and effect:

RESOLVED, that the Board of Directors of the Corporation hereby approve the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva attached as Exhibit "A" hereto.

FURTHER RESOLVED, that the President of the Corporation is authorized to take all actions necessary on behalf of the Corporation to complete the transaction for the sale of the water system assets of the Corporation and to transfer the associated Certificates of Convenience and Necessity to Gary Smyth or his assigns, including, but not limited to, preparing and signing all documents, provided, however, such authorization and transfer is contingent upon approval of the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva by the Veterans Administration to allow the transfer.

There being no further business to come before the meeting, the same was adjourned.

  
\_\_\_\_\_  
Robert P. Zammit  
President

When recorded, return to:  
Thomas M. Pace, Esq.  
1670 East River Road, Suite 124  
Tucson, Arizona 85718-8900

**FIRST AMENDMENT  
TO  
SECOND AMENDED AND RESTATED DECLARATION  
OF  
COVENANTS, CONDITIONS AND RESTRICTIONS  
OF**

**TIERRA LINDA NUEVA**

Lot Nos. 1 through 190, Common Areas A and B and Wellsite  
as recorded in Book 59 of Maps and Plats, at Page 3, Pima County, Arizona

This First Amendment (the "Amendment") is made this 19<sup>th</sup> day of July, 2009, by Title Security Agency, an Arizona corporation, as Trustee under Trust No. 939 (hereinafter the "Declarant"), and amends as set forth below that Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for Tierra Linda Nueva, recorded August 9, 2005, in the Office of the County Recorder, Pima County, Arizona, at Docket 12612, page 7587, et seq. (the "Declaration"). All other terms and conditions of the Declaration shall remain in full force and effect. All terms used but not defined in this Amendment shall have the meanings assigned to such terms in the Declaration.

1. Section 9.1 of the Declaration ("Duty to Provide Water Service to Members") is hereby amended with the addition of a new first sentence as follows:

Notwithstanding the provisions of this Article VIII, the Association may sell the Water Facilities and the Wellsite to a person or entity which shall become a public service corporation regulated by the Arizona Corporation Commission with a duty to deliver water to the Property.

2. This Amendment has been approved by:

a. The written consent of Declarant who holds at least sixty percent (60%) of the votes in Tierra Linda Homeowners Association, Inc., an Arizona non-profit corporation, pursuant to Section 11.2.1 of the Declaration;

b. The approval of fifty-one percent (51%) of the Eligible Mortgage Holders, if any, who responded within the twenty (20) day period, pursuant to Section 11.2.2 of the Declaration; and

3. This Amendment will only be effective upon the recording of a Notice of Consent of the Veterans Administration, pursuant to Section 11.9 of the Declaration.

IN WITNESS WHEREOF, Declarant has executed this Declaration the day, month and year first above written.

TITLE SECURITY AGENCY  
an Arizona corporation, as Trustee under Trust No.  
939, only and not in its corporate capacity

By: *Diane L. Sloane*  
Diane L. Sloane  
Trust Officer  
Its: \_\_\_\_\_

STATE OF ARIZONA )  
                          ) ss.  
COUNTY OF PIMA )

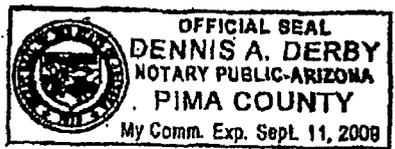
SUBSCRIBED AND SWORN to before me this 19th day of June,  
2009, by Diane L. Sloane the Trust Officer

of Title Security Agency of Arizona, an Arizona Corporation, on behalf  
of said Trust.

\*\* as Trustee Under Trust No. 939

*Dennis A. Derby*  
Notary Public

My Commission expires:  
9-11-09



**MINUTES OF SPECIAL MEETING OF DIRECTORS  
OF  
TIERRA LINDA HOMEOWNERS ASSOCIATION, INC.**

The Board of Directors of Tierra Linda Homeowners Association, Inc. an Arizona non-profit corporation (the "Corporation"), held a Special Meeting on June 10, 2009, at the offices of the Corporation in Tucson, Arizona.

The Director present was Robert P. Zammit. Robert P. Zammit presided as Chairman of the meeting and acted as Secretary thereof.

The Chairman introduced and the Board of Directors discussed the proposed First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva. On motion duly made, it was unanimously,

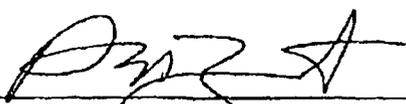
**RESOLVED**, that the Directors of the Corporation approve the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva.

The Chairman updated the Directors on the sale of the water company by the Corporation to Gary Smyth. A discussion ensued. On motion duly made, it was unanimously,

**RESOLVED**, that the President of the Corporation is authorized to take all actions necessary on behalf of the Corporation to complete the transaction for the sale of the water system assets of the Corporation and to transfer the associated Certificates of Convenience and Necessity to Gary Smyth or his assigns, including, but not limited to, preparing and signing all documents, provided, however, such authorization and transfer is contingent upon approval of the First Amendment to the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva by the Veterans Administration to allow the transfer.

There being no further business to come before the meeting, upon motion duly made and approved, the meeting thereupon adjourned.

DATED: June 10, 2009.

  
\_\_\_\_\_  
Robert P. Zammit  
Chairman and Secretary of the Meeting

# Appendix “F”

Tierra Linda Homeowners Association, Inc.  
(Personal Financial Statement of  
Gary Smyth)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_



PERSONAL FINANCIAL STATEMENT  
PAGE 1

This statement and any applicable schedules may be completed jointly by married and unmarried applicants if their assets and liabilities are sufficiently joined so that the statement can be meaningfully and fairly presented on a combined basis; or otherwise separate statements and schedules are required.

Applicant is:  Married  Single  Separated

If married, the financial statement is:  Completed jointly with spouse  Not completed jointly

Name and address	Statement of assets and liabilities as of <u>December 31, 2008</u> <small>(Insert date, otherwise statement will be returned)</small>	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Co-Partnership <input type="checkbox"/> Corporation
------------------	---	---

ASSETS (Sch)		LIABILITIES (Sch)	
Cash	A \$ <u>185,000</u>	Due to banks	A \$
Stocks, bonds, etc.	B \$ <u>60,000</u>	Credit cards	C \$
Accounts receivable	C \$	Taxes	\$
Notes receivable	D \$	Accounts payable	C \$
Inventory	B \$	Notes payable	D \$
Equipment	F \$	Due on equipment	F \$
Home	G \$ <u>800,000</u>	Due on real estate	G \$
Real estate	G \$ <u>1,590,000</u>	Other liabilities	H \$
Personal property	\$ <u>120,000</u>	TOTAL LIABILITIES	\$ <u>0</u>
IRA	B \$	Capital stock (if any)	\$
Other Assets Insurance	H \$ <u>10,000</u>	Retained earnings	\$
Business	\$ <u>277,450.-</u>	Total stockholders equity	\$
TOTAL ASSETS	\$ <u>5,736,450</u>	NET WORTH	\$ <u>5,736,450</u>

SOURCE OF INCOME FOR YEAR ENDED <u>12/31/09</u>	OTHER LIABILITIES
Salary, bonuses & commissions \$ <u>60,000</u>	Do you have any contingent liabilities? If so, describe: <small>(Lease, indemnification, etc.)</small>
Dividends \$	As endorser, co-maker or guarantor? \$
Real estate income \$	On leases or contracts? \$
Other income (Alimony, child support or separate maintenance income need not be revealed if you do not wish to have it considered as a basis for bonding) \$	Legal claims (judgments, etc.) \$
\$	Other special debt \$
\$	Amount of contested income tax liens \$
TOTAL \$ <u>100,000</u>	

PERSONAL INFORMATION

Are any assets owned by a trust? Which? <u>N/A</u>	Are you a defendant in any suits or legal actions? <u>N/A</u>
Do you have a will? _____ If so, name of executor: _____	Have you ever been declared bankrupt? If so, describe: <u>N/A</u>
Are you a partner or officer in any other ventures? If so, describe: <u>N/A</u>	Are any assets pledged other than as described on schedules? If so, describe: <u>N/A</u>
Are you obligated to pay alimony, child support or separate maintenance payments? If so, describe: <u>N/A</u>	Income tax settled through (date): _____
	Personal bank accounts carried at: <u>National Bank of Arizona</u>

PERSONAL FINANCIAL STATEMENT  
PAGE 2

IF NOT SUFFICIENT SPACE, ATTACH SEPARATE SCHEDULES

A						
Name and Location of Bank	Account Number	Amount of Deposit	In Whose Name		Owed to Bank	Date Due
<b>BANK DATA</b> (Attach Copy of Statement)						
B						
Name of Security	No. Shares	Par Value	Market Value	In Whose Name Registered	If Pledged, to Whom and for What Purpose	
<b>STOCKS, BONDS, E.C.</b> (Attach Copy of Statement)						
C						
From Whom Due	Amount	Date Due	To Whom Due	Amount	Date Due	
<b>ACCOUNTS RECEIVABLE AND PAYABLE</b>						
D						
From Whom Due	Amount	Date Due	To Whom Due	Amount	Date Due	
<b>NOTES RECEIVABLE AND PAYABLE</b>						
E						
Description				Cost Price	Market Value	
<b>INVENTORIES</b>						
F						
Description	Cost Price	Depreciation Charged Off	Book Value	Accumulated Depreciation	Amount of Payable Monthly	
<b>EQUIPMENT</b>						
G						
Location and Description	In Whose Name is Title	Cost	Present Forced Sale Value	Amount of Mortgage	Name of Mortgagee	
<b>REAL ESTATE</b>						
5829 E. NORTH ST.	Gary Smith		240,000			
4815 N. CHIEF HIGHWAY	Gary Smith		800,000			
400 E. ILLINOIS ST.	Gary Smith		1,000,000			
185938, AVALON DR.	Gary Smith		300,000			
11200 W. 112th St. S.	Gary Smith		50,000			
H						
Description of Other Assets	Amount	Description of Other Liabilities			Amount	
<b>OTHER ASSETS AND LIABILITIES</b>						

The undersigned hereby certifies that the foregoing is a true and accurate statement of the undersigned's financial condition as of the date given. . . . .  
Company to furnish copies of the foregoing statement and any information which it has now or may hereinafter obtain, for the purposes of securing bonds.

Date Signed May 11 2009  
 Signature [Signature] Title President Spouse's Signature \_\_\_\_\_  
 S.S. Number: 520-11-3286 Date of Birth 3/18/55 S.S. Number \_\_\_\_\_ Date of Birth \_\_\_\_\_

# Appendix “G”

Tierra Linda Homeowners Association, Inc.  
(Tierra Linda HOA – Gary Smyth  
Asset Purchase Agreement)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

## ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement ("Agreement") by and between Tierra Linda Homeowners Association, Inc. ("Seller") and Gary Smyth, a married man dealing with his sole and separate property (on behalf of himself and his heirs and assigns) ("Buyer") is effective as of this 16<sup>th</sup> day of June 2009.

### RECITALS

A. Seller is a public service corporation under Arizona law with respect to its ownership and operation of a water utility system, and is subject to regulation by the Arizona Corporation Commission ("ACC").

B. On July 9, 2004, the ACC issued its Decision No. 67104 granting Seller a Certificate of Convenience and Necessity ("CC&N") by means of which Seller was authorized to provide water service to the public within a designated service area. A legal description and a map of the service area are attached hereto as Appendices "A" and "B," respectively, and are incorporated herein by this reference.

C. Seller is also a non-profit corporation under Arizona law, which was organized for the purpose of providing various services to residents of the Tierra Linda Nueva Subdivision ("Subdivision") in Pima County, Arizona, which residents are members of Seller. Such services include the provision of potable water service to the aforesaid residents.

D. Seller anticipates acquiring title to the water system facilities constructed by the developer of the Subdivision by means of a Water Main Extension Agreement For Developer - Installed On-Site and Off-Site Facilities that has been entered into between Seller and Tierra Linda Development, L.L.C. (herein, the "Facilities Agreement"). The approval of the Facilities Agreement (attached hereto as Appendix "C," and incorporated herein by this reference) by the ACC is a condition precedent to the legal effectiveness of the Facilities Agreement.

E. The water system which serves the Subdivision has been funded through advances in aid of construction, contributions in aid of construction and equity provided by the developer of the Subdivision.

F. The water system which serves the Subdivision may over time need significant additional capital expenditures, including a second well and possibly arsenic treatment facilities. Seller does not desire to collect reserve funds from its members for future capital expenditures, maintenance and repairs and is further desirous of conveying the existing water system to a qualified successor.

G. Buyer currently owns and is operating water utility facilities providing service to the public elsewhere in Pima County, Arizona. At present, Buyer owns and operates Lakewood Water Company in the vicinity of Amado, Arizona, which is subject to regulation by the ACC.

H. Buyer possesses the financial resources necessary to make the aforesaid capital expenditures required by Seller's water system, as and if necessary; and, Buyer is prepared to make such capital expenditures following the ACC approval of Buyer's acquisition of Seller's water system assets.

I. Seller's members are desirous of selling their water system facilities, in order to assure ongoing adequate and reliable water service to the Subdivision; and, Buyer is desirous of acquiring Seller's water utility system.

### AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals, and the mutual promises, covenants and agreements hereinafter contained, the parties agree as follows:

#### Section 1. Definitions.

The following capitalized words used in this Agreement shall have the meanings set forth below:

Accounts Receivable: Any right to payment for services or goods provided or rendered by Seller whether or not evidenced by an instrument or chattel paper, arising out of or in any way related to the Business.

Aid in Construction Agreements: The Facilities Agreement entered into between Seller and Tierra Linda Development, LLC, a copy of which is attached as Appendix "C".

Assets: Collectively, the Real Property, Goodwill, Improvements, Equipment, Inventory, Contract Rights, Licenses, Certificates, Warranties and Guarantees, and Records owned and used by Seller in connection with the Business, to be sold by Seller and purchased by Buyer pursuant to this Agreement; provided, however, Assets shall not include Accounts Receivable and cash on hand or in any of Seller's bank/brokerage accounts at Closing.

Assignment and Assumption of Contract Rights and Intangibles: Those certain documents to be given by Seller to Buyer assigning all of Seller's interest in the Contract Rights, and the Buyer's assumption of all Seller's obligations under the Contract Rights, and assigning all of Seller's interest in the Goodwill, Licenses, Certificates, Warranties and Guarantees that are transferable to Buyer as defined below.

Bill of Sale: That certain document to be given by Seller to Buyer conveying all of Seller's interest in and to the Equipment, Inventory and Records as defined below.

Business: That certain business known as Tierra Linda Homeowners Association Water Company, which is currently owned by Seller and is engaged as a public service corporation in the sale of water for domestic, commercial and other uses in the Certificated Area pursuant to a Certificate issued by the Arizona Corporation Commission ("ACC"), and other related services in connection therewith.

Buyer: Gary Smyth, a married man dealing with his sole and separate property (on behalf of himself and his heirs and assigns).

Certificate: That certain Certificate of Convenience and Necessity issued by the ACC in Decision No. 67104, authorizing Seller to engage as a public service corporation in the sale of water for domestic, commercial and other uses in the Certificated Area.

Certificated Area: The legally described area set forth on Appendix "A" in which Seller conducts its Business, which area is more particularly shown on the map of the existing service area attached hereto as Appendix "B", which map is for the purpose of showing the boundaries of the Certificated Area.

Closing: That point in time when (a) all of Seller's obligations and Buyer's obligations hereunder have been fulfilled; (b) the Escrow Agent has received all required funds and documents from the parties; and (c) the Escrow Agent disburses the sale proceeds and records the Transfer Instruments as required by this Agreement.

Commitment: The Commitment for Title Insurance issued by Title Insurer for extended coverage title insurance showing status of title to the Real Property as of the date of the Commitment.

Contract Rights: The right to have services, goods or Equipment provided to the Business by third persons, including, without limitation, any leases of Equipment by Seller and the Aid in Construction Agreements.

Creditors: Any and all persons or entities to whom Seller owes money, goods or services.

Equipment: Tangible personal property, whether affixed or not to the Real Property, which has been acquired by or is under lease to Seller for use primarily in the Business, including but not limited to all equipment used in the operation of wells, storage reservoirs, booster stations, transmission mains and distribution systems, office equipment and motor vehicles.

Escrow Agent: Lisa Quigley, Fidelity National Title, 1630 E. River Rd., Suite 120, Tucson, Arizona 85718, Phone: (520) 382-3013, Fax: (520) 529-7026, Email: [lisa.quigley@fnf.com](mailto:lisa.quigley@fnf.com).

Feasibility Period: The period beginning upon the Opening of Escrow and ending September 20, 2009.

Goodwill: The goodwill of the Business.

Improvements: Wells, storage reservoirs, booster stations, transmission mains and distribution systems, and any other structures or tangible property used by Seller in connection with its water utility operations as described on Appendix "D."

Inventory: Goods that are held by Seller as of the Closing for the treatment of water or otherwise used or consumed in the ordinary course of operating the Business.

Licenses: Those rights to use the public rights of way of Pima County granted to Seller, as described on Appendix "E," which rights are to be transferred to Buyer at Closing.

Opening of Escrow: The date upon which a fully executed copy of this Agreement is delivered to the Escrow Agent.

Permitted Encumbrances: All matters of record approved in writing by Buyer during the Feasibility Period with respect to the Real Property.

Real Property: The real property legally described in Appendix "F" hereto, including all well sites, storage reservoirs, booster stations, transmission mains and distribution systems located within the Certificated Area, together with all easements, licenses and appurtenances pertaining thereto which are used by Seller in the Business.

Records: All of Seller's service agreements, service and repair records, water treatment records, hydrology and assured water supply studies and reports, Arizona Department of Water Resources ("ADWR") filings and correspondence, ACC filings and correspondence, Arizona Department of Environmental Quality ("ADEQ") filings and correspondence, customer data base information (including master file information, billing and payment histories, and complaints), meter reading information, and any other documents arising out of or in any way relating to the Business and the Assets.

Seller: Tierra Linda Homeowners Association, Inc.

Title Insurer: Lisa Quigley, Fidelity National Title, 1630 E. River Rd., Suite 120, Tucson, Arizona 85718, Phone: (520) 382-3013, Fax: (520) 529-7026, Email: [lisa.quigley@fnf.com](mailto:lisa.quigley@fnf.com).

Transfer Instruments: Those instruments customarily required for the transfer of the Assets, including, but not limited to:

- (i) Special Warranty Deed substantially in the form attached hereto as Appendix "G" hereto;
- (ii) Assignment and Assumption of Easements and Property Rights substantially in the form attached hereto as Appendix "H";
- (iii) Assignment of Water Rights and Well Registrations substantially in the form attached hereto as Appendix "I" hereto;
- (iv) Affidavit of Value;
- (v) Foreign Investment in Real Property Tax Act Affidavit;

- (vi) Bill of Sale substantially in the form attached hereto as Appendix "J";
- (vii) Assignment and Assumption of Contract Rights and Intangibles substantially in the form attached hereto as Appendix "K"; and
- (viii) Such other documents as Seller and Buyer may agree upon during the Feasibility Period or Escrow Agent may require in order to complete a transfer of the Assets in accordance with the requirements of the Commitment and the Title Requirements.

Warranties and Guarantees: Any and all existing written warranties and/or guarantees affecting the Improvements, or any features thereof and any personal property located therein or thereon, and any and all existing written warranties and/or guarantees affecting the Equipment, which shall be conveyed to Buyer at the Closing.

**Section 2. Conveyance of Assets.** Subject to the conditions and limitations set forth herein, Seller hereby agrees to sell and Buyer hereby agrees to purchase the Assets.

2.1 Equipment, Inventory and Records. The Equipment, Inventory and Records shall be conveyed at Closing by the execution and delivery by Seller of the Bill of Sale. The Bill of Sale for such items shall include a list identifying all Equipment, Inventory and Records and shall be substantially in the form of Appendix "J" hereto,

2.2 Contract Rights; Goodwill, Licenses, Certificates, Warranties and Guarantees. The Contract Rights shall be assigned by Seller and assumed by Buyer, and the Goodwill, Licenses, Certificates, Warranties, if any, and Guarantees, if any, that are transferable shall be assigned by Seller to Buyer, at Closing by the execution and delivery by Seller and Buyer of the Assignment and Assumption of Contract Rights and Intangibles. Seller does not warranty or guarantee the condition of any of the Improvements, Equipment or Inventory. The Assignment and Assumption of Contract Rights and Intangibles shall include a list identifying all Contract Rights assigned to and assumed by Buyer and shall be substantially in the form of Appendix "K" hereto. Buyer shall not be obligated to assume any contracts not disclosed by Seller as Contract Rights and specifically assumed in writing by Buyer pursuant to Appendix "K."

2.3 Real Property. The Real Property shall be conveyed at Closing by the execution and delivery by Seller of (a) Special Warranty Deed, (b) an Assignment of Easements and Property Rights, (c) an Assignment of Water Rights and Well Registrations and (d) such other Transfer Instruments as may be appropriate as determined by Buyer or Title Insurer. The Special Warranty Deed shall be substantially in the form attached hereto as Appendix "G" hereto. Seller shall deliver the Real Property at Closing to Buyer subject only to Permitted Encumbrances. Within a reasonable time after the Closing, Escrow Agent shall furnish the Buyer with the Title Insurer's ALTA Extended Owner's Policy of Title Insurance in the amount of the Purchase Price (defined in Section 4.1), subject only to Permitted Encumbrances (the "Owner's Title Policy").

2.4 Limitations. The purchase of the Assets pursuant hereto shall not constitute a purchase of Seller by Buyer nor render Buyer a successor-in-interest to Seller. This Agreement is limited to the purchase and sale of the Assets only and Buyer is not assuming any liabilities of Seller with respect to the Assets or the Business that may exist at any time unless otherwise specifically set forth herein, provided, however, Buyer shall assume Seller's refund obligations under the Facilities Agreement. Buyer shall have no obligation of any kind under any contract or obligation assumed by Seller unless disclosed to, and assumed by, Buyer in writing, as provided herein. The provisions of this Section 2.4 shall survive the Closing.

**Section 3. Commitment; Information from Seller; Feasibility Period.**

3.1 Delivery of Materials.

3.1.1 Delivery of Commitment. Within five (5) days following the Opening of Escrow, the Escrow Agent shall deliver the Commitment to Buyer and Seller together with legible copies of all documents referenced therein.

3.1.2 Delivery of Other Information. Upon the Opening of Escrow, Seller shall deliver to Buyer copies of (a) all employment, service, operations, maintenance and supply contracts affecting or pertaining to the Real Property, Equipment, Improvements, Inventory or the Business conducted thereon; (b) the Warranties and Guarantees, together with any insurance policies or binders; (c) all environmental studies and assessments, and regulatory filings and reports concerning the Assets or the Business, including, but not limited to, ADEQ, ADWR and ACC utility and corporate filings; and (d) all similar or relevant information and documentation requested by Buyer or which could reasonably affect or influence Buyer's use of the Assets for the purposes for which they are being acquired.

3.2 Feasibility Period. During the Feasibility Period Buyer shall have the right to enter upon the Real Property and the right to review all Records with Buyer's representatives and agents for the purpose of testing, examining and investigating the Assets and to make written objections ("Title Requirements") to matters shown in the Commitment or any amendment thereto or a survey of the Real Property. During the Feasibility Period Seller shall make reasonable and diligent efforts at Seller's sole cost and expense to satisfy the Title Requirements on terms and conditions satisfactory to Buyer. Buyer shall have the right during the Feasibility Period to terminate this Agreement if Buyer is dissatisfied, in Buyer's sole and absolute discretion, with the progress in satisfying the Title Requirements or the feasibility of the Assets for Buyer's purposes. On or before the expiration of the Feasibility Period, Buyer shall give written notice to Seller and Escrow Agent of its election whether or not to terminate this Agreement. If Buyer elects to terminate this Agreement, Escrow Agent shall return the Earnest Money and all documents deposited in escrow by Buyer to Buyer, all documents deposited in escrow by Seller to Seller, and this Agreement and escrow shall terminate. If Buyer elects not to terminate this transaction, the Earnest Money shall become nonrefundable to Buyer. Buyer's failure to timely give written notice of its election to terminate or not terminate this transaction shall be deemed an election by Buyer not to terminate this transaction.

**Section 4. Earnest Money and Purchase Price.**

4.1 **Earnest Money and Purchase Price.** Buyer agrees to pay Seller as the total purchase price for Seller's interest in the Assets, the following sums (the "Purchase Price"):

4.1.1 **Earnest Money.** Buyer will deposit the sum of One Thousand Dollars (\$1,000.00) (the "Earnest Money") with the Escrow Agent within three (3) days after the execution of this Agreement by Buyer and Seller. The Earnest Money shall be placed in an interest bearing account, and all interest accruing thereon ("Earnest Money Interest") shall be deemed to increase, and be a part of, such Earnest Money and shall be paid to the party entitled to receive payment of the Earnest Money in accordance with this Agreement. The Earnest Money shall be disbursed to Seller at Closing, provided that all of Seller's obligations herein have been satisfied.

4.1.2 **Balance of Purchase Price.** The Balance of the Purchase Price shall be Sixty-Nine Thousand Dollars (\$69,000.00), and shall be paid by Buyer in immediately available United States funds at Closing through Escrow Agent.

**Section 5. Regulatory Approvals and Conditions to Closing.** Buyer's and Seller's obligations to proceed with Closing under this Agreement are contingent upon: (i) Buyer and Seller obtaining such approval(s) of the ACC as may be necessary to complete the sale of the Assets to Buyer and the transfer of the Certificate to Buyer on terms and conditions satisfactory to Buyer in its sole and absolute discretion (the "Regulatory Approvals"), including the ACC's prior approval of the Facilities Agreement; (ii) Buyer's receipt of the Title Insurer's irrevocable commitment to issue the Owner's Title Policy; (iii) Seller's satisfaction of all requirements of the Commitment and all Title Requirements set forth by Buyer during the Feasibility Period on terms and conditions satisfactory to Buyer in its sole and absolute discretion; (iv) execution and delivery of the Transfer Instruments; (v) the payment of any closing costs, proratable amounts or any other amounts required to be paid under this Agreement on or before the Closing; (vi) the parties' representations and warranties contained in this Agreement being true and correct in all material respects as of the Closing ("Closing Conditions"), and (vii) Declarant's execution of a legally effective First Amendment to Second Amended and Restated Declaration of Covenants, Conditions and Restrictions of Tierra Linda Nueva Subdivision. Buyer and Seller shall cooperate in all reasonable respects to obtain the Regulatory Approvals, and each party shall bear its own costs incurred in such regard. The Closing shall occur at a mutually agreeable time and place within ten (10) business days after expiration of the Feasibility Period, or such earlier date that all Closing Conditions have been satisfied and Buyer has delivered written notice to Seller that Buyer has elected to proceed with the transaction ("Buyer's Election to Proceed"). If (i) any the Closing Conditions have not been satisfied by October 15, 2009, and (ii) the parties do not extend the date of Closing according to the provisions of **Section 10** of this Agreement, then the Earnest Money shall be returned to Buyer, and this Agreement shall terminate.

**Section 6. Representations and Warranties.**

6.1 Seller's Representations. Seller hereby jointly and severally represents and warrants to Buyer the following:

6.1.1 Title. Seller is the owner of, and has good and marketable title to, the personal and Real Property that is a part of the Assets to be conveyed hereunder.

6.1.2 Disclosed Agreements. Except for this Agreement, Seller has entered into no agreement currently in effect to sell the Assets.

6.1.3 Liabilities. To be best of Seller's knowledge, there are no judgments, liens, actions or proceedings pending against Seller or the Assets that would adversely affect this transaction or the title that Buyer will receive, other than those that have been disclosed in writing to Buyer.

6.1.4 Liens. No judgments, liens, security interests or other monetary obligations against the Assets will be outstanding at the time of Closing, except Permitted Encumbrances and current real estate taxes which are not yet due and payable.

6.1.5 Labor, Materials. All bills and invoices for labor and materials furnished to or on behalf of the Assets which have been incurred by Seller prior to the time of conveyance and transfer to Buyer, if any, will be paid by Seller prior to or at the time of Closing.

6.1.6 Proceedings. To be best of Seller's knowledge, there are no actions or proceedings by any person or governmental entity or any other facts or circumstances, including any causes of action, lawsuits or claims, whether existing or threatened, which might materially and adversely affect the Assets.

6.1.7 No Breach. Neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated by this Agreement will result (either immediately or after the passage of time and/or the giving of notice) in a breach or default by Seller under any agreement or understanding to which Seller is a party or by which Seller may be bound or which would have an effect upon Seller's ability to fully perform its obligations under this Agreement.

6.1.8 No Bankruptcy. Seller has not (a) made a general assignment for the benefit of creditors, (b) filed any voluntary petition or suffered the filing of an involuntary petition by Seller's creditors, (c) suffered the appointment of a receiver to take all, or substantially all, of Seller's assets, (d) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, or (e) admitted in writing its inability to pay its debts as they fall due, and no such action is threatened or contemplated.

6.1.9 Regulations. To the best of Seller's knowledge, there are currently no violations of any applicable zoning regulation or ordinance or other law, order, ordinance, rule, regulation or requirement, or of any covenant, condition or restriction affecting or relating to the

use or occupancy of the Real Property from any governmental agency having jurisdiction over the Assets or from any other person entitled to enforce the same.

6.1.10 Permits. To be best of Seller's knowledge, Seller has all permits, licenses, authorization and approvals required by law or any governmental agency to conduct the Business.

6.1.11 Condemnation. To be best of Seller's knowledge, there are no pending or threatened condemnation or eminent domain proceedings which would affect the Business or Assets.

6.1.12 Creditors. As of the Closing or thereafter when such obligations are then due (except for items to be prorated at Closing pursuant to Section 13 of this Agreement), all bills and invoices for goods and services related to or which are a part of the Assets shall be paid; all Creditors shall be paid; all employees (if any) and salaries, wages, bonuses, vacation pay and benefits accrued up to the date of Closing shall be paid; all withholdings, payroll taxes, unemployment insurance, worker's compensation benefits, and all other similar payments shall be paid current to the date of Closing; and no claims by Creditors shall exist which may encumber the Assets.

6.1.13 Organization. Seller has been duly formed and presently exists as an Arizona public service corporation, and subject to the Regulatory Approvals, has the full right and authority to enter into this Agreement, to consummate the sale of the Assets herein and to observe and perform all of its covenants and obligations hereunder. The person executing this Agreement and any other document required hereby has full authority to act on behalf of and to bind the Seller in and to the obligations imposed on it by this Agreement.

6.1.14 Commissions. Seller has made no agreements respecting commissions or brokerage fees in connection herewith. Seller shall indemnify Buyer for any claims of commission through Seller. This indemnification provision shall survive the Closing.

6.1.15 Environmental Regulations. To the best of Seller's knowledge, the Assets to be conveyed hereunder are in compliance with all current applicable environmental, health and safety laws and regulations.

6.1.16 Insurance Coverage. Seller carries, and has for the four (4) years immediately preceding the date of this Agreement carried, what it believes to be a commercially reasonable liability insurance policy on an occurrence basis. Such insurance shall be maintained in full force and effect through Closing.

6.1.17 ACC Filings. To the best of Seller's knowledge, there are no material inaccuracies in the information contained in the latest Annual Report(s) filed with Corporation and the Utilities Division(s) of the ACC.

6.1.18 Sufficiency and Adequacy. To the best of Seller's knowledge, the Real Property to be conveyed pursuant hereto is adequate and sufficient to permit the Buyer to operate

the Business in its usual and customary manner, and all Improvements are located within the Real Property conveyed pursuant hereto.

6.1.19 Accuracy of Representations and Warranties. None of the representations and warranties of Seller contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive the Closing for a period of one (1) year and thereafter shall lapse except with respect to any breach of such warranties and representations with respect to which Buyer has commenced an action against Seller prior to the expiration of such one (1) year period.

6.2 Buyer's Representations. Buyer hereby represents to Seller as follows:

6.2.1 Authority. The person executing this Agreement and any other documents required hereby has full authority to act on behalf of and to bind the Buyer in and to the obligations imposed on it by this Agreement.

6.2.2 Commissions. Buyer has made no agreements respecting commissions or brokerage fees in connection herewith. Buyer shall indemnify Seller for any claims of commission through Buyer. This indemnification provision shall survive the Closing.

6.2.3 Accuracy of Representations and Warranties. None of the representations and warranties of Buyer contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive the Closing for a period of one (1) year and thereafter shall lapse except with respect to any breach of such warranties and representations with respect to which Seller has commenced an action against Buyer prior to the expiration of such one (1) year period.

6.2.4 Construction of Second Well. Buyer hereby agrees to construct a second well to provide water service to residents of the Subdivision prior to occupancy of fifty percent (50%) of the currently pending platted lots within the Subdivision. This commitment upon Buyer's part shall survive Closing until fully discharged.

**Section 7. Indemnification.**

7.1 By Seller. Seller hereby agrees to indemnify Buyer against, and to hold Buyer harmless from, all actions, suits, proceedings, demands, claims, assessments, judgments, costs and expenses, including without limitation legal fees and disbursements, incurred by Buyer relating to (i) the Assets or Business and arising from acts, occurrences or matters that took place prior to the Closing and (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Seller.

7.2 By Buyer. Buyer hereby agrees to indemnify Seller against, and to hold Seller harmless from, all actions, suits, proceedings, demands, claims, assessments, judgments, costs and expenses, including without limitation legal fees and disbursements, incurred by Seller relating to (i) the Assets and arising from acts, occurrences or matters that took place after the Closing (excluding acts of Seller, its agents or employees) and (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any agreement on the part of Buyer.

**Section 8. Aid in Construction Agreements.** At Closing, Seller shall assign and Buyer shall assume Seller's rights and obligations under the Aid in Construction Agreement, provided that no party thereunder is in default of their obligations under such Agreement.

**Section 9. Escrow Agent.**

9.1 Delivery of Transfer Instruments. The Transfer Instruments and any other documents required by this Agreement or applicable laws shall be placed by the parties into escrow with the Escrow Agent and shall be delivered to the appropriate party upon Closing.

9.2 Other. The Escrow Agent agrees to do all things reasonably required by the terms of this Agreement to close this transaction.

**Section 10. Closing.** The Closing of this sale shall occur no later than ten (10) business days after expiration of the Feasibility Period, but in no event later than October 15, 2009, as provided under Section 5 of this Agreement. Notwithstanding the foregoing, the parties may extend the date of Closing until such later time by executing and delivering a written instrument to the Escrow Agent setting a new date for Closing. The new Closing date shall also be the new date for proration.

**Section 11. Closing Documents.**

11.1 Seller's Deposits. Prior to Closing, Seller shall deposit with Escrow Agent for delivery to Buyer, the following:

11.1.1 The Transfer Instruments required by this Agreement.

11.1.2 The form of Certificate re RUCO and ACC Assessments, substantially in the form set forth in Appendix "L" hereto.

11.1.3 Any other documents or instruments required by this Agreement.

11.1.4 Any other instruments necessary to or reasonably required by Buyer or Escrow Agent to effectuate the transaction contemplated herein.

11.2 Buyer's Deposits. Prior to Closing, Buyer shall deposit with Escrow Agent for delivery to Seller the following:

11.2.1 The Balance of the Purchase Price in immediately available United States funds.

11.2.2 Any other instruments necessary to or reasonably required by Seller or Escrow Agent to effectuate the transaction contemplated herein.

**Section 12. Costs.** Costs of Closing and/or expenses connected with the transfer of the Assets and the sale thereof shall be divided between Buyer and Seller, and paid through escrow, as follows:

12.1 Attorneys' Fees. Except as provided in Section 21.4 of this Agreement, each party shall pay its own attorneys' fees and costs.

12.2 Escrow Fees. The escrow fee and all filing and recording fees shall be divided equally between Buyer and Seller, to the extent that such recording fees or filing fees are for the Transfer Instruments. If any recording fees or filing fees are necessary as a result of recordings required to clear title, they shall be paid by Seller.

12.3 Title Insurance. The premium for the Owner's Title Policy attributable to standard coverage and the cost of any endorsements required to satisfy the Commitment or Title Requirements shall be paid by Seller. Buyer shall pay the difference between the standard premium and an extended premium, if any, plus the costs of any additional requirements for an extended title insurance policy.

**Section 13. Prorations.**

13.1 Prorations. All current real estate taxes against the Real Property shall be prorated as of 12:01 a.m. on the date of Closing. Any errors in the proration resulting in a deficit in the payment of taxes through Closing shall thereafter remain the obligation of Seller. Any delinquent taxes, penalties and interest thereon for the Property shall be paid by Seller on or before Closing

13.2 Assessments. All current assessments, both principal and interest, against the Real Property shall be prorated as of 12:01 a.m. on the date of Closing. Seller shall pay any delinquent amounts on or before Closing.

13.3 Other.

13.3.1 Seller shall deliver the Records to Buyer on the Closing date.

13.3.2 Seller shall transfer utility operations to Buyer as of Closing.

13.3.3 Leases for Equipment (including vehicles) or premises, if any, shall be prorated as of Closing.

13.3.4 Any meter deposits collected by Seller, refunds of which are payable to Seller's customers, shall be transferred to Buyer as of Closing.

13.3.5 Personal property tax shall be prorated as of Closing.

**Section 14. Risk of Loss.**

14.1 Prior to Closing. The risk of loss for damage by fire or other casualty, or the taking by eminent domain, until Closing, shall remain the responsibility of Seller. Upon the happening of any material loss and within ten (10) business days after notification thereof, Buyer may elect in writing to terminate this Agreement or close the sale. If an election to terminate the Agreement is made, any money on deposit shall be returned to Buyer with accrued interest thereon and this Agreement shall thereupon become null and void. In the alternative, if an election to proceed with Closing is made by Buyer, any insurance proceeds and/or condemnation award in connection with the loss shall be given to Buyer, but there shall be no adjustment to the Purchase Price.

14.2 After Closing. The risk of loss or damage by fire or other casualty, or the taking by eminent domain, shall be assumed by and be the responsibility of Buyer from and after the Closing.

**Section 15. Insurance.** Buyer shall place its own insurance coverage on the Assets as of Closing. Insurance previously carried by Seller shall be canceled by Seller as of Closing.

**Section 16. Assignment of Agreement.** The rights of each party under this Agreement may be assigned only with the prior written consent of the other party, which consent may be withheld for any reason, or for no reason.

**Section 17. Default.**

17.1 Seller's Default.

17.1.1 Non-Monetary Default. For the purposes of this **Section 17**, a "Non-Monetary Default" shall mean the failure of Seller to close this transaction after Buyer has tendered full performance when that failure is the result of any action by a third party encumbering the Assets by creating a cloud on the title of Seller's ownership status which is not practicably susceptible to financial satisfaction prior to Closing and was not accepted by Buyer as a Permitted Encumbrance during the Feasibility Period.

17.1.2 Monetary Default. For the purpose of this **Section 17**, a "Monetary Default" shall mean the failure of Seller to close this transaction after Buyer has tendered full performance, when that failure is a result of a monetary lien or encumbrance upon the Assets,

which lien or encumbrance was not disclosed in the Commitment when received by Buyer and which can be cured by the application of a portion of the Closing proceeds.

17.1.3 Seller's Willful Refusal. For the purpose of this Section 17, "Seller's Willful Refusal" shall mean the wrongful failure of Seller to close this transaction for reasons within Seller's control, after Buyer has tendered full performance.

17.1.4 Remedies. In the event of a default by Seller, Buyer's exclusive remedies shall be as follows:

17.1.4.1 In the event of a Non-Monetary Default, Buyer shall have ten (10) business days following such default in which to elect in writing to terminate this Agreement or waive the Non-Monetary Default and close this transaction. In the event Buyer elects to terminate this Agreement, this Agreement shall thereupon be null and void and the Earnest Money shall be immediately returned to Buyer, together with any interest earned thereon. If Buyer elects to waive the Non-Monetary Default and close the transaction, then Closing shall occur within ten (10) business days after Buyer's written notice to close. There shall be no adjustment in the Purchase Price and Buyer shall accept whatever title Seller may be able to convey.

17.1.4.2 In the event of a Monetary Default, the Escrow Agent is hereby instructed to withhold from Seller's proceeds from the Closing a sufficient amount to cure the Monetary Default.

17.1.4.3 In the event of Seller's Willful Refusal, then Buyer shall be entitled to pursue its legal and equitable remedies as then may be available, including specific performance.

17.2 Buyer's Default. In the event Buyer fails to close this transaction after Seller has tendered full performance and all conditions to Buyer's obligation to close have been satisfied, Seller shall be entitled to immediately receive the Earnest Money from the Escrow Agent as liquidated damages (and not as a penalty) for its damages incurred as a result of Buyer's default.

Section 18. Customer Deposits. Any meter deposits collected by Seller, refunds of which are payable to Seller's customers, shall be transferred to Buyer and refunded by Buyer as and when due. Seller shall provide a list of all such refundable customer deposits and meter deposits to Escrow Agent and Buyer prior to Closing.

Section 19. Employees. Buyer shall not be obligated to employ any of Seller's employees, if any, nor have any obligations to such employees, whatsoever.

Section 20. Meter Readings and Billings.

20.1 Meter Readings.

20.1.1 Seller shall use its best efforts to read all customer meters on the date of Closing, but in any event, all meters will be read within five (5) days prior to Closing (the "Final Reading").

20.1.2 Seller shall continue to bill in its usual sequence for water usage prior to Closing and may, at its option, delay its usual billing sequence to coincide with the Final Reading.

20.1.3 Seller shall bill for all services provided prior to the Final Reading at Seller's rates. Buyer shall bill for all services provided after the Final Reading at Buyer's rates.

20.1.4 With respect to any amounts billed for Seller's services provided prior to the Final Reading, Buyer shall have no obligation or liability to take any action to effect collection on behalf of Seller, but Seller may, at its option, pursue the collection of its unpaid billings.

**Section 21. Miscellaneous Provisions.**

21.1 Notices.

All notices and communications hereunder shall be in writing and shall be given by personal delivery, private courier whose practice it is to obtain a receipt upon delivery, or mailed first class, registered or certified mail, postage prepaid, and shall be deemed received upon the earlier of actual delivery or two (2) days after deposit in the United States Mail as aforesaid. Notices to Seller or Buyer as the case may be shall be delivered or mailed to the following addresses:

Seller

Tierra Linda Homeowners Association, Inc.  
c/o Tierra Linda Homeowners Association Water Company  
4729 E. Sunrise Drive, #311  
Tucson, Arizona 85718

Buyer

Gary Smyth  
c/o Smyth Steel  
4010 East Illinois  
Tucson, Arizona 85714

21.2 Nature of Agreement.

21.2.1 Agreement Negotiated. The terms and provisions of this Agreement represent the results of negotiations between Seller and Buyer, each of which has been represented by counsel of its own choosing and none of which have acted under duress or compulsion, whether legal, economic or otherwise. Consequently, the terms and provisions of this Agreement shall be interpreted and construed in accordance with their usual and customary meanings, and Seller and Buyer hereby waive the application of any rule of law which would otherwise be applicable in connection with the interpretation and construction of the Agreement, including (without limitation) any rule of law to the effect that ambiguous or conflicting terms or provisions contained in this Agreement shall be interpreted or construed against the party whose attorney prepared the executed draft or any earlier draft thereof. The Rule of Strict Construction shall not be used to interpret this Agreement, but rather this Agreement shall be construed to provide each party with the benefit of the bargain it has struck with the other party.

21.2.2 Integration. All understandings and agreements heretofore between the parties are merged into this Agreement, which alone fully and completely expresses their agreement; the same is entered into after full investigation and neither party is relying upon any statements or representations by the other not embodied in this Agreement.

21.2.3 Other Inducements. The parties agree that there are no promises, inducements, representations or agreements in connection with this Agreement except those specifically set forth herein in writing.

21.2.4 Binding Effect upon Successors, Assigns and Heirs. Subject only to the provisions of Section 16, above, the provisions of this Agreement, and all rights and obligations hereunder, shall be binding upon the respective successors, assigns and heirs of Seller and Buyer.

21.2.5 Modification. This Agreement may not be changed orally, but only by an agreement in writing, signed by the parties.

21.2.6 Other Agreements. Seller shall not enter into any contracts, leases, agreements or amendments to existing agreements or encumbrances affecting the Assets while this Agreement remains in force or subsequent to Closing of this transaction without the express written consent of Buyer, other than to remove a matter which the Title Insurer requires be removed to close.

21.3 Relation of Parties: No Agency. It is expressly agreed and understood by the parties hereto that neither party is the agent partner, nor a joint venture partner of the other. It is also expressly agreed and understood that neither Seller nor Buyer has any obligations or duties to the other except as specifically provided for in this Agreement.

21.4 Attorney's Fees. In the event of any dispute regarding this Agreement, the prevailing party shall be entitled to receive, in addition to any other award, reasonable attorneys' fees and costs, determined by the court or arbitrator and not a jury.

21.5 Construction.

21.5.1 Time. Time is of the essence of this Agreement. However, if any action is required to be taken on a Saturday, Sunday or legal holiday, the action shall be deemed timely taken if it is taken on the next regular business day.

21.5.2 Headings. The headings of this Agreement have been inserted for convenience of reference only and are to be ignored in any construction of the provisions hereof. Whenever a personal pronoun is used in any one gender, it shall be deemed to include all other genders as the case may require, and the singular shall include the plural, and vice versa, unless the context indicates to the contrary.

21.5.3 Adverbs. Whenever the terms "herein", "hereunder", "hereof", "therefor", "thereover", or similar terms are used, they shall refer to this entire Agreement as a whole and shall not refer solely to any particular section.

21.5.4 Exhibits. All recitals, schedules and exhibits to this Agreement are fully incorporated herein as though set forth at length herein.

21.5.5 State Law. This Agreement and the conveyance provided for herein shall be governed by the laws of the State of Arizona.

21.5.6 Counterparts. This Agreement may be executed in counterparts, and the signature of any person required by this Agreement shall be effective if signed on any and/or all counterparts. All counterparts together shall be considered one and the same Agreement.

21.6 Force Majeure. The term "Force Majeure" as used herein shall mean cause beyond the control and without the fault or negligence of the party failing to perform, whether foreseen or unforeseen, including, but not limited to: Acts of God, acts of the public enemy, wars, insurrections, civil unrest, riots, terrorism, labor disputes, boycotts, fires, explosions, floods, unanticipated adverse geological and weather conditions, and acts of judicial or military authorities. Neither party will be liable to the other for any delay or non-performance of its obligations under this Agreement in the event and to the extent that such delay or nonperformance is caused by any event of Force Majeure. Each party will inform the other party of the occurrence of any event of Force Majeure, and its expected duration and cessation, respectively, as soon as reasonably practical. In the event the Closing under this Agreement becomes suspended as the result of an event of Force Majeure for a continuous period exceeding sixty (60) days, then either party may terminate the Agreement with respect to the unperformed part of the Agreement and the Earnest Money shall be returned to Buyer.

**Section 22. Inspection, Acceptance and Maintenance of Assets.**

22.1 Buyer. Buyer acknowledges that as of Closing, it will have inspected the condition of such of the Assets as it deems reasonably necessary, and will accept the Assets in "AS IS" condition, with no warranties express or implied except as set forth in Section 6 of this Agreement.

22.2 Seller. Seller agrees to maintain the condition of the Assets in their current condition, ordinary wear excepted, to the date of Closing. Furthermore, Seller agrees that, from the Effective Date of this Agreement through the date of Closing, Seller shall consult with Buyer and take all reasonable steps to ensure that any infrastructure built or approved conforms with Buyer's construction standards and does not impair Title Insurer's willingness to issue the Title Policy.

**Section 23. Miscellaneous**

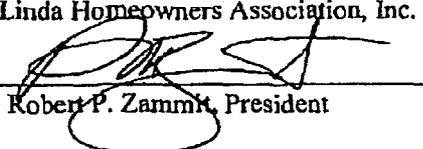
23.1 Receivables. Buyer acknowledges that the records to be transferred to Buyer will contain information that may be needed by Seller from time to time. Buyer therefore agrees that Seller will have the right to reasonable access to such information for that purpose after reasonable prior notice and during regular business hours after Closing, including the right to make copies of such documents as Seller may need.

23.2 Annual Regulatory Assessments. Seller agrees and acknowledges that it shall be responsible for and pay all accrued and or payable ACC and RUCO Annual Regulatory Assessments at or prior to Closing.

**SELLER:**

Tierra Linda Homeowners Association, Inc.

By: \_\_\_\_\_

  
Robert P. Zammit, President

**BUYER:**

Gary Smyth, a married man, dealing with his sole and separate property (on behalf of himself and his heirs and assigns)

By: \_\_\_\_\_

  
Gary Smyth

**ESCROW AGENT:**

Copy of the Agreement, including the Exhibits  
attached hereto, received and acknowledged:

Fidelity National Title

By: \_\_\_\_\_  
Name: Lisa Quigley  
Title: Escrow Agent  
Date received: \_\_\_\_\_

# Appendix "A"

Tierra Linda Homeowners Association, Inc.  
(Legal Description)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

PARCEL A

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the north quarter corner of said Section 29, marked by a General Land Office brass capped pipe and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, southerly along west line of the northeast quarter of said Section 29, S 00° 13' 24" E, 45.00 feet (calculated) to a point on the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, said point being the TRUE POINT OF BEGINNING of Parcel "A" herein described;

THENCE from said TRUE POINT OF BEGINNING, easterly along said south right-of-way line, N 89° 49' 46" E, 339.01 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly and along the west line of Lot 11 as shown on the plat of Tierra Linda, a subdivision of said Pima County recorded in Book 17 of Maps and Plats at Page 92 thereof, S 00° 09' 39" E, 624.72 feet (Record), S 00° 10' 41" E, 626.26 feet (calculated), to the southwest corner thereof, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said southwest corner, easterly along the south line of Lots 11, 12, and 13 of said recorded subdivision,

N 89° 50' 21" E, 922.53 feet (Record)

N 89° 51' 90" E, 923.97 feet (calculated)

N 89° 49' 46" E, 925.11 feet (measured) to the southeast corner of said Lot 13 marked by a 1/2" diameter rebar with registration tag RLS 15933;

THENCE leaving said southeast corner, southerly along the west right-of-way line of Via Socorro as shown on the plat of said Tierra Linda

S 00° 16' 51" E, 1465.00 feet (Record)

S 00° 17' 12" E, 1465.00 feet (calculated)

S 00° 15' 53" E, 1465.55 feet (measured) to the northeast corner of a parcel recorded in Docket 11488 at Page 4197 thereof, records of said Pima County, marked by a 1/4" rebar;

THENCE leaving said northeast corner, westerly along the north line of said recorded parcel and the westerly prolongation thereof, S 89° 50' 21" W (Record), S 89° 51' 38" W, 926.57 feet (calculated) to a point thereon;

THENCE leaving said north line, northwesterly, N 33° 16' 52" W, 276.55 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 46" W, 181.14 feet to a calculated point;

THENCE leaving said point southeasterly S 85° 57' 43" E, 104.77 feet to a calculated point;

THENCE leaving said point, northwesterly, N 06° 20' 24" W, 282.28 feet to a calculated point;

RECEIVED  
2004 APR -9 A 10:37  
AZ COP CON MISSION  
DOCUMENT CONTROL

THENCE leaving said point, southwesterly, S 73° 29' 57" W, 99.62 feet to a calculated point;

THENCE leaving said point, northwesterly, N 16° 37' 32" W, 226.98 feet to a calculated point;

THENCE leaving said point, southwesterly, S 68° 10' 39" W, 198.23 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1015.13 feet to a point thereon;

THENCE leaving said point, northerly, N 00° 11' 46" W, 430.00 feet to a calculated point;

THENCE leaving said point, westerly, S 89° 48' 14" W, 93.91 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 47" W, 430.00 feet to a calculated point;

THENCE leaving said point, easterly, N 89° 48' 14" E, 820.00 feet to a calculated point;

THENCE leaving said point, northerly, N 00° 11' 46" W, 428.00 feet to a calculated point on the south right of way line of said Emigh Road, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said point, easterly along said right-of-way line, N 89° 48' 11" E, 370.70 feet to the TRUE POINT OF BEGINNING;

CONTAINING 69.18 acres of land (M/L), subject to and together with all matters of public record.

Parcel B

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the southwest corner of the north half of said Section 29, marked by a ½" diameter rebar with registration tag RLS 4399 and Pima County Department of Transportation reference ties;

THENCE from said point of beginning, northerly along the measured west line of the northwest quarter of said Section 29, N 00° 13' 13" W, 868.89 feet to a calculated point thereon;

THENCE leaving said west line, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per Tierra Linda, recorded in Book 17, Page 92, M & P), 1505.18 feet to a point thereon;

THENCE leaving said parallel line, northerly, N 00° 11' 46" W, 440.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 1053.13 feet to a point thereon;

THENCE leaving said parallel line, northeasterly, N 68° 10' 39" E, 198.23 feet to a calculated point;

THENCE leaving said point, southeasterly, S 16° 37' 32" E, 226.98 feet to a calculated point;

THENCE leaving said point, northeasterly, N 73° 29' 57" E, 99.62 feet to a calculated point;

THENCE leaving said point, southeasterly, S 06° 20' 24" E, 282.28 feet to a calculated point;

THENCE leaving said point, northwesterly, N 85° 57' 43" W, 104.77 feet to a calculated point;

THENCE leaving said point, southerly, S 00° 11' 46" E, 181.14 feet to a calculated point;

THENCE leaving said point, southeasterly, S 33° 16' 52" E, 276.55 feet to a calculated point on the north line of a parcel of land recorded in Docket 11535 at Page 2479, records of said Pima County;

THENCE leaving said point, westerly along said north line, S 89° 51' 38" W, 308.11 feet (calculated), S 89° 51' 12" W, 306.50 feet (measured) to the northwest corner of said recorded parcel, marked by a ½" rebar;

THENCE leaving said northwest corner, southerly along the west line of said recorded parcel, S 00° 12' 16" E, 509.00 feet (Record), S 00° 13' 24" E, 509.00 feet (calculated), S 00° 02' 30" E, 508.96 feet (measured), to a point on the south line of the north half of said Section 29, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said point, westerly along said south line, S 89° 50' 21" W, 2671.64 feet (Record), S 89° 51' 08" W, 2670.84 feet (calculated) to the POINT OF BEGINNING of Parcel "B" herein described;

CONTAINING 68.99 acres of land [ML]; subject to and together with all matters of public record.

Parcel C

All that certain real property situated in the County of Pima, State of Arizona, being a part of that parcel described in Docket 5780 at Page 226 thereof, records of said Pima County, in the north half of Section 29, Township 12 South, Range 11 East, Gila & Salt River Meridian, more particularly described as follows:

BEGINNING at the northwest corner of said Section 29, marked by an accepted 1.5" diameter open iron pipe with Pima County Highway Department reference ties;

THENCE from said point of beginning, southerly along the measured west line of the northwest quarter of said Section 29, S 00° 13' 13" E, 45.00 feet to the TRUE POINT OF BEGINNING of Parcel "C" herein described, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE from said TRUE POINT OF BEGINNING, leaving said west line, easterly along the south right-of-way line of Emigh Road as shown on the Plat of Tierra Linda, a subdivision of said Pima County, recorded in Book 17 of Maps and Plats at Page 92 thereof, being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E (Basis of Bearings per said plat of Tierra Linda), 2270.00 feet to a point thereon, marked by a No. 4 rebar with registration tag RLS 26932;

THENCE leaving said right-of-way line, southerly, S 00° 11' 46" E, 428.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 820.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 47" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, easterly along a line being parallel with the north line of the northwest quarter of said Section 29, N 89° 48' 14" E, 93.91 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 430.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 38.00 feet to a point thereon;

THENCE leaving said parallel line, southerly, S 00° 11' 46" E, 440.00 feet to a calculated point;

THENCE leaving said calculated point, westerly along a line being parallel with the north line of the northwest quarter of said Section 29, S 89° 48' 14" W, 1505.18 feet to a calculated point on the measured west line of the northwest quarter of said Section 29;

THENCE leaving said parallel line, northerly along said west line, N 00° 13' 13" W, 1728.00 feet to the TRUE POINT OF BEGINNING;

CONTAINING 67.05 acres of land [M/L]; subject to and together with all matters of public record.

---

# Appendix “B”

Tierra Linda Homeowners Association, Inc.  
(Map)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

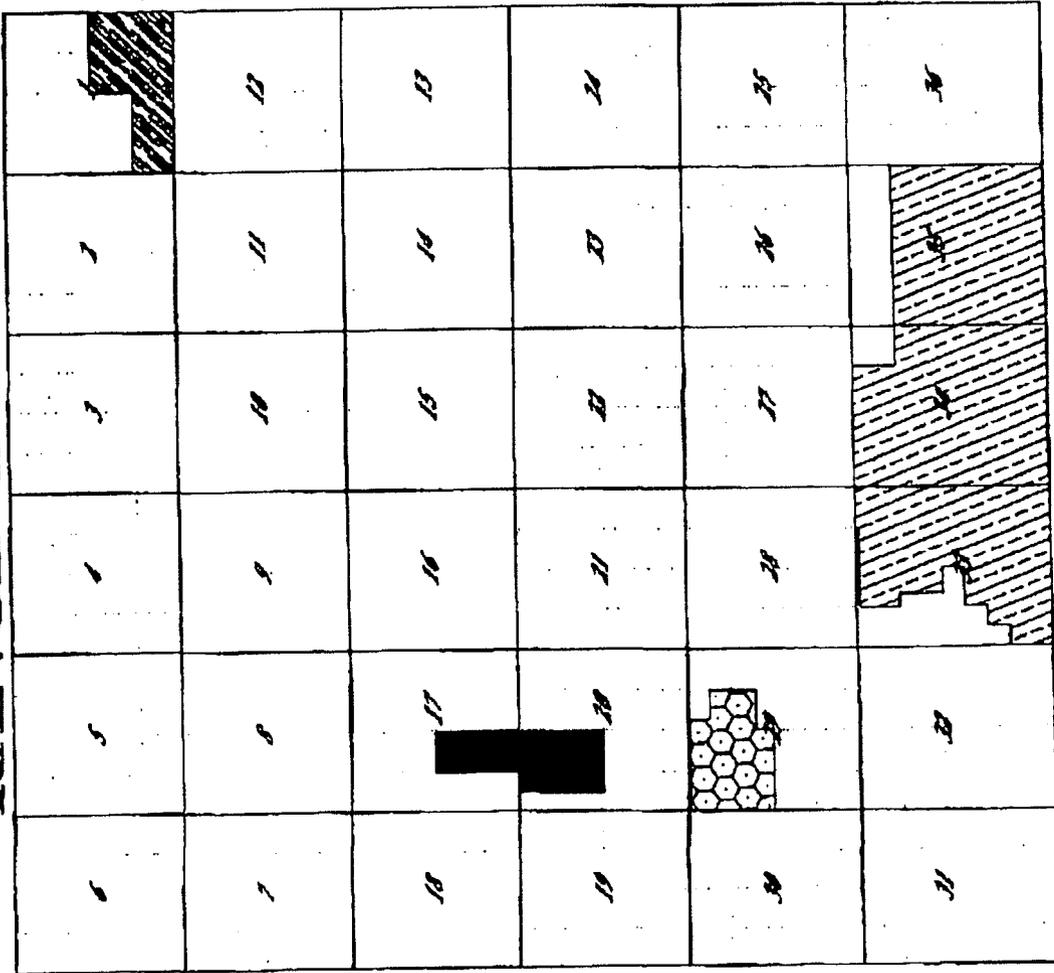
Map No. 10

# COUNTY of Pima

## RANGE 11 East

## TOWNSHIP 12 South

-  W-2126 (2)  
Avra Water Cooperative, Inc.
-  W-4236 (1)  
Tierra Linda Homeowners Association, Inc.
-  (4)  
Cortaro-Marana Irrigation District
-  (4)  
Town of Marana (Non-judicial)  
(Palo Verde System)



TRIMBLE 06 JUL 2004

# Appendix “C”

Tierra Linda Homeowners Association, Inc.  
Water Main Extension Agreement for  
Developer-Installed On-Site and Off-Site  
Facilities  
(Facilities Agreement)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

**WATER MAIN EXTENSION AGREEMENT  
FOR DEVELOPER-INSTALLED, ON-SITE AND OFF-SITE FACILITIES  
for the  
Tierra Linda Nueva  
Phase 1 and Phase 2 Onsite and Offsite**

THIS WATER MAIN EXTENSION AGREEMENT (this "Agreement") is entered into as of the 10 day of JUNE 2009, by and between the TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation (hereinafter referred to as the "Company"), and TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company (hereinafter referred to as "Applicant").

**RECITALS:**

A. Company holds a Certificate of Convenience and Necessity from the Arizona Corporation Commission ("ACC") to provide water service in and around Tierra Linda Nueva, including Lot Nos. 50-56, 64-119, and 177-190 ("Phase 1"), and Lot Nos. 35-49, 57-63, and 151-176 (Phase 2") as more specifically described on Exhibit A attached hereto and incorporated herein by this reference (collectively the "Property"); and

B. Certain on-site and off-site water facilities have been designed, constructed, installed and connected to Company's system in order to permit Company to deliver adequate water service to the Property; and

C. Applicant is the sole beneficiary of Title Security Agency of Arizona Trust No. 939, which is fee title owner of the Property, and, having developed the Property, Applicant has financed, designed, installed and constructed the necessary on-site and off-site water facilities pursuant to its request of Company to provide water service to the Property, subject to Company's approval of such design and construction.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereby agree as follows:

1. Facilities to be Constructed: This Agreement governs the construction, installation and financing of the Water Facilities set forth in engineering plans WATER DISTRIBUTION SYSTEM TO SERVE PHASE 1, Lots 50-56, 64-119, and 177-190, Chris Brozek, Engineer, dated 10/15/04, WATER DISTRIBUTION SYSTEM TO SERVE PHASE II, Lots 35-49, 57-63, and 151-176, Chris Brozek, Engineer, dated October 15, 2004, AND TIERRA LINDA WATER PLANT, Westland Resources, Engineer, dated April 16, 2004, incorporated herein by this reference as Exhibit B (the "Plans"), as modified in final engineering plans approved by Company, the ACC, the Arizona Department of Environmental Quality ("ADEQ") or its delegatee and/or such other governmental agency, if any, having authority to review and approve the engineering plans. Such modifications shall be deemed to amend the Plans and are incorporated herein by reference. The on-site and off-site facilities constructed pursuant to the Plans are hereinafter referred to as the "Water Facilities." Any additional lines, or water facilities necessary to provide adequate water service to the Property, or any portion thereof, are beyond the scope of this Agreement and will be the subject matter of separate and distinct agreements.

2. Applicant to Construct and Pay: Applicant has designed, constructed and installed the Water Facilities and paid all of the costs related thereto, and has completed

and paid the costs of engineering, computer modeling analysis, materials, labor, transportation, equipment, regulatory fees, special assessments, excise charges, taxes (excluding property taxes) or surcharges, regulatory fees, necessary permits, easements, inspections, administrative overhead, attorney's fees, approvals, testing, correction, insurance and bonds.

3. Advance in Aid of Construction. Upon the mutual execution of this Agreement, the Applicant shall convey the Water Facilities to Company, and pay Company One Hundred Dollars (\$100.00), as and for Company's costs. The actual expenses incurred by Applicant in the construction of the Water Facilities together with Company's costs, as supported by documentation as required by Paragraph 5, shall be deemed as follows: (i) Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) as advances-in-aid of construction, (ii) Two Hundred Six Thousand Three Hundred Twenty-Six Dollars (\$206,326) as contributions-in-aid of construction, and (iii) One Hundred Eight-Six Thousand Seven Hundred Twenty-Three Dollars (\$186,723) as equity. The aforesaid Five Hundred Forty-Nine Thousand Six Hundred Eighty-Five Dollars (\$549,685) of advances-in-aid of construction shall be subject to the prospect of refund pursuant to Paragraph 6 hereof.

4. Actual Costs Shall Govern: The total cost of the Water Facilities is One Million Fifty-Eight Thousand Three Hundred Fifty-Nine Dollars (\$1,058,359) as shown on Exhibit C. Applicant has paid the actual cost of the Water Facilities, and agrees to provide Company with as-built costs, together with all receipts in connection therewith, upon the execution of this Agreement.

5. Documentation: Applicant has, as a condition of acceptance of the Water Facilities by Company, furnished Company with:

- 5.1 copies of all bills, invoices and other statements of expenses incurred by Applicant, covering all costs of materials, equipment, supplies, construction and installation of the Water Facilities;
- 5.2 lien waivers and releases from contractors, subcontractors and vendors for materials, labor, equipment, supplies and construction included in Water Facilities;
- 5.3 receipts, specifying exact amounts or payments in full by Applicant to all contractors, subcontractors or vendors for all materials, equipment, supplies, labor and other costs of construction of the Water Facilities;
- 5.4 "as-built" drawings certified as to correctness by an engineer registered in the State of Arizona and approved by Company, and showing the location and respective sizes of Water Facilities; and
- 5.5 all easements, bills of sale, deeds and other evidences of ownership, and/or right to operate, maintain, repair and replace the Water Facilities requested by Company.

6. Refund of Advance: Applicant's costs for the construction and installation of the Water Facilities, to be advanced by Applicant to Company pursuant to this Agreement and evidenced by invoices furnished to Company pursuant to Paragraph 4 hereof, are subject to refund by Company to Applicant, in accordance with this section. Company shall make refunds annually on or before August 31, for the preceding July 1, through June 30 period. The amount to be refunded annually shall be ten percent (10%) of revenues (excluding all gross receipts collected as sales taxes, franchise fees and/or any other assessment, fee, tax or charge imposed by a state, federal or local governmental body or

pursuant to a cost adjustment mechanism approved by the ACC) derived from the provision of water served from each customer service line of each customer located within the Property leading up to and taken from water mains installed by Applicant pursuant to this Agreement. Refunds for revenues received from customers receiving water from the facilities constructed pursuant to this agreement shall be payable for a period of ten (10) years commencing on the Effective Date of this Agreement. In no event shall the funds paid hereunder exceed the total amounts paid by Applicant as advances-in-aid-of-construction pursuant to this Agreement. Any balance remaining at the end of the ten (10) year period shall become non-refundable unless the refund period is extended from year to year at the sole option of Company. No interest shall be paid on any amount advanced by Applicant pursuant to this Agreement.

7. Company's Right of First Refusal: Before selling or transferring the refund obligation of Company under this Agreement, Applicant shall first give Company, and its heirs, successors and assigns, reasonable opportunity to purchase the same at the same price and upon the same terms as contained in any bona fide offer which Applicant has received from any third person or persons which Applicant may desire to accept.

8. Governmental Approvals: Applicant shall pay for and provide to Company copies of all requisite permits, highway construction permits, zoning and other governmental approvals, as required, and necessary for Applicant to install, construct and maintain the Water Facilities, including the Approval(s) To Construct and Approval(s) of Construction issued by the Pima County Department of Environmental Quality, attached hereto as Exhibit "D", and the Water Use Data Sheet attached as Exhibit "E".

9. Provision and Use of Easements: Applicant shall, at no cost to and in a form acceptable to Company, furnish Company any and all easements and rights-of-way reasonably necessary to insure the proper provision of utility service by Company, as determined in the sole discretion of Company. In addition, Company shall have the right to use any of the existing or future dedications, easements, or recorded rights-of-way on the Property in furtherance of the proper provision of utility service by Company.

10. Time of Construction: Applicant and Company acknowledge that construction of the Water Facilities has been completed as of the Effective Date of this Agreement.

11. Contractor's License: Applicant and Company acknowledge that all construction, installation and connection of Water Facilities has been done by a contractor having a valid contractor's license issued by the State of Arizona Registrar of Contractors encompassing the work to be performed (usually a Class A, A-12 or A-16 license).

12. Construction Standards: The Applicant and Company acknowledge that the size, design, type and quality of materials are in accordance with good utility practices and the requirements of Company (as identified on or before the date of this Agreement or as attached as Exhibit B), the rules, regulations, orders and requirements of the ACC, ADEQ and any other public agency having jurisdiction thereover, including, but not limited to, traffic control, compaction, safety, pavement removal and replacement, sloping, shielding, shoring, OSHA regulations and Arizona Department of Health Services Bulletins No. 8 and No. 10. Additionally, all of said plans and specifications meet or exceed the standards and specifications of the Pima County Health Department, and are hereby approved by the Company. The Water Facilities have been designed and constructed with sufficient capacity

to accommodate the water service requirement of the Property, including fire flow requirements imposed by a governmental entity.

13. Inspection and Testing: Applicant has complied with the inspection and testing requirements of Company, and Company acknowledges that any governmental agency having jurisdiction over the construction, installation and connection of the Water Facilities have approved the Water Facilities.

14. Acceptance of Facilities: The Water Facilities will be deemed accepted as of the date that this Agreement is entered upon by Applicant and Company.

15. Risk of Loss: All risk of loss shall be with Applicant until the effective date of this Agreement.

16. Title to Property: The Water Facilities constructed pursuant to this Agreement shall become the property of Company upon the effective date of this Agreement, and shall remain the sole property of Company without the requirement of further written documents of transfer. Applicant shall not have any further right, title, ownership or ownership interest herein whatsoever, except for the right to receive refunds of the particular advance-in-aid-of-construction pursuant to the method herein described. However, Applicant shall furnish any document pertaining to ownership and title as may reasonably be requested by Company including documents which evidence or confirm transfer of possession to Company of good and merchantable title free and clear of liens, or which contain provisions for satisfaction of liens by Applicant.

17. Warranty: Unless otherwise provided in Exhibit B, Applicant warrants to Company that all materials and equipment furnished under this Agreement were new at the time of installation, and that the Water Facilities are of good quality, free from faults and defects. If required by Company, Applicant shall furnish satisfactory evidence as to the kind and quality of materials and equipment used on the Water Facilities.

18. Indemnification:

18.1 Applicant shall indemnify and hold harmless Company, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Applicant, its agents, servants, employees, contractors or subcontractors in the execution of Applicant's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought on account of Applicant's action or inaction, Applicant will assume the defense at Applicant's own expense and will pay all judgments rendered therein;

18.2 Company shall indemnify and hold harmless Applicant, its officers, directors, members, agents and employees from and against claims or expenses, including penalties and assessments and attorney's fees to which they or any of them may be subjected by reason of injury or death of any person, or loss or damage to any property contributed to or caused by the active or passive negligence of Company, its agents, servants, employees, contractors or subcontractors in the execution of Company's obligations under this Agreement or in connection therewith. In case any suit or other proceeding shall be brought

on account Company's action or inaction, Company will assume the defense at Company's own expense and will pay all judgments rendered therein;

18.3 The provisions of this Paragraph shall survive termination of this Agreement.

19. Water Service: Upon Applicant complying fully with this Agreement, including receiving Company's written acceptance of the Water Facilities, and obtaining all requisite governmental approvals to sell lots within the Property, Company agrees to offer domestic water service to the Property. Water service shall be offered in accordance with Company's Articles of Incorporation, By-laws, rules and regulations, and under the tariffs and rules and regulations approved by the ACC, as amended from time to time. This Agreement shall not preclude Company from requiring applications for water service to be executed and complied with prior to the actual delivery of water service to individual lots within the Property.

COMPANY EXPRESSLY DISCLAIMS ANY RESPONSIBILITY OR OBLIGATION TO PROVIDE WATER AT A SPECIFIC PRESSURE OR GALLONS-PER-MINUTE FLOW RATE AT ANY FIRE STANDPIPE, OR FIRE HYDRANT, OR FOR FIRE PROTECTION SERVICE. IN THE EVENT FIRE PROTECTION SERVICE IS INTERRUPTED, IRREGULAR, DEFECTIVE, OR FAILS FROM CAUSES BEYOND THE COMPANY'S CONTROL OR THROUGH ORDINARY NEGLIGENCE OF ITS EMPLOYEES, SERVANTS OR AGENTS, THE COMPANY WILL NOT BE LIABLE FOR ANY INJURIES OR DAMAGES ARISING THEREFROM.

Company shall have no obligation whatsoever to provide service to the Property or any portion thereof, unless and until: Applicant has paid the full cost of the Water Facilities as required hereunder; Applicant has secured all governmental approvals required hereunder or as a condition to the sale and/or occupancy of the subdivided lots; construction of the Water Facilities has been completed and accepted in writing by Company, and Applicant has paid all fees, charges, and deposits authorized to be charged by the ACC including, but not limited to, meter and service lines which are not a part of the Water Related Facilities covered by this Agreement.

20. Conservation Requirement: To the extent Applicant contracts for or constructs residences or other water consuming facilities on the Property, Applicant shall make its best efforts to ensure that construction of said residences and facilities incorporates the latest technologies in water conservation consistent with the economic investment therein and limits water using features.

21. Non-Agents: It is agreed that Company is not an agent for Applicant and shall not incur any costs or expenses on behalf of Applicant and that Applicant is not an agent of Company and shall not incur any costs or expenses on behalf of Company.

22. Communication: Communications hereunder shall be sent to Applicant addressed as follows:

Tierra Linda Development, LLC  
6262 N. Swan Rd., Suite 125  
Tucson, AZ 85718

or to such other addresses or addressees as Applicant may advise Company in writing, and to Company at:

Tierra Linda Homeowners Association, Inc.  
c/o Tierra Linda Homeowners Association Water Company  
PO Box 69868  
Tucson, AZ 85737

or to such other addresses or addressees as Company may advise Applicant in writing.

23. Assignability: This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, successors and assigns and either party may record the Agreement with the County Recorder's office in the county where the Property is located. However, Applicant shall only assign its rights, obligations and interests in this Agreement to a successor-in-interest that agrees in writing to assume all of Applicant's obligations to Company under this Agreement.

24. Rights and Remedies: The duties and obligations imposed by this Agreement and the rights and remedies available hereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available at law or equity. No action or failure to act by Company or Applicant shall constitute a waiver of any right or duty afforded any of them under the Agreement, nor shall any action or failure to act constitute an approval of or acquiescence in any breach, except as may be specifically agreed in writing.

25. Litigation: Should litigation be necessary to enforce any term or provision of this Agreement, or to collect any damage claimed or portion of the amount payable under this Agreement, then all litigation and collection expenses, witness fees, court costs, and attorneys fees shall be paid to the prevailing party. Nothing herein shall preclude non-binding arbitration if the parties so elect in the event of a dispute hereunder.

26. Entire Agreement/Time of the Essence/Waiver: This Agreement sets forth the full and entire agreement of the parties and it may only be altered, amended or supplemented in writing. This Agreement shall be governed by the laws of the State of Arizona. Time is of the essence in performing all obligations hereunder. Waiver of a breach of any term, condition or covenant of this Agreement by any party shall be limited to the particular instance and shall not be deemed to waive future breaches of the other party of the same or other terms, conditions or covenants.

27. Counterparts: This Agreement may be executed in any number of counterparts, and all such counterparts shall be deemed to constitute one and the same instrument, and each of said counterparts shall be deemed an original hereof.

28. Effective Date: This Agreement shall have no force or effect whatsoever and shall not be binding upon Company or Applicant until such time as it is executed by all parties and approved by the staff of the Utilities Division of the Commission.

29. Authority to Execute: Each party warrants and represents that it has lawful authority to execute this Agreement and to perform all acts required hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first written above.

**COMPANY**

Tierra Linda Homeowners Ass'n, Inc.  
an Arizona public service corporation

**APPLICANT**

Tierra Linda Development, LLC,  
an Arizona limited liability  
company

By: ROBERT P. ZAMMIT  
Title: PRESIDENT  
Date: 6/23/09

By: ROBERT P. ZAMMIT  
Title: MANAGER  
Date: 6/23/09

Approved: [Signature]  
Date: \_\_\_\_\_

Approved: [Signature]

Utilities Division:  
Arizona Corporation Commission

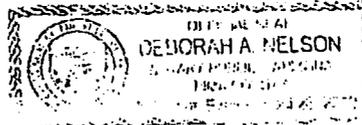
ACKNOWLEDGMENTS

STATE OF ARIZONA )  
 ) ss.  
COUNTY OF PIMA )

On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared Robert P. Zammit who acknowledged himself to be the MANAGER of TIERRA LINDA DEVELOPMENT, LLC, an Arizona limited liability company, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires \_\_\_\_\_  
[Signature] Notary Public

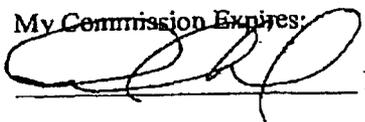


STATE OF ARIZONA )  
 ) ss.  
COUNTY OF PIMA )

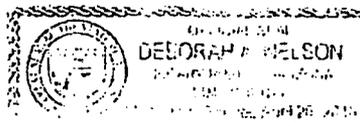
On this 23 day of JUNE, 2009, before me, the undersigned, a Notary Public, personally appeared ROBERT P. ZAMMIT who acknowledged himself to be the PRESIDENT of TIERRA LINDA HOMEOWNERS ASSOCIATION, INC., an Arizona corporation, and that he/she as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained.

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

My Commission Expires:



Notary Public



---

# Appendix “D”

Tierra Linda Homeowners Association, Inc.  
(List of Water System Improvements)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

## **EXHIBIT H**

### **Water System Assets**

#### **Real Estate**

- 0.68 acre wellsite, dkt. 10209, pg. 2027
- non-exclusive right to 20' wide utility and access easement to wellsite located within lot 20 of Tierra Linda, Dkt. 17, Pg. 92
- non-exclusive right to 50' wide private ingress/egress & utility easement to wellsite located within lot 53 of Tierra Linda Nueva, Bk. 59, Pg. 3.

#### **Structures and Improvements**

- wellsite fencing and gates
- wellsite concrete slabs
- wellsite gravel and riprap

#### **Wells and Springs**

- well with 12" casing

#### **Pumping Equipment**

- 25 hp submersible pump
- 450 lf drop pipe, cable and sounding tube
- Two 10 hp and one 50 hp booster pumps
- piping, valves, flow meters, supports
- electrical equipment and panels
- compressor and related piping, valves and fittings
- 5000 gallon hydro-pneumatic tank, valves, fittings and connection

#### **Distribution Reservoirs and Standpipes**

- wellsite ductile iron pipe, fittings and connections
- 400,000 gallon storage tank, piping, fittings and connections
- 8" elevated overflow and supports

#### **Transmission and Distribution Mains**

- 1,520 lf 12" mains, (4) 12" valves
- 6,922 lf 8" mains, (31) 8" valves
- 1,000 lf 6" mains, (0) 6" valves
- (15) 2" DVAs

#### **Services**

- Phase 1: 37 single water services, 40 double water services, 2 irrigation services
- Phase 2: 22 single water services, 13 double water services

#### **Meters and Meter Installations**

- 60 5/8" x 3/4" meters

#### **Hydrants**

- Phase 1: 15 hydrants
- Phase 2: 8 hydrants

#### **Other Plant and Misc. Equipment**

- chlorination system
- cellular phone connection to telemetry system

# Appendix "E"

Tierra Linda Homeowners Association, Inc.

Pima County Franchise

(Comment: None required. Water system  
is located in recorded plat dedicated  
easements on private property)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

# Appendix "F"

Tierra Linda Homeowners Association, Inc.

Water System Real Property Descriptions

(Comment: To be provided by Escrow Agent  
in connection with Title Report)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

# Appendix "G"

Tierra Linda Homeowners Association, Inc.

Special Warranty Deed

(Comment: To be prepared by Escrow Agent  
and provided for Buyer's review and approval  
prior to Closing)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

# Appendix “H”

Tierra Linda Homeowners Association, Inc.  
Assignment and Assumption of Easements  
and Property Rights

(Comment: To be prepared by Escrow Agent  
or Seller’s counsel and provided for Buyer’s  
review and approval prior to Closing)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

# Appendix "I"

Tierra Linda Homeowners Association, Inc.  
Assignment of Water Rights and Well  
Registrations

(Comment: To be prepared by Seller and  
provided for Buyer's review and approval prior  
to Closing)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

# Appendix “J”

Tierra Linda Homeowners Association, Inc.  
Bill of Sale

(Comment: To be prepared by Seller and  
provided for Buyer’s review and approval prior  
to Closing)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

# Appendix “K”

Tierra Linda Homeowners Association, Inc.

Assignment and Assumption

of Contract Rights

(Comment: To be prepared by Seller and  
provided for Buyer’s review and approval prior  
to Closing)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

# Appendix “L”

Tierra Linda Homeowners Association, Inc.

Certificate of RUCO and ACC

Assessment Payment

(Comment: To be prepared by Seller and  
provided for Buyer’s review and approval prior  
to Closing)

Tierra Linda Homeowners Association, Inc.

Docket No. W-04236A-09-\_\_\_\_\_

# Appendix “H”

Tierra Linda Homeowners Association, Inc.  
(Water System Assets)

Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_

## EXHIBIT H Water System Assets

### Real Estate

- 0.68 acre wellsite, dkt. 10209, pg. 2027
- non-exclusive right to 20' wide utility and access easement to wellsite located within lot 20 of Tierra Linda, Dkt. 17, Pg. 92
- non-exclusive right to 50' wide private ingress/egress & utility easement to wellsite located within lot 53 of Tierra Linda Nueva, Bk. 59, Pg. 3.

### Structures and Improvements

- wellsite fencing and gates
- wellsite concrete slabs
- wellsite gravel and riprap

### Wells and Springs

- well with 12" casing

### Pumping Equipment

- 25 hp submersible pump
- 450 lf drop pipe, cable and sounding tube
- Two 10 hp and one 50 hp booster pumps
- piping, valves, flow meters, supports
- electrical equipment and panels
- compressor and related piping, valves and fittings
- 5000 gallon hydro-pneumatic tank, valves, fittings and connection

### Distribution Reservoirs and Standpipes

- wellsite ductile iron pipe, fittings and connections
- 400,000 gallon storage tank, piping, fittings and connections
- 8" elevated overflow and supports

### Transmission and Distribution Mains

- 1,520 lf 12" mains, (4) 12" valves
- 6,922 lf 8" mains, (31) 8" valves
- 1,000 lf 6" mains, (0) 6" valves
- (15) 2" DVAs

### Services

- Phase 1: 37 single water services, 40 double water services, 2 irrigation services
- Phase 2: 22 single water services, 13 double water services

### Meters and Meter Installations

- 60 5/8" x 3/4" meters

### Hydrants

- Phase 1: 15 hydrants
- Phase 2: 8 hydrants

### Other Plant and Misc. Equipment

- chlorination system
- cellular phone connection to telemetry system

# **Appendix “I”**

**Tierra Linda Homeowners Association, Inc.  
(Notice to Members)**

**Tierra Linda Homeowners Association, Inc.  
Docket No. W-04236A-09-\_\_\_\_\_**

# Tierra Linda Homeowners Association

June \_\_, 2009

To: All Owners of Lot(s) Within Tierra Linda Nueva

Re: Sale of the Tierra Linda Homeowners Association Water Company

Dear Owner:

The Tierra Linda Homeowners Association is planning the sale of Tierra Linda's existing water system facilities at a price of \$70,000.00 to a qualified water system operator, Gary Smyth. Mr. Smyth has demonstrated competence in constructing and operating water facilities and currently operates another water company - the Lakewood Water Company - in Pima County, Arizona. The sale of Tierra Linda's water facilities to Mr. Smyth will require the approval of the Arizona Corporation Commission ("ACC") in order to complete the transaction.

The existing water system facilities consist of well, wellsite, pumps, storage tanks, transmission mains, controls and other items related to the delivery of potable water. The water system over time will need significant capital expenditures, as well as ongoing maintenance which will tend to increase in cost as the equipment ages. Gary Smyth was Tierra Linda's water plant contractor, and has built similar water plants all over southern Arizona. He is in a unique position to maintain and operate the water plant with maximum efficiency; and, he has the financial resources to make the above-indicated significant capital expenditures as needed in the future. The water system and Mr. Smyth will continue to be regulated by the ACC after the sale.

If you have any questions or comments, or need any additional information, please do not hesitate to contact me.

Sincerely,

Robert P. Zammit  
President

6262 N. Swan Rd., Suite 125,  
Tucson, AZ 85718  
(520) 529-1330 phone (520) 529-1312 fax

# Appendix “B”

**Lawrence V. Robertson Jr.**

---

**From:** Lawrence V. Robertson Jr. [tubaclawyer@aol.com]  
**Sent:** Monday, March 07, 2011 3:21 PM  
**To:** Gary Smyth; Lisa Sullivan  
**Subject:** FW: Tierra Linda Nueva

FYI

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

**From:** Lawrence V. Robertson Jr. [mailto:tubaclawyer@aol.com]  
**Sent:** Monday, March 07, 2011 11:25 AM  
**To:** 'Thomas M Pace'  
**Cc:** 'Robert P. Zammit (Robert P. Zammit)'  
**Subject:** RE: Tierra Linda Nueva

Tom,

Thanks for forwarding the good news. I will continue to move forward with all other aspects of the Closing.

Larry

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

**From:** Thomas M Pace [mailto:thomas@pacelawaz.com]  
**Sent:** Monday, March 07, 2011 10:01 AM  
**To:** Robert P. Zammit (Robert P. Zammit)  
**Cc:** [TubaClawyer@aol.com](mailto:tubaclawyer@aol.com)  
**Subject:** FW: Tierra Linda Nueva

**Bob:**  
See below. It appears we can proceed with the sale.  
Tom

Law Office of  
THOMAS M. PACE  
1670 East River Road  
Suite 124  
Tucson, Arizona 85718-8900  
Phone: (520) 322-5511  
Fax: (520) 322-0777  
e-mail: [tom@pacelawaz.com](mailto:tom@pacelawaz.com)

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

**From:** Mitchell, Cheryl, VBAPHNX [mailto:cheryl.s.mitchell@va.gov]  
**Sent:** Friday, March 04, 2011 2:02 PM  
**To:** [thomas@pacelawaz.com](mailto:thomas@pacelawaz.com)  
**Subject:** RE: Tierra Linda Nueva

Planned Urban Developments no longer require approvals. Only condominium projects would require us to review any changes to the HOA legal documentation.

Cheryl S. Mitchell

Loan Assistant  
Phoenix Regional Loan Center  
602-627-3152  
[cheryl.s.mitchell@va.gov](mailto:cheryl.s.mitchell@va.gov)

"NOTICE -- The information transmitted is intended only for the person or entity to which it is addressed and may contain confidential and/or privileged material, the disclosure of which is governed by applicable law.

Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon, this information by persons or entities other than the intended recipient is prohibited. If you received this in error please contact the sender and destroy the materials contained in this message."

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

From: Thomas M Pace [<mailto:thomas@pacelawaz.com>]  
Sent: Friday, March 04, 2011 12:02 PM  
To: Mitchell, Cheryl, VBAPHNX  
Cc: Robert P. Zammit (Robert P. Zammit)  
Subject: Tierra Linda Nueva

Cheryl:

Tierra Linda Nueva is a single family home subdivision that I wrote to you about. Accordingly, there is no VA id number. We amending the CCRs and the only reason we are seeking VA approval is that the CCRs have that standard language that while Declarant is in condo FHA/VA approval is required to amend the CCRs. It is my understanding that there a few homes in the subdivision with VA loans. Please advise if VA approval is still required if there is no VA filing.

Tom Pace

Law Office of  
THOMAS M. PACE  
1670 East River Road  
Suite 124  
Tucson, Arizona 85718-8900  
Phone: (520) 322-5511  
Fax: (520) 322-0777  
e-mail: [tom@pacelawaz.com](mailto:tom@pacelawaz.com)

# Appendix “C”

COMPANY NAME: <u>Tierra Linda Homeowners Association, Inc.</u>	2010
Name of System: <u>Tierra Linda HOA Water Co.</u>	ADEQ Public Water System Number:10-411

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2010**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	57	391.06	586	
FEBRUARY	57	387.97	370	
MARCH	57	341.35	506	
APRIL	58	424.34	526	
MAY	58	489.61	427	Note – 652,000 Were attributed to Water theft and unmetered water use
JUNE	58	722.48	1014	
JULY	58	673.05	567	
AUGUST	60	580.49	851	
SEPTEMBER	62	547.48	719	
OCTOBER	62	535.88	702	
NOVEMBER	62	539.27	692	
DECEMBER	62	429.06	512	
<b>TOTALS →</b>		<del>6,052.04</del>	7,472	0

What is the level of arsenic for each well on your system? Range 0.0086 to .011 mg/l  
(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? 1000 GPM for 2 hrs

If system has chlorination treatment, does this treatment system chlorinate continuously?  
 Yes                       No

Is the Water Utility located in an ADWR Active Management Area (AMA)?  
 Yes                       No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?  
 Yes                       No

If yes, provide the GPCPD amount: \_\_\_\_\_