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Arizona Corporation Commission
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MAY 15 2014

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ASSET PURCHASE AND LEASE AGREEMENT

BETWEEN

TOWN OF FLORENCE

AND

JOHNSON UTILITIES, L.L.C., AND SOUTHWEST ENVIRONMENTAL UTILITIES, L.L.C.

April __, 2014

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ASSET PURCHASE AND LEASE AGREEMENT

This Asset Purchase and Lease Agreement (this "*Agreement*") is entered into as of April __, 2014, by and between the Town of Florence, Arizona, an Arizona municipal corporation (the "*Town*") and Johnson Utilities, L.L.C., an Arizona limited liability company and Southwest Environmental Utilities, L.L.C., an Arizona limited liability company (collectively, the "*Seller*").

RECITALS

A. Seller operates as a public utility as defined in Article 15, Section 2 of the Arizona Constitution (the "*Business*") providing domestic water and sewer service in the boundaries of the Town and adjacent areas in Pinal County, Arizona (the "*County*"). Seller operates the Business pursuant to a Certificate of Public Convenience and Necessity ("*CC&N*") issued by the Arizona Corporation Commission ("*ACC*") which authorizes Seller to provide water and wastewater treatment utility services within a defined geographic area (the "*Certificated Area*") as depicted on the diagram attached hereto as Exhibit Z and as legally described in Exhibit AA, it being understood by and between the parties that if requested by either party or the ACC, either the depiction or the legal description of the Certificated Area as finally attached hereto may be amended to conform to such requests.

B. Seller desires to sell, transfer and assign to Buyer, and Buyer desires to purchase from Seller, substantially all of the assets and properties used in the Business, to assume certain rights and obligations of Seller solely relating to the Business, including the obligation to provide water and wastewater utility services within the Certificated Area and those areas for which Seller has pending applications for service, and to use such assets and properties and operate the Business in its own name and for its own account on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

ARTICLE I

PURCHASE, SALE AND LEASE OF ASSETS

Section 1.01. Purchased Assets. Seller will sell, convey, transfer, assign and deliver to Buyer, free and clear of all liens, mortgages, pledges, encumbrances and charges of every kind (except for Permitted Encumbrances, as hereinafter defined), on the terms and subject to the conditions set forth in this Agreement, all of Seller's right, title and interest in and to the properties, business and assets of Seller of every kind and description, real, personal and mixed, tangible and intangible, wherever located (except those assets which are excluded from this sale by Section 1.02) as they shall exist on the Closing Date (as hereinafter defined) which are useful, available for use or necessary for Seller's operation of the Business (collectively, the "*Purchased*

Assets"). Without limiting the generality of the foregoing, the Purchased Assets shall include the following:

- (a) all Real Estate as set forth in Exhibit I (the "Real Estate");
- (b) all Personal Property as set forth in Exhibit J (the "Personal Property");
- (c) Infrastructure used by the Business to serve Customers as set forth in Exhibit BB;
- (d) The Assigned Contracts set forth in Exhibit K and the Proprietary Rights as set forth in Exhibit L;
- (e) The Seller's interest in the mainline extension agreements ("LXA's) identified or described in Exhibit Y;
- (f) the Master Utility Agreements ("MUA's) identified or described in Exhibit X;
- (g) Records relating to the Project and Customers as set forth in Exhibit W;
- (h) to the extent Seller has any interest in any software licenses, software or data, including radio licenses or communications franchises or licenses, such licenses or franchises, as the case may be, shall be transferred to Seller under such instruments as are customarily utilized for the transfer of such rights, in a form which is commercially reasonable and acceptable to Seller and Buyer.
- (i) \$2,500,000 cash in the Offsite Facilities Hookup Fee Account, any balance in the Central Arizona Groundwater Replenishment District Account (as reduced by the shortfall from the October 2013 bill advanced by the Seller), and any Customer Deposits; and
- (j) all accounts receivable, excluding accounts receivable for water deliveries made by Seller prior to the close of escrow as reflected in Seller's books and records as of close of escrow, related to Seller's Customers (collectively, "Customer Accounts") reflected on Seller's books and records as of close of escrow.

Section 1.02. Excluded Assets. Notwithstanding anything to the contrary in Section 1.01, the Purchased Assets shall exclude the following assets of Seller:

- (a) notes receivable and insurance proceeds existing as of the Closing Date, unless such insurance proceeds receivable relate to damage to the Real Estate or the Personal Property or are not reimbursements to Seller for pre-closing expenditures;
- (b) all cash and cash equivalents and investments, whether short-term or long-term, of Seller, including without limitation bank accounts, certificates of deposit, treasury bills and securities, except for the items described in Section 1.01(e) above;

- (c) any stock, partnership interest, limited liability company interest or other equity ownership interest in any subsidiary or affiliate;
- (d) the minute books and records of Seller; and
- (e) the assets set forth in Exhibit A.

Section 1.03. Leased Assets. Notwithstanding anything to the contrary in Sections 1.01 or 1.02, the Rancho Sendero Anthem Wastewater 1.1MW plant (the "Anthem Plant") and the Section 11 Solar Plant (the "Section 11 Plant") shall be leased by the Seller to the Buyer for a period of one year with respect to the Anthem Plant and three years with respect to the Section 11 Plant after the Closing Date, at annual lease rate of \$1.00 for each asset. At the end of the respective lease terms, the Anthem Plant and the Section 11 Plant shall be transferred to the Buyer as Purchased Assets hereunder in consideration of the purchase price of \$1.00.

ARTICLE II

PURCHASE PRICE; ASSUMPTION OF LIABILITIES

Section 2.01. Payment of Purchase Price. As full consideration for the Purchased Assets, Buyer agrees, subject to the terms, conditions and limitations set forth in this Agreement, to deliver to Seller (or its assigns) one or more series of water and sewer revenue bonds (the "*Bonds*") in the aggregate principal amount of \$121,000,000 (the "*Purchase Price*"), issued by The Industrial Development Authority of the City of Phoenix, Arizona (the "*Issuer*") pursuant to a Trust Indenture dated as of February 1, 2014 (the "*Indenture*") between the Issuer and Zions First National Bank, as corporate trustee (the "*Trustee*") and a Installment Sale Agreement dated on or about June 1, 2014 (the "*Installment Sale Agreement*") between the Issuer and the Buyer. The Bonds shall be dated as of the date of delivery, mature on or about May 1, 2044, bear interest at the rate of 6.625% per year for the first five (5) years, and 8.00% per annum thereafter, be payable on December 1, 2014, and semi-annually thereafter on each June 1 and December 1, and having such other terms and provisions as set forth in Exhibit B.

Section 2.02. Assumed Liabilities. On the Closing Date, Buyer will assume and agree to pay, discharge or otherwise perform when lawfully due only those liabilities, contracts, commitments, purchases and other obligations of Seller that are expressly set forth in Exhibit C, if any (the "*Assumed Liabilities*"), including the obligation to provide water and wastewater utility services within the Certificated Area and in those areas for which the Seller has pending applications for service.

Section 2.03. Excluded Liabilities. Anything to the contrary in Section 2.02 notwithstanding, the Assumed Liabilities shall exclude any liabilities not expressly set forth in Exhibit C, if any, as well as the following liabilities, contracts, commitments and other obligations of Seller (the "*Excluded Liabilities*"):

- (a) Seller's obligations and any liabilities arising under this Agreement;
- (b) any obligation of Seller for federal, state, local or foreign income tax liability (including interest and penalties) arising from the operations of Seller through

and including the Closing Date or arising out of the sale by Seller of the Purchased Assets pursuant to this Agreement, including without limitation any amounts shown on the Financial Statements (as defined herein) as "Deferred Income Taxes" or the like;

- (c) any property taxes assessed on the Purchased Assets prior to the Closing;
- (d) any obligation of the Seller related to any notes payable to members or related parties
- (e) customer refunds on closed accounts
- (f) any liabilities associated with any violations of ADEQ rules or regulations that occurred prior to Closing
- (g) any obligation of Seller for expenses incurred in connection with the sale of the Purchased Assets pursuant hereto, including without limitation the fees and expenses of Seller's legal counsel;
- (h) any obligation or liability of Seller related to an alleged breach of contract occurring prior to or on the Closing Date; and
- (i) any liability, contract, commitment or other obligation of Seller, known or unknown, fixed or contingent, the existence of which constitutes or will constitute a breach of any representation or warranty of Seller contained in or made pursuant to Article 4 of this Agreement.

Section 2.04. Pro Rations.

- (a) [Reserved].
- (b) The parties hereto agree on the following pro rations:
 - (i) Sales Taxes. To the extent Buyer keeps all customer accounts receivable cash collected, it shall be responsible to reimburse Seller for the unpaid sales taxes associated with such receivables.
 - (ii) Income Taxes. Within 120 days of Closing, Buyer shall pay Seller an amount equal to 30% of the customer accounts receivable balance as of Closing to reimburse Seller for the associated income tax liability that Seller is required to pay on the receivables balance.
 - (iii) Property Taxes. Property taxes shall be prorated at Closing based on the pro ration calculation provided by the Seller.
 - (iv) GRD Taxes. Buyer will charge and collect the rate established by Utility Tariff to pay the GRD tax bill for August 2014. The balance that exists in the account at Closing shall be transferred to the Buyer, less any amount to be reimbursed to the Seller from the October 2013 invoice.

(v) Line Extension Refunds. There shall be a pro ration for refunds due on the line extension agreements for a partial year.

Section 2.05. Installment Sale Agreement. In connection with the issuance of the Bonds by the Issuer, the Buyer will enter into the Installment Sale Agreement with the Issuer, pursuant to which revenues generated by the Business will be used, on a non-recourse basis, to pay debt service on the Bonds.

Section 2.06. Management Agreement. Simultaneous with the execution and delivery of this Agreement, Seller, or its affiliate, will enter into a Management Agreement with Buyer, under which Seller, or its affiliate will operate the Business for a period of five (5) years (the "Management Agreement"). Concurrently, with the delivery of the Management Agreement, Buyer and Seller shall deliver such legal opinions, certified instruments and other documents relating to the legality and enforceability of the obligations to be performed under the Management Agreement as the other party may reasonably request. Buyer agrees and acknowledges that the Management Agreement and the obligations of Buyer thereunder are a material inducement for Seller entering into this Agreement and consummating the transactions contemplated herein.

Section 2.07. Procedure Upon Execution of Agreement. In order for this Agreement to become effective, the parties will take the following steps in the order listed below; *provided, however,* that upon their completion all such steps shall be deemed to have occurred simultaneously:

(a) The Town Council of the Town shall have adopted a resolution authorizing this Agreement and the execution and delivery of the Management Agreement and the Installment Sale Agreement.

(b) The Management Agreement and the Installment Sale Agreement shall be fully executed, delivered and in full effect.

ARTICLE III

CLOSING

Section 3.01. Time and Place of the Closing. The closing of the sale of the Purchased Assets shall take place on the date on which the conditions precedent described in this Article 3 are satisfied or waived, provided that the parties shall use their best efforts to cause the closing to occur on or before July 1, 2014, or such other date and time as the parties may mutually agree in writing (the "Closing Date"). Throughout this Agreement, such event is referred to as the "Closing." The Closing shall take place at 10:00 a.m., Arizona time, on the Closing Date, at the offices of Kutak Rock LLP, in Scottsdale, Arizona ("*Bond Counsel*").

Section 3.02. Conditions to Obligation of Buyer. The obligations of Buyer to consummate the transactions contemplated hereby shall be subject to the fulfillment (or waiver by Buyer, in its reasonable discretion) on or prior to the Closing Date of the following additional conditions, which Seller agrees to use commercially reasonable efforts in good faith to fulfill or cause to be fulfilled:

(a) The representations and warranties of Seller contained in this Agreement shall have been true and correct as of the date of this Agreement, and they shall be true and correct as of the Closing Date with the same force and effect as though made as of such date. Seller shall have performed and complied with all of its obligations required by this Agreement to be performed or complied with at or prior to the Closing Date. Seller shall have delivered to Buyer a certificate, dated as of the Closing Date and signed by the Manager of Seller, certifying that such representations and warranties are true and correct and that all such obligations have been thus performed and complied with.

(b) All necessary consents or approvals of third parties to the transactions contemplated hereby shall have been obtained and shown by written evidence reasonably satisfactory to Buyer, including without limitation, all required approvals from the ACC. All such required consents or approvals are set forth in Exhibit E.

(c) Seller shall have canceled its CC&N.

(d) There shall not be pending or threatened any action or proceeding by or before any court or other governmental body seeking to restrain, prohibit or invalidate the sale of the Purchased Assets to Buyer or any other transaction contemplated hereby, or that would have a material adverse impact on the right of Buyer to own, operate in their entirety or control the Purchased Assets.

(e) There shall not have been any change in the Business or Purchased Assets since November 1, 2013, other than changes occurring in the ordinary course of business which in the aggregate have not had a material adverse effect on the Purchased Assets or the financial condition, business prospects or operating results of the Business.

(f) Buyer shall have received an opinion of counsel to Seller, dated as of the Closing Date, in form and substance as set forth in Exhibit H attached hereto.

(g) Buyer acknowledges and agrees that there are no conditions to its obligations under this Agreement that are not expressly set forth herein.

(h) Buyer shall have (i) received all information required under this Agreement, (ii) received all title reports or other information to determine title to the Purchased Assets to its reasonable satisfaction, (iii) received all documents relating to the issuance of the Bonds by the Authority, and (iv) shall have completed all due diligence it deems reasonable necessary to consummate the transactions contemplated hereby.

Section 3.03. Conditions to Obligation of Seller. The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the fulfillment (or waiver by Seller, in its reasonable discretion) on or prior to the Closing Date of the following additional conditions, which Buyer agrees to use commercially reasonable efforts in good faith to fulfill or cause to be fulfilled:

(a) The representations and warranties of Buyer contained in this Agreement shall have been true and correct as of the date of this Agreement, and they shall be true and correct as of the Closing Date with the same force and effect as though made as of

such date. Buyer shall have performed and complied with all of its obligations required by this Agreement to be performed or complied with at or prior to the Closing Date. Buyer shall have delivered to Seller a certificate, dated as of the Closing Date, certifying that such representations and warranties are true and correct and that all such obligations have been thus performed and complied with.

(b) All necessary consents or approvals of third parties to the transactions contemplated hereby shall have been obtained and shown by written evidence reasonably satisfactory to Seller, including without limitation, all required approvals from the ACC. All such required consents or approvals are set forth in Exhibit E.

(c) The Management Agreement and the Installment Sale Agreement shall be in full force and affect.

(d) There shall not be pending or threatened any action or proceeding by or before any court or other governmental body seeking to restrain, prohibit or invalidate the sale by Seller of the Purchased Assets to Buyer or any other transaction contemplated hereby, or that would have a material adverse impact on the right of Seller to sell the Purchased Assets or accept delivery of the Bonds in consideration.

(e) Seller shall have received an opinion of counsel to Buyer, dated as of the Closing Date, in form and substance as set forth in Exhibit G attached hereto.

(f) At the time of the Closing, the Buyer shall have adopted such resolutions as, in the opinion of counsel to Seller, shall be necessary in connection with the transactions contemplated hereby (collectively, the "Authorizing Resolution"), and such Authorizing Resolution will be in full force and effect and will not have been amended, modified or supplemented, except as may have been agreed to in writing by Seller.

(g) At or prior to the Closing, unless otherwise agreed to by Seller in writing, Seller will have received each of the following documents with respect to the Bonds (the "Bond Deliverables"):

(i) the approving opinion, dated the date of the Closing and addressed to Seller, of legal counsel to the Buyer, in form and content satisfactory to Seller and its counsel, to the effect that this Agreement and the Management Agreement have been duly authorized, executed and delivered by Buyer and are the legal, valid and binding obligation of the respective parties, enforceable in accordance with their terms, subject to customary exceptions for bankruptcy and judicial discretion;

(ii) the approving opinion, dated the date of the Closing and addressed to Seller, of Bond Counsel, in form and content satisfactory to Seller and its counsel, to the effect that (i) interest on the Bonds is excludable from gross income for purposes of federal and state income tax; (ii) the offer and sale of the Bonds to the Seller is exempt from registration under the Securities Act of 1933, as amended, and will not result in the Indenture being required to be qualified pursuant to the Trust Indenture Act of 1939, as amended; and (iii) the Indenture

and any other document executed by the Issuer with respect to the Bonds (the "Bond Documents") have been duly authorized, executed and delivered by the Issuer and are the legal, valid and binding obligation of the Issuer, enforceable in accordance with their terms, subject to customary exceptions for bankruptcy and judicial discretion;

(iii) a certificate or certificates, dated the date of the Closing and signed on behalf of Buyer to the effect that to the best of their knowledge, information and belief (i) the representations, warranties and covenants contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the date of the Closing; (ii) no litigation of any nature is now pending seeking to restrain or enjoin the Buyer's ownership or operation of the Business or the collection of revenues or the pledging of net revenues to pay the principal and interest on the Bonds; or contesting the corporate existence or boundaries of Buyer or the title of the present officers to their respective offices; (iii) no authority or proceedings related to the matters described herein have been repealed, revoked or rescinded and no petition or petitions to revoke or alter the authorization to purchase the Business or to repeal or modify the Authorizing Resolution in any manner has been filed with or received by any of the undersigned; and (iv) Buyer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing;

(iv) a certificate or certificates, dated the date of the Closing and signed on behalf of Issuer to the effect that to the best of their knowledge, information and belief (i) no litigation of any nature is now pending seeking to restrain or enjoin the issuance of the Bonds, questioning the proceedings and authority by which the Bonds are to be issued, or affecting the validity of the Bonds; and (ii) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded, and no petition or petitions to revoke or alter the authorization to issue the Bonds has been filed with or received by the Issuer; and

(v) a certified copy of the Indenture, the Management Agreement, and the Installment Sale Agreement;

(vi) a tax (nonarbitrage) certificate of the Issuer, in form and substance satisfactory to Bond Counsel;

(vii) the filing copy of the Information Return Form 8038-G (IRS) for the Bonds; and

(viii) such additional legal opinions, certificates, instruments and other documents as Seller or their counsel may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the representations, warranties and covenants of Buyer contained herein and the due performance or satisfaction by Buyer at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by Buyer.

Section 3.04. Procedure at the Closing. At the Closing, the parties will take the following steps in the order listed below; *provided, however*, that upon their completion all such steps shall be deemed to have occurred simultaneously:

(a) Seller shall deliver to Buyer such bills of sale, endorsements, assignments and other instruments, in such form as in each case is reasonably satisfactory to Buyer and Seller; as shall be sufficient to vest in Buyer good and marketable title to the Purchased Assets, free and clear of all liens, mortgages, pledges, encumbrances, and charges of every kind except those which Buyer has expressly agreed in Section 2.02 hereof to assume.

(b) Buyer shall deliver to Seller instruments, in such form as in each case is reasonably satisfactory to Buyer and Seller, as shall be sufficient to effect Buyer's assumption of the Assumed Liabilities, if any, and the Contracts, together with the written consent of any third parties whose consent is required to Buyer's assumption of the Assumed Liabilities and the Contracts.

(c) Seller shall deliver to Buyer the Bond Deliverables, in such form as in each case is reasonably satisfactory to Buyer and Seller.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF SELLER

In order to induce Buyer to enter into this Agreement and to consummate the transactions contemplated hereunder, as of the date hereof and as of the Closing Date, Seller makes the following representations and warranties to the best of Seller's knowledge:

Section 4.01. Organization. Seller is a limited liability company duly organized, validly existing, and in good standing under the laws of Arizona with full corporate power and authority to carry on its business and to own, purchase and operate its properties as and in the places where such business is conducted and such properties are owned, purchased, or operated. Seller is duly qualified or licensed to do business and is in good standing in Arizona, which is the only jurisdiction in which Seller's operations or the character of the properties owned, purchased, or operated by it makes such qualification or licensing necessary. Seller has delivered to Buyer complete and correct copies of Seller's articles of organization and operating agreement, in each case as amended and in effect on the date hereof. Seller is not in violation of any of the provisions of its articles or organization and operating agreement or any other organizational documents.

Section 4.02. Authorization. Seller has duly executed and delivered this Agreement and this Agreement and any agreements executed by Seller in connection herewith constitute (or will constitute on their execution and delivery) the legal, valid, and binding obligations of Seller enforceable against Seller in accordance with their terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer and conveyance, receivership, moratorium, and similar laws affecting creditors' rights generally, and to the availability of equitable remedies (whether asserted at law or in equity).

Section 4.03. No Conflicts, etc. The execution, delivery, and performance by Seller of this Agreement and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a violation of or a default under (with or without the giving of notice or the lapse of time or both) (i) any applicable law to Seller, or any of the properties or assets of Seller, (ii) the organizational documents of Seller, or (iii) any Contract of which either Seller has knowledge to which either Seller is a party or by which either Seller or any of their properties or assets, may be bound or affected. Seller reasonably believes, except as expressly provided herein, that no governmental approval or other consent is required to be obtained or made by Seller in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated hereby.

Section 4.04. Real Estate.

(a) Exhibit I accurately and completely sets forth all real property owned by Seller, and with respect to every parcel of the Real Estate: (i) the owner; (ii) the location, including address, thereof; (iii) the legal description and approximate size thereof; and (iv) a brief description (including function) of the principal improvements and buildings thereon. To the knowledge of Seller, there are no unrecorded or oral leases, arrangements, agreements, understandings, options, contracts, or rights of first refusal, other than that which Seller has contractually promised to Buyer in writing, affecting or relating to any of the Real Estate. To the Seller's knowledge, all Real Estate has access suitable for the needs of the Project.

(b) Seller has good and marketable title to each parcel of the Real Estate, each of which shall be conveyed to Buyer by Special Warranty Deed.

(c) As to any leased property or leasehold interests of Seller, each lease or leasehold is legal, valid, binding, enforceable and in full force and effect consistent with the terms of the leases. Neither Seller nor any other party is in default, violation, or breach in any material respect under any lease, and no event has occurred and is continuing that constitutes or, with notice of lapse of time or both, would constitute a default, violation, or breach in any respect under any lease. The Seller enjoys peaceful and undisturbed possession under its leases. None of the leased property is subject to any sublease, assignment, or license, except as disclosed in Exhibit V.

(d) The buildings and other improvements located on the Real Estate are each in good operating condition and are sufficient and adequate for the operation of the Business as it is presently conducted.

(e) Seller has not received notice of: (i) any condemnation proceeding with respect to any portion of the Real Estate, and to its knowledge no such proceeding is contemplated by any governmental authority; or (ii) any special assessment which may affect the Real Estate, and to Seller's knowledge no such special assessment is contemplated by any governmental authority.

(f) To the knowledge of Seller, there are no historical or archeological materials or artifacts of any kind, or any Native American or Indian ruins, aboriginal or otherwise of any kind, located on any piece, parcel or part of the Real Estate.

Section 4.05. Personal Property. Exhibit J contains a complete and accurate listing of the Personal Property. Seller has good and marketable title to all of the Personal Property, and the Personal Property is in good operating condition.

Section 4.06. Proprietary Rights. The Proprietary Rights include all proprietary rights, the failure to possess which would have a material adverse effect on the Business. Exhibit L contains a complete list of all of the Proprietary Rights. Except as set forth on Exhibit L, there have been no claims made against Seller for the assertion of the invalidity, abuse, misuse, or enforceability of any of the Proprietary Rights, and there are not grounds for the same; and Seller has not received a notice of conflict with the asserted rights of others within three (3) years prior to the date of this Agreement.

Section 4.07. Contracts. To Seller's knowledge:

(a) Exhibit M contains a complete and accurate description of all agreements, contracts, commitments, and other instruments and arrangements of the types described below by which either Seller or any of its assets, businesses, or operations receive benefits or to which either Seller is a party or by which either Seller is bound, other than insignificant contracts entered into in the ordinary course of business consistent with past practice, including:

(i) purchases, licenses, permits, franchises, insurance policies, warranties, guarantees, governmental approvals, and other contracts concerning or relating to Seller's Real Estate or purchased Real Estate,

(ii) contracts for capital expenditures in excess of \$500,000 each;

(iii) performance bonds, completion bonds, bid bonds, suretyship agreements and similar instruments;

(iv) joint venture, partnership, and similar contracts involving a sharing of profits and/or expenses;

(v) agreements providing for the leasing of Seller's Personal Property;

(vi) Line extension agreements;

(vii) agreements or instruments under which Seller has acquired or holds its water rights;

(viii) licenses, licensing arrangements and other contracts providing in whole or in part for the use of, or limiting the use of, any intellectual property;

(ix) loan agreements, indentures, letters of credit, mortgages, security agreements, pledge agreements, deeds of trust, bonds, notes, guarantees, sureties, indemnities and other agreements and instruments relating to the borrowing of money or obtaining of or extension of credit; and

(x) Master utility agreements and all other agreements that provide for the payment of hook-up fees (all items listed in Exhibit M and referred to in this subsection (a) are referred to as the "Contracts").

(b) Except as disclosed on Exhibit P, to the Seller's best knowledge, the Contracts listed in Exhibit M are in full force and effect and enforceable against each party thereto, subject to bankruptcy, insolvency, reorganization, fraudulent transfer and conveyance, receivership, moratorium, and similar laws affecting creditors' rights generally, and to the availability of equitable remedies (whether asserted at law or in equity).

(c) Except as disclosed on Exhibit N, there does not exist under any Contract any event of default or event or condition that, after notice or lapse of time or both, would constitute a violation, breach, or event of default thereunder on the part of either Seller or any other party. Except as set forth on Exhibit Q, no consent of any third party is required under any Contract as a result of or in connection with, and the enforceability of any Contract of which either Seller has knowledge will not be affected in any manner by, the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby.

Section 4.08. Taxes. Except as set forth on Exhibit O:

(a) Seller has filed all tax returns required to be filed by them for all periods ending before the Closing Date and have paid all tax liability shown due thereon. All such tax returns were correct and complete in all material respects. All taxes owed by the Seller (whether or not shown on any tax return) with respect to tax returns the due date of which preceded the date hereof have been paid.

(b) There are no outstanding requests, agreements, consents or waivers to extend the statutory period of limitations applicable to the assessment or collection of any taxes or deficiencies against Seller and there are no pending audits, disputes, or other proceedings that have been served upon Seller concerning Seller's liability for any taxes, and to Seller's knowledge, no such audits, disputes, or other proceedings have been threatened.

(c) No power of attorney relating to the taxes or tax returns of Seller has been executed or filed with any person including any taxing authority.

(d) Seller has withheld and paid all taxes required to have been withheld and paid in connection with any amounts paid or owing to any employee, independent contractor, creditor, stockholder or other person.

Section 4.09. Litigation. Except as set forth on Exhibit R: (i) there is no action, claim, demand, lawsuit, proceeding, arbitration, grievance, citation, summons, subpoena, inquiry, or investigation of any nature, civil, criminal, regulatory, or otherwise, in law or in equity, which has been served upon Seller or, to the knowledge of Seller overtly threatened against Seller which materially affects Seller, the Purchased Assets or Seller's business, or relating to the transactions contemplated by this Agreement, and there is no valid basis for the same, (ii) Seller is not a party to, subject to or bound by, any decree, order, injunction, settlement agreement or arbitration decision or award (or agreement entered into in any administrative, judicial or arbitration proceeding with any governmental authority) with respect to or affecting the properties, assets, personnel or business activities of Seller, and (iii) no citation, fee, or penalty has been levied or asserted against Seller under any environmental law or any other governmental authority.

Section 4.10. Financial Statements. Seller has delivered to Buyer financial statements of Seller as, at and for the periods ended on October 31, 2013 and December 31, 2012 (collectively, the "Financial Statements"), including in each case a balance sheet, a statement of income and retained earnings, and a statement of cash flows. The Financial Statements are complete and correct in all material respects, accurately reflect the assets, liabilities, and results of operations and financial condition of Seller as of their respective dates, and have been prepared in accordance with GAAP. Seller does not owe any obligation and is not subject to any liability to any of Seller's affiliates other than obligations and liabilities.

Section 4.11. Insurance. Exhibit S contains a complete and correct list and summary description of all insurance policies maintained by or for the benefit of Seller. Seller has delivered to Buyer complete and correct copies of all such policies together with all riders and amendments thereto. Such policies are in full force and effect, and all premiums due thereon have been paid. Seller has complied in all material respects with the terms and provisions of such policies. Except as set forth on Exhibit S, such policies shall not continue after the Closing Date for the benefit of Seller, other than in terms of providing continued, post-Closing coverage to Seller in respect of actions, events or circumstances arising or occurring during policy coverage periods up to and including the Closing Date, whether or not claims arising from such actions, events or circumstances are made before, on or after the Closing Date. Exhibit S sets out all claims made by Seller under any policy of insurance during the past two years and, in the opinion of Seller reasonably formed and held, there is no basis on which a claim should or could be made under any such policy and contains a complete and correct list and summary description of all insurance policies maintained by or for the benefit of Seller.

Section 4.12. Environmental Matters.

(g) Seller has complied and is in compliance in all material respects with all applicable environmental laws, whether federal, state or local, pertaining to the Real Estate, any leased real property or the ownership or operation of the Business, and Seller has not received any written communication alleging that Seller is not in compliance with any applicable environmental law, other than as disclosed in Exhibit T hereto. To Seller's knowledge, there is no claim pending or threatened against Seller relating to any alleged or actual violation of an environmental law, and none of the Real Estate is currently listed on the National Priorities List or the Comprehensive Environmental

Response, Compensation and Liability Information System, both promulgated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (CERCLA) or any comparable state list, other than as disclosed in Exhibit T hereto.

(h) To the knowledge of Seller, neither the Seller nor any other person acting under its direction and control or on behalf of Seller, nor any affiliated entity of Seller, has caused or taken any action or is aware of any action that could reasonably result in, and the Seller is not subject to, any material liability or obligation relating to (i) the environmental conditions on, under, or about any of the Real Estate at the present time or in the past, including the air, soil and ground water conditions of such Real Estate, or (ii) the past or present use, management, handling, transport, treatment, generation, storage, disposal or release of any hazardous substance, other than as disclosed in Exhibit U hereto.

(i) Seller has made available to Buyer all (and not withheld from Buyer any) information, including all studies, analyses, and test results, in the possession, custody, or control of or otherwise known to Seller relating to (i) the environmental conditions on, under, or about any of the Real Estate, (ii) environmental conditions relating to the operation of the Business at the present time or in the past, (iii) any hazardous substances used, managed, handled, transported, treated, generated, stored, disposed of, or released by Seller or any other person on, under, about, or from any of the Real Estate or otherwise in connection with the use or operation of any of the Real Estate or the Business. There are no underground storage tanks located on any of the Real Estate.

Section 4.13. No Changes. Since December 31, 2012, there has not been: (a) any change in the Business or the Purchased Assets, other than changes occurring in the ordinary course of business which in the aggregate have not had a material adverse effect on the Business or the Purchased Assets; or (b) to knowledge of Seller, any threatened or prospective event or condition of any character whatsoever which could materially and adversely affect the Business or the Purchased Assets.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF BUYER

In order to induce Seller to enter into this Agreement and to consummate the transactions contemplated hereunder, as of the date hereof and as of the Closing Date Buyer makes the following representations and warranties:

Section 5.01. Organization. Buyer is a municipal corporation formed under the laws of the State of Arizona with full power and authority to enter into this Agreement and perform the obligations of Buyer hereunder.

Section 5.02. Authorization. The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action of Buyer. Buyer has made all required filings with, and has

obtained all approvals, consents and orders of, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to the performance by Buyer of its obligations hereunder. As of the Closing Date, Buyer will have, full legal right, power and authority (i) to enter into this Agreement, (ii) to adopt the Authorizing Resolution, (iii) to cause the Bonds to be delivered to Seller, (iv) to carry out and consummate the transactions contemplated by this Agreement, the Management Agreement, the Installment Sale Agreement, and the Bond Documents to which it is a party; and (vi) to set utility rates as it deems necessary and appropriate to meet its obligations with respect to the Bonds.

Section 5.03. Enforceability. This Agreement has been duly executed and delivered by Buyer and is a valid and binding obligation of Buyer, enforceable in accordance with its terms, except as may be limited by (a) any applicable bankruptcy, reorganization, moratorium or similar laws, now or hereafter in effect, affecting the enforceability of creditors' rights generally or (b) general principles of equity.

Section 5.04. No Conflicts. Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby will: (i) conflict with or violate any municipal code or ordinances, or of any decree or order of any court or administrative or other governmental body which is either applicable to, binding upon or enforceable against Buyer; or (ii) result in any breach of or default under any mortgage, contract, agreement, indenture, trust or other instrument which is either binding upon or enforceable against Buyer.

Section 5.05. As-Is Where-Is Condition. BUYER ACKNOWLEDGES THAT SELLER HAS NOT MADE ANY REPRESENTATIONS OR WARRANTIES OR COVENANTS THAT ARE NOT EXPRESSLY SET FORTH IN THIS DOCUMENT. EXCEPT FOR THOSE REPRESENTATIONS, WARRANTIES, AND COVENANTS EXPRESSLY SET FORTH HEREIN: (A) BUYER IS ACQUIRING THE PURCHASED ASSETS AND UNDERTAKING THE ASSUMED LIABILITIES IN THEIR "AS-IS WHERE-IS" CONDITION AND THAT IT IS RELYING UPON ITS OWN INVESTIGATION AND ANALYSIS AND SHALL NOT BE ENTITLED TO ANY REDUCTION TO OR SET-OFF OF THE PURCHASE PRICE FOR ANY REASON. IT IS UNDERSTOOD AND AGREED THAT SELLER IS NOT MAKING AND SPECIFICALLY DISCLAIMS ANY WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT TO SELLERS OR ANY TANGIBLE OR INTANGIBLE ASSETS OF SELLER, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OR REPRESENTATIONS AS TO OR ANY OTHER MATTER OR THING RELATING TO OR AFFECTING THE VALUE, CONDITION, MERCHANTABILITY, MARKETABILITY, PROFITABILITY, SUITABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE OF PURCHASED ASSETS; (B) BUYER HAS NOT RELIED UPON AND WILL NOT RELY UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY AGENT OR EMPLOYEE OF SELLER; (C) BUYER REPRESENTS THAT IT IS A KNOWLEDGEABLE BUYER AND THAT IT IS RELYING SOLELY ON ITS OWN EXPERTISE AND THAT OF ITS CONSULTANTS IN PURCHASING THE PURCHASED ASSETS; AND (D) BUYER WILL CONDUCT SUCH INSPECTIONS AND INVESTIGATIONS REGARDING THE PURCHASED ASSETS AS BUYER DEEMS NECESSARY. NOTWITHSTANDING THE ABOVE, BUYER'S RELIANCE HEREIN IS BASED UPON SELLER'S WARRANTY THAT IT HAS PROVIDED ALL

DOCUMENTATION AND INFORMATION KNOWN TO SELLER TO ALLOW BUYER TO MAKE AN INDEPENDENT DETERMINATION OF THE ASSETS BEING ACQUIRED. SELLER HAS NOT WITHHELD ANY INFORMATION WHICH WOULD PREVENT THE BUYER FROM MAKING AN INFORMED DECISION AS TO THE PURCHASE OF THE ASSETS.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.01. Conduct of Business. From the date hereof to the Closing Date (and thereafter with respect to any covenant or agreement extending beyond the Closing Date), except as expressly permitted or required by this Agreement or as otherwise consented to by Buyer in writing, Seller will (as applicable):

(a) carry on the Business in, and only in, the ordinary course, in substantially the same manner as heretofore conducted, and use reasonable efforts to preserve intact its present business organization, maintain its properties in good operating condition and repair, keep available the services of its present officers and substantially all of its employees, and preserve its relationship with substantially all of its customers and others having business dealings with it, with the goal and intent that its goodwill and ongoing business shall be in all material respects unimpaired on and following the Closing Date;

(b) pay all accounts payable and other obligations of Seller when they become due and payable in the ordinary course of business consistent with prior practice;

(c) perform in all material respects all of its obligations under all Contracts and other agreements and instruments and comply in all material respects with all applicable laws applicable to it;

(d) not enter into or assume any material agreement, contract, or instrument, or enter into or permit any material amendment, supplement, waiver, or other modification with respect to any Contract;

(e) not make or change any election, change an annual accounting period, adopt or change any accounting method, file any amended tax return, enter into any closing agreement, settle any tax claim or assessment relating to Seller, surrender any right to claim a refund of taxes, consent to any extension or waiver of the limitation period applicable to any tax claim or assessment relating to Seller or take any other similar action relating to the filing of any tax return or the payment of any tax, if such election, adoption, change, amendment, agreement, settlement, surrender, consent or other action would have the effect of increasing the tax liability of Seller for any period ending after the Closing Date or decreasing any tax attribute of Seller existing on the Closing Date; provided that Buyer will make the appropriate accounting changes after the purchase to coincide with the Buyer's required governmental disclosures;

(f) not sell or transfer to any person or otherwise dispose of any material property or asset of Seller, other than dispositions of property or assets made in the ordinary course of business consistent with prior practice;

(g) not cause or permit any lien to be placed on any property or asset of Seller where such lien did not exist on the date hereof; and

(h) not take any action or knowingly omit to take any action, which action or omission would result in a breach of any of the representations and warranties set forth in Article 4.

Section 6.02. No Solicitation. Prior to the Closing Date or the earlier termination of this Agreement, neither Seller nor any affiliate of Seller, shall solicit any inquiries or proposals with respect to, (i) the sale by Seller of all or substantially all of its properties and assets, or (ii) any merger transaction or other transaction involving the acquisition of control of Seller by any person other than Buyer.

Section 6.03. Further Actions.

(a) Seller and Buyer agree to use reasonable efforts to take all actions and to do all things necessary, proper or advisable to consummate the transactions contemplated hereby by the Closing Date.

(b) Seller and Buyer will, as promptly as practicable, file or supply, or cause to be filed or supplied with all relevant governmental authorities and other Persons, all applications, notifications and information required to be filed or supplied by it pursuant to applicable law in connection with this Agreement and the consummation of the transactions contemplated hereby.

(c) Seller and Buyer, as promptly as practicable, will use reasonable efforts to obtain, or cause to be obtained, all consents (including all governmental approvals and any consents required under any contract) necessary to be obtained by it under applicable law or pursuant to any contract or permit in connection with the transactions contemplated thereby.

(d) Seller will cause its affiliates to, coordinate and cooperate with Buyer in exchanging such information and supplying such assistance as may be reasonably requested by Buyer in connection with the filings and other actions contemplated by this Agreement.

(e) Following the Closing Date, Seller and Buyer shall, from time to time and at their own expense, execute and deliver such additional instruments, documents, conveyances, or assurances and take such other actions as shall be necessary, or otherwise reasonably requested by the other party, to render effective the consummation of the transactions contemplated hereby.

ARTICLE VII

TERMINATION

Section 7.01. Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) By Seller or Buyer by written notice to the other parties if the transactions contemplated hereby shall not have been consummated pursuant hereto by 5:00 p.m., Phoenix, Arizona time on July 1, 2014;

(b) By Buyer by written notice to Seller if (a) the representations and warranties of Seller shall not have been true and correct in all material respects as of the date when made or (b) any of the conditions set forth in Section 3.02 shall not have been, or if it becomes apparent to Buyer in its reasonable discretion that any of such conditions will not be, fulfilled by 5:00 p.m. Phoenix, Arizona time on July 1, 2014, unless such failure shall be due to the failure of Buyer to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing Date;

(c) By Seller by written notice to Buyer if (a) the representations and warranties of Buyer shall not have been true and correct in all material respects as of the date when made, or (b) any of the conditions set forth in Section 3.03 shall not have been, or if it becomes apparent to Seller in its reasonable discretion that any such condition will not be, fulfilled by 5:00 p.m. Phoenix, Arizona time on March 31, 2014, unless such failure shall be due to the failure of Seller to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing Date; or

(d) By Seller by written notice to Buyer if:

(i) the marketability of the Bonds or the market price thereof, in the reasonable opinion of Seller, has been materially adversely affected by (1) an amendment to the Constitution of the United States or the Constitution of the State or (2) any introduced or enacted federal or State legislation or (3) any decision of any federal or State court or (4) any ruling or regulation (final, temporary or proposed) of the Treasury Department of the United States, the Internal Revenue Service or other federal or State authority or (5) any bill favorably reported out of committee in either house of the Congress of the United States, in any case affecting the tax status of Buyer, its property or income, its securities (including the Bonds) or the interest thereon, or any tax exemption granted or authorized by the Internal Revenue Code of 1986, as amended, or the statutes of the State of Arizona (the "State"); or

(ii) a stop order, ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission shall be issued or made having the effect or creating the probability that the issuance, offering or

sale of obligations of the general character of the Bonds shall be or shall become a violation of any provisions of the Securities Act of 1933, the Securities and Exchange Act of 1934, or the Trust Indenture Act of 1939; or

(iii) in the Congress of the United States legislation shall be enacted or a bill shall be favorably reported out of committee to either house, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that securities of Buyer or of any similar public body are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, the Securities and Exchange Act of 1934 or the Trust Indenture Act of 1939; provided, however, that the effective date of the events described in (a), (b) and (c) of this Subparagraph 7.01(f) shall be prior to the Closing Date; or

(iv) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak of hostilities or a national or international calamity or crisis, or an escalation thereof, the effect of such outbreak calamity or crisis on the financial markets of the United States being such as, in the opinion of Seller, would affect materially and adversely the ability of Seller to market the Bonds or to enforce contracts for the sale of the Bonds; or

(v) there shall have occurred a general suspension of trading on the New York Stock Exchange or the declaration of a general banking moratorium by the United States, or by the States of Arizona or New York; or

(vi) there shall exist any event which, in the sole judgment of Seller, would materially adversely affect the market for the Bonds.

Section 7.02. Effect of Termination.

(a) In the event of the termination of this Agreement pursuant the provisions in Section 7.01 (i) this Agreement shall become void and have no effect, without any liability to any person in respect hereof or of the transactions contemplated hereby on the part of any party hereto, or any of its officials, directors, officers, employees, agents, consultants, representatives or advisers, except for any liability resulting from such party's material breach of this Agreement and for failing to comply with Section 7.02(b).

(b) Upon such an event, (a) Buyer shall deliver to Seller all materials delivered to or acquired from Seller ("Seller's Materials") and (b) Buyer will maintain the confidentiality of, and not disclose to any third person (other than its attorney and other consultants to the extent reasonably required for the negotiation and processing of the transaction contemplated by this Agreement) any information obtained by Buyer from or through Seller's Materials except to the extent such information is generally available to the public or required to be disclosed pursuant to legal process or applicable law.

ARTICLE VIII

INDEMNIFICATION

Section 8.01. Indemnification by Seller. To the extent permitted by applicable law, but subject to the limitations set forth in Sections 8.04 and 8.05, Seller covenants and agrees to defend, indemnify and hold harmless Buyer, and its officials and employees, (collectively, the "*Buyer Indemnitees*") from and against, and to pay or reimburse Buyer Indemnitees for, any and all claims, amounts paid in settlement of claims, liabilities, obligations, losses, fines, costs, royalties, proceedings, deficiencies or damages (whether absolute, accrued, conditional, or otherwise and whether or not resulting from third party claims), including without limitation any out-of-pocket expenses and reasonable attorneys' and accountants' fees incurred in the investigation or defense of any of the same or in asserting any of their respective rights hereunder but excluding any consequential damages (collectively, "*Losses*"), resulting from or arising out of:

- (a) any material inaccuracy of any representation or warranty by Seller contained in Article 4; or
- (b) any failure of Seller to perform any material covenant or agreement hereunder or to fulfill any other obligation in respect hereof; or
- (c) all obligations of the Sellers, including but not limited to regulatory obligations and obligations for Taxes, for periods through and including the Closing Date.

Section 8.02. Indemnification by Buyer. To the extent permitted by Applicable Law, but subject to the limitations set forth in Sections 8.04 and 8.05, Buyer covenants and agrees to defend, indemnify and hold harmless Seller, and its members, officers, employees (collectively, the "*Seller Indemnitees*") from and against, and to pay or reimburse Seller Indemnitees for, any and all Losses resulting from or arising out of:

- (a) any material inaccuracy in any representation or warranty by Buyer made or contained Article 5;
- (b) any failure of Buyer to perform any material covenant or agreement hereunder or to fulfill any other obligation in respect hereof; or
- (c) all obligations of the businesses being acquired, including but not limited to regulatory obligations and obligations for Taxes, for all periods on and after the Closing Date (including any obligations concerning the need for any regulatory approvals or consents to effectuate any of the actions contemplated in this Agreement, regardless of when such obligation accrues).

Section 8.03. Indemnification Procedures. In the case of any claim by a Buyer Indemnitee or a Seller Indemnitee (any of which, an "*Indemnified Party*") for indemnification under this Article 8, notice shall be given by the Indemnified Party to the party required to provide indemnification (the "*Indemnifying Party*") promptly after such Indemnified Party has

actual knowledge of any claim as to which indemnity may be sought. The notice shall specify the factual basis of the claim in reasonable detail to the extent known by the Indemnified Party:

(a) *Third Party Claims.* With regard to third party claims, the Indemnified Party shall permit the Indemnifying Party (at the expense of such Indemnifying Party) to assume the defense of any third party claim or any litigation resulting therefrom; provided that (i) the counsel for the Indemnifying Party who shall conduct the defense of such claim or litigation shall be reasonably satisfactory to the Indemnified Party, (ii) the Indemnified Party may participate in such defense at such Indemnified Party's expense, and (iii) the failure by any Indemnified Party to give notice as provided herein shall not relieve the Indemnifying Party of its indemnification obligation under this Agreement except to the extent that such omission results in a failure of actual notice to the Indemnifying Party and such Indemnifying Party is materially prejudiced as a result of such failure to give notice. Except with the prior written consent of the Indemnified Party, no Indemnifying Party, in the defense of any such claim or litigation, shall consent to entry of any judgment or enter into any settlement that provides for injunctive or other non-monetary relief affecting the Indemnified Party or that does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim or litigation. In the event that the Indemnified Party shall in good faith determine that the conduct of the defense of any claim subject to indemnification hereunder or any proposed settlement of any such claim by the Indemnifying Party might be expected to affect adversely the Indemnified Party's tax liability or the ability of the Indemnified Party to conduct its business, or that the Indemnified Party may have available to it one or more defenses or counterclaims that are inconsistent with one or more of those that may be available to the Indemnifying Party in respect of such claim or any litigation relating thereto, the Indemnified Party shall have the right at all times to take over and assume control over the defense, settlement, negotiations or litigation relating to any such claim at the sole cost of the Indemnifying Party, provided that if the Indemnified Party does so take over and assume control, the Indemnified Party shall not settle such claim or litigation without the written consent of the Indemnifying Party, such consent not to be unreasonably withheld. In the event that the Indemnifying Party does not accept the defense of any matter as above provided, the Indemnified Party shall have the full right to defend against any such claim or demand and shall be entitled to settle or agree to pay in full such claim or demand. In any event, the Indemnifying Party and the Indemnified Party shall cooperate in the defense of any claim or litigation subject to this Section 8.03, including tax audits and claims, and the records of each shall be available to the other with respect to such defense.

(b) *Claims for Losses other than Third Party Claims.* With regard to a claim for indemnification for Losses other than a third party claim, the Indemnifying Party shall within thirty (30) days after receiving notice of the claim, give notice to the Indemnified Party of the acceptance or rejection of the claim by the Indemnifying Party. A notice of rejection of a claim will create of Dispute under Article 8.

Section 8.04. Time Limitations. If the Closing occurs, Seller will have liability with respect to Section 8.01 only if on or before the expiration or earlier termination of the

Management Agreement, Buyer notifies the Seller from which it is seeking indemnification in writing of the claim, specifying the factual basis of the claim in reasonable detail to the extent then known by Buyer. If the Closing occurs, Buyer will have liability with respect to Section 8.02 only if on or before the expiration or earlier termination of the Management Agreement, Seller notifies Buyer in writing of the claim, specifying the factual basis of the claim in reasonable detail to the extent then known by Seller. Notwithstanding the foregoing, if on or before the expiration or earlier termination of the Management Agreement, any party against which an indemnification claim has been made hereunder has been properly notified in writing of such claim and such claim has not been finally resolved or disposed of as of such date, then such claim shall continue to survive and shall remain a basis for indemnity hereunder until such claim is finally resolved or disposed of in accordance with the terms of this Agreement.

Section 8.05. Limitations on Amount. No claim shall be asserted against Seller under this Article 8 which, individually, is less than \$25,000; and no claims shall be asserted against Seller under this Article 8 which, in the aggregate, exceed the sum of \$2,000,000. If a particular claim or claims are covered by insurance carried by Seller in excess of the above amount, such claims may be pursued against Seller for amounts in excess of the limits set forth in the preceding sentence, but in such case, Buyer's recourse shall be limited to the proceeds of the applicable insurance coverage. No claim shall be asserted against Buyer under this Article 8 which, individually, is less than \$25,000; and no claims shall be asserted against Buyer under Section 8.02 which, in the aggregate, exceed the sum of \$2,000,000. If a particular claim or claims are covered by insurance carried by Buyer, such claims may be pursued against Buyer for amounts in excess of the limits set forth in the preceding sentence, but Sellers' recourse shall be limited to the proceeds of the applicable insurance coverage.

Section 8.06. Exclusive Remedy. The right to indemnification provided in this Article 8 is intended to be the sole and exclusive remedy of Buyer or Seller following the Closing. Until the Closing, the parties shall have any other remedies provided herein or available at law or in equity.

Section 8.07. Limitation of Liability. The liability of each party under this Agreement, for any reason whatsoever, whether in contract, tort or statute (including without limitation, negligence), or otherwise, shall be limited to the other party's actual damages. In no event shall either party have any liability to the other party or to third parties for any indirect, incidental, special, consequential or punitive damages, even if such party has been advised of the possibility thereof. The allocations of liability in this Agreement represent the agreed and bargained-for understanding of the parties with respect to allocation of risks inherent in their relationship.

ARTICLE IX

DISPUTE RESOLUTION

Section 9.01. Disputes.

(j) **Mediation.** If a dispute arises out of or relates to this Agreement, or the breach thereof, and if the dispute cannot be settled through negotiations, the Parties agree first to try to settle the dispute through mediation before resorting to arbitration, litigation

or some other dispute procedure. In the event that the Parties cannot agree upon the selection of a mediator within seven (7) days, either Party may request the Presiding Judge of the Pinal County Superior Court to assign a mediator from a list of mediators maintained by the Arizona Municipal Risk Retention Pool.

(k) If the parties are unable to resolve a claim, dispute or other matter in controversy, whether based on contract, tort, statute or other legal theory (including but not limited to any claim of fraud or misrepresentation), arising out of or related to the Agreement or the breach thereof by utilizing the mediation procedure described above, either party hereto may pursue in court any remedy available to it at law or in equity. This subsection should not be construed so as to prevent the parties, by mutual agreement, from resolving any dispute through binding arbitration.

ARTICLE X

MISCELLANEOUS

Section 10.01. Survival. Each of the representations and warranties made by Seller in Article 4 of this Agreement shall survive for a period of two (2) years after the Closing Date, notwithstanding any investigation at any time made by or on behalf of Buyer, and thereafter all such representations and warranties shall be extinguished. No claim for the recovery of Loss (as defined in Section 8.01) may be asserted by Buyer against Seller, or its successors in interest after such representations and warranties shall be thus extinguished; *provided, however*, that claims first asserted in writing within the applicable period shall not thereafter be barred and claims related to an assertion of infringement of intellectual property may be asserted at any time so long as they otherwise are not statutorily or equitably time barred.

Section 10.02. Knowledge. As used throughout this Agreement, the term "knowledge" means the actual awareness of a particular fact or circumstance and the awareness of a fact or circumstance that a prudent individual could reasonably be expected to discover or otherwise become aware of in the course of conducting a reasonable investigation and due inquiry concerning the fact or circumstance.

Section 10.03. Brokers' Commission. Seller will be solely responsible for and will indemnify and hold Buyer harmless from, the payment of any commission, fee or claim of any person, firm or corporation employed or retained or claiming to be employed or retained by Seller to bring about, or to represent Seller in, the transactions contemplated hereby.

Section 10.04. General Provisions regarding Representation and Warranties. The following provisions shall apply to all representations and warranties of any of the parties to this Agreement:

(a) *No Other Representation of Warranties.* Each party to this Agreement hereby expressly acknowledges and agrees that it has not relied on, and no other party has made, any representation or warranty, expressed or implied (all implied warranties being hereby expressly disclaimed), except for those representations and warranties that are expressly set forth in the Agreement,

(b) *Specific Overrides General.* To the extent that any matter is addressed by a specific representation or warranty, any more general representation shall be deemed not to apply to such a matter.

(c) *One Disclosure Suffices.* Anything that is duly disclosed to Buyer pursuant to this Agreement, including on any Exhibit hereto, shall be deemed to have been disclosed on all applicable schedules to this Agreement.

Section 10.05. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs and legal representatives.

Section 10.06. Entire Agreement. This Agreement (including the exhibits attached hereto) contains the entire agreement of the parties hereto with respect to the purchase of the Purchased Assets and the other transactions contemplated herein, and supersede all prior written and oral understandings and agreements of the parties with respect to the subject matter hereof. Any reference herein to this Agreement shall be deemed to include the exhibits attached hereto.

Section 10.07. Headings. The descriptive headings in this Agreement are inserted for convenience only and do not constitute a part of this Agreement.

Section 10.08. Execution in Counterpart. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

Section 10.09. Notices. Any notice, request, information or other document to be given hereunder to any of the parties by any other party shall be in writing and delivered personally or sent by certified mail, overnight courier, facsimile or electronic mail as follows:

If to Buyer, addressed to:

Town of Florence, Arizona
c/o Town Manager
775 North Main Street
P.O. Box 2670
Florence, Arizona
Attn:
Email:

with a copy to:

Town Attorney
775 North Main Street
P.O. Box 2670
Florence, Arizona
Email:

If to Seller, addressed to:

Johnson Utilities, L.L.C.
5230 East Shea Boulevard, Suite 200

Scottsdale, Arizona 85254
Attention: George H. Johnson
Fax: (480) 483-7908
Email: gjohnson@azvision.net

with a copy to:

Gary A. Drummond, Esq
Sallquist & Drummond, P.C.
1430 East Missouri Avenue, Suite B-125
Phoenix, Arizona 85014
Email: gary@sd-law.com

Any party may change the address to which notices hereunder are to be sent to it by giving written notice of such change of address in the manner herein provided for giving notice. Any notice delivered personally shall be deemed to have been given on the date it is so delivered, and any notice delivered by registered or certified mail shall be deemed to have been given on the date it is received.

Section 10.10. Amendment. This Agreement may be amended only with the written approval of all of the parties hereto.

Section 10.11. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona applicable to contracts made and to be performed therein.

Section 10.12. Notice of A.R.S. Section 38-511 - Cancellation. Notice is hereby given of the provisions of Arizona Revised Statutes Section 38-511, as amended. By this reference, the provisions of said statute are incorporated herein to the extent of their applicability to contracts of the nature of this Agreement under the law of the State.

Section 10.13. Time is of the Essence. Time is hereby declared to be of the essence for the purposes of the performance of all conditions and obligations under this Agreement.

Section 10.14. Threat of Condemnation. The parties hereto expressly acknowledge that the sale of the Business from Seller to Buyer under the terms described herein has been negotiated under the threat of condemnation action.

* * *

SIGNATURES FOLLOW

IN WITNESS WHEREOF, the parties hereto have caused this Asset Purchase and Lease Agreement to be duly executed as of the date first above written.

BUYER:

TOWN OF FLORENCE

By: _____

Name: _____

Title: _____

SELLER:

JOHNSON UTILITIES, L.L.C.

By: _____

Name: _____

Title: _____

SELLER:

SOUTHWEST ENVIRONMENTAL UTILITIES, L.L.C.

By: _____

Name: _____

Title: _____

EXHIBIT A

EXCLUDED ASSETS

1. Renewable Energy Credits Associated with the Solar Facility Located at the Anthem Wastewater Treatment Plant
2. Renewable Energy Credits Associated with the Solar Facility Located at the Section 11 Wastewater Treatment Plant
3. Renewable Energy Credits Associated with the Solar Facility Located at the Rancho Sendero Water Plant
4. Johnson Ranch Well #2
5. Residence Located at 7320 East Sonoma Way, Florence, AZ 85132

EXHIBIT B

TERMS OF WATER AND SEWER REVENUE BONDS

Issuer: The Industrial Development Authority of the City of Phoenix

Borrower: Town of Florence, Arizona a municipal corporation formed under the laws of the State of Arizona

Par Amount: \$121,000,000

Bond Closing: On or about July 1, 2014

Maturity: 30 years, with sinking fund principal redemptions beginning in Y6

Tax Status: Interest on the Bonds will be excluded from gross income for purposes of federal and state income taxation and will not be subject to the alternative minimum tax

Town of Florence: No recourse to Town of Florence. Net revenues from the Purchased Assets will be paid to the Town.

Bond Counsel Kutak Rock LLP in Scottsdale, Arizona

Project Seller/Bond Purchaser Johnson Utilities, L.L.C. will sell the Purchased Assets to the Borrower in exchange for the Bonds

Bond Terms: The Bonds will bear interest at the rate of 6.625% (interest only) for the first 5 years and at the rate of 8.00% per annum for years 6-30, mature in 2044, and will not be subject to optional redemption

All major financing documents, including the offering document and the bond form will contain substantially the following disclaimer:

THE BONDS AND THE INTEREST THEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE EXCLUSIVELY FROM REVENUES AND RECEIPTS UNDER THE INSTALLMENT SALE AGREEMENT. THE BONDS DO NOT CONSTITUTE A DEBT OR A LOAN OF CREDIT OR A PLEDGE OF THE FULL FAITH AND CREDIT OR TAXING POWER OF THE ISSUER OR THE TOWN OF FLORENCE, OR OF THE STATE OF ARIZONA, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY STATE CONSTITUTIONAL PROVISION OR STATUTORY LIMITATION AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE STATE OF ARIZONA, OR ANY POLITICAL SUBDIVISION THEREOF. THE BONDS SHALL NOT

CONSTITUTE, DIRECTLY OR INDIRECTLY, OR CONTINGENTLY OBLIGATE OR OTHERWISE CONSTITUTE A GENERAL OBLIGATION OF OR A CHARGE AGAINST THE GENERAL CREDIT OF THE TOWN OF FLORENCE, BUT SHALL BE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE SOURCES DESCRIBED HEREIN AND IN THE INDENTURE, BUT NOT OTHERWISE. THE ISSUER HAS NO TAXING POWER.

- Defeasance:** The Indenture will provide that the Borrower and/or the Town may defease the lien of Indenture at any time by depositing with the Trustee for the benefit of the Bondholders government obligations sufficient to pay principal and interest on the Bonds to the maturity date
- Management:** The Purchased Assets will be managed by the Seller (or its affiliate) for a period of 5 years on a fixed fee contract that pays \$500,000 annually in full compliance with federal qualified management contract rules (Rev Ruling 97-13). Town will assume management (on its own or by contract) after Y5
- Bond Purchase Price:** Purchaser will purchase the Bonds at a price of par in exchange for the Purchased Assets
- Cost of Issuance** All closing costs related to the Bonds, including the fees and expenses of Seller's Counsel, Issuer, Issuer's Counsel, Bond Counsel, Borrower, Borrower's Counsel, and Trustee will be paid by the Seller at closing
- Town Costs:** All costs incurred by the Town will be paid by the Town
- Denominations:** The Bonds will be issued in minimum denominations of \$1,000,000 and will only be transferable to parties related to Seller
- DTC Eligibility** No DTC eligibility; the bonds will be physical.
- Flow of Funds:** From cash flow generated by the Purchased Assets, the Manager will pay operating expenses, replenish reserve funds, and forward the balance to the Trustee, who will make payments in the following order of priority:
- first, interest on the Bonds;
 - second, principal on the Bonds;
 - third, ongoing fees of the Borrower, Issuer and Trustee;
 - fourth, operating expenses;
 - fifth, management fees;
 - fifth, required arbitrage rebate amounts, if any;
 - sixth, replenishment of reserve funds; and
 - seventh, remainder to Town.

Security:

The Bonds will be issued pursuant to the Indenture as special obligations of the Issuer and shall be secured by a first priority security interest in all amounts held pursuant to the Indenture, and the pledged revenues which consist of the following:

- (1) Revenues received by the Issuer under the Installment Sale Agreement
- (2) Debt service reserve, operating reserve and capital expenditure reserve funds will be established under the Indenture and be funded from cash deposits currently held by Seller and pledged revenues, in an amount to be determined, subject to federal tax rule limitations

EXHIBIT C

ASSUMED LIABILITIES

1. **Customer Account Security Deposits (advance deposits made by customers to secure payment of future charges) which come due after Closing**
2. **Meter Advance Refunds Due After Closing**
3. **Refundable Service Line and Meter Installation Charges Due After Closing**
4. **Amounts Payable to Developer/Builder on the Line Extension Agreements (LXAs) set forth in Exhibit Y. Seller shall be responsible for the pro rata share of amounts due under the LXAs for the period ending on the Closing Date.**

EXHIBIT D
ALLOCATION OF PURCHASE PRICE

[RESERVED]

EXHIBIT E

**CONSENTS AND APPROVALS REQUIRED OF SELLER
PURSUANT TO SECTION 3.02(B)**

1. Approval from the Arizona Corporation Commission to transfer the Assets and delete the Certificate of Convenience and Necessity (CC&N)

EXHIBIT F

**CONSENTS AND APPROVALS REQUIRED OF BUYER
PURSUANT TO SECTION 3.03(B)**

1. Approval from the Arizona Corporation Commission to Transfer the Assets and delete the Certificate of Convenience and Necessity (CC&N)
2. Affirmative vote of a majority of the qualified electors of the Town of Florence, Arizona at a special election held for the purpose of voting on the purchase of the Assets

EXHIBIT G

FORM OF OPINION OF COUNSEL TO BUYER

[Date]

Johnson Utilities, L.L.C.
Florence, AZ

Re: Asset Purchase and Lease Agreement by and between the Town of Florence (“Buyer”) and Johnson Utilities, L.L.C. (“Seller”) and Management Agreement by and between Buyer and Seller

Ladies and Gentlemen:

We have acted as counsel to the Town of Florence (the “Buyer), an Arizona municipal corporation in connection with (a) the Asset Purchase and Lease Agreement, dated as of [____], 2014 (the “Sale Agreement”) by and between the Buyer and Johnson Utilities, L.L.C., an Arizona limited liability company (the “Seller”), and (b) the Management Agreement (the “Management Agreement”), dated as of [____], 2014 between the Buyer and the Seller. This opinion is delivered to you pursuant to Section 3.03(e) of the Sale Agreement.

In rendering this opinion, we have reviewed an executed copy of each of the following documents (collectively, the “Organizational Documents”): Articles of Incorporation Buyer dated [____], as certified by the Arizona Secretary of State, and the Bylaws of the Buyer, certified by an authorized officer of the Buyer, dated [____].

We have also reviewed an executed copy of each of the following documents (collectively, the “Transaction Documents”):

- (a) the Sale Agreement executed by the Buyer;
- (b) the Management Agreement executed by the Buyer;
- (c) the Officer’s Certificate of the appropriate officers or authorized representatives of the Buyer, certifying that (i) each covenant and agreement of the Buyer to be performed prior to or as of the Closing pursuant to the Sale Agreement and the Management Agreement has been performed, (ii) each representation and warranty of the Buyer is true and correct on the Closing Date, as if made on and as of the Closing, and (iii) the resolution of the Buyer attached thereto authorizing and approving execution of the Sale Agreement and the Management Agreement and performance of the transactions contemplated thereby;

(d) the Incumbency Certificate of the appropriate officers or authorized representatives of the Buyer; and

In addition, we have reviewed such matters of law as we have deemed necessary for the rendering of the opinions contained herein.

In rendering the following opinions, we have assumed and relied upon (i) the genuineness of all signatures (other than the Buyer); (ii) the authenticity and completeness of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as PDF, electronic, certified or photostatic copies; (iii) the accuracy and completeness of all the Organizational Documents of the Buyer made available to us; (iv) there has not been any mutual mistake of fact or misunderstanding, fraud, duress, criminal activity or undue influence; (v) the conduct of all the parties and their respective agents has complied with any requirement of good faith and fair dealing; (vi) there are no agreements or understandings among the parties to the Transaction Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties that would, in either case, define, supplement or otherwise qualify the terms and conditions of the Transaction Documents; (vii) the constitutionality or validity of a relevant statute, rule, regulation or agency action is not at issue unless a reported decision in the State of Arizona has specifically addressed, but not resolved, or has established, its unconstitutionality or invalidity; (viii) all parties (other than the Buyer) have the power, authority and capacity to execute, deliver and perform the Transaction Documents and that there are no facts or circumstances relating to you that might prevent you from enforcing any of the rights to which our opinion relates; (ix) the enforceability of the Transaction Documents against all parties other than the Buyer; (x) each party to the Transaction Documents (other than the Buyer) has satisfied the legal requirements which are applicable to it to the extent necessary to make the Transaction Documents enforceable against it; (xi) no party to the Transaction Documents will in the future take any discretionary action (including any decision not to act) permitted under the Transaction Documents which would result in a violation of law or constitute a breach or default under any agreements, other than the Transaction Documents, to which any party to the Transaction Documents is a party or by which its property is bound, or under any court, arbitrator or administrative order, writ, judgment, or decree that names any party to the Transaction Documents and is specifically directed to its property; (xii) all parties will act in accordance with, and refrain from taking any action which is forbidden by, the terms and conditions of the Transaction Documents and that you will perform all of your obligations under the Transaction Documents; and (xiii) adequate consideration at law has been paid under the Transaction Documents.

We have not conducted any other investigation to confirm any facts set forth in the Organizational Documents and in the Transaction Documents and the other documents called forth therein, and we have not conducted any independent investigation to confirm the facts upon which the opinions set forth herein are based.

Based solely upon the foregoing and subject to the assumptions, qualifications and limitations herein stated, we are of the opinion that:

1. The Buyer is an Arizona municipal corporation and is organized, validly existing and in good standing under the laws of the State of Arizona.

2. The Buyer has the power and authority to execute and deliver the Transaction Documents to which it is a party, to consummate the transactions contemplated thereby and to perform its obligations thereunder.

3. The execution and delivery by the Buyer of the Transaction Documents to which the Buyer is a party, the consummation by the Buyer of the transactions contemplated by such Transaction Documents and the performance of the Buyer's obligations therein have been duly authorized and/or ratified by all necessary action of the Buyer.

4. The Transaction Documents to which the Buyer is a party have been duly executed and delivered by the Buyer and constitute the valid and legally binding obligations of the Buyer, enforceable against the Buyer in accordance with their respective terms.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority is required to authorize, or is otherwise required in connection with either the execution and delivery by the Buyer of the Transaction Documents to which it is a party or the incurrence by the Buyer of its obligations under the Transaction Documents to which it is a party, except as may be have been obtained, made or taken prior to the date hereof.

6. The execution and delivery of the Transaction Documents by the Buyer do not, and the compliance with the terms of the Transaction Documents to which it is a party will not (A) result in a violation of the Buyer's Organizational Documents, (B) result in a breach of or default under any agreements or instruments (other than the Transaction Documents) to which the Buyer is a party, except for those agreements with respect to which any breach, default or violation thereof in the aggregate would not have a material adverse effect on the Buyer or the ability of the Buyer to perform its obligations under the Transaction Documents to which it is a party; or (C) result in any violation of any applicable Federal or State of Arizona law or statute, rule or regulation to which the Buyer is subject, or any judgment, order, writ, injunction or decree of any court or other tribunal located in the State of Arizona directed against and naming the Buyer, except where any such violations in the aggregate would not have a material adverse effect on the Buyer, or the ability of the Buyer to perform its obligations under the Transaction Documents.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity or by or before any governmental instrumentality or other agency pending or, to our knowledge, now threatened against or affecting the Buyer or to which the Buyer are or may be a party or to which the property of the Buyer is or may be subject, wherein an unfavorable decision, ruling or finding would adversely affect: (i) the existence or organization of the Buyer or the title to office of any officer of the Buyer or any power of the Buyer; (ii) the validity or enforceability of the proceedings taken by the Buyer for the authorization, execution and delivery by the Transaction Documents; (iii) the validity or enforceability of the Transaction Documents; or (iv) the transactions contemplated by the Transaction Documents.

Our opinions are based on the assumptions (upon which we have relied with your consent) and subject to the qualifications and limitations, set forth in this letter, including the following:

1. For purposes of rendering the opinions set forth herein, we have assumed that the Transaction Documents are governed and interpreted by the laws of the State of Arizona. We express no opinion whatsoever with respect to any rules of choice or conflicts of laws.

2. We have assumed for purposes of this opinion that: (a) the parties to the Transaction Documents other than the Buyer (the "Other Parties") are duly organized, validly existing and in good standing with full power and authority to enter into, execute, deliver and perform the Transaction Documents and their respective obligations thereunder; (b) the Transaction Documents have been duly authorized by the Other Parties and the Other Parties have duly executed and delivered the Transaction Documents to which they are signatories; (c) the Other Parties have satisfied those legal requirements that are applicable to each of them to the extent necessary to make the Transaction Documents enforceable against each of them; (d) any contracts, agreements, or instruments to which the Other Parties are a party or by which its or their property is bound, other than the Transaction Documents, will be enforced as written (e) the Other Parties have complied with all legal requirements pertaining to each of their status as such status relates to their rights to enforce the Transaction Documents against the Buyer; (f) each natural person executing any of the Transaction Documents is legally competent; (g) all signatures are genuine, the Transaction Documents submitted to us as originals are authentic and the Transaction Documents submitted to us as copies conform to the originals; (h) all Transaction Documents are complete or will be appropriately completed (including, without limitation, all amendments and exhibits thereto); (i) any certifications dated prior to Closing remain true as of Closing; (j) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence; (k) the conduct of the parties to the Transaction Documents has complied with any requirement of good faith, fair dealing and conscionability; (l) the Other Parties and any agent acting for the Other Parties in connection with the Transaction have acted in good faith and without notice of any defense against the enforcement of any rights created by, or adverse claim to any property or security interest transferred or created as part of, the Transaction Documents; (m) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Transaction Documents; (n) the Buyer hold the requisite title and rights to any property involved in the transactions contemplated by the Transaction Documents; and (o) the Buyer will obtain all permits and governmental approvals required, and take all actions similarly required, relevant to consummation of the Transaction Documents or performance of the Transaction Documents.

3. We also assume that if the consent of any other person or entity is required to the assignment of any contract, agreement, instrument, lease, license, permit, warranty or approval, that such consent has been received and such consent was given by the person or entity required and properly authorized to grant such consent. We note that we have no actual knowledge of the occurrence of any of the matters described in clauses (j) or (m), above, nor do we have any actual knowledge that any of the parties to the Transaction Documents have not complied with the requirement of good faith, fair dealing, and conscionability as assumed by clauses (k) or (l), above. We have not made any independent investigation or inquiry concerning the business or financial condition of the Buyer or concerning the operation, management, use or other dealings with the property of the Buyer.

4. Our opinions are subject to: (i) the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer or fraudulent conveyance and other similar laws affecting creditor's rights generally; and (ii) limitations imposed by equitable doctrines, including without limitation, limitations upon the specific enforceability of provisions of the Transaction Documents, concepts of materiality, reasonableness (including commercial reasonableness of the sale or disposition of collateral), good faith and fair dealing, and the availability of injunctive relief or other equitable remedies (regardless whether considered in a proceeding in equity or at law).

5. We do not express any opinion on any matter not expressly addressed in this letter, and no other opinions should be implied therefrom. The opinions set forth herein are delivered based solely upon the facts, examinations, assumptions and other matters described herein as they exist as of the date hereof, and we have no obligation and disclaim any obligation to modify, supplement or update this opinion letter or otherwise to communicate with you with respect to events, changes in facts, law or matters which occur or come to our attention after the date hereof. This letter expresses our legal opinions as to matters set forth herein based on our professional judgment on the date hereof and is not to be construed as a guaranty or a warranty as to any legal or factual matter or that a court considering such matters would not rule in a manner contrary to the opinions expressed herein.

This opinion is delivered only to you in connection with the transactions referred to above and is solely for your benefit, and may be relied upon only by you. This opinion may not be relied upon by, nor copies delivered to, any other person without our express prior written consent; provided, however, that copies may be delivered to your counsel. This opinion letter is provided as a legal opinion only and not as a guarantee or warranty of the matters discussed herein. This opinion letter is given as of the date hereof and we undertake no obligation, and hereby disclaim any obligation, to update or supplement this opinion in response to a subsequent change in the law or future events affecting the Buyer or the transactions contemplated by the Transaction Documents.

Respectfully Submitted,

EXHIBIT H

FORM OF OPINION OF COUNSEL TO SELLER

Town of Florence, Arizona

Re: Asset Purchase and Lease Agreement by and between the Town of Florence (“Buyer”) and Johnson Utilities, L.L.C. (“Seller”) and Management Agreement by and between Buyer and Seller

Ladies and Gentlemen:

We have acted as counsel to Johnson Utilities, L.L.C., an Arizona limited liability company (the “Seller”) in connection with (a) the Asset Purchase and Lease Agreement, dated as of [____], 2014 (the “Sale Agreement”) by and between the Seller and the Town of Florence, Arizona (the “Buyer”), an Arizona municipal corporation, and (b) the Management Agreement, dated as of [____], 2014 between the Buyer and the Seller. This opinion is delivered to you pursuant to Section 3.02(f) of the Sale Agreement.

In rendering this opinion, we have reviewed an executed copy of each of the following documents (collectively, the “Organizational Documents”):

(a) Articles of Organization of the Seller dated [____], as certified by the Arizona Secretary of State, and the Operating Agreement of the Seller, certified by an authorized officer of Seller, dated [____]; and

(b) Certificates of Existence issued [____], by the Arizona Secretary of State for Seller.

We have also reviewed an executed copy of each of the following documents (collectively, the “Transaction Documents”):

(a) the Sale Agreement executed by the Seller;

(b) the Management Agreement executed by the Seller;

(c) the Officer’s Certificates of the appropriate officers or authorized representatives of the Seller, certifying that (i) each covenant and agreement of the Seller to be performed prior to or as of the Closing pursuant to the Sale Agreement and the Management Agreement has been performed, (ii) each representation and warranty of the Seller is true and correct on the Closing Date, as if made on and as of the Closing, and (iii) the resolutions of the Seller attached thereto authorizing and approving execution of the Sale Agreement and the Management Agreement and performance of the transactions contemplated thereby; and

(d) the Incumbency Certificate of the appropriate officers or authorized representatives of the Seller.

In addition, we have reviewed such matters of law as we have deemed necessary for the rendering of the opinions contained herein.

In rendering the following opinions, we have assumed and relied upon (i) the genuineness of all signatures (other than the Seller); (ii) the authenticity and completeness of all documents submitted to us as originals and the conformity to original documents of all documents submitted to us as PDF, electronic, certified or photostatic copies; (iii) the accuracy and completeness of all the Organizational Documents of the Seller made available to us; (iv) there has not been any mutual mistake of fact or misunderstanding, fraud, duress, criminal activity or undue influence; (v) the conduct of all the parties and their respective agents has complied with any requirement of good faith and fair dealing; (vi) there are no agreements or understandings among the parties to the Transaction Documents, written or oral, and there is no usage of trade or course of prior dealings among the parties that would, in either case, define, supplement or otherwise qualify the terms and conditions of the Transaction Documents; (vii) the constitutionality or validity of a relevant statute, rule, regulation or agency action is not at issue unless a reported decision in the State of Arizona has specifically addressed, but not resolved, or has established, its unconstitutionality or invalidity; (viii) all parties (other than the Seller and the Manager) have the power, authority and capacity to execute, deliver and perform the Transaction Documents and that there are no facts or circumstances relating to you that might prevent you from enforcing any of the rights to which our opinion relates; (ix) the enforceability of the Transaction Documents against all parties other than the Seller and the Manager; (x) each party to the Transaction Documents (other than the Seller and the Manager) has satisfied the legal requirements which are applicable to it to the extent necessary to make the Transaction Documents enforceable against it; (xi) no party to the Transaction Documents will in the future take any discretionary action (including any decision not to act) permitted under the Transaction Documents which would result in a violation of law or constitute a breach or default under any agreements, other than the Transaction Documents, to which any party to the Transaction Documents is a party or by which its property is bound, or under any court, arbitrator or administrative order, writ, judgment, or decree that names any party to the Transaction Documents and is specifically directed to its property; (xii) all parties will act in accordance with, and refrain from taking any action which is forbidden by, the terms and conditions of the Transaction Documents and that you will perform all of your obligations under the Transaction Documents; and (xiii) adequate consideration at law has been paid under the Transaction Documents.

We have not conducted any other investigation to confirm any facts set forth in the Organizational Documents and in the Transaction Documents and the other documents called forth therein, and we have not conducted any independent investigation to confirm the facts upon which the opinions set forth herein are based.

Based solely upon the foregoing and subject to the assumptions, qualifications and limitations herein stated, we are of the opinion that:

1. The Seller is a limited liability company organized, validly existing and in good standing under the laws of the State of Arizona.

2. The Seller has the power and authority to execute and deliver the Transaction Documents to which it is a party, to consummate the transactions contemplated thereby and to perform its obligations thereunder.

3. The execution and delivery by the Seller of the Transaction Documents, the consummation by the Seller of the transactions contemplated by such Transaction Documents and the performance of the Seller's obligations therein have been duly authorized and/or ratified by all necessary limited liability company action of the Seller.

4. The Transaction Documents have been duly executed and delivered by the Seller and constitute the valid and legally binding obligations of the Seller, enforceable against the Seller in accordance with their respective terms.

5. No consent or action of, or filing or registration with, any governmental or public regulatory body or authority is required to authorize, or is otherwise required in connection with either the execution and delivery by the Seller of the Transaction Documents or the incurrence by the Seller of its obligations under the Transaction Documents, except as may have been obtained, made or taken prior to the date hereof.

6. The execution and delivery of the Transaction Documents by the Seller do not, and the compliance with the terms of the Transaction Documents will not (A) result in a violation of the Seller's Organizational Documents, (B) result in a breach of or default under any agreements or instruments (other than the Transaction Documents), except for those agreements with respect to which any breach, default or violation thereof in the aggregate would not have a material adverse effect on the Seller or the ability of the Seller to perform its obligations under the Transaction Documents; or (C) result in any violation of any applicable Federal or State of Arizona law or statute, rule or regulation to which the Seller is subject, or any judgment, order, writ, injunction or decree of any court or other tribunal located in the State of Arizona directed against and naming the Seller, except where any such violations in the aggregate would not have a material adverse effect on the Seller, or the ability of the Seller to perform its obligations under the Transaction Documents to which it is a party.

7. There is no action, suit, proceeding, inquiry or investigation at law or in equity or by or before any governmental instrumentality or other agency pending or, to our knowledge, now threatened against or affecting the Seller or to which the Seller is or may be a party or to which the property of the Seller is or may be subject, wherein an unfavorable decision, ruling or finding would adversely affect: (i) the existence or organization of the Seller or the title to office of any officer of the Seller or any power of the Seller; (ii) the validity or enforceability of the proceedings taken by the Seller for the authorization, execution and delivery by the Transaction Documents; (iii) the validity or enforceability of the Transaction Documents; or (iv) the transactions contemplated by the Transaction Documents.

Our opinions are based on the assumptions (upon which we have relied with your consent) and subject to the qualifications and limitations, set forth in this letter, including the following:

1. For purposes of rendering the opinions set forth herein, we have assumed that the Transaction Documents are governed and interpreted by the laws of the State of Arizona. We express no opinion whatsoever with respect to any rules of choice or conflicts of laws.

2. We have assumed for purposes of this opinion that: (a) the parties to the Transaction Documents other than the Seller (the "Other Parties") are duly organized, validly existing and in good standing with full power and authority to enter into, execute, deliver and perform the Transaction Documents and their respective obligations thereunder; (b) the Transaction Documents have been duly authorized by the Other Parties and the Other Parties have duly executed and delivered the Transaction Documents to which they are signatories; (c) the Other Parties have satisfied those legal requirements that are applicable to each of them to the extent necessary to make the Transaction Documents enforceable against each of them; (d) any contracts, agreements, or instruments to which the Other Parties are a party or by which its or their property is bound, other than the Transaction Documents, will be enforced as written (e) the Other Parties have complied with all legal requirements pertaining to each of their status as such status relates to their rights to enforce the Transaction Documents against the Seller; (f) each natural person executing any of the Transaction Documents is legally competent; (g) all signatures are genuine, the Transaction Documents submitted to us as originals are authentic and the Transaction Documents submitted to us as copies conform to the originals; (h) all Transaction Documents are complete or will be appropriately completed (including, without limitation, all amendments and exhibits thereto); (i) any certifications dated prior to Closing remain true as of Closing; (j) there has not been any mutual mistake of fact or misunderstanding, fraud, duress or undue influence; (k) the conduct of the parties to the Transaction Documents has complied with any requirement of good faith, fair dealing and conscionability; (l) the Other Parties and any agent acting for the Other Parties in connection with the Transaction have acted in good faith and without notice of any defense against the enforcement of any rights created by, or adverse claim to any property or security interest transferred or created as part of, the Transaction Documents; (m) there are no agreements or understandings among the parties, written or oral, and there is no usage of trade or course of prior dealing among the parties that would, in either case, define, supplement or qualify the terms of the Transaction Documents; (n) the Seller hold the requisite title and rights to any property involved in the transactions contemplated by the Transaction Documents; and (o) the Seller will obtain all permits and governmental approvals required, and take all actions similarly required, relevant to consummation of the Transaction Documents or performance of the Transaction Documents.

3. We also assume that if the consent of any other person or entity is required to the assignment of any contract, agreement, instrument, lease, license, permit, warranty or approval, that such consent has been received and such consent was given by the person or entity required and properly authorized to grant such consent. We note that we have no actual knowledge of the occurrence of any of the matters described in clauses (j) or (m), above, nor do we have any actual knowledge that any of the parties to the Transaction Documents have not complied with the requirement of good faith, fair dealing, and conscionability as assumed by clauses (k) or (l), above. We have not made any independent investigation or inquiry concerning the business or financial condition of the Seller or concerning the operation, management, use or other dealings with the property of the Seller.

4. Our opinions are subject to: (i) the effect of applicable bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent transfer or fraudulent conveyance and other similar laws affecting creditor's rights generally; and (ii) limitations imposed by equitable doctrines, including without limitation, limitations upon the specific enforceability of provisions of the Transaction Documents, concepts of materiality, reasonableness (including commercial reasonableness of the sale or disposition of collateral), good faith and fair dealing, and the availability of injunctive relief or other equitable remedies (regardless whether considered in a proceeding in equity or at law).

5. We do not express any opinion on any matter not expressly addressed in this letter, and no other opinions should be implied therefrom. The opinions set forth herein are delivered based solely upon the facts, examinations, assumptions and other matters described herein as they exist as of the date hereof, and we have no obligation and disclaim any obligation to modify, supplement or update this opinion letter or otherwise to communicate with you with respect to events, changes in facts, law or matters which occur or come to our attention after the date hereof. This letter expresses our legal opinions as to matters set forth herein based on our professional judgment on the date hereof and is not to be construed as a guaranty or a warranty as to any legal or factual matter or that a court considering such matters would not rule in a manner contrary to the opinions expressed herein.

This opinion is delivered only to you in connection with the transactions referred to above and is solely for your benefit, and may be relied upon only by you. This opinion may not be relied upon by, nor copies delivered to, any other person without our express prior written consent; provided, however, that copies may be delivered to your counsel. This opinion letter is provided as a legal opinion only and not as a guarantee or warranty of the matters discussed herein. This opinion letter is given as of the date hereof and we undertake no obligation, and hereby disclaim any obligation, to update or supplement this opinion in response to a subsequent change in the law or future events affecting the Seller, the Manager or the transactions contemplated by the Transaction Documents.

Respectfully Submitted,

EXHIBIT I

SCHEDULE OF REAL ESTATE

Wells

Name	Assessor Parcel No.
Silverado Well No. 1	210-34-022C
Anthem No 3	211-01-003
Johnson Ranch 5	210-20-005
Circle Cross 1	210-07-001H2
Morning Sun Farms Well 1	509-02-002L
Pecan WRP Monitor Well	104-22-008D
Pecan WRP Monitor Well 2	104-22-008D
Oasis 1	200-75-2590
Oasis 2	200-24-089B
Oasis 3	200-24-089B
San Tan Number 1	509-02-214A
San Tan Number 2	509-02-214A
Rancho Sendero No. 2	211-02-006
Johnson Ranch 7*	210-20-001H
Skyline 1	509-02-028D6
Johnson Ranch 3 *	210-21-004B1
Johnson Ranch 4	210-20-0040
Crestfield Manor 1 - Future	200-13-666A
Crestfield Manor 2 - Future	200-13-666C
Ricke 1	210-36-002D
Ricke 3	210-36-002B
Morning Sun Farms Well 2	509-03-002H
Hardison Well No 1	210-21-002D
Magma well NO. 1	210-40-019C
Magma Well No 2	210-40-019B
Attaway Well, Section 13	210-12-001D
Rancho Sendero No. 1	211-02-004B
Anthem No. 2	211-01-0080
Anthem No. 4	211-01-0040
Sec11WWTP Mon Well*	200-24-091
Edwards Road 2	210-28-018
Wild Horse 1	200-74-0850
San Tan WRP Monitor Well	509-02-062D3
Anthem No. 1	211-01-0070
Bella Vista Well No. 1	210-23-001J
Ellsworth Well	In Progress
Monterra Wells	In Progress

Water Plants

Name	Assessor Parcel No.
Silverado Water plant	210-34-022C
San Tan Water Storage	509-02-057B
Circle Cross Water Plant	210-07-001H
Oasis Water Plant	200-24-089A
CAP Pump Station No, 1	210-20-003R
Rancho Sendero Water Plant	211-02-0060
Wild Horse Water Plant	200-74-0850
Edwards Road Water Plant	210-28-001B
Ricke Water Plant	210-36-002D
Morning Sun Farms W. P.	509-03-002H
Bella Vista Water Plant	210-23-001J
Anthem Water Plant	211-01-0070
Johnson Ranch Water Plant	210-20-001J
RO system	210-20-001J

Lift Stations

Name	Assessor Parcel No.
Superstition Views	210-64-061B
Circle Cross #1	210-07-005H
Circle Cross #2	509-03-001D
Magma Lift Station	210-38-003B
4D/4F	210-66-951B
Crestfield Manor Lift Station	200-13-666B
Quail Run Lift Station	210-24-452B
Ocotillo Crossing	104-87-152B
Copper Basin #1	210-67-499B
Pecan Station	104-22-008D
Oasis Sunrise	200-24-089B
Rancho Bella Vista North Phase 1	210-71-937D
Laredo Ranch Lift Station	109-27-310B
Cambria Lift Station (the Links)	104-87-073E
Cambria L.S. Upgrade	104-22-040G
Station 4A	210-66-951C
Station Unit 6	210-54-0410
Copper Basin #2	210-73-007B
Morning Sun Farms	509-03-003M
JR Unit 29	210-76-337A
14-52B Lift Station	210-66-951C
Meadow Vista Lift Station	109-21-5050
Magic Ranch Phase III	200-03-5310

Rancho Bella Vista North Phase 2	210-71-937E
Magic Ranch	210-75-516A
Joy Drive Lift Station	109-26-820A
The Parks Lift Station	104-98-1140
Johnson Farms Lift Station	104-22-012L
Archer Meadows Lift Station	104-22-028Y
Ironwood Crossing Lift Station	104-25-002E
Coolidge High School	509-19-7000
Combs School	104-22-7120
San Tan Station	509-02-062D3
Reuse Station	200-24-003D5
Main Station	210-20-0001J
Whitewing	In Process
Belcara	In Process
Mitchell Trail	In Process

Wastewater Reclamation Plants

Name	Assessor Parcel No.
Pecan Water Reclamation Plant	104-22-008M
Section 11 WWTP	200-24-0910
Precision	210-20-003J
San Tan Water Reclamation Plant	509-02-062D
Anthem WRP	211-02-0050
Copper Basin	210-25-002B

Oasis Golf Course

Name	Assessor Parcel No.
Oasis Golf Course	200-24-090
Oasis Golf Course	200-24-089B

EXHIBIT J

PERSONAL PROPERTY

Vehicles

YEAR	MODEL	VIN #
2013	Chevy Silv 4X4	1GCNKPEAXDZ163542
2013	Chevy Sil	1GCNCPEX7DZ139829
2013	Chevy Sil	1GCNKPEA6DZ122373
2013	Chevy Sil	1GCNCPEXXDZ137699
2012	Chevy Tahoe	1GNSCCE03CR151206
2012	Chevy Silv 4X2	1GCNCPEX8CZ351248
2004	Ford (Explorer) 4DSW	1FMZU64K34ZB34167
2003	INT'L 430 TK	1HTMMAAL53H594937
2001	Chevy Van	1GCHG35R111138049
1997	Ford FT8000/ Crane	1FDZU82EXVVA28834
1999	Dodge 1 TN P/U (RAM)	1B7MC3361XJ649823
2003	Chevy S-10	1GCCS14H038243181
2011	Chevy Colorado	1GCCCSBF91B8131208
2011	Chevy Colorado	1GCCCSBF98B2131156
2003	Chevy Colorado	1GCEC14V43Z350479
2004	Chevy Silverado	1GCEK14V54Z179844
2005	Chevy Colorado	1GCCS148958171593
2005	Chevy Colorado	1GCCS148158171801
2005	Chevy Colorado	1GCEC14XX5Z30110
2005	Chevy Colorado	1GCEC14X15Z300630
2006	Chevy Tahoe	1GNEK13ZX6J124092
2006	Chevy Tahoe Z71	1GNEK13T56R125051
2007	Ford Ranger	1FTYR10U77PA49120
2011	Chevy Colorado	1GCCSBF99B8131733
2008	Ford F150	1FTRF12268KB81941
2000	FRTLNR Tractor	1FUYPDSEBXylG14587
1990	KENWORTH W90 TKTR	1NKWLB0X0LS548128

Equipment List

<u>Item Description</u>	<u>ID No.</u>
Safety Tripod Winch and Cable	04922W
TL-6035 Forklift	60467-CVC
6" Trash Pump	O6HJ100911
Massey Ferguson Tractor 263 (0000HO6131)	268740
Godwin 6" Dri-Prime Pump Model DC150M	0332772-17
Auger Post Hole Digger	GCABT-2077980
Honda Generator	EG 3500
Ramset Gun/ Powder activated	F467136
Saw Drill	A1__ 604501949
Drill	D091402479
Concrete Vibrator	0310-0067/WSD1
Nail Gun	132740__ 033
Auger & Bit	140C8
Cement Drill	316090
Topcon Rotating Laser	RT-SSA
Theodolite Surveying Equip	N/A
Magnum Power Piston (paint spayer)	BA114003
Trailer Jet unit	
Spectra Presision Laser LL300	S/N # 10035435
Sokkia B20 Automatic Level	N/A
ForkLift	600276A
ForkLift	602428A
Solar Message Consturtion Board	N/A
Light Lift 6330	NL63KFMXZ/9901NL11

Club at Oasis

State of Arizona Beer & Wine License	7110069
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Item Description	Serial Number
Toro groundmaster 4500-D	30856-27000088
Toro Ground 3500-D	80839-270000816
John Deere 3235C # 29D0049	TC3235CO20653
John Deere 3235C # 2XD034	TC3235CO30323
John Deere 2500 Green Mower 11 Blade	TC2500D030521
John Deere 2500 Green Mower 11 Blade	TC2500D020124
John Deere 2500 Green Mower 8 Blade	TC250AD020630
Toro Workman 3300	07212-230000670
Club Car	RG0240-209521
Club Car	RG0431-412650
Express Dual 3000 reel Grinder	13252

Angmaster 3000 Bedknife Grinder	13253
Toro Sand Pro 5020	0886-210000255
John Deere RC2072 Rotary Deck Mower	
Massey Ferguson Tractor 263	5726E37454
EZ-Go Work Horse Utility Cart	1168708
John Deere Gator	M00TURF00844
John Deere Gator	
Lely Fertilizer Spreader	10Z13-134
Ryan Vert-cutter	507798
Ryan Vert-cutter	508450
Ryan Vert-cutter	508095
Hover Mower	GJAFE4164957
Hover Mower	GJAFE4164985
Air Compressor	101048
Welder	9227-704
Lawn Mower	5B5XG / 158VG
Slit Seeder	82120 / 2366
Edger	CAN006662862
Sod Cutter	5448448210
Hedge Trimmer	286900327
Chain Saw	290880369
Weedeater	T42512005560
Weedeater	T42512017164
Weedeater	T42512005572
Weedeater	T42512005541
400 Gallon Sprayer	No s/n
Cold Water Pressure Washer # EP-30115A	11060270-100367
Hot Water Pressure Washer # 11090330	11090330-169806
Yamaha 48 Volt & Charger	1073129
Yamaha 48 Volt & Charger	1194384
Yamaha 48 Volt & Charger	1386894
Yamaha 48 Volt & Charger	1489156
Yamaha 48 Volt & Charger	1073136
Yamaha 48 Volt & Charger	1194388
Yamaha 48 Volt & Charger	1489155
Yamaha 48 Volt & Charger	1012863
Yamaha 48 Volt & Charger	1386893
Yamaha 48 Volt & Charger	1104375
Yamaha 48 Volt & Charger	1194387
Yamaha 48 Volt & Charger	1073137
Yamaha 48 Volt & Charger	1194371
Yamaha 48 Volt & Charger	1386890
Yamaha 48 Volt & Charger	1489157
Yamaha 48 Volt & Charger	1073128

Yamaha 48 Volt & Charger	1489160
Yamaha 48 Volt & Charger	1073132
Yamaha 48 Volt & Charger	1194378
Yamaha 48 Volt & Charger	1194372
Yamaha 48 Volt & Charger	1194374
Yamaha 48 Volt & Charger	1194383
Yamaha 48 Volt & Charger	1194370
Yamaha 48 Volt & Charger	1489163
Yamaha 48 Volt & Charger	1194386
Yamaha 48 Volt & Charger	1194367
Yamaha 48 Volt & Charger	1489154
Yamaha 48 Volt & Charger	1386892
Yamaha 48 Volt & Charger	1073134
Yamaha 48 Volt & Charger	1194381
Yamaha 48 Volt & Charger	1194373
Yamaha 48 Volt & Charger	1238576
Yamaha 48 Volt & Charger	1194380
Yamaha 48 Volt & Charger	1238573
Yamaha 48 Volt & Charger	1194369
Yamaha 48 Volt & Charger	1386891
EZ Go Carts & Charges	122-9290
EZ Go Carts & Charges	122-9293
EZ Go Carts & Charges	122-9288
EZ Go Carts & Charges	122-9296
EZ Go Carts & Charges	122-9287
EZ Go Carts & Charges	122-9289
EZ Go Carts & Charges	122-9295
Club Cars	PH0910-007334
Club Cars	PH0910-007331
Club Cars	PH0910-007373
Club Cars	PH0910-007480
Club Cars	PH0910-007330

EXHIBIT K

ASSIGNED CONTRACTS

All of the rights and benefits accruing to Seller in each of the contracts and agreements that relate to the Personal Property and the Infrastructure, including, without limitation, all customer service agreements, supply contracts, purchase orders and purchase commitments made by Seller in the ordinary course of the Business and all other choses in action, causes of action and other rights of every kind of Seller which are related to the Project, which include but are not limited to, Seller's existing Central Arizona Project ("CAP") contract and any pending applications to CAP, the Central Arizona Water Conservation District or the United States Bureau of Reclamation for new or additional allotments of CAP water, which the parties will, both before and after Closing, reasonably cooperate with one another in effecting the assignment thereof from Seller to Buyer.

EXHIBIT L

PROPRIETARY RIGHTS

1. Arizona Department of Environmental Quality Aquifer Protection Permits for the Pecan, San Tan, Anthem and Section 11 Wastewater Treatment Plants
2. Arizona Department of Water Resources Designation of Assured Water Supply for the Phoenix and Pinal active management areas
3. Central Arizona Groundwater Replenishment Agreement
4. Central Arizona Governments 208 Plan
5. Pinal County Franchise Agreements
6. Town of Florence Operating Agreements
7. There have been no claims against the Proprietary Rights.

EXHIBIT M

**DESCRIPTION OF SELLER'S CONTRACTS
PURSUANT TO SECTION 4.07(A)**

1. Pinal County Franchise Agreement
2. Town of Florence Operating Agreement
3. Central Arizona Groundwater Replenishment District Replenishment Agreement
4. Arizona State Land Department Special Land Use Permit
5. State Land Department Right of Way Agreements
6. Central Arizona Water Conservation District Land Use Licenses

EXHIBIT N

**DISCLOSURE OF EVENTS OF DEFAULT UNDER CONTRACTS
PURSUANT TO SECTION 4.07(E)**

NONE.

EXHIBIT O
EXCEPTIONS TO TAX REPRESENTATIONS
PURSUANT TO SECTION 4.08

NONE.

EXHIBIT P

**DISCLOSURE OF UNENFORCEABLE CONTRACTS
PURSUANT TO SECTION 4.07(B)**

NONE.

EXHIBIT Q

**DISCLOSURE OF REQUIRED CONSENTS
PURSUANT TO SECTION 4.07(C)**

NONE.

EXHIBIT R

EXCEPTIONS TO LITIGATION REPRESENTATIONS PURSUANT TO SECTION 4.09

1. Johnson Utilities LLC dba Johnson Utilities Company v. Swing First Golf, LLC; In the Court of Appeals, State of Arizona, Division One, Case No. 1 CA-CV 13-0625 (Maricopa County Superior Court Case No. CV2008-000141)
2. Arizona Department of Environmental Quality Notice of Violation Numbers 92021, 97512, 102722, 102257, 103956

EXHIBIT S

DESCRIPTION OF SELLER'S INSURANCE POLICIES, RETAINED POLICIES AND CLAIMS HISTORY PURSUANT TO SECTION 4.11

POLICIES 2013-2014			
Policy coverage	Policy Number	Term Dates	Insurance Company
Package: GL /Property/Auto	PHPK1016444	05/06/13 to 06/01/14	Philadelphia Insurance
Umbrella	PHPK643317	05/06/13 to 06/01/14	Philadelphia Insurance
Pollution	PHPK643317	11/09/10 to 06/01/14	Philadelphia Insurance
Solar	59MSKM4948	04/30/14 to 04/30/14	Hartford Insurance

Customer Loss Detail
Report 4/24/2014

Philadelphia Insurance Companies for Johnson Utilities, L.L.C.

Policy Number	Product	Claim Number	Claimant/Driver Name	Loss Type	Closed
PHPK643317	Premises Environmental	PHER13050722170	First Service Residential - Attn: Carl Gehring	GL PROPERTY DAMAGE ON COMBINED GLBI	1/27/2014
PHPK1016444	Municipalities Package	PHMI13050722055	JOHNSON UTILITIES, L.L.C.	Cover BLDG - Other	6/25/2013
		PHMI13060723648	JOHNSON UTILITIES, L.L.C.	Ult Cov Boiler Machinery	6/18/2013
		PHMI13080743574	Susan Bahm	GL PROPERTY DAMAGE ON COMBINED GLBI	1/29/2014
		PHMI13080744012	First Service Residential - Attn: Carl Gehring	GL PROPERTY DAMAGE ON COMBINED GLBI	OPEN
		PHMI13100754304	JOHNSON UTILITIES, L.L.C.	Cover BLDG - Lightning	11/4/2013
		PHMI13100754304	JOHNSON UTILITIES, L.L.C.	Ult Cov Boiler Machinery	11/4/2013
		PHMI13100755452	JOHNSON UTILITIES, L.L.C.	Crime Employee Dishonesty	OPEN
		PHMI13110765551	JOHNSON UTILITIES, L.L.C.	Cover Bldg - Water Damage	OPEN
PHPK716330	Municipalities Package	PHMI12090663949	Eric Stone	General Liability Bodily Injury	11/14/2012
		PHMI13060725867	Mary Kluz		6/14/2013
PHPK862426	Municipalities Package	PHMI12080647829	Brent Fitzgerald	General Liability Bodily Injury	6/10/2013
		PHMI12080656549	JOHNSON UTILITIES, L.L.C.	Cover BLDG - Lightning	9/18/2012
		PHMI12080658321	JOHNSON UTILITIES, L.L.C.		8/28/2012
		PHMI12110678046	JOHNSON UTILITIES, L.L.C.	Cover BLDG - Wind/Hail	11/30/2012
		PHMI12120683930	Christopher Dancel	GL PROPERTY DAMAGE ON COMBINED GLBI	5/1/2013
		PHMI12120687127	JOHNSON UTILITIES, L.L.C.	Ult Cov Boiler Machinery	1/8/2013

EXHIBIT T

**DISCLOSURE OF ENVIRONMENTAL NONCOMPLIANCE
PURSUANT TO SECTION 4.12(A)**

1. Arizona Department of Environmental Quality Notice of Violation Numbers 92021, 97512, 102722, 102257, 103956

EXHIBIT U

**DISCLOSURE OF ACTIONS RESULTING IN ENVIRONMENTAL LIABILITY
PURSUANT TO SECTION 4.12(B)**

NONE.

EXHIBIT V

**DISCLOSURE OF SUBLEASES, ASSIGNMENTS AND
LICENSES PURSUANT TO SECTION 4.04(C)**

NONE.

EXHIBIT W

RECORDS RELATING TO PROJECT AND CUSTOMERS

All books, files, operating data and records (including both paper and electronic data and records) of Seller relating to the Project or the Customers, including without limitation, all customer lists, billing, financial, accounting, credit, regulatory and rate adjustment records, correspondence, budgets, all accounts receivable, excluding accounts receivable for water deliveries made by Seller prior to the close of escrow as reflected in Seller's books and records as of close of escrow, and other similar documents and records, and including any books, records, files or data pertaining to the Project which Seller is required to maintain in accordance with any law, rule or regulation of any Governmental Agency; except proprietary information of Seller or personal information relating to Seller's natural person principals.

EXHIBIT X**MASTER UTILITY AGREEMENTS**

4/12/2005	Anthem at Merrill Ranch
11/1/2007	Arizona Farms
2/28/2007	Bella Villagio
11/1/2007	Bella Vista Section 23
12/19/2006	Caballero
6/7/2002	Circle Cross Ranch I
10/14/2004	Circle Cross Ranch II
6/27/2005	Circle Cross Ranch IIB
3/10/2002	Copper Basin
3/22/2005	Crestfield Manor @ Arizona Farms Village
2/8/2005	Felix Farms
5/20/2005	Heritage Estates
9/17/1999	Johnson Ranch
8/15/2005	Magic Ranch, Parcel G and Portions of K & F and Unit 2
11/1/2004	Magic Ranch, Parcels B & C
11/18/2005	Magma Ranch I
8/11/2005	Magma Ranch II
2/2/2009	Merrill Ranch
3/10/2006	Mesquite Trails
5/22/2003	Morning Sun Farms
6/12/2013	Quail Ranch
4/21/2005	Quail Run
4/8/2003	Rancho Bella Vista
8/4/2004	Rancho Sendero
4/12/2006	Salita del Sol @ San Tan
5/10/2001	San Tan Heights
5/31/2007	San Tan Shadows
8/20/2013	Sherwood Park
9/7/2006	SILVERADO RANCH
2/9/2004	Skyline Ranch
1/25/2007	Skyview Farms
4/13/2004	Sonoran Villages
2/1/2003	Superstition Views
9/31/2005	The Palms at Magic Ranch
2/21/2012	The Village at Magic Ranch

5/25/2005	Trailside Village aka Ocotillo Trails
4/30/2006	Belcara at Pima Road
9/11/2006	Borgata Village Phase 1
1/20/2006	Ironwood Crossing
12/28/2006	Johnson Farms
1/26/2005	Milagro
10/17/2002	Pecan Estates
1/26/2005	Taylor Ranch
11/3/2004	Vineyard Estates
11/11/2004	Wayne Ranch
4/3/2014	Johnson Ranch Estates
3/7/2014	Ironwood 80

EXHIBIT Y

MAINLINE EXTENSION AGREEMENTS

Water Line Agreements

Date	Subdivision
08/12/13	American Leadership Academy Charter School - Florence
02/23/07	Anthem Market Place at Merrill Ranch
07/31/06	Unit 2 Anthem at Merrill Ranch
10/27/06	Unit 3 Anthem at Merrill Ranch
07/31/06	Unit 4 Anthem at Merrill Ranch
10/27/06	Unit 5 Anthem at Merrill Ranch
07/31/06	Unit 6 Anthem at Merrill Ranch
10/27/06	Unit 7 Anthem at Merrill Ranch
07/31/06	Unit 8 Anthem at Merrill Ranch
10/27/06	Unit 9 Anthem at Merrill Ranch
07/31/06	Unit 10 Anthem at Merrill Ranch
07/31/06	Unit 11 Anthem at Merrill Ranch
07/31/06	Unit 12 Anthem at Merrill Ranch
07/31/06	Unit 13 Anthem at Merrill Ranch
12/08/06	Unit 14 Anthem at Merrill Ranch
07/31/06	Unit 15 Anthem at Merrill Ranch
07/28/08	Unit 17 Anthem at Merrill Ranch
12/28/09	Unit 18 Anthem at Merrill Ranch
07/31/06	Unit 19 Anthem at Merrill Ranch
01/09/09	Unit 20 Anthem at Merrill Ranch
07/31/06	Unit 21 Anthem at Merrill Ranch
07/31/06	Unit 23 Anthem at Merrill Ranch
07/31/06	Unit 25 Anthem at Merrill Ranch
09/12/06	Unit 27 Anthem at Merrill Ranch
09/01/06	Unit 29 Anthem at Merrill Ranch
01/09/09	Unit 35A Anthem at Merrill Ranch
01/09/09	Unit 37 Anthem at Merrill Ranch
09/12/06	Unit 39 Anthem at Merrill Ranch
01/09/09	Unit 40 Anthem at Merrill Ranch
04/29/08	Unit 50 Anthem at Merrill Ranch
05/29/08	Unit 54 Anthem at Merrill Ranch
02/28/07	Bella Villagio
10/30/09	Borgata at Hunt Highway (Retail)
08/24/07	Borgata at San Tan; Unit 1
10/26/09	Borgata Professional Plaza

Water Line Agreements

10/22/12	Central AZ College (San Tan Campus) and Bella Vista Farms Offsite Agreement
08/28/12	Central AZ College (San Tan Campus), Phase 1
06/07/02	Circle Cross Ranch; Phase 1; Parcels 1 & 4; portions of 2 & 5 (Laramie)
06/07/02	Circle Cross Ranch; Phase 1; Parcels 3 & 6; portions of 2 & 5 (2 & 5 = Laramie; 3 = Silverado)
10/18/04	Circle Cross Ranch; Phase 2; Parcel 6-B
10/18/04	Circle Cross Ranch; Phase 2; Parcel 7
10/18/04	Circle Cross Ranch; Phase 2; Parcel 8
10/18/04	Circle Cross Ranch; Phase 2; Parcel 9
10/18/04	Circle Cross Ranch; Phase 2; Parcel 10
10/18/04	Circle Cross Ranch; Phase 2; Parcel 11
10/18/04	Circle Cross Ranch; Phase 2; Parcel 14
10/18/04	Circle Cross Ranch; Phase 2; Parcel 15
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 12
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 13
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 16
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 17
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 18
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 19
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 20
06/28/05	Circle Cross Ranch; Phase 2B; Parcel 21
04/28/06	Copper Basin; Phase 1, Parcels A, B, C, D
10/01/02	Copper Basin; Phase 2
01/13/04	Copper Basin (Villages at); Phase 3A (split 4/28/06 from Unit 3)
01/13/04	Copper Basin (Villages at); Phase 3B (split 4/28/06 from Unit 3)
12/22/04	Copper Basin (Villages at); Phase 4
02/01/06	Copper Basin (Villages at); Phase 5A
04/10/08	Copper Basin, Village - Unit 5B
03/21/05	Crestfield Manor @ AZ Farms Village
09/06/05	Felix Farms
03/04/08	Florence High School
12/08/05	Heritage Estates
10/01/00	Mutschler, J. Jay (Mutschler 5 acres)
01/31/99	Rose Ross - See Contract # 2017
07/01/99	Ellis, David & Nancy J.
04/10/03	Rimrock Financial, Inc.
10/31/02	Montana Resources LLC
03/17/04	Kimpel, Robert & Lynn
05/04/04	Legler, Justin
05/18/04	Chamberlin, Randy (KEM Homes, Inc)
06/03/04	Maurer, Mark

Water Line Agreements

07/27/04	Brennan, Lupita
06/18/04	Turcotte, David
06/23/04	Diamante Homes, Inc.
08/02/04	Call Builders
09/29/04	CBC incorporated
09/30/04	Kent, Joel and Pat
12/13/04	Schamac Custom Homes (W. Todd Schafer)
08/18/05	WJB Construction
03/10/05	Grant, Kelly & Mary
03/14/05	Turcotte, David (These 3 in one file)
04/04/05	Bell, Mark and Jody
04/19/05	Taylor, Scott (Astoria Homes Inc)
05/03/05	Quintana Hill Estates
09/08/05	Neilson, Pat
09/09/05	Cannon, Tom
09/19/05	Turcotte, David
09/26/05	Davis, Greg
09/20/05	Fortuna, Dawn & David
01/31/06	Hundley, Sterling
12/15/05	Rounds, Rob
07/20/06	Kempton, Mitch
06/14/06	Gary I, LLC
06/29/06	Whiting, Ken
08/24/06	Call Builders L.L.C. - Lots 46 & 47
10/20/06	Flores, Javier
11/17/06	Mendoza, Luis & Rosie
12/20/06	Cotone, Cris
12/20/06	Plote, Larry
03/14/07	CDLM Properties, L.L.C.
08/15/07	MacPhail, Scott
07/26/07	Cascade Scottsdale at Gilbert
06/25/07	Lee, Tart Sing
07/17/07	Eduprize School
10/23/07	Jones, Spencer & Lindsay
10/23/07	Sundance Development, LLC - (20 acres)
05/08/08	Pierce, Brandon
11/27/07	San Tan Homes, LLC
12/19/07	Kelley Construction
12/04/07	King, David
01/16/08	Kastle Homes
06/05/08	Calvario, Victor

Water Line Agreements

10/09/09	Mullen, Steve
06/18/10	Farnworth, Martin
01/10/12	Augusta Investments, LLC
03/06/14	ELM (Jarel Morrow)
02/24/14	ELM (Jarel Morrow)
12/31/98	Johnson Ranch Golf Course
04/15/04	Johnson Ranch Indigo Sky Blvd. - Construct Utility Plant
03/15/00	Johnson Ranch Unit 1 (24/83= 107) \$750.00
12/22/98	Johnson Ranch Unit 2
12/22/98	Johnson Ranch Unit 3A
12/22/98	Johnson Ranch Unit 3B (Fairways)
12/22/98	Johnson Ranch Unit 4A
03/28/00	Johnson Ranch Unit 4B (The Greens)
09/06/01	Johnson Ranch Unit 4D & 04F (2)
03/01/00	Johnson Ranch Unit 5 (Lakeview Gardens)
12/01/99	Johnson Ranch Unit 6 (Equestrian Manor)
03/15/00	Johnson Ranch Unit 7
03/15/00	Johnson Ranch Unit 8
03/15/00	Johnson Ranch Unit 12 (A & B)
03/15/00	Johnson Ranch Unit 13
11/13/03	Johnson Ranch Unit 14/52 Phase 1 (Richmond American)
11/13/03	Johnson Ranch Unit 14/52 Phase 2 (Richmond American)
09/06/01	Johnson Ranch Unit 15
02/27/03	Johnson Ranch Unit 16 Phase 1
02/27/03	Johnson Ranch Unit 16 Phase 2
02/27/03	Johnson Ranch Unit 16 Phase 3
02/27/03	Johnson Ranch Unit 17 Phase 1
02/27/03	Johnson Ranch Unit 17 Phase 2 & 3
02/27/03	Johnson Ranch Unit 18 Phase 1
02/27/03	Johnson Ranch Unit 18 Phases 2 & 3
04/28/04	Johnson Ranch Unit 19, 43, 44 & 45 (Solera, Phs III)
08/14/02	Johnson Ranch Unit 20 / 21
08/12/03	Johnson Ranch Unit 22A
09/10/03	Johnson Ranch Unit 22B
09/10/03	Johnson Ranch Unit 23A
04/15/04	Johnson Ranch Unit 23B
04/28/04	Johnson Ranch Unit 24
04/28/04	Johnson Ranch Unit 25
06/20/06	Johnson Ranch Unit 26B
04/15/04	Johnson Ranch Unit 27, Phase 1
04/15/04	Johnson Ranch Unit 27, Phase 2

Water Line Agreements

04/15/04	Johnson Ranch Unit 28
08/13/04	Johnson Ranch Unit 29 Phase 2
08/12/03	Johnson Ranch Unit 29, Phase 1
06/20/06	Johnson Ranch Unit 30B
06/20/06	Johnson Ranch Unit 32
07/12/02	Johnson Ranch Unit 34
08/20/03	Johnson Ranch Unit 35 & 36
09/06/01	Rural Metro / Tosco / Unit 36 (Circle "K")
03/31/06	Johnson Ranch Unit 37 & 38
04/15/04	Johnson Ranch Unit 39, 40B, 50; Phase 1
10/02/03	Johnson Ranch Unit 40A, 48 & 49 (Solera, Phs I)
10/02/03	Johnson Ranch Unit 41 & 47 (Solera, Phs I)
04/15/04	Johnson Ranch Unit 42; Phase 2 (Solera)
04/15/04	Johnson Ranch Unit 46; Phase I
04/28/04	Johnson Ranch Unit 51
09/17/04	Magic Ranch Estates; Phase 1
01/22/99	Magic Ranch (Oasis Golf Course)
10/30/06	Magic Ranch (Oasis) - Parcels B and C
04/28/06	Magic Ranch (Oasis) - Parcel CC
06/01/02	Magic Ranch (Oasis) - Phase 3
10/15/01	Magic Ranch (Oasis) - Phase 1, Unit I (Lots 1-137 = 137 lots)
02/20/03	Magic Ranch (Oasis) - Phase 1, Unit 2 (Lots 138-258 = 121 lots)
04/01/04	Magic Ranch (Oasis) - Phase 2, Units 3 & 4
12/08/05	Magic Ranch (Oasis) - Phases 5 & 6
06/01/02	Magic Ranch (Oasis Sunrise) - Phase 1 (Mirage)
07/28/03	Magic Ranch (Oasis Sunrise) - Phase 2 (Mirage)
11/15/05	Magic Ranch Parcel G portions of K and F (Ironhorse at MR)
11/15/05	Magic Ranch Parcel G portions of K and F (Ironhorse at MR)
03/27/06	Magic Ranch - Unit 2
01/09/06	Magic Ranch (The Palms) - Unit 1
01/09/06	Magic Ranch (The Palms) - Unit 2
10/22/12	Magic Ranch (The Village)
11/18/04	Magma Ranch; Phases 1-10
08/23/05	Magma Ranch II; Unit 1
08/23/05	Magma Ranch II; Unit 2 - Parcel 4
08/23/05	Magma Ranch II; Unit 2, Parcel 5
08/23/05	Magma Ranch II; Unit 03
08/23/05	Magma Ranch II; Unit 04
04/13/05	Magma Ranch III AKA Sonoran Villages
05/22/03	Morning Sun Farms & South (Model Lots)
07/19/04	Morning Sun Farms; Phase 1

Water Line Agreements

07/19/04	Morning Sun Farms; Phase 2
08/05/05	Morning Sun Farms; Phase 3
04/13/06	Morning Sun Farms; Phase 4
04/21/05	Quail Run
04/08/03	Rancho Bella Vista; Parcel A
07/26/06	Rancho Bella Vista - Units 2a 2b 2c 3a 3b
10/07/04	Rancho Bella Vista South; Phase 1
10/01/04	Rancho Bella Vista South; Phase 1 (Ryland)
05/01/05	Rancho Bella Vista South; Phase 2 (Ryland)
10/31/05	Rancho Bella Vista South; Phase 3A
02/28/06	Rancho Bella Vista South; Phase 3B
09/24/04	San Tan Heights; Phase 3; Parcel A-1
09/24/04	San Tan Heights; Phase 3; Parcel A-2
09/24/04	San Tan Heights; Phase 3; Parcel A-3
09/24/04	San Tan Heights; Phase 3; Parcel A-4
09/24/04	San Tan Heights; Phase 3; Parcel A-5
09/24/04	San Tan Heights; Phase 3; Parcel A-6
09/24/04	San Tan Heights; Phase 3; Parcel A-7
09/24/04	San Tan Heights; Phase 3; Parcel A-8
09/24/04	San Tan Heights; Phase 3; Parcel A-9 & Infrastructure
10/21/05	San Tan Heights; Phase 4; Parcel C-6
10/21/05	San Tan Heights; Phase 4; Parcel C-7
10/21/05	San Tan Heights; Phase 4; Parcel C-8
10/21/05	San Tan Heights; Phase 4; Parcel C-9
10/21/05	San Tan Heights; Phase 4; Parcel C-10
10/21/05	San Tan Heights; Phase 4; Parcel C-11
10/21/05	San Tan Heights; Phase 4; Parcel C-12
10/21/05	San Tan Heights; Phase 4; Parcel C-13
07/21/03	San Tan Heights; Phs 2; Parcel A
07/22/03	San Tan Heights; Phs 2; Parcel B
07/23/03	San Tan Heights; Phs 2; Parcel C
07/21/03	San Tan Heights; Phs 2; Parcel D
07/24/03	San Tan Heights; Phs 2; Parcel E
07/25/03	San Tan Heights; Phs 2; Parcel F
07/21/03	San Tan Heights; Phs 2; Parcel I
07/26/03	San Tan Heights; Phs 2; Parcel J
07/27/03	San Tan Heights; Phs 2; Parcel K
10/21/03	San Tan Heights; Phs 2; Parcel L
08/01/02	San Tan Villages Parcel 01
08/01/02	San Tan Villages Parcel 02
08/01/02	San Tan Villages Parcel 03

Water Line Agreements

08/01/02	San Tan Villages Parcel 04
04/09/02	San Tan Villages Parcel 05
04/09/02	San Tan Villages Parcel 06
04/09/02	San Tan Villages Parcel 07
02/07/02	San Tan Villages Parcel 08
02/07/02	San Tan Villages Parcel 09
09/07/06	Silverado Ranch; Unit 1A
09/07/06	Silverado Ranch; Unit 1B
09/07/06	Silverado Ranch; Unit 1C
09/07/06	Silverado Ranch; Unit 1D
09/07/06	Silverado Ranch; Unit 1E
09/07/06	Silverado Ranch; Unit 1F
09/07/06	Silverado Ranch; Unit 1G
09/07/06	Silverado Ranch; Unit 1H
10/01/07	Skyline Ranch Market Place
08/18/04	Skyline Ranch; Phase 1, Parcel A
08/18/04	Skyline Ranch; Phase 1, Parcel B
08/18/04	Skyline Ranch; Phase 1, Parcel C
08/18/04	Skyline Ranch; Phase 1, Parcel D
08/11/04	Skyline Ranch; Phase 2, Parcel A
08/11/04	Skyline Ranch; Phase 2, Parcel B
08/11/04	Skyline Ranch; Phase 2, Parcel C
08/11/04	Skyline Ranch; Phase 2, Parcel D
08/11/04	Skyline Ranch; Phase 2, Parcel E
08/11/04	Skyline Ranch; Phase 2, Parcel F
08/11/04	Skyline Ranch; Phase 2, Parcel G
08/11/04	Skyline Ranch; Phase 2, Parcel H
08/11/04	Skyline Ranch; Phase 2, Parcel I
07/22/13	St. Michael the Archangel Parish Hall
02/01/03	Superstition Views Phase I
08/12/03	Superstition Views Phase II
08/29/08	Superstition Views Phase III
06/05/06	Whitewing at San Tan Magma
12/29/98	Wild Horse Estates Phase 1
04/17/06	Wild Horse Estates Phase 2

Sewer Line Agreements

Date	Subdivision
02/23/07	Anthem Market Place at Merrill Ranch
07/31/06	Unit 2 Anthem at Merrill Ranch
10/27/06	Unit 3 Anthem at Merrill Ranch
07/31/06	Unit 4 Anthem at Merrill Ranch
10/27/06	Unit 5 Anthem at Merrill Ranch
07/31/06	Unit 6 Anthem at Merrill Ranch
10/27/06	Unit 7 Anthem at Merrill Ranch
07/31/06	Unit 8 Anthem at Merrill Ranch
10/27/06	Unit 9 Anthem at Merrill Ranch
07/31/06	Unit 10 Anthem at Merrill Ranch
07/31/06	Unit 11 Anthem at Merrill Ranch
07/31/06	Unit 12 Anthem at Merrill Ranch
07/31/06	Unit 13 Anthem at Merrill Ranch
12/08/06	Unit 14 Anthem at Merrill Ranch
07/31/06	Unit 15 Anthem at Merrill Ranch
07/28/08	Unit 17 Anthem at Merrill Ranch
12/28/09	Unit 18 Anthem at Merrill Ranch
07/31/06	Unit 19 Anthem at Merrill Ranch
01/09/09	Unit 20 Anthem at Merrill Ranch
07/31/06	Unit 21 Anthem at Merrill Ranch
in process	Unit 22A Anthem at Merrill Ranch
in process	Unit 22B Anthem at Merrill Ranch
07/31/06	Unit 23 Anthem at Merrill Ranch
07/31/06	Unit 25 Anthem at Merrill Ranch
09/12/06	Unit 27 Anthem at Merrill Ranch
10/01/06	Unit 29 Anthem at Merrill Ranch
01/09/09	Unit 35A Anthem at Merrill Ranch
01/09/09	Unit 37 Anthem at Merrill Ranch
09/12/06	Unit 39 Anthem at Merrill Ranch
01/09/09	Unit 40 Anthem at Merrill Ranch
04/29/08	Unit 50 Anthem at Merrill Ranch
05/28/08	Unit 54 Anthem at Merrill Ranch
05/14/07	Banner Ironwood Medical Center, Phase I
04/30/06	Belcara at Pima Road
02/28/07	Bella Villagio
08/24/07	Borgata at San Tan Unit 1
10/02/07	Bulk Wastewater Treatment Agreement - ONLY
07/03/07	Castlegate Ward Meeting House

Sewer Line Agreements

10/22/12	Central AZ College & Bella Vista Farms Comm. Property Offsites
08/28/12	Central AZ College (San Tan Campus)
06/07/02	Circle Cross Parcels 01,02,04,05 - Phase I
06/07/02	Circle Cross Parcels 2,3,5,6 - Phase I
10/18/04	Circle Cross Ranch - Phase II Parcel 06B
10/18/04	Circle Cross Ranch - Phase II Parcel 07
10/18/04	Circle Cross Ranch - Phase II Parcel 08
10/18/04	Circle Cross Ranch - Phase II Parcel 09
10/18/04	Circle Cross Ranch - Phase II Parcel 10
10/18/04	Circle Cross Ranch - Phase II Parcel 11
10/18/04	Circle Cross Ranch - Phase II Parcel 14
10/18/04	Circle Cross Ranch - Phase II Parcel 15
06/28/05	Circle Cross Ranch - Phase IIB Parcel 12
06/28/05	Circle Cross Ranch - Phase IIB Parcel 13
06/28/05	Circle Cross Ranch - Phase IIB Parcel 16
06/28/05	Circle Cross Ranch - Phase IIB Parcel 17
06/28/05	Circle Cross Ranch - Phase IIB Parcel 18
06/28/05	Circle Cross Ranch - Phase IIB Parcel 19
06/28/05	Circle Cross Ranch - Phase IIB Parcel 20
06/28/05	Circle Cross Ranch - Phase IIB Parcel 21
01/23/08	Coolidge High School No. 2 - LS & FM
04/28/06	Copper Basin Unit 1, Parcels A, B, C, D
10/01/02	Copper Basin Unit 2
01/13/04	Copper Basin Unit 3A, Village (split 4/28/06 from 3)
01/13/04	Copper Basin Unit 3B, Village (split 4/28/06 from 3)
12/22/04	Copper Basin, Village - Unit 4
02/01/06	Copper Basin, Village - Unit 5A
04/10/08	Copper Basin, Village - Unit 5B
03/21/05	Crestfield Manor@AZ Farms Village
09/06/05	Felix Farms
03/04/08	Florence High School
11/14/12	Happy Valley East Campus LS/FM
12/08/05	Heritage Estates
12/15/06	Ironwood Crossing Unit 1
12/15/06	Ironwood Crossing Unit 2 (Parcels 1, 2, & 3)
11/17/10	Ironwood Crossing Unit 3A (Parcel 15)
07/26/12	Ironwood Crossing Unit 3B (Parcels 11 & 12)
07/26/12	Ironwood Crossing Unit 3C (Parcels 13 & 14)
10/02/07	J.O. Combs Educational Village
04/15/04	Johnson Ranch Indigo Sky Blvd. - Construct Utility Plant
03/15/00	Johnson Ranch Unit 1 (24/ 83 = 107)

Sewer Line Agreements

12/22/98	Johnson Ranch Unit 2
12/22/98	Johnson Ranch Unit 3A
12/22/98	Johnson Ranch Unit 3B (Fairways)
12/22/98	Johnson Ranch Unit 4A
03/28/00	Johnson Ranch Unit 4B (The Greens)
09/06/01	Johnson Ranch Units 4D & 4F (2)
03/28/00	Johnson Ranch Unit 5 (Lakeview Gardens)
12/0/99	Johnson Ranch Unit 6 (Equestrian Manor)
03/15/00	Johnson Ranch Unit 7
03/15/00	Johnson Ranch Unit 8
03/15/00	Johnson Ranch Unit 12 (A & B)
03/15/00	Johnson Ranch Unit 13
11/13/03	Johnson Ranch Unit 14/52 Phase 1
11/13/03	Johnson Ranch Unit 14/52 Phase 2
09/06/01	Johnson Ranch Unit 15
02/27/03	Johnson Ranch Unit 16 Phase 1
02/27/03	Johnson Ranch Unit 16 Phase 2
02/27/03	Johnson Ranch Unit 16 Phase 3
02/27/03	Johnson Ranch Unit 17 Phase 1
02/27/03	Johnson Ranch Unit 17 Phase 2 and 3
02/27/03	Johnson Ranch Unit 18 Phase 1
02/27/03	Johnson Ranch Unit 18 Phases 2 & 3
04/28/04	Johnson Ranch Unit 19, 43, 44 & 45
08/14/02	Johnson Ranch Units 20 / 21
08/12/03	Johnson Ranch Unit 22A
09/10/03	Johnson Ranch Unit 22B
09/10/03	Johnson Ranch Unit 23A
04/15/04	Johnson Ranch Unit 23B
04/28/04	Johnson Ranch Unit 24
04/28/04	Johnson Ranch Unit 25
06/20/06	Johnson Ranch Unit 26B
04/15/04	Johnson Ranch Unit 27, Phase 1
04/15/04	Johnson Ranch Unit 27, Phase 2
04/15/04	Johnson Ranch Unit 28
08/12/03	Johnson Ranch Unit 29, Phase 1
08/13/04	Johnson Ranch Unit 29, Phase 2
06/20/06	Johnson Ranch Unit 30B
06/20/06	Johnson Ranch Unit 32
07/12/02	Johnson Ranch Unit 34
08/20/03	Johnson Ranch Units 35 & 36
09/06/01	Johnson Ranch Rural Metro/Tosco Unit 36

Sewer Line Agreements

03/31/06	Johnson Ranch Unit 37 & 38
04/15/04	Johnson Ranch Unit 39, 40B, 50
10/02/03	Johnson Ranch Unit 40A, 48 & 49
10/02/03	Johnson Ranch Units 41 & 47
04/15/04	Johnson Ranch Unit 42, (Solera, Phs II)
04/15/04	Johnson Ranch Unit 46, Phase 1
04/28/04	Johnson Ranch Unit 51
10/21/04	Laredo Ranch Phase I
10/21/04	Laredo Ranch Phase II
10/21/04	Laredo Ranch Lift Station
01/22/99	Magic Ranch (Oasis Golf Course)
04/28/06	Magic Ranch (Oasis) Parcel CC
06/01/02	Magic Ranch (Oasis Sunrise) - Phase I (Mirage)
07/28/03	Magic Ranch (Oasis Sunrise) - Phase II (Mirage)
02/18/03	Magic Ranch (Oasis) - Phase 1, Unit I (Lots 1-137)
02/18/03	Magic Ranch (Oasis) - Phase 1, Unit 2 (Lots 138-258)
04/01/04	Magic Ranch (Oasis) - Phase 2, Units 3 and 4
12/08/05	Magic Ranch (Oasis) - Phases 5 and 6
11/01/06	Magic Ranch Parcels B and C
09/17/04	Magic Ranch Estates - Unit 1
11/15/05	Magic Ranch Parcel G portions of K and F (Ironhorse)
11/15/05	Magic Ranch Parcel G portions of K and F (Ironhorse)
03/28/06	Magic Ranch - Unit 2
01/09/06	Magic Ranch (The Palms) - Unit 1
01/09/06	Magic Ranch (The Palms) - Unit 2
10/22/12	Magic Ranch (The Village)
11/18/04	Magma Ranch I
08/23/05	Magma Ranch II Unit 1
08/23/05	Magma Ranch II Unit 2, Phase 4
08/23/05	Magma Ranch II Unit 2, Phase 5
08/23/05	Magma Ranch II Unit 3
08/23/05	Magma Ranch II Unit 4
01/26/05	Milagro - Sewer Only
05/22/03	Morning Sun Farms & South (Model Lots)
07/19/04	Morning Sun Farms Phase 1
07/19/04	Morning Sun Farms Phase 2
08/05/05	Morning Sun Farms Phase 3
04/13/06	Morning Sun Farms Unit 4
03/31/08	Ocotillo Crossing
05/25/05	Ocotillo Trails (Trailside Village)
01/02/07	Parks, The (Parcels A & B)

Sewer Line Agreements

	Parks, The: Offsite Gravity Line (Parcels A & B)
05/15/12	Pecan Creek 1st Meeting House
06/30/06	Pecan Creek South Unit 1
06/30/06	Pecan Creek South Unit 2
06/30/06	Pecan Creek South Unit 3
06/30/06	Pecan Creek South Unit 4
06/30/06	Pecan Creek South Unit 5
06/30/06	Pecan Creek South Unit 6
11/15/02	Pecan Estates - Parcel 1
11/15/02	Pecan Estates - Parcel 2
11/15/02	Pecan Estates - Parcel 3
11/15/02	Pecan Estates - Parcel 4 - SHEA
11/15/02	Pecan Estates - Parcel 5 - SHEA
11/15/02	Pecan Estates - Parcel 6 - FULTON
11/15/02	Pecan Estates - Parcel 7 - SHEA
11/15/02	Pecan Estates - Parcel 8 - TAYLOR
09/19/07	Pinal Professional Village
04/21/05	Quail Run
07/26/06	Rancho Bella Vista - Units 2a 2b 2c 3a 3b
04/08/03	Rancho Bella Vista Phase 01
02/28/06	Rancho Bella Vista South Phase 3B (Lots 632-756)
04/08/03	Rancho Bella Vista South Phase 01
10/01/04	Rancho Bella Vista South Phase 01
05/01/05	Rancho Bella Vista South Phase 02
10/31/05	Rancho Bella Vista South Phase 03A
09/24/04	San Tan Heights Parcel A 01
09/24/04	San Tan Heights Parcel A 02
09/24/04	San Tan Heights Parcel A 03
09/24/04	San Tan Heights Parcel A 04
09/24/04	San Tan Heights Parcel A 05
09/24/04	San Tan Heights Parcel A 06
09/24/04	San Tan Heights Parcel A 07
09/24/04	San Tan Heights Parcel A 08
09/24/04	San Tan Heights Parcel A 09
07/21/03	San Tan Heights Parcel A
07/22/03	San Tan Heights Parcel B
07/23/03	San Tan Heights Parcel C
07/21/03	San Tan Heights Parcel D
07/24/03	San Tan Heights Parcel E
07/25/03	San Tan Heights Parcel F
07/21/03	San Tan Heights Parcel I

Sewer Line Agreements

07/26/03	San Tan Heights Parcel J
07/27/03	San Tan Heights Parcel K
10/21/03	San Tan Heights Parcel L
10/21/05	San Tan Heights Parcel C 06
10/21/05	San Tan Heights Parcel C 07
10/21/05	San Tan Heights Parcel C 08
10/21/05	San Tan Heights Parcel C 09
10/21/05	San Tan Heights Parcel C 10
10/21/05	San Tan Heights Parcel C 11
10/21/05	San Tan Heights Parcel C 12
10/21/05	San Tan Heights Parcel C 13
08/01/02	San Tan Villages Parcel 01
08/01/02	San Tan Villages Parcel 02
08/01/02	San Tan Villages Parcel 03
08/01/02	San Tan Villages Parcel 04
04/09/02	San Tan Villages Parcel 05
04/09/02	San Tan Villages Parcel 06
04/09/02	San Tan Villages Parcel 07
02/07/02	San Tan Villages Parcel 08
02/07/02	San Tan Villages Parcel 09
01/23/08	Shea Homes at Johnson Farms (Neighborhood 1)
01/23/08	Shea Homes at Johnson Farms (Neighborhood 2)
04/01/12	Shea Homes at Johnson Farms (Neighborhood 3: Phases 3A, 3B, 3C)
04/19/12	Shea Homes at Johnson Farms (Neighborhood 7A: Phases 1 and 2)
10/21/10	Shea Homes at Johnson Farms (Neighborhood 7B)
01/23/08	Shoppes at Pecan Ranch, The
09/07/06	SILVERADO UNIT 01A
09/07/06	SILVERADO UNIT 01B
09/07/06	SILVERADO UNIT 01C
09/07/06	SILVERADO UNIT 01D
09/07/06	SILVERADO UNIT 01E
09/07/06	SILVERADO UNIT 01F
09/07/06	SILVERADO UNIT 01G
09/07/06	SILVERADO UNIT 01H
10/01/07	Skyline Ranch Marketplace
08/18/04	Skyline Ranch Phase 01
08/18/04	Skyline Ranch Phase 01, Parcel A
08/18/04	Skyline Ranch Phase 01, Parcel B
08/18/04	Skyline Ranch Phase 01, Parcel C
08/18/04	Skyline Ranch Phase 01, Parcel D
08/11/04	Skyline Ranch Phase 02, Parcel A

Sewer Line Agreements

08/11/04	Skyline Ranch Phase 02, Parcel B
08/11/04	Skyline Ranch Phase 02, Parcel C
08/11/04	Skyline Ranch Phase 02, Parcel D
08/11/04	Skyline Ranch Phase 02, Parcel E
08/11/04	Skyline Ranch Phase 02, Parcel F
08/11/04	Skyline Ranch Phase 02, Parcel G
08/11/04	Skyline Ranch Phase 02, Parcel H
08/11/04	Skyline Ranch Phase 02, Parcel I
07/22/13	St. Michael the Archangel Parish Hall
02/01/03	Superstition Views Phase I
08/11/03	Superstition Views Phase II
08/29/08	Superstition Views Phase III
01/31/06	Taylor Ranch
11/03/04	Vineyard Estates
10/27/04	Wayne Ranch
11/11/04	Wayne Ranch
06/05/06	Whitewing at San Tan Magma

EXHIBIT Z
DIAGRAM OF CERTIFICATED AREA

[SEE ATTACHED]

EXHIBIT AA
LEGAL DESCRIPTION

EXHIBIT BB

INFRASTRUCTURE USED BY BUSINESS

Wells, storage tanks, booster pumps, water mains, service lines, sewer lines, lift stations, water meters, manholes, valves and fire hydrants, communication antennas and associated equipment, electronic or otherwise, connected with, affixed to or utilized by the Project, including any equipment related to the SCADA system, wherever located, comprising the water and wastewater system used by the Project in connection with the provision of water and wastewater treatment utility services to customers within the Certificated Area, whether owned or leased.