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6 **BEFORE THE ARIZONA CORPORATION COMMISSION**

7 COMMISSIONERS

8 GARY PIERCE, Chairman
9 SANDRA D. KENNEDY
10 PAUL NEWMAN
11 BOB STUMP
12 BRENDA BURNS

12 IN THE MATTER OF THE APPLICATION OF
13 BLACK MOUNTAIN SEWER CORPORATION,
14 AN ARIZONA CORPORATION, FOR A
15 DETERMINATION OF THE FAIR VALUE OF
16 ITS UTILITY PLANT AND PROPERTY AND
FOR INCREASES IN ITS RATES AND
CHARGES FOR UTILITY SERVICE BASED
THEREON

Docket No. SW-02361A-08-0609

Notice of Errata: Direct Testimony

17 Wind P1 Mortgage Borrower L.L.C., doing business as The Boulders Resort and Golden Door
18 Spa (the "Resort"), by and through its undersigned attorneys, respectfully submits the attached Direct
19 Testimony of Susan Madden and Dean Hunter, previously docketed on March 16, 2012, pursuant to the
20 Procedural Order docketed March 7, 2012. The versions docketed on March 16, 2012, erroneously
21 omitted the exhibits, which are included with the attached copies.

22 DATED this 19th day of March, 2012.

RYLEY CARLOCK & APPLEWHITE

23
24 Arizona Corporation Commission
25 **DOCKETED**

26 MAR 19 2012

27 DOCKETED BY *MM*
28

By *Michele Van Quathem*
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1 ORIGINAL and 13 copies of the foregoing
2 filed this 19th day of March, 2012, with:

3 Docket Control
4 Arizona Corporation Commission
5 1200 West Washington
6 Phoenix, Arizona 85007

7 COPY of the foregoing mailed this
8 19th day of March, 2012, to:

9 Lyn Farmer, Chief Administrative Law Judge
10 Dwight D. Nodes, Asst. Chief ALJ
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13 Phoenix, Arizona 85007

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16 Legal Division
17 Arizona Corporation Commission
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By 

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE, Chairman
4 SANDRA D. KENNEDY
5 PAUL NEWMAN
6 BOB STUMP
7 BRENDA BURNS

Docket No. SW-02361A-08-0609

8 IN THE MATTER OF THE APPLICATION
9 OF BLACK MOUNTAIN SEWER
10 CORPORATION, AN ARIZONA
11 CORPORATION, FOR A
12 DETERMINATION OF THE FAIR VALUE
13 OF ITS UTILITY PLANT AND PROPERTY
14 AND FOR INCREASES IN ITS RATES
15 AND CHARGES FOR UTILITY SERVICE
16 BASED THEREON

17 **Direct Testimony**

18 **of**

19 **Susan Madden**

20 **on behalf of Wind P1 Mortgage Borrower, L.L.C.**

21 **d/b/a The Boulders Resort and Golden Door Spa**

22 **March 16, 2012**

1 **Executive Summary**

2 Susan Madden is the Director of Finance for The Boulders Resort and Golden Door Spa
3 (the "Resort"). Ms. Madden describes the Resort, the two golf courses, and the Resort's two
4 golf course water supply agreements, including the Effluent Delivery Agreement with Black
5 Mountain Sewer Corporation ("Black Mountain"), and the RWDS Agreement with the City of
6 Scottsdale. The Resort is a destination golf resort, and the Black Mountain water supply is
7 critical to maintaining the golf courses.

8 As a member of the Resort's management team, Ms. Madden describes the Resort's
9 position regarding the potential closure of the Black Mountain treatment plant, the history of the
10 Resort's involvement, and the Resort's efforts to find a replacement water supply. The Resort
11 identified physically available water supplies, legal restrictions on their use, and estimated
12 potential costs. The Resort has been unable so far to find a replacement water supply that is
13 available and acceptable from a cost standpoint.
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1 **Q1. Please state your name, address and occupation.**

2 A1. My name is Susan Madden. My business address is 34361 N. Tom Darlington Drive,
3 Carefree, Arizona. I am employed by Waldorf Astoria LLC, the manager of The
4 Boulders Resort and Golden Door Spa (the "Resort"). The Resort is owned by Wind P1
5 Mortgage Borrower, L.L.C. I am the Director of Finance for the Resort.

6 **Q2. Please describe the purpose of your testimony.**

7 A2. The purpose of my testimony is to describe the Resort and, at least in part, describe why
8 water provided to the Resort is critical to the Resort's business. As a member of the
9 Resort's management team, I have been directly involved in the Resort's search for
10 replacement water supplies for the water that is currently provided to the Resort by Black
11 Mountain Sewer Company ("Black Mountain"). In addition to my testimony, Tom
12 McCahan, the Director of Club Operations, and Dean Hunter, the Golf Course
13 Superintendent, will testify regarding their knowledge of the Resort's need for the current
14 water supply for the golf courses and their efforts to find replacement supplies and/or
15 reduce water use at the courses as an alternative to replacement.

16 **Q3. Please describe The Boulders Resort and Golden Door Spa.**

17 A3. The Resort consists of a hotel with 160 high-end casitas, meeting spaces, a spa, tennis
18 courts, four swimming pools, and seven restaurants. Adjacent to the Resort there are
19 privately-owned villas and hacienda units. The Resort also has two 18-hole
20 championship golf courses, the North Course and the South Course. The Resort is
21 located in the foothills of Black Mountain near Carefree and the two golf courses are
22 located in areas that include small hills and large granite boulder formations. The Resort
23 is branded as one of Hilton's Waldorf Astoria hotels. The Resort employs approximately
24 550 people, and we estimate that it annually generates revenues of \$40 million for the
25 surrounding communities, including the Towns of Cave Creek, Carefree, and the City of
26 Scottsdale.

1 **Q4. You have heard customer comments regarding smells coming from the treatment**
2 **plant, right?**

3 A4. Yes. I am aware of the complaints. The Resort has been and still is quite concerned
4 about the complaints and the odors. We have Resort visitors that regularly golf near the
5 treatment plant, and many local golf club members, so their satisfaction with their golf
6 experiences is very important to us.

7 **Q5. You work at the Resort. Have you ever witnessed odors?**

8 A5. Yes. I have smelled odors from time to time emanating from the treatment plant,
9 especially when I am golfing near the plant.

10 **Q6. Wouldn't it be better for everyone if the treatment plant is removed?**

11 A6. If we can find an acceptable solution to address the Resort's golf course replacement
12 water supply needs, yes. However, as I think we have all learned, there is no easy answer
13 on this one.

14 **Q7. Please describe how the two golf courses are utilized as part of the Resort's business.**

15 A7. The Resort is a destination golf resort. Many visitors come for the primary purpose of
16 golfing. Both of the Resort's golf courses are world class courses that are designed and
17 operated to compete with courses at other luxury properties, both in the United States and
18 internationally. Our Resort course is repeatedly ranked as one of the nation's top golf
19 courses by GOLF Magazine and Travel and Leisure Magazine. One of the 18-hole golf
20 courses is dedicated primarily to the use of Resort customers. The other 18-hole golf
21 course is dedicated primarily for the use of members of The Boulders Club, a private golf
22 club whose members include some members of the Boulders Homeowners Association.
23 If the Resort is not able to maintain the golf courses in world-class condition, it will have
24 an impact on the Resort's ability to continue attracting visitors and golf club members.

25 **Q8. Please describe the water supplies used to maintain the golf course turf and**
26 **landscaping.**

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1 A8. The Resort has two contracts through which it obtains its golf course non-potable water
2 supplies. The Resort has an Effluent Delivery Agreement with Black Mountain (attached
3 as Exhibit A) that entitles the Resort to purchase all effluent generated by operation of the
4 Boulders East Plant or a new wastewater treatment facility constructed by Black
5 Mountain through March 2021. The quantity of water typically purchased under this
6 agreement is approximately 130 to 135 acre-feet per year. The parties agreed that the
7 cost for this water is set by the Commission, and that amount is currently \$0.460510 per
8 thousand gallons (approximately \$150 per acre-foot). The second water supply
9 agreement is between Wind P1 Mortgage Borrower, LLC and the City of Scottsdale and
10 includes the Pipeline Capacity Agreement dated February 3, 1992, the First Amendment
11 to Pipeline Capacity Agreement No. 920004 dated December 19, 1994, and the Second
12 Amendment to Agreement No. 920004 Pipeline Capacity Agreement dated April 1, 2008
13 (collectively, the "RWDS Agreement"). The RWDS Agreement authorizes the Resort to
14 use 1.25 MGD of capacity in the City's Reclaimed Water Distribution System ("RWDS")
15 pipeline. A copy of the RWDS Agreement is attached as Exhibit B. The current rate for
16 RWDS water is \$1.3510 per 1000 gallons (approximately \$440 per acre-foot). The
17 annual quantity of water typically purchased under the RWDS Agreement is
18 approximately 740 acre-feet per year.

19 **Q9. What is the RWDS pipeline?**

20 A9. The RWDS pipeline is a 20 MGD pipeline owned by the City of Scottsdale that
21 transports a mixture of reclaimed water and Central Arizona Project water from the City's
22 wastewater treatment plant to 23 golf courses pursuant to pipeline capacity agreements
23 between the City and users.

24 **Q10. The Resort became aware at some point that Black Mountain Sewer Corporation**
25 **was proposing to close the Boulders wastewater treatment plant?**

26 A10. Yes, the Resort discovered that Black Mountain was thinking of closing the plant before
27 the Arizona Corporation Commission's final decision was made in the rate case. We
28

1 were obviously very concerned about the prospect of losing that portion of the water
2 supply, but understood at that time that the treatment plant would not be closed until
3 Black Mountain made an agreement with the Resort regarding the Effluent Delivery
4 Agreement.

5 **Q11. Was the Resort a party to the settlement agreement in the rate case?**

6 A11. No. The Resort was not a party to the settlement agreement. Although the Resort is
7 aware of the odor issues that have been experienced in the neighboring properties
8 (including at times the Resort property), the situation has improved somewhat, and the
9 Resort disagrees that the treatment plant should be closed until the Resort is able to
10 secure a replacement water supply on acceptable terms that recognize its contractual
11 rights to continued water deliveries under the Effluent Delivery Agreement.

12 **Q12. How did the Resort respond to the news that Black Mountain was proposing to close**
13 **the treatment plant?**

14 A12. Well, as you can imagine, we had discussions with Black Mountain about the proposal.
15 When the idea of plant closure was presented to us, it was presented in a manner that
16 indicated the plant closure was going to occur by order of the Commission, and the
17 Resort could not do anything about it. We immediately starting trying to figure out how
18 the Resort would cope without the water provided by the treatment plant. After our
19 attorney conducted further research in the ACC's docket and reviewed the actual
20 settlement agreement terms, however, we learned that closure was actually proposed as
21 part of a settlement agreement between Black Mountain and BHOA, and that the Resort
22 would be protected through the condition in the agreement requiring that Black Mountain
23 reach an agreement with the Resort to terminate the Effluent Delivery Agreement. Our
24 attorney approached Black Mountain's attorney in approximately February 2010 about
25 discussing a resolution, but there was not much desire to meet until the Commission
26 considered the settlement agreement.

1 **Q13. Did Black Mountain eventually meet with the Resort to discuss the closure**
2 **proposal?**

3 A13. Yes. After the Recommended Order and Opinion was issued in the rate case, Les
4 Peterson, the Boulders Homeowners Association's ("BHOA's") president at the time,
5 organized a meeting between representatives of BHOA, Black Mountain, and the Resort
6 on September 26, 2010, to discuss the situation. At that meeting, Black Mountain made it
7 clear that Black Mountain would not pay anything for termination of the Effluent
8 Agreement unless the payment could be recovered in rates. Given that sentiment, the
9 parties then focused on finding a way to replace the treatment plant water supply and
10 potential funding sources.

11 **Q14. Why didn't the Resort request to intervene in the earlier rate case once it learned**
12 **what was happening?**

13 A14. By the time we discovered what was really going on with the settlement agreement, it
14 was late in the rate case, and it was also clear that the closure could not move forward
15 until Black Mountain addressed its contractual obligations under the Effluent Delivery
16 Agreement with the Resort. The Resort felt it could work out those issues directly with
17 Black Mountain.

18 **Q15. Why did the Resort request to intervene last summer?**

19 A15. The Resort intervened because BHOA was threatening to go back to the Commission and
20 use the Commission's authority in an attempt to terminate Black Mountain's Effluent
21 Delivery Agreement obligations to the Resort. The Resort wanted the opportunity to
22 present evidence regarding the Resort's interests that was not provided to the
23 Commission by the parties in this case before the Black Mountain/BHOA settlement
24 agreement was adopted by the Commission. The Resort also regrets how its role in
25 negotiations regarding potential plant closure have been presented by other parties, and
26 wants the opportunity to provide evidence to the Commissioners of its significant efforts
27 to find a resolution.
28

1 **Q16. What alternatives were considered by the Resort to meet the BHOA objectives?**

2 A16. We have considered a number of alternatives, both in the group meetings that we held
3 with the BHOA and Black Mountain, and also internally with the Resort's advisors. I'll
4 describe the alternatives generally, but Tom McCahan and Dean Hunter will provide
5 additional detail in their direct testimony. Generally, there were three categories of
6 alternatives considered. First, we considered whether the Resort could simply operate
7 without the treatment plant's water supply by implementing further conservation
8 measures or even possibly not overseeding one or both courses during the winter months.
9 Second, we considered replacement water supplies. Third, we considered possible
10 replacement of the treatment plant with a new plant near the Resort.

11 **Q17. How many more group meetings were held that included representatives of the**
12 **BHOA and Black Mountain?**

13 A17. We had two large group meetings with BHOA and Black Mountain, with periodic written
14 correspondence, phone calls and side meetings between various parties. In addition to
15 meeting with the large group, the Resort met separately with Black Mountain, the Town
16 of Carefree once, the City of Scottsdale on at least two occasions, and had numerous
17 meetings with Resort staff and our hired consultants regarding potential solutions.

18 **Q18. What physically available water supplies were identified in the area of the Resort?**

19 A18. We looked at groundwater options. The Boulders is located in the foothills of mountains,
20 so there is not much groundwater available in this area. We identified one well in
21 Carefree referred to as Carefree Well #6 that we believe would have enough capacity to
22 replace the water we currently purchase from Black Mountain. Well #6 is a high-arsenic
23 well currently used by another golf course that could be used if an agreement could be
24 reached with the well owner. The Resort would need to construct a new pipeline to
25 transport water from Well #6 to the golf course irrigation lake. However, the Resort's
26 RWDS Agreement with Scottsdale prohibits the use of groundwater on most of the
27 Resort's golf course areas.

28

1 **Q19. Are there any other physically available supplies?**

2 A19. Yes. We looked at whether we could purchase more RWDS water from the City of
3 Scottsdale. Tom McCahan will testify about this alternative, although I am also familiar
4 with the RWDS discussions, including the possibility of an exchange of pipeline capacity
5 with Desert Mountain. We also had conversations with the City of Scottsdale regarding
6 whether potable water could be made physically available through existing potable water
7 distribution pipes to the Resort that would be sufficient to replace the treatment plant
8 supply. However, City staff members have informed the Resort that the City is unwilling
9 to provide potable water except on a temporary, emergency basis. Use of potable water,
10 if ever allowed, could require the payment of a one-time water resources development fee
11 for the amount of water committed, and the rate would be the City's potable rate.

12 **Q20. Are there any other physically available supplies?**

13 A20. Not that I am aware of. We looked at the new Cave Creek wastewater treatment plant on
14 Carefree Highway, which would require construction of an approximately four-mile-long
15 pipeline through rocky terrain. But we learned the treatment plant does not have
16 available effluent, and will not have any for the foreseeable future.

17 **Q21. You also mentioned considering a new wastewater treatment plant? What was**
18 **considered there?**

19 A21. First, let me say that I am not an expert in wastewater treatment plants. We understood
20 from inquiries, however, that it should be technically possible to install a small new
21 efficient wastewater plant that would be fully enclosed and that could partially treat
22 wastewater before sending a more concentrated waste stream to Scottsdale for further
23 treatment. The new plant could still send treated water to the Resort for use at the golf
24 courses. This was an intriguing idea. In order to investigate this option, we conferred
25 with Black Mountain regarding the possibility of the Resort providing a nearby parcel of
26 land it owns to Black Mountain for such a new plant. I will leave it to Black Mountain to
27 explain their thoughts on this alternative.

28

1 **Q22. Has the Resort decided not to pursue any of these alternatives further?**

2 A22. No, the Resort is still considering options, but has been unable so far to find a
3 replacement water supply that is available and acceptable from a cost standpoint. The
4 Resort also expects Black Mountain to contribute financially to a solution if the contract
5 would be terminated prior to March 2021.

6 **Q23. Does this conclude your direct testimony?**

7 A23. Yes.

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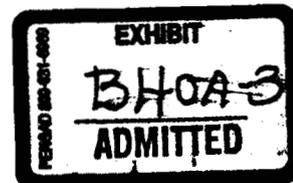


BLACK MOUNTAIN SEWER CORPORATION

VIA FACSIMILE: 480-488-9623

4 May, 2001

Robert Hanus
President
WET Inc. (Western Environmental Tech.)
P.O. Box 4752,
Cave Creek, Arizona, 85331



RE: Effluent Delivery Agreement

Dear Robert:

As requested, please find attached Effluent Delivery Agreement for the Black Mountain Sewer Corporation as requested. Please read carefully and ensure you understand in detail this agreement and that you govern yourself and your company in accordance with this agreement at all times. If at any time you find that you cannot meet the conditions outlined in this agreement, please ensure that you contact myself or Graham Symmonds immediately or in anticipation of such an event.

Sincerely,

BLACK MOUNTAIN SEWER CORPORATION

Trevor T. Hill P.Eng
President

cc: Graham Symmonds - VP Engineering - BMSC

EFFLUENT DELIVERY AGREEMENT

THIS EFFLUENT DELIVERY AGREEMENT (this "Agreement") is made this ____ day of March, 2001 between THE BOULDERS CAREFREE SEWER CORPORATION, an Arizona corporation ("BCSC"), and BOULDERS JOINT VENTURE, an Arizona general partnership ("User"), sometimes referred to herein as a "Party" or collectively as the "Parties," for the purposes and consideration set forth hereinafter.

RECITALS:

A. BCSC owns and operates certain wastewater collection and treatment facilities and holds a certificate of convenience and necessity granted by the Arizona Corporation Commission (the "Commission") authorizing BCSC to provide sewer utility service within portions of the Town of Carefree and the City of Scottsdale, Arizona, including the sale of treated effluent ("Effluent") resulting from the operation of BCSC's treatment facilities.

B. User owns and operates a destination resort in north Scottsdale commonly known as The Boulders Resort and Club ("the Resort"). The Resort includes a hotel, clubhouse, pool, tennis courts, various landscaped areas and two 18-hole championship golf courses (the "Golf Courses"), and is located within BCSC's certificated service territory.

C. At the present time, BCSC operates a single wastewater treatment plant known as the Boulders East Plant. This treatment plant currently has a permitted capacity of 120,000 gallons per day ("gpd"). BCSC intends to seek approval to increase the treatment plant's permitted capacity to 150,000 gpd. The remainder of BCSC's wastewater is delivered to the City of Scottsdale for treatment.

D. BCSC currently delivers all of the Effluent produced by the Boulders East Plant to the Resort, pursuant to that certain Agreement, dated March, 18, 1986, as amended by that certain First Amendment to Agreement, dated March 18, 1996. The Resort utilizes the Effluent for

irrigation and maintenance of the turf, trees, shrubs and other landscaping at the Golf Courses, for the filling and refilling of storage reservoirs at the Golf Courses, and for related exterior uses.

E. The Parties desire to enter into a new agreement in order to modify certain terms and conditions, which shall supersede and replace the existing agreement, as amended.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties covenant and agree as follows:

AGREEMENTS:

1. Purchase and Sale of Effluent. BCSC agrees to sell and deliver and User agrees to purchase and accept delivery of all Effluent generated by the Boulders East Plant subject to the terms and conditions set forth hereinafter.

2. Service and Delivery of Effluent. BCSC shall deliver and User shall accept Effluent as follows:

(a) Quantity of Effluent. BCSC shall deliver to the Resort all Effluent generated by the operation of the Boulders East Plant (or a new wastewater treatment facility which may be constructed by BCSC as contemplated herein). In the event the treatment capacity of the Boulders East Plant is increased to a capacity greater than 150,000 gpd, or a new wastewater treatment facility is constructed by BCSC to replace the Boulders East Plant which produces Effluent in a quantity that is greater than 150,000 gpd, BCSC shall enter into good faith negotiations with User for the purchase by User of amounts of Effluent in excess of 150,000 gpd. The foregoing notwithstanding, nothing herein shall require BCSC to deliver Effluent to User in amounts in excess of 150,000 gpd.

(b) Quality of Effluent. The Effluent delivered by BCSC shall meet all applicable Federal, State of Arizona, and local health and safety standards for non-potable water supplied for turf irrigation and other exterior uses contemplated in this Agreement. BCSC makes no

representations or warranties with respect to any characteristic of the Effluent which is not specifically addressed by the applicable standards or the current re-use permit held by the User with respect to the Effluent. BCSC makes no representation or warranty that the Effluent is suitable for any purpose intended by User and use of the Effluent for any purpose is at the sole risk of the User.

(c) Metered Deliveries; Delivery Point. All deliveries of Effluent to User shall be metered. The meter is presently located immediately adjacent to the Boulders East Plant, which shall constitute the point of delivery. BCSC shall be responsible for the maintenance, repair and replacement of all facilities on BCSC's side of the meter as well as the meter, and User shall be responsible for the maintenance, repair and replacement of all facilities on User's side of the meter. The location of the meter may be changed by the mutual agreement of the parties. The User shall pay all costs associated with the maintenance, testing and certification of the meter.

(d) Service Interruptions by BCSC. BCSC shall use its reasonable efforts to provide a continuous level of service to User. In the event service is to be temporarily discontinued, BCSC shall promptly notify User of the particular circumstances and the estimated length of time during which service will be discontinued. BCSC shall make reasonable efforts to resume normal service as quickly as possible.

(e) Service Interruptions by User. In the event User is unable to accept deliveries of Effluent, User shall pay BCSC as if such Effluent had been delivered in accordance herewith and shall further pay BCSC the reasonable costs incurred by BCSC to dispose of such Effluent. In the event of a temporary interruption of the ability of User to accept Effluent, BCSC shall cooperate with User to minimize the amount of Effluent which cannot be accepted by BCSC. User shall make reasonable efforts to resume acceptance of deliveries of effluent as quickly as possible.

3. Charges for Effluent. The charge for all Effluent delivered to User hereunder shall

be determined from time to time by the Commission in connection with a general rate proceeding or similar proceeding in which all of BCSC's rates and charges for sewer utility service are determined in accordance with applicable laws and regulations. BCSC shall promptly notify User of all requests for modification of the charge for Effluent, and shall provide User, at User's cost, with a complete copy of all requests for rate increases or other rate adjustments, including the application, pre-filed testimony and supporting schedules and other exhibits. If the Commission at any time de-tariffs effluent service or ceases to consider such service a regulated service subject to the Commission's jurisdiction, the charge for Effluent delivered to User shall remain the tariffed charge for at least one year, after which time BCSC may modify the charge for Effluent without Commission approval provided that BCSC and User shall negotiate such modification in good faith. All such charges shall be subject to the provisions of Paragraph 12(a), below.

4. Payment for Effluent Service. User shall be billed for and shall pay for Effluent on a quarterly basis based on the metered quantity of Effluent delivered to User during the preceding calendar quarter plus the amount of any Effluent which BCSC made available but User was unable to accept during such calendar quarter. All amounts payable by User to BCSC hereunder shall be due and payable within twenty-five (25) days of receipt of invoice, and any payment not received within such time shall be considered delinquent and be subject to any late payment penalty authorized by the Commission.

5. Changes to Effluent Standards. In the event that material changes are made to the re-use permit held by the User, or to an Aquifer Protection Permit, or to the quality standards applicable to Effluent used for turf irrigation and related purposes, BCSC shall notify User of those modifications to the facility from which the Effluent is provided or to any retainage features which are required to ensure that such new standards are met. At the option of the User, User shall (a) pay the reasonable costs of such modifications which are required to be made to the facility or retainage

feature for the purpose of complying with the new permit requirements or effluent re-use standards, or (b) terminate this agreement in accordance with Paragraph 12.

6. BCSC's Covenants. BCSC covenants and agrees that BCSC will:

- (a) Operate the Boulders East Plant and the related pipelines, pumps and facilities so as to allow the production and delivery of Effluent to User;
- (b) Maintain in good standing and renew when appropriate all permits and other regulatory approvals necessary for purposes of subparagraph (a);
- (c) Make such repairs, upgrades and improvements to the Boulders East Plant as may be necessary in connection with subparagraph (a); and
- (d) Not restrict, reduce or otherwise limit the quantity of Effluent produced by the Boulders East Plant or take any action that would reduce the plant's treatment capacity except as otherwise provided for in this Agreement.

The obligations of BCSC under this Paragraph shall terminate if physical conditions at the Boulders East Plant or any laws, regulations, orders or other regulatory requirements prevent or materially limit the operation of the Boulders East Plant or render the operation of such plant uneconomic. If economic considerations, technical requirements or regulatory changes require BCSC to close or relocate the Boulders East Plant, BCSC will attempt, in good faith and to the extent technically feasible, to relocate the Boulders East Plant or construct a new wastewater treatment plant at a site that is as close as reasonably possible (taking into account the economics of such relocation or construction) to the Golf Courses. In the event the Boulders East Plant is relocated or a new facility constructed, User will be responsible for the costs of constructing additional pipelines and other facilities necessary to transport the Effluent from such new location to the Resort's delivery point, which upon request of BCSC shall be considered a contribution in aid of construction. BCSC shall be solely responsible for all costs and expenses resulting from the treatment of such pipelines and

facilities as contributions in aid of construction, including (without limitation) (i) costs relating to any easements for pipelines and facilities; (ii) costs relating to meter relocation; (iii) costs relating to maintenance and repair of the pipelines and facilities; and (iv) any income taxes. In the event the relocated or new facility has a larger capacity than the Boulders East Plant, User shall have the right to purchase a maximum amount of 150,000 gpd of effluent. For the purposes of this provision, the term "uneconomic" means that the costs and expenses relating to the treatment and delivery of Effluent, including applicable overheads, would exceed the market price for effluent used for golf course irrigation and similar purposes in Maricopa County.

7. User's Covenants. User covenants and agrees that User will:

- (a) Operate, repair and maintain its storage lakes, pipelines, and other facilities used in connection with the transportation and storage of Effluent provided hereunder in accordance with all applicable laws and regulations; and
- (b) Maintain in good standing and renew when appropriate all permits, including but not limited to Aquifer Protection Permits, and other approvals necessary for User to receive delivery of, store and utilize Effluent for turf irrigation, exterior landscape watering and similar uses.

8. Limitations on Effluent Use. User covenants and agrees that all Effluent delivered to User pursuant to this Agreement shall be used by User in connection with the Resort. User shall not make any changes in the nature of the use of the Effluent nor make any application for changes or amendments to the permit governing the use of the Effluent by the User, which changes or amendments may affect BCSC's operations, without the express written consent of BCSC. User shall not transport Effluent to any location outside of BCSC's certificated service territory, nor shall User sell or agree to sell Effluent to any other person or entity.

9. Indemnity.

(a) Indemnification of User. Subject to the limitations set out herein, BCSC shall indemnify, protect, defend (with legal counsel acceptable to User) and hold User harmless from, and upon demand shall pay or reimburse User for, any and all claims, actions, costs, fees, expenses, damages, environmental investigation costs, obligations, penalties, fines and liabilities (including, without limitation, reasonable attorneys' fees and court costs) arising out of any breach or default in the performance of this Agreement by BCSC or caused by any act, neglect, fault or omission of BCSC or its agents, contractors, employees or servants. User shall not seek indemnification from BCSC for any and all claims, actions, costs, fees, expenses, damages, environmental investigation costs, obligations, penalties, fines and liabilities (including, without limitation, reasonable attorneys' fees and court costs) arising out of the use of Effluent by the User or resulting from any characteristic of the Effluent which is not specifically addressed in the standards which are applicable to the Effluent.

(b) Indemnification of BCSC. User shall indemnify, protect, defend (with legal counsel acceptable to BCSC) and hold BCSC harmless from, and upon demand shall pay or reimburse BCSC for, any and all claims, actions, costs, fees, expenses, damages, environmental investigation costs, obligations, penalties, fines and liabilities (including, without limitation, reasonable attorneys' fees and court costs) arising out of any breach or default in the performance of this Agreement by User or caused by any act, neglect, fault or omission of User or its agents, contractors, employees or servants.

10. Force Majeure. Neither Party to this Agreement shall be liable to the other for failure, default or delay in performing any of its obligations hereunder, other than for the payment of money obligations specified herein, when such failure, default or delay is caused by strikes or other labor problems, by forces of nature, unavoidable accident, fire, acts of the public enemy,

interference by civil authorities, passage of laws, orders of the court, delays in receipt of materials, or any other cause, where such cause is not within the control of the Party affected and which, by the exercise of due diligence, such Party is unable to prevent. Should any of the foregoing occur, the Parties hereto agree to proceed with diligence to do what is reasonable and necessary so that each Party may perform its obligations under this Agreement.

11. Term. This Agreement shall remain in effect for a period of twenty (20) years from the date on page one of this Agreement, unless earlier terminated as provided under Paragraph 12, below. After the expiration of the initial twenty (20) year term, this Agreement shall be automatically renewed for successive five (5) year terms unless a Party provides written notice to the other Party of its election to terminate the Agreement, which notice shall be provided no less than one (1) year prior to the renewal of the Agreement.

12. Termination of Agreement.

(a) Rate Increases. In the event that the charge for Effluent delivered to User under this Agreement increases by more than twenty-five percent (25%) above the charge in effect at the time of any increase in the charge for Effluent or, in the alternative, increases by more than fifty percent (50%) within any five-year period, User, in its sole discretion, may terminate this Agreement by providing notice of its intent to terminate to BCSC on or before sixty (60) days from the date on which the increased charge becomes effective. If such notice is given, this Agreement, and all rights and obligations hereunder, shall terminate without further action one hundred twenty (120) days from the date such notice is delivered to BCSC. In the event that User elects not to exercise its right to terminate this Agreement following any increase in the charges for Effluent, User shall not waive its right to terminate based on future increases in charges.

(b) Termination for Breach. Either Party may terminate this Agreement in the event of a breach or anticipated breach of a material term or condition by the other Party. In such

event, the Party contending that a breach has or will occur shall promptly provide notice thereof to the other Party, and shall initiate proceedings in accordance with Paragraph 14, below.

(c) Termination for Effluent Quality Changes. If User elects not to pay for those modifications to the East Boulders Plant necessary to ensure the Effluent continues to meet changes to the quality standards applicable to the Effluent, this Agreement may be terminated by BCSC upon 120 days written notice to User by BCSC.

13. Notices. Any notice required or permitted to be given hereunder shall be in writing and directed to the address set forth below for the Party to whom the notice is given and shall be deemed delivered (i) by personal delivery, on the date of delivery; (ii) by first class United States mail, three (3) business days after being mailed; or (iii) by Federal Express Corporation (or other reputable overnight delivery service), one (1) business day after being deposited into the custody of such service.

If to BCSC to: Trevor Hill
Suite 201, 1962 Canso Road,
Sidney, British Columbia,
Canada V8L 5V5

with a copy to: Algonquin Power Income Fund
c/o Peter Kampian
Algonquin Power Corporation, Inc.
#210, 2085 Hurontario Street
Mississauga, Ontario L5A 4G1

If to User to: Boulders Joint Venture
c/o Wyndham International, Inc.
1950 Stemmons Freeway, Suite 6001
Dallas, Texas 75207
Attention: Legal Department

Any Party may designate another address for notices under this Agreement by giving the other Party not less than thirty (30) days advance notice.

14. Dispute Resolution.

(a) Good Faith Negotiations. For the purpose of dispute resolution, each Party

shall designate an officer or employee to act as its representative (hereinafter, "a Designated Representative"). A Party that believes a dispute exists under this Agreement will first refer the dispute to the Designated Representatives of the Parties for resolution. The Designated Representatives will personally meet and attempt in good faith to resolve the dispute. If the Designated Representatives cannot resolve the dispute within thirty (30) days, a Party that still believes a dispute requires resolution shall avail itself of the provisions of subparagraph (b), below.

(b) Arbitration. If a Party still believes a dispute requires resolution after following the procedures of subparagraph (a), that Party shall provide a detailed written notice of dispute to the other Party setting forth the nature of the dispute and requesting that the dispute be determined by means of arbitration. Immediately following such notice, the dispute shall be submitted for and settled by binding arbitration administered by the American Arbitration Association ("AAA") under its Commercial Arbitration Rules before a single arbitrator. Judgment on the award rendered by the arbitrator may be entered in any court with jurisdiction.

(c) Other Remedies. The preceding subparagraphs are intended to set forth the primary procedure to resolve all disputes under this Agreement. It is expected that all disputes that would traditionally be resolvable by a law court would be resolved under this procedure. However, the Parties recognize that certain business relationships could give rise to the need for one or more of the Parties to seek equitable remedies from a court that were traditionally available from an equity court, such as emergency, provisional or summary relief, and injunctive relief. Immediately following the issuance of any such equitable relief, the Parties will stay any further judicial proceeding pending arbitration of all underlying claims between the Parties. The Parties also recognize that the Commission may have primary jurisdiction over certain issues that may arise between and among the Parties that relate to the provision of public utility service. Accordingly, this paragraph is not intended to prohibit a Party from bringing any such issues to the Commission

for resolution or from taking any position at the Commission that would not be inconsistent with or barred by this Agreement or by collateral estoppel, res judicata or other issue or fact preclusion doctrines.

15. Attorneys' Fees. In the event either Party hereto employs legal counsel or brings a judicial action or any other proceeding against the other Party to enforce any of the terms, covenants or conditions hereof, the prevailing Party in such action or proceeding shall be entitled to recover its reasonable attorneys' fees and costs from the other Party, and in the event any judgment is secured by such prevailing Party, all such attorneys' fees and costs shall be included in such judgment. Any arbitration shall be considered a judicial action for the purposes of this paragraph.

16. Resort Accommodations. From time to time, and subject to availability, User shall make accommodations at the Resort available to visiting representatives of BCSC at the best available corporate rate then offered by the Resort. BCSC's rights under this Paragraph shall be strictly limited to the use of accommodations for business purposes.

17. Amendments and Waiver of Conditions. No waiver by either Party of any breach of this Agreement by the other Party shall be construed as a waiver of any preceding or succeeding breach. This Agreement may be amended only in writing and may not be amended or modified by any part performance, reliance or course of dealing.

18. Additional Acts. The Parties agree to execute promptly any other documents and to perform promptly any other acts as may be reasonably required to effectuate the purposes and intent of this Agreement.

19. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties. This Agreement, together with all rights, obligations, duties and privileges arising hereunder, may be assigned by either Party without the consent of the other Party. If either Party assigns its interest hereunder, then such assignment shall

be set forth in a written document executed by the assignor and assignee, which document shall contain an express assumption by the assignee of all obligations of the assignor under this Agreement. The foregoing notwithstanding, the failure of an assignee or other successor in interest to execute and deliver such written document shall not terminate or otherwise limit the rights of the non-assigning Party hereunder.

20. Governing Law; Severability. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Arizona. If a court or governmental agency with jurisdiction determines that any provision of this Agreement is unenforceable, illegal or contrary to any applicable law, regulation, regulatory order, or tariff, then such provision shall be severed from this Agreement. In such case, the remainder of this Agreement shall remain in effect if both Parties can legally, practicably, and commercially continue without the severed provision.

21. Construction. The terms and provisions of this Agreement represent the results of negotiations between BCSC and User, neither of which have acted under any duress or compulsion, whether legal, economic or otherwise. Each Party has had the full opportunity to review and understand the legal consequences of this Agreement. Consequently, the terms and provisions of this Agreement should be interpreted and construed in accordance with their usual and customary meaning, and BCSC and User each waive the application of any rule of law providing that ambiguous or conflicting terms or provisions are to be interpreted or construed against the Party whose attorney prepared this Agreement.

22. Integration. The terms of this Agreement supersede all prior and contemporaneous oral or written agreements and understandings of BCSC and User with respect to its subject matter, all of which will be deemed to be merged into this Agreement. This Agreement is a final and complete integration of the understandings of BCSC and User with respect to the subject matter hereof. If there is any specific and direct conflict between, or any ambiguity resulting from, the

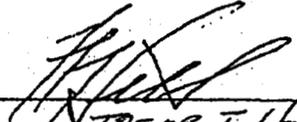
and provisions of this Agreement and the terms and provisions of any document, instrument, or other agreement executed in connection with or furtherance of this Agreement, the term, document, instrument, letter or other agreement will be interpreted in a manner consistent with the general purpose and intent of this Agreement.

22. Headings and Captions. The headings and captions of this Agreement are for reference only and are not intended to limit or define the meaning of any provision of this Agreement.

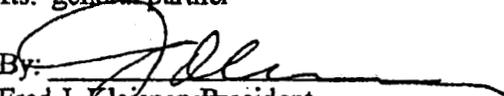
23. Counterparts. This Agreement may be executed in any number of counterparts, each of which when executed and delivered, shall be deemed an original, but all of which when taken together shall constitute one binding contract and instrument.

IN WITNESS WHEREOF, BOULDERS CAREFREE SEWER COMPANY and BOULDERS JOINT VENTURE, have caused this Agreement to be executed on their behalf by their authorized representatives as of the day and year first above written.

BOULDERS CAREFREE SEWER CORPORATION, an Arizona corporation

By: 
TREVOR T. HILL
Its: RESIDENT

BOULDERS JOINT VENTURE, an Arizona general partnership

By: PAH GP, INC.
A Delaware corporation
Its: general partner
By: 
Fred J. Kleisner, President
John R. Bahlmann, Vice President

B

SCANNED
AUG 27 1997

Agreement No. 920004

BY P.V. PIPELINE CAPACITY AGREEMENT

THIS PIPELINE CAPACITY AGREEMENT ("Agreement") is entered into as of the 3rd day of February, 1992, by and between the CITY OF SCOTTSDALE, an Arizona municipal corporation ("City"), and BOULDERS JOINT VENTURE, a joint venture formed under the Arizona Uniform Partnership Act ("Owner").

RECITALS:

A. On February 12, 1991, the City and Desert Mountain Properties ("DMP") and Carefree Ranch Water Company entered into the Agreement No. 900083 (the "RWDS Agreement") which set forth, among other things, the respective obligations of the City and DMP with respect to the construction of a reclaimed Non-Potable Water distribution system known as the RWDS. When constructed and operational, the RWDS will enable the City to supply Non-Potable Water for irrigation purposes to the equivalent of approximately twenty 18-hole golf courses located north of the Central Arizona Project ("CAP") canal.

B. The RWDS Agreement provides, among other things, that certain owners of property may purchase from the City the right to receive a share of the 20 million gallon per day transmission capacity of the RWDS.

C. The City desires to have golf courses watered to the maximum extent possible with Non-Potable Water and therefore desires that the Owner purchase capacity in the RWDS to transport Non-Potable Water through the RWDS for use on the Property.

D. The City Council has found and determined that this Agreement: (i) is consistent with the City's General Plan, as amended; (ii) is in the best interests of the health, safety and general welfare of the City, its residents and the general public; and (iii) is entered into pursuant to and constitutes a present exercise of the police power by the City. The assurances provided herein by the City and the Owner to each other have been provided pursuant to and as contemplated by Arizona statutes, bargained and in consideration for the undertaking of obligations of the parties as set forth herein and are intended to be and have been relied upon by the parties to their detriment.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements set forth herein, the parties hereto state, confirm and agree as follows:

AGREEMENT:

1. DEFINITIONS.

1.1 "Additional Pumps" means pumps that were identified in the plans, specifications and working drawings for the RWDS prepared by NBS/Lowry and approved

by the City on September 5, 1991, and September 10, 1991, that were not installed at initial construction of the RWDS including all costs related to their installation.

1.2 "Force Majeure" means acts of God, fire, flood, shortage of labor, material or power, strikes, war, insurrection, mob violence, contested easement, right-of-way or fee acquisition, or other causes beyond the control of the City which delay construction of the RWDS.

1.3 "Main Line" means a pipeline extending from the RWDS Trunk Line to a meter on the Property and any and all valves, booster stations and other facilities associated directly with the Main Line.

1.4 "Non-Potable Water" means 1) Surplus CAP Water withdrawn from the CAP canal, treated effluent from the Wastewater Treatment Plant and a combination of these, subject to the terms of this Agreement, and 2) any other non-potable water available to the City which the City chooses to make available to Owner through the RWDS subject to the terms of Section 4.2.

1.5 "Property" means that parcel of land to be served by the RWDS pursuant to this Agreement and that is described in the legal description attached hereto as Exhibit "A".

1.6 "RWDS" means the reclaimed water distribution system that will be constructed by the City in accordance with the plans, specifications and working drawings prepared by NBS/Lowry and approved by the City on September 5, 1991, and October 10, 1991, and all Main Lines dedicated to the City.

1.7 "RWDS Trunk Line" means the primary transmission line of the RWDS, planned to be located along Pima Road from the vicinity of the CAP canal to Cave Creek Road.

1.8 "Surplus CAP Water" means (i) CAP water made available by the Central Arizona Water Conservation District ("CAWCD") to the City in excess of the City's entitlement under its subcontract for municipal and industrial water dated October 15, 1984, as amended from time to time (including amendments to add amounts of CAP water that may be assigned to the City) (the "Subcontract") and (ii) CAP water made available to the City by CAWCD under a contract or contracts for interim water, only to the extent of the volume of such interim water in excess of the volume of the City's entitlement under the Subcontract; and (iii) such other CAP water made available to the City by CAWCD which the City determines is available for delivery through the RWDS.

1.9 "Wastewater Treatment Plant" means a wastewater treatment plant to be constructed by the City at a location north of the CAP canal, which will be a source of effluent for the RWDS, as more particularly described in the City of Scottsdale Five Year Capital Improvement Plan, dated June 3, 1991, as amended from time to time, and as approved by the City's electorate on November 7, 1989.

2. CONSTRUCTION, OPERATION AND MAINTENANCE.

2.1 Construction of RWDS. The City intends to and shall use its best efforts to cause the RWDS to be constructed in substantial accordance with plans, specifications and working drawings prepared by NBS/Lowry and approved by the City on September 5, 1991, and October 10, 1991. If the City fails to Commence construction of the RWDS for any reason by September 1, 1992, subject to delays caused by DMP or by Force Majeure, then this Agreement shall terminate. Once commenced, the City shall diligently pursue construction of the RWDS to completion. In case of termination pursuant to this section, Owner shall be entitled to a refund of all payments made by Owner to the City under this Agreement. The City shall invest all funds received under this Agreement in the manner permitted for municipal funds by law. Upon refund of Owner's payments pursuant to this section, Owner shall be entitled to interest at the rate that the City earned on the funds as applied to the entire refund amount. The Owner acknowledges that the City will use the payments made by Owner pursuant to Section 3 of this Agreement to pay the costs of constructing the RWDS as incurred. Owner hereby disclaims any and all interest in the plans, specifications and working drawings prepared by NBS/Lowry and Owner agrees not to take any action to inhibit the City's right to use the plans, specifications and working drawings prepared by NBS/Lowry.

2.2 Commencement and Completion of Construction. Construction of the RWDS shall be deemed to "Commence" on the date the City has fully executed an agreement with an entity to serve as a contractor for the construction of any part of the RWDS Trunk Line. Construction of the RWDS shall be deemed "Complete" on the date the RWDS (excluding the Main Lines) has been fully tested and is operational for the purposes for which it is intended.

2.3 Operation and Maintenance of RWDS. The City shall operate and maintain the RWDS, the Main Line, and the 8 million gallon reservoir according to normal and customary City practices and in accordance with all applicable law, including but not limited to, reconstruction, alteration, repair and replacement of any and all components and any additional construction related to matters contained in this sentence. The cost of these activities and other costs, all of which are described in Exhibits B-1 and B-2, except the cost of acquiring and installing the Additional Pumps, shall be paid by the City from those rates to be charged to all customers of the RWDS. Owner agrees that all operational decisions concerning the RWDS shall be entirely at the City's discretion, subject to the City's obligations under this Agreement.

2.4 RWDS Operating Account. The City shall establish a separate fund to account for revenues and expenditures of the RWDS ("the RWDS Operating Account"). All payments made pursuant to Section 5 and Exhibits B-1 and B-2 of this Agreement shall be deposited in the RWDS Operating Account. Following completion of the RWDS any monies collected from persons who have purchased capacity in the RWDS, over and above any payments due to the City, DMP and other owners of RWDS Capacity who have

assigned capacity to the City pursuant to Section 16 of this Agreement, shall be deposited by the City in the RWDS Operating Account to be used for any purpose related to this Agreement as provided in Section 2.3 and Exhibits B-1 and B-2 hereof.

2.5 Construction, Operation and Maintenance of Wastewater Treatment Plant. The City and Owner are entering into this Agreement with the understanding that the Wastewater Treatment Plant is to be an important supplier of Non-Potable Water to the RWDS. Accordingly, pursuant to the provisions of the City of Scottsdale Five Year Capital Improvement Plan, dated June 3, 1991, as amended from time to time, and as approved by the City's electorate on November 7, 1989, the City intends to and shall use its best efforts to construct, operate, repair and maintain the Wastewater Treatment Plant with an initial capacity of approximately 4.5 mgd.

2.6 Limitation of Rights. Owner shall have, by virtue of this Agreement, no rights, privileges or obligations whatsoever with regard to the design, construction or testing of the RWDS, except as specifically provided in this Agreement.

3. PAYMENTS BY OWNER FOR RIGHTS UNDER THIS AGREEMENT.

Concurrently with its execution of this Agreement, Owner shall pay to the City, in cash (by wire transfer) or cashier's check, Three hundred forty-seven thousand two hundred fifty-one dollars (\$347,251), as adjusted as shown on Exhibit "C" attached hereto, for 500,000 gallons per day of transportation capacity in the RWDS ("Owner's RWDS Capacity"). This dollar amount has been calculated pursuant to Exhibit "C" attached hereto.

4. WATER SUPPLY.

4.1 Delivery Obligations of City. Promptly following completion of Construction of the RWDS, and the Main Line from the RWDS to the Property, the City will deliver Non-Potable Water to the Property for only those purposes permitted in this Agreement in amounts as may be requested by Owner from time to time as set forth hereinafter, so long as the City determines that Non-Potable Water in the requested amount is available for delivery pursuant to this Agreement, but, except as provided in section 4.5 below, in no event in an amount greater than Owner's RWDS Capacity.

4.2 NON-POTABLE SUPPLY. If effluent is available from the Wastewater Treatment Plant for non-potable water purposes, as such availability is determined by the City in its sole discretion, Owners who have purchased capacity in the RWDS, including the City and DMP with regard to any capacity they have purchased or reserved in the RWDS, shall have priority for delivery of the effluent over persons or entities who have not purchased or reserved RWDS capacity. The City will use its best efforts to make effluent from the Wastewater Treatment Plant available to the RWDS. When available, the City

may also deliver Surplus CAP Water in the RWDS. When there is insufficient Non-Potable Water to fully satisfy the demands of all owners of RWDS capacity, the City will allocate the available supply proportionately among all Owners based on the relationship of each Owner's RWDS Capacity to the total available supply. If the City sells a total of more than 20 million gallons per day (mgd) capacity in the RWDS, including the capacity reserved for the City's two golf courses, and there is insufficient Non-Potable Water available to fully satisfy the demand of all owners of RWDS capacity, then the City shall allocate Non-Potable Water first to the owners of the first 20 mgd capacity, until either their total demand is met or the available Non-Potable Water is fully allocated. If after satisfying the demands of the owners of the first 20 mgd capacity, there is Non-Potable Water still available, it will then be allocated among the owners of the 21st and above mgd of capacity. The City shall decide, in its sole discretion, whether to sell more than 20 mgd in the RWDS. The City shall not deliver to the Property through the RWDS water that is not from the CAP canal or generated by the Wastewater Treatment Plant unless the Owner has agreed to receive such water and the City has first (i) tested the water to determine its composition to insure that it will not materially and adversely affect the Property, and (ii) provided Owner with fifteen days' written notice of its intent to use such water, which notice shall include the results of the water tests.

4.3 BACKUP POTABLE SUPPLY. As a condition of the City delivering water through the RWDS to the Property, Owner shall (i) pay, or have previously paid, to the City a water resources development fee for an amount of water at least equal to the Arizona Department of Water Resources (ADWR) maximum annual potable water allotment for the intended turf use or, if such allotment does not exist, the expected annual demand for water to serve the uses permitted under Section 10 hereof, considering all applicable conservation requirements (the "annual allotment") (or if the City has no such fee, a payment of \$2,000 per acre foot of annual allotment increased annually by the Engineering News Record Construction Cost Index for Los Angeles or comparable index if this no longer exists) or, alternatively, (ii) transfer to the City the right to receive CAP water, in an amount equal to the annual allotment or (iii) a combination of (i) and (ii) equal to the annual allotment. In addition, Owner shall pay any water development fees, meter fees and any other fees required by City ordinances and codes at the time the fee payments are made, together with the installation of a connection to the City's potable system. Payment of the fees and/or transfer of CAP water may occur at any time prior to receiving any Non-Potable Water from the RWDS. The City will not deliver Non-Potable Water to the Property until the requirements of this section have been met. The combined total of potable and Non-Potable Water delivered by the City to the Property for the purposes permitted under this Agreement in any calendar year shall not exceed the amount of water for which the requirements of this section have been met, adjusted upward based on ADWR allowances for use of effluent. If Owner is entitled to use potable City water because the turf-related use was in existence and received potable water prior to the effective date of the City's water resource development fee ordinance, then the fee payment and CAP water transfer requirements in this section shall not apply and the turf-related use shall be considered to be "grandfathered." To the extent the requirements of this section are met either by

payment, transfer of CAP water or grandfathering, the City shall have the same duty to deliver potable water to Owner as it has to deliver potable water to other users for comparable purposes. In particular, the City shall deliver potable water to the Property for the purposes permitted hereunder in an amount equal to the difference between the Owner's demand for Non-Potable Water (to the extent the requirements of this section have been met) and the amount of Non-Potable Water delivered by the City pursuant to Section 4.1. The City may reduce the amount of potable water to be delivered under this section only if the City in the reasonable exercise of its discretion determines that public health, safety and welfare require it to reduce deliveries of potable water on a uniform basis to all non-essential industrial users of water throughout the City.

4.4 Quality. The City hereby covenants that it will use its best efforts to assure that all Non-Potable Water supplied to the Property through the RWDS will meet or exceed the minimum quality standards set forth in all Arizona Department of Health Services, Arizona Department of Environmental Quality and United States Environmental Protection Agency standards and other applicable standards for effluent reuse for landscape irrigation of golf courses, common areas, parks, playgrounds and similar uses. The City's compliance shall be such that neither the Property nor the reservoirs on the Property that hold the Non-Potable Water need to be fenced. All costs incurred in meeting the City's obligations under this section, including but not limited to additional construction, reconstruction, alteration, repair and replacement of components, operation, maintenance, overhead and loan amortization, shall be borne by the parties receiving water from the RWDS and paid through the rates calculated as set forth in Exhibits B-1 and B-2. These costs do not include costs of acquiring and installing the Additional Pumps.

4.5 Delivery. The City will deliver Non-Potable Water to the Property through the RWDS on a continuous and constant gallons per minute basis over a twenty-four hour period in accordance with a request by Owner. Owner will give at least twenty-four (24) hours advance notice to the City of Owner's daily demands for the Non-Potable Water through the RWDS. Owner shall not be entitled to adjust its delivery requests more than one time each day. Owner is entitled to request less Non-Potable Water than Owner's RWDS Capacity and City shall not deliver more Non-Potable Water than Owner requests without Owner's consent. Owner acknowledges that, because deliveries by the City will be on a constant twenty-four hour basis, it is necessary to provide a surge pond to regulate the flow of water between the time it is delivered by the City and the time the water is used for watering. Owner agrees to provide and maintain such a surge pond. If for operational reasons the City in its sole discretion determines it is prudent, the City reserves the exclusive right to provide deliveries in a time frame shorter than 24 hours, provided that the City's water delivery does not exceed the holding capacity of the surge pond. The maximum quantity of Non-Potable Water that the City will deliver to Owner in any 24 hour period is Owner's RWDS Capacity as set forth in Section 3 hereof; provided, however, that the City may in its sole discretion, when possible considering the amount of Non-Potable Water available for the RWDS and demand by other RWDS capacity owners, attempt to meet

Owner's requests for the delivery of Non-Potable Water to the Property in excess of its RWDS Capacity.

5. WATER RATES.

The City shall charge Owner for the Non-Potable Water delivered to its Property through the RWDS at the same rates charged to other customers of City using water from the RWDS for turf-related purposes and lifted by the same pump stations, as calculated pursuant to Exhibits B-1 and B-2. Any potable water delivered to the Property from the potable water system pursuant to this Agreement shall be billed at the then-prevailing rates imposed by the City for the applicable category of potable water use. The rates for Non-Potable Water and potable water delivered to the Property shall be adjusted by any conservation charges or discounts established from time to time by the City for the use of such water.

6. SHUT-DOWNS

6.1 The City shall have the right to shut down the RWDS and Main Line for purposes of routine maintenance and repair, and in the event of an emergency. The City shall give Owner notice of routine maintenance and repair shut-downs as soon as such shut-downs are scheduled by the City, but in no event less than one week before such shut down. In the event of an emergency, the City shall give Owner as much notice as is reasonable under the circumstances and the City may shut down the RWDS immediately. Owner agrees to provide facilities on the Property sufficient to store Non-Potable Water in an amount equal to or greater than that which would be delivered in two days at Owner's RWDS Capacity. City will use its best efforts to perform routine maintenance and repair in the winter months.

6.2. Owner agrees to comply with all requirements of Maricopa County, the State of Arizona, and/or the Federal Government in the use of effluent on its property and, subject to the provisions of this Section, the City may stop delivery of water through the RWDS to Owner for so long as Owner is not in compliance with Maricopa County, State of Arizona, or Federal laws, regulations or other requirements for the use of effluent. The City will notify Owner from time to time of said requirements regarding the use of effluent, provided that ultimate responsibility for compliance with laws, regulations or other requirements regarding the use of effluent rests with Owner. The City will notify Owner of any notices of purported violations by Owner received by the City from enforcement agencies. The City will allow Owner no less than thirty (30) days following Owner's receipt of a notice of Owner's violation (or such shorter period if required by the notice of violation) to cure the violation before the City stops delivery through the RWDS. Owner may use the backup water supply from the potable water system of City as provided in Section 4.3 of this Agreement as long as such use complies with all applicable legal

requirements. Notwithstanding the foregoing, if the City reasonably determines that there is an imminent threat to public health, safety and welfare, the City may allow a shorter curing period or may stop deliveries of Non-Potable Water immediately.

7. CONSERVATION REQUIREMENTS.

Owner agrees to comply with all applicable water conservation requirements adopted by City and/or imposed by ADWR which apply to Owner's use of the water on the Property. These requirements shall be deemed to include but not be limited to applicable restrictions or limitations imposed by ADWR on the amount of water which may be used for turf-related watering purposes on the Property when groundwater constitutes a portion of the water used for such purposes (whether or not groundwater is actually used for turf-related watering purposes), and any variances, modifications or adjustments to the conservation requirements applicable to Property as a result of administrative review or application for variance, modification or adjustment before ADWR, or as a result of adjustments allowed by ADWR due to the actual source of the water supply used on the Property. The combined total of potable and Non-Potable Water delivered by the City to the Property for purposes permitted under this Agreement in any calendar year shall not exceed the amount that may be used pursuant to the applicable conservation requirements, as described in this section. Owner reserves the right to protest any DWR conservation requirements imposed on Owner.

8. PRIVATE WATER COMPANIES.

In the event Owner owns a private water company which is entitled to serve the Property, Owner agrees that such private water company shall not serve water to the golf courses located on the Property during the term of this Agreement except to the extent that the City is unable to deliver to the Property Non-Potable Water through the RWDS or potable water through its municipal water system in an amount equal to Owner's RWDS Capacity.

9. USE OF GROUNDWATER.

From and after the date that Non-Potable Water can be delivered to the Property through the RWDS, Owner shall not use on the Property any groundwater for landscape watering purposes which has been withdrawn pursuant to a Type 1 or Type 2 non-irrigation grandfathered right or a groundwater withdrawal permit, or which has been delivered by a municipal provider other than the City, except that the Owner may use such groundwater for turf-related watering purposes during any temporary period in which the City is unable to deliver Non-Potable Water or potable water to the Property because of distribution

system failure or other emergency, if the Owner has received written approval to do so from the City and the Director of the ADWR.

10. Permitted Uses.

Water from the RWDS may be used under this Agreement only for the following purposes, so long as these remain legal uses for non-potable water: golf course irrigation and related landscaping, revegetation, ponds and water features related thereto.

11. LOCATION OF USE.

Non-Potable Water may be used only on the Property. From time to time, the City may approve in writing, subject to the terms of this Agreement, Owner's written requests to change the legal description of the Property, and the Agreement shall be amended accordingly. If a request related to a transfer of Capacity under Section 16, the City will amend the Agreement to change the legal description so long as all other actions required to make the transfer effective have occurred. If the legal description shown on Exhibit A attached hereto does not accurately describe the location where the Non-Potable Water will actually be used, prior to the delivery of Non-Potable Water to the Property Owner and City shall amend Exhibit A to more accurately or more particularly describe or show with a map the location of the use of Non-Potable Water.

12. CONSTRUCTION OF MAIN LINE.

Owner shall not be entitled to receive Non-Potable Water through the RWDS until it constructs a Main Line, including a meter of sufficient size to deliver Non-Potable Water to the water distribution system of Owner at the Property in an amount at least equal to Owner's RWDS Capacity at the time of commencement of construction of the Main Line. With regard to the inclusion of a meter in the construction of a Main Line, Owner shall only be obligated to pay the costs and expenses incident to the purchase and installation of the meter; Owner shall have no obligation to pay to the City any fees, including development fees, in connection with such meter. Prior to construction, plans and specifications for the Main Line shall be submitted to the City for approval, which approval shall not be unreasonably withheld. After construction, Owner shall convey to the City the Main Line and any easements, rights of way and/or fee property equal to ten feet on either side of the center line along the alignment of the Main Line contained in the approved plans and specifications or have paid the cost of condemning such easements, rights of way and/or fee property pursuant to Section 13.0 hereof. City will accept the Main Line and related property interests pursuant to the City's usual and customary acceptance procedure. The Main Line and related property interests shall then be a part of the RWDS. Owner is not required to pay costs in connection with oversizing the Main Line.

13. CONDEMNATION.

To the extent necessary to facilitate the construction of the Main Line, the City will use its eminent domain and immediate possession rights and powers to acquire easements, rights-of-way and fee property for construction, maintenance, operation, repair and replacement of the Main Line. All costs related to such acquisition shall be paid for by Owner. Owner shall deposit in cash with City, prior to City taking any action, the total estimated costs and Owner shall then pay to City or receive from City the difference between the actual total costs and the amount deposited. Costs shall include but not be limited to the condemnation award or purchase price of the acquired property, court costs, outside attorney fees, expert witness fees, appraisals, surveys, and environmental assessments.

14. OWNER LETTER AGREEMENT AND ZONING STIPULATIONS.

14.1 Owner's Guaranteed Backup Potable Water Supply. Pursuant to the letter of June 12, 1991, to Harold A. Jenkins, Project Manager, Boulders, from Leonard Dueker, General Manager, Scottsdale Water Resources Department, attached hereto as Exhibit and incorporated herein ("Letter Agreement"), Owner has paid to the City a one-time water resources development fee in the amount of \$60,000 (thirty (30) acre feet at \$2,000 per acre foot) for delivery of up to 30 acre feet of water annually through the City's potable water system for use on the Property, unless additional allocation is purchased. Owner has consequently connected the irrigation system for the Property to the City's potable water system and paid all required fees. Owner has thus, as of the date of this Agreement, satisfied the requirements set forth in Section 4.3 for thirty (30) acre feet of annual demand, notwithstanding the fact that the potable supply purchased by Owner is only a portion of the ADWR maximum water allotment for the Property. The remaining annual demand for the Property is being met, as acknowledged in the Letter Agreement, with other supplies currently available to Owner, including but not limited to reuse of wastewater generated and treated on The Boulders development, however, in no event may Owner violate Sections 8 and 9 of this Agreement. It is expressly understood and agreed that the remaining golf holes within The Boulders are not part of the Property defined in this Agreement and not subject to the terms and conditions of this Agreement, except that the regulations of the Arizona Department of Environmental Quality (ADEQ) apply to irrigation water used on any of the 36 holes within the Boulders Master Plan, not just the Property as defined in this Agreement. Given the unique jurisdictional circumstances of the Boulders Master Plan, the parties understand that the water from the RWDS or from the City's backup potable water system is delivered into consolidated storage facilities for golf course watering purposes at The Boulders, therefore, the parties agree that water delivered from the RWDS or from the City's backup potable water system shall be deemed to be used on the Property for purposes of this Agreement. To the extent that Section 4.3 of this Agreement conflicts with this Section 14.1, the provisions of Section 14.1 shall control. The Letter Agreement and the

right to water supplied through the City's potable water system as provided in the Letter Agreement shall survive any termination of this Agreement.

14.2 Owner's Right to Purchase Additional Backup Potable Supply. Under this Pipeline Capacity Agreement, Owner has purchased transportation capacity in the RWDS in the amount of 500,000 gallons of daily demand, which is enough to deliver annually more than the quantity of water for which the requirements of Section 4.3 have been met as of the date of this Agreement. As outlined in Section 14.1 the requirements of Section 4.3 have been met for thirty (30) acre feet. In addition, Owner may at any time acquire additional potable backup water supply from the City pursuant to the terms set forth in Section 4.3 above, which will correspondingly entitle Owner to receive that additional amount of water through the RWDS up to the total quantity of water (in annual acre feet) for which water resources development fees have been paid. Owner also has the right to purchase additional RWDS capacity, providing it is available.

14.3 Satisfaction of Zoning Stipulations. Execution and implementation of this Agreement by Owner and the City shall be deemed to constitute satisfaction of Zoning Stipulation 15b. and Use Permit Stipulations 6 and 7 of Cases 42-Z-89/38-UP-89. The City Water Resources Department shall confirm that Owner has satisfied the above-referenced stipulations by placing the memo attached hereto as Exhibit D in the above-referenced zoning file.

15. DEFAULT.

15.1 Remedies; Cure Periods. In addition to the rights and remedies otherwise provided in this Agreement, any failure by either party to act in accordance with any term or provision of this Agreement for a period of thirty (30) days (the "Cure Period") after written notice thereof from the other party, shall constitute a default under this Agreement; provided, however, that if the failure is such that more than thirty (30) days would reasonably be required to perform such action or comply with any term or provision hereof, then such party shall have such additional time as may be necessary to perform or comply so long as such party commences performance or compliance within said 30-day period and diligently proceeds to complete such performance or fulfill such obligation. The notice of default referenced above shall specify the nature of the alleged default and the manner in which said default may be satisfactorily cured, if possible. If such default is not cured within the Cure Period, the non-defaulting party shall have all rights and remedies which may be available under law or equity, including without limitation the right to specifically enforce any term or provision hereof and/or the right to institute an action for damages.

15.2 Remedies for Non-Payment of Water Charges. Monthly charges for Non-Potable Water as calculated pursuant to Exhibits B-1 and B-2 shall be subject to the same due dates, notice requirements, penalties, liens, shutoff and other enforcement provisions provided for all users of potable water from the City pursuant to the Scottsdale Revised

Code, as amended from time to time. Notwithstanding such requirements, delinquent charges shall accrue interest after 45 days from the date of billing at the annual rate of 12%.

16. ASSIGNMENT OF RWDS CAPACITY. Owner may assign Owner's RWDS Capacity only as provided in this section.

16.1 Assignment of Entire Capacity. Owner may assign all of Owner's RWDS Capacity to a purchaser of the Property. Such assignment will be automatically effective only upon (i) written notice to the City of the assignment; and (ii) delivery to the City of an assignment and assumption document fully executed by owner and the assignee, whereby the Owner's RWDS Capacity is assigned to the purchaser of the Property, the assignor disclaims any right or interest in the Owner's RWDS Capacity or under this Agreement, and the purchaser assumes all of Owner's obligations hereunder. Following the effective date of the assignment, the assignee will be deemed to be the "Owner" under this Agreement.

Owner may assign all of Owner's RWDS Capacity to a purchaser of a portion of the Property. Such an assignment will be automatically effective only when the actions described in subparagraphs 16.1(i) and (ii) are taken and, in addition, (a) the assignee has amended this Agreement to change the legal description of the Property to correspond to the property purchased by assignee; and (b) if the portion of the Property retained by Owner has an existing use served by Non-Potable Water delivered through the RWDS, the City has approved in writing the assignment of the entire Owner's RWDS Capacity. Following the effective date of the assignment, the assignee will be deemed to be the "Owner" under this Agreement.

16.2 Assignment of Partial Capacity. From time to time, Owner may assign a portion of Owner's RWDS Capacity to a purchaser of a portion of the Property. Such assignment will be automatically effective only upon (i) written notice to the City of the assignment; (ii) approval by the City in writing of the amount of the Owner's RWDS Capacity assigned to the assignee, taking into consideration the existing and proposed Non-Potable Water uses permitted under this Agreement at that portion of the Property purchased by the assignee; (iii) execution and delivery by the assignee of a Pipeline Capacity Agreement substantially in the form of this Agreement (but not requiring any purchase payments under Section 3), reflecting the amount of the Owner's RWDS Capacity assigned to the assignee; (iv) approval by the City in writing of the amount of Owner's RWDS Capacity retained by the Owner, taking into consideration the existing and proposed Non-Potable Water uses permitted under this Agreement at that portion of the Property retained by Owner; (v) amendment of this Agreement to reduce the Owner's RWDS Capacity by the amount assigned to assignee and to change the legal description of the Property; and (vi) delivery by Owner of a disclaimer of any right or interest in that portion of the Owner's RWDS Capacity assigned by Owner.

16.3 Assignment of Capacity to City. From time to time, Owner may assign part or all of Owner's RWDS Capacity to the City. Such assignment will be effective automatically only upon (i) written notice of the assignment to the City; (ii) delivery by Owner of a disclaimer of any right or interest in the Owner's RWDS Capacity assigned to the City; (iii) if the Property has an existing use served by Non-Potable Water delivered through the RWDS, approval by the City in writing of the amount of the Owner's RWDS Capacity retained by the Owner; and (iv) in the case of an assignment of part of Owner's RWDS Capacity, amendment of this Agreement to reduce the Owner's RWDS Capacity by the amount assigned to the City.

Thereafter, the City will reimburse Owner for the cost of that portion of the Owner's RWDS Capacity assigned to the City, on the following terms:

(a) Owner will be entitled to a reimbursement equal to the amount paid by Owner under paragraph 3 hereof, or a fraction of that amount proportionate to the Owner's RWDS Capacity assigned to the City, (the "Reimbursable Amount"). For example, if Owner purchases one million gallons of Owner's RWDS Capacity and assigns 250,000 gallons to the City, the Reimbursable Amount would be equal to one-quarter of the amount paid by Owner under paragraph 3.

(b) The Reimbursable Amount will bear interest at the lesser of 11 percent per annum or the rate of interest earned by City and DMP on amounts owed to each of them under the RWDS Agreement, as amended from time to time. The interest shall accrue from the date Owner assigns the Owner's RWDS Capacity to the City, compounded annually on the anniversary date of the assignment.

(c) The City will pay the Reimbursable Amount to Owner solely from amounts paid by other parties to the City for the purpose of purchasing capacity in the RWDS (the "RWDS Hook-up Fees"). Owner acknowledges and agrees that the City will disburse each RWDS Hook-up Fee, first to the City until the City has received a total of \$1,000,000 in RWDS Hook-up Fees from and after the completion of the RWDS and, second, to the City to pay for Additional Pumps, if the City determines in the City's sole discretion that a part of the RWDS Hook-up Fee is needed to pay for Additional Pumps. After making those priority disbursements of the RWDS Hook-up Fees, the City will disburse to Owner the Owner's Pro Rata Amount (defined below) of the remainder of the RWDS Hook-up Fee. The City will disburse to Owner the Owner's Pro Rata Amount of the remainder of each successive RWDS Hook-up Fee until Owner has received the full amount of its Reimbursable Amount, plus all accrued interest, or until the date twenty (20) years after the Owner's RWDS Capacity is assigned to the City, whichever occurs first. Following either such event the City shall have no obligation to pay to Owner any part of any RWDS Hook-up Fees received by City.

(d) Owner acknowledges and agrees that Owner will receive disbursements of RWDS Hook-up Fees on a pro-rata basis, by sharing the remainder of each RWDS Hook-

up Fee with the City, DMP and any other party who has returned any of their Owner's RWDS Capacity to the City. The City will determine the share of the remainder of each RWDS Hook-up Fee to be paid to Owner (the "Owner's Pro Rata Amount") by dividing the remaining balance due to Owner, plus accrued interest, by the total of (i) the balance due to Owner plus accrued interest, (ii) the balances due, plus accrued interest, to any other persons who have assigned their Owner's RWDS Capacity to the City; (iii) the balance due, plus accrued interest, to DMP, as calculated by the City pursuant to the RWDS Agreement; and (iv) the balance due, plus accrued interest, to the City, as calculated by the City pursuant to the RWDS Agreement. The City will adjust the Owner's Pro Rata Amount at the time or times that any person assigns its Owner's RWDS Capacity to the City or that any person (including the City and DMP) is no longer entitled to receive reimbursements from RWDS Hook-up Fees.

(e) Owner acknowledges and agrees that the City is not and shall not be deemed to be guaranteeing to Owner a return of the Reimbursable Amount, or any interest accrued thereon. The Owner's actual receipt of the Reimbursable Amount depends on whether any other parties pay the RWDS Hook-up Fees, the timing of those payments, the priority of Owner's right to receive those payments and the Owner's Pro Rata Amount. Absent any breach by the City under this Section 16.3, the City shall have absolutely no liability to pay any part of the Reimbursable Amount, or interest thereon, to Owner.

16.4 No Other Assignment. Except as specifically provided herein, Owner will not assign, transfer or convey, in whole or in part, the Owner's RWDS Capacity. Owner's agreement to the limitation provided in this paragraph is an express and irrevocable condition to the City's execution of this Agreement.

16.5 Collateral Assignment. Owner may collaterally assign its interest in this Agreement as security for a loan or other obligation provided that the loan or other obligation is also secured by a security interest in or lien upon all of the Property. Nothing in this Section shall expand in any way the rights under this Agreement of Owner, or any successor, to the delivery of non-potable water through the RWDS. Accordingly, an entity that forecloses upon a security interest in Owner's interest in this Agreement shall be entitled to the delivery of non-potable Water through the RWDS only if (i) it has foreclosed upon and taken title to all of the Property and (ii) it has complied with the provisions of Section 16.1 necessary to substitute is as the Owner under this Agreement. A former owner of the Property may hold a collateral interest in this Agreement under this section. If so, any disclaimer of interest made by that former owner under Section 16.1 or 16.2 will not disclaim the former owner's interest as a collateral assignee.

17. NOTICES AND FILINGS.

17.1 Manner of Serving. All notices, filings, consents, approvals and other communications provided for herein or given in connection herewith shall be validly given,

filed, made, delivered or served in writing and delivered personally or sent by certified United States Mail, postage prepaid, return receipt requested, to:

The City City of Scottsdale
 3939 Civic Center Boulevard
 Scottsdale, Arizona 85251
 Attn: General Manager, Water Resources Department

with a copy to: City Attorney's Office
 3939 Civic Center Boulevard
 Scottsdale, Arizona 85251
 Attn: City Attorney

Owner: Boulders Joint Venture
 c/o The Westcor Company Limited Partnership
 P. O. Box 5293
 Carefree, Arizona 85377

or to such other addresses as either party hereto may from time to time designate in writing and deliver in a like manner.

17.2 Mailing Effective. Notices, filings, consents, approvals and communication given by mail shall be deemed delivered upon the earlier of actual delivery or twenty-four (24) hours following deposit in the U.S. mail, postage prepaid and addressed as set forth above.

18. GENERAL.

18.1 Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by any party to this Agreement of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

18.2 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

18.3 Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

18.4 Exhibits. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

18.5 Further Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

18.6 Term. Unless terminated pursuant to this Agreement, this Agreement shall continue in full force and effect in perpetuity.

18.7 No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between the City and Owner or other purchasers of RWDS capacity. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

18.8 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

18.9 Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the parties hereto.

18.10 Good Standing; Authority. Each of the parties represents and warrants to the other (i) that it is duly formed, validly existing and in good standing under all applicable laws and (ii) that the individual(s) executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

18.11 Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses the City or Owner from undertaking any contractual commitment to perform any act hereunder, this Agreement shall be deemed to permit the City or Owner to take such action at its discretion.

18.12 Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona including, without limitation, the provisions of A.R.S. Section 38-511.

18.13 Time of Essence. Time is of the essence of this Agreement.

18.14 Hold Harmless.

18.14.1 Owner agrees to indemnify, defend and hold the City harmless from any and all costs, losses, judgments or claims of any sort by third parties arising from, caused by or related to Owner's negligent acts or omissions in construction of the Main Line, use of the water from the RWDS, or in performing its obligations under this Agreement.

18.14.2 City agrees to indemnify, defend and hold Owner harmless from any and all costs, losses, judgments or claims of any sort by third parties arising from, caused by or related to the City's negligent acts or omissions in performing its obligations under this Agreement.

18.15 Attorneys' Fees. If any action is brought by any party to this Agreement with respect to its rights under this Agreement, the prevailing party or parties shall be entitled to reasonable attorneys' fees and court costs from the other party or parties as determined by the court.

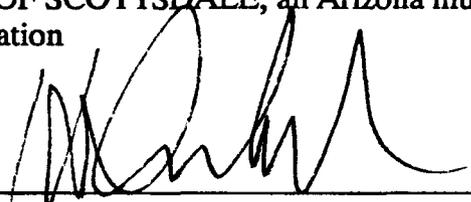
18.16 Binding Effect. Subject to the terms and conditions of Section 16, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto, and their successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Agreement the day and year first above written.

"CITY"

CITY OF SCOTTSDALE, an Arizona municipal corporation

By: _____


Herbert R. Drinkwater
Mayor

Attest:


Sonia Robertson, City Clerk

Approved as to form:


for Richard W. Garnett III, City Attorney

"OWNER"

BOULDERS JOINT VENTURE, a joint venture formed under the Arizona Uniform Partnership Act

BY: THE WESTCOR COMPANY LIMITED PARTNERSHIP, an Arizona limited partnership, General Partner

By: _____

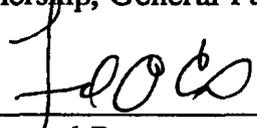

Its General Partner

EXHIBIT A

PROPERTY DESCRIPTION
GOLF COURSE HOLES 1 AND 4
AT THE BOULDERS

That part of the Southwest quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the West quarter corner of said Section 2 as shown on the plat for BOULDERS CAREFREE PARCEL "E", according to Book 343 of Maps, Page 18, records of Maricopa County;

thence South 89 degrees 02 minutes 09 seconds East along the North line of said Southwest quarter a distance of 950.68 feet to a boundary corner of said Parcel "E", said point being the TRUE POINT OF BEGINNING;

thence continuing South 89 degrees 02 minutes 09 seconds East along said North line a distance of 167.94 feet;

thence South 39 degrees 43 minutes 45 seconds East along the boundary of said Parcel "E" a distance of 329.48 feet to a point herein described as point "A";

thence South 74 degrees 11 minutes 43 seconds West continuing along said boundary a distance of 110.52 feet to the beginning of a curve concave southeasterly and having a radius of 300.00 feet;

thence southwesterly along said boundary and the arc of said curve through a central angle of 19 degrees 29 minutes 28 seconds a distance of 102.06 feet;

thence North 28 degrees 40 minutes 19 seconds continuing along said boundary a distance of 376.27 feet to the TRUE POINT OF BEGINNING.

Said parcel contains 59,084 square feet or 1.3564 acres more or less.

Together with the following described parcel:

BEGINNING at said Point "A" in the above described parcel;

thence South 39 degrees 43 minutes 45 seconds East 43.76 feet to a boundary corner of said Parcel "E" and the TRUE POINT OF BEGINNING, the following courses follow said boundary of Parcel "E" until otherwise noted;

thence continuing South 39 degrees 43 minutes 45 seconds East 436.89 feet;

thence South 31 degrees 30 minutes 59 seconds East 104.19 feet;

thence South 28 degrees 57 minutes 15 seconds East 38.86 feet;

thence South 16 degrees 41 minutes 44 seconds East 77.45 feet;

thence South 36 degrees 53 minutes 27 seconds East 110.07 feet to the beginning of a curve concave southwesterly and having a radius of 130.00 feet;

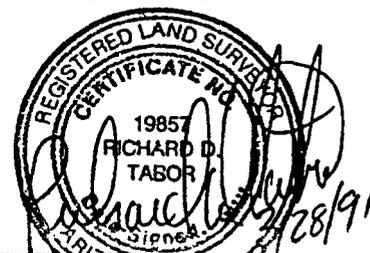
thence southeasterly along the arc of said curve through a central angle of 17 degrees 39 minutes 32 seconds a distance of 40.07 feet to a point of tangency;

thence South 19 degrees 13 minutes 55 seconds East 112.00 feet to the beginning of a curve concave westerly and having a radius

of 80.00 feet;
thence southerly along the arc of said curve through a central angle of 55 degrees 16 minutes 58 seconds a distance of 77.19 feet;
thence South 57 degrees 03 minutes 22 seconds East 55.10 feet;
thence North 83 degrees 20 minutes 10 seconds East 82.27 feet;
thence South 04 degrees 41 minutes 15 seconds East leaving said boundary of Parcel "E" a distance of 205.64 feet to a point on the northerly right-of-way line of Clubhouse Drive as described in Instrument number 85-584550, records of Maricopa County;
thence South 85 degrees 35 minutes 38 seconds West along said right-of-way 161.13 feet to the beginning of a curve concave northeasterly and having a radius of 182.00 feet;
thence westerly along said right-of-way and the arc of said curve through a central angle of 25 degrees 24 minutes 22 seconds a distance of 80.70 feet to a point of tangency;
thence North 69 degrees 00 minutes 00 seconds West along said right-of-way 34.92 feet to the beginning of a curve concave southwesterly and having a radius of 217.63 feet;
thence northwesterly along said right-of-way and the arc of said curve through a central angle of 21 degrees 00 minutes 00 seconds a distance of 79.77 feet to a point of tangency;
thence West along said right-of-way 129.59 feet;
thence North leaving said right-of-way 7.00 feet to the beginning of a curve, the radius of which bears South a distance of 1025.00 feet therefrom;
thence westerly along the arc of said curve through a central angle of 05 degrees 51 minutes 38 seconds a distance of 104.84 feet to a point of tangency;
thence South 84 degrees 08 minutes 22 seconds West 45.02 feet to the beginning of a curve concave northeasterly and having a radius of 155.00 feet;
thence northwesterly along the arc of said curve through a central angle of 31 degrees 02 minutes 53 seconds a distance of 83.99 feet to a point of tangency;
thence North 64 degrees 48 minutes 45 seconds West 6.09 feet to the beginning of a curve concave southwesterly and having a radius of 205.00 feet;
thence northwesterly along the arc of said curve through a central angle of 30 degrees 45 minutes 12 seconds a distance of 110.03 feet to a point of tangency;
thence South 84 degrees 26 minutes 03 seconds West 41.85 feet to the beginning of a curve concave northeasterly and having a radius of 155.00 feet;
thence northwesterly along the arc of said curve through a central angle of 50 degrees 15 minutes 17 seconds a distance of 135.95 feet to a point of tangency;
thence North 45 degrees 18 minutes 40 seconds West 272.28 feet to the beginning of a curve concave southwesterly and having a radius of 275.00 feet;
thence northwesterly along the arc of said curve through a central angle of 30 degrees 30 minutes 30 seconds a distance of 146.43 feet to a point of tangency;

thence North 75 degrees 49 minutes 11 seconds West 71.88 feet to
 the beginning of a curve concave northeasterly and having a
 radius of 209.21 feet;
 thence northwesterly along the arc of said curve through a central
 angle of 30 degrees 55 minutes 48 seconds a distance of 112.94
 feet to the beginning of a reverse curve concave southwesterly
 and having a radius of 350.00 feet;
 thence northwesterly along the arc of said curve through a central
 angle of 13 degrees 10 minutes 48 seconds a distance of 80.51
 feet to the beginning of a reverse curve concave northeasterly
 and having a radius of 12.00 feet;
 thence northwesterly along the arc of said curve through a central
 angle of 75 degrees 30 minutes 41 seconds a distance of 15.82
 feet to a point of tangency;
 thence North 17 degrees 26 minutes 31 seconds East 40.64 feet to
 the beginning of a curve concave southeasterly and having a
 radius of 175.00 feet;
 thence northeasterly along the arc of said curve through a central
 angle of 30 degrees 35 minutes 51 seconds a distance of 93.45
 feet to a point of tangency;
 thence North 48 degrees 02 minutes 21 seconds East 63.42 feet to
 the beginning of a curve concave northwesterly and having a
 radius of 275.00 feet;
 thence northeasterly along the arc of said curve through a central
 angle of 13 degrees 17 minutes 48 seconds a distance of 63.82
 feet to a point on said boundary of Parcel "E", the following
 courses follow said boundary to the end of this description;
 thence South 48 degrees 17 minutes 07 seconds East leaving said
 curve a distance of 111.00 feet;
 thence South 77 degrees 33 minutes 43 seconds East 153.34 feet;
 thence South 50 degrees 11 minutes 59 seconds East 215.18 feet;
 thence South 55 degrees 04 minutes 43 seconds East 211.86 feet;
 thence South 79 degrees 26 minutes 53 seconds East 393.82 feet;
 thence North 32 degrees 44 minutes 15 seconds West 319.86 feet;
 thence North 20 degrees 13 minutes 18 seconds West 93.87 feet;
 thence North 28 degrees 40 minutes 19 seconds West 412.58 feet to
 a point on a curve, the radius of which bears South 36 degrees
 19 minutes 14 seconds East a distance of 260.00 feet
 therefrom;
 thence northeasterly along the arc of said curve through a central
 angle of 20 degrees 30 minutes 57 seconds a distance of 93.10
 feet to a point of tangency;
 thence North 74 degrees 11 minutes 43 seconds East 128.27 feet to
 the TRUE POINT OF BEGINNING.

Said parcel contains 666,950 square feet or 15.3111 acres more or
 less, the 2 parcels combined contain 16.6675 acres more or less.



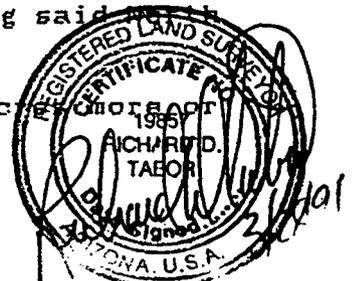
PROPERTY DESCRIPTION
GOLF COURSE HOLES 2 AND 3
AT THE BOULDERS

That part of the Southwest quarter of Section 2 and the Southeast quarter of Section 3, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the West quarter corner of said Section 2;
thence South 89 degrees 02 minutes 09 seconds East along the North line of said Southwest quarter a distance of 428.07 feet to the Northwest boundary corner of BOULDERS CAREFREE PARCEL "E", according to Book 343 of Maps, Page 18, records of Maricopa County, the following courses follow the westerly boundary of said Parcel "E" until otherwise noted;
thence South 00 degrees 58 minutes 53 seconds West 159.63 feet;
thence South 05 degrees 33 minutes 13 seconds East 107.50 feet to a point on a curve, the radius of which bears South 07 degrees 32 minutes 41 seconds East a distance of 170.00 feet therefrom;
thence southwesterly along the arc of said curve through a central angle of 15 degrees 55 minutes 09 seconds a distance of 47.23 feet to a point of tangency;
thence South 66 degrees 32 minutes 10 seconds West 58.59 feet to the beginning of a curve concave northwesterly and having a radius of 135.00 feet;
thence southwesterly along the arc of said curve through a central angle of 28 degrees 47 minutes 42 seconds a distance of 67.85 feet to the beginning of a compound curve concave northeasterly and having a radius of 12.00 feet;
thence northwesterly along the arc of said curve through a central angle of 66 degrees 15 minutes 05 seconds a distance of 13.88 feet to the beginning of a reverse curve concave southerly and having a radius of 45.00 feet;
thence westerly along the arc of said curve through a central angle of 131 degrees 08 minutes 54 seconds a distance of 103.00 feet;
thence North 89 degrees 26 minutes 05 seconds West leaving said curve a distance of 229.73 feet;
thence South 24 degrees 24 minutes 01 seconds West 347.53 feet;
thence North 80 degrees 38 minutes 53 seconds East 418.51 feet to the beginning of a non-tangent curve, the radius of which bears South 06 degrees 01 minutes 54 seconds West a distance of 100.53 feet therefrom;
thence southeasterly along the arc of said curve through a central angle of 44 degrees 31 minutes 02 seconds a distance of 78.11 feet to the beginning of a non-tangent curve, the radius of which bears South 46 degrees 22 minutes 10 seconds West a distance of 100.00 feet therefrom;
thence southeasterly along the arc of said curve through a central angle of 20 degrees 41 minutes 15 seconds a distance of 36.11 feet to the beginning of a non-tangent curve, the radius of which bears South 83 degrees 57 minutes 42 seconds West a

distance of 75.00 feet therefrom;
thence southwesterly along the arc of said curve through a central
angle of 63 degrees 23 minutes 15 seconds a distance of 82.97
feet to a point of tangency;
thence South 57 degrees 20 minutes 57 seconds West 45.50 feet;
thence South 06 degrees 04 minutes 59 seconds East 69.26 feet;
thence South 58 degrees 13 minutes 23 seconds East 56.93 feet;
thence South 86 degrees 03 minutes 28 seconds East 119.38 feet;
thence South 17 degrees 26 minutes 31 seconds West leaving the
boundary of said Parcel "E" a distance of 26.30 feet to the
beginning of a curve concave northwesterly and having a radius
of 12.00 feet;
thence southwesterly along the arc of said curve through a central
angle of 92 degrees 37 minutes 23 seconds a distance of 19.40
feet to the beginning of a reverse curve concave southeasterly
and having a radius of 350.00 feet;
thence southwesterly along the arc of said curve through a central
angle of 57 degrees 12 minutes 42 seconds a distance of 349.49
feet to a point of tangency, said point lying on the northerly
right-of-way line of Boulder Pass as described in Instrument
number 85-584550, records of Maricopa County;
thence South 52 degrees 51 minutes 12 seconds West along said
right-of-way 48.44 feet to the beginning of a curve concave
northwesterly and having a radius of 75.00 feet;
thence southwesterly along said right-of-way and the arc of said
curve through a central angle of 37 degrees 08 minutes 48
seconds a distance of 48.62 feet to a point of tangency;
thence West along said right-of-way 119.25 feet to the beginning of
a curve concave southeasterly and having a radius of 125.00
feet;
thence southwesterly along said right-of-way and the arc of said
curve through a central angle of 28 degrees 13 minutes 51
seconds a distance of 61.59 feet to a point of tangency;
thence South 61 degrees 46 minutes 09 seconds West along said
right-of-way 78.46 feet to the beginning of a curve concave
northwesterly and having a radius of 75.00 feet;
thence westerly along said right-of-way and the arc of said curve
through a central angle of 38 degrees 33 minutes 43 seconds a
distance of 50.48 feet to a point of tangency;
thence North 79 degrees 40 minutes 08 seconds West along said right-
of-way 154.04 feet to a point on the East right-of-way line of
Tom Darlington as shown on the Map of Dedication recorded in
Book 303 of Maps, Page 29, records of Maricopa County;
thence North 10 degrees 19 minutes 52 seconds East along the last
described right-of-way line 999.12 feet to a point on the
North line of the Southeast quarter of said Section 3;
thence South 88 degrees 59 minutes 05 seconds East along said
line 300.28 feet to the POINT OF BEGINNING.

Said parcel contains 554,642 square feet or 12.7328 ac-
less.



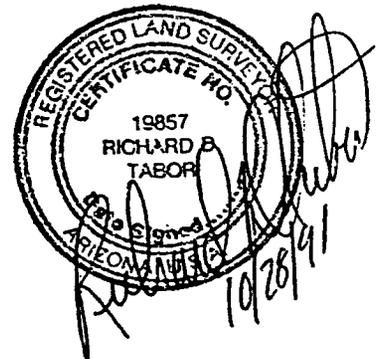
PROPERTY DESCRIPTION
GOLF COURSE HOLES 12 AND 13
AT THE BOULDERS

That part of the Southeast quarter of Section 2 and the Northeast quarter of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Northeast corner of said Section 11;
thence North 88 degrees 58 minutes 11 seconds West along the North line of said Northeast quarter a distance of 315.80 feet to the TRUE POINT OF BEGINNING;
thence South 16 degrees 09 minutes 50 seconds East 69.38 feet;
thence South 09 degrees 33 minutes 05 seconds East 788.46 feet to the beginning of a curve concave northwesterly and having a radius of 75.00 feet;
thence southwesterly along the arc of said curve through a central angle of 158 degrees 05 minutes 00 seconds a distance of 206.93 feet;
thence South 02 degrees 27 minutes 25 seconds East leaving said curve a distance of 483.03 feet;
thence South 06 degrees 09 minutes 38 seconds West 508.32 feet to the beginning of a curve concave northerly and having a radius of 75.00 feet;
thence westerly along the arc of said curve through a central angle of 162 degrees 30 minutes 16 seconds a distance of 212.72 feet to a point of tangency;
thence North 11 degrees 20 minutes 06 seconds West 348.18 feet;
thence North 10 degrees 16 minutes 43 seconds West 160.51 feet;
thence North 01 degrees 39 minutes 58 seconds West 561.39 feet;
thence North 68 degrees 41 minutes 38 seconds East 107.58 feet;
thence South 84 degrees 42 minutes 37 seconds East 144.06 feet;
thence North 50 degrees 45 minutes 27 seconds East 46.55 feet;
thence North 17 degrees 44 minutes 22 seconds West 205.62 feet;
thence North 28 degrees 13 minutes 32 seconds West 296.86 feet;
thence North 20 degrees 23 minutes 33 seconds West 181.33 feet;
thence North 01 degrees 41 minutes 05 seconds West 141.34 feet;
thence North 39 degrees 25 minutes 45 seconds West 100.32 feet;
thence South 67 degrees 45 minutes 07 seconds West 63.53 feet;
thence South 67 degrees 45 minutes 07 seconds West 148.12 feet to a point on the easterly right-of-way line of Ironwood Drive as recorded in instrument number 89-286513, records of Maricopa County;
thence North 43 degrees 00 minutes 19 seconds West along said right-of-way a distance of 226.19 feet;
thence North 64 degrees 57 minutes 04 seconds East leaving said right-of-way a distance of 39.95 feet;
thence South 43 degrees 00 minutes 19 seconds East 138.00 feet;
thence South 87 degrees 59 minutes 28 seconds East 91.93 feet;
thence North 70 degrees 08 minutes 01 seconds East 44.27 feet;
thence North 30 degrees 16 minutes 43 seconds East 115.33 feet;
thence North 16 degrees 09 minutes 50 seconds West 79.94 feet to the beginning of a curve concave southeasterly and having a

radius of 150.00 feet;
thence northeasterly along the arc of said curve through a central
angle of 180 degrees 00 minutes 00 seconds a distance of
471.24 feet to a point of tangency;
thence South 16 degrees 09 minutes 50 seconds East 358.59 to the
TRUE POINT OF BEGINNING.

Said parcel contains 642,938 square feet or 14.7598 acres more or
less.



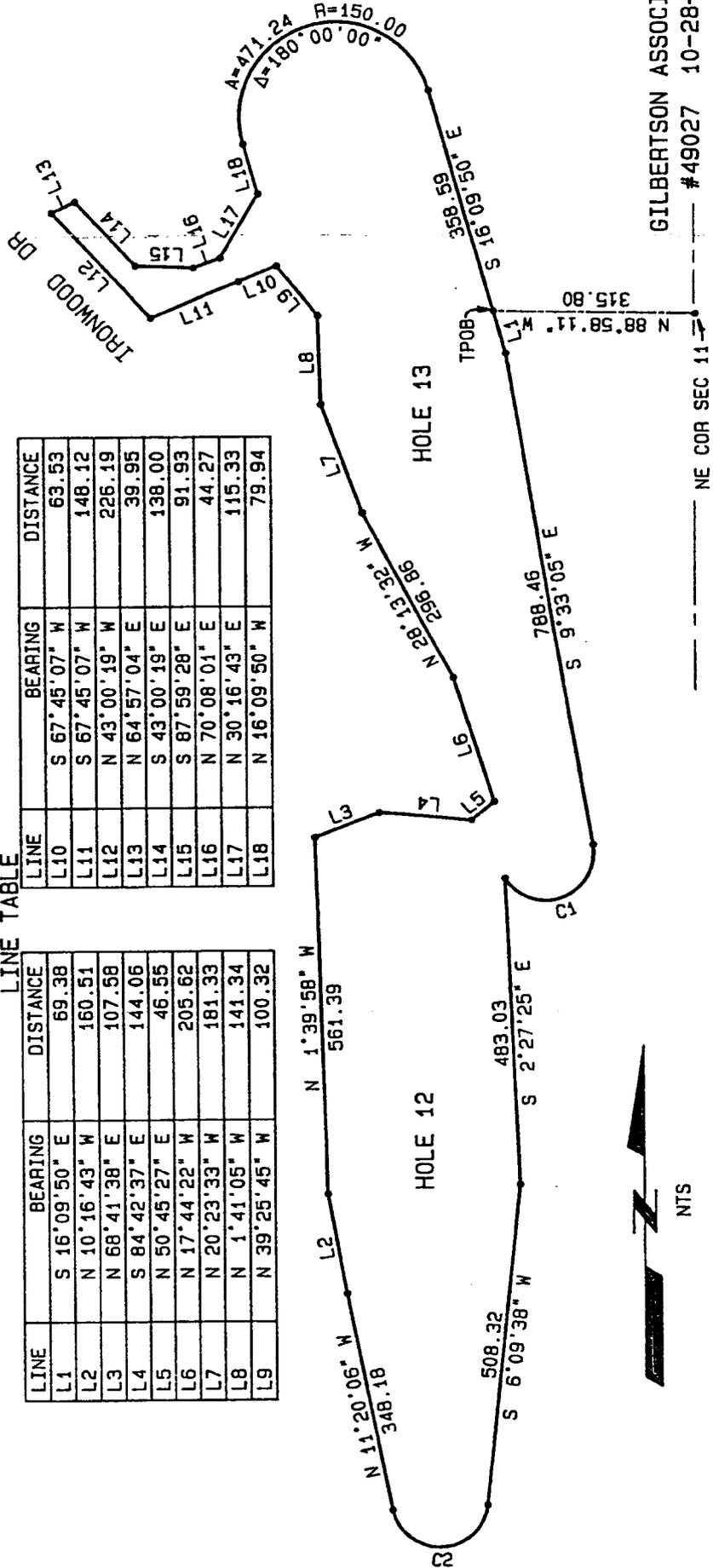
PROPERTY DESCRIPTION SKETCH HOLES 12 & 13 AT THE BOULDERS (REVISED 10-28-91)

CURVE TABLE

CURVE	ARC	DELTA	RADIUS
C1	206.93	158°05'00"	75.00
C2	212.72	162°30'16"	75.00

LINE TABLE

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S 16°09'50" E	69.38	L10	S 67°45'07" W	63.53
L2	N 10°16'43" W	160.51	L11	S 67°45'07" W	148.12
L3	N 68°41'38" E	107.58	L12	N 43°00'19" W	226.19
L4	S 84°42'37" E	144.06	L13	N 64°57'04" E	39.95
L5	N 50°45'27" E	46.55	L14	S 43°00'19" E	138.00
L6	N 17°44'22" W	205.62	L15	S 87°59'28" E	91.93
L7	N 20°23'33" W	181.33	L16	N 70°08'01" E	44.27
L8	N 1°41'05" W	141.34	L17	N 30°16'43" E	115.33
L9	N 39°25'45" W	100.32	L18	N 16°09'50" W	79.94



GILBERTSON ASSOCIATES
#49027 10-28-91

PROPERTY DESCRIPTION
GOLF COURSE HOLE NUMBER 14
AT THE BOULDERS

That part of the North half of Section 11, and the South half of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

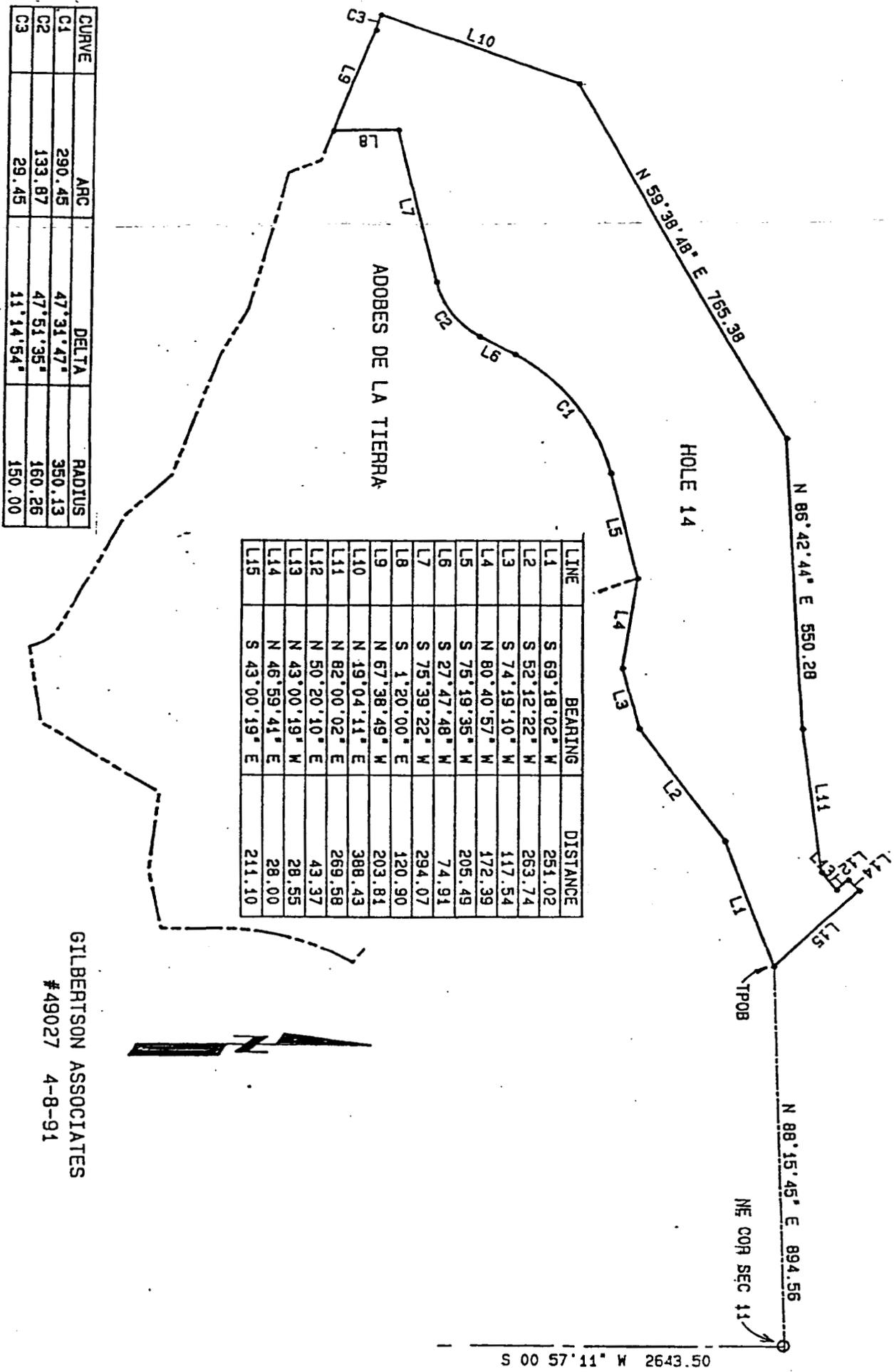
BEGINNING at the Northeast corner of said Section 11, from which the East quarter corner of said Section 11 bears South 00 degrees 57 minutes 11 seconds West a distance of 2643.50 feet therefrom; thence South 88 degrees 15 minutes 45 seconds West 894.56 feet to a point on the westerly right-of-way line of Ironwood Drive, said point being the TRUE POINT OF BEGINNING; thence South 69 degrees 18 minutes 02 seconds West 251.02 feet; thence South 52 degrees 12 minutes 22 seconds West 263.74 feet; thence South 74 degrees 19 minutes 10 seconds West 117.54 feet; thence North 80 degrees 40 minutes 57 seconds West 172.39 feet to a corner in the northerly boundary of Adobe de la Tierra as shown on the Plat recorded in Book 310 of Maps, Page 23 records of Maricopa County; thence South 75 degrees 19 minutes 35 seconds West along said northerly boundary a distance of 205.49 feet to the beginning of a curve concave southeasterly and having a radius of 350.13 feet; thence southwesterly along said northerly boundary and the arc of said curve through a central angle of 47 degrees 31 minutes 47 seconds a distance of 290.45 feet to a point of tangency; thence South 27 degrees 47 minutes 48 seconds West along said northerly boundary a distance of 74.91 feet to the beginning of a curve concave northwesterly and having a radius of 160.26 feet; thence southwesterly along said northerly boundary and the arc of said curve through a central angle of 47 degrees 51 minutes 35 seconds a distance of 133.87 feet to a point of tangency; thence South 75 degrees 39 minutes 22 seconds West along said northerly boundary a distance of 294.07 feet; thence South 01 degrees 20 minutes 00 seconds East along said northerly boundary a distance of 120.90 feet to a corner in said northerly boundary; thence North 67 degrees 38 minutes 49 seconds West leaving said northerly boundary a distance of 203.81 feet to the beginning of a curve concave southwesterly and having a radius of 150.00 feet; thence northwesterly along the arc of said curve through a central angle of 11 degrees 14 minutes 54 seconds a distance of 29.45 feet; thence North 19 degrees 04 minutes 11 seconds East leaving said curve a distance of 388.43 feet; thence North 59 degrees 38 minutes 48 seconds East 765.38 feet; thence North 86 degrees 42 minutes 44 seconds East 550.28 feet; thence North 82 degrees 00 minutes 02 seconds East 269.58 feet; thence North 50 degrees 20 minutes 10 seconds East 43.37 feet;

thence North 43 degrees 00 minutes 19 seconds East 28.55 feet;
thence North 46 degrees 59 minutes 41 seconds East 28.00 feet to a
point on the westerly right-of-way line of said Ironwood
Drive;
thence South 43 degrees 00 minutes 19 seconds East along said
right-of-way a distance of 211.10 feet to the TRUE POINT OF
BEGINNING.

Said parcel contains 558,992 square feet or 12.8327 acres more or
less.



PROPERTY DESCRIPTION SKETCH HOLE 14 AT THE BOULDERS



LINE	BEARING	DISTANCE
L1	S 69°18'02\" W	251.02
L2	S 52°12'22\" W	263.74
L3	S 74°19'10\" W	117.54
L4	N 80°40'57\" W	172.39
L5	S 75°19'35\" W	205.49
L6	S 27°47'48\" W	74.91
L7	S 75°39'22\" W	294.07
L8	S 1°20'00\" E	120.90
L9	N 67°38'49\" W	203.81
L10	N 19°04'11\" E	388.43
L11	N 82°00'02\" E	269.58
L12	N 50°20'10\" E	43.37
L13	N 43°00'19\" W	28.55
L14	N 46°59'41\" E	28.00
L15	S 43°00'19\" E	211.10

CURVE	ARC	DELTA	RADIUS
C1	290.45	47°31'47\"	350.13
C2	133.87	47°51'35\"	160.26
C3	29.45	11°14'54\"	150.00



GILBERTSON ASSOCIATES
#49027 4-8-91

S 00°57'11\" W 2643.50

PROPERTY DESCRIPTION
LAKE AREA

That part of the Southeast quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

COMMENCING at the South quarter corner of said Section 2;
thence North 00 degrees 44 minutes 34 seconds East along the West line of said Southeast quarter a distance of 673.50 feet;
thence South 89 degrees 15 minutes 26 seconds East 53.69 feet to the TRUE POINT OF BEGINNING;
thence North 38 degrees 32 minutes 54 seconds East 46.80 feet;
thence North 04 degrees 17 minutes 33 seconds West 47.06 feet;
thence North 65 degrees 43 minutes 40 seconds East 60.75 feet;
thence South 74 degrees 48 minutes 51 seconds East 54.42 feet;
thence South 20 degrees 47 minutes 02 seconds East 34.90 feet;
thence South 58 degrees 50 minutes 42 seconds East 110.72 feet;
thence South 36 degrees 05 minutes 19 seconds East 129.77 feet;
thence South 07 degrees 31 minutes 23 seconds West 69.03 feet;
thence South 56 degrees 50 minutes 07 seconds West 62.88 feet;
thence North 53 degrees 21 minutes 14 seconds West 107.63 feet;
thence South 68 degrees 30 minutes 14 seconds West 70.79 feet;
thence North 39 degrees 58 minutes 06 seconds West 128.09 feet;
thence North 17 degrees 22 minutes 47 seconds West 70.09 feet to the TRUE POINT OF BEGINNING.

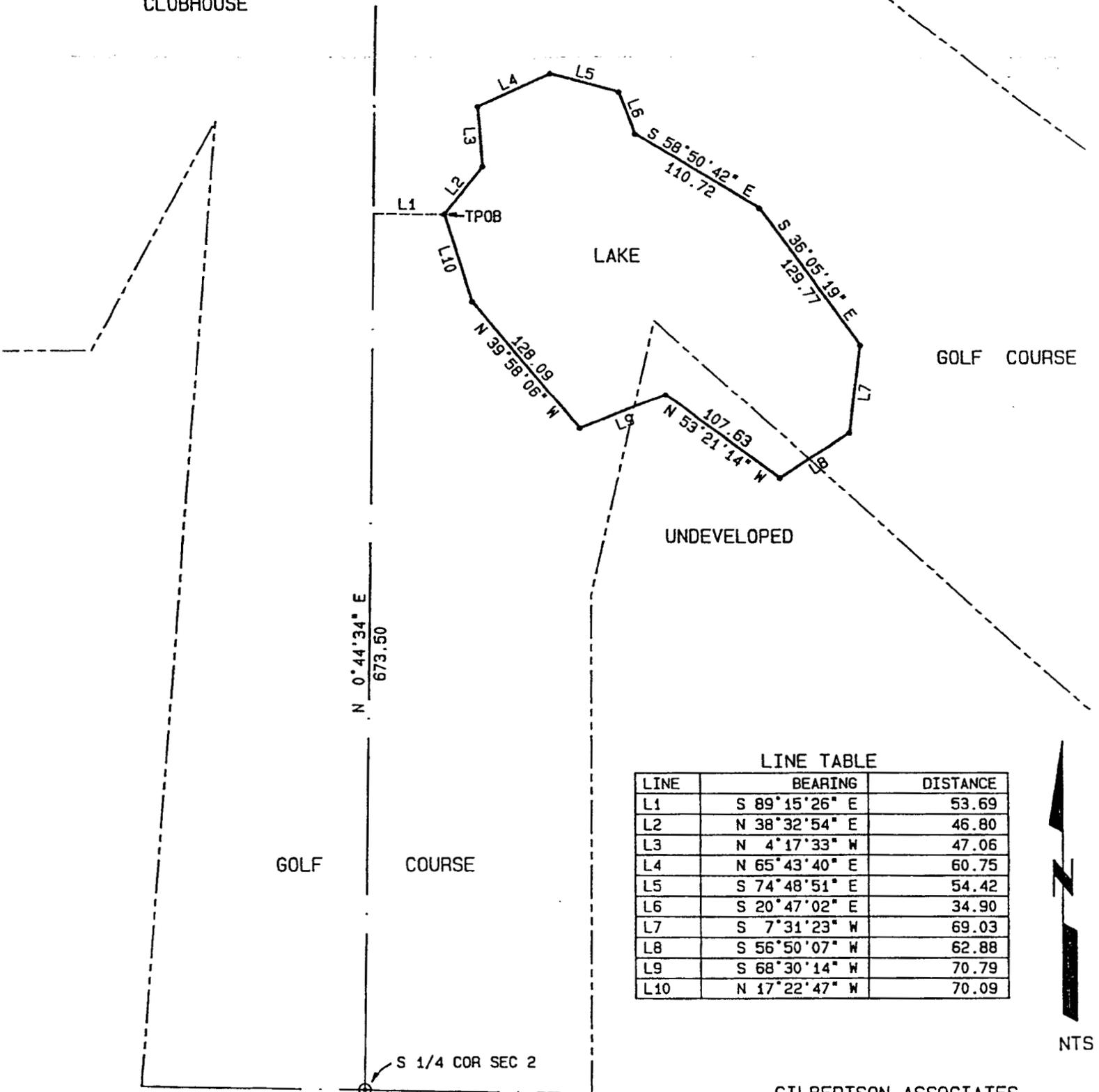
Said parcel contains 57,440 square feet or 1.3187 acres more or less.



PROPERTY DESCRIPTION SKETCH LAKE AREA

UNIT 8

CLUBHOUSE



GOLF COURSE

UNDEVELOPED

GOLF

COURSE

N 0°44'34" E
673.50

S 1/4 COR SEC 2

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 89°15'26" E	53.69
L2	N 38°32'54" E	46.80
L3	N 4°17'33" W	47.06
L4	N 65°43'40" E	60.75
L5	S 74°48'51" E	54.42
L6	S 20°47'02" E	34.90
L7	S 7°31'23" W	69.03
L8	S 56°50'07" W	62.88
L9	S 68°30'14" W	70.79
L10	N 17°22'47" W	70.09

NTS

GILBERTSON ASSOCIATES
#49027 12-12-91

EXHIBIT B-1

NON-POTABLE WATER RATES

No less than annually, through the City's budgetary process, the City shall establish a non-potable water rate schedule that includes any and all costs to own and operate the system, including but not limited to, the following components:

1. Cost of water purchased from the Central Arizona Project (CAP) or any other non-potable water source.
2. Operation and maintenance of the filtration and disinfection system and any other components at the Wastewater Treatment plant required to treat secondary effluent so that it can be used to supply effluent to the RWDS.
3. Actual energy costs for five (5) pump stations required to deliver water from the Central Arizona Project Canal and the Wastewater Treatment plant to the turf projects. This includes the CAP pump station, pump stations A, B, C, and D and any additional pump stations required.
4. The actual costs to maintain and operate the pump stations, RWDS Trunk Lines, the 8 million gallon reservoir and the Main Lines.
5. Repairs to and replacement of the pump stations and pipeline system.
6. A percentage factor for General Fund administration, accounting and billing consistent with the factor charged to all other Water Resources Department customers in the City of Scottsdale.
7. A percentage factor for Water Resources Department administration, accounting and billing.
8. A Franchise Fee consistent with the percentage charged to all other Water Resources Department customers in the City of Scottsdale.
9. An in-lieu property tax payment to the General Fund consistent with the payment charged to all other Water Resources Department customers in the City of Scottsdale.
10. The costs to amortize loans obtained by the City for the purpose of replacement and/or construction of additional or existing components of the pump stations, RWDS Trunk Line, 8 million gallon reservoir, Main Lines and filtration and disinfection system and any other components at the Wastewater Treatment Plant required to treat secondary effluent so that it can be used to supply effluent to the RWDS. In the case of Main Lines and Pump Stations

on the Main Lines, this provision shall not include the construction of facilities to serve property for the first time.

11. A component charge to provide for a replacement/construction fund.
12. Establishment over the first twelve (12) months of an operating cash reserve of one month of operating cash.
13. After the first twelve months of operation, maintenance of an operating cash reserve equal to the cash required in the 45 day period of maximum cash requirements.
14. Any funds that the City has had to advance from City funds to operate and maintain the RWDS because there were not sufficient funds available in the RWDS Operating Fund, plus interest on the amount at a rate equal to the interest rate that the City actually earned on City funds invested during the period of the advance.
15. The City has agreed to pay all costs for Additional Pumps for the "CAP" pump station. It is acknowledged that the City has done this to compensate for the City's intended use of the RWDS to transport water for recharge for the City's purposes. At such time that the RWDS has sufficient effluent available to meet all RWDS irrigation requirements, throughout the year, the City will also pay for the total operation and maintenance costs associated with the "CAP" pump station, so long as no water for RWDS purposes is being pumped through the "CAP" pump station. Notwithstanding the above, the City shall at all times pay for direct energy costs associated with the transportation of water being transmitted for recharge purposes through the RWDS.

EXHIBIT B-2

NON-POTABLE WATER RATES

**EXAMPLE CALCULATIONS OF
WATER RATES TO BE CHARGED FOR WATER DELIVERED THROUGH
RECLAIMED WATER DISTRIBUTION SYSTEM**

GENERAL NOTE: ANY AND ALL COSTS TO OWN AND OPERATE THIS SYSTEM SHALL BE BORN BY PARTIES TO WHICH WATER IS DELIVERED. THESE COSTS SHALL INCLUDE, BUT NOT BE LIMITED TO POWER, WATER, LABOR, EQUIPMENT, MATERIALS, OPERATION, REPAIR, NEW CONSTRUCTION, REPLACEMENT, OVERHEADS, LOAN AMORTIZATION, ETC.

DESCRIPTION	ACRE FEET OF WATER PER YEAR	COST IN DOLLARS PER ACRE FOOT	COST IN DOLLARS PER YEAR
RAW CAP WATER	2,000	55	110,000
OTHER WATER	50	80	4,000
COSTS TO PERMIT SECONDARY EFFLUENT TO BE USED, INCLUDING BUT NOT LIMITED TO FILTRATION, DISINFECTION, ETC.	1,500	30	45,000
TOTAL	<u>3,550</u>		<u>159,000</u>
PUMPING ELECTRICITY			
LIFT STATION .. FROM CAP CANAL TO RESERVOIR	2,050	20	41,000
PUMP STATION "A" FROM RESERVOIR TO ZONE 2	2,686	35	94,010
PUMP STATION "B" FROM ZONE 2 TO ZONE 3	2,000	36	72,000
PUMP STATION "C" FROM ZONE 3 TO ZONE 4	1,500	35	52,500
PUMP STATION "D" FROM ZONE 4 TO ZONE 5	1,000	36	<u>36,000</u>
TOTAL ELECTRICITY			295,510
OPERATION & MAINTENANCE OF SYSTEM			<u>100,000</u>
TOTAL DIRECT COSTS			554,510
WATER RESOURCES DEPARTMENT OVERHEAD DISTRIBUTION			55,451
ESTABLISH AND MAINTAIN OPERATING CASH RESERVE			5,000
Interest required to provide operating cash			5,000
GENERAL FUND OVERHEAD DISTRIBUTION			83,177
IN-LIEU PROPERTY TAX			5,545
FRANCHISE FEE			27,726
REPLACEMENT/CONSTRUCTION FUND			4,000
AMORTIZATION OF REPLACEMENT/CONSTRUCTION LOANS			<u>10,000</u>
TOTAL COST			750,409
LESS POWER COSTS OF PUMP STATIONS A,B,C, & D			<u>254,510</u>
TOTAL COST WITHOUT POWER COSTS OF PUMP STATIONS A,B,C, & D			495,899
BASE CHARGE, IN DOLLARS PER ACRE FOOT, IS TOTAL COST WITHOUT POWER COSTS OF PUMP STATIONS A,B,C, & D DIVIDED BY TOTAL ACRE FEET OF WATER DELIVERED	3,550	<u>140</u>	
ADDITIONAL CHARGE TO BE ADDED TO BASE CHARGE, IN DOLLARS PER ACRE FOOT, FOR CUSTOMERS SERVED THROUGH PUMP STATIONS:			
ELECTRICITY COSTS FOR PUMP STATION "A"		35	
ELECTRICITY COSTS FOR PUMP STATION "B"		36	
ELECTRICITY COSTS FOR PUMP STATION "C"		35	
ELECTRICITY COSTS FOR PUMP STATION "D"		36	
RATES, IN DOLLARS PER ACRE FOOT, IS BASE CHARGE PLUS THE SUM TOTAL OF THE COST OF ELECTRICITY OF ALL PUMP STATIONS WATER HAS GONE THROUGH TO BE DELIVERED:			
ZONE 1..BASE CHARGE ONLY...GRAVITY SERVICE FROM RESERVOIR			140
ZONE 2..BASE CHARGE PLUS ELECTRICITY FOR PUMP STATION "A"			175
ZONE 3..BASE CHARGE PLUS ELECTRICITY FOR PUMP STATIONS "A" & "B"			211
ZONE 4..BASE CHARGE PLUS ELECTRICITY FOR PUMP STATIONS "A" & "B" & "C"			246
ZONE 5..BASE CHARGE PLUS ELECTRICITY FOR PUMP STATIONS "A" & "B" & "C" & "D"			282

EXHIBIT C

This exhibit is prepared for the purpose of determining the RWDS contribution as stated in City of Scottsdale Agreement No. 900083.

I. Calculation of RWDS Costs:

a. Central Arizona Project/Turnout Structure(1)	\$ 45,670
b. Landscape Contract(2)	91,626
c. Telemetry System fees(3)	25,000
d. Design and Administration fees(1)	1,374,392
e. Construction Management fees (Greiner Engr.)(2)	618,200
f. Construction Consulting fees (NBS/Lowry Engr.)(2)	241,900
g. City of Scottsdale Plan Review fees(1)	9,765
h. Mollusks screens and chlorination costs(4)	692,000
i. Right of Way Acquisitions	44,875
j. Pipeline and Pump Station Costs	9,696,225
k. City Payback Admin Fees	10,000
l. Minus line valves at Pump Station A= \$ (16,000)	(16,000)
m. City Plan & Specs Repro Costs, Out Legal Fees	10,000
n. TOTAL RWDS COSTS	\$ 12,843,653

II. Calculations of RWDS Contingency Costs:

1. Landscape Construction Costs(line b.)	\$ 91,626
2. Pipe, Pump Sta's, Mollusks & Chlor Costs(line h+j+k)	10,372,225
TOTAL CONSTRUCTION COSTS	\$ 10,463,851
10 % OF TOTAL CONSTRUCTION COSTS(CONTNGENCY)	1,046,385
TOTAL COST OF CONSTRUCTION PLUS CONTINGENCY	\$ 11,510,236

III. Calculation of RWDS Contribution:

Divide (TOTAL RWDS COSTS \$ 12,843,653 PLUS TEN PERCENT CONTINGENCY \$ 1,046,385) BY 20[MGD Pipeline Capacity] (\$ 13,890,038)/20=RWDS Contribution per 1 MGD	\$ 694,502
0.5 MGD =	347,251
LESS: Credit for amounts previously paid for design, engineering and construction costs	\$ (124,577)
 TOTAL CONTRIBUTION DUE PURSUANT TO SECTION NO. 3 OF THIS AGREEMENT	 \$ 222,674 <u>=====</u>

NOTES:

- (1) Based on actual costs incurred
- (2) Based on bid amount of approved contract
- (3) Based on bid amount plus \$15,000 for City staff work
- (4) Based on estimates supplied by NBS/Lowry

EXHIBIT D

M E M O

TO: Scottsdale Planning Department

FROM: Scottsdale Water Resources Department

RE: Satisfaction of Zoning Stipulations

DATE:

This memorandum is to certify that Boulders Joint Venture has satisfied zoning stipulation 15b. and Use Permit Stipulations 6 and 7 of Cases 42-Z-89/38-UP-89, attached hereto, by execution and implementation of a Pipeline Capacity Agreement in connection with the City's Reclaimed Water Distribution System.

- a. The applicant shall provide an approved Master Water Plan for the subject property including any required off-site WATER lines, booster and storage facilities. Said Master Plan shall be prepared in accordance with the design procedures and criteria of the City of Scottsdale by a registered professional engineer licensed in the State of Arizona. The Master Water Plan shall include, but not ~~necessarily~~ be limited to, the following:
- 1) Location and size of all water system components.
 - 2) Indication of the timing and responsible party for the construction of the water system.
 - 3) A flow and pressure analysis which includes simulation using a computer model with a peak and fire-flow requirements.
 - 4) Integration of Master Water Plan with the City's CURRENT Master Water SUPPLY DISTRIBUTION WATER Plan.
- b. Applicant shall construct a wastewater reclamation plant ON SITE AND/OR PARTICIPATE IN CONSTRUCTION OF THE MASTER PLANNED REGIONAL WASTEWATER TREATMENT AND RECLAIMED WATER DISTRIBUTION SYSTEM PURSUANT TO AN AGREEMENT WITH THE CITY, COMMUNITY FACILITIES DISTRICT, OR OTHER CONSTRUCTING FINANCING/METHOD PROVIDING FOR CONSTRUCTION OF SUCH SYSTEM. ~~and deed it and the necessary land for the siting of the plant to the City of Scottsdale for operation and maintenance. Prior to the issuance of a permit to construct the plant, an agreement shall be entered into between the City and applicant providing for the construction and subsequent deeding of the plant and site to City, together with the details of maintenance and operation of the plant.~~
- c. The applicant shall provide an approved Master Wastewater Plan for the subject property. Said master plan shall be prepared by a registered, professional engineer in the State of Arizona. The applicant's master wastewater plan shall include, but not be limited to the following:
- 1) Location and size of all necessary wastewater/sewer facilities and the land areas for the facilities.
 - 2) A timetable specifying the time and responsible party for construction of the necessary wastewater facilities.
 - 3) Necessary calculations to substantiate line sizes.
 - 4) Integration of the Master Wastewater Plan with the City's ~~north Scottsdale~~ CURRENT Wastewater COLLECTION - WATER RECLAMATION Master Plan.

APPROVED

7/3/90
DATE

DH
INITIALS

MISCELLANEOUS

1. At the time of building permits, a park development fee may be required. The fee would be a proportionate share of the cost for land acquisition and improvements for a park to serve that portion of the community.
2. The responsibility for the maintenance of landscape buffers on public and private property (back-of-curb to right-of-way or access easement line included) and drainageways shall be by the applicant and subsequent homeowners associations, and provisions, therefore, shall be set forth in a separate agreement between the applicant and the City which shall be recorded in the records of the Maricopa County Recorder.
3. Those areas of designated common area shall not be accepted for maintenance or ownership by the City without expressed action of the City Council. Before any improvement is accepted, it shall meet City standards. Failure to maintain the designated common areas could result in a civil action brought by the City for costs incurred by the City for said maintenance.
4. All improvements associated with a development or phase of a development and/or required for access or service to the development or phase of a development shall be constructed in full by the applicant including but not limited to washes, storm drains, drainage structures, water systems, sewer system, curbs and gutters, paving sidewalks, streetlights, street signs and landscaping. Assurance of construction satisfactory to the City shall be posted with the City guaranteeing the installation of the improvements.

USE PERMITS

1. Development shall be in substantial conformance with the plan submitted with this application, except where modified by the stipulations.
 2. These stipulations shall apply in addition to the stipulations for the Boulders (as amended by 112-Z-86 AND 42-Z-89).
 - ~~3. Approval of this use permit grants conceptual approval of the golf course configuration as reflected in "Phase 1" only. Development of "Phase 2", or any other change which is determined by the Project Review Director to be a significant enlargement or alteration of the approved plan shall require an amendment to this use permit.~~
 3. Development Review of any future construction, ~~or~~ improvement OR **MODIFICATION WHICH CHANGES THE LOCATION OR AMOUNT OF TURF, DRAINAGE CHARACTERISTICS, OR IRRIGATION LAYOUT** to the EXISTING golf course shall be required.
- ~~Approval of an amendment to this a use permit for the golf course shall be obtained prior to application for Development Review on the additional nine holes or any significant change to the existing golf course as determined by the Project Review Director. The amended use permit application shall include a detailed study showing the peak day and average day water demand. The location of any clubhouse facilities and the need for public access shall be determined at the time of use permit approval. The golf course site plan and the exterior design of the clubhouse, maintenance facilities, and other related facilities (including the proposed parking lot) shall be subject to Development Review Board approval. Such design shall include the color and physical character of the facilities.~~

APPROVED

DATE 7/20/90
INITIALS DH

5. Development Review approval shall not be given on parcels adjacent to the expanded golf course south of Westland Drive (Parcels R, S, T, P, Q, A/B, H4, Q, R, P, T) until the ~~use permit (17 UP 36) amendment for the Phase 2 golf course is approved or the applicant waives the opportunity to expand develop the golf course in writing to the Project Review Director~~
DEVELOPMENT REVIEW BOARD HAS APPROVED THE APPLICABLE GOLF COURSE SITE PLAN. If the additional golf course is not developed, the land area designated for golf course use shall be incorporated into the adjacent parcels with no increase in the number of allowed units.
6. Unless resolved otherwise, the City staff shall submit an application to the Director of the Arizona Department of Water Resources for a modification of the applicable maximum gallons per capita per day (GPCPD) goal of the City of Scottsdale for all non-residential water use, including resorts and golf courses. In the event that the Director of the Department of Water Resources does not approve the requested adjustment, permits shall not be issued for any non-residential uses, unless an alternate solution is approved IN AN AGREEMENT WITH THE APPLICANT by the City Council.
7. Prior to the issuance of grading, grubbing, clearing, or construction permits for development of Phase 2 of the golf course, **IF NOT PARTICIPATING IN THE MASTER PLANNED REGIONAL WASTEWATER TREATMENT - RECLAIMED WATER DISTRIBUTION SYSTEMS** the applicant shall:
 - a. Provide a study acceptable to the city which identifies the peak-day and average-day golf course water requirements for the additional nine holes and the service area necessary to generate sufficient effluent to meet this water demand.
 - b. Provide the detailed design for a wastewater treatment plant which will produce sufficient effluent to meet the peak day golf course requirements and would be capable of expansion to meet the ultimate need for wastewater treatment within the service area.
 - c. Provide all the land necessary for the wastewater treatment facility.
 - d. **COMMIT BY AGREEMENT WITH THE CITY TO construct a facilities** which is **ARE** capable of producing sufficient treated effluent to meet the peak-day golf course water requirement for the additional nine holes and meet all state, county and city standards.
 - e. Provide an alternate source of water to meet the golf course water requirements in the event sufficient effluent is not available to irrigate the additional nine holes of golf when they are constructed.
 - f. Provide a master plan and construction of facilities, including pipes and pump stations, to distribute the alternate source of water should it be required as set forth in 7E above.
 - g. Provide a contract acceptable to the City of Scottsdale with the Boulders Carefree Sewer Corp. assuring the City that the original and continuing right to use effluent to supply the water requirements for this Phase 2 golf course will be provided.

APPROVED

7/3/90
DATE

DA
INITIALS



EXHIBIT E

June 12, 1991

Mr. Harold A. Jenkins, Project Manager
Boulders Project Office
P.O. Box 5293
Carefree, AZ 85377

RE: LETTER OF UNDERSTANDING FOR BOULDERS DEVELOPMENT SEVEN-HOLE
GOLF COURSE EXPANSION

Dear Mr. Jenkins:

The following constitutes a letter of understanding between the Boulders Development ("Boulders") and the City of Scottsdale ("City") for provision of an irrigation supply to the Boulders' seven-hole golf course expansion (the "expansion") within the City's water service area.

General Understanding

It is hereby understood between the Boulders and the City that the Boulders' existing 29-hole golf course will continue to receive its irrigation water supply through a pre-existing contract with the Carefree Water Company under a current 715.45 acre foot per year allocation determined by the Arizona Department of Water Resources. Further, it is understood that the City's provision of water service is restricted to only the Boulders' Phase 2 seven-hole expansion located within the City's water service area, subject to the Boulders' payment of the City's water resources development fee and concurrence with the specific terms, conditions and understanding prescribed in this letter.

Sources of Supply

You have advised the City that (30) acre feet of water provided by the City of Scottsdale, when combined with other supplies currently available to the Boulders, including but not limited to reuse of wastewater generated and treated on the Boulders development, will meet the ultimate annual demand of the expansion.

Payment of Water Resources Development Fee, Water Quantity and Delivery

Based upon payment by the Boulders of a one-time water resources development fee ("fee") in the amount of \$60,000 (30 acre feet at \$2,000 per acre foot), the City will provide up to 30 acre feet of water each calendar year as requested to irrigate the expansion unless additional allocation is purchased. It is understood that payment of the fee, which shall be payable one day prior to requesting water service, entitles the Boulders to 30 acre feet of water per calendar year delivered by the City through the City's potable distribution system, at a delivery rate not to exceed 250 gallons per minute. It is further understood that during the first growing season only (calendar year 1991), additional "grow in" water presently estimated to be approximately 28 acre feet on the basis of one acre foot per acre of new turf, may be used for the establishment of the turf as permitted by the Department of Water Resources, without payment of any additional fee to the City.

The Boulders' right to receive water shall be the same as that of other City water customers and shall be subject to all present and future ordinances and policies of the City. Payment of the fee does not entitle the Boulders to water without charge. The Boulders, therefore, shall pay for the water delivered at the applicable City rate and as billed by the City.

Termination of Service

It is understood that once 30 acre feet of water has been delivered by the City in any calendar year, the meter to this service will be shut off and no further water will be supplied by the City until January 1st of the following calendar year, except 1991 this amount will be 58 acre feet.

Reporting and Compliance Requirements

The City will record and report actual annual usage of this City-provided supply to the Arizona Department of Water Resources (Department) for each calendar year. Annual reporting requirements and compliance with the Department's annual allocation, however, are the sole responsibility of the Boulders.

RESOLUTION NO. 3553

A RESOLUTION OF THE COUNCIL OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO ENTER INTO AGREEMENT NOS. 920002, 920003, 920004, 920005 AND 920006 RESERVING CAPACITY IN THE RECLAIMED WATER DISTRIBUTION SYSTEM PIPELINE FOR CERTAIN GOLF COURSES.

WHEREAS, on February 12, 1991, the City Council authorized the construction of a Reclaimed Water Distribution System ("RWDS") to transport raw CAP water and reclaimed wastewater from a water reclamation plant to golf courses in the north area of the City for irrigation of the golf courses; and

WHEREAS, Pipeline Capacity Agreements are being used to enable the north area golf courses owners to participate financially in the design and construction of the RWDS and to enable them to reserve capacity in the system; and

WHEREAS, the City has reached agreement on the terms of the future delivery of reclaimed wastewater and raw CAP water in Pipeline Capacity Agreements with Highlands Development Co., Troon North Golf Company, Boulders Joint Venture, DC Livestock Company Limited Partnership, and Amberjack, Ltd. and State Farm Mutual Automobile Insurance Company Co.; and

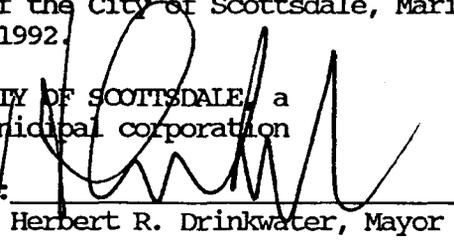
WHEREAS, it is in the interest of the citizens of the City of Scottsdale that the north area golf courses use excess raw CAP water and reclaimed wastewater to irrigate golf courses instead of groundwater.

NOW, THEREFORE, LET IT BE RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1: Herbert R. Drinkwater, Mayor, is hereby authorized to and directed to execute on behalf of the City of Scottsdale Agreement Nos. 920002, 920003, 920004, 920005 and 920006 providing for Pipeline Capacity Agreements with landowners reserving capacity in the Reclaimed Water Distribution System.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 3rd day of February, 1992.

CITY OF SCOTTSDALE, a
municipal corporation

By: 
Herbert R. Drinkwater, Mayor

ATTEST:


Sonia Robertson, City Clerk

APPROVED AS TO FORM:

for 
Richard W. Garnett, III, City Attorney

FIRST AMENDMENT TO PIPELINE CAPACITY AGREEMENT NO. 920004

This *First Amendment to Pipeline Capacity Agreement No. 920004* ("the First Amendment") is made this 19~~th~~ day of December, 1994, by and between the City of Scottsdale, an Arizona municipal corporation ("City"), and Boulders Joint Venture, a joint venture formed under the Arizona Uniform Partnership Act ("Owner").

R E C I T A L S

A. On February 3, 1992, City and Owner entered into *Pipeline Capacity Agreement No. 920004* ("the Agreement") under which Owner purchased five hundred thousand (500,000) gallons per day of transmission capacity in the RWDS in consideration for Owner's payment of the sum of Thirty Four Thousand Two Hundred Fifty One Dollars (\$347,251). At the same time, Owner also paid City of sum of Sixty Thousand Dollars (\$60,000) as a one-time water resources development fee for delivery of up to thirty (30) acre-feet of water annually from the RWDS for turf irrigation with respect to Owner's golf course. However, the annual water demand of Owner's golf course exceeds nine hundred (900) acre-feet per year. At the present time, the bulk of the water used for turf irrigation by Owner consists of groundwater withdrawn from wells located within the "Cave Creek-Carefree Sub-Basin," including wells located within City. Owner desires to acquire additional capacity in the RWDS in order to enable Owner to irrigate more of its golf course with reclaimed water as it is available, or surface water.

B. City has previously entered into Agreement No. 930028 ("the Payson Agreement") in connection with which City has agreed to accept the assignment of eight hundred four (804) acre-feet of Payson CAP subcontract water in lieu of the payment of water resources development fees by Owner. Pursuant to the terms of the Payson Agreement, City has granted Owner a credit to the extent of seven hundred seventy four (774) acre-feet of water, and has refunded Owner the sum of Sixty Thousand Dollars (\$60,000), which amount was paid to City by Owner in connection with entering into Agreement No. 920004, as described in the preceding paragraph.

C. City and Owner now wish to amend certain provisions of the Agreement as stated herein.

A G R E E M E N T

For valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Capitalized Terms. All capitalized terms not otherwise defined in the First Amendment shall have the meanings ascribed to them in the Agreement.

2. Amendment. The parties hereby amend the Agreement as follows:

A. Section 3, page 4. Delete Section 3 and insert the following:

3. PAYMENTS BY OWNER FOR RIGHTS UNDER THIS AGREEMENT

At the time of the execution of the Agreement, Owner paid to City Three Hundred Forty Seven Thousand Two Hundred Fifty One Dollars (\$347,251) as adjusted, as shown on Exhibit "C" attached hereto, for five hundred thousand (500,000) gallons per day of transportation capacity in the RWDS. This dollar amount was calculated pursuant to Exhibit "C" attached hereto. Concurrently with the execution of the First Amendment, Owner shall pay to City, in cash (by wire transfer) or cashier's check, Six Hundred Sixty Thousand One Hundred Eighty Eight Dollars and Twenty Five Cents (\$660,188.25) as calculated pursuant to Exhibit "C-1" attached hereto, for seven hundred fifty thousand (750,000) gallons per day of transportation capacity in the RWDS. Upon payment of this additional sum to City, and execution of the First Amendment by both parties, Owner shall have the right to receive a total of one million two hundred fifty thousand (1,250,000) gallons per day of transportation capacity in the RWDS ("Owner's RWDS Capacity").

B. Section 4.3, page 5. Section 4.3 is amended to read as follows:

4.3 Backup Potable Supply

As a condition of City delivering water through the RWDS to the Property for irrigation of turf, Owner shall i) pay, or have previously paid, to City a water resources development fee for an amount of water at least equal to the Arizona Department of Water Resources (ADWR) maximum annual potable water allotment for the intended turf use or, if such allotment does not exist, the expected annual demand for water to serve the uses permitted under Section 10 hereof, considering all applicable conservation requirements (the "annual allotment") (or if City has no such fee, a payment of Two Thousand Dollars (\$2,000) per acre-foot of annual allotment increased annually by the Engineering News Record Construction Cost Index for Los Angeles or comparable index if this no longer exists); or, alternatively, ii) transfer to City the right to receive CAP water, in

an amount equal to the annual allotment; or iii) a combination of i) and ii) equal to the annual allotment. In addition, Owner shall pay any water development fees, meter fees and any other fees required by City ordinances and codes at the time the fee payments are made, together with the installation of a connection to City's potable system. Owner shall be responsible for all improvements to the water system to provide backup potable supply, which may include pumping stations, reservoirs, pipelines, and related appurtenances. Payment of the fees and/or transfer of CAP water may occur at any time prior to receiving any Non-Potable Water from the RWDS. City will not deliver Non-Potable Water to the Property until the requirements of this Section have been met. The combined total of potable and Non-Potable Water delivered by City to the Property for the purposes permitted under this Agreement in any calendar year shall not exceed the amount of water for which the requirements of this Section have been met, adjusted upward based on ADWR allowances for use of effluent. If Owner is entitled to use potable City water because the turf-related use was in existence and received potable water prior to the effective date of City's water resource development fee ordinance, then the fee payment and CAP water transfer requirements in this Section shall not apply and the turf-related use shall be considered to be "grandfathered." To the extent the requirements of this Section are met either by payment, transfer of CAP water or grandfathering, City shall have the same duty to deliver potable water to Owner as it has to deliver potable water to other users for comparable purposes. In particular, City shall deliver potable water to the Property for the purposes permitted hereunder in an amount equal to the difference between Owner's demand for Non-Potable Water (to the extent the requirements of this Section have been met) and the amount of Non-Potable Water delivered by City pursuant to Section 4.1. City may reduce the amount of potable water to be delivered under this Section only if City in the reasonable exercise of its discretion determines that public health, safety and welfare require it to reduce deliveries of potable water on a uniform basis to all non-essential industrial users of water throughout the city.

C. Section 8, page 8. Delete paragraph 8 and insert the following:

8. PRIVATE WATER COMPANIES

The parties acknowledge and agree that ten (10) of the thirty six (36) golf holes on the Property are located within the Town of Carefree and that Owner currently receives water service to the Property from Carefree Water Company, which is a private water company. Owner agrees that such private water company shall not serve water to the golf courses located on the Property during the term of this Agreement except to the extent that City is unable to deliver to the Property Non-Potable Water through the RWDS or potable water through its municipal water system in an amount equal to Owner's RWDS capacity. The foregoing notwithstanding, Owner shall be permitted to receive water from such private water company for use on the golf courses located on the Property for a period of one year from the effective date of this Agreement to the extent necessary to satisfy its turf irrigation requirements, pending Owner's completion of its on-site transmission and distribution system for Non-Potable Water. Nothing contained herein shall be deemed to authorize Owner to exceed any applicable restrictions or limitations imposed by ADWR on the amount of water which may be used for turf-related watering purposes on the Property, as provided in Section 7, above.

Owner covenants and agrees to indemnify, hold harmless and defend City, together with its officials, officers, employees and agents, from and against any and all claims, actions or proceedings initiated or asserted by Carefree Water Company or the Arizona Corporation Commission arising out of or related to City's service of water to the golf courses located on the Property. Without limiting the foregoing, the duty to indemnify specifically includes claims or actions involving such private water company's assertion that water service by City infringes on the water company's rights under its certificate of convenience and necessity. If any such claim or action is brought or asserted against City, or its officials, officers, employees or agents, for which indemnity may be sought from Owner, then City or any such person shall promptly notify Owner in writing. Owner shall have the option within ten (10) days of receiving such notice of electing to assume the defense thereof, including employment of legal counsel of Owner's choice and the payment of all fees and expenses, which shall be paid as

incurred. If Owner does not elect to assume the defense, Owner shall pay all reasonable fees and expenses incurred by City or its officials, officers, employees and agents in the defense of such action or claim. City shall have the right to employ additional counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of City unless i) the employment thereof has been specifically authorized by Owner in writing; or ii) Owner has failed to assume the defense of the action or claim as hereinabove provided.

D. Section 12, page 9. Section 12 is amended to read as follows:

12. CONSTRUCTION OF MAIN LINE

Owner shall not be entitled to receive Non-Potable Water through the RWDS until it constructs a Main Line, including a meter of sufficient size to deliver Non-Potable Water to the water distribution system of Owner at the Property in an amount at least equal to Owner's RWDS Capacity at the time of commencement of construction of the Main Line. With regard to the inclusion of a meter in the construction of a Main Line, Owner shall only be obligated to pay the costs and expenses incident to the purchase and installation of the meter; Owner shall have no obligation to pay to City any fees, including development fees, in connection with such meter. A Main Line shall have an air gap between the golf course lake and the Main Line that provides backflow prevention under all flow conditions. Prior to construction, plans and specifications for the Main Line shall be submitted to City for approval, which approval shall not be unreasonably withheld. After construction, Owner shall convey to City the Main Line and any easements, rights of way and/or fee property equal to ten feet on either side of the center line along the alignment of the Main Line contained in the approved plans and specifications or have paid the cost of condemning such easements, rights of way and/or fee property pursuant to Section 13 hereof. City will accept the Main Line and related property interests pursuant to City's usual and customary acceptance procedure. The Main Line and related property interests shall then be a part of the RWDS. Owner is not required to pay costs in connection with oversizing the Main Line.

E. Section 14, page 10. Delete Section 14 and insert the following:

14. ZONING STIPULATIONS

14.1 Owner's Guaranteed Backup Potable Water Supply

At the time Owner entered into the Agreement, Owner paid City the sum of Sixty Thousand Dollars (\$60,000) as a one-time water resources development fee for delivery for up to thirty (30) acre-feet of water annually for turf irrigation with respect to a portion of Owner's golf course. Thereafter, pursuant to the terms of the Payson Agreement, under which City was transferred the right to receive CAP water in May 1994, City granted Owner credit for an additional seven hundred seventy four (774) acre-feet of water. Owner has, thus, as of the date of this First Amendment, satisfied the requirements set forth in Section 14.3 for eight hundred four (804) acre-feet of annual water demand of Owner's golf course. Owner's remaining annual demand is satisfied currently by the delivery of effluent purchased from the Boulders Carefree Sewer Corporation.

14.2 Satisfaction of Zoning Stipulations

Execution and implementation of this Agreement by Owner and City shall be deemed to constitute satisfaction of Zoning Stipulation 15(b), and Use Permit Stipulations 6 and 7 of Cases 42-Z-89/38-UP-89. City's Water Resources Department shall confirm that Owner has satisfied the above-referenced stipulations by placing the memo attached hereto as Exhibit "D" in the above-referenced zoning file.

F. Section 17.1, page 15. Section 17.1 is amended to delete the address for Owner and insert the following addresses for notice to Owner:

Boulders Joint Venture
34631 N. Tom Darlington Dr.
P. O. Box 2090
Carefree, AZ 85377
Attention: Club Manager

With a copy to:

Norman D. James, Esq.
Ryley, Carlock & Applewhite
101 N. First Ave., Suite 2700
Phoenix, AZ 85003-1973

G. New Exhibits. Delete Exhibit "A" and insert the new Exhibit "A" attached to the First Amendment in its stead. Insert Exhibit "C-1" attached to this Amendment after Exhibit "C" as a new exhibit to the Agreement.

3. Limited Effect. Except as specifically amended hereby, all terms, provisions, covenants, and agreements contained in the Agreement shall remain in full force and effect following the date hereof.

4. Miscellaneous Provisions.

A. Waiver. No delay in exercising any right or remedy shall constitute a waiver thereof, and no waiver by any party to this Agreement of the breach of any covenant of this Agreement shall be construed as a waiver of any preceding or succeeding breach of the same or any other covenant or condition of this Agreement.

B. Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature pages from one (1) or more counterparts may be removed from such counterparts and such signature pages all attached to a single instrument so that the signatures of all parties may be physically attached to a single document.

C. Headings. The descriptive headings of the paragraphs of this Agreement are inserted for convenience only and shall not control or affect the meaning or construction of any of the provisions hereof.

D. Exhibits. Any exhibit attached hereto shall be deemed to have been incorporated herein by this reference with the same force and effect as if fully set forth in the body hereof.

E. Further Acts. Each of the parties hereto shall execute and deliver all such documents and perform all such acts as reasonably necessary, from time to time, to carry out the matters contemplated by this Agreement.

F. Term. Unless terminated pursuant to this Agreement, this Agreement shall continue in full force and effect in perpetuity.

G. No Partnership; Third Parties. It is not intended by this Agreement to, and nothing contained in this Agreement shall, create any partnership, joint venture or other arrangement between City and Owner or other purchasers of RWDS capacity. No term or provision of this Agreement is intended to, or shall, be for the benefit of any person, firm, organization or corporation not a party hereto, and no such other person, firm, organization or corporation shall have any right or cause of action hereunder.

H. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof. All prior and contemporaneous agreements, representations and understandings of the parties, oral or written, are hereby superseded and merged herein.

I. Amendment. No change or addition is to be made to this Agreement except by a written amendment executed by the parties hereto.

J. Good Standing; Authority. Each of the parties represents and warrants to the other i) that it is duly formed, validly existing and in good standing under all applicable laws; and ii) that the individual(s) executing this Agreement on behalf of the respective parties are authorized and empowered to bind the party on whose behalf each such individual is signing.

K. Severability. If any provision of this Agreement is declared void or unenforceable, such provision shall be severed from this Agreement, which shall otherwise remain in full force and effect. If any applicable law or court of competent jurisdiction prohibits or excuses City or Owner from undertaking any contractual commitment to perform any act hereunder, this Agreement shall be deemed to permit City or Owner to take such action at its discretion.

L. Governing Law. This Agreement is entered into in Arizona and shall be construed and interpreted under the laws of Arizona including, without limitation, the provisions of A.R.S. § 38-511.

M. Time of Essence. Time is of the essence of this Agreement.

N. Attorneys' Fees. If any action is brought by any party to this Agreement with respect to its rights under this Agreement, the prevailing party or parties shall be entitled to reasonable attorneys' fees and court costs from the other party or parties as determined by the court.

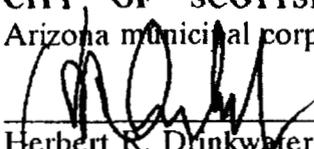
O. Binding Effect. Subject to the terms and conditions of Section 16, this Agreement shall inure to the benefit of and shall be binding upon the parties hereto, and their successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed the First Amendment as of the day and year first written above on behalf of City and Owner.

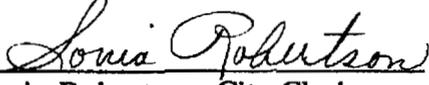
"City"

CITY OF SCOTTSDALE, an
Arizona municipal corporation

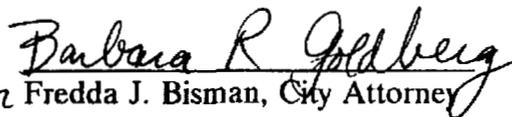
By:


Herbert R. Drinkwater, Mayor

ATTEST:


Sonia Robertson, City Clerk

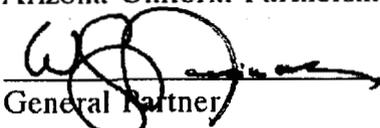
APPROVED AS TO FORM:


for Fredda J. Bisman, City Attorney

"Owner"

BOULDERS JOINT VENTURE, a
joint venture formed under the
Arizona Uniform Partnership Act

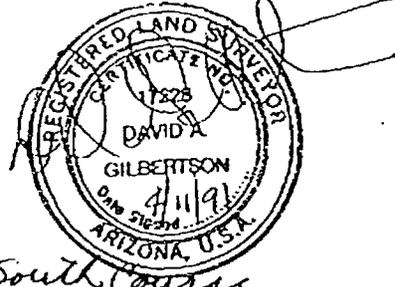
By:


Its: General Partner

Address:

P.O. Box 2090
Coeville, DE, 85377

EXHIBIT "A"



PROPERTY DESCRIPTION
GPLF COURSE HOLES 1 AND 4
AT THE BOULDERS

That part of the Southwest quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the West quarter corner of said Section 2 as shown on the plat for BOULDERS CAREFREE PARCEL "E", according to Book 343 of Maps, Page 18, records of Maricopa County;

thence South 89 degrees 02 minutes 09 seconds East along the North line of said Southwest quarter a distance of 950.68 feet to a boundary corner of said Parcel "E", said point being the TRUE POINT OF BEGINNING;

thence continuing South 89 degrees 02 minutes 09 seconds East along said North line a distance of 167.94 feet;

thence South 39 degrees 43 minutes 45 seconds East along the boundary of said Parcel "E" a distance of 329.48 feet to a point herein described as point "A";

thence South 74 degrees 11 minutes 43 seconds West continuing along said boundary a distance of 110.52 feet to the beginning of a curve concave southeasterly and having a radius of 300.00 feet;

thence southwesterly along said boundary and the arc of said curve through a central angle of 19 degrees 29 minutes 28 seconds a distance of 102.06 feet;

thence North 28 degrees 40 minutes 19 seconds continuing along said boundary a distance of 376.27 feet to the TRUE POINT OF BEGINNING.

Said parcel contains 59,084 square feet or 1.3564 acres more or less.

Together with the following described parcel:

BEGINNING at said Point "A" in the above described parcel;

thence South 39 degrees 43 minutes 45 seconds East 43.76 feet to a boundary corner of said Parcel "E" and the TRUE POINT OF BEGINNING, the following courses follow said boundary of Parcel "E" until otherwise noted;

thence continuing South 39 degrees 43 minutes 45 seconds East 436.89 feet;

thence South 31 degrees 30 minutes 59 seconds East 104.19 feet;

thence South 28 degrees 57 minutes 15 seconds East 38.86 feet;

thence South 16 degrees 41 minutes 44 seconds East 77.45 feet;

thence South 36 degrees 53 minutes 27 seconds East 110.07 feet to the beginning of a curve concave southwesterly and having a radius of 130.00 feet;

thence southeasterly along the arc of said curve through a central angle of 17 degrees 39 minutes 32 seconds a distance of 40.07 feet to a point of tangency;

thence South 19 degrees 13 minutes 55 seconds East 112.00 feet to the beginning of a curve concave westerly and having a radius

of 80.00 feet;

thence southerly along the arc of said curve through a central angle of 55 degrees 16 minutes 58 seconds a distance of 77.19 feet;

thence South 25 degrees 38 minutes 57 seconds East 25.00 feet;

thence South 78 degrees 09 minutes 27 seconds East 36.19 feet;

thence North 83 degrees 20 minutes 10 seconds East 82.27 feet;

thence South 04 degrees 41 minutes 15 seconds East leaving said boundary of Parcel "E" a distance of 205.64 feet to a point on the northerly right-of-way line of Clubhouse Drive as described in Instrument number 85-584550, records of Maricopa County;

thence South 85 degrees 35 minutes 38 seconds West along said right-of-way 161.13 feet to the beginning of a curve concave northeasterly and having a radius of 182.00 feet;

thence westerly along said right-of-way and the arc of said curve through a central angle of 25 degrees 24 minutes 22 seconds a distance of 80.70 feet to a point of tangency;

thence North 69 degrees 00 minutes 00 seconds West along said right-of-way 34.92 feet to the beginning of a curve concave southwesterly and having a radius of 217.63 feet;

thence northwesterly along said right-of-way and the arc of said curve through a central angle of 21 degrees 00 minutes 00 seconds a distance of 79.77 feet to a point of tangency;

thence West along said right-of-way 129.59 feet;

thence North leaving said right-of-way 7.00 feet to the beginning of a curve, the radius of which bears South a distance of 1025.00 feet therefrom;

thence westerly along the arc of said curve through a central angle of 05 degrees 51 minutes 38 seconds a distance of 104.84 feet to a point of tangency;

thence South 84 degrees 08 minutes 22 seconds West 45.02 feet to the beginning of a curve concave northeasterly and having a radius of 155.00 feet;

thence northwesterly along the arc of said curve through a central angle of 31 degrees 02 minutes 53 seconds a distance of 83.99 feet to a point of tangency;

thence North 64 degrees 48 minutes 45 seconds West 6.09 feet to the beginning of a curve concave southwesterly and having a radius of 205.00 feet;

thence northwesterly along the arc of said curve through a central angle of 30 degrees 45 minutes 12 seconds a distance of 110.03 feet to a point of tangency;

thence South 84 degrees 26 minutes 03 seconds West 41.85 feet to the beginning of a curve concave northeasterly and having a radius of 155.00 feet;

thence northwesterly along the arc of said curve through a central angle of 50 degrees 15 minutes 17 seconds a distance of 135.95 feet to a point of tangency;

thence North 45 degrees 18 minutes 40 seconds West 272.28 feet to the beginning of a curve concave southwesterly and having a radius of 275.00 feet;

thence northwesterly along the arc of said curve through a central angle of 30 degrees 30 minutes 30 seconds a distance of 146.43

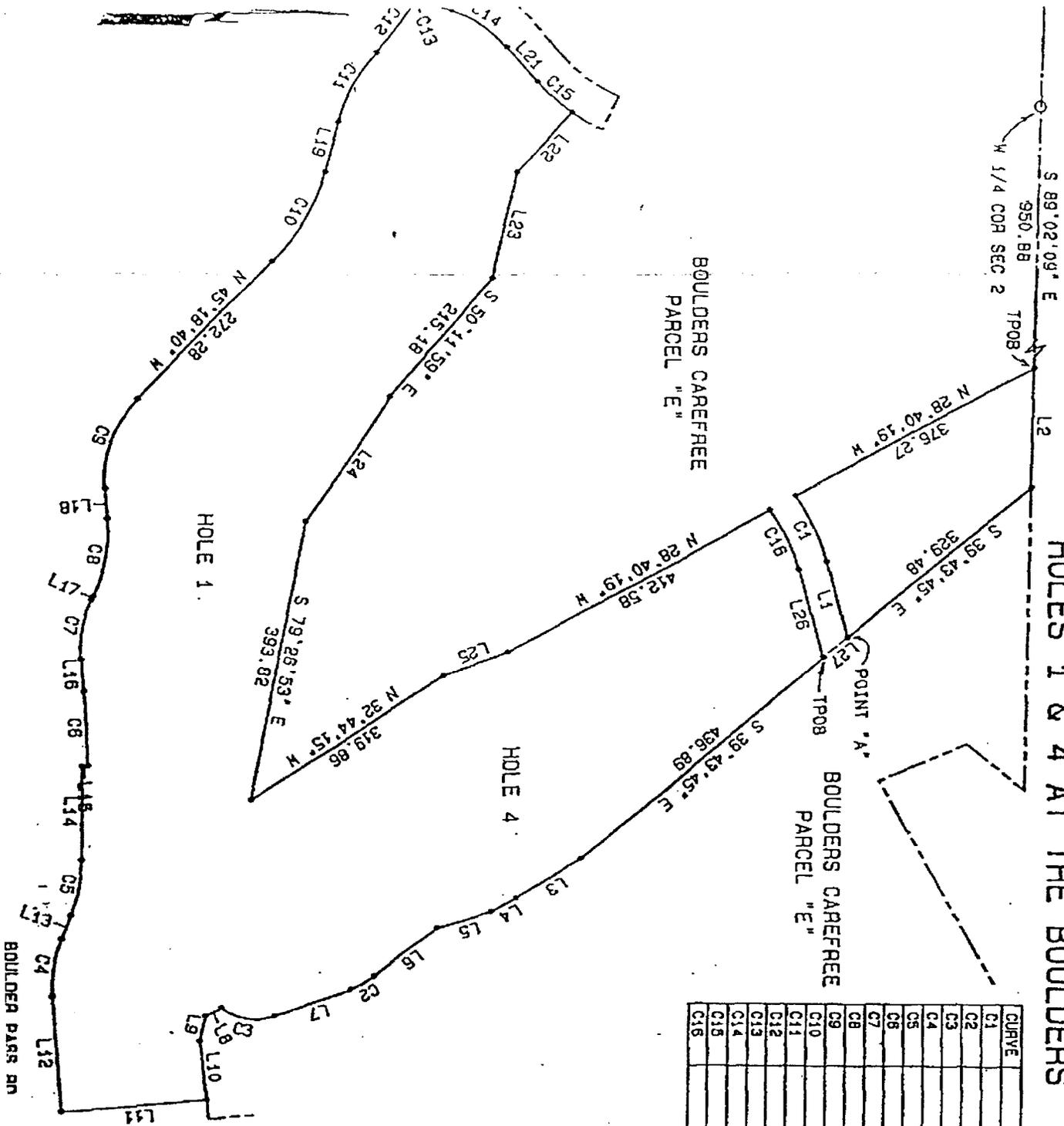
feet to a point of tangency;
thence North 75 degrees 49 minutes 11 seconds West 71.88 feet to
the beginning of a curve concave northeasterly and having a
radius of 209.21 feet;
thence northwesterly along the arc of said curve through a central
angle of 30 degrees 55 minutes 48 seconds a distance of 112.94
feet to the beginning of a reverse curve concave southwesterly
and having a radius of 350.00 feet;
thence northwesterly along the arc of said curve through a central
angle of 13 degrees 10 minutes 48 seconds a distance of 80.51
feet to the beginning of a reverse curve concave northeasterly
and having a radius of 12.00 feet;
thence northwesterly along the arc of said curve through a central
angle of 75 degrees 30 minutes 41 seconds a distance of 15.82
feet to a point of tangency;
thence North 17 degrees 26 minutes 31 seconds East 40.64 feet to
the beginning of a curve concave southeasterly and having a
radius of 175.00 feet;
thence northeasterly along the arc of said curve through a central
angle of 30 degrees 35 minutes 51 seconds a distance of 93.45
feet to a point of tangency;
thence North 48 degrees 02 minutes 21 seconds East 63.42 feet to
the beginning of a curve concave northwesterly and having a
radius of 275.00 feet;
thence northeasterly along the arc of said curve through a central
angle of 13 degrees 17 minutes 48 seconds a distance of 63.82
feet to a point on said boundary of Parcel "E", the following
courses follow said boundary to the end of this description;
thence South 48 degrees 17 minutes 07 seconds East leaving said
curve a distance of 111.00 feet;
thence South 77 degrees 33 minutes 43 seconds East 153.34 feet;
thence South 50 degrees 11 minutes 59 seconds East 215.18 feet;
thence South 55 degrees 04 minutes 43 seconds East 211.86 feet;
thence South 79 degrees 26 minutes 53 seconds East 393.82 feet;
thence North 32 degrees 44 minutes 15 seconds West 319.86 feet;
thence North 20 degrees 13 minutes 18 seconds West 93.87 feet;
thence North 28 degrees 40 minutes 19 seconds West 412.58 feet to
a point on a curve, the radius of which bears South 36 degrees
19 minutes 14 seconds East a distance of 260.00 feet
therefrom;
thence northeasterly along the arc of said curve through a central
angle of 20 degrees 30 minutes 57 seconds a distance of 93.10
feet to a point of tangency;
thence North 74 degrees 11 minutes 43 seconds East 128.27 feet to
the TRUE POINT OF BEGINNING.

Said parcel contains 666,591 square feet or 15.3028 acres more or
less, the 2 parcels combined contain 16.6592 acres more or less.

PROPERTY DESCRIPTION SKETCH HOLES 1 & 4 AT THE BOULDERS

BOULDERS CAREFREE
PARCEL "E"

BOULDERS CAREFREE
PARCEL "E"



CURVE	ARC	DELTA	RAADIUS
C1	102.06	19°29'28"	300.00
C2	40.07	17°39'32"	130.00
C3	77.19	55°16'58"	80.00
C4	80.70	25°24'22"	182.00
C5	79.77	21°00'00"	217.63
C6	104.84	5°51'38"	1025.00
C7	83.99	31°02'53"	155.00
C8	110.03	30°45'12"	205.00
C9	135.96	50°15'17"	155.00
C10	146.43	30°30'30"	275.00
C11	112.94	30°58'48"	209.21
C12	80.51	13°10'48"	350.00
C13	15.82	78°30'41"	12.00
C14	93.45	30°35'51"	175.00
C15	63.82	13°17'48"	275.00
C16	93.10	20°30'57"	260.00

LINE	BEARINGS	DISTANCE
L1	S 74°11'43" W	110.52
L2	S 89°02'09" E	167.94
L3	S 31°30'59" E	104.19
L4	S 28°57'15" E	38.86
L5	S 16°41'44" E	77.47
L6	S 36°53'27" E	110.07
L7	S 19°13'55" E	112.00
L8	S 25°38'57" E	25.00
L9	S 78°09'27" E	36.19
L10	N 83°20'10" E	82.27
L11	S 4°41'15" E	205.64
L12	S 85°35'36" W	161.13
L13	N 69°00'00" W	34.92
L14	S 90°00'00" W	129.59
L15	N 0°00'00" E	7.00
L16	S 84°08'22" W	45.02
L17	N 64°48'45" W	6.09
L18	S 84°26'03" W	41.85
L19	N 76°49'11" W	71.80
L20	N 17°26'31" E	40.64
L21	N 48°02'21" E	63.42
L22	S 48°17'07" E	111.00
L23	S 77°33'43" E	153.34
L24	S 55°04'43" E	211.86
L25	N 20°13'18" W	93.87
L26	N 74°11'43" E	128.27
L27	S 39°43'45" E	43.76

BOULDER PASS BN

PROPERTY DESCRIPTION
GOLF COURSE HOLES 2 AND 3
AT THE BOULDERS

South Course

That part of the Southwest quarter of Section 2 and the Southeast quarter of Section 3, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the West quarter corner of said Section 2;
thence South 89 degrees 02 minutes 09 seconds East along the North line of said Southwest quarter a distance of 428.07 feet to the Northwest boundary corner of BOULDERS CAREFREE PARCEL "E", according to Book 343 of Maps, Page 18, records of Maricopa County, the following courses follow the westerly boundary of said Parcel "E" until otherwise noted;
thence South 00 degrees 58 minutes 53 seconds West 159.63 feet;
thence South 05 degrees 33 minutes 13 seconds East 107.50 feet to a point on a curve, the radius of which bears South 07 degrees 32 minutes 41 seconds East a distance of 170.00 feet therefrom;
thence southwesterly along the arc of said curve through a central angle of 15 degrees 55 minutes 09 seconds a distance of 47.23 feet to a point of tangency;
thence South 66 degrees 32 minutes 10 seconds West 58.59 feet to the beginning of a curve concave northwesterly and having a radius of 135.00 feet;
thence southwesterly along the arc of said curve through a central angle of 28 degrees 47 minutes 42 seconds a distance of 67.85 feet to the beginning of a compound curve concave northeasterly and having a radius of 12.00 feet;
thence northwesterly along the arc of said curve through a central angle of 66 degrees 15 minutes 05 seconds a distance of 13.88 feet to the beginning of a reverse curve concave southerly and having a radius of 45.00 feet;
thence westerly along the arc of said curve through a central angle of 131 degrees 08 minutes 54 seconds a distance of 103.00 feet;
thence North 89 degrees 26 minutes 05 seconds West leaving said curve a distance of 229.73 feet;
thence South 24 degrees 24 minutes 01 seconds West 347.53 feet;
thence North 80 degrees 38 minutes 53 seconds East 418.51 feet to the beginning of a non-tangent curve, the radius of which bears South 06 degrees 01 minutes 54 seconds West a distance of 100.53 feet therefrom;
thence southeasterly along the arc of said curve through a central angle of 44 degrees 31 minutes 02 seconds a distance of 78.11 feet to the beginning of a non-tangent curve, the radius of which bears South 46 degrees 22 minutes 10 seconds West a distance of 100.00 feet therefrom;
thence southeasterly along the arc of said curve through a central angle of 20 degrees 41 minutes 15 seconds a distance of 36.11 feet to the beginning of a non-tangent curve, the radius of which bears South 83 degrees 57 minutes 42 seconds West a

distance of 75.00 feet therefrom;

thence southwesterly along the arc of said curve through a central angle of 63 degrees 23 minutes 15 seconds a distance of 82.97 feet to a point of tangency;

thence South 57 degrees 20 minutes 57 seconds West 45.50 feet;

thence South 06 degrees 04 minutes 59 seconds East 69.26 feet;

thence South 58 degrees 13 minutes 23 seconds East 56.93 feet;

thence South 86 degrees 03 minutes 28 seconds East 119.38 feet;

thence South 17 degrees 26 minutes 31 seconds West leaving the boundary of said Parcel "E" a distance of 26.30 feet to the beginning of a curve concave northwesterly and having a radius of 12.00 feet;

thence southwesterly along the arc of said curve through a central angle of 92 degrees 37 minutes 23 seconds a distance of 19.40 feet to the beginning of a reverse curve concave southeasterly and having a radius of 350.00 feet;

thence southwesterly along the arc of said curve through a central angle of 57 degrees 12 minutes 42 seconds a distance of 349.49 feet to a point of tangency, said point lying on the northerly right-of-way line of Boulder Pass as described in Instrument number 85-584550, records of Maricopa County;

thence South 52 degrees 51 minutes 12 seconds West along said right-of-way 48.44 feet to the beginning of a curve concave northwesterly and having a radius of 75.00 feet;

thence southwesterly along said right-of-way and the arc of said curve through a central angle of 37 degrees 08 minutes 48 seconds a distance of 48.62 feet to a point of tangency;

thence West along said right-of-way 119.25 feet to the beginning of a curve concave southeasterly and having a radius of 125.00 feet;

thence southwesterly along said right-of-way and the arc of said curve through a central angle of 28 degrees 13 minutes 51 seconds a distance of 61.59 feet to a point of tangency;

thence South 61 degrees 46 minutes 09 seconds West along said right-of-way 78.46 feet to the beginning of a curve concave northwesterly and having a radius of 75.00 feet;

thence westerly along said right-of-way and the arc of said curve through a central angle of 38 degrees 33 minutes 43 seconds a distance of 50.48 feet to a point of tangency;

thence North 79 degrees 40 minutes 08 seconds West along said right-of-way 154.04 feet to a point on the East right-of-way line of Tom Darlington as shown on the Map of Dedication recorded in Book 303 of Maps, Page 29, records of Maricopa County;

thence North 10 degrees 19 minutes 52 seconds East along the last described right-of-way line 999.12 feet to a point on the North line of the Southeast quarter of said Section 3;

thence South 83 degrees 59 minutes 05 seconds East along said line 300.28 feet to the POINT OF BEGINNING.

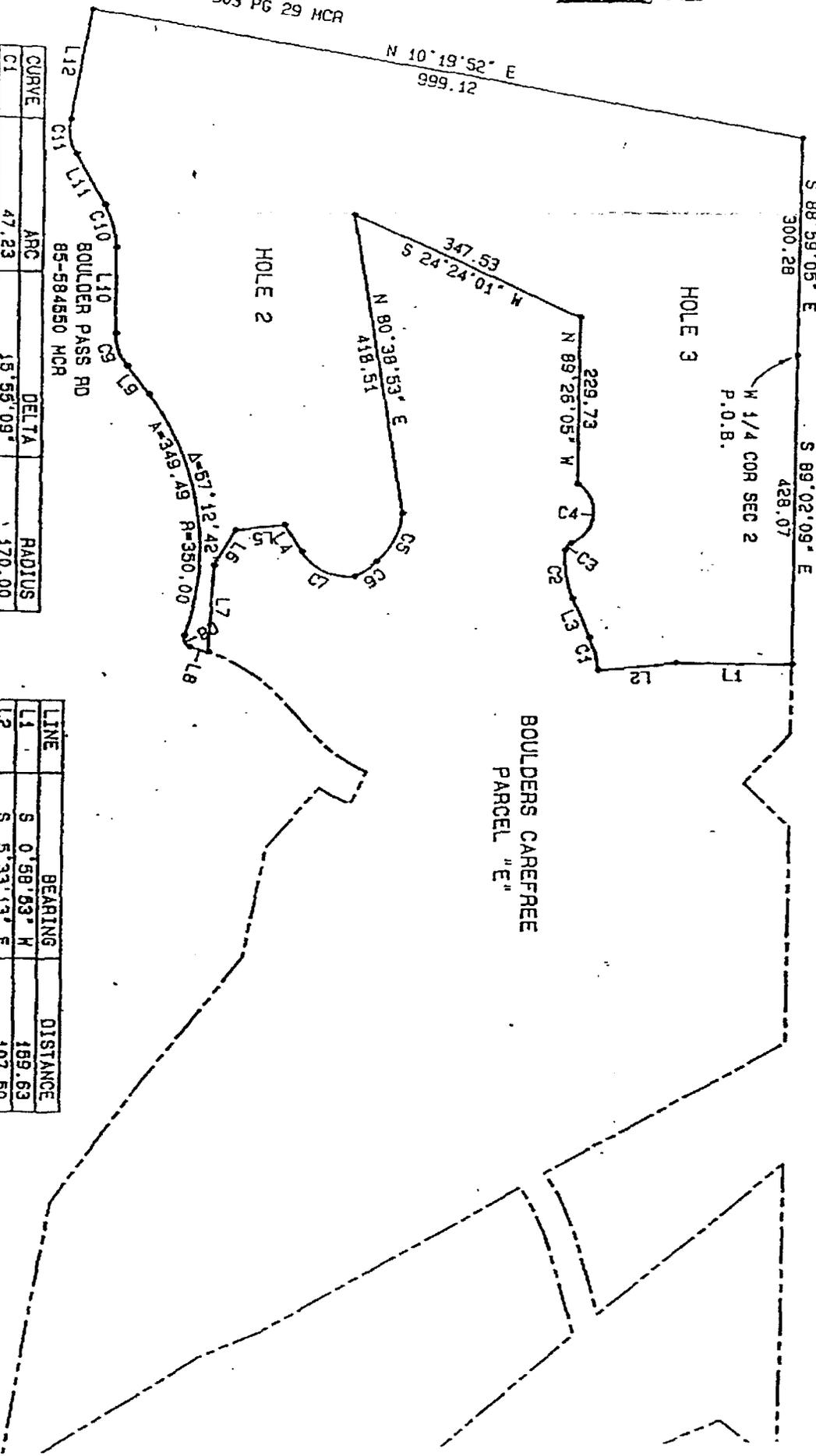
Said parcel contains 554,642 square feet or 12.7326 acres less.



TOM DARLINGTON
BK 303 PG 29 MCR



PROPERTY DESCRIPTION SKETCH
HOLES 2 & 3 AT THE BOULDERS



CURVE	ARC	DELTA	RADIUS
C1	47.23	15°56'09"	170.00
C2	67.85	28°47'42"	135.00
C3	13.88	66°15'05"	12.00
C4	103.00	131°08'54"	45.00
C5	78.11	44°31'02"	100.53
C6	36.11	20°41'15"	100.00
C7	82.97	63°23'15"	75.00
C8	19.40	92°37'23"	12.00
C9	48.82	37°08'48"	75.00
C10	61.59	28°13'51"	125.00

LINE	BEARING	DISTANCE
L1	S 0°58'53" W	189.63
L2	S 5°33'13" E	107.50
L3	S 66°32'10" W	58.59
L4	S 57°20'57" W	45.80
L5	S 6°04'59" E	69.26
L6	S 68°13'23" E	56.93
L7	S 86°03'20" E	119.38
L8	S 17°26'31" W	28.30
L9	S 62°51'12" W	48.44
L10	S 90°00'00" W	119.25

BOULDERS CAREFREE
PARCEL "E"

GILBERTSON ASSOCIATES
#49027 4-9-91

PROPERTY DESCRIPTION
REVISED LAKE HOLE NUMBER 2
AT THE BOULDERS

That part of the Southeast quarter of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, bounded on the Northeast by the southeasterly line of BOULDERS CAREFREE UNIT FIVE, according to Book 212 of Maps, Page 40, and on the Southeast by the northeasterly line of BOULDERS CAREFREE UNIT SIX, according to Book 268 of Maps, Page 17 records of Maricopa County, and being more particularly described as follows:

BEGINNING at the Southeast corner of Lot 21 of said UNIT FIVE;
thence North 31 degrees 03 minutes 34 seconds East along said Unit Five boundary a distance of 142.23 feet;
thence South 71 degrees 20 minutes 49 seconds East continuing along said Unit Five boundary a distance of 22.45 feet to a point on a curve, the radius of which bears North 87 degrees 57 minutes 15 seconds East a distance of 233.03 feet therefrom;
thence southerly continuing along said Unit Five boundary and the arc of said curve through a central angle of 20 degrees 18 minutes 28 seconds a distance of 82.59 feet to a point of tangency;
thence South 22 degrees 21 minutes 13 seconds East continuing along said Unit Five boundary a distance of 112.31 feet;
thence South 58 degrees 26 minutes 38 seconds West continuing along said Unit Five boundary a distance of 125.97 feet;
thence South 87 degrees 00 minutes 17 seconds West leaving said Unit Five boundary a distance of 462.44 feet to the Northeast corner of Lot 2012 of said BOULDERS CAREFREE UNIT SIX;
thence North 79 degrees 34 minutes 56 seconds West along said Unit Six boundary a distance of 188.24 feet;
thence South 87 degrees 15 minutes 45 seconds West continuing along said Unit Six boundary a distance of 240.77 feet;
thence North 70 degrees 55 minutes 57 seconds West continuing along said Unit Six boundary a distance of 114.77 feet;
thence North 48 degrees 34 minutes 49 seconds West continuing along said Unit Six boundary a distance of 105.00 feet;
thence North 32 degrees 32 minutes 35 seconds West continuing along said Unit Six boundary a distance of 86.05 feet;
thence North 51 degrees 34 minutes 40 seconds West continuing along said Unit Six boundary a distance of 221.00 feet;
thence North 34 degrees 28 minutes 57 seconds West continuing along said Unit Six boundary a distance of 140.77 feet to the beginning of a curve concave southeasterly and having a radius of 130.00 feet;
thence northeasterly along the arc of said curve, leaving said Unit Six boundary a distance of 375.93 feet to a point of tangency on the southeasterly boundary of said Unit Five;
thence South 48 degrees 47 minutes 44 seconds East along said Unit Five boundary a distance of 321.41 feet;
thence South 79 degrees 46 minutes 41 seconds East continuing along said Unit Five boundary a distance of 217.91 feet;

thence North 88 degrees 30 minutes 38 seconds East continuing along said Unit ~~Five~~ boundary a distance of 95.01 feet;
thence South 27 degrees 03 minutes 36 seconds West continuing along said Unit ~~Five~~ boundary a distance of 79.56 feet;
thence South 73 degrees 20 minutes 21 seconds East continuing along said Unit ~~Five~~ boundary a distance of 143.00 feet;
thence South 77 degrees 25 minutes 24 seconds East continuing along said Unit ~~Five~~ boundary a distance of 493.39 feet to the POINT OF BEGINNING.

Said parcel contains 415,277 square feet or 9.5334 acres more or less.





BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

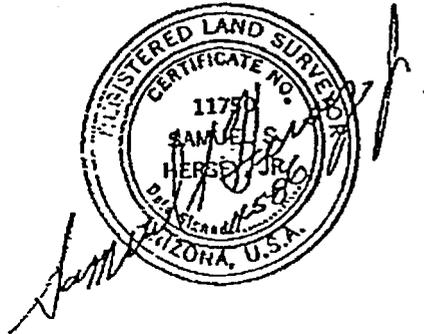
LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■

#5 South Course

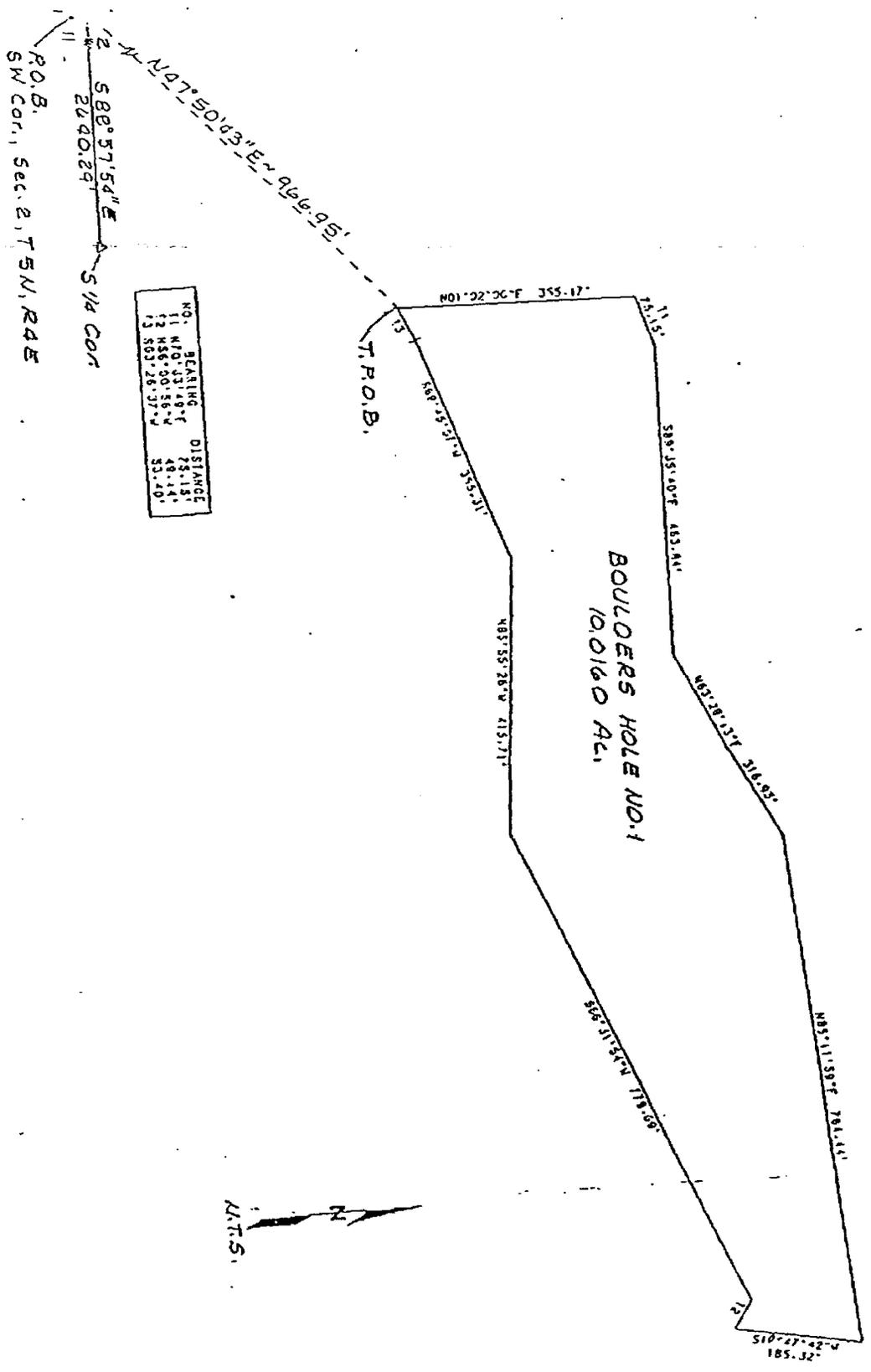
That portion of the Southwest one-quarter (SW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Southwest corner of said Section 2;
thence North 47° 50' 43" East, 966.95 feet to THE TRUE POINT OF BEGINNING;
thence North 01° 02' 06" East, 355.17 feet;
thence North 70° 33' 49" East, 75.15 feet;
thence South 89° 35' 40" East, 463.84 feet;
thence North 63° 28' 13" East, 316.93 feet;
thence North 85° 11' 59" East, 764.44 feet;
thence South 10° 47' 42" West, 185.32 feet;
thence North 56° 00' 56" West, 49.14 feet;
thence South 66° 31' 54" West, 779.69 feet;
thence North 85° 55' 26" West, 415.71 feet;
thence South 69° 45' 07" West, 355.31 feet;
thence South 63° 26' 37" West, 53.40 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 436,296 square feet, 10.0160 Acres, more or less.



5246 South 40th Street
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216-01-TM-45 OCT. 30, 1986



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ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL-DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■

** 6 South Course*

That portion of the Southwest one-quarter (SW 1/4) of Section 2, and Northwest one-quarter (NW 1/4) of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

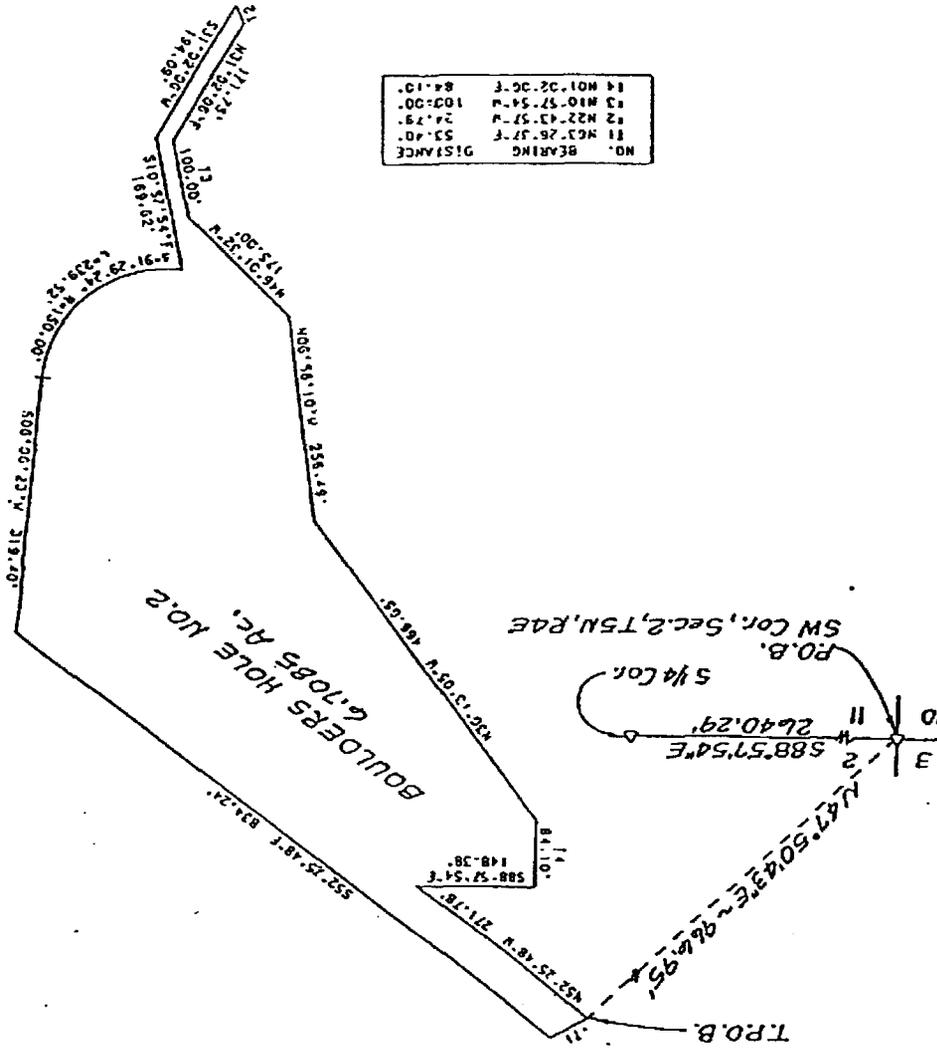
Commencing at the Southwest corner of said Section 2;
thence North 47° 50' 43" East, 966.95 feet to THE TRUE POINT OF BEGINNING;
thence North 63° 26' 37" East, 53.40 feet;
thence South 52° 25' 48" East, 834.24 feet;
thence South 06° 06' 23" West, 319.40 feet to the beginning of a curve concave to the Northwest, having a radius of 150.00 feet;
thence Southwesterly along said curve through a central angle of 91° 29' 24", an arc distance of 239.52 feet;
thence on a non-tangent line, South 10° 57' 54" East, 169.62 feet;
thence South 31° 02' 06" West, 194.09 feet;
thence North 22° 43' 57" West, 24.79 feet;
thence North 31° 02' 06" East, 171.75 feet;
thence North 10° 57' 54" West, 100.00 feet;
thence North 46° 01' 32" West, 175.00 feet;
thence North 06° 56' 10" West, 256.49 feet;
thence North 36° 13' 05" West, 466.65 feet;
thence North 01° 02' 06" East, 84.10 feet;
thence South 88° 57' 54" East, 148.38 feet;
thence North 52° 25' 48" West, 271.78 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 292,221 square feet, 6.7085 Acres, more or less.



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NO.	BEARING	DISTANCE
E1	N63°26'37"E	53.40'
E2	N22°43'57"E	24.79'
E3	N10°57'54"E	100.00'
E4	N01°20'20"E	84.13'



M.T.S





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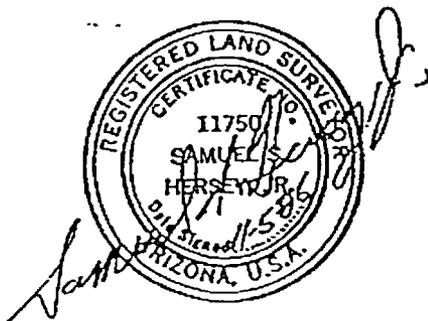
Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■ *#7 South Course*

That portion of the Northwest one-quarter (NW 1/4) of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Northwest corner of said Section 11;
thence South 65° 18' 36" East, 370.59 feet to THE TRUE POINT OF BEGINNING;
thence North 68° 40' 25" East, 229.78 feet;
thence South 48° 36' 55" East, 594.91 feet;
thence South 13° 29' 59" West, 93.30 feet;
thence South 76° 30' 00" East, 175.00 feet;
thence South 22° 43' 57" East, 24.79 feet;
thence North 76° 30' 00" West, 143.36 feet to the beginning of the non-tangent curve concave to the North, having a radius of 75.00 feet and a radial bearing to said beginning of South 45° 56' 36" East;
thence Westerly along said curve through a central angle of 81° 00' 22", an arc distance of 106.04 feet to the point of tangency;
thence North 54° 56' 14" West, 489.47 feet;
thence WEST 143.90 feet;
thence North 13° 16' 02" West, 163.12 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 141,790 square feet, 3.2551 Acres, more or less.

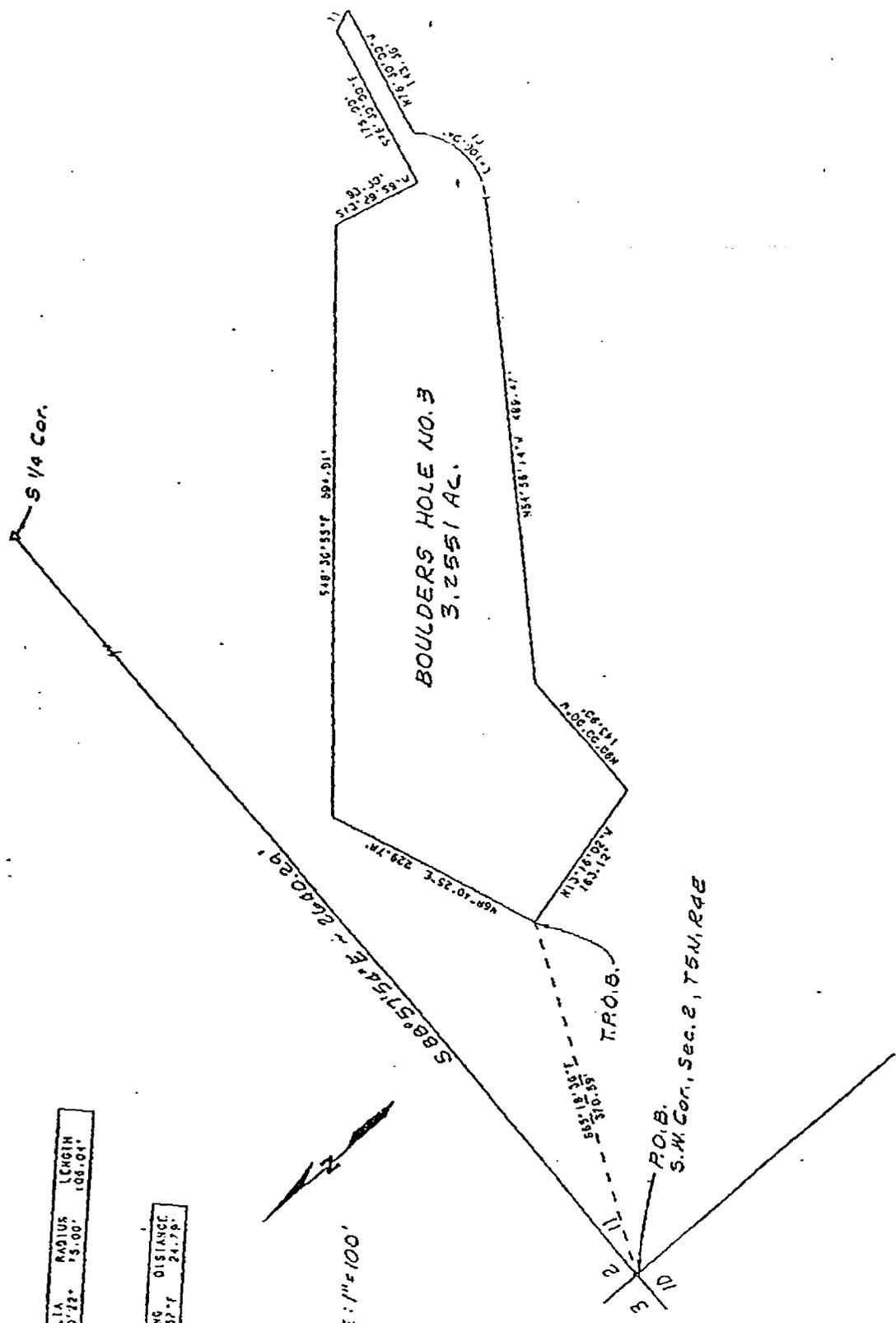


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NO.	DEG.	RADIUS	LENGTH
C1	81°00'22"	13.00'	108.04'

NO.	SCALING	DISTANCE
T1	822°23'37"	24.78'

SCALE: 1"=100'



216-01-TM-05 OCT. 30, 1966



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■ *# 8 South Course*

That portion of the Northwest one-quarter (NW 1/4) of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

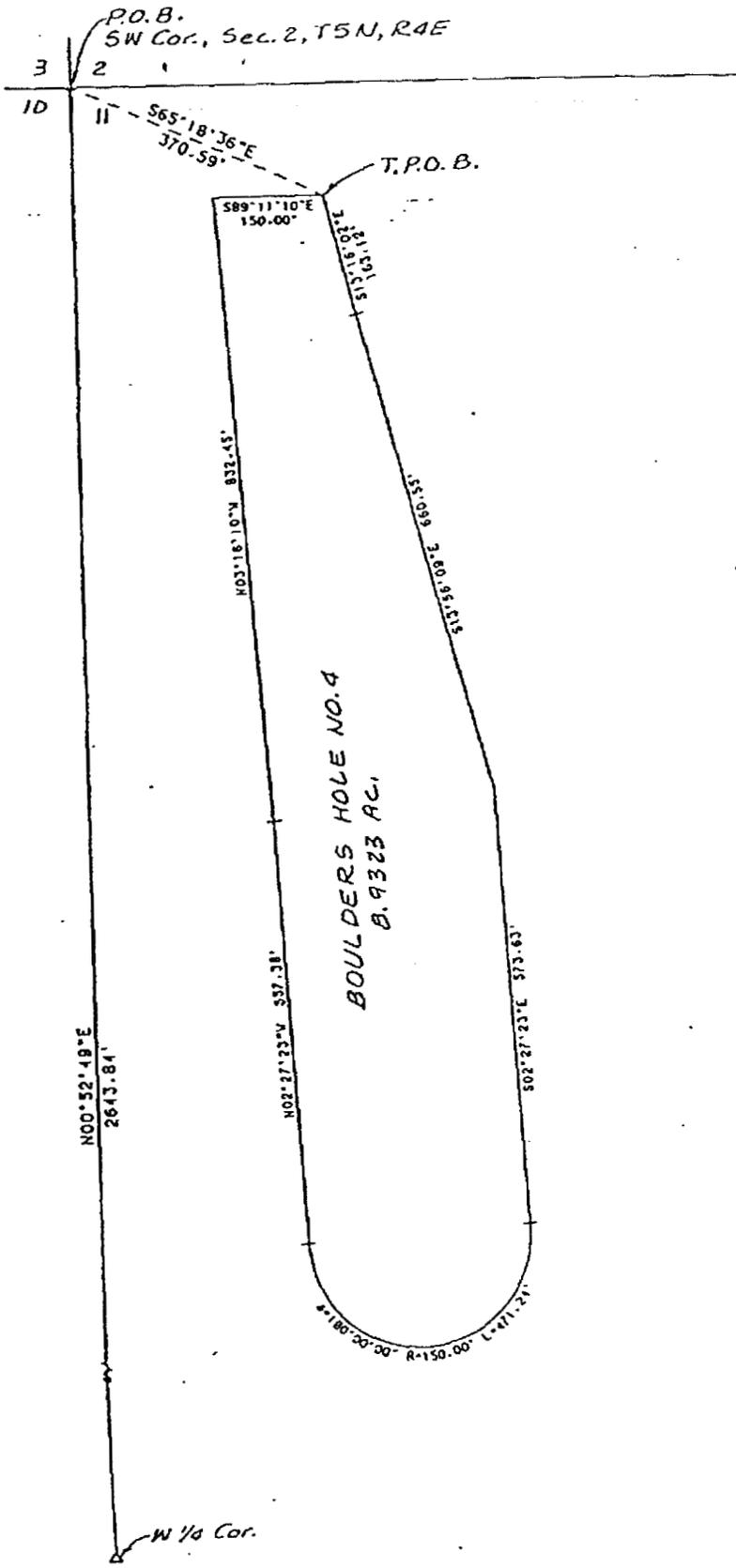
Commencing at the Northwest corner of said Section 11;
thence South 65° 18' 36" East, 370.59 feet to THE TRUE POINT OF BEGINNING;
thence South 13° 16' 02" East, 163.12 feet;
thence South 13° 56' 09" East, 660.55 feet;
thence South 02° 27' 23" East, 573.63 feet to the beginning of a curve concave to the North, having a radius of 150.00 feet;
thence Southwesterly, Westerly, and Northwesterly through a central angle of 180° 00' 00", an arc distance of 471.24 feet to the point of tangency;
thence North 02° 27' 23" West, 557.38 feet;
thence North 03° 16' 10" West, 832.45 feet;
thence South 89° 11' 10" East, 150.00 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 389,092 square feet, 8.9323 Acres, more or less.



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P16-01-TM-45 OCT 30 1964





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ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■ *#9 South Course*

That portion of the Northwest one-quarter (NW 1/4) of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the North one-quarter (N 1/4) corner of said Section 11;

thence South 27° 30' 51" West, 1,470.28 feet to THE TRUE POINT OF BEGINNING;

thence South 28° 45' 37" West, 59.70 feet to the beginning of a non-tangent curve concave to the Northwest, having a radius of 150.00 feet and a radial bearing to said beginning of North 21° 15' 48" East;

thence Southeasterly, Southerly, and Southwesterly along said curve through a central angle of 170° 33' 52", an arc distance of 446.54 feet to the point of tangency;

thence North 78° 10' 20" West, 425.80 feet;

thence South 89° 56' 01" West, 747.13 feet to the beginning of a curve concave to the Northeast, having a radius of 75.00 feet;

thence Northwesterly along said curve through a central angle of 90° 43' 30", an arc distance of 118.76 feet;

thence on a non-tangent line, North 89° 20' 29" West, 49.99 feet;

thence North 02° 27' 23" West, 20.03 feet;

thence South 89° 20' 29" East, 53.79 feet to the beginning of a non-tangent curve concave to the Southeast, having a radius of 75.00 feet and a radial bearing to said beginning of North 73° 52' 32" West;

thence Northeasterly along said curve through a central angle of 62° 58' 48", an arc distance of 82.44 feet to the point of tangency;

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Legal Description
Boulders 9, Hole 5
Page 2

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thence North 79° 06' 17" East, 798.32 feet;
thence South 78° 32' 52" East, 463.99 feet;
thence North 28° 45' 37" East, 61.23 feet;
thence South 70° 17' 09" East, 25.37 feet to THE TRUE

POINT OF BEGINNING.

The herein described Golf Course parcel contains 349,526 square feet, 8.0240 Acres, more or less.

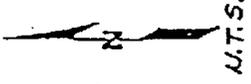


S 88° 57' 54" E
2640.29

R.O.B.
S 1/4 Cor, Sec 2, T5N, R4E

N 27° 30' 51" E - 1970.28

T.R.O.B.



NO.	DELTA	RADIUS	LENGTH
C1	90° 43' 30"	75.00'	118.78'
C2	62° 58' 48"	75.00'	82.44'

NO.	BEARING	DISTANCE
11	S 28° 45' 37" W	59.70'
12	N 89° 20' 29" W	49.99'
13	N 02° 27' 33" W	20.03'
14	S 89° 20' 29" E	52.78'
15	S 28° 45' 37" E	61.23'
16	S 70° 17' 09" E	25.37'

S 78° 32' 32" E 463.99'

N 19° 06' 17" E 799.32'

BOULDERS HOLE NO. 5

N 110° 33' 32" R=150.00' L=445.51'

S 89° 36' 01" W 747.13'

N 78° 10' 20" W 425.80'

216-01-TM-05 OCT. 30, 1986

PROPERTY DESCRIPTION
REVISED BOULDERS SOUTH HOLE NO. 10
3-31-94

South Course

That part of the Northwest quarter of Section 11 , Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, bounded on the easterly, southerly and aportion of the westerly sides by THE FIFTH GREEN REPLAT according to Book 339 of Maps, Page 3, and a portion of the westerly side by the easterly line of PARCEL "M" AT THE BOULDERS according to Book 357 of Maps, Page 33, and a portion of the westerly side by the easterly line of Lots 16 and 17 of GREYTHORN AT THE BOULDERS according to Book 343 of Maps, Page 36, records of Maricopa County, Arizona, and being more particularly described as follows:

BEGINNING at the northern most corner of Lot 14 of said FIFTH GREEN REPLAT, the following courses follow the boundary line of said FIFTH GREEN REPLAT until otherwise mentioned;

thence South 07 degrees 43 minutes 32 seconds East 235.00 feet;
thence South 07 degrees 46 minutes 22 seconds East 100.77 feet;
thence South 06 degrees 48 minutes 11 seconds East 159.74 feet;
thence South 20 degrees 51 minutes 48 seconds West 169.98 feet;
thence North 84 degrees 40 minutes 57 seconds West 211.04 feet;
thence North 19 degrees 32 minutes 26 seconds West 102.26 feet;
thence North 01 degrees 55 minutes 59 seconds West 57.56 feet;
thence North 18 degrees 40 minutes 00 seconds East 93.16 feet to

the most southerly corner of Tract "E" of said PARCEL "M" AT THE BOULDERS;

thence North 10 degrees 19 minutes 28 seconds East leaving the boundary line of said FIFTH GREEN REPLAT, along the easterly line of said PARCEL "M" a distance of 145.79 feet;

thence North 04 degrees 36 minutes 55 seconds East continuing along said easterly line a distance of 144.09 feet to the Southeast corner of said Lot 17 of GREYTHORN AT THE BOULDERS;

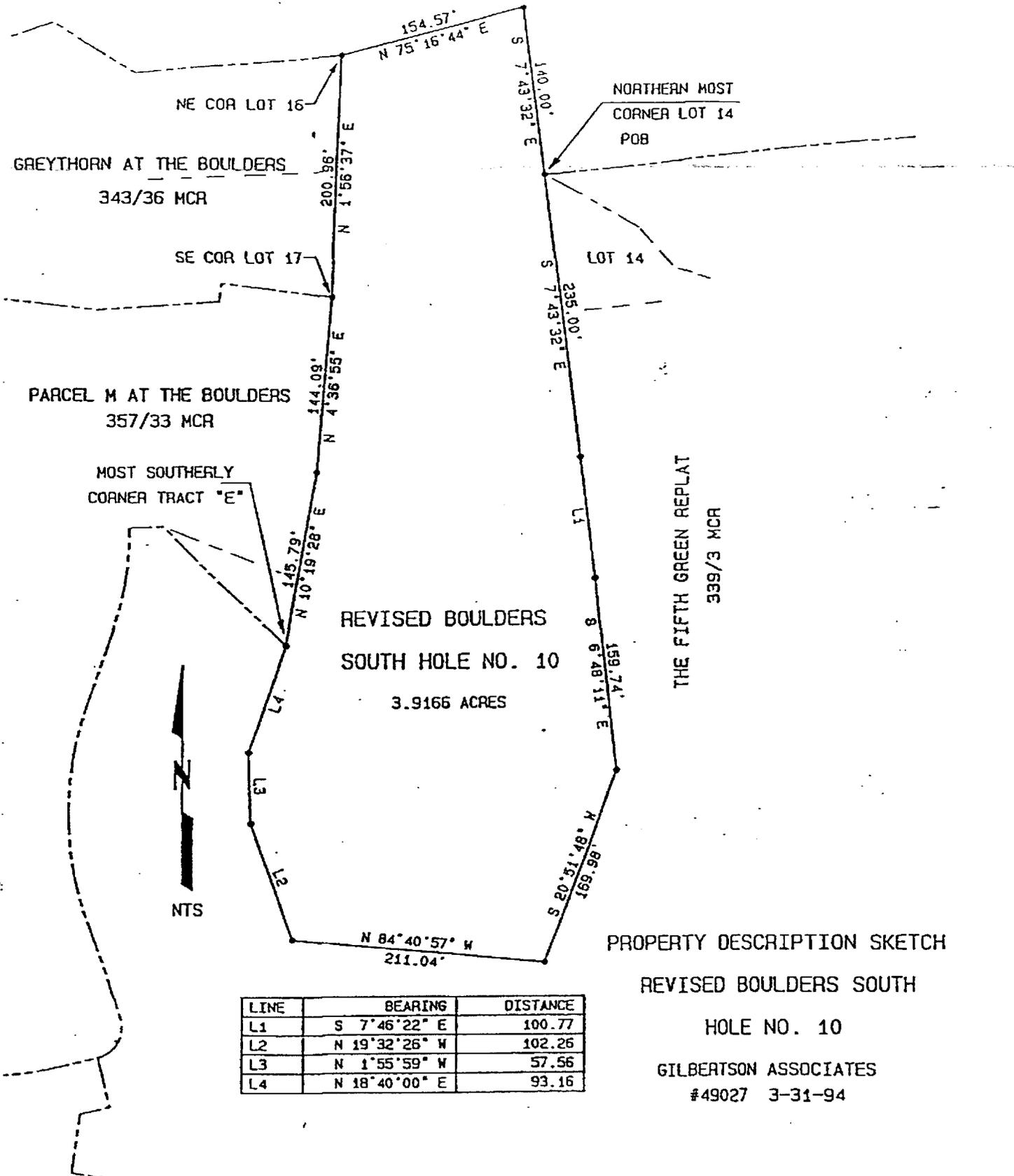
thence North 01 degrees 56 minutes 37 seconds East leaving the easterly line of said PARCEL "M", along the East line of said Lots 16 and 17 a distance of 200.96 feet to the Northeast corner of said Lot 16;

thence North 75 degrees 16 minutes 44 seconds East leaving said GREYTHORN AT THE BOULDERS a distance of 154.57 feet;

thence South 07 degrees 43 minutes 32 seconds East 140.00 feet to the POINT OF BEGINNING.

Said parcel contains 3.9166 acres more or less.





LINE	BEARING	DISTANCE
L1	S 7°46'22" E	100.77
L2	N 19°32'26" W	102.26
L3	N 1°55'59" W	57.56
L4	N 18°40'00" E	93.16

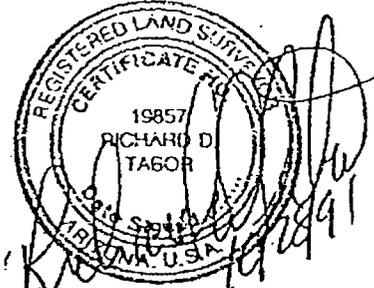
PROPERTY DESCRIPTION SKETCH

REVISED BOULDERS SOUTH

HOLE NO. 10

GILBERTSON ASSOCIATES

#49027 3-31-94



PROPERTY DESCRIPTION
GOLF COURSE HOLE NUMBER 11
AT THE BOULDERS

South Course

That part of the North half of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the northern most common boundary corner of THE FIFTH GREEN REPLAT according to Book 339 of Maps, Page 3, and THE FIFTH GREEN UNIT TWO according to Book 342 of Maps, Page 3, records of Maricopa County;

thence South 35 degrees 53 minutes 32 seconds West along the boundary of said Fifth Green a distance of 107.02 feet;

thence South 55 degrees 50 minutes 54 seconds West continuing along said boundary 998.72 feet;

thence South 88 degrees 08 minutes 01 seconds West continuing along said boundary 146.93 feet;

thence North 08 degrees 37 minutes 46 seconds East continuing along said boundary 79.37 feet;

thence North 45 degrees 03 minutes 30 seconds East continuing along said boundary 898.50 feet;

thence North 60 degrees 12 minutes 27 seconds East leaving said boundary a distance of 272.38 feet;

thence North 74 degrees 01 minutes 00 seconds East 258.70 feet to a point on a curve, the radius of which bears North 55 degrees 30 minutes 49 seconds West a distance of 75.00 feet therefrom;

thence northerly along the arc of said curve through a central angle of 43 degrees 07 minutes 20 seconds a distance of 56.45 feet to the most southerly boundary corner of ADOBES de la TIERRA, according to Book 310 of Maps, Page 23, records of Maricopa County;

thence North 81 degrees 21 minutes 51 seconds East along said southerly boundary 144.48 feet;

thence North 59 degrees 08 minutes 32 seconds East 167.90 feet;

thence South 88 degrees 45 minutes 38 seconds East 150.84 feet;

thence South 52 degrees 10 minutes 48 seconds East 97.00 feet to a point on the westerly right-of-way line of Ironwood Drive, as recorded in instrument number 89-286513, records of Maricopa County, said point also lying on a curve, the radius of which bears North 77 degrees 13 minutes 45 seconds East a distance of 505.00 feet therefrom;

thence southeasterly along said right-of-way line and the arc of said curve through a central angle of 15 degrees 10 minutes 36 seconds a distance of 133.77 feet to a point on the North line of said Fifth Green Unit Two;

thence South 63 degrees 26 minutes 53 seconds West along said North line a distance of 266.32 feet;

thence South 74 degrees 11 minutes 15 seconds West 448.77 feet to the POINT OF BEGINNING.

Said parcel contains 464,608 square feet or 10.6659 acres more or less.

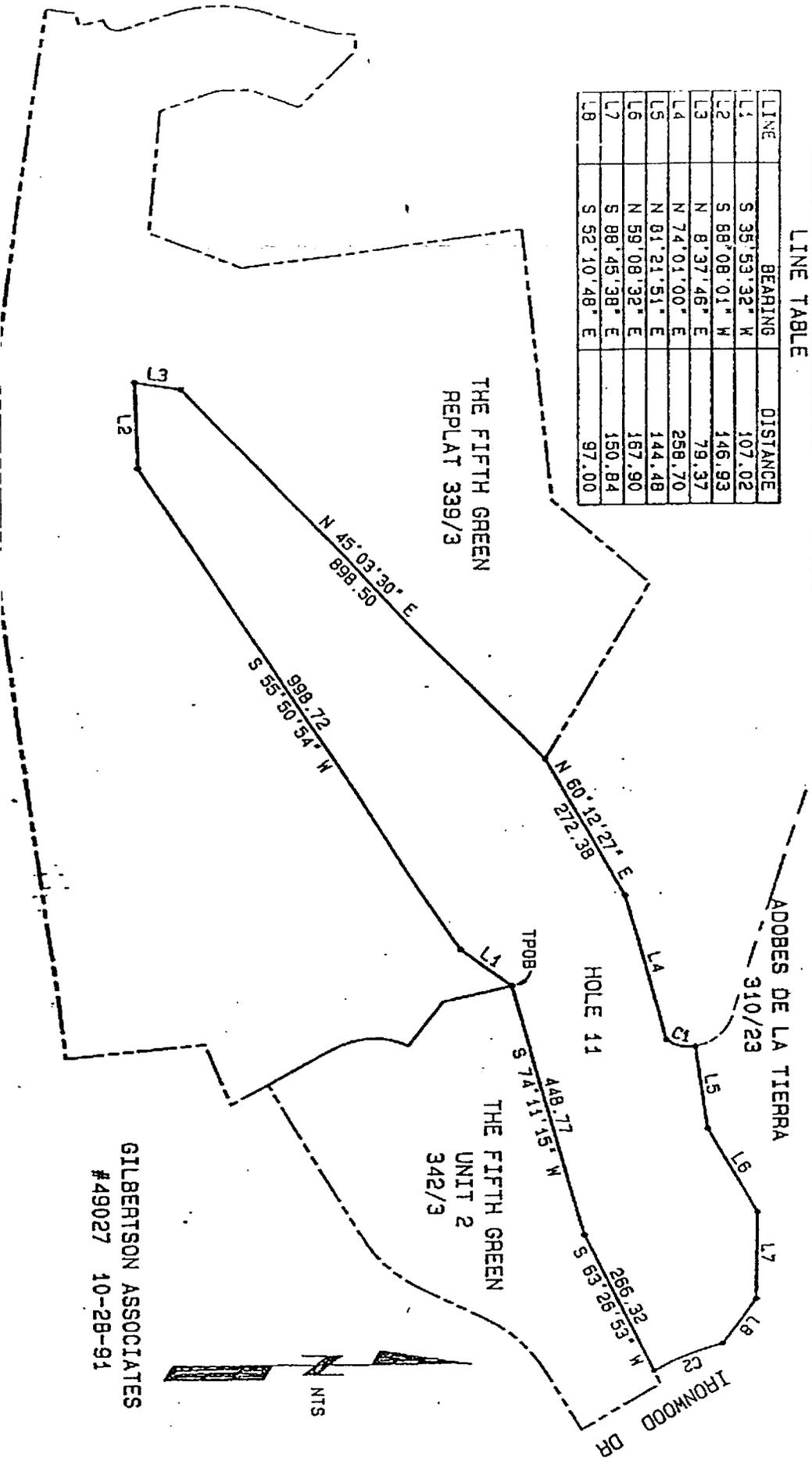
PROPERTY DESCRIPTION SKETCH HOLE 11 AT THE BOULDERS (REVISED 10-28-91)

CURVE TABLE

CURVE	ARC	DELTA	RADIUS
C1	56.45	43°07'20"	75.00
C2	133.77	15°10'36"	505.00

LINE TABLE

LINE	BEARING	DISTANCE
L1	S 35°53'32" W	107.02
L2	S 88°08'01" W	146.93
L3	N 8°37'46" E	79.37
L4	N 74°01'00" E	258.70
L5	N 81°21'51" E	144.48
L6	N 59°08'32" E	187.90
L7	S 88°45'38" E	150.84
L8	S 52°10'48" E	97.00



GILBERTSON ASSOCIATES
#49027 10-28-91

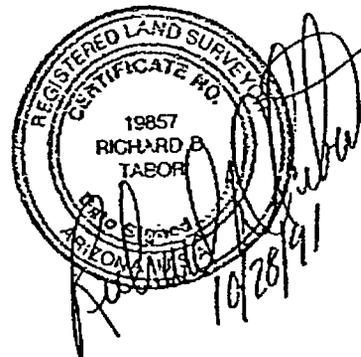
PROPERTY DESCRIPTION
GOLF COURSE HOLES 12 AND 13 *South Course*
AT THE BOULDERS

That part of the Southeast quarter of Section 2 and the Northeast quarter of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the Northeast corner of said Section 11;
thence North 88 degrees 58 minutes 11 seconds West along the North line of said Northeast quarter a distance of 315.80 feet to the TRUE POINT OF BEGINNING;
thence South 16 degrees 09 minutes 50 seconds East 69.38 feet;
thence South 09 degrees 33 minutes 05 seconds East 788.46 feet to the beginning of a curve concave northwesterly and having a radius of 75.00 feet;
thence southwesterly along the arc of said curve through a central angle of 158 degrees 05 minutes 00 seconds a distance of 206.93 feet;
thence South 02 degrees 27 minutes 25 seconds East leaving said curve a distance of 483.03 feet;
thence South 06 degrees 09 minutes 38 seconds West 508.32 feet to the beginning of a curve concave northerly and having a radius of 75.00 feet;
thence westerly along the arc of said curve through a central angle of 162 degrees 30 minutes 16 seconds a distance of 212.72 feet to a point of tangency;
thence North 11 degrees 20 minutes 06 seconds West 348.18 feet;
thence North 10 degrees 16 minutes 43 seconds West 160.51 feet;
thence North 01 degrees 39 minutes 58 seconds West 561.39 feet;
thence North 68 degrees 41 minutes 38 seconds East 107.58 feet;
thence South 84 degrees 42 minutes 37 seconds East 144.06 feet;
thence North 50 degrees 45 minutes 27 seconds East 46.55 feet;
thence North 17 degrees 44 minutes 22 seconds West 205.62 feet;
thence North 28 degrees 13 minutes 32 seconds West 296.86 feet;
thence North 20 degrees 23 minutes 33 seconds West 181.33 feet;
thence North 01 degrees 41 minutes 05 seconds West 141.34 feet;
thence North 39 degrees 25 minutes 45 seconds West 100.32 feet;
thence South 67 degrees 45 minutes 07 seconds West 63.53 feet;
thence South 67 degrees 45 minutes 07 seconds West 148.12 feet to a point on the easterly right-of-way line of Ironwood Drive as recorded in instrument number 89-286513, records of Maricopa County;
thence North 43 degrees 00 minutes 19 seconds West along said right-of-way a distance of 226.19 feet;
thence North 64 degrees 57 minutes 04 seconds East leaving said right-of-way a distance of 39.95 feet;
thence South 43 degrees 00 minutes 19 seconds East 138.00 feet;
thence South 87 degrees 59 minutes 28 seconds East 91.93 feet;
thence North 70 degrees 08 minutes 01 seconds East 44.27 feet;
thence North 30 degrees 16 minutes 43 seconds East 115.33 feet;
thence North 16 degrees 09 minutes 50 seconds West 79.94 feet to the beginning of a curve concave southeasterly and having a

radius of 150.00 feet;
thence northeasterly along the arc of said curve through a central
angle of 180 degrees 00 minutes 00 seconds a distance of
471.24 feet to a point of tangency;
thence South 16 degrees 09 minutes 50 seconds East 358.59 to the
TRUE POINT OF BEGINNING.

Said parcel contains 642,938 square feet or 14.7598 acres more or
less.



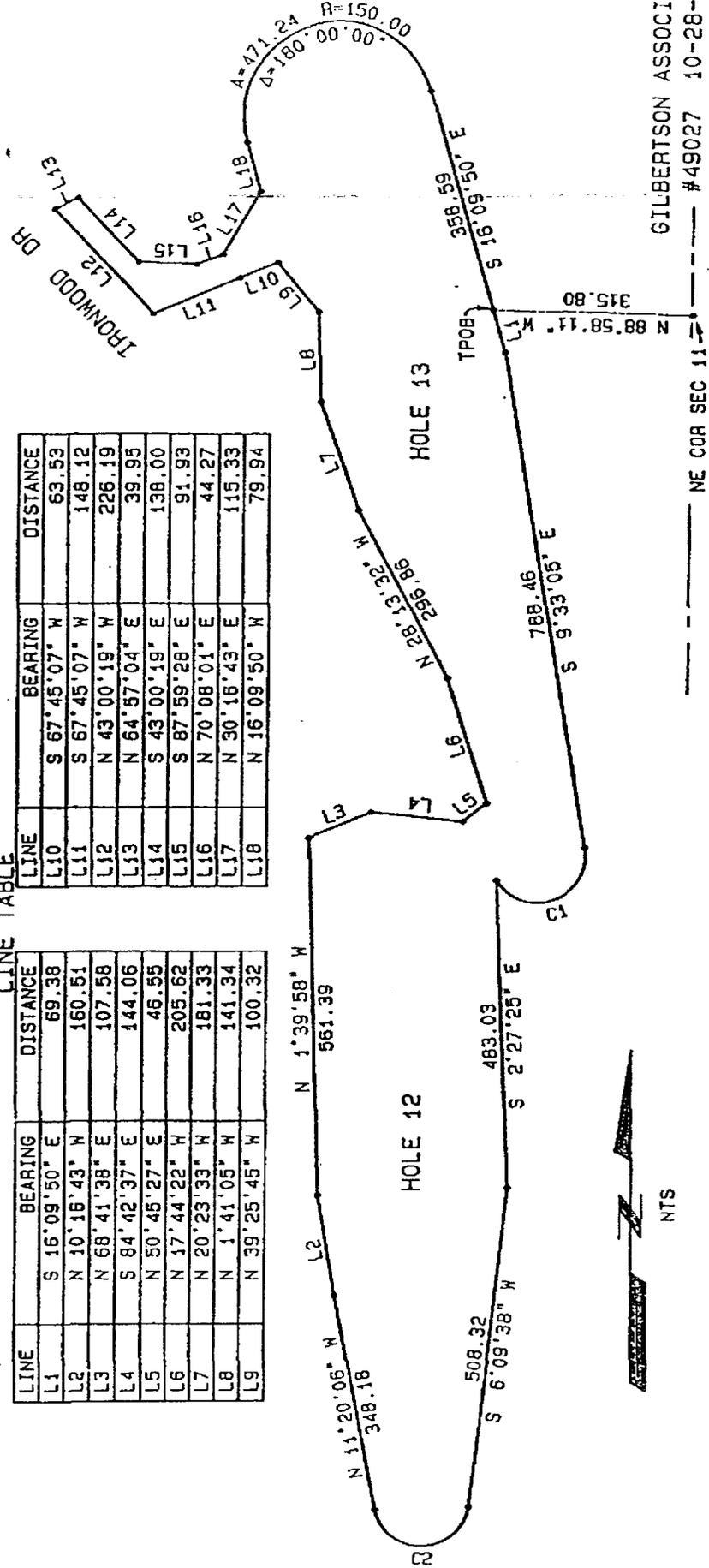
PROPERTY DESCRIPTION SKETCH HOLES 12 & 13 AT THE BOULDERS (REVISED 10-28-91)

CURVE TABLE

CURVE	ARC	DELTA	RADIUS
C1	206.93	158°05'00"	75.00
C2	212.72	162°30'16"	75.00

LINE TABLE

LINE	BEARING	DISTANCE	LINE	BEARING	DISTANCE
L1	S 16°09'50" E	69.38	L10	S 67°45'07" W	63.53
L2	N 10°16'43" W	160.51	L11	S 67°45'07" W	148.12
L3	N 68°41'38" E	107.58	L12	N 43°00'19" W	226.19
L4	S 84°42'37" E	144.06	L13	N 64°57'04" E	39.95
L5	N 50°45'27" E	46.55	L14	S 43°00'19" E	138.00
L6	N 17°44'22" W	205.62	L15	S 87°59'28" E	91.93
L7	N 20°23'33" W	181.33	L16	N 70°08'01" E	44.27
L8	N 1°41'05" W	141.34	L17	N 30°16'43" E	115.33
L9	N 39°25'45" W	100.32	L18	N 16°09'50" W	79.94



GILBERTSON ASSOCIATES
#49027 10-28-91

PROPERTY DESCRIPTION
GOLF COURSE HOLE NUMBER 14 *South Course*
AT THE BOULDERS

That part of the North half of Section 11, and the South half of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

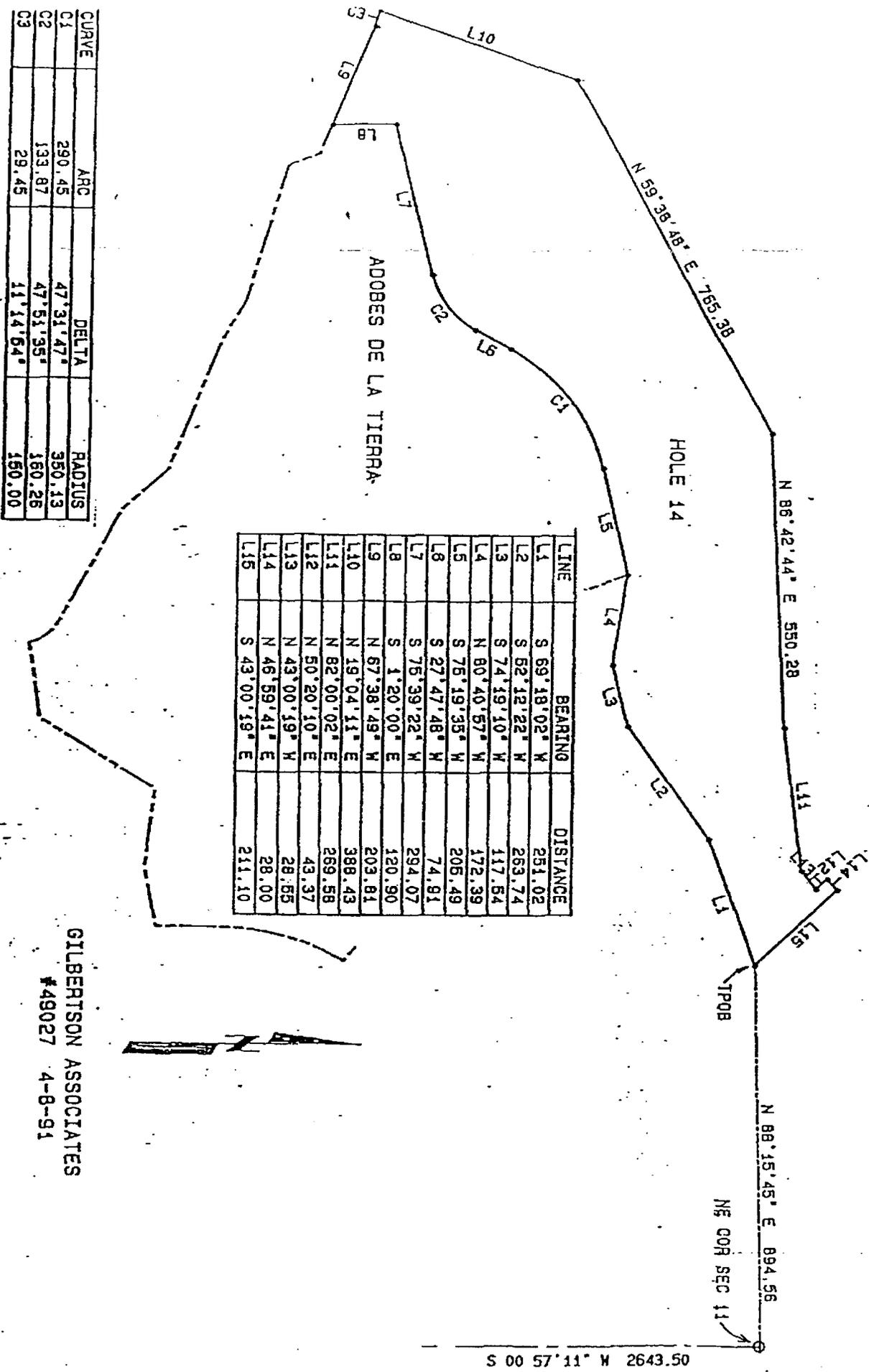
BEGINNING at the Northeast corner of said Section 11, from which the East quarter corner of said Section 11 bears South 00 degrees 57 minutes 11 seconds West a distance of 2643.50 feet therefrom;
thence South 88 degrees 15 minutes 45 seconds West 894.56 feet to a point on the westerly right-of-way line of Ironwood Drive, said point being the TRUE POINT OF BEGINNING;
thence South 69 degrees 18 minutes 02 seconds West 251.02 feet;
thence South 52 degrees 12 minutes 22 seconds West 263.74 feet;
thence South 74 degrees 19 minutes 10 seconds West 117.54 feet;
thence North 80 degrees 40 minutes 57 seconds West 172.39 feet to a corner in the northerly boundary of Adobe de la Tierra as shown on the Plat recorded in Book 310 of Maps, Page 23 records of Maricopa County;
thence South 75 degrees 19 minutes 35 seconds West along said northerly boundary a distance of 205.49 feet to the beginning of a curve concave southeasterly and having a radius of 350.13 feet;
thence southwesterly along said northerly boundary and the arc of said curve through a central angle of 47 degrees 31 minutes 47 seconds a distance of 290.45 feet to a point of tangency;
thence South 27 degrees 47 minutes 48 seconds West along said northerly boundary a distance of 74.91 feet to the beginning of a curve concave northwesterly and having a radius of 160.26 feet;
thence southwesterly along said northerly boundary and the arc of said curve through a central angle of 47 degrees 51 minutes 35 seconds a distance of 133.87 feet to a point of tangency;
thence South 75 degrees 39 minutes 22 seconds West along said northerly boundary a distance of 294.07 feet;
thence South 01 degrees 20 minutes 00 seconds East along said northerly boundary a distance of 120.90 feet to a corner in said northerly boundary;
thence North 67 degrees 38 minutes 49 seconds West leaving said northerly boundary a distance of 203.81 feet to the beginning of a curve concave southwesterly and having a radius of 150.00 feet;
thence northwesterly along the arc of said curve through a central angle of 11 degrees 14 minutes 54 seconds a distance of 29.45 feet;
thence North 19 degrees 04 minutes 11 seconds East leaving said curve a distance of 388.43 feet;
thence North 59 degrees 38 minutes 48 seconds East 765.38 feet;
thence North 86 degrees 42 minutes 44 seconds East 550.28 feet;
thence North 82 degrees 00 minutes 02 seconds East 269.58 feet;
thence North 50 degrees 20 minutes 10 seconds East 43.37 feet;

thence North 43 degrees 00 minutes 19 seconds East 28.55 feet;
thence North 46 degrees 59 minutes 41 seconds East 28.00 feet to a
point on the westerly right-of-way line of said Ironwood
Drive;
thence South 43 degrees 00 minutes 19 seconds East along said
right-of-way a distance of 211.10 feet to the TRUE POINT OF
BEGINNING.

Said parcel contains 558,992 square feet or 12.8327 acres more or
less.



PROPERTY DESCRIPTION SKETCH HOLE 14 AT THE BOULDERS



LINE	BEARING	DISTANCE
L1	S 69° 18' 02" W	251.02
L2	S 62° 12' 22" W	263.74
L3	S 74° 19' 10" W	117.64
L4	N 80° 40' 57" W	172.39
L5	S 75° 19' 35" W	206.49
L6	S 27° 47' 48" W	74.91
L7	S 75° 39' 22" W	294.07
L8	S 1° 20' 00" E	120.90
L9	N 67° 38' 49" W	203.81
L10	N 19° 04' 11" E	388.43
L11	N 82° 00' 02" E	269.58
L12	N 50° 20' 10" E	43.37
L13	N 43° 00' 19" W	28.65
L14	N 46° 59' 41" E	28.00
L15	S 43° 00' 19" E	211.10

CURVE	ARC	DELTA	RADIUS
C1	290.45	47° 31' 47"	350.13
C2	133.87	47° 51' 95"	160.26
C3	29.45	11° 14' 64"	160.00

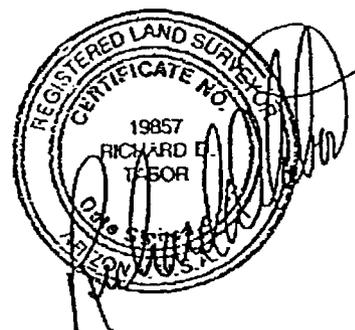
GILBERTSON ASSOCIATES
#49027 4-8-91

PROPERTY DESCRIPTION
GOLF COURSE HOLE NUMBER 15 *South Course*
AT THE BOULDERS

That part of the North half of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa Coutny, Arizona, more particularly described as follows:

BEGINNING at the West quarter corner of said Section 11, from which the Northwest corner of said Section 11 bears North 00 degrees 52 minutes 49 seconds East a distance of 2643.84 feet therefrom and the East quarter corner of said Section 11 bears South 88 degrees 58 minutes 07 seconds East a distance of 5277.23 feet therefrom; thence North 59 degrees 00 minutes 03 seconds East 2470.88 feet to the beginning of a curve, the radius of which bears North 14 degrees 41 minutes 32 seconds East a distance of 95.00 feet therefrom, and the TRUE POINT OF BEGINNING; thence northerly along the arc of said curve through a central angle of 181 degrees 23 minutes 07 seconds a distance of 300.75 feet to a point of tangency; thence South 73 degrees 55 minutes 21 seconds East 392.27 feet; thence North 78 degrees 51 minutes 59 seconds East 82.70 feet; thence North 84 degrees 16 minutes 41 seconds East 69.46 feet to a point on a curve, the radius of which bears South 57 degrees 09 minutes 05 seconds East a distance of 75.00 feet therefrom; thence southwesterly along the arc of said curve through a central angle of 21 degrees 41 minutes 40 seconds a distance of 28.40 feet; thence South 84 degrees 16 minutes 41 seconds West leaving said curve a distance of 47.22 feet to a point on a curve, the radius of which bears South 48 degrees 08 minutes 46 seconds West a distance of 107.00 feet therefrom; thence southwesterly along the arc of said curve through a central angle of 146 degrees 32 minutes 46 seconds a distance of 273.68 feet to a point of tangency; thence North 75 degrees 18 minutes 28 seconds West 427.16 feet to the TRUE POINT OF BEGINNING.

Said parcel contains 112,719 square feet or 2.5877 acres more or less.

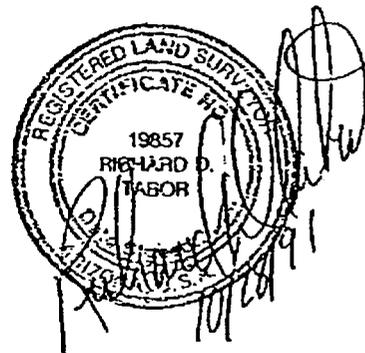


PROPERTY DESCRIPTION
GOLF COURSE HOLE NUMBER 16 *South Green*
AT THE BOULDERS

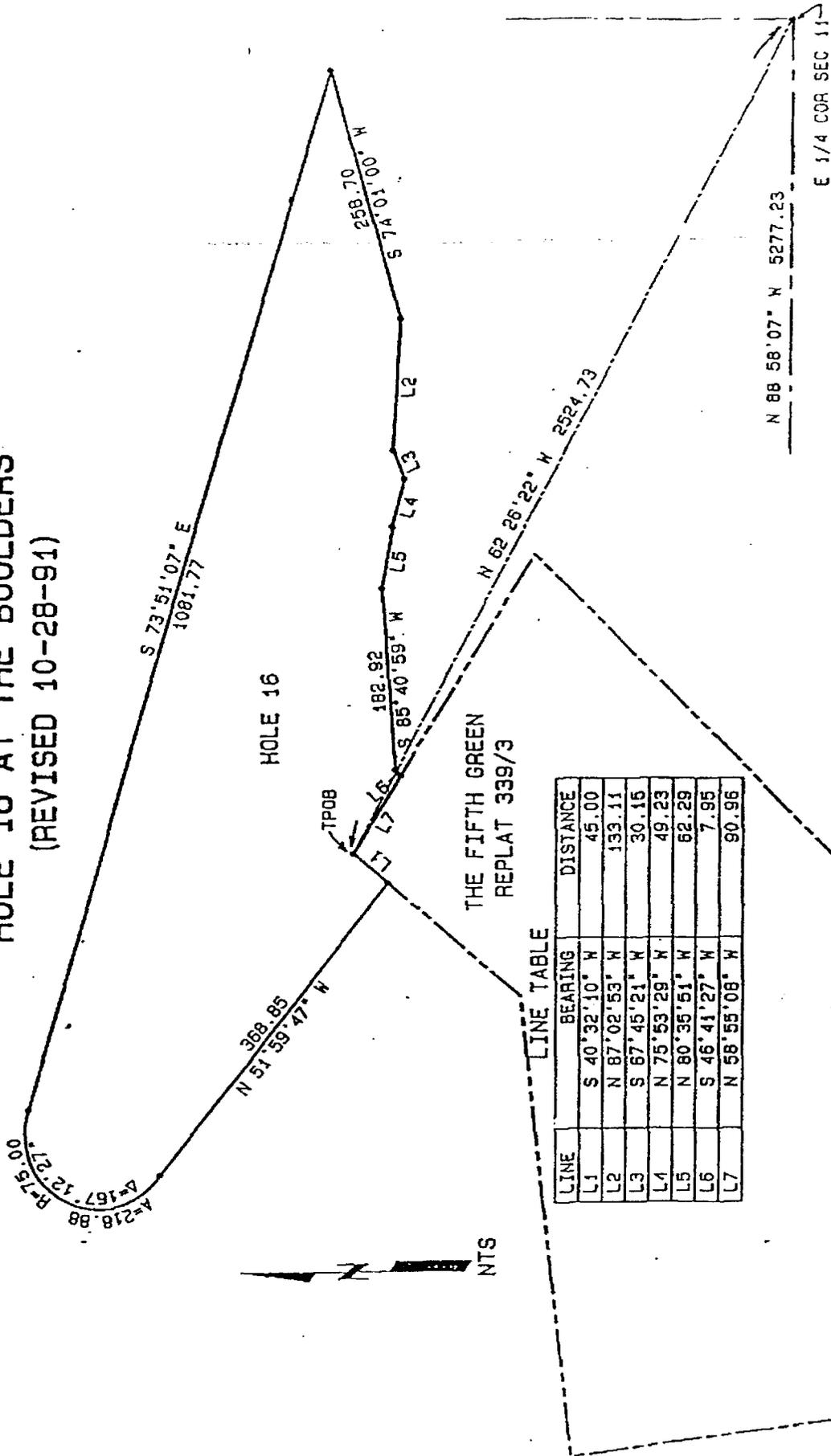
That part of the North half of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

BEGINNING at the East quarter corner of said Section 11, from which the West quarter corner of said Section 11 bears North 88 degrees 58 minutes 07 seconds West a distance of 5277.23 feet therefrom;
thence North 62 degrees 26 minutes 22 seconds West 2524.73 feet to the most northerly boundary corner of THE FIFTH GREEN REPLAT according to Book 339 of Maps; Page 3, records of Maricopa County, said corner being the TRUE POINT OF BEGINNING;
thence South 40 degrees 32 minutes 10 seconds West along said boundary a distance of 45.00 feet;
thence North 51 degrees 59 minutes 47 seconds West leaving said boundary a distance of 368.85 feet to the beginning of a curve concave southeasterly and having a radius of 75.00 feet;
thence northeasterly along the arc of said curve through a central angle of 167 degrees 12 minutes 27 seconds a distance of 218.88 feet to a point of tangency;
thence South 73 degrees 51 minutes 07 seconds East 1081.77 feet;
thence South 74 degrees 01 minutes 00 seconds West 258.70 feet;
thence North 87 degrees 02 minutes 53 seconds West 133.11 feet;
thence South 67 degrees 45 minutes 21 seconds West 30.15 feet;
thence North 75 degrees 53 minutes 29 seconds West 49.23 feet;
thence North 80 degrees 35 minutes 51 seconds West 62.29 feet;
thence South 85 degrees 40 minutes 59 seconds West 182.92 feet;
thence South 46 degrees 41 minutes 27 seconds West 7.95 feet to a point on said boundary;
thence North 58 degrees 55 minutes 08 seconds West along said boundary a distance of 90.96 feet to the TRUE POINT OF BEGINNING.

Said parcel contains 207,024 square feet or 4.7526 acres more or less.



PROPERTY DESCRIPTION SKETCH
 HOLE 16 AT THE BOULDERS
 (REVISED 10-28-91)



LINE TABLE

LINE	BEARING	DISTANCE
L1	S 40° 32' 10" W	45.00
L2	N 87° 02' 53" W	133.11
L3	S 67° 45' 21" W	30.16
L4	N 75° 53' 29" W	49.23
L5	N 80° 35' 51" W	62.29
L6	S 46° 41' 27" W	7.95
L7	N 58° 55' 08" W	90.96

GILBERTSON ASSOCIATES
 #49027 10-28-91

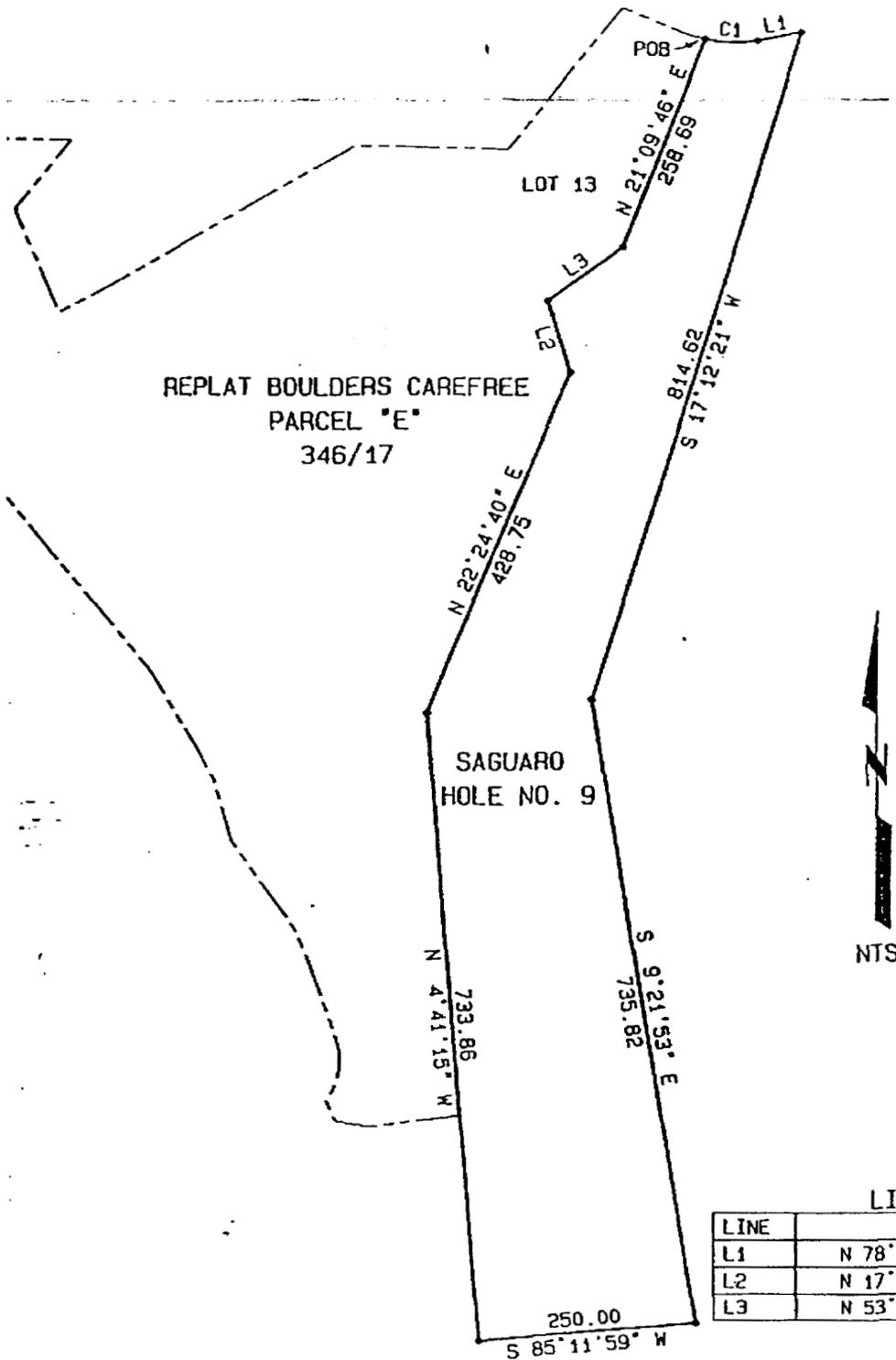
PROPERTY DESCRIPTION
REVISED SAGUARO HOLE NO. 9

That part of the West half of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, bounded on the westerly line by the easterly line of the Replat of Boulders Carefree Parcel "E", a plat recorded in Book 348 of Maps, Page 17, and on the North by the South right-of-way line of Boulder Drive, as recorded in Docket 16407, Page 113, records of Maricopa County, Arizona, and being more particularly described as follows:

BEGINNING at the Northeast corner of Lot 13 of said plat, said point also lying on said South right-of-way line, said point also lying on a curve, the radius of which bears North 13 degrees 35 minutes 40 seconds East a distance of 145.00 feet therefrom; thence easterly along said right-of-way and the arc of said curve through a central angle of 24 degrees 38 minutes 32 seconds a distance of 62.36 feet to a point of tangency; thence North 78 degrees 57 minutes 04 seconds East continuing along said right-of-way a distance of 53.38 feet; thence South 17 degrees 12 minutes 21 seconds West 814.62 feet; thence South 09 degrees 21 minutes 53 seconds East 735.82 feet; thence South 85 degrees 11 minutes 59 seconds West 250.00 feet; thence North 04 degrees 41 minutes 15 seconds West along the easterly line of said plat and the southerly prolongation thereof, a distance of 733.86 feet; thence North 22 degrees 24 minutes 40 seconds East continuing along said easterly line 428.75 feet; thence North 17 degrees 37 minutes 12 seconds West continuing along said easterly line 87.02 feet; thence North 53 degrees 04 minutes 39 seconds East continuing along said easterly line 107.03 feet; thence North 21 degrees 09 minutes 46 seconds East continuing along said easterly line 258.69 feet to the POINT OF BEGINNING.

Said parcel contains 278,778 square feet or 6.3999 acres more or less.

PROPERTY DESCRIPTION SKETCH
 REVISED SAGUARO HOLE NO. 9



LINE TABLE

LINE	BEARING	DISTANCE
L1	N 78°57'04" E	53.38
L2	N 17°37'12" W	87.02
L3	N 53°04'39" E	107.03

CURVE TABLE

CURVE	ARC	DELTA	RADIUS
C1	62.36	24°38'32"	145.00

GILBERTSON ASSOCIATES
 #49027 10-29-91

88 245497



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-13-TM-43
Revised April 13, 1988
W.L.C.

LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 1

That portion of the Southeast One Quarter (SE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the East One Quarter (E 1/4) corner of said Section 2;
thence South 42° 23' 10" West, 1,358.08 feet to THE TRUE POINT OF
BEGINNING;

thence South 10° 49' 57" East, 120.00 feet;
thence North 81° 19' 11" West, 34.38 feet;
thence North 70° 58' 42" West, 48.43 feet;
thence South 50° 33' 07" West, 318.28 feet;
thence South 59° 51' 19" West, 135.00 feet;
thence South 52° 01' 39" West, 163.65 feet;
thence South 40° 07' 06" West, 76.13 feet;
thence North 90° 00' 00" West, 570.33 feet;
thence North 83° 13' 48" West, 116.36 feet;
thence South 15° 13' 08" West, 34.52 feet; to a point on a

non-tangent curve concave to the Southeast having a radius of 45.00 feet,
the radial to said point bearing North 83° 02' 29" East;

thence Southwesterly along said curve through a central angle of
100° 59' 48" an arc distance of 79.32 feet;

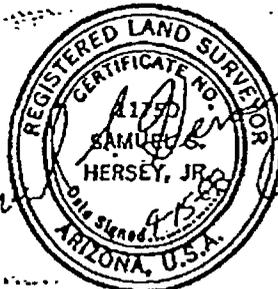
thence North 83° 13' 48" West, 335.60 feet;
thence North 09° 30' 00" East, 123.08 feet;
thence North 79° 45' 09" East, 747.91 feet;
thence North 65° 23' 07" East, 200.00 feet to the beginning of a

curve concave to the Northwest having a radius of 580.75 feet;

thence Northeasterly along said curve through a central angle of
01° 34' 43", an arc distance of 16.00 feet to the point of tangency;

thence North 63° 48' 24" East, 187.00 feet;
thence North 26° 11' 36" West, 30.00 feet;
thence North 87° 00' 17" East, 462.44 feet to THE TRUE POINT OF
BEGINNING.

The herein described Golf Course parcel contains 397,038.69 square feet,
9.1148 Acres, more or less.



5246 South 40th Street
Phoenix, Arizona 85040
(602) 437-3733



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 3

That portion of the East one-half (E 1/2) of Section 2,
Township 5 North, Range 4 East of the Gila and Salt River
Base and Meridian, in Maricopa County, Arizona described as
follows:

Commencing at the Center corner of said Section 2;
thence South 89° 03' 00" East, 126.01 feet to THE TRUE
POINT OF BEGINNING;
thence North 00° 30' 42" West, 56.22 feet to the
beginning of a curve concave to the Southeast, having a
radius of 12.00 feet;
thence Northeasterly along said curve through a central
angle of 87° 21' 49", an arc distance of 18.30 feet to the
point of reverse curvature of a curve concave to the North,
having a radius of 575.00 feet;
thence Easterly along said curve through a central
angle of 09° 28' 38", an arc distance of 95.11 feet;
thence on a non-tangent line South 23° 25' 37" East,
116.20 feet;
thence South 89° 03' 00" East, 101.01 feet;
thence North 23° 25' 37" West, 25.00 feet;
thence South 89° 03' 00" East, 1,579.34 feet;
thence South 43° 30' 23" West, 266.52 feet;
thence South 63° 30' 48" West, 108.00 feet;
thence South 74° 35' 51" West, 209.25 feet;
thence South 89° 07' 25" West, 1,032.26 feet;
thence South 88° 29' 14" West, 140.47 feet;
thence North 42° 51' 26" West, 116.58 feet;
thence South 67° 18' 29" West, 112.92 feet;
thence North 05° 29' 50" East, 121.80 feet;
thence North 75° 12' 33" East, 156.28 feet;
thence NORTH 99.89 feet;

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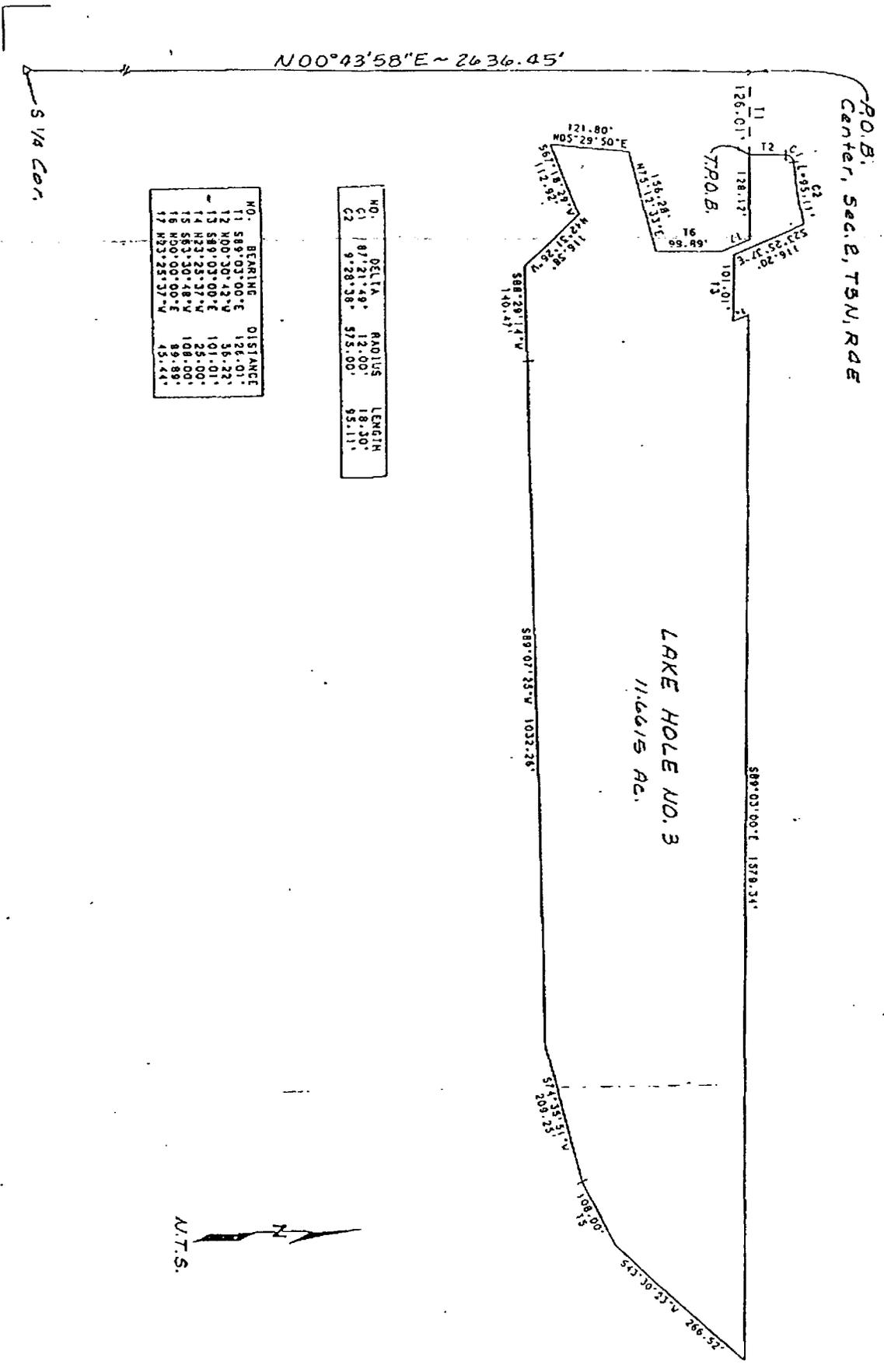
Legal Description
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thence North 23° 25' 37" West, 45.44 feet;
thence North 89° 03' 00" West, 128.12 feet to THE TRUE
POINT OF BEGINNING. '

The herein described Golf Course parcel contains 507,977
square feet, 11.6615 Acres, more or less.



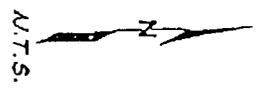


P.O.B.
Center, Sec. 2, T5N, R2E

LAKE HOLE NO. 3
11.6615 AC.

NO.	DELTA	RADIUS	LENGTH
C1	187°21'49"	12.00'	18.30'
C2	9°28'38"	52.00'	95.11'

NO.	BEARING	DISTANCE
01	S89°03'00"E	126.01'
12	N00°28'42"W	36.27'
13	S89°03'00"E	101.01'
14	N23°25'37"W	23.00'
15	S63°30'48"W	108.00'
16	N00°00'00"E	89.89'
17	N23°25'37"W	43.44'



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LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 4

That portion of the Northeast one-quarter (NE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Northeast one-quarter (NE 1/4) corner of said Section 2;

thence South $29^{\circ} 39' 21''$ West, 1,142.78 feet to THE TRUE POINT OF BEGINNING;

thence SOUTH 721.59 feet;

thence South $05^{\circ} 30' 08''$ West, 76.82 feet;

thence South $81^{\circ} 00' 00''$ East, 7.46 feet;

thence SOUTH 635.44 feet to the beginning of a non-tangent curve concave to the Northwest, having a radius of 185.00 feet, and a radial bearing to said beginning of South $18^{\circ} 05' 47''$ East;

thence Southwesterly along said curve through a central angle of $02^{\circ} 35' 40''$, an arc distance of 8.38 feet;

thence on a non-tangent line, North $15^{\circ} 07' 04''$ West, 1,661.06 feet to the beginning of a non-tangent curve concave to the South, having a radius of 225.00 feet, and a radial bearing to said beginning North $15^{\circ} 07' 04''$ West;

thence Easterly along said curve through a central angle of $35^{\circ} 23' 27''$, an arc distance of 138.98 feet to the point of reverse curvature of a curve concave to the North, having a radius of 275.00 feet;

thence Easterly along said curve through a central angle of $47^{\circ} 51' 46''$, an arc distance of 229.72 feet to the point of a cusp;

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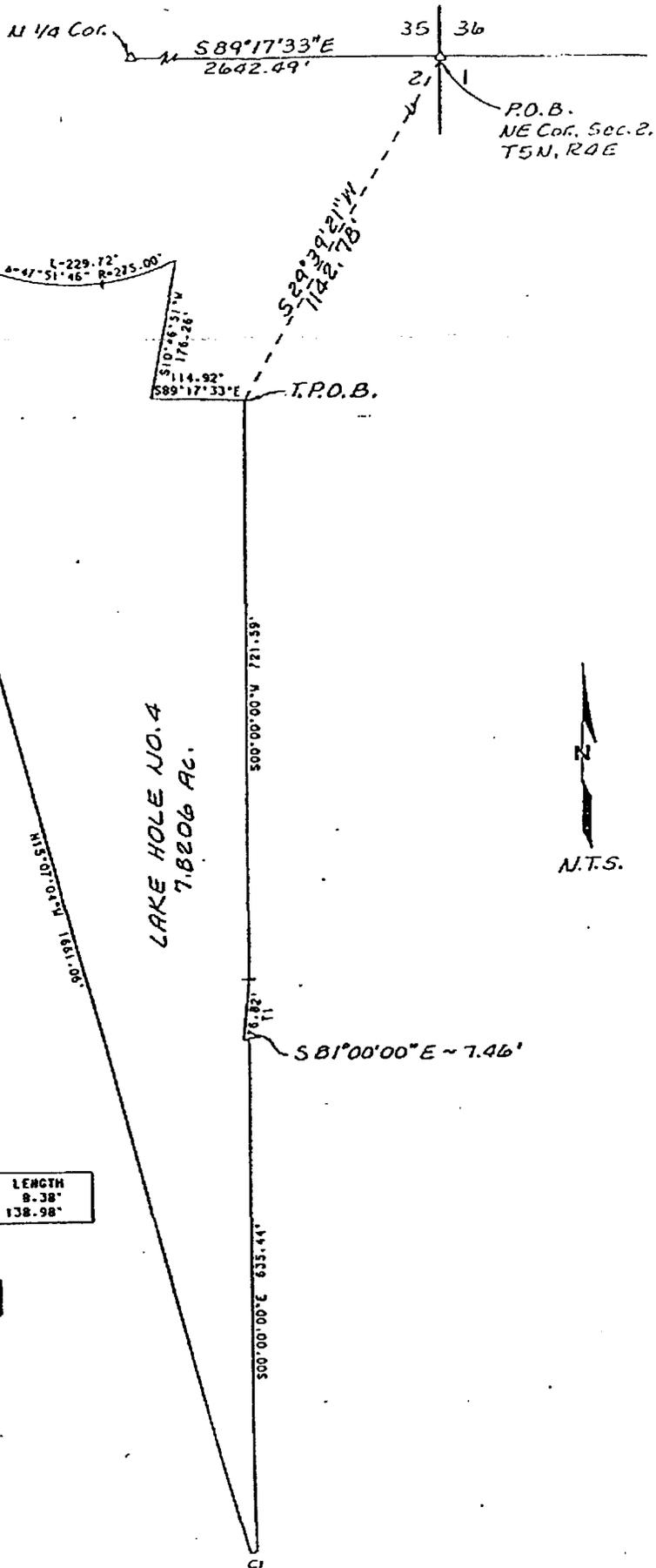
Legal Description
Lake 9, Hole 4
Page 2

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thence on a non-tangent line, South 10° 46' 51" West,
176.26 feet;
thence South 89° 17' 33" East, 114.92 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf Course parcel contains 340,665
square feet, 7.8206 Acres, more or less.





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NO.	DELTA	RADIUS	LENGTH
C1	$2^{\circ} 35' 40''$	185.00'	8.38'
C2	$35^{\circ} 23' 27''$	225.00'	138.98'

NO.	BEARING	DISTANCE
T1	$S 05^{\circ} 30' 08'' W$	76.82'



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LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 5

That portion of the Northeast one-quarter (NE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Northeast corner of said Section 2;
thence South $56^{\circ} 25' 27''$ West, 843.27 feet to THE TRUE POINT OF BEGINNING;
thence South $00^{\circ} 42' 05''$ West, 125.00 feet;
thence South $57^{\circ} 34' 34''$ West, 170.00 feet;
thence South $15^{\circ} 31' 32''$ West, 100.00 feet to the beginning of a non-tangent curve concave to the South having a radius of 275.00 feet and a radial bearing to said beginning of North $15^{\circ} 31' 36''$ East;
thence Westerly along said curve through a central angle of $50^{\circ} 25' 36''$, an arc distance of 242.03 feet to the point of tangency;
thence South $55^{\circ} 06' 00''$ West, 90.00 feet to the beginning of a curve concave to the Northwest having a radius of 225.00 feet;
thence Southwesterly along said curve through a central angle of $12^{\circ} 45' 00''$, an arc distance of 50.07 feet to the point of tangency;
thence South $67^{\circ} 51' 00''$ West, 91.00 feet to the beginning of a curve concave to the Southeast, having a radius of 275.00 feet;
thence Southwesterly along said curve through a central angle of $08^{\circ} 12' 57''$, an arc distance of 39.43 feet;
thence on a non-tangent line North $30^{\circ} 21' 57''$ West, 299.57 feet;
thence North $78^{\circ} 04' 26''$ West, 310.04 feet;
thence North $89^{\circ} 17' 33''$ West, 158.00 feet;
thence North $23^{\circ} 14' 59''$ West, 49.22 feet;

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thence South 89° 17' 33" East, 1,070.85 feet;
thence North 00° 42' 05" East, 125.00 feet;
thence South 89° 17' 33" East, 200.00 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf-Course parcel contains 217,776
square feet, 4.9994 Acres, more or less.



P.O.B.
N.E. Cor., Sec. 2, T5N, R4E

E 1/4 Cor. 35 36
589°17'33"E
2692.99'

589°17'33"E
200.00'

T.R.O.B.

500°42'25"N
125.00'

589°17'33"E 1070.85'

LAKE HOLE NO. 5
4.9994 AC.

42°22'11"
158.00'

889°17'33"E
158.00'

478°04'28"W 310.04'

430°21'57"W 299.54'

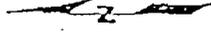
100°00'
100.00'

515°31'32"W
100.00'

125°00'
125.00'

589°17'33"E 200.00'

589°17'33"E 200.00'



SCALE: 1"=100'

NO.	DELTA	RADIUS	LENGTH
C1	12°45'00"	225.00'	50.07'
C2	8°12'57"	275.00'	59.43'

NO.	BEARING	DISTANCE
T1	N23°14'59"W	49.22'

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BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
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LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 6

That portion of the Northeast one-quarter (NE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the East one-quarter (E 1/4) corner of said Section 2;

thence North $89^{\circ} 03' 00''$ West, 659.73 feet to THE TRUE POINT OF BEGINNING;

thence continuing North $89^{\circ} 03' 00''$ West, 373.64 feet;

thence North $00^{\circ} 43' 12''$ East, 896.30 feet;

thence North $18^{\circ} 12' 39''$ West, 499.65 feet;

thence North $88^{\circ} 28' 39''$ West, 220.00 feet;

thence North $01^{\circ} 31' 21''$ East, 65.00 feet to the beginning of a curve concave to the Southeast having a radius of 225.00 feet;

thence Northeasterly along said curve through a central angle of $66^{\circ} 19' 39''$, an arc distance of 260.47 feet to the point of tangency;

thence North $67^{\circ} 51' 00''$ East, 91.00 feet to the beginning of a curve concave to the Northwest, having a radius of 275.00 feet;

thence Northeasterly along said curve through a central angle of $12^{\circ} 45' 00''$, an arc distance of 62.20 feet to the point of tangency;

thence North $55^{\circ} 06' 00''$ East, 90.00 feet to the beginning of a curve concave to the Southeast, having a radius of 225.00 feet;

thence Northeasterly along said curve through a central angle of $19^{\circ} 46' 56''$, an arc distance of 77.68 feet;

thence on a non-tangent line, South $15^{\circ} 07' 04''$ East, 1,661.06 feet to the beginning of a non-tangent curve concave to the Southeast, having a radius of 161.64 feet, and a radial bearing to said beginning of North $15^{\circ} 30' 08''$ West;

thence Southwesterly along said curve through a central angle of $35^{\circ} 54' 52''$, an arc distance of 101.32 feet;

thence on a non-tangent line, North $38^{\circ} 14' 47''$ West, 77.67 feet;

thence North $80^{\circ} 07' 11''$ East, 24.23 feet;

thence North $34^{\circ} 39' 56''$ West, 140.53 feet;

thence South $48^{\circ} 07' 59''$ West, 95.38 feet;

thence South $44^{\circ} 00' 31''$ East, 92.71 feet;

thence North $84^{\circ} 33' 40''$ East, 40.95 feet;

thence South $35^{\circ} 54' 15''$ East, 94.16 feet to the

beginning of a non-tangent curve concave to the Southeast, having a radius of 161.64 feet, and a radial bearing to said beginning of North $60^{\circ} 48' 57''$ West;

thence Southwesterly along said curve through a central angle of $29^{\circ} 11' 03''$, an arc distance of 82.33 feet to the point of tangency;

thence SOUTH 38.60 feet to THE TRUE POINT OF BEGINNING.

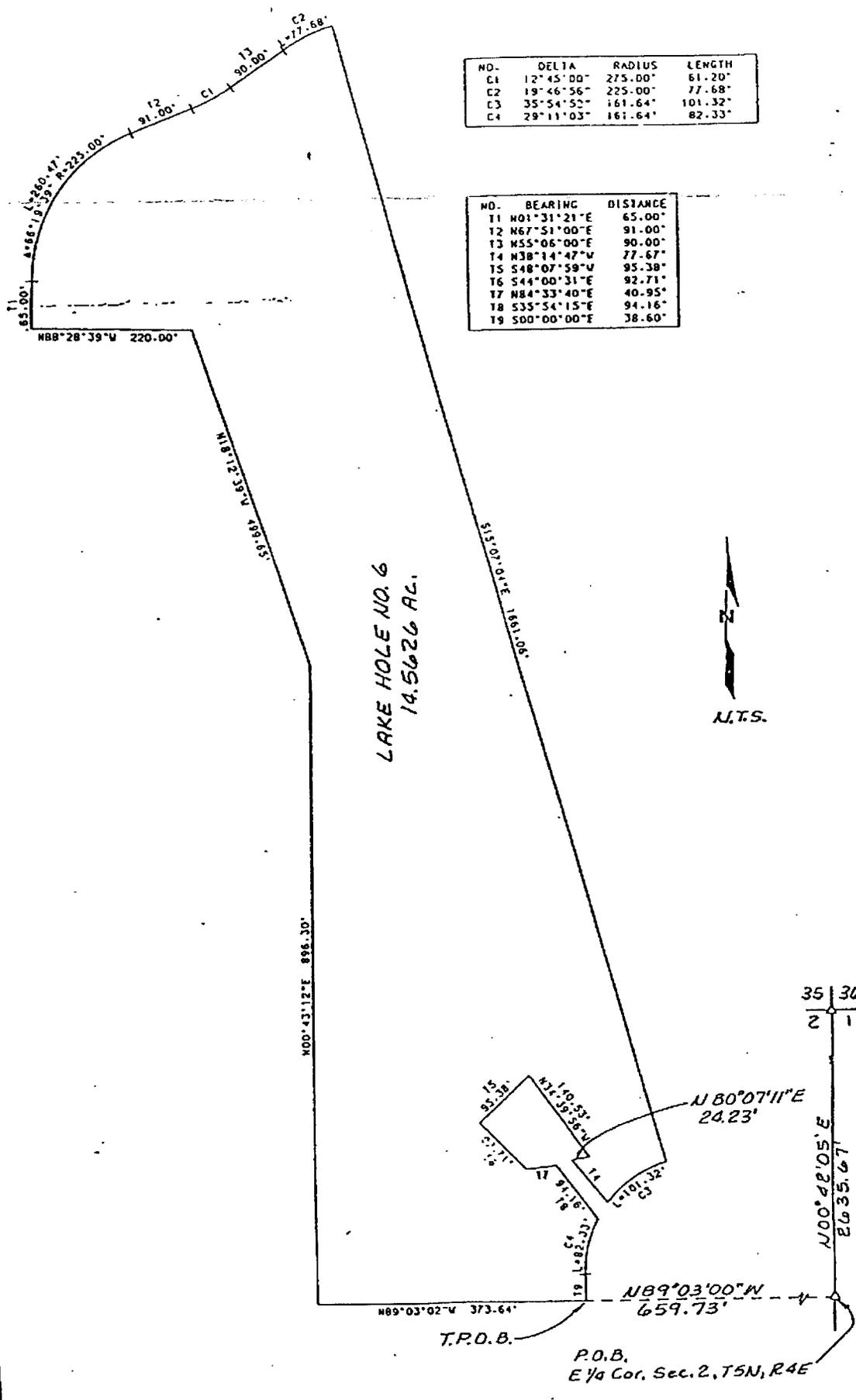
The herein described Golf Course parcel contains 634,346 square feet, 14.5626 Acres, more or less.



R16-01-TM-05 OCT. 30, 1986

NO.	DELTA	RADIUS	LENGTH
C1	12°45'00"	275.00'	61.20'
C2	19°46'56"	225.00'	77.68'
C3	35°54'52"	161.64'	101.32'
C4	29°11'03"	161.64'	82.33'

NO.	BEARING	DISTANCE
T1	N01°31'21"E	65.00'
T2	N67°51'00"E	91.00'
T3	N55°06'00"E	90.00'
T4	N38°14'47"W	77.67'
T5	S48°07'59"W	95.38'
T6	S44°00'31"E	92.71'
T7	N84°33'40"E	40.95'
T8	S35°54'15"E	94.16'
T9	S00°00'00"E	38.60'





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ENGINEERS/SURVEYORS

216-23-TM-05
Revised February 2, 1990
W.L.C.

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LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 7

That portion of the East On-Half (E 1/2) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the East One-Quarter (E 1/4) corner of said Section 2;
thence South 17° 35' 30" West, 1,132.82 feet to THE TRUE POINT OF BEGINNING;
thence North 89° 11' 59" West, 248.32 feet;
thence North 10° 49' 57" West, 322.73 feet;
thence North 03° 45' 39" East, 360.00 feet;
thence North 73° 15' 06" West, 133.50 feet;
thence North 29° 11' 56" East, 202.10 feet to the beginning of a curve concave to the Northwest, having a radius of 215.00 feet;
thence Northeasterly along said curve through a central angle of 29° 11' 56", an arc distance of 109.57 feet to the point of tangency;
thence North 90.84 feet;
thence North 89° 03' 00" West, 30.00 feet;
thence North 38.60 feet to the beginning of a curve concave to the Southeast, having a radius of 161.64 feet;
thence Northeasterly along said curve through a central angle of 74° 29' 52", an arc distance of 210.17 feet to the point of reverse curvature of a curve concave to the Northwest, having a radius of 185.00 feet;
thence Northeasterly along said curve through a central angle of 02° 35' 40", an arc distance of 8.38 feet;
thence on a non-tangent line South 31.33 feet to the beginning of a non-tangent curve concave to the Northwest, having a radius of 215.00 feet and a radial bearing to said beginning of South 15° 30' 09" East;
thence Northeasterly along said curve through a central angle of 29° 42' 50", an arc distance of 111.50 feet to the point of cusp;
thence on a non-tangent line South 19° 18' 17" West, 98.01 feet;
thence South 60° 41' 47" East, 56.05 feet;
thence South 16° 52' 20" East, 397.48 feet;
thence North 52° 34' 37" East, 149.51 feet;
thence North 40° 52' 58" East, 125.89 feet to a point on a non-tangent curve concave to the Southwest, having a radius of 532.00 feet, a radial to said point bearing North 68° 11' 08" East;
thence Southeasterly along said curve through a central angle of 08° 25' 54" an arc distance of 78.29 feet;

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thence South 54° 04' 58" West, 270.39 feet;
thence South 00° 00' 00" East, 271.74 feet;
thence South 12° 00' 44" West, 139.03 feet;
thence South 29° 28' 26" West, 53.00 feet;
thence South 57° 24' 55" East, 94.00 feet;
thence North 79° 53' 31" East, 80.09 feet;
thence North 71° 40' 43" East, 90.00 feet;
thence South 07° 21' 57" West, 15.72 feet to the beginning of a tangent curve
concave to the Southeast having a radius of 1,978.00 feet,
thence Southwesterly along said curve through a central angle of 01° 06' 02" an arc
distance of 37.99 feet;
thence South 69° 13' 36" West, 192.35 feet;
thence South 11° 40' 03" West, 116.36 feet;
thence South 17° 04' 56" West, 69.98 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 409,900 square feet, 9.4100 acres, more
or less.





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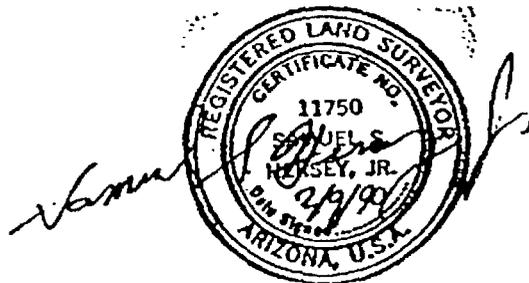
216-23-TM-005 ⁹⁰ 192807
Revised Feb. 2, 1990
W.L.C.

LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 8

That portion of the Southeast One-Quarter (SE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the East One-Quarter (E 1/4) corner of said Section 2;
thence South 17° 35' 30" West, 1,132.82 feet to THE TRUE POINT OF BEGINNING;
thence South 17° 04' 56" West, 160.53 feet;
thence South 37° 48' 00" West, 626.54 feet;
thence South 58° 27' 21" West, 278.47 feet;
thence South 14° 36' 21" East, 205.77 feet;
thence South 40° 41' 52" East, 79.34 feet;
thence South 43° 36' 31" West, 39.68 feet to the beginning of a tangent curve concave to the North having a radius of 23.00 feet;
thence Westerly along said curve through a central angle of 96° 08' 42" an arc distance of 38.60 feet;
thence North 40° 14' 47" West, 71.04 feet;
thence North 20° 57' 08" East, 72.94 feet;
thence North 14° 36' 21" West, 158.84 feet;
thence North 68° 45' 00" West, 107.00 feet;
thence North 30° 40' 00" West, 146.99 feet;
thence South 61° 30' 00" West, 100.65 feet;
thence South 29° 44' 30" West, 85.32 feet;
thence South 84° 27' 34" West, 20.01 feet;
thence North 05° 21' 00" East, 130.86 feet;
thence North 58° 43' 52" East, 609.99 feet;
thence North 44° 50' 59" East, 154.03 feet;
thence North 58° 47' 38" East, 104.98 feet;
thence North 20° 58' 41" East, 103.35 feet;
thence North 10° 49' 57" West, 65.00 feet;
thence South 89° 11' 59" East, 248.32 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 277,854 square feet, 6.3787 Acres, more or less.



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216-23-TM-005
Revised February 2, 1990
W.L.C.

LEGAL DESCRIPTION
OF
LAKE 9 GOLF COURSE
HOLE NO. 9

That portion of the Southeast One-Quarter (SE 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the South One-Quarter (S 1/4) corner of said Section 2;
thence North 20° 39' 22" East, 632.04 feet to THE TRUE POINT OF BEGINNING;
thence North 22° 33' 27" West, 269.98 feet;
thence North 67° 26' 33" East, 182.91 feet to the Southwest corner of the Replat of Boulders Carefree Unit Eight as recorded in Book 331, Page 22 of the Maricopa County Recorders Office, said corner being the beginning of a non-tangent curve concave to the Southwest, having a radius of 300.00 feet, and a radial bearing to said beginning of North 21° 33' 13" East;
thence Southeasterly along the Southwest line of said subdivision and curve through a central angle of 16° 26' 26", an arc distance of 86.08 feet to the point of tangency;
thence South 52° 00' 22" East, 494.07 feet;
thence South 69° 24' 13" East, 150.26 feet;
thence North 82° 04' 30" East, 140.51 feet;
thence North 77° 10' 39" East, 172.33 feet to the Southeast corner of Lot 2046 of said Replat of Boulders Carefree Unit Eight subdivision and a corner in the West line of Lot 22 of Replat, Boulders Carefree Unit Seven subdivision as recorded in Book ____, Page ____ of the Maricopa County Recorders Office;
thence with the West and South lines of said Unit Seven subdivision South 23° 33' 38" East, 98.93 feet;
thence North 83° 24' 50" East, 201.31 feet;
thence South 40° 14' 47" East, 62.74 feet;
thence South 49° 15' 22" East, 50.12 feet;
thence South 72° 59' 37" East, 98.36 feet;
thence North 49° 54' 34" East, 78.26 feet;
thence South 40° 14' 47" East, 55.73 feet to the beginning of a tangent curve concave to the West, having a radius of 23.00 feet;
thence Southerly along said curve through a central angle of 83° 51' 18" an arc distance of 33.66 feet;
thence South 43° 36' 31" West 63.47 feet;
thence North 46° 56' 36" West 58.65 feet;
thence North 76° 32' 47" West 148.13 feet;

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thence South 58° 24' 13" West, 75.00 feet to the Northwest corner of Lot 24 of said Unit Seven subdivision;
thence leaving said Unit Seven subdivision and continuing South 58° 24' 13" West, 116.69 feet;
thence North 82° 22' 29" West, 139.03 feet;
thence South 76° 42' 02" West, 245.00 feet;
thence North 86° 04' 42" West, 364.90 feet;
thence North 47° 39' 55" West, 447.49 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Parcel contains 381,903 square feet, 8.7673 Acres, more or less.





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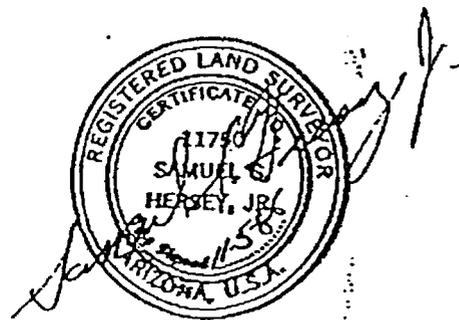
Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
THE
DRIVING RANGE

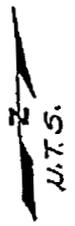
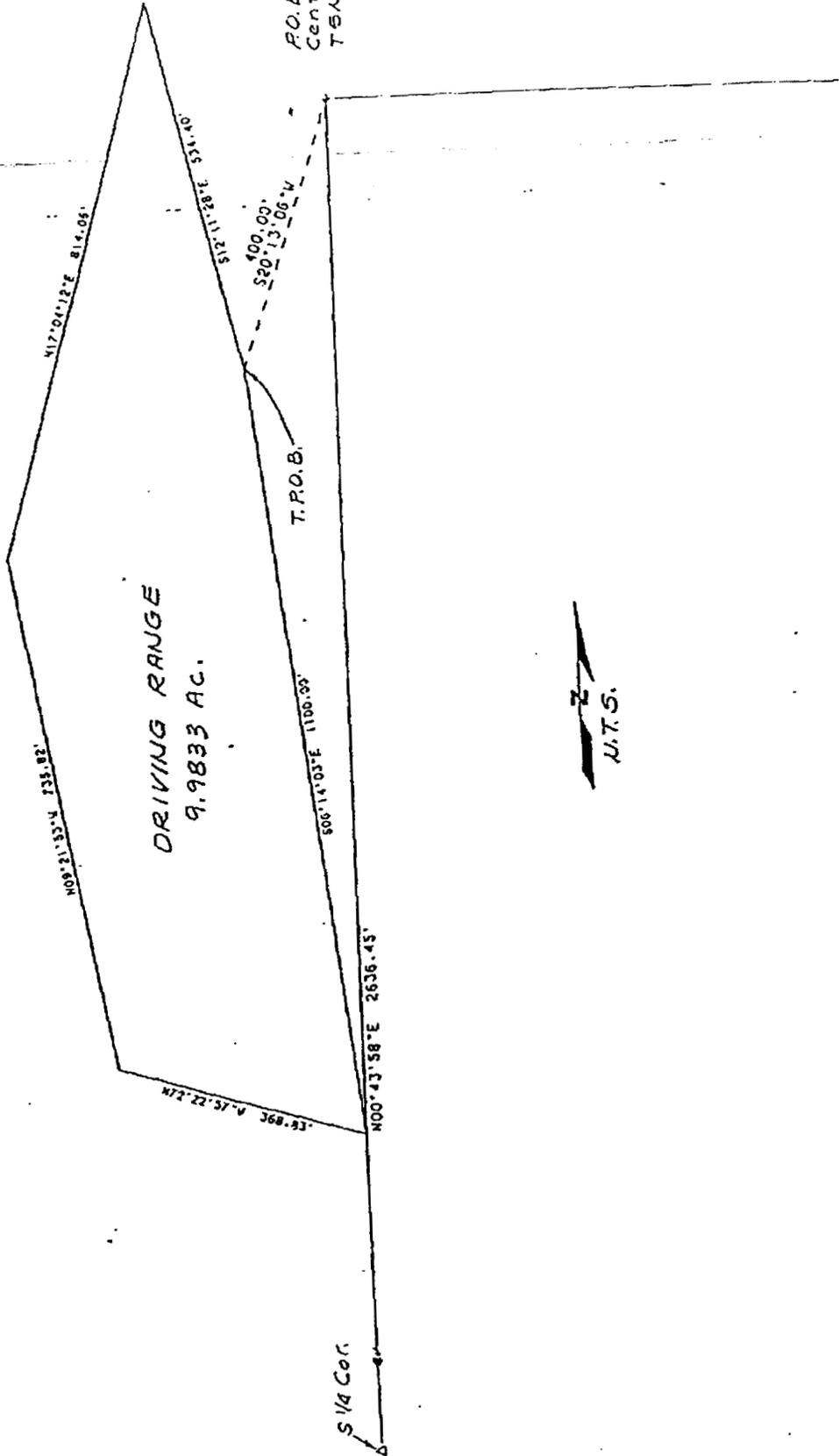
That portion of the West one-half (W 1/2) of Section 2,
Township 5 North, Range 4 East of the Gila and Salt River
Base and Meridian, in Maricopa County, Arizona described as
follows:

Commencing at the Center corner of said Section 2;
thence South 20° 13' 06" West, 400.00 feet to THE TRUE
POINT OF BEGINNING;
thence South 06° 14' 03" East, 1,100.00 feet;
thence North 72° 22' 57" West, 368.83 feet;
thence North 09° 21' 53" West, 735.82 feet;
thence North 17° 04' 12" East, 814.06 feet to a point
on the South right-of-way line of Boulders Drive as
recorded in Docket 16407, Page 113, M.C.R. Office;
thence departing said right-of-way line South 12° 11'
28" East, 534.40 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 434,874
square feet, 9.9833 Acres, more or less.



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P16-N1-TM-65 OCT. 30. 1986

EXHIBIT C1

This exhibit is prepared for the purpose of determining the RWDS contribution as stated in City of Scottsdale Agreement No. 900083.

I. Calculation of RWDS Costs:

a. Central Arizona Project/Turnout Structure(1)	\$	45,670
b. Landscape Contract(1)		103,301
c. Telemetry System fees(2)		25,000
d. Design and Administration fees(1)		1,374,392
e. Construction Management fees (Greiner Engr.)(1)		623,372
f. Construction Consulting fees (NBS/Lowry Engr.)(3)		303,900
g. City of Scottsdale Plan Review fees(1)		9,765
h. Mollusks screens and chlorination costs(4)		0
i. Right of Way Acquisitions(5)		544,875
j. Pipeline and Pump Station Costs		10,452,215
k. City Payback Admin Fees		10,000
l. Minus line valves at Pump Station A= \$		(16,000)
m. City Plan & Specs Repro Costs, Out Legal Fees		10,000
n. TOTAL RWDS COSTS	\$	13,486,490

II. Calculation of RWDS Hookup Fee:

	Cost	MGD	Cost Per MGD	
Total Cost of RWDS	\$13,486,490	20.0	\$674,325	
Investment by DMP	\$4,311,648	4.0	\$1,077,912	
Investment by Others	\$3,819,760	5.5	\$694,502	
Average	\$21,617,898	29.5	\$732,810	1993 RWDS HOOKUP FEE
Adjusted to 1994 costs:	(\$732,810x1.02)	x 1.11	= \$829,687	1994 RWDS HOOKUP FEE

III. Calculation of Additional Pumps Fee:

Pump Fee Equal To:	Est Cost of Add'l Pumps	\$404,400	=	-----	=	\$47,576
	Remaining RWDS Capacity	8.5 MGD				PER MGD
Adjusted to 1993 Costs:	ENR Index = 1.042 x \$47,576 =	\$49,574				
Adjusted to 1994 Costs:	ENR Index = 1.02 x \$49,574 =	\$50,564				

IV. Total Cost For 1994 RWDS Agreements:

	=	RWDS Hookup Fee + Additional Pumps Fee	
	=	\$829,687	+ \$50,564
	=	\$880,251	
Boulders 750,000 gpd	=	0.75 x \$880,251= \$ 660,188.25	

NOTES:

- (1) Based on actual costs incurred
- (2) Based on bid amount plus \$15,000 for City staff work
- (3) Based on bid amount of approved contract
- (4) Included in (j) pump station costs
- (5) Includes cost for land to be purchased from Bureau of Rec. Est. to be \$500,000 (REV. 12/10/93)

RESOLUTION NO. 4142

A RESOLUTION OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA, AUTHORIZING
THE MAYOR TO ENTER INTO AGREEMENT NO.
920004A FIRST AMENDMENT WITH BOULDERS
JOINT VENTURE RESERVING CAPACITY IN THE
RECLAIMED WATER DISTRIBUTION SYSTEM
PIPELINE FOR A CERTAIN GOLF COURSE.

WHEREAS, on February 12, 1991, the City Council authorized the construction of a new Reclaimed Water Distribution System (RWDS) to transport raw CAP water and reclaimed wastewater from a water reclamation plant to golf courses in the north area of the City for irrigation of the golf courses; and

WHEREAS, Pipeline Capacity Agreements are being used to enable the north area golf courses to participate financially in the design and construction of the RWDS and to enable them to reserve capacity in the system; and

WHEREAS, the City has reached agreement on the terms of the future delivery of reclaimed wastewater and raw CAP water in a Pipeline Capacity Agreement with Boulders Joint Venture; and

WHEREAS, it is in the interest of the citizens of the City of Scottsdale that the north area golf courses use raw CAP water and reclaimed wastewater to irrigate golf courses instead of groundwater.

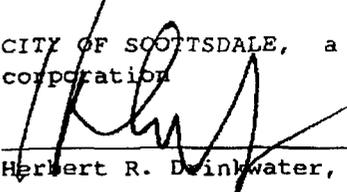
NOW, THEREFORE, LET IT BE RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. That Herbert R. Drinkwater, Mayor, is hereby authorized to execute on behalf of the City of Scottsdale Agreement No. 920004A providing for a Pipeline Capacity Agreement with Boulders Joint Venture reserving capacity in the Reclaimed Water Distribution System.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 19th day of December, 1994.

CITY OF SCOTTSDALE, a municipal corporation

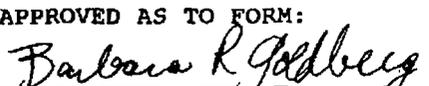
By:

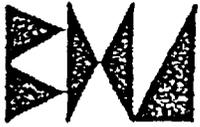

Herbert R. Drinkwater, Mayor

ATTEST:


Sonia Robertson, City Clerk

APPROVED AS TO FORM:


for Fredda J. Bisman, City Attorney



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
Rev. January 7, 1987
J.S.

LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. *17 South Course*

That portion of the North one-half (N 1/2) of Section 11, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the North one-quarter (N 1/4) corner of said Section 11;

thence South 04° 56' 31" East, 1,200.38 feet to THE TRUE POINT OF BEGINNING;

thence North 66° 20' 13" West, 249.88 feet to the beginning of a curve concave to the Northeast, having a radius of 150.00 feet;

thence Northwesterly along said curve through a central angle of 36° 12' 31", an arc distance of 94.79 feet;

thence on a non-tangent line, North 35° 29' 19" East, 273.24 feet to the beginning of a non-tangent curve concave to the Southwest, having a radius of 150.00 feet and a radial bearing to said beginning of North 11° 06' 20" East;

thence Southeasterly along said curve through a central angle of 11° 14' 54", an arc distance of 29.45 feet to the point of tangency;

thence South 67° 38' 47" East, 102.58 feet;

thence North 02° 24' 08" East, 59.85 feet;

thence North 75° 39' 22" East, 91.14 feet;

thence South 01° 20' 00" East, 120.90 feet;

thence South 67° 38' 47" East, 60.17 feet;

thence South 21° 05' 50" East, 64.27 feet;

thence South 74° 34' 40" East, 264.95 feet;

thence South 60° 40' 57" East, 96.42 feet;

thence South 68° 50' 16" East, 248.51 feet;

thence South 42° 24' 16" East, 112.41 feet;

thence South 60° 40' 57" East, 242.35 feet to the

beginning of a curve concave to the Southwest, having a radius of 75.00 feet;

thence Southeasterly along said curve through a central angle of 95° 10' 08", an arc distance of 124.58 feet;

thence on a non-tangent line, North 73° 51' 07" West, 1,081.77 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 317,631 square feet, 7.2918 Acres, more or less.



5246 South 40th Street
Phoenix Arizona 85040
(602) 437-3733



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
BOULDERS 9 GOLF COURSE
HOLE NO. ■

#18 South Course

That portion of the South one-half (S 1/2) of Section 2,
and North one-half (N 1/2) of Section 11, Township 5 North,
Range 4 East of the Gila and Salt River Base and Meridian,
in Maricopa County, Arizona described as follows:

Commencing at the North one-quarter (N 1/4) corner of said
Section 11;

thence South 40° 05' 30" East, 268.59 feet to THE TRUE
POINT OF BEGINNING;

thence South 19° 04' 11" West, 640.73 feet;

thence South 35° 29' 19" West, 273.24 feet to the
beginning of a non-tangent curve concave to the Northeast,
having a radius of 75.00 feet and a radial bearing to said
beginning of South 20° 46' 34" West;

thence Northwesterly along said curve through a central
angle of 73° 41' 28", an arc distance of 96.46 feet to the
point of tangency;

thence North 04° 28' 02" East, 1,708.16 feet;

thence North 67° 26' 33" East, 248.52 feet;

thence South 22° 33' 27" East, 269.98 feet;

thence South 12° 59' 30" West, 217.38 feet;

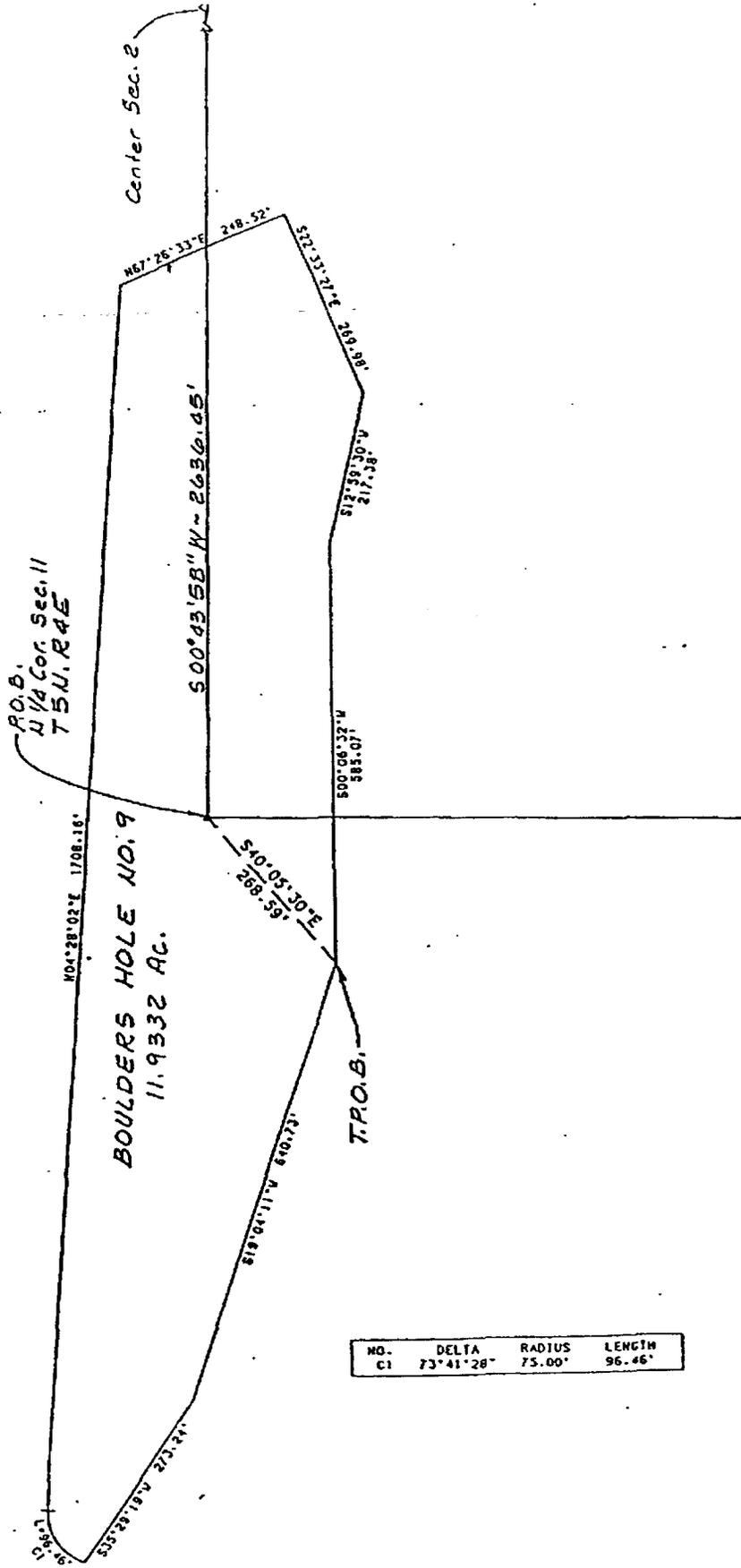
thence South 00° 06' 32" West, 585.07 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf Course parcel contains 519,810
square feet, 11.9332 Acres, more or less.



5246 South 40th Street
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(602) 437-3733

U.T.S.



R14-01-TM-65 OCT. 30, 1981



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

90 058657

216-13-TM-108
December 14, 1989
W.L.C.

REVISED
LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 1

That portion of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Center corner of said Section 2;

thence South $20^{\circ} 13' 06''$ West, 400.00 feet to THE TRUE POINT OF BEGINNING;

thence North $12^{\circ} 11' 28''$ West, 534.40 feet to a point on the South right of way line of Boulders Drive as recorded in Docket 16407, Page 113, M.C.R. Office;

thence North $78^{\circ} 57' 04''$ East, 121.04 feet along said right of way line to the beginning of a curve concave to the Southwest, having a radius of 95.00 feet;

thence Southeasterly along said curve through a central angle of $47^{\circ} 32' 59''$, an arc distance of 78.84 feet along said right of way line to the point of tangency;

thence South $53^{\circ} 30' 00''$ East, 100.05 feet along said right of way line to the beginning of a curve concave to the Northeast, having a radius of 145.00 feet;

thence Southeasterly along said curve through a central angle of $27^{\circ} 06' 32''$, an arc distance of 68.61 feet along said right of way line to the point of reverse curvature of a curve concave to the Southwest, having a radius of 12.00 feet;

thence departing said right of way line, Southeasterly along said curve through a central angle of $80^{\circ} 05' 50''$, an arc distance of 16.78 feet to the point of tangency;

thence South $00^{\circ} 30' 42''$ East, 57.17 feet;

thence North $89^{\circ} 03' 00''$ West, 96.00 feet;

thence North $89^{\circ} 02' 09''$ West, 66.01 feet;

thence South $35^{\circ} 01' 31''$ East, 133.62 feet;

thence South $89^{\circ} 03' 00''$ East, 86.28 feet;

thence South $00^{\circ} 30' 42''$ East, 2.40 feet to the beginning of a curve concave to the West, having a radius of 185.00 feet;

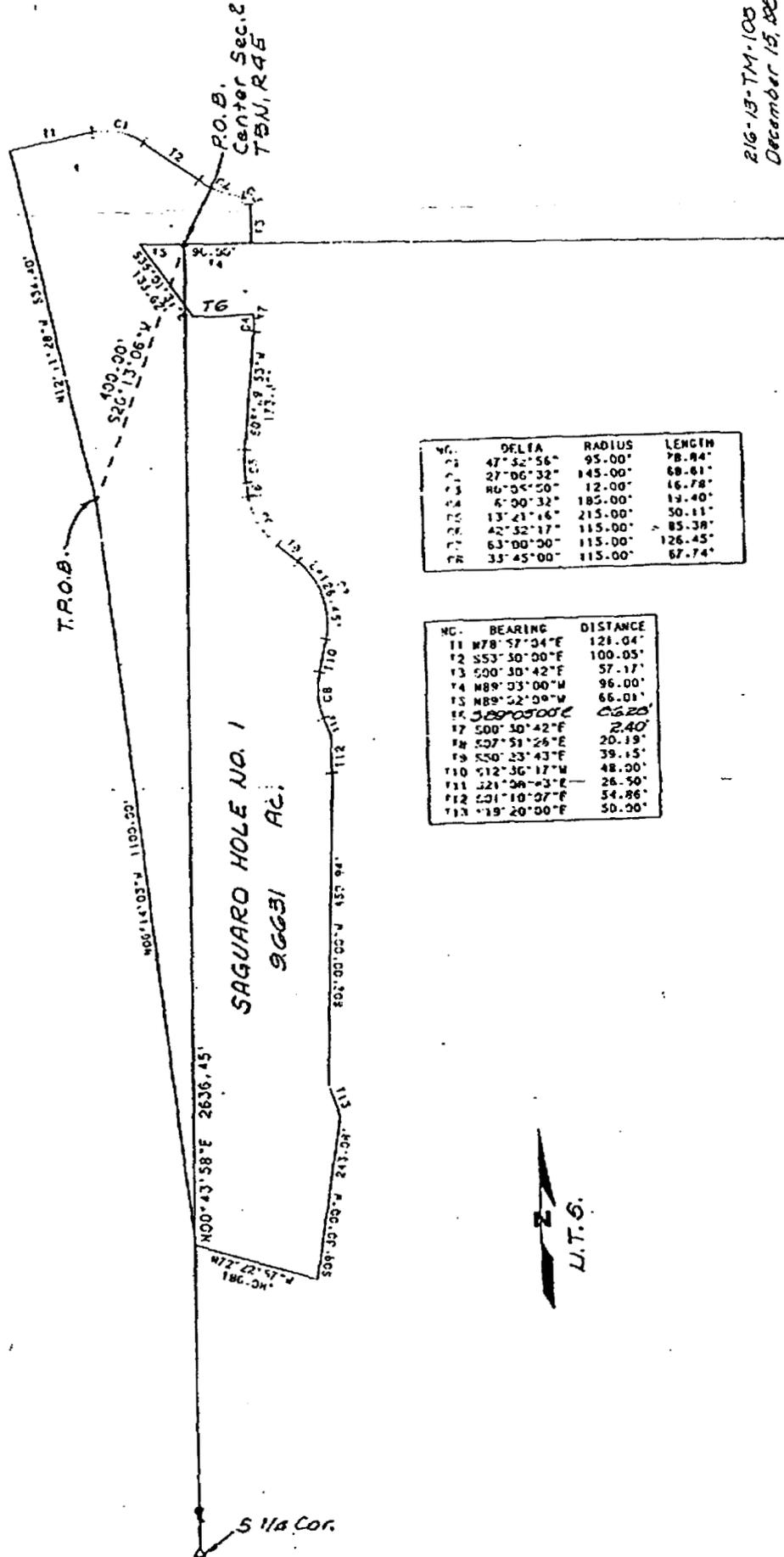
EXHIBIT "C"

5246 South 40th Street
Phoenix Arizona 85040
PH (602) 437-3733
FAX (602) 437-3424

thence Southerly along said curve through a central angle of $06^{\circ} 00' 32''$,
an arc distance of 19.40 feet to the point of tangency;
thence South $05^{\circ} 29' 53''$ West, 173.35 feet to the beginning of a curve
concave to the East, having a radius of 215.00 feet;
thence Southerly along said curve through a central angle of $13^{\circ} 21' 16''$,
an arc distance of 50.11 feet to the point of tangency;
thence South $07^{\circ} 51' 26''$ East, 20.19 feet to the beginning of a curve
concave to the Northeast, having a radius of 115.00 feet;
thence Southeasterly along said curve through a central angle of $42^{\circ} 32' 17''$,
an arc distance of 85.38 feet to the point of tangency;
thence South $50^{\circ} 23' 43''$ East, 39.15 feet to the beginning of a curve
concave to the Southwest, having a radius of 115.00 feet;
thence Southeasterly along said curve through a central angle of $63^{\circ} 00' 00''$,
an arc distance of 126.45 feet to the point of tangency;
thence South $12^{\circ} 36' 17''$ West, 48.00 feet to the beginning of a curve
concave to the East, having a radius of 115.00 feet;
thence Southerly along said curve through a central angle of $33^{\circ} 45' 00''$,
an arc distance of 67.74 feet to the point of tangency;
thence South $21^{\circ} 08' 43''$ East, 26.50 feet;
thence South $01^{\circ} 10' 07''$ East, 54.86 feet;
thence South $02^{\circ} 00' 00''$ West, 459.94 feet;
thence South $19^{\circ} 20' 00''$ East, 50.00 feet;
thence South $09^{\circ} 30' 00''$ West, 243.08 feet;
thence North $72^{\circ} 22' 57''$ West, 186.08 feet;
thence North $06^{\circ} 14' 03''$ West, 1,100 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 420,925 square feet, 9.6631
Acres, more or less.

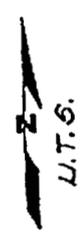




216-13-TM-100
December 15, 1989

NO.	DELTA	RADIUS	LENGTH
1	47° 42' 56"	95.00'	78.94'
2	27° 06' 32"	145.00'	68.61'
3	86° 05' 50"	12.00'	16.78'
4	6° 00' 32"	185.00'	13.40'
5	13° 21' 46"	215.00'	50.11'
6	42° 52' 17"	115.00'	85.38'
7	63° 00' 00"	115.00'	126.45'
8	33° 45' 00"	115.00'	67.74'

NO.	BEARING	DISTANCE
11	N78° 57' 04" E	121.04'
12	S53° 30' 00" E	100.05'
13	S00° 30' 42" E	57.17'
14	N89° 03' 00" W	96.00'
15	N89° 02' 00" W	66.01'
16	S00° 30' 42" E	57.17'
17	S00° 30' 42" E	2.40'
18	S07° 51' 26" E	20.19'
19	S50° 23' 43" E	39.15'
110	S12° 36' 17" W	48.00'
111	S21° 06' 43" E	26.50'
112	S01° 10' 07" E	54.86'
113	S19° 20' 00" E	50.00'





BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 2

That portion of the North one-half (N 1/2) of Section 2,
Township 5 North, Range 4 East of the Gila and Salt River
Base and Meridian, in Maricopa County, Arizona described as
follows:

Commencing at the Center corner of said Section 2;
thence North 21° 48' 49" East, 1,025.26 feet to THE
TRUE POINT OF BEGINNING;
thence South 52° 40' 53" West, 355.68 feet;
thence South 59° 53' 06" West, 103.48 feet;
thence South 36° 09' 30" West, 163.44 feet;
thence South 34° 01' 48" East, 34.91 feet;
thence South 57° 41' 26" West, 130.39 feet;
thence North 43° 24' 16" West, 438.63 feet;
thence North 57° 31' 07" East, 149.55 feet;
thence North 31° 59' 54" East, 30.00 feet;
thence North 44° 07' 13" East, 507.73 feet;
thence South 77° 53' 36" East, 160.97 feet;
thence South 38° 58' 35" East, 330.63 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf Course parcel contains 318,623
square feet, 7.3146 Acres, more or less.

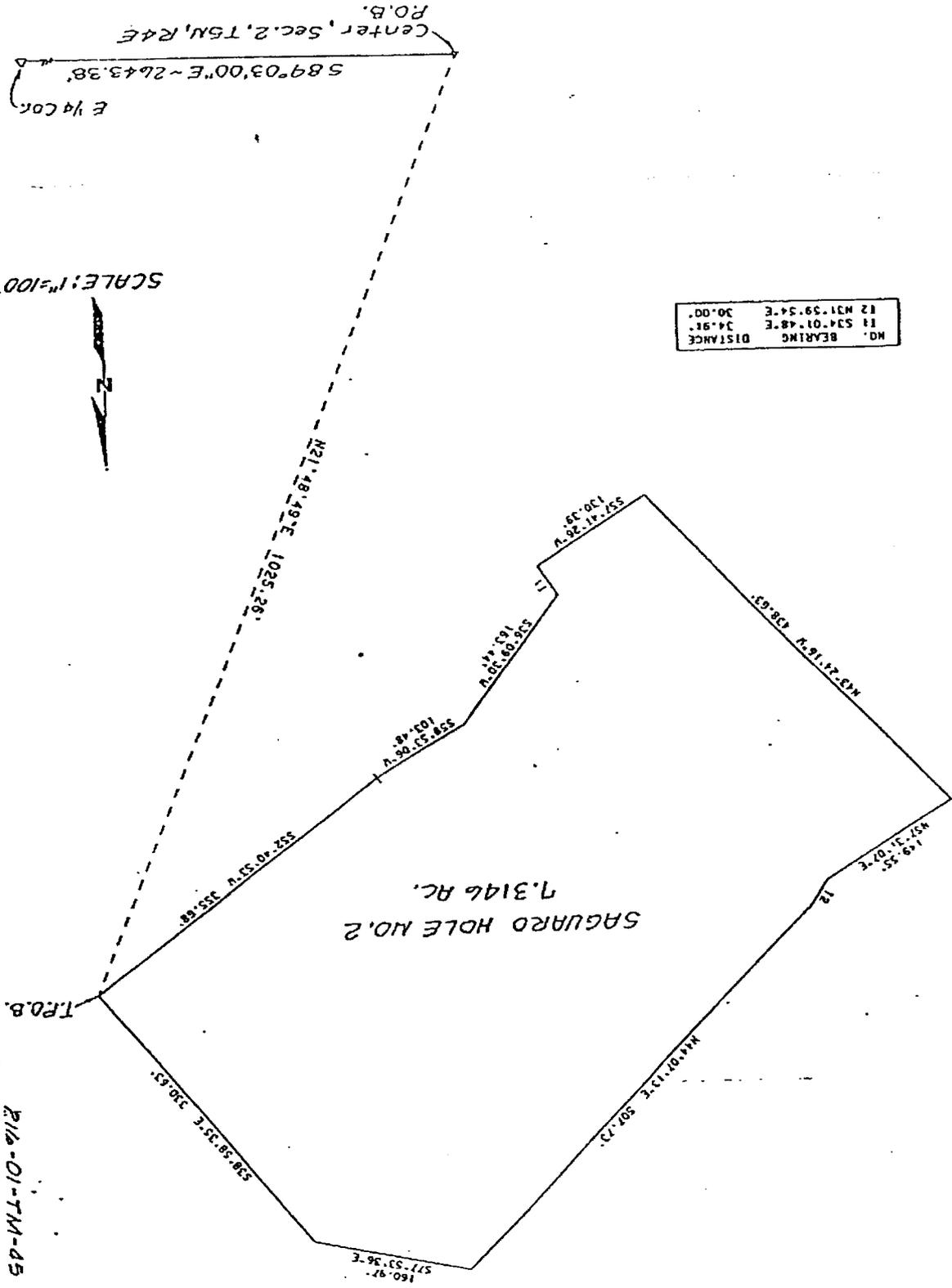
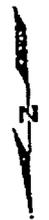


5246 South 40th Street
Phoenix, Arizona 85040
(602) 437-3733

Center, Sec. 2, T5N, R4E
 589°03'00"E ~ 2643.38'
 E 1/4 COR

NO.	BEARING	DISTANCE
12	N31°59'54"E	30.00'
11	S34°01'48"E	34.91'

SCALE: 1"=100'



P1/A-01-TM-45 OCT. 30, 1986



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

**LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 3**

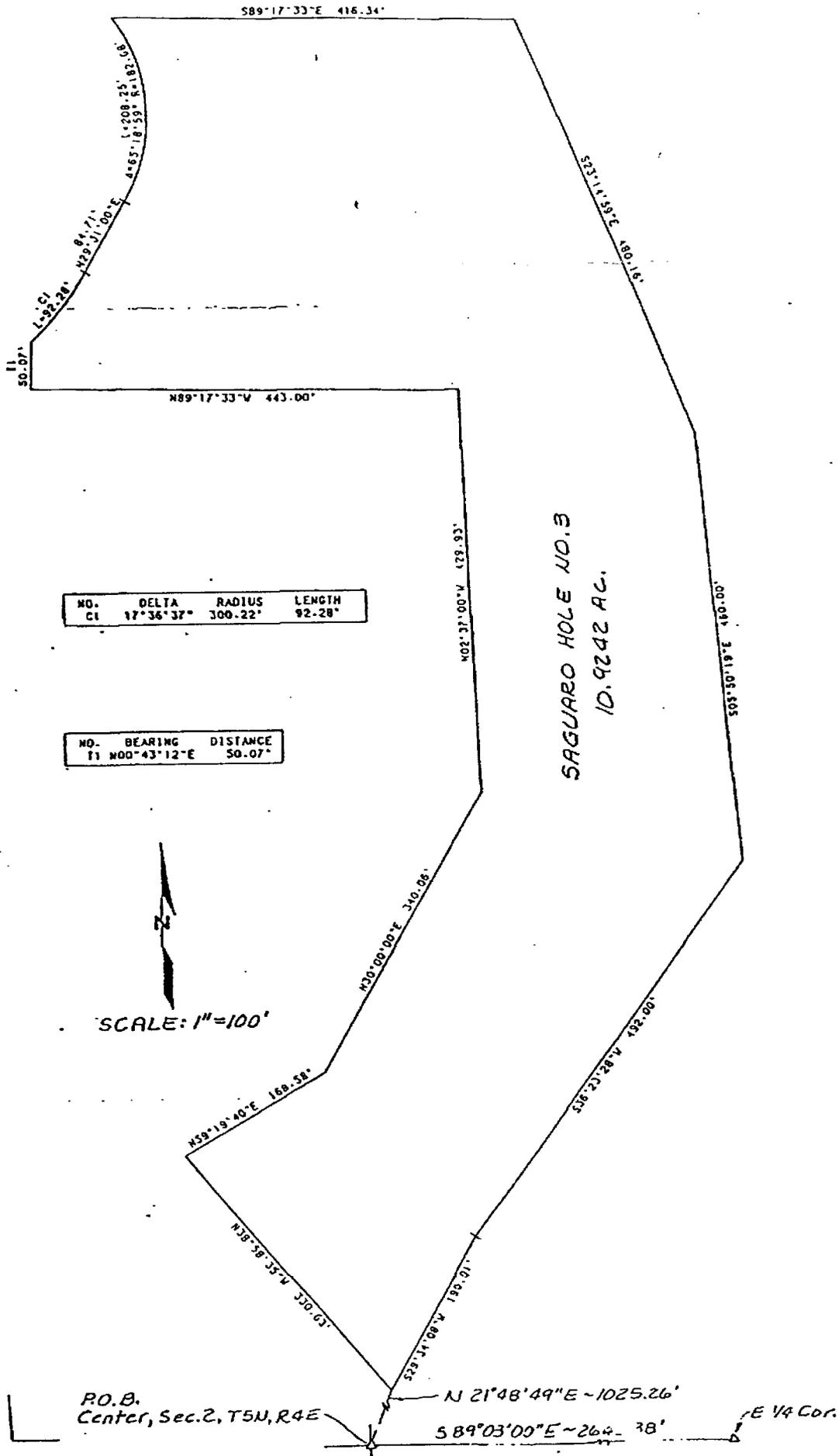
That portion of the Northwest one-quarter (NW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Center corner of said Section 2;
thence North 21° 48' 49" East, 1,025.26 feet to THE TRUE POINT POINT OF BEGINNING;
thence North 38° 58' 35" West, 330.63 feet;
thence North 59° 19' 40" East, 168.58 feet;
thence North 30° 00' 00" East, 340.06 feet;
thence North 02° 37' 00" West, 429.93 feet;
thence North 89° 17' 33" West, 443.00 feet;
thence North 00° 43' 12" East, 50.07 feet to the beginning of a non-tangent curve concave to the Northwest, having a radius of 300.22 feet and a radial bearing to said beginning of South 42° 52' 23" East;
thence Northeasterly along said curve through a central angle of 17° 36' 37", an arc distance of 92.28 feet to the point of tangency;
thence North 29° 31' 00" East, 84.71 feet to the beginning of a curve concave to the West, having a radius of 182.68 feet;
thence Northerly along said curve through a central angle of 65° 18' 59", an arc distance of 208.25 feet;
thence on a non-tangent line, South 89° 17' 33" East, 416.34 feet;
thence South 23° 14' 59" East, 480.16 feet;
thence South 05° 50' 19" East, 460.00 feet;
thence South 36° 23' 28" West, 492.00 feet;
thence South 29° 34' 08" West, 190.01 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Course parcel contains 475,859 square feet, 10.9242 Acres, more or less.



5246 South 40th Street
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(602) 437-3733



216-01-TM-45 OCT. 30, 1986



LOOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 4

That portion of the North one-half (N 1/2) of Section 2,
Township 5 North, Range 4 East of the Gila and Salt River
Base and Meridian, in Maricopa County, Arizona described as
follows:

Commencing at the North one-quarter (N 1/4) corner of said
Section 2;

thence South 79° 43' 04" West, 1,062.37 feet to THE
TRUE POINT OF BEGINNING;

thence South 89° 09' 23" East, 1,046.98 feet to the
beginning of a non-tangent curve concave to the Northeast
having a radius of 185.21 feet and a radial bearing to said
beginning of South 55° 22' 43" West;

thence Southeasterly along said curve through a central
angle of 09° 28' 25", an arc distance of 30.62 feet to the
point of reverse curvature of a curve concave to the
Southwest having a radius of 122.68 feet;

thence Southeasterly along said curve through a central
angle of 73° 36' 43", an arc distance of 157.62 feet to the
point of tangency;

thence South 29° 31' 00" West, 84.71 feet to the
beginning of a curve concave to the Northwest, having a
radius of 240.22 feet;

thence Southwesterly along said curve through a central
angle of 15° 04' 38", an arc distance of 63.21;

thence on a non-tangent line North 22° 28' 39" West,
112.17 feet;

thence South 84° 57' 52" West, 535.46 feet;

thence WEST 280.00 feet;

thence SOUTH 130.00 feet;

thence WEST 34.00 feet;

thence North 18° 08' 51" West, 136.81 feet;

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Phoenix, Arizona 85040
(602) 437-3733

thence WEST 84.19 feet;
thence South 71° 51' 09" West, 200.00 feet;
thence South 18° 08' 51" East, 174.79 feet;
thence South 44° 17' 34" West, 4.02 feet to the
beginning of a curve concave to the North having a radius
of 20.00 feet;

thence Westerly along said curve through a central
angle of 90° 00' 00", an arc distance of 31.42 feet to the
point of compound curvature of a curve concave to the
Northeast having a radius of 244.92 feet;

thence Northwesterly along said curve through a central
angle of 18° 28' 48", an arc distance of 79.00 feet to the
point of tangency;

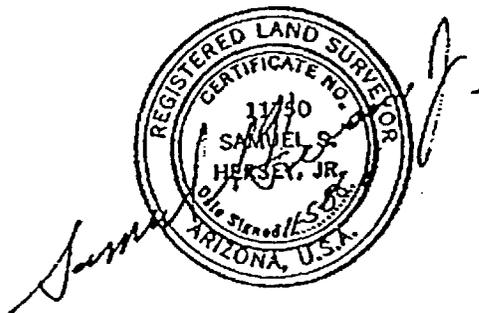
thence North 27° 13' 38" West, 249.93 feet;

thence South 62° 46' 22" West, 30.00 feet;

thence North 22° 18' 12" West, 32.18 feet;

thence North 64° 17' 06" East, 420.17 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf Course Parcel contains 340,718
square feet, 7.8218 Acres, more or less.

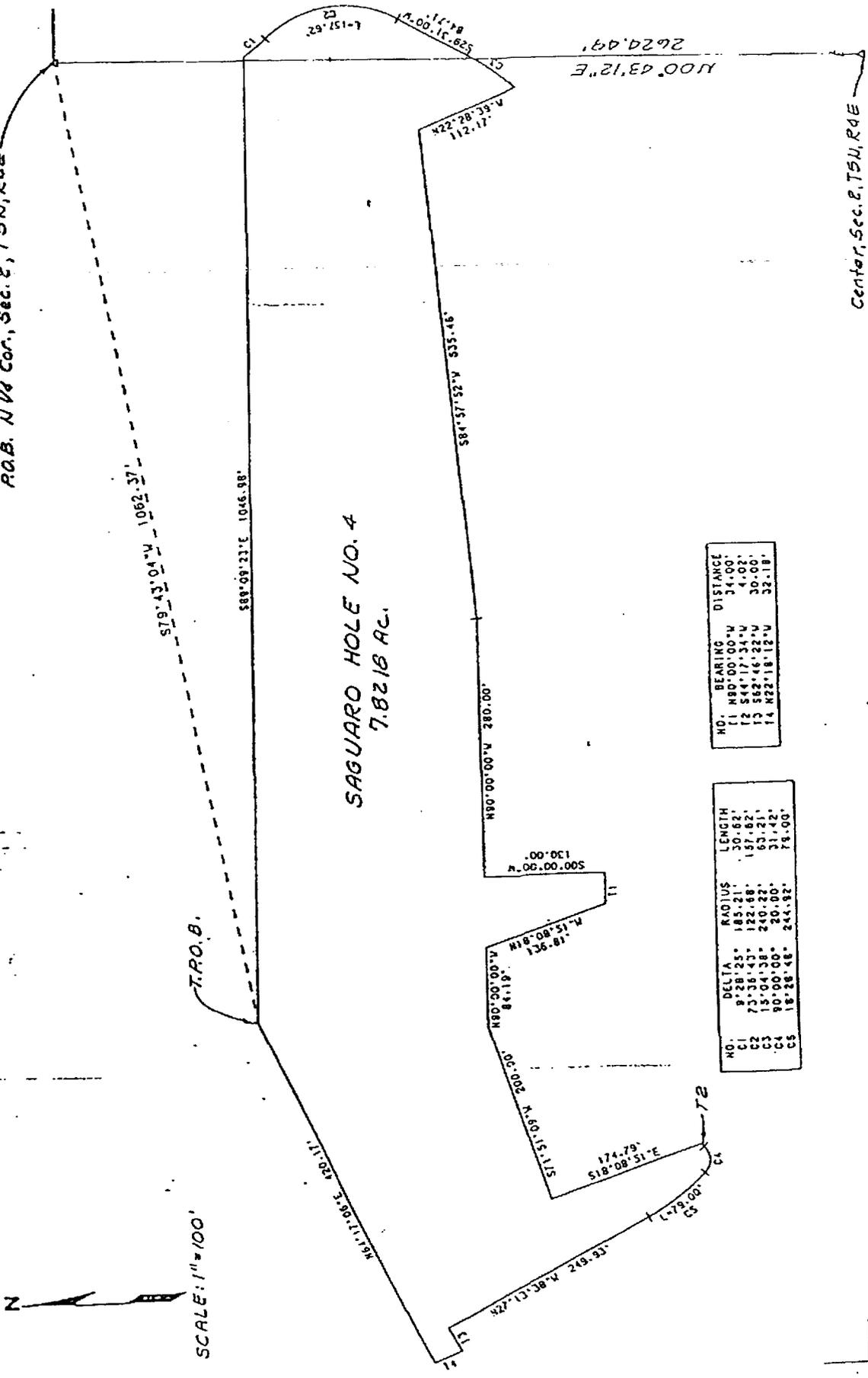


R.O.B. N 1/4 Cor., Sec. 8, T5N, R4E

Center, Sec. 8, T5N, R4E
 216-01-TM-05 OCT. 30, 1986

SAGUARO HOLE NO. 4
 7.8216 AC.

SCALE: 1" = 100'



NO.	BEARING	DISTANCE
11	N80°00'00" W	34.00'
12	S44°17'34" W	4.02'
13	S62°46'22" W	30.00'
14	N22°18'12" W	32.18'

NO.	DELTA	RADIUS	LENGTH
C1	8°28'25"	185.21'	30.62'
C2	73°36'43"	122.68'	157.62'
C3	15°04'38"	240.22'	63.21'
C4	90°00'00"	30.00'	31.42'
C5	18°28'48"	244.92'	78.00'

500'±
 N.00.00.00

100'±
 N.00.00.00

S79°43'04" W 1062.37'

S89°09'23" E 1046.98'

S84°37'52" W 535.46'

N90°00'00" W 280.00'

N80°00'00" W 84.19'

N100°00'00" W 200.00'

N22°13'38" W 249.33'

L-79.00'

L-157.62'

N-22°28'39" W 112.17'

S59°31'00" W 141.31'

L-157.62'

N-22°28'39" W 112.17'



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 5

That portion of the Northwest one-quarter (NW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the North one-quarter (N 1/4) corner of said Section 2;

thence South 79° 43' 04" West, 1,062.37 feet to THE
TRUE POINT OF BEGINNING;

thence South 64° 17' 06" West, 551.92 feet;

thence North 89° 09' 23" West, 607.87 feet;

thence South 36° 31' 25" West, 288.75 feet;

thence South 15° 03' 58" West, 24.21 feet;

thence North 89° 15' 21" West, 145.19 feet;

thence North 00° 44' 39" East, 275.00 feet;

thence North 29° 05' 52" East, 261.15 feet;

thence South 89° 09' 23" East, 1,297.96 feet to THE
TRUE POINT OF BEGINNING.

The herein described Golf Course Parcel contains 334,423 square feet, 7.6773 Acres, more or less.



5246 South 40th Street
Phoenix, Arizona 85040
(602) 437-3733

R.O.B.
 1/4 Cor., Sec. 2, T5N, R4E

889°08'33"E 1297.96'

SAGUARO HOLE NO. 5
 7.6773 Ac.

889°08'23"W 607.87'

000°44'39"E 275.00'

426°05'57"E 261.15'

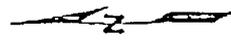
N69°15'21"W
 145.19'

S56°31'25"W 298.75'

T.R.O.B.
 S 79°43'00"W
 1062.27'

S 23°13' N 80°11'29E

Center, Sec. 2, T5N, R4E



NO.	BEARING	DISTANCE
11	S33°03'58"W	24.21'

SCALE: 1" = 100'

P16-C1-TM-45 OCT. 30 1986



DKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

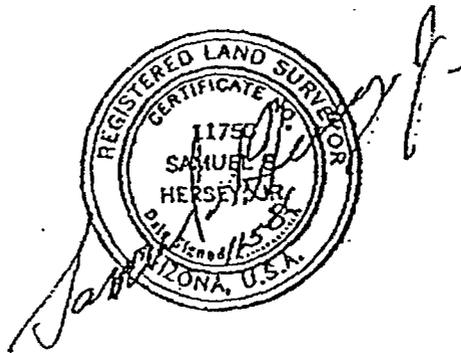
LEGAL DESCRIPTION
OF
SAGUARO-9 GOLF COURSE
HOLE NO. 6

That portion of the Northwest one-quarter (NW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

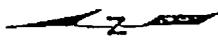
Commencing at the North one-quarter (N 1/4) corner of said Section 2;

thence South 75° 19' 14" West, 1,688.05 feet to THE TRUE POINT OF BEGINNING;
thence South 00° 50' 37" West, 95.99 feet;
thence South 54° 29' 12" West, 190.01 feet;
thence North 75° 13' 05" West, 180.97 feet;
thence South 85° 49' 31" West, 170.57 feet;
thence South 26° 07' 23" West, 30.00 feet;
thence South 81° 54' 02" West, 176.65 feet;
thence North 36° 31' 25" East, 288.75 feet;
thence South 89° 09' 23" East, 517.48 feet to THE TRUE POINT OF BEGINNING.

The herein described Golf Parcel contains 106,694 square feet, 2.4494 Acres, more or less.

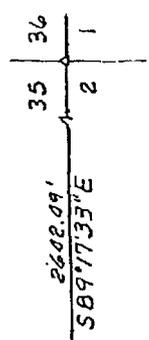


5246 South 40th Street
Phoenix Arizona 85040
(602) 437-3733



SCALE: 1" = 100'

R.O.B.
N 1/4 Cor., Sec. 8, T5N, R4E



S 75°19'14" W 1688.05'

T.R.O.B.

S89°08'23"E 517.48'

S00°30'27" W 95.99'

SAGUARO HOLE NO. 6
2.4494 AC.

N 21°08'18" E 152.22'

N 75°13'05" W 180.87'

S 85°09'31" W 110.37'

S 81°24'02" W 116.65'

N 6°31'25" E 288.75'

NO.	BEARING	DISTANCE
11	S 26°07'23" W	30.00'

216-01-TM-45 OCT. 30, 1986



BROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 7

That portion of the Northwest one-quarter (NW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the North one-quarter (N 1/4) corner of said Section 2;

thence South $75^{\circ} 19' 14''$ West, 1,688.05 feet to THE TRUE POINT OF BEGINNING;

thence South $89^{\circ} 09' 23''$ East, 90.40 feet;

thence South $27^{\circ} 13' 38''$ East, 320.00 feet;

thence South $31^{\circ} 32' 52''$ East, 105.28 feet;

thence North $51^{\circ} 37' 36''$ East, 126.53 feet to the point of cusp, said point of cusp being the beginning of a non-tangent curve concave to the East, having a radius of 200.00 feet and a radial bearing to said beginning of North $56^{\circ} 58' 19''$ West;

thence Southerly along said curve through a central angle of $53^{\circ} 01' 41''$, an arc distance of 185.10 feet to the point of tangency;

thence South $20^{\circ} 00' 00''$ East, 128.48 feet to the beginning of a curve concave to the Northeast, having a radius of 145.62 feet;

thence Southeasterly along said curve through a central angle $30^{\circ} 00' 00''$, an arc distance of 76.25 feet to the point of tangency;

thence South $50^{\circ} 00' 00''$ East, 70.90 feet to the beginning of a curve concave to the Southwest having a radius of 500.36 feet;

thence Southeasterly along said curve through a central angle of $14^{\circ} 13' 11''$, an arc distance of 124.18 feet to a point of reverse curvature of a curve concave to the Northeast having a radius of 86.92 feet;

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thence Southeasterly along said curve through a central angle of $37^{\circ} 45' 00''$, an arc distance of 57.27 feet to the point of tangency;

thence South $73^{\circ} 31' 49''$ East, 28.91 feet to the beginning of a curve concave to the Southwest, having a radius of 20.00 feet;

thence Southeasterly along said curve through a central angle of $76^{\circ} 08' 45''$, an arc distance of 26.58 feet to the point of reverse curvature of a curve concave to the East, having a radius of 150.40 feet;

thence Southerly along said curve through a central angle of $12^{\circ} 56' 55''$, an arc distance of 33.99 feet;

thence on a non-tangent line, North $79^{\circ} 40' 01''$ East, 8.95 feet to the beginning of a non-tangent curve concave to the Northwest having a radius of 116.36 feet and a radial bearing to said beginning of North $79^{\circ} 40' 01''$ East;

thence Southwesterly along said curve through a central angle of $49^{\circ} 34' 20''$, an arc distance of 100.67 feet to the point of reverse curvature of a curve concave to the Southeast having a radius of 275.00 feet;

thence Southwesterly along said curve through a central angle of $12^{\circ} 06' 23''$, an arc distance of 58.11 feet;

thence on a non-tangent line, North $51^{\circ} 32' 27''$ West, 471.99 feet;

thence North $76^{\circ} 35' 17''$ West, 52.97 feet;

thence North $23^{\circ} 30' 31''$ West, 202.15 feet;

thence North $07^{\circ} 49' 56''$ West, 192.79 feet;

thence North $11^{\circ} 17' 08''$ West, 131.59 feet;

thence North $35^{\circ} 30' 48''$ West, 150.00 feet;

thence North $00^{\circ} 50' 37''$ East, 95.99 feet to THE TRUE

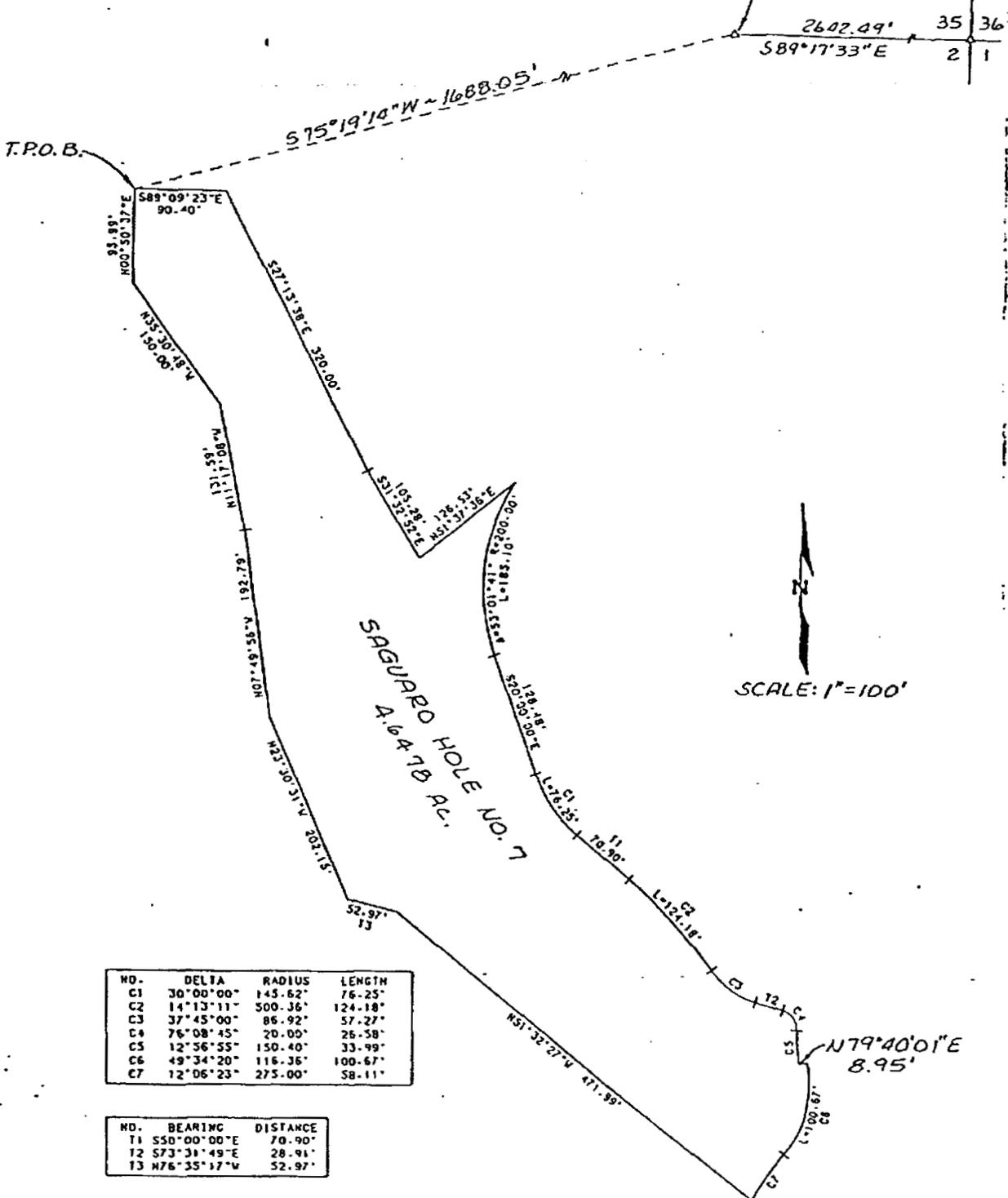
POINT OF BEGINNING.

The herein described Golf Parcel contains 202,457 square feet, 4.6478 Acres, more or less.



R.O.B.
N 1/4 Cor., Sec. 2, T5N, R4E

OCT. 30, 1986
216-01-7M-45



NO.	DELTA	RADIUS	LENGTH
C1	30° 00' 00"	145.62'	76.25'
C2	14° 13' 11"	500.36'	124.18'
C3	37° 45' 00"	86.92'	57.27'
C4	76° 08' 45"	20.00'	26.58'
C5	12° 56' 55"	150.40'	33.99'
C6	49° 34' 20"	116.36'	100.67'
C7	12° 06' 23"	275.00'	58.11'

NO.	BEARING	DISTANCE
T1	S50° 00' 00" E	70.90'
T2	S73° 31' 49" E	28.91'
T3	N76° 35' 17" W	52.97'

N
SCALE: 1" = 100'



IROOKS, HERSEY & ASSOCIATES, INC.
ENGINEERS/SURVEYORS

Job No. 216-01-TM-45
October 30, 1986
J.S.

LEGAL DESCRIPTION
OF
SAGUARO 9 GOLF COURSE
HOLE NO. 8

That portion of the Northwest one-quarter (NW 1/4) of Section 2, Township 5 North, Range 4 East of the Gila and Salt River Base and Meridian, in Maricopa County, Arizona described as follows:

Commencing at the Center corner of said Section 2;
thence North $32^{\circ} 54' 20''$ West, 261.16 feet to THE TRUE POINT OF BEGINNING;
thence South $78^{\circ} 57' 04''$ West, 94.32 feet;
thence North $00^{\circ} 57' 32''$ East, 32.81 feet;
thence North $00^{\circ} 58' 10''$ East, 36.67 feet;
thence North $18^{\circ} 38' 54''$ East, 120.00 feet;
thence North $71^{\circ} 21' 06''$ West, 317.00 feet;
thence North $32^{\circ} 01' 15''$ West, 785.79 feet to the beginning of a non-tangent curve concave to the Southeast, having a radius of 225.00 feet, and a radial bearing to said beginning of North $60^{\circ} 40' 37''$ West;
thence Northeasterly along said curve through a central angle of $09^{\circ} 54' 58''$, an arc distance of 38.94 feet to the point of reverse curvature of a curve concave to the Northwest, having a radius of 166.36 feet;
thence Northeasterly along said curve through a central angle of $49^{\circ} 34' 20''$, an arc distance of 143.93 feet;
thence on a non-tangent line, North $79^{\circ} 40' 01''$ East, 1.05 feet to the beginning of a non-tangent curve concave to the Southeast, having a radius of 90.40 feet and a radial bearing to said beginning of South $79^{\circ} 40' 01''$ West;
thence Northerly and Northeasterly along said curve through a central angle of $100^{\circ} 28' 59''$, an arc distance of 158.54 feet;
thence on a non-tangent line, South $16^{\circ} 13' 40''$ East, 146.80 feet;
thence South $23^{\circ} 56' 28''$ East, 348.07 feet;
thence South $27^{\circ} 51' 42''$ East, 220.00 feet;

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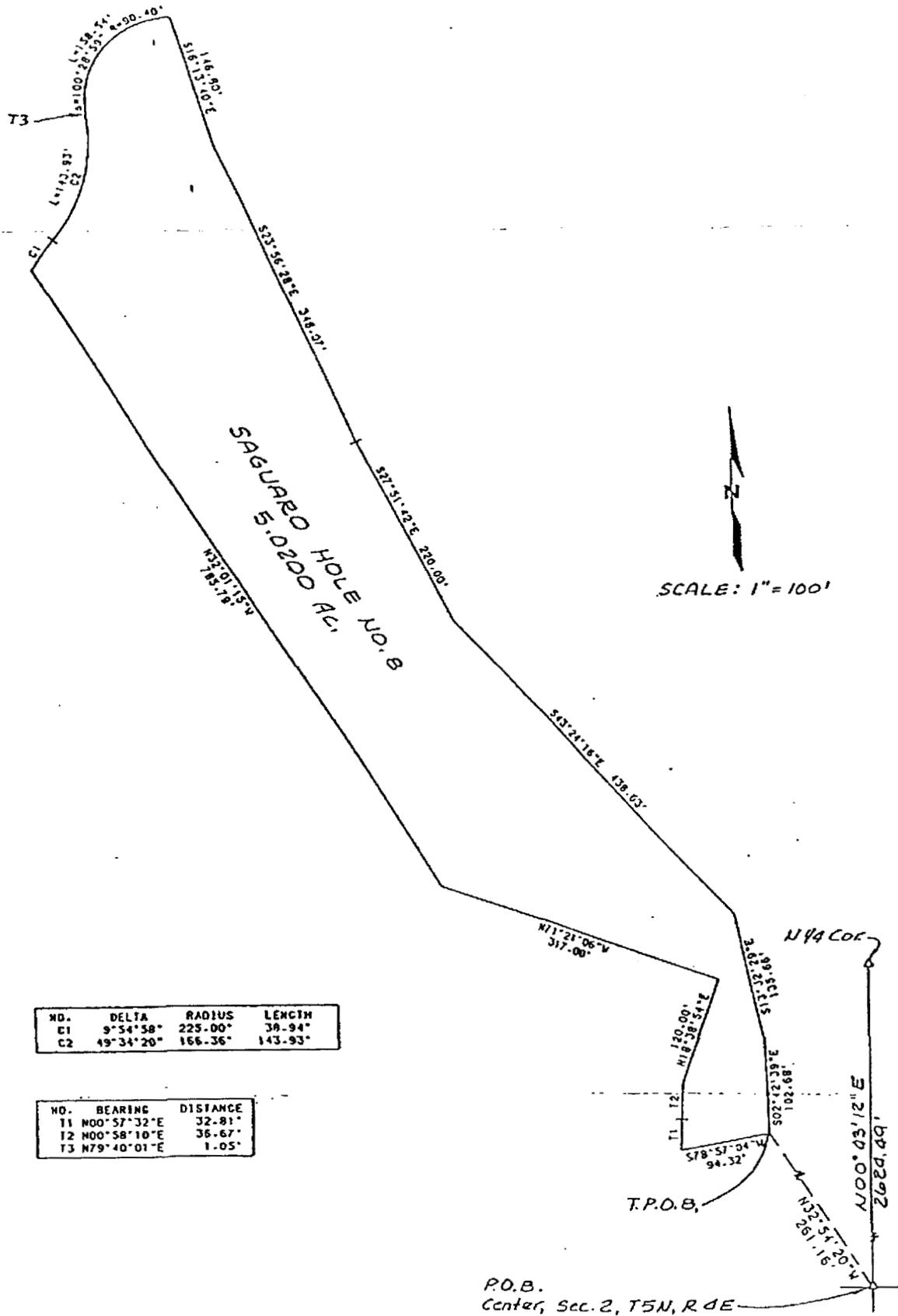
Legal Description
Saguaro 9, Hole No. 8
Page 2

215-01-TM-45
Oct. 30, 1986
J.S.

thence South 43° 24' 16" East, 438.63 feet;
thence South 13° 32' 29" East, 135.66 feet;
thence South 02° 42' 39" East, 102.68 feet to THE TRUE
POINT OF BEGINNING.

The herein described Golf Course parcel contains 218,670
square feet, 5.0200 Acres, more or less.





NO.	DELTA	RADIUS	LENGTH
C1	9°54'58"	225.00'	39.94'
C2	49°34'20"	166.36'	143.93'

NO.	BEARING	DISTANCE
T1	N00°57'32"E	32.81'
T2	N00°58'10"E	36.67'
T3	N79°40'01"E	1.05'

P.O.B.
Center, Sec. 2, T5N, R4E

SECOND AMENDMENT TO AGREEMENT NO. 920004
PIPELINE CAPACITY AGREEMENT

This Second Amendment to Agreement No. 920004 (the "**Second Amendment**") is made as of this 1st day of April, 2008 by and between the City of Scottsdale, Arizona (the "**City**") and Wind P1 Mortgage Borrower LLC, a Delaware limited liability company ("**Owner**").

RECITALS

A. Boulders Joint Venture, a joint venture formed under the Arizona Uniform Partnership Act (the "**Joint Venture**"), and the City entered into that Pipeline Capacity Agreement dated February 3, 1992 (the "**1992 Agreement**"). The Joint Venture and the City subsequently amended the Agreement through that First Amendment to Pipeline Capacity Agreement No. 920004 dated December 19, 1994 (together with the 1992 Agreement, the "**Agreement**"). Owner is the successor to the Joint Venture under the Agreement; and

B. Among other things, the Agreement provided for the construction, operation and use of a Reclaimed Water Distribution System ("**RWDS**") for the delivery of Non-Potable Water to the Property; and

C. Pursuant to the Agreement, Owner, or its predecessor, has purchased one and one-quarter (1.25) million gallons per day ("**MGD**") of capacity in the RWDS for the delivery of Non-Potable Water to the Property; and

D. As contemplated in the Agreement, the City constructed and now owns and operates a Wastewater Treatment Plant ("**WWTP**") which is located at 8787 East Hualapai Drive, Scottsdale, AZ 85255 which is the City's Water Campus facility. The WWTP produces effluent as a byproduct of its treatment of wastewater. The City currently delivers Non-Potable Water consisting of a mixture of Surplus CAP Water and effluent from the WWTP for use in irrigating the turf and other landscaping at The Boulders Resort (North and South) (together, the "**Golf Course**") and at other golf courses that are RWDS customers; and

E. Also located at the Water Campus facility are certain components and equipment described on Exhibit F and referred to as the Advanced Water Treatment System ("**AWTS**"), which the City uses to conduct additional treatment of effluent that is then used for aquifer recharge; and

F. Based on recommendations of the 2008 Scottsdale Integrated Wastewater Master Plan, the City has determined it is necessary to expand and improve the AWTS to match the existing capacity of the WWTP in order to provide sufficient treatment capacity when there is low RWDS demand and aquifer recharge is necessary; and

G. Over time, the concentration of sodium and other minerals within the Non-Potable Water delivered by the City through the RWDS has increased. The Owner is concerned that the increased concentration of sodium within the Non-Potable Water has been and is detrimental to the health of the turf and other irrigated landscaping at the Golf Course, and has caused and is causing material damage to the turf and other irrigated landscaping at the Golf Course. Without action, the concentration of minerals in the Non-Potable Water may increase, and the Owner is concerned that such an increase could cause additional damage to the turf and other irrigated landscaping at the Golf Course; and

H. The City and the Owner have agreed that the best option to reduce the concentrations of sodium and other minerals in the Non-Potable Water is for the City to use the

AWTS to treat an appropriate portion of the effluent delivered to RWDS customers, thereby reducing the concentrations of sodium and other minerals in the Non-Potable Water delivered through the RWDS, and the expanded and improved AWTS will have sufficient capacity to treat an appropriate portion of the effluent delivered to RWDS customers; and

I. The City acknowledges the Owner's concerns about increasing concentrations of sodium and other minerals and that these increases may cause or may be causing damage to the turf and other irrigated landscaping at the Golf Course. Accordingly, the Owner has requested that the City consider implementing changes in policy and/or ordinance that may reduce the concentrations of sodium and other minerals in the wastewater treated at the WWTP, and the City is exploring the feasibility of implementing these changes; and

J. The City and Owner now wish to amend the Agreement to provide for additional expansion and improvement of the AWTS at the Water Campus and for cooperative financing of this expansion and improvement and to establish standards for sodium concentrations within the Non-Potable Water and to establish a testing protocol, all on the terms and conditions contained in this Second Amendment.

AGREEMENT

For valuable consideration and the receipt and sufficiency of which are hereby acknowledged, the Owner and the City agree as follows:

1. Recitals. The Recitals are incorporated into this Second Amendment.
2. Capitalized Terms. Capitalized terms used in this Second Amendment and not otherwise defined will have the meaning defined for that term in the Agreement.
3. Wastewater Treatment Plant (WWTP). The City acknowledges that the WWTP described in this Second Amendment is the same facility as the Wastewater Treatment Plant referred to in the Agreement. The AWTS is located on the same campus as the WWTP and is currently used to treat effluent for aquifer recharge. Following the expansion and improvement of the AWTS, as described on Exhibit F attached to this Second Amendment, a portion of the effluent treated with the AWTS will be used as part of the Non-Potable Water delivered to the Property, as provided in this Second Amendment.
4. Amendment to Agreement. The Owner and the City amend the Agreement as follows:

A. Definitions. Section 1 of the Agreement is amended by:

(i) Deleting Section 1.2, and inserting the following in its stead:

"1.2 "Force Majeure" means acts of God, riots, acts of war, acts of terrorism, epidemics, governmental regulations imposed after the fact, fire, flood, transportation failures, communication line failures, or power failures or any other act beyond the control of the City and which, by the exercise of due diligence, the City is unable to prevent or to mitigate." ; and

(ii) Inserting the following Sections immediately after Section 1.9:

"1.10 "Advanced Water Treatment System" or "AWTS" means those certain components and equipment located at the Water Campus and

described on Exhibit F, and used by the City to conduct additional treatment of effluent that is then recharged by the City in an underground water storage facility or used as a part of Non-Potable Water delivery to the Property. Following the expansion and improvement of the AWTS, as described on Exhibit F, the term ATWS will include the components and equipment installed as part of that expansion and improvement. All references in this Agreement to the expansion and improvement of the ATWS refer to the expansion and improvement described on Exhibit F.

1.11. "Water Campus" means that City complex located at 8787 East Hualapai Drive, Scottsdale, Arizona 85255 on which is located the WWTP, the AWTS and other City utility facilities.

1.12. "WWTP and RWDS 'operation and maintenance costs" or "WWTP and RWDS O & M" means those cost components identified in Paragraphs 2(a), 4 and 5 on Exhibit B-1 to the Agreement, as amended.

1.13. "RWDS delivery charges" means those cost components identified in Paragraph 3 on Exhibit B-1 to the Agreement, as amended.

1.14. "AWTS operation and maintenance costs" or "operation and maintenance costs associated with the AWTS" means cost components identified in Paragraph 2(b) on Exhibit B-1 to the Agreement, as amended."

B. Advanced Water Treatment System. Section 2 of the Agreement is amended by (i) re-numbering Section 2.6 to Section 2.7; and (ii) inserting the following new Section 2.6 immediately after Section 2.5:

"2.6. Expansion, Improvement, Operation and Maintenance of Advanced Water Treatment System; Testing; Sodium Concentration Standards. As a part of the expansion and improvement of the AWTS, the City agrees to improve the quality of the Non-Potable Water delivered through the RWDS as follows:

(a) On or before May 1, 2008 the City will initiate the design process for the expansion and improvement of the AWTS as described on Exhibit F and will use its best efforts to complete the expansion and improvement of the AWTS on or before April 1, 2011. All design and construction related costs of the expansion and improvement of the AWTS (the "**AWTS Construction Costs**") will be the responsibility of the City. The City will instruct the AWTS design engineer to consider adding, where reasonably practicable, components in the design of the AWTS to help ensure that concentrations of chlorine and boron in the Non-Potable Water delivered to the RWDS users are not increased as a result of incorporation of effluent treated with the AWTS into the delivery blend.

(b) The Owner will pay the City \$4,687.50 per month (based on an amount due of \$45,000 per year per MGD share) for a period of 25 years to reimburse the City for the Owner's share of the AWTS Construction Costs, including financing costs (the "**Owner's Monthly Share**"). Other than the payment of the Owner's Monthly Share, the Owner will have no obligation whatsoever to pay any portion of the AWTS Construction Costs, including financing charges. The Owner's obligation to pay the Owner's Monthly Share will commence 30 days after the date the City has a fully executed agreement with an entity to serve as the contractor for the construction of any part of the AWTS. The City will provide notice

to Owner promptly following the execution of such a construction agreement. Thereafter, during the construction period, the Owner's Monthly Share will be paid from the RWDS Replacement/Construction fund maintained by the City. The payment of the Owner's Monthly Share from the RWDS Replacement/Construction Fund will continue once a month for 24 months. Following this 24 month period, for the next 23 years the City will charge the Owner's Monthly Share as a component of the monthly bill to the Owner for RWDS water deliveries, and the Owner will pay the Owner's Monthly Share at the same time that it pays the monthly bill for RWDS water deliveries.

(c) Expansion and improvement of the AWTS will be considered to have occurred when the AWTS has been fully tested and is operational for all purposes for which it is intended. Following the expansion and improvement of the AWTS, the City will perform all operation, maintenance, repair and replacement required at the facility, according to normal and customary City practices and in accordance with all applicable law. A portion of the effluent treated with the AWTS following its expansion and improvement will be delivered to RWDS customers and a portion of the effluent treated with the AWTS will be recharged by the City at its underground water storage facility. Accordingly, a percentage of the cost of operation, maintenance, repair and replacement of the AWTS as described on Exhibit F, proportionate to the amount of effluent treated with the AWTS and delivered to RWDS customers, will be considered a cost of operation of the RWDS and will be recovered by the City through the Non-Potable Water rates charged to RWDS customers by the City and calculated as provided on Exhibit B-1.

(d) Following expansion and improvement of the AWTS, the City will conduct daily testing for the sodium concentration in the effluent treated with the AWTS by collecting a 24-hour composite sample using an automated sampler that withdraws not less than three (3) water samples at periodic intervals during each 24-hour period and combines the multiple samples into one composite sample for daily testing purposes. All testing of each daily composite water sample will be conducted by a laboratory licensed by the State of Arizona and otherwise qualified for water testing purposes under applicable State and Federal law (the "Testing Lab"). The Testing Lab will collect composite water samples from Reservoir A at the Water Campus, or at such other location where effluent and untreated CAP water are blended immediately before distribution through the RWDS to RWDS customers. The result of a particular day's testing for sodium concentration is referred to as the "Daily Test Result." To be "valid" or "validated" under this Agreement, a "Daily Test Result" must be conducted in a manner that complies with all established quality assurance and quality control procedures of the Testing Lab.

(e) Following the collection of each composite testing sample, the Testing Lab will split the testing sample into two approximately equal portions; will use one portion for testing sodium concentrations; and will retain the second portion of the split sample for not less than 30 days. The Testing Lab will apply the Testing Lab's established quality assurance and quality control procedures when testing the daily composite water sample. The Testing Lab will make the second portion of the split sample available to the Owner, if the Owner desires to have an independent analysis conducted, unless the Testing Lab has previously provided the second portion of the split sample to another RWDS customer.

(f) Following expansion and improvement of the AWTS, the City

will, on a daily basis, determine the 14-Day Rolling Average Sodium Concentration (as defined below) for the Non-Potable Water delivered to the RWDS. The "**14-Day Rolling Average Sodium Concentration**" for a particular day is defined as a concentration of sodium equal to (A) the validated Daily Test Result for the day in question, (B) plus the Daily Test Results for each of the immediately-preceding 13 days for which validated Daily Test Results are available, and (C) divided by 14. As described above, the 14-Day Rolling Average Sodium Concentration will be based on an arithmetic mean. Except as provided in subsection 2.6(g)(3), no later than the 15th day of the following month, the City will provide a report to the Owner of the Daily Test Results and of the 14-Day Rolling Average Sodium Concentrations by electronic mail or other mutually agreed means for each day of the previous month. In addition, the City will cause the Daily Test Results and the 14-Day Rolling Average Sodium Concentrations to be posted on the City's website, within a reasonable period of time after the test results have been validated. The parties agree that it is appropriate and acceptable to use the Daily Test Results to determine the 14-Day Rolling Average Sodium Concentrations under this Agreement.

(g) Following expansion and improvement of the AWTS:

(1) On each day that the City delivers any Non-Potable Water through the RWDS, the City will deliver Non-Potable Water through the RWDS having a 14-Day Rolling Average Sodium Concentration equal to or less than 125 mg/l; and

(2) On each day that the City delivers any Non-Potable Water through the RWDS, the City will deliver Non-Potable Water through the RWDS having a Daily Test Result equal to or less than 150 mg/l. The City's compliance with this subsection 2.6(g) (2) will be determined using the validated Daily Test Result for the day in question, and there is no need or requirement for the City to test the sodium concentration of the Non-Potable Water actually delivered into the reservoirs serving any RWDS customer to determine whether Non-Potable Water exceeds the 150 mg/l maximum. The 125mg/l and the 150mg/l limits established in subsections 2.6(g)(1) and (2) are sometimes referred to, individually, as a "**Sodium Concentration Standard**" and, collectively, as the "**Sodium Concentration Standards**"; and

(3) If the City foresees a treatment issue that could result in a Daily Test Result of more than 150 mg/l within the Non-Potable Water, or if a validated Daily Test Result exceeds 150 mg/l, the City will immediately notify the Owner by electronic mail or other mutually agreed means; and

(4) If the 14-Day Rolling Average Sodium Concentration exceeds 125 mg/l, the City will provide Non-Potable Water at a proportional volume and sodium concentration (less than 125 mg/l) the following month so as to offset any cumulative sodium excess as calculated and summarized in the monthly reports.

(h) Before the expansion and improvement of the AWTS, and on a daily basis between and including September 15th and November 15th of each year and between and including May 15th and July 15th of each year, on each day that the City delivers any Non-Potable Water through the RWDS, the City will deliver Non-Potable Water in compliance with the provisions of subsections 2.6(g)

(1) and (2).

(i) In addition to any other rights and remedies that the Owner may have under this Agreement, and despite anything stated to the contrary in this Agreement (including any Exhibits), for each day that the City delivers Non-Potable Water through the RWDS that exceeds a Sodium Concentration Standard:

(1) The Owner will have the rights and remedies provided in this subsection, without any requirement that the Owner deliver a written notice that a Sodium Concentration Standard has been exceeded, and the Cure Period (defined below) shall not apply to an exceedence of a Sodium Concentration Standard;

(2) For all Classes of Exceedence described on Exhibit G except a Class VI Exceedence, the City will reduce the charges and fees imposed on the Owner for the delivery of Non-Potable Water as provided in this subsection and on Exhibit G, as follows:

(i) At the same time that the City delivers its Annual RWDS Accounting (defined below) to the Owner, the City will report to Owner the days (if any) during each billing period of the immediately-preceding fiscal year that a Sodium Concentration Standard was exceeded, the amount by which the Sodium Concentration Standard was exceeded for that day, and the Class of Exceedence for that billing period, as described on Exhibit G; (An example of a report under this subsection is attached as Exhibit G-1.)

(ii) At the same time that the City delivers its Annual RWDS Accounting to the Owner, for each day during the immediately-preceding fiscal year that a Sodium Concentration Standard was exceeded, the City will provide a detailed report that identifies the operation and maintenance costs associated with the AWTS assessed to the Owner for that day and, if the exceedence was a Class II, III, IV or V exceedence, the WWTP and RWDS operation and maintenance costs and RWDS delivery charges assessed to the Owner for that day; (A sample of a report under this subsection is attached as Exhibit G-2.)

(iii) In its Annual RWDS Accounting, except as provided in subsection 2.6(i)(4), the City will reduce the Owner's RWDS charges for the immediately-preceding fiscal year by the total of (I) the AWTS operation and maintenance costs assessed to the Owner for each day during the immediately-preceding fiscal year that there was a Class I, II, III, IV or V exceedence of a Sodium Concentration Standard; and (II) if an exceedence of a Sodium Concentration Standard during the prior fiscal year was a Class II, III, IV or V exceedence, a percentage of the WWTP and RWDS operation and maintenance costs and RWDS delivery charges assessed to the Owner for the day(s) that such an exceedence occurred, based on Exhibit F; (As described in the examples provided in Exhibits G-1 and G-2.)

(3) For all Class VI exceedences as described on Exhibit F, the City will reduce the charges and fees imposed on the Owner for the delivery of Non-Potable Water as provided in this subsection and on Exhibit

G, as follows:

(i) At the same time that the City delivers its next monthly RWDS bill to the Owner following the Class VI exceedence, the City will report the days during the preceding billing period that a Class VI exceedence of a Sodium Concentration Standard occurred and the amount by which the Sodium Concentration Standard was exceeded for each day; (An example of a report under this subsection is attached as Exhibit G-1.)

(ii) At the same time that the City delivers its next monthly RWDS bill to the Owner, for each day during the preceding billing period that there was a Class VI exceedence of a Sodium Concentration Standard, the City will provide a detailed report that identifies the operation and maintenance costs associated with the AWTS that the City would otherwise have charged the Owner for that day, and the WWTP and RWDS operation and maintenance costs and RWDS delivery charges that the City would otherwise have charged the Owner for that day; (An example of a report under this subsection is attached as Exhibit G-2.)

(iii) Except as provided in subsection 2.6(i)(4), in the monthly RWDS bill to the Owner described in subsection 2.6(i)(3)(i) and (ii), the City will reduce the Owner's RWDS charges for the prior billing period by the total of (I) the AWTS operation and maintenance costs that the City would otherwise have charged the Owner for each day during the prior billing period that there was a Class VI exceedence of a Sodium Concentration Standard; and (II) one hundred percent of the WWTP and RWDS operation and maintenance costs and RWDS delivery charges that the City would have otherwise charged the Owner for the day(s) that a Class VI exceedence occurred; and

(iv) In its next Annual RWDS Accounting, the City will adjust the Owner's RWDS charges for the immediately-preceding fiscal year by taking into account the reductions in RWDS charges, if any, that occurred under subsection 2.6(i)(3)(iii) during the prior fiscal year.

(4) The City will have absolutely no obligation to reduce the charges and fees imposed on the Owner for the delivery of Non-Potable Water as provided in subsections 2.6(i) (2) and (i) (3) for any exceedence of a Sodium Concentration Standard that occurred as a result of a Force Majeure matter and for so long as the Force Majeure matter continues.

(5) The term "Annual RWDS Accounting" means that annual true-up statement delivered by the City to each RWDS customer detailing, among other things, the actual costs incurred by the City during the immediately-preceding fiscal year to own and operate the RWDS, split out for those components described on Exhibits B-1 and B-2, the Owner's obligation to pay such actual costs based on the amount of Non-Potable Water delivered through the RWDS to Owner during the immediately-preceding fiscal year, and the amount due to or from the Owner, given the payments made by the Owner during the immediately-preceding fiscal year for deliveries of Non-Potable Water through the RWDS to Owner."

C. Non-Potable Water Delivery Obligations. Section 4.1 of the Agreement is

amended by inserting the following sentences at the end of that Section:

"Except as permitted under Section 6.3, the City's determination that Non-Potable Water in the amount requested by Owner is available for delivery will not be affected by an exceedence of a Sodium Concentration Standard. The City will not use an exceedence of a Sodium Concentration Standard as a reason for refusing to deliver the amount of Non-Potable Water requested by the Owner from time to time."

D. Emergency Shut-Downs. Section 6 of the Agreement is amended by inserting the following new Section 6.3 immediately after Section 6.2:

"6.3 The City may consider it an emergency under Section 6.1 if a Class VI exceedence of the Sodium Concentration Standard occurs and for so long as the Class VI exceedence continues. During each such emergency, the City may shut-down the RWDS for a period not to exceed 48 hours. After the 48 hour period, and for so long as the Class VI exceedence continues, the Owner may elect (i) to request deliveries of Non-Potable Water, and the City will deliver Non-Potable Water as provided in Section 4.1, without regard to whether or not the Class VI exceedence continues; or (ii) to request deliveries of potable water, and the City will deliver potable water as provided in Section 4.3; or (iii) to request a combination of deliveries of Non-Potable Water and potable water, and the City will deliver the mix of water it considers appropriate under the circumstances. The rights and remedies of Owner under subsection 2.6(i) shall not be affected by this subsection."

E. Default Provision. Section 15.1 is amended by adding the following phrase immediately after the word "Agreement," appearing in the second line "except as provided in Section 2.6(i)."

F. Exhibit B-1. Exhibit B-1 of the Agreement is amended as follows:

(i) Change existing Paragraph 2 of Exhibit B-1 to subparagraph 2(a). Immediately after subparagraph 2(a) of Exhibit B-1, insert new subparagraph 2(b) as follows:

"(b) Operation and maintenance of the components of the AWTS, as described on Exhibit E, following the expansion and improvement of the AWTS, in proportion to the amount of effluent treated with the AWTS and delivered through the RWDS."

(ii) Change existing Paragraph 10 of Exhibit B-1 to subparagraph 10(a). Immediately after subparagraph 10(a) of Exhibit B-1, insert new subparagraph 10(b) as follows:

"(b) Percentage of the financing costs incurred by the City for the purpose of the replacement of components of the AWTS as described on Exhibit E, following the expansion and improvement of the AWTS, in proportion to the amount of effluent treated with the AWTS and delivered through the RWDS."

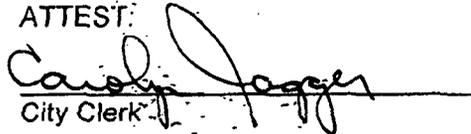
5. No Further Amendments. Except as provided above, the Agreement will remain in full force and effect.

6. Limited Purpose; No Waiver or Release. The parties agree that the purpose of this Second Amendment is to address and resolve the Owner's concerns about excessive sodium concentrations in the Non-Potable Water delivered through the RWDS. The parties acknowledge that other problems may arise in the future due to the concentration of other constituents in the Non-Potable Water delivered through the RWDS, such as chlorine and boron. Each party reserves any and all rights, remedies, claims and defenses that it may have under the Agreement resulting or arising from or in response to these other constituents. Nothing in this Second Amendment is intended to or will limit, reduce, waive or release any rights, remedies, claims and defenses; and each party may pursue its rights, remedies and claims and assert its defenses with regard to any other constituents to the same extent as would be available before the execution of this Second Amendment.

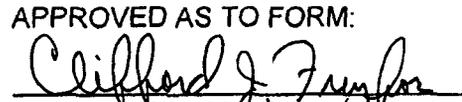
7. Counterpart Signatures. This Second Amendment may be executed in any number of counterparts, each of which will be an original and all of which together will constitute one in the same instrument.

IN WITNESS WHEREOF, the undersigned have executed this Second Amendment as of the date stated above.

CITY OF SCOTTSDALE, an Arizona
Municipal Corporation

ATTEST:

Cathy Jagger
City Clerk

By: 
Name: Mary Manross
Its: Mayor

APPROVED AS TO FORM:

Deborah W. Robberson
City Attorney

WIND P1 MORTGAGE BORROWER LLC,
a Delaware limited liability company

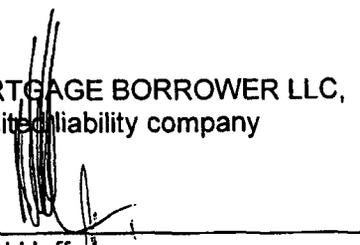
By: 
Name: Michael Hoffmann
Its: General Manager

EXHIBIT F

**AWTS Expansion and Improvement Requirements
2008 Scottsdale Integrated Wastewater Master Plan**

Component¹	Existing Capacity	Required Capacity
Microfiltration	8.0 mgd	31.0 mgd
Membrane Filter Filtrate Pumps	18.1 mgd	23.6 mgd
Reverse Osmosis System	14.0 mgd	23.6 mgd
RO Post Treatment	7.8 mgd	17.7 mgd
Product Water Pumps	17.0 mgd	27.5 mgd
Advanced Oxidation	NA	27.5 mgd

¹For details of the individual components, refer to the City of Scottsdale 2008 Integrated Wastewater Master Plan

EXHIBIT G

Classes of Exceedence of Sodium Concentration Standards; Calculation of Reduction in Charges

Number and Extent of Exceedences of Sodium Concentration Standard	Class of Exceedence of Sodium Concentration Standard	AWTS O & M Credits	WWTP AND RWDS O & M Credits
<p>One exceedence of Sodium Concentration Standard¹ during a billing period; <u>and</u></p> <ul style="list-style-type: none"> - the Daily Test Result causing the exceedence is greater than 150 mg/l and is less than 155 mg/l, or - the 14-Day Rolling Average Sodium Concentration causing the exceedence is greater than 125 mg/l and less than 130 mg/l. 	I	100%	0%
<p>Two exceedences of Sodium Concentration Standard of any type or extent during a billing period; <u>or</u></p> <p>One Daily Test Result during a billing period equals or exceeds 155 mg/l and is less than 165 mg/l; <u>or</u></p> <p>One 14-Day Rolling Average Sodium Concentration during a billing period equals or exceeds 130 mg/l and is less than 137.5 mg/l.</p>	II	100%	10%
<p>Three exceedences of Sodium Concentration Standards of any type or extent during a billing period; <u>or</u></p> <p>One Daily Test Result during a billing period equals or exceeds 165 mg/l and is less than 180 mg/l; <u>or</u></p> <p>One 14-Day Rolling Average Sodium Concentration during a billing period equals or exceeds 137.5 mg/l and is less than 150 mg/l.</p>	III	100%	20%
<p>Four exceedences of Sodium Concentration Standard of any type or extent during a billing</p>			

¹ Either a Daily Test Result in excess of 150 mg/l or a 14-Day Rolling Average Sodium Concentration in excess of 125 mg/l.

² Credit for all AWTS O & M charges for water deliveries on the day of the exceedence of Sodium Concentration Standard. See subsections 2.6(i)(2) and 2.6(i)(3) and examples on Exhibits G-1 and G-2.

³ Credit for WWTP and RWDS O & M and delivery charges for water deliveries on the day(s) of the exceedences of Sodium Concentration Standard. See subsections 2.6(i)(2) and 2.6(i)(3) and examples on Exhibits G-1 and G-2.

<p>period; <u>or</u></p> <p>One Daily Test Result during a billing period equals or exceeds 180 mg/l and is less than 195 mg/l; <u>or</u></p> <p>One 14-Day Rolling Average Sodium Concentration during a billing period equals or exceeds 150 mg/l and is less than 162.5mg/l.</p>	IV	100%	50%
<p>Five exceedences of Sodium Concentration Standard of any type or extent during a billing period; <u>or</u></p> <p>One daily Test Result during a billing period that equals or exceeds 195 mg/l and is less than 210 mg/l; <u>or</u></p> <p>One 14-Day Rolling Average Sodium Concentration during a billing period that equals or exceeds 162.5 mg/l and is less than 175 mg/l.</p>	V	100%	75%
<p>More than five exceedences of Sodium Concentration Standard of any type or extent during a billing period; <u>or</u></p> <p>One Daily Test Result during a billing period that equals or exceeds 210 mg/l; <u>or</u></p> <p>One 14-Day Rolling Average Sodium Concentration during a billing period that equals or exceeds 175 mg/l.</p>	VI	100%	100%

EXHIBIT G-1

**Report - Pipeline Capacity Agreement Subsection 2.6(i)(2)(i)
Class of Exceedence: Classes I-V
(Sample)**

Owner: _____

Golf Course: _____

Fiscal Year: July 1, 2010 - June 30, 2011

Billing Period	Date(s) of Exceedences of Sodium Concentration Standard	Type Level of Exceedence	Level of Sodium	Class of Exceedence
July 2010	0	N/A	N/A	N/A
August 2010	0	N/A	N/A	N/A
September 2010	9/1/2010	Daily Test Result	152 mg/l	I
October 2010	10/29/2010	Daily Test Result	154 mg/l	II
	10/30/2010	14 Day Average	126 mg/l	
November 2010	0	N/A	N/A	N/A
December 2010	0	N/A	N/A	N/A
January 2011	0	N/A	N/A	N/A
February 2011	0	N/A	N/A	N/A
March 2011	3/1/2011	Daily Test Result	165 mg/l	III
April 2011	0	N/A	N/A	N/A
May 2011	0	N/A	N/A	N/A
June 2011	0	N/A	N/A	N/A

**Report - Pipeline Capacity Agreement Subsection 2.6(i)(3)(i)¹
 Class of Exceedence: Class VI Only
 (Sample)**

Owner: _____
 Golf Course: _____
 Billing Period: July, 2010

Date(s) of Exceedences of Sodium Concentration Standard	Type Level of Exceedence	Level of Sodium	Class of Exceedence
7/2/2010	Daily Test Result	160 mg/l	VI
7/3/2010	Daily Test Result	160 mg/l	VI
7/4/2010	Daily Test Result	160 mg/l	VI
7/5/2010	14-Day Average	130 mg/l	VI
7/6/2010	14-Day Average	128 mg/l	VI
7/7/2010	14-Day Average	127 mg/l	VI
¹ To be used only if there is a Class VI Exceedence.			

EXHIBIT G-2

Report – Pipeline Capacity Agreement Subsectin 2.6(l)(2)(ii)
 Class of Exceedence: Classes I-V
 (Sample)

Owner: _____
 Golf Course: _____
 CAP Zone: B
 Fiscal Year: July 1, 2010 – June 30, 2011

A	B	C	D	E	F	G	H	I	J	K	L
Date of Exceedence of Sodium Concentration	Class of Exceedence	Amount of RWDS Non-Potable Water Delivered	Rate for AWTS O&M (per 1,000 gallons)	Credit to Owner ¹	Rate for RWDS O&M (per 1,000 gallons)	Percentage Adjustment Based on Exhibit G	Credit to Owner ²	Delivery Rate (per 1,000 gallons)	Percentage Adjustment Based on Exhibit G	Credit to Owner ³	Total Credit to Owner for Date of Exceedence ⁴
9/1/2010	I	950,000	\$0.37	\$351.50	N/A	N/A	N/A	N/A	N/A	N/A	\$351.50
10/29/2010	II	800,000	\$0.37	\$296.00	\$0.07	10%	\$5.60	\$0.33	10%	\$26.40	\$328.00
10/30/2010	II	800,000	\$0.37	\$296.00	\$0.07	10%	\$5.60	\$0.33	10%	\$26.40	\$328.00
3/1/2011	III	500,000	\$0.37	\$185.00	\$0.07	20%	\$7.00	\$0.33	20%	\$33.00	\$225.00
Cumulative Credit											\$1,232.50

¹ (C/1000 x D)
² (C/1000 x F) x G
³ (C/1000 x I) x J
⁴ E+H+K

CITY COUNCIL ACT REPORT



TO: MAYOR AND CITY COUNCIL 12/19/94
FROM: Water Resources Department
SUBJECT: ADOPT Resolution No. 4142
AUTHORIZE Agreement No. 920004A

AGENDA ITEM NO. 8
R. Klingler
M. Craig

STAFF

1989 BOND PROJECT

RECOMMENDATION

It is recommended that the City Council:

- 1) ADOPT Resolution No. 4142 which provides for an amendment to a Pipeline Capacity Agreement with a golf course desiring to receive water from the Reclaimed Water Distribution System (RWDS), and
- 2) AUTHORIZE Agreement No. 920004A, first amendment to the Pipeline Capacity Agreement with the Boulders Joint Venture for the purchase of additional capacity in the RWDS.

FACTS

On February 12, 1991, City Council adopted Resolution No. 3372 authorizing construction of a Reclaimed Water Distribution System (RWDS). The Council also adopted Agreement No. 900083 with Desert Mountain Properties, to allow other north area golf courses to participate financially and receive irrigation water from the RWDS.

The Pipeline Capacity Agreement is being utilized to enable the north area golf courses to participate financially in the design and construction of the RWDS, and enable them to reserve capacity in the system. The capacity reserved is the maximum flow rate that will be delivered to the private golf course over a 24-hour period. The purchase of the capacity does not provide golf course operators any ownership or control of the RWDS. The City will be the sole owner and operator of the RWDS. On February 3, 1992, the City approved a Pipeline Capacity Agreement with Boulders Joint Venture. This First Amendment reserves additional capacity in the RWDS for irrigation of additional golf course and turf area with raw CAP water or effluent from the RWDS.

The City Attorney's office has participated in the development of, reviewed, and concurs with the format of the Pipeline Capacity Agreement.

COMMUNITY IMPACT

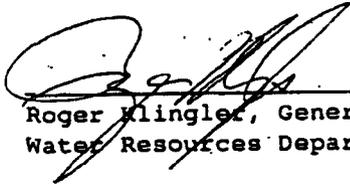
The RWDS is a vital portion of the City's plans for providing non-potable water to north Scottsdale golf courses. This new golf course will be using raw RWDS water, and in the future reclaimed effluent, and will not be using potable water for its golf course.

ACTION TAKEN

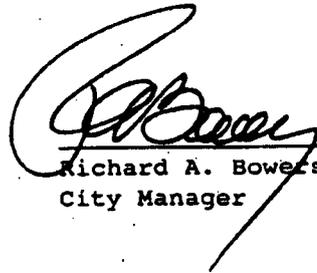
CITY COUNCIL ACTION REPORT

FISCAL IMPACT

No additional expenditures of City funds are required for this action. Funds received from the golf course will be used to repay the City and Desert Mountain Properties, in accordance with Agreement No. 900083, for construction costs of the RWDS.



Roger Klingler, General Manager
Water Resources Department



Richard A. Bowers
City Manager

RESOLUTION NO. 4142

A RESOLUTION OF THE CITY OF SCOTTSDALE,
MARICOPA COUNTY, ARIZONA, AUTHORIZING
THE MAYOR TO ENTER INTO AGREEMENT NO.
920004A FIRST AMENDMENT WITH BOULDERS
JOINT VENTURE RESERVING CAPACITY IN THE
RECLAIMED WATER DISTRIBUTION SYSTEM
PIPELINE FOR A CERTAIN GOLF COURSE.

WHEREAS, on February 12, 1991, the City Council authorized the construction of a new Reclaimed Water Distribution System (RWDS) to transport raw CAP water and reclaimed wastewater from a water reclamation plant to golf courses in the north area of the City for irrigation of the golf courses; and

WHEREAS, Pipeline Capacity Agreements are being used to enable the north area golf courses to participate financially in the design and construction of the RWDS and to enable them to reserve capacity in the system; and

WHEREAS, the City has reached agreement on the terms of the future delivery of reclaimed wastewater and raw CAP water in a Pipeline Capacity Agreement with Boulders Joint Venture; and

WHEREAS, it is in the interest of the citizens of the City of Scottsdale that the north area golf courses use raw CAP water and reclaimed wastewater to irrigate golf courses instead of groundwater.

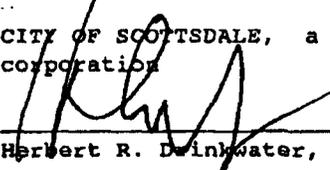
NOW, THEREFORE, LET IT BE RESOLVED by the Council of the City of Scottsdale, Maricopa County, Arizona, as follows:

Section 1. That Herbert R. Drinkwater, Mayor, is hereby authorized to execute on behalf of the City of Scottsdale Agreement No. 920004A providing for a Pipeline Capacity Agreement with Boulders Joint Venture reserving capacity in the Reclaimed Water Distribution System.

PASSED AND ADOPTED by the Council of the City of Scottsdale, Maricopa County, Arizona, this 19th day of December, 1994.

CITY OF SCOTTSDALE, a municipal corporation

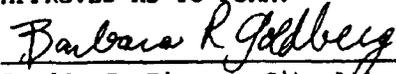
By:


Herbert R. Drinkwater, Mayor

ATTEST:


Sonia Robertson, City Clerk

APPROVED AS TO FORM:


for Fredda J. Bisman, City Attorney

RESOLUTION NO. 7555

A RESOLUTION OF THE CITY OF SCOTTSDALE, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE MAYOR TO EXECUTE AN AMENDMENT TO FIFTEEN OF THE RWDS PIPELINE CAPACITY AGREEMENTS SETTING FORTH CERTAIN TERMS AND CONDITIONS UNDER WHICH THE CITY WILL PROVIDE CONTINUED RECLAIMED WATER TO EACH RWDS USER.

On February 12, 1991, the City adopted Resolution No. 3372 authorizing construction of a Reclaimed Water Distribution System (RWDS); and

The Pipeline Capacity Agreements for RWDS customers are being amended to enable north area golf courses to participate financially in the design and construction of an expanded and improved Advanced Wastewater Treatment System (AWTS) and to enable them to reserve capacity in the expanded and improved system.

BE IT RESOLVED by the Council of the City of Scottsdale as follows:

Section 1. The Mayor is authorized to execute, on behalf of the City of Scottsdale, an amendment to each of 15 individual RWDS Pipeline Capacity Agreements that allow for cooperative financing of expansion and improvements to the Advanced Wastewater Treatment System (AWTS) at the Water Campus and to establish standards and a testing protocol for the sodium concentration within the Non-Potable Water provided to the golf courses. Those Agreements adopted by this Resolution are identified as follows:

1. Second Amendment to Agreement No. 1992-003-COS-A2 – Troon North Golf Club, LLC.
2. Second Amendment to Agreement No. 1995-158-COS-A2 - Whisper Rock Golf, LLC.
3. Second Amendment to Agreement No. 1992-006-COS-A2 - Whisper Rock Golf, LLC.
4. Second Amendment to Agreement No. 1994-111-COS-A2 - The Estancia Club, Inc.
5. Third Amendment to Agreement No. 1990-083-COS-A3 - Desert Mountain Properties, LP.
6. First Amendment to Agreement No. 1994-054-COS-A1 - JER/SGG Legend Trail, LLC.
7. First Amendment to Agreement No. 1996-127-COS-A1 - Troon Country Club, Inc.
8. First Amendment to Agreement No. 1994-093-COS-A1 - Troon North Golf Club, LLC.
9. First Amendment to Agreement No. 1993-155-COS-A1 - Terravita Golf Club, Inc.
10. First Amendment to Agreement No. 1994-096-COS-A1 - Grayhawk Golf, LLC.
11. First Amendment to Agreement No. 1994-044-COS-A1 - Grayhawk Golf, LLC.
12. Second Amendment to Agreement No. 1995-157-COS-A2 - Mirabel Golf Club, Inc.

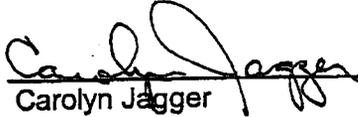
 **COPY**

- 13. Second Amendment to Agreement No. 1992-004-COS-A2 - Wind P1 Mortgage Borrower, LLC.
- 14. First Amendment to Agreement No. 1992-002-COS-A1 - The Desert Highlands Association.
- 15. First Amendment to Agreement No. 1992-005-COS-A1 - DMB Associates, Inc.

PASSED AND ADOPTED by the Council of the City of Scottsdale this 1st day of April, 2008.

ATTEST:

CITY OF SCOTTSDALE
an Arizona Municipal Corporation

By: 
Carolyn Jagger
City Clerk

By: 
Mary Manross
Mayor

APPROVED AS TO FORM:


Deborah W. Roberson
City Attorney

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 COMMISSIONERS

3 GARY PIERCE, Chairman
4 SANDRA D. KENNEDY
5 PAUL NEWMAN
6 BOB STUMP
7 BRENDA BURNS

Docket No. SW-02361A-08-0609

8 IN THE MATTER OF THE APPLICATION
9 OF BLACK MOUNTAIN SEWER
10 CORPORATION, AN ARIZONA
11 CORPORATION, FOR A
12 DETERMINATION OF THE FAIR VALUE
13 OF ITS UTILITY PLANT AND PROPERTY
14 AND FOR INCREASES IN ITS RATES
15 AND CHARGES FOR UTILITY SERVICE
16 BASED THEREON

17 **Direct Testimony**

18 **of**

19 **Dean Hunter**

20 **on behalf of Wind P1 Mortgage Borrower, L.L.C.**

21 **d/b/a The Boulders Resort and Golden Door Spa**

22 **March 16, 2012**

1 **Executive Summary**

2 Dean Hunter is the Golf Superintendent for The Boulders Resort and Golden Door Spa
3 (the "Resort"). Mr. Hunter describes his efforts to find a solution for the Resort's golf course
4 water supply if the Black Mountain Sewer Corporation ("Black Mountain") wastewater
5 treatment plant should close before the expiration of the Effluent Delivery Agreement in March
6 2021. In particular, Mr. Hunter considered potential water savings options through additional
7 water conservation. Although additional water savings could be realized by not overseeding the
8 courses, this action would have a significant negative effect on the Resort's business. Upgrades
9 to the sprinkler systems could save water, but are quite expensive and the water savings are
10 uncertain.

11 The Resort also considered adding lake storage, but the amount of storage capacity
12 needed to replace the Black Mountain water supply during the peak water use times would
13 require a very large lake to be constructed at significant cost. The additional lake would require
14 additional water pumping facilities, related additional operational expenses, and would likely
15 cause significant odors near residences when emptied.
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1 **Q1. Please state your name, address and occupation.**

2 A1. My name is Dean Hunter. My business address is 34361 N. Tom Darlington Drive,
3 Carefree, Arizona. I am employed by Waldorf Astoria LLC, the manager of The
4 Boulders Resort and Golden Door Spa (the "Resort"). I am the Golf Course
5 Superintendent for the Resort.

6 **Q2. Please describe the purpose of your testimony.**

7 A2. The purpose of my testimony is to describe my efforts to find a solution for the Resort's
8 golf course water supply if the Black Mountain Sewer Corporation ("Black Mountain")
9 wastewater treatment plant should close before the expiration of the Effluent Delivery
10 Agreement in March 2021.

11 **Q3. How much of the Resort's golf course water supply is provided by Black Mountain.**

12 A3. Currently, about 15% of our annual golf course water supply comes from the Black
13 Mountain treatment plant. We purchase approximately 130 to 135 acre-feet per year
14 from Black Mountain.

15 **Q4. Please briefly describe the alternatives that were considered or are still being
16 considered.**

17 A4. As Susan Madden testified, we considered a number of options. I will testify regarding
18 potential conservation savings and additional water storage options.

19 **Q5. Is it possible for the golf courses to operate without the Black Mountain water
20 supply?**

21 A5. When we learned that we might be losing the treatment plant water supply, I was curious
22 to see if the Resort might be able to operate the two golf courses with only the amount
23 RWDS water we get from Scottsdale. We researched our historical golf course water use
24 and conducted our own internal study by actually stopping some of our water use to see if
25 it could be done. Based upon that experiment, I concluded that the Resort could not
26 operate at the same level as we currently operate without the treatment plant water.
27
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1 **Q6. What did the Resort determine regarding the potential for additional conservation?**

2 A6. Most water use in the golf courses occurs to keep turf healthy and growing. The Resort's
3 golf courses are already both constructed as desert courses, and have a minimum amount
4 of turf needed for playing surfaces. In fact, I understand that, possibly with the exception
5 of the Legend Trail golf courses in north Scottsdale, the Resort's courses have less turf
6 than other golf courses using Scottsdale's RWDS water. Removal of additional turf
7 would significantly impact the size of the playing surfaces, which would not be
8 acceptable. Removal of additional low water use landscaping around the playing surfaces
9 would have a noticeable negative effect on the appearance of the courses without a
10 sufficient corresponding water savings benefit. We are still looking for areas where
11 water might be saved, including a small landscaped area watered by the Resort for the
12 BHOA, and a small area near the west gate, but the estimated water savings so far
13 identified would be negligible, and are not sufficient to replace the water supply from
14 Black Mountain.

15 **Q7. What other potential conservation was studied?**

16 A7. With the assistance of representatives from the Rainbird and Toro companies, we
17 examined potential upgrades of our current sprinkler heads to a computerized system that
18 may apply water more efficiently than the current system. We estimated the cost of
19 installing these types of devices would be in excess of \$1.9 million. Even at this cost, the
20 companies were unable to confirm the amount of potential water savings in our harsh
21 desert environment, so we are simply unsure whether the savings would be enough to
22 eliminate the need for the Black Mountain water. I have estimated roughly that the
23 Resort could cut back approximately 2% or 3% more of its overall outdoor water use and
24 still maintain the current conditions on the courses, but that is not enough to make up for
25 the loss of 15% of the water supply.

26 **Q8. Were there any other alternatives considered?**

1 A8. Yes. We considered not overseeding one or both golf courses in the winter. Currently,
2 each year the fairways in both courses are overseeded, and the rough in one course is
3 overseeded. We currently alternate overseeding the rough in each course every other
4 year. The only way we could continue to operate without the Black Mountain water is to
5 stop overseeding all the roughs on both courses every year and all the fairways on one or
6 possibly both courses every year. This would leave one or both golf courses brown for
7 several months each winter. In addition, the reduction of water demand in the winter
8 does not necessarily eliminate the need to apply additional water in the spring as the
9 Bermuda grass is reestablished, so the turf playing quality could suffer in the spring too.
10 We expect that allowing the turf to go brown during the peak tourist season in the winter
11 months would have a significant if not devastating impact on the Resort's ability to attract
12 seasonal vacation golfers, and may even cause us to lose local golf club members to
13 competing courses. In general, such changes will not be good for the Resort's business
14 or the neighboring property owners, who expect to be located next to a world-class
15 Resort.

16 **Q9. Were there any other alternatives you considered?**

17 A9. The Resort considered whether it could increase golf course lake storage sufficiently to
18 take extra RWDS water during non-peak times and stretch it through the peak usage
19 times, but concluded that is not a feasible solution. We determined we would need a very
20 large pond with a 28-day supply of water. Such a pond, even without considering
21 evaporation losses, would need to have a surface area of roughly 30,400 square feet,
22 approximately two-thirds the size of a football field. Some of the engineering sketches
23 we reviewed are attached as Exhibit A to give an idea of the size. The pond would have
24 significant evaporation losses, and we expect there would likely be significant odor issues
25 near the golf course and homes as the pond was emptied and the sides of the pond were
26 exposed to air. In addition, the site we identified for such a large pond was located
27 downhill from the irrigation lake, so there would be additional infrastructure and costs to
28

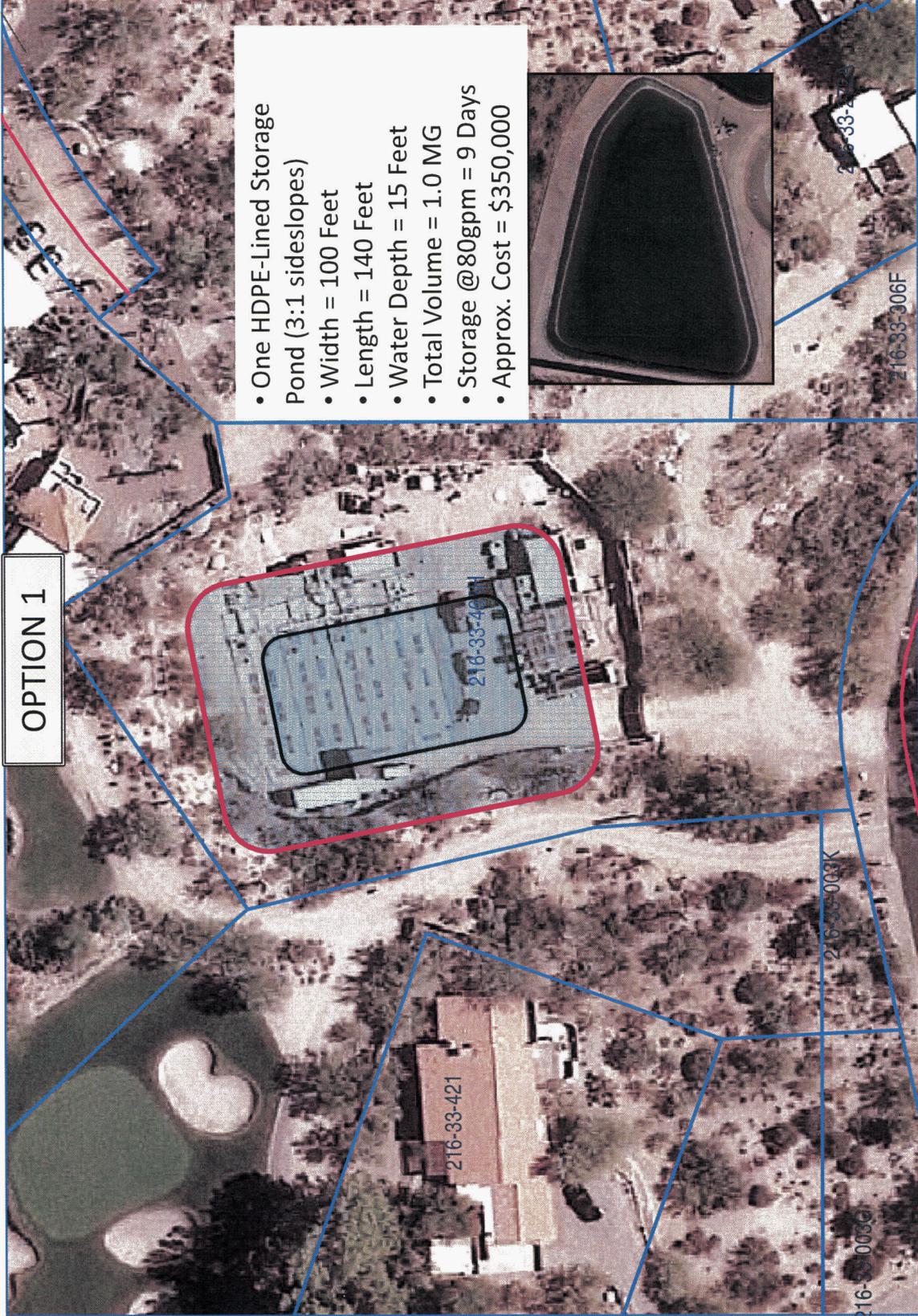
1 pump the stored water uphill. A related option considered briefly was offsite
2 underground water storage of RWDS water or possibly another source of water, but the
3 well infrastructure and permitting and pumping costs will likely be quite high, and this
4 sort of option would require further study by a hydrologist. We understand that another
5 RWDS user may challenge the Resort if the Resort takes extra RWDS water for storage
6 purposes during non-peak times. I also researched briefly whether it might be possible
7 to haul water by truck to fill the lakes, but the cost was prohibitive at roughly \$780,000
8 more per year than our current cost, and would have resulted in quite a lot of new truck
9 traffic near the Resort for approximately six months during each year.

10 **Q10. Does this conclude your direct testimony?**

11 A10. Yes.

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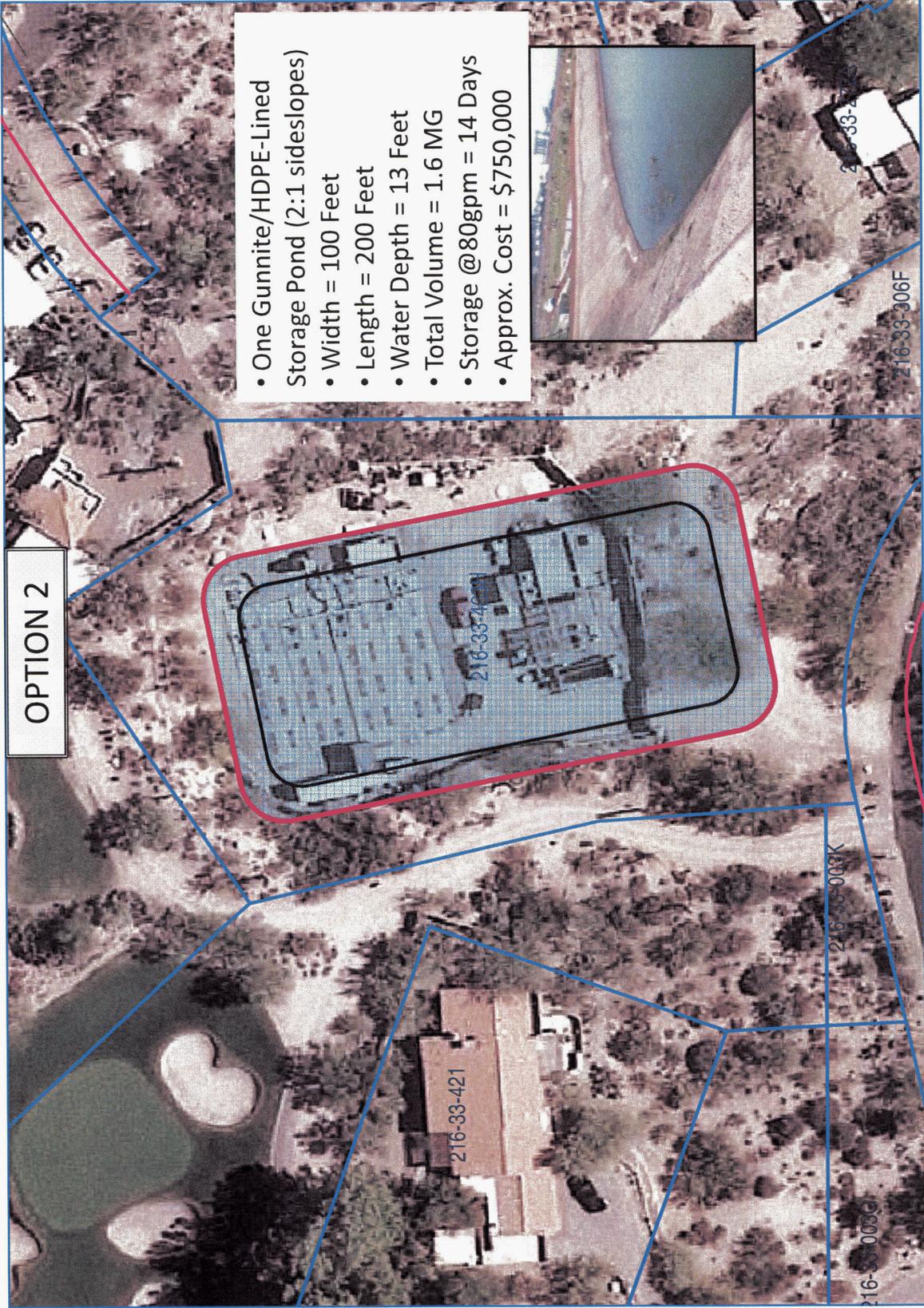
A



OPTION 1

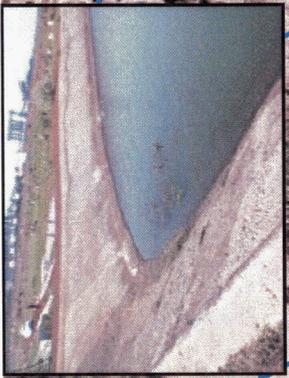
- One HDPE-Lined Storage Pond (3:1 sideslopes)
- Width = 100 Feet
- Length = 140 Feet
- Water Depth = 15 Feet
- Total Volume = 1.0 MG
- Storage @80gpm = 9 Days
- Approx. Cost = \$350,000

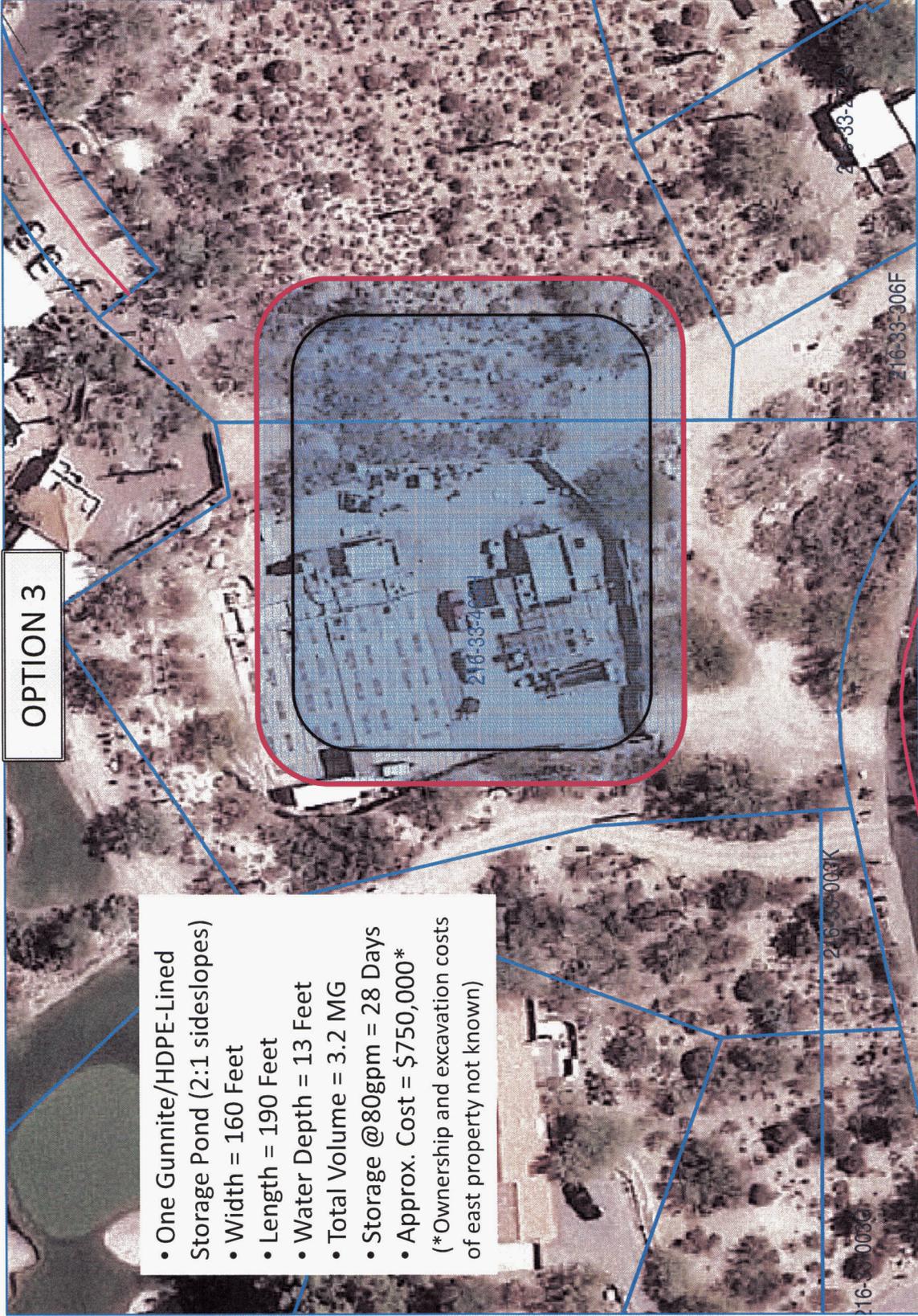




OPTION 2

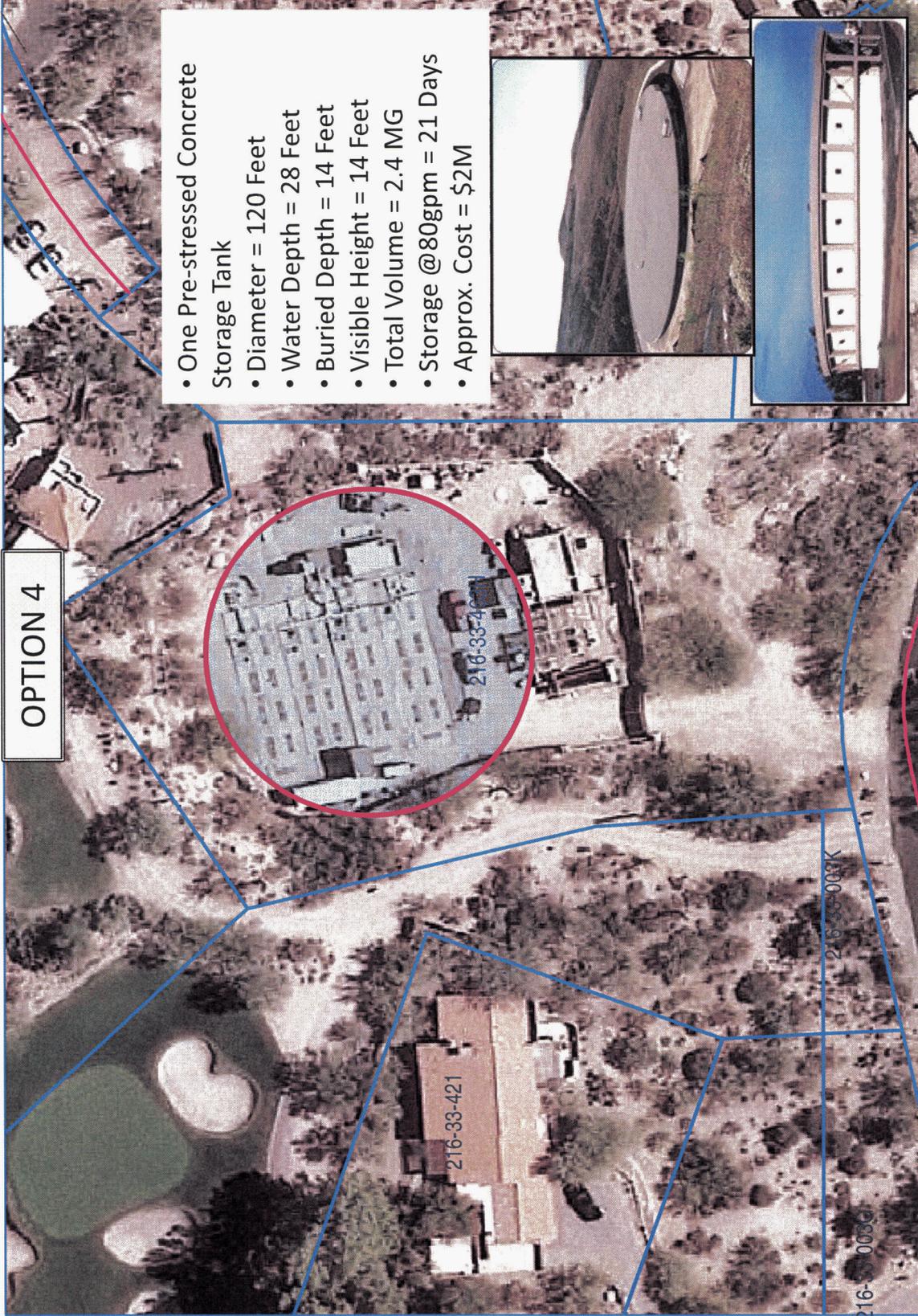
- One Gunnite/HDPE-Lined Storage Pond (2:1 sideslopes)
- Width = 100 Feet
- Length = 200 Feet
- Water Depth = 13 Feet
- Total Volume = 1.6 MG
- Storage @80gpm = 14 Days
- Approx. Cost = \$750,000





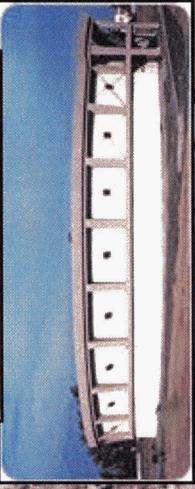
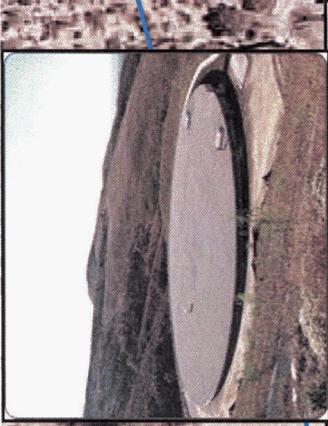
OPTION 3

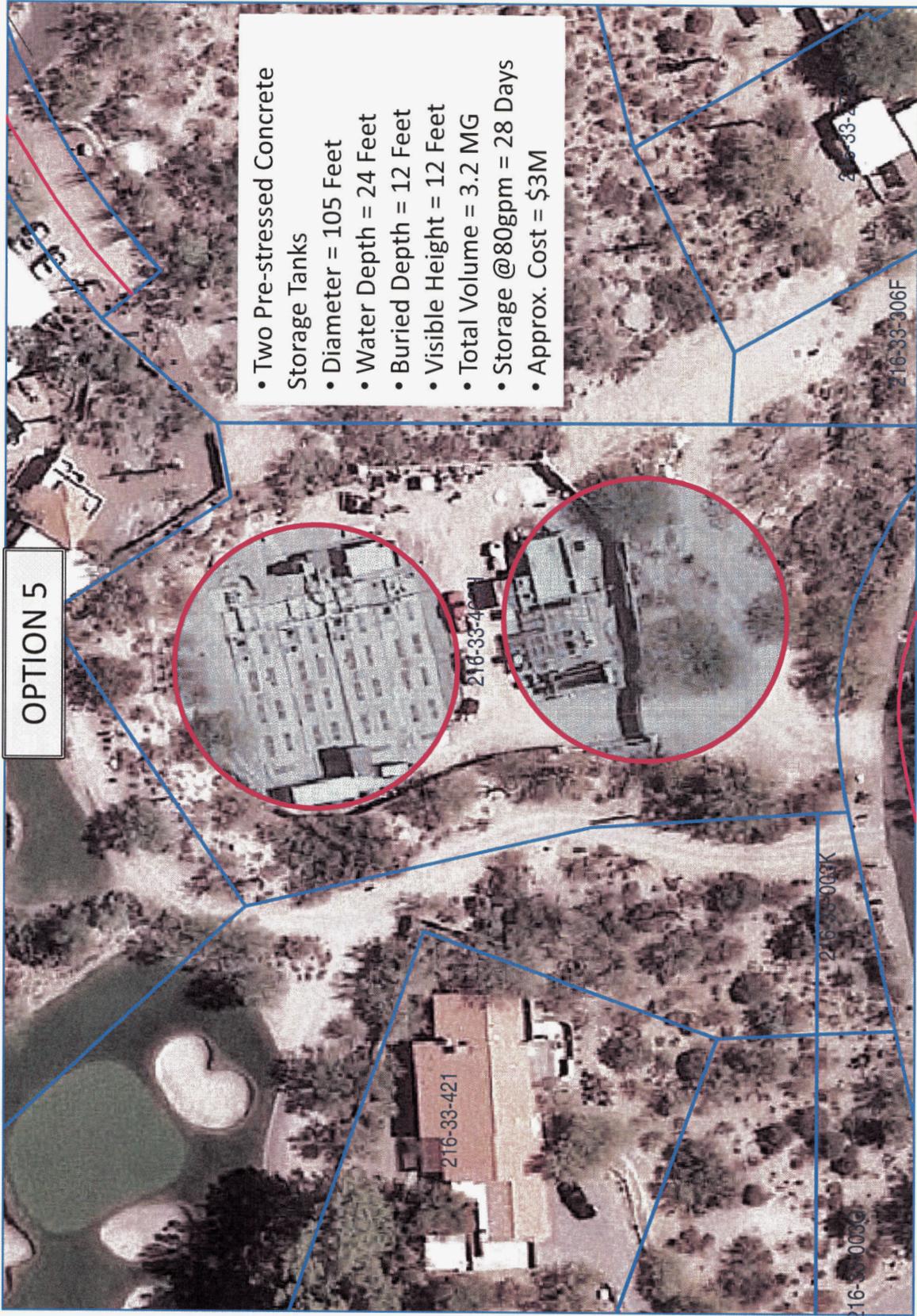
- One Gunnite/HDPE-Lined Storage Pond (2:1 sideslopes)
- Width = 160 Feet
- Length = 190 Feet
- Water Depth = 13 Feet
- Total Volume = 3.2 MG
- Storage @80gpm = 28 Days
- Approx. Cost = \$750,000*
(*Ownership and excavation costs of east property not known)



OPTION 4

- One Pre-stressed Concrete Storage Tank
- Diameter = 120 Feet
- Water Depth = 28 Feet
- Buried Depth = 14 Feet
- Visible Height = 14 Feet
- Total Volume = 2.4 MG
- Storage @80gpm = 21 Days
- Approx. Cost = \$2M





OPTION 5

- Two Pre-stressed Concrete Storage Tanks
- Diameter = 105 Feet
- Water Depth = 24 Feet
- Buried Depth = 12 Feet
- Visible Height = 12 Feet
- Total Volume = 3.2 MG
- Storage @80gpm = 28 Days
- Approx. Cost = \$3M

216-33-421

216-33-4

216-33-003K

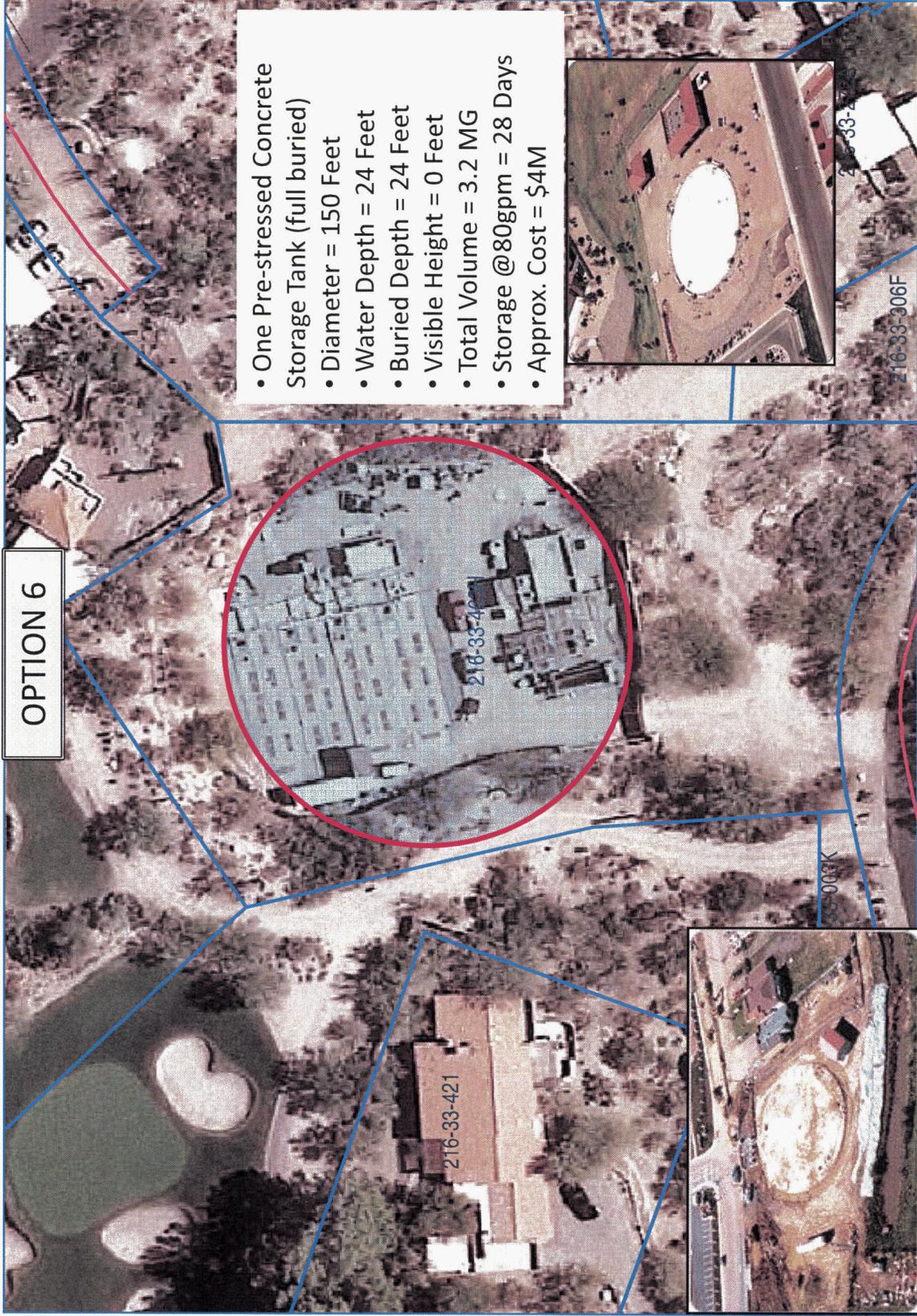
216-33-003G

216-33-306F

216-33-2



OPTION 6



- One Pre-stressed Concrete Storage Tank (full buried)
- Diameter = 150 Feet
- Water Depth = 24 Feet
- Buried Depth = 24 Feet
- Visible Height = 0 Feet
- Total Volume = 3.2 MG
- Storage @80gpm = 28 Days
- Approx. Cost = \$4M



