

ORIGINAL

NEW APPLICATION

Dock



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Sherman Pines Homeowners Association, Inc.

Water Company

An Arizona Nonprofit Corporation
1203 E Pine Ridge Dr
Prescott, AZ 86303-5940

September 2, 2014

Arizona Corporation Commission

DOCKETED

SEP 21 2014



Docket Control
Arizona Corporation Commission
1200 W Washington St
Phoenix AZ 85007

W-01671A-14-0334

To Whom It May Concern:

Attached is an application by Sherman Pines Homeowners Association Inc. for an adjudication not a public service corporation. The purpose of this application is to be a self-governing water company for as long as the water company is owned by the homeowners with current accounts and we do not service any lots outside our subdivision.

Sincerely,

Linda Hill
Treasurer

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

2014 SEP 12 A 10:34

RECEIVED

ARIZONA CORPORATION COMMISSION

APPLICATION FOR AN ADJUDICATION RECEIVED
"NOT A PUBLIC SERVICE CORPORATION"

WATER AND/OR SEWER

2014 SEP 12 A 10:34

AZ CORP COMMISSION
DOCKET CONTROL

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

Sherman Pines Homeowners Assoc., Inc.
1203 E Pine Ridge Dr, Prescott AZ 86303
(928) 778-5654 (current president)

B. The Applicant is a:

Non-Profit Corporation,
 Unincorporated Homeowners/Property Owners Association.

C. If Applicant is a non-profit corporation:

1. List names of officers:

Terry Hill - Pres; Cathy Schiller - V. Pres; Carolyn
Prohaska - Secy; Linda Hill - Treas; Sally Pickert - other

2. List name, address and telephone number of management contact:

Terry Hill - President (928) 778-5654
1280 E Pine Ridge Dr, Prescott AZ 86303

D. If Applicant is an unincorporated homeowners/property owners association, attach a list homeowners/property owners. - N/A

- E. Attach the following exhibit(s):
1. Articles of Incorporation (if corporation).
 2. By-Laws (if incorporated or unincorporated).
 3. Certificate of Good Standing (if corporation).
 4. Corporate Resolution authorizing this application.
 5. Subdivisions "conditions of covenants and restrictions".
 6. List of utility facilities.
 7. Proof of ownership of utility facilities
 8. Legal Description of area to be adjudicated, using a metes and bounds survey or CADASTRAL (quarter section) descriptions.
 10. A detailed map of the area requested using the form provided as Attachment "B".
 11. Signed petition in support of the application by at least 51% of the Homeowners/Property Owners.

F. Attach the following permits:

1. City or County Franchise if any public rights of way will be used to construct utility facilities.
2. Department of Environmental Quality, or designee, "Approval to Construct" utility facilities. *N/A*

G. How many lots are there within the subdivision? 60

H. What size are the lots? 1/2 acre or less

I. Can these lots be further subdivided? ___ Yes, No

J. How many lots within the area are occupied? 49

K. Is the Applicant presently providing service to anyone? (42) Yes, ___ No

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

N/A

M. Attach an affidavit indicating that notice of this application has been made to all homeowners/property owners at least thirty (30) days prior to filing this application. (Please use the form of notice provided as Attachment "C", unless another form is approved by the Utilities Division prior to the filing of this application).

DATED the 2nd day of Sept, ~~19~~ 2014

Linda Hill
(Signature of authorized representative of Applicant)

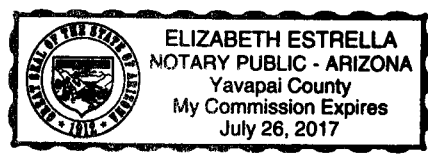
Linda Hill
(Type or Print Name Here)

Treasurer
(Title)

SUBSCRIBED AND SWORN to before me on this 2nd day of September, ~~19~~ 2014

Elizabeth Estrella
NOTARY PUBLIC

My Commission Expires July 26, 2017



COPY

ARTICLES OF INCORPORATION

OF

SHERMAN PINES HOMEOWNERS ASSOCIATION
An Arizona Nonprofit Corporation

ARTICLE I

The name of the corporation is **SHERMAN PINES HOMEOWNERS ASSOCIATION**, an Arizona nonprofit corporation.

ARTICLE II

The initial principal place of business shall be 1202 Pine Ridge Drive, Prescott, Arizona, 86303.

ARTICLE III

The purpose for which this corporation is being organized is the transaction of any and all lawful business for which a nonprofit corporation may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

SHERMAN PINES HOMEOWNERS ASSOCIATION is exclusively organized to own and operate the Sherman Pines Subdivision water distribution system for the benefit of all owners of lots in the Sherman Pines Subdivision, Yavapai County, Arizona, and to provide and engage in any and all other lawful activities necessary for fulfilling the purposes as stated above, including those areas related to and defined in Section 501(c)(12) of the Internal Revenue Code of 1986, or Section 170 of the Internal Revenue Code of 1986, as amended. **SHERMAN PINES HOMEOWNERS ASSOCIATION** admits members of any race, color, sex, national or ethnic origin to all

rights, privileges, programs and activities generally accorded or made available to its members.

ARTICLE IV

The Board of Directors shall have full power to adopt, alter, and amend Bylaws and to make proper rules and regulations for the transaction of the affairs of the corporation. The election of officers and Board of Directors shall be held once a year at the regular annual meeting of members at the principal place of business, and shall be conducted in accordance with the Bylaws.

ARTICLE V

No members, officers or directors shall be individually liable for the corporation's debts or other liabilities and that the private property of such individuals shall be expressly exempt from any corporate debts or liabilities. The corporation shall indemnify and hold harmless its officers, employees, members, agents and directors, together with their heirs, administrators and personal representatives, from and against any and all judgments, claims, losses, damages, liabilities, costs and expenses of any nature whatsoever, including legal fees incurred as a result of serving or having served in such positions, to the fullest extent allowed by the laws of the State of Arizona. The foregoing should not be deemed to be any limitation on the power of the corporation to indemnify such persons and others, it being the intent that the corporation provide the fullest indemnity allowed by such law.

ARTICLE VI

A director of the corporation shall not be personally liable to the corporation or its members for monetary damages for any action taken, or for failure to take any action, as a director; provided, however, this article shall not eliminate or limit the liability of a director for any of the following:

- (1) A breach of the director's duty of loyalty to the corporation or its members;
- (2) Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law;
- (3) Authorizing the unlawful payment or other distribution of income or profit belonging to the corporation;
- (4) A transaction from which the director derived an improper personal benefit; or
- (5) A violation of Arizona Revised Statutes §10-1037, Director conflicts of interest.

ARTICLE VII

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its members, directors, officers or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payment and distributions in furtherance of the purposes set forth in Article III. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements), any political campaign on behalf of any candidate for

public office. Notwithstanding any other provisions of these articles, the corporation shall not carry on any other activities not permitted to be carried on: (a) by a corporation exempt from federal income tax under Section 501(c)(12) of the Internal Revenue Code of 1986, (or the corresponding provisions of any future United States Revenue Law) or; (b) by Section 170 of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws) or; (c) engage in activities or exercise any powers that are not in furtherance of the express purposes of the corporation.

ARTICLE VIII

Upon the dissolution of the corporation, the Board of Directors shall, after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of its assets exclusively for the purpose of the corporation in such manner, or to such organizations organized and operated exclusively for the same nonprofit purposes as shall at the time qualify as an exempt organization or organizations under Section 501(c)(12) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue Laws) as the Board of Directors shall determine. Any such assets not disposed of shall be disposed of by the superior court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX

The Board of Directors shall be no less than three (3) directors and no more than eight (8) directors. The names and addresses of the persons who are to serve as directors until the first annual meeting of directors and the names and addresses of the persons who are to serve as incorporators are:

Maxine Hassell
1202 Pine Ridge Drive
Prescott, Arizona 86303

Marvin Anthony Heinrichs
1258 South Sylvain Road
Prescott, Arizona 86303

Terry Hill
1280 E. Pine Ridge Drive
Prescott, Arizona 86303

ARTICLE X

Upon the termination, liquidation or dissolution of this corporation, any and all assets of the corporation which remain after all the obligations and liabilities of the corporation have been fully paid and discharged shall be distributed by the Board of Directors of this corporation to a corporation, association, institution or trust, which corporation, association, institution or trust was or is organized or created and carried on for the same or similar purposes and objects as those purposes and objects stated under Article III hereof and which qualifies as an exempt organization under Section 501(c) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

ARTICLE XI

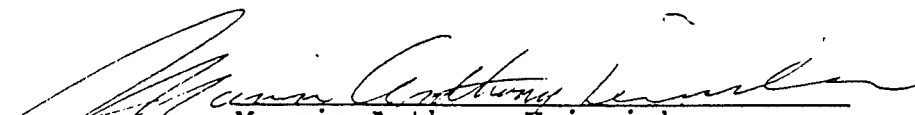
The name and address of the initial statutory agent is:

L. Richard Mabery, Esq.
101 East Gurley Street, Suite 203
Prescott, Arizona 86301

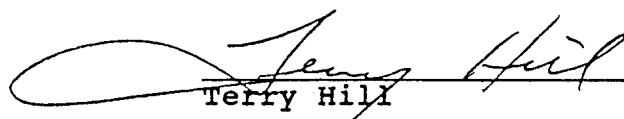
IN WITNESS WHEREOF, we, the undersigned, have hereunto
set our hands this 1-9-96 day of January, 1996.



Maxine Hassell



Marvin Anthony Heinrichs



Terry Hill

**BYLAWS
OF
SHERMAN PINES HOMEOWNERS ASSOCIATION
WATER COMPANY**

ARTICLE I

Name

Section 1. The name of the corporation is **SHERMAN PINES HOMEOWNERS ASSOCIATION**, an Arizona nonprofit corporation.

ARTICLE II

Location

Section 1. The principal place of business shall be 1203 Pine Ridge Drive, Prescott, Arizona, 86303.

ARTICLE III

Organization

Section 1. The purpose for which this corporation is organized is the transaction of any and all lawful business for which a nonprofit corporation may be incorporated under the laws of the State of Arizona, as they may be amended from time to time.

Section 2. **SHERMAN PINES HOMEOWNERS ASSOCIATION**, hereafter called **Association**, is exclusively organized to own and operate the Sherman Pines Subdivision water supply, treatment, and distribution system for the benefit of members of the association, and to provide and engage in any and all other lawful activities necessary for fulfilling the purpose as stated in the **ARTICLES OF INCORPORATION** executed January 9, 1996.

Section 3. Every person who now owns or acquires ownership of a lot in Sherman Pines Subdivision Recorded in Book 7 Page 9 of Yavapai County Records is eligible for membership in the **Association**.

Section 4. Eligible lot owners become members of the **Association** when they apply for water service and pay all fees required to install a water meter and supply water to the lot. They remain a member until such time as they cancel the request for water service in writing.

ARTICLE IV

Board of Directors

Section 1. The Board of Directors shall consist of 5 eligible members.

- Section 2. Directors shall be elected by a simple majority of the membership during the regular annual meeting and shall serve a term of two years. Three directors shall be elected in odd numbered years and two in even numbered years.
- Section 3. Directors may serve consecutive and multiple terms provided they are reelected every term.
- Section 4. The elected Directors shall meet as soon as practicable after the regular annual meeting to determine who will serve as: President, Vice President, Secretary, Treasurer, and Director at Large for the coming year. The membership shall be notified of the officer's names within one month of the regular meeting.
- Section 5. The Board of Directors shall have full power to adopt, alter, and amend Bylaws and to make proper rules and regulations for the transaction of the affairs of the Association.
- Section 6. The Board of Directors shall, from time to time, and as often as necessary, set the amount of dues and charges for delivery of water and other benefits of the Association. Such charges may be made as shall be sufficient to produce and maintain a reasonable surplus for emergency purposes and replacements but shall not be so calculated as to produce profit for the Association, and none of the surplus funds or property of the Association shall ever inure to the benefit of any of its individual members.

ARTICLE V Officers

- Section 1. The President shall be the principal executive officer of the company and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the company. He/She shall, when present, preside at all meetings of the members and of the Board of Directors. He/She may sign with the Secretary or any other proper officer of the company authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other officer or agent of the company, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties as may be prescribed by the Board of Directors from time to time.
- Section 2. The Vice President shall perform the duties of the president in the absence of the president or in the event of his/her death, inability or refusal to act. When so acting, shall have all the powers of and be subject to all restrictions upon the President. The Vice President shall perform such other duties as from time to time may be assigned to him/her by the President of the Board of Directors.

Section 3. The Secretary shall: (a) keep the minutes of the proceedings of the members and of the Board of Directors; (b) see that all notices are given in accordance with the provisions of these Bylaws or as required by law; (c) keep a register of the address of each member which shall be furnished to the Secretary by each member; (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him/her by the President or by the Board of Directors.

Section 4. The Treasurer shall: (a) have charge and custody of and be responsible for all funds of the Association; (b) receive and give receipts for moneys due and payable to the Association from any source whatsoever, and deposit all such moneys in the name of the Association in such banks or other depositories as shall be selected in accordance with provisions of Article VI of these Bylaws; (c) pay all bills and legal obligations of the Association in a timely manner so as not to incur late charges and; (d) in general perform all of the duties incident to the office of Treasurer and such duties as from time to time may be assigned to him/her by the President or the Board of Directors.

Section 5. The Member-At-Large shall: Perform all the duties as from time to time may be assigned him/her by the President or the Board of Directors.

ARTICLE VI

Contracts, Loans, Checks, and Deposits.

Section 1. Contracts: The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association and such authority may be general or confined to specific instances.

Section 2. Loans: No loans shall be contracted on behalf of the Association and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc.: All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Association shall be signed by a minimum of two officers or agents of the Association and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits: All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, trust companies or other depositories as the Board of Directors may select.

ARTICLE VII

Meetings

- Section 1. Annual Meeting: The annual meeting of the members shall be held on the third Saturday in the month of September each and every year beginning at 10:00 am, for the purpose of electing Directors and for the transaction of such other business as may come before the members.
- Section 2. Special Meetings: Special meetings of the members of the Association, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or the Board of Directors, and shall be called by the President at the request of not less than 25 percent of all members.
- Section 3. Place of Meeting: The Board of Directors may designate any place within the Sherman Pines Subdivision or elsewhere as the place of meeting for any annual or any special meeting called by the Board of Directors
- Section 4. Notice of Meeting: Written notice stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered to the members not less than 30 nor more than 45 days before the date of the meeting, either personally or by first class mail to each member of the Association. Delivering with or mailing with the monthly water bill shall be deemed as satisfying the requirements of this Section 4.
- Section 5. Voting Lists: The Director having charge of the list of Members of the Association shall make a complete list of those entitled to vote at each meeting, one vote per operating meter. The list shall be in numerical order of the lot numbers of the current members of the Association and shall include the street address of the lot. Such list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any member during the whole time of the meeting.
- Section 6. Quorum: A simple majority of the Members of the Association entitled to vote, represented in person or by proxy shall constitute a quorum at a meeting of the Members. If less than a majority of the members are represented at a meeting, a majority of the members in attendance may adjourn the meeting from time to time with proper notice as required in Section 4. At such adjourned meeting a quorum shall consist of the Members in attendance or represented by proxy if a simple majority of the Members are not present. Any business may be transacted at the meeting as originally noticed. The members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum.
- Section 7. Proxies: At all meetings of Members, a Member may vote in person or by proxy executed in writing by the member or by his/her duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.
- Section 8. Informal Action by Members: Unless otherwise provided by law, any action required to be taken at a meeting of the Members, or any other

action which may be taken at a meeting of the members, may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by a majority of the Members entitled to vote with respect to the subject matter thereof. All Members of record shall be notified of the action to be taken.

ARTICLE VIII
Audit Committee

Section 1. An Audit Committee shall be appointed by the Board of Directors each year in August to report at the Annual meet. The Committee shall consist of two Members of the Association who are not officers of the Association.

ARTICLE XIX
Amendments

Section 1. These Bylaws may be amended or replaced, subject to conformance with the Articles of Incorporation, or the Laws of the State of Arizona at any properly called meeting of the Board of Directors, by a majority affirmative vote of the Board of Directors, providing a quorum is present at the time of the voting.

Section 2. The text of the proposed amendments to the Bylaws shall be published with the agenda for the subject meeting at which the amendment is to be considered.

ARTICLE X
Effective Date

These BYLAWS, dated November 29, 2001, shall become effective November 29, 2001.

Adopted November 29, 2001.

Arizona Corporation Commission
State of Arizona Public Access System

08/25/2014

2:36 PM

Corporate Status Inquiry**File Number: -0766445-0****Corp. Name: SHERMAN PINES HOMEOWNERS ASSOCIATION****This Corporation is in Good Standing**

This information is provided as a courtesy and does not constitute legally binding information regarding the status of the entity listed above. To obtain an official Certificate indicating that the entity is in good standing click on Print Certificate and follow printing instructions. To re-print a previously generated Certificate of Good Standing click Reprint Certificate.

[Print Certificate](#)[Reprint Certificate](#)[Return to Corporate Inquiry](#)

Minutes of Corporate Resolution

L Hill

From: "sally pickert" <shermanpines@hotmail.com>
Date: Saturday, August 30, 2014 10:13 AM
To: <genealogy@cableone.net>
Subject: Shermanpines Homeowners Association Water Co.

Saturday, 8/23/14 Meeting started by Terry Hill president on a discussion of our annual meeting which will be held October 4, 2014. MDI to send a letter with the bills. Financial Report: Linda Hill Treasurer. As of July 31st our balance is \$32,153.01. Big insurance payments are coming up. (For the director, liability, to cover sickness etc. and basically keep things on an even keel.) Last year we had 25K. Hopefully there will be no leaks under the blacktop. There were no problems to report from either Cathy (V.P.) or Sally (Member at large and temp. Sec.) New Business: Linda stated we need an affidavit to file for an application of adjudication from the Az Corp. Comm. The Az Corp. Comm said in 2002, 12 years ago we were o.k. as is. Linda said we take letters around to 50% (23) of the homeowners for signatures to maintain our status. We also show the county (Yavapai) as co-insured with us in 2001 to expire in 2016. Which means we are franchise only delivering water within our own subdivision. Linda & Terry are mainly dealing with it. Will get signatures as soon as Monday. (Cathy & Sally) Also, Sometime this summer we will purchase and install a propane tank for our generator. FLAME is the cheapest propane in town. Possibly a 500 gal. tank for the propane. Gets 2 gallons an hour for our generator. If we own the tank we have flexibility for who fills it up. Ask Tom Maskey to do the work for us. (Right now we only have a small 20 gal. tank) Linda motioned to get it into action and Cathy seconded it. We all said aye to the Az Corp. Comm authorizing our motion to submit. Cathy motioned for adjournment and Linda seconded it.

8/30/2014

SECOND
DECLARATION OF RESTRICTIONS - AMENDED

590/854

KNOW ALL MEN BY THESE PRESENTS:

That the undersigned owners of the majority of the following described property situate within the County of Yavapai, State of Arizona, to wit:

Lots 1 to 59 inclusive, SHERMAN PINES, a subdivision of Yavapai County, Arizona, according to the plat of record in the office of the County Recorder of Yavapai County, Arizona, in Book 7 of Maps, page 19 thereof:

and desiring to establish the nature of the use and enjoyment thereof, does hereby declare said premises subject to the following express covenants, stipulations and restrictions as to the use and enjoyment thereof, all of which are to be construed as restrictive covenants running with the title of said premises and with each and every part and parcel thereof, to wit:

1. That SHERMAN PINES has been laid out and platted as a choice and attractive residential district, and that all of said lots, EXCEPT Lots numbered 45 to 49 inclusive, shall be known and described as single-family residential lots.
2. On Lots numbered 45 to 49 inclusive, because of the length and pronounced natural separation of the high and low elevations existing on each of said lots, two complete dwelling houses may be erected on each of said lots - one (only) on the higher elevation and one (only) on the lower elevation.
3. That none of said lots, EXCEPT Lot numbered 49, shall be re-subdivided into smaller lots nor conveyed or encumbered in less than the full original dimension of such lot as shown by the plat of SHERMAN PINES, EXCEPT for existing the future well sites serving this subdivision and access easements thereto, and EXCEPT for 25 ft. easement along the extreme West line of Lots 48, 49 and 50, said easement being created for utilities and for ingress and egress to the lower elevations of Lots 47, 48, and 49.
4. ON lot 49, the West 100 ft. thereof (except for the easement along the West side as outlined above in No. 3) shall serve as the headquarters of the Sherman Pine Water Company, an Arizona corporation created for the express purpose of developing and serving domestic water to all the lots in Sherman Pines Subdivision, and shall be exempt from any restrictions and covenants set forth herewith that might deter said Sherman Pine Water Company from properly functioning in the services for which it was created. Structures and caretaker's dwelling facilities, incorporating approved modern sanitation fixtures and facilities, may be placed and established thereon without otherwise conforming to restrictions and covenants set forth herein. The remainder of Lot 49 may be sold as an entity described as "Lot numbered 49, SHERMAN PINES, EXCEPT the West 100 feet thereof", and shall be subject to all the restrictions and covenants set forth herewith.
5. Any owner of two contiguous lots may, for the purpose of building, consider the two lots as one lot, and any building constructed thereof shall conform to the set back restrictions provided herein.
6. That no building or structure shall be erected, permitted or maintained on any lot other than one single-family residence, except as otherwise provided for above in Restrictions 1, 2, 3, and 4, and, if desired, attached guest house or servants quarters not containing cooking facilities, together with a private garage. No room or rooms in any building or structure shall be rented or used by any person or persons who are not guests of the owner or principal occupant.
7. On lots numbered 1 to 17, inclusive, and 50 to 59 inclusive, no dwelling shall be erected or permitted which contains less than 950 square feet of living space, including the walls proper of the house, exclusive of carports, open porches and breezeways. Said minimum square footage may include an attached garage built with the same wall and roofing structure, lines, and design of architecture as that of the main dwelling. On lots 18 to 35 inclusive, and 46 to 49 inclusive, no dwelling shall be erected or permitted which contains less than 720 square feet of living space, including the walls proper of the house, exclusive of open carports, porches and breezeways. Said minimum square footage may include an attached garage, and/or one attached enclosed porch (maximum allowance on any enclosed porch shall be 150 square feet) built with the same wall and roofing structure, lines and design of architecture as that of the main dwelling. On Lots 36 to 45 inclusive, the dwellings erected or permitted thereon are free from minimum size requirements, EXCEPT that in all cases said dwellings shall conform to all the requirements of Section 11 of these Restrictions and all other regulatory measures outlined herein except those relating to dwelling size.

REC'D 500 854

DECLARATION OF RESTRICTIONS - AMENDED Page 2

That no building shall be erected with walls closer than 20 feet to dedicated lots fronting on the lots in said subdivision, or closer than 7 feet to the interior side lot line of any of the lots in said subdivision with the exception that a carport or garage may extend to within 5 feet of said interior side lot lines. (EXCEPTION: Surface terrain not suitable for construction within the above specified area, subject to approval by Sherman Pines Building and Development Committee.)

9. That no part of any dwelling shall be used for living purposes until the entire structure's exterior (including doors and windows) has been completed, nor shall any structure of a temporary nature be used as a dwelling on any lot in SHERMAN PINES, nor shall any trailer (except as provided for below in Restriction No. 10), tent, shack, garage, barn or any other structure be used as a residence, nor shall any house trailer (Except as provided for below in Restriction No. 10) be stored permanently on any of the said lots in Sherman Pines. However, a single house trailer with modern sanitary facilities, connected to approved septic tank and drainage leach field, may be temporarily utilized for a period not to exceed 1 year, during the construction period of a permanent dwelling on any lot in Sherman Pines, after submitting detailed plans of construction and use to the Sherman Pines Building and Development Committee. No galvanized metal roofing or siding shall be permitted on any dwelling or outside building. No asphalt, composition or plaster board siding shall be permitted on a surface of exterior walls. Chimneys shall be provided with spark arrester vent caps of design and use approved by the Prescott National Forest Service. No building or improvement of any kind shall be erected, moved onto, or maintained on any of the premises herein described until the design and location thereof have first been submitted to and approved by the existing Sherman Pines Building and Development Committee formulated for such purpose, or by such committee later elected by the owners of record of a majority of lots in Sherman Pines for such purpose. In the event that such committee ceases to be in existence, the design of such structures shall be in harmony with existing buildings and structures in the immediate vicinity in said subdivision.

10. On lots numbered 36 to 45 inclusive, factory built mobile homes and Travel trailers equipped with full and complete plumbing and sanitary facilities, properly connected to septic tank and drainage fields approved by Yavapai County Health Dept., may be located and used as dwellings, providing that the location on any of the above numbered lots for the site of such mobile homes and/or Travel trailers shall first be approved by the Sherman Pines Building and Development Committee.

11. All dwellings on all lots used for residential purposes shall have complete and adequate kitchen plumbing and bathroom plumbing including water flush toilets, and all bathroom, toilets, and sanitary conveniences shall be inside the structures permitted hereunder. Until such time as public sewers may be available, all bathrooms, toilets, kitchen sinks, and other sanitary conveniences shall be connected to septic tanks and drainage fields constructed in accordance with requirements and standards of County and State Laws, rules and regulations, and in accordance with sound engineering, safety, and health practices.

12. Private incinerators and outdoor fireplaces, if used on any of said lots, shall be on the rear portion of the lot, and shall be of design approved by the Prescott National Forest, and the use thereof shall be governed by rules and regulations outlined by the Prescott National Forest, together with any seasonal changed rulings.

13. All debris, garbage and trash shall be removed from said lots and shall not be permitted to accumulate thereon, nor shall miscellaneous unused objects (including vehicles of any sort) be allowed to accumulate or be stored on said lots which would be objectionable or depreciate the value of other lots in said subdivision. Recommendation is made to subscribe to the regular services of local garbage collectors.

14. No commercial establishments, nor any noxious or offensive trade or activity shall be carried on upon any lot nor shall anything be done thereon which may be or become a nuisance to the neighborhood, and no hospital, sanitarium or other place for the care or treatment of the sick or disabled, physically or mentally, nor any theater, saloon, or other place of entertainment shall ever be erected or permitted upon any of the lots, or any part thereof.

15. There shall not at any time be permitted or maintained any cattle, horses (except as provided for below in Restriction No. 16), hogs, goats, poultry or similar livestock on any lot in Sherman Pines subdivision.

16. On lots numbered 36 to 49 inclusive, tamed riding horses may be kept in approved and regularly cleaned corrals and stables in the rear area of such lots; however, no more than 2 horses may be permitted on any one of the above specified lots, and owners of such horses shall give proper attention and care to them, and prevent any offensive odors or activities that could prove to be objectionable to surrounding area.

NO 590 : 855

and advertising signs, billboards, or other unsightly objects shall be permitted to remain on any lot, nor shall anything be done which may be or become an annoyance or nuisance to the neighborhood.

18. No structures shall be erected on, over, or across any easements.

19. In order to maintain SHERMAN PINES as a choice and attractive residential district, each subsequent owner of any of the lots in said SHERMAN PINES by acceptance of a deed to any of said lots, agrees for himself and his successors in interest, that during prolonged absence he will arrange for the care of lawns and shrubs and pets during such absence, and will not park or permit to be parked overnight any trucks or trailers in the streets of said SHERMAN PINES.

20. The foregoing restrictions and covenants shall not prevent the use of one of the lots for a Sherman Pines subdivision sales office, or the use of subdivision sales and advertising signs and banners employed in connection with said subdivision sales, it being understood that such use shall be of a temporary nature, and that, upon conclusion of such use, the property so used shall again be subject to all the foregoing restrictions and covenants.

21. The foregoing restrictions and covenants run with the land and shall be binding on all subsequent owners of lots in said SHERMAN PINES until January 1, 1985 at which time said covenants shall be automatically extended for successive periods of ten (10) years each, provided however, that the said restrictions may be amended by the owners of a majority of the lots within said SHERMAN PINES. Any amendment so made to said restrictions shall be signed by the owners of not less than a majority of the lots in said SHERMAN PINES and filed for record in the office of the County Recorder of Yavapai County, Arizona, whereupon any such amendment shall be effective and shall supersede the restrictions as set forth in this instrument.

22. Deeds of conveyance of said property, or any part thereof, may contain the above restrictive covenants by reference to this document, but whether or not such reference is made in such deeds, or any thereof, each and all of such restrictive covenants shall be valid and binding upon the respective grantees.

23. If there shall be a violation or threatened or attempted violation of any of said covenants, stipulations and restrictions, anyone owning any portion of the said SHERMAN PINES may bring an appropriate action in a proper court to restrain or enjoin such violation or threatened or attempted violation or to collect or to recover damages or other dues which the court may deem just and proper; provided, however, that a violation of these restrictive covenants, or any one or more of them shall not affect the lien of any mortgage now of record, or which hereafter may be placed of record, upon said lots or any part thereof.

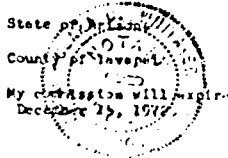
24. Should any of the restrictions herein contained be invalid or void, such invalidity or voidance of any such restrictions shall in no way affect the validity of the rest of these restrictions.

Dated this 16th day of March, 1970.

TRANSMERICA TITLE INSURANCE COMPANY
By R. A. Jacobs
Trust Officer

This instrument was acknowledged before me this 16th day of March, 1970 by R. A. Jacobs, Trust Officer of Transamerica Title Insurance Company of Arizona, an Arizona corporation, as Trustee

William C. Ketchum
Notary Public



NO. 599 856

March 17, 1970

TO WHOM IT MAY CONCERN

Re: Sherman Pines Subdivision
Transamerica Trust No. 17,148

The undersigned owners, representing ownership of a majority of the lots in SHERMAN PINES, a subdivision in Yavapai County, Arizona, as of this date and in accordance with the provisions outlined in Section 21 of the Restrictions running with said Sherman Pines Subdivision, do hereby adopt and approve the attached Amended Declaration of Restrictions.

Kenneth L. Merrick
Kenneth L. Merrick } Lots 21 &
51

Faye Merrick
Faye Merrick }

Enoch E. Hood
Enoch E. Hood } Lots 30 &
23

Laura H. Hood
Laura H. Hood }

Elvora Heath } Lots 45

Transamerica Title Insurance Co. as Trustee
Owner of Lots numbered below:
1, 2, 3, 4, 6, 7, 10, 12, 14, 15, 16, 17, 18,
19, 25, 26, 27, 30, 32, 38, 40, 41, 42, 43,
48 and 55

TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA,
as Trustee

By [Signature]
Vice President

By [Signature]
Assistant Secretary

BOOK 590 PAGE 857

TY & FILM

COMPANY NAME: Sherman Pines Homeowners Assoc, Inc

Name of System: Sherman Pines HOA

ADEQ Public Water System Number: AZ04-13049

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-592229	1	Unkn	Abt 480'	Unkn	5/8 x 3/4	2002
55-624864	1/2	Unkn	Unkn	Unkn	5/8 x 3/4	1960's?
55-624866	Not in service—disconnected from system					

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
none		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1.5	2	None	None

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
10,000 gal	1	2000g	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Sherman Pines Homeowners Assoc, Inc

Name of System: Sherman Pines HOA ADEQ Public Water System Number: AZ04-13049

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS: Unknown, unobtainable

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6		
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	44
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Turbo 4	
Comp. 6	
Turbo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

chlorinator _____

STRUCTURES:

building that houses all our
equipment _____

OTHER:

Note: If you are filing for more than one system, please provide separate sheets for each system.

Yavapai County Parcel Search

6 Parcels were found matching 'SHERMAN PINES HOMEOWNERS ASSOC'

Please Select:

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-12-047A - 1201 E Pine Ridge Dr

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-12-048 - 1203 E Pine Ridge Dr

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-12-062 - Address Unspecified

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-12-064 - 1225 E Pine Ridge Dr

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-13-012A - Address Unspecified

SHERMAN PINES HOMEOWNERS ASSOC - Prescott, AZ

110-13-013A - Address Unspecified

Map and parcel information is believed to be accurate but accuracy is not guaranteed. No portion of the information should be considered to be, or used as, a legal document. The information is provided subject to the express condition that the user knowingly waives any and all claims for damages against Yavapai County that may arise from the use of this data. The data and use of this web-site may not be used for commercial purposes.

INSTRUMENT 2 9749164
 OFFICIAL RECORDS OF
 YAVAPAI COUNTY
 TATSY C. JENNEY COLON
 REQUEST OF
 I. RICHARD MADRY
 DATE 07/08/97 TIME 13:40
 FEE 6.00 SC 4.00 FL
 BOOK 3474 PAGE 463



When Recorded Mail To:
 Sherman Pines Homeowners Association
 P.O. Box 11611
 Prescott, Arizona 86308-1611

QUITCLAIM DEED

Exempt: A.R.S. 842-1614A(4)
 Assessor's Parcel No. 110-12-047A, 110-12-048, 110-12-062,
 110-13-013A, 110-13-012A, 110-12-060C, 110-12-049

For the consideration of TEN DOLLARS (\$10.00) and other valuable consideration, SHERMAN PINES WATER COMPANY, a defunct Arizona corporation, BOYD E. WEED, as former Personal Representative of the Estate of Enoch E. Weed, deceased, Maricopa County Superior Court Probate Cause No. P149585, and ~~Trustee of the Enoch E. Weed and Izora H. Weed Trust dated March 15, 1985, and~~ IZORA H. WEED, Individually, former Secretary ^{and Vice President} ~~and Treasurer~~ of Sherman Pines Water Company, a defunct Arizona corporation, and Trustee of the Enoch E. Weed and Izora H. Weed Trust dated March 15, 1985, hereby quitclaim to SHERMAN PINES HOMEOWNERS ASSOCIATION, an Arizona nonprofit corporation, all right, title and interest in and to the following described property situated in the County of Yavapai, State of Arizona:

SEE EXHIBIT "A" ATTACHED

3474 PAGE 463

DATED this 20th day of May, 1997.

GRANTORS:

SHERMAN PINES WATER COMPANY, a
defunct Arizona corporation

By Bora H. Weed
its former Vice President

Boyd E. Weed
BOYD E. WEED, former Personal
Representative of the Estate of
Enoch E. Weed, deceased, Maricopa
County Superior Court Probate
Cause No. P149585 and
~~Trustee of the Enoch E. Weed and
Izora H. Weed Trust dated March 15,
1985~~ BW

Bora H. Weed
IZORA H. WEED, individually, former
Secretary-Treasurer of Sherman
Pines Water Company, a defunct
Arizona corporation, and Trustee
of the Enoch E. Weed and Izora H.
Weed Trust dated March 15, 1985

STATE OF ARIZONA)
County of Maricopa) ss:

On this, the 20th day of May, 1997, before
me, the undersigned Notary Public, personally appeared SHERMAN
PINES WATER COMPANY, a defunct Arizona corporation, through
Izora H. Weed, its former Vice President, known to
me (or satisfactorily proven) to be the person whose name is
subscribed to the within instrument, and acknowledged to me that
s/he executed the same for the purposes therein contained.

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



Sandra J. Weed
Notary Public

My Comm. Expires 11/30/00

STATE OF ARIZONA)
) ss:
County of Maricopa)

On this, the 20th day of May, 1997, before me, the undersigned Notary Public, personally appeared ROYD E. WEED, former Personal Representative of the Estate of Enoch E. Weed, deceased, Maricopa County Superior Court Probate Cause No. P149585, and Trustee of the Enoch E. Weed and Izora H. Weed Trust dated March 15, 1985, known to me, or satisfactorily proven, to be the person whose name is subscribed to the within instrument and acknowledged that he executed the same for the purpose therein contained.

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



Sandra J. Weed
Notary Public

My Commission Expires:

STATE OF ARIZONA)
) ss:
County of Maricopa)

On this, the 20th day of May, 1997, before me, the undersigned Notary Public, personally appeared IZORA H. WEED, Individually, former Secretary-Treasurer of Sheehan Pines Water Company, a defunct Arizona corporation, and Trustee of the Enoch E. Weed and Izora H. Weed Trust dated March 15, 1985, known to me, or satisfactorily proven, to be the person whose name is subscribed to the within instrument and acknowledged that she executed the same for the purpose therein contained.

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



Sandra J. Weed
Notary Public

My Commission Expires:

EXHIBIT 7A

Real property located in Yavapai County, Arizona, and more particularly described as follows:

1. All that portion of LOTS 21 and 23, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder, Book 7 of Maps and Plats, page 19, described as follows:

Beginning at the Southwest corner of said Lot 21; thence South 89°28' East, along the South line of said Lot 21, 25.00 feet to the true point of beginning; thence North 0°32' East, 8.00 feet; thence South 89°28' East, 10.00 feet; thence South 0°32' West, 10.00 feet; thence North 89°28' West, 10.00 feet; thence North 0°32' East, 2.00 feet to the true point of beginning.

2. All that portion of LOTS 11 and 13, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder, Book 7 of Maps and Plats, page 19, described as follows:

Beginning at the Southwest corner of said Lot 11; thence North 17°39' West, 5.02 feet; thence North 77°53' East, 10.48 feet; thence South 12°07' East, 10.00 feet; thence South 77°53' West, 7.85 feet; thence North 35°21' West, 5.44 feet to the point of beginning.

3. All that portion of LOT 29, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder, Book 7 of Maps and Plats, page 19, described as follows:

Beginning at the Southwest corner of said Lot 29; thence South 72°03' East, along the South line of said Lot 29, 22.43 feet to the true point of beginning; thence North 17°57' East, 10.00 feet; thence South 72°03' East, 10.00 feet; thence South 17°57' West, 10.00 feet; thence North 72°03' West, 10.00 feet to the true point of beginning.

4. All that portion of LOT 9, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder, Book 7 of Maps and Plats, page 19, described as follows:

Beginning at the Northwest corner of said Lot 9; thence North 78°11' East, along the North line of Lot 9, 38.00 feet to the true point of beginning; thence North 78°11' East, 10.00 feet; thence South 11°49' East, 10.00 feet; thence South 78°11' West, 10.00 feet; thence North 11°49' West, 10.00 feet to the true point of beginning.

5. The West 100 feet of Lot 49, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder in Book 7 of Maps, page 19 thereof.

6. The West 25 feet of Lot 50, SHERMAN PINES SUBDIVISION, according to the plat of record in the office of the Yavapai County Recorder in Book 7 of Maps, page 19 thereof.

7. That portion of Lot 48, SHERMAN PINES SUBDIVISION, described as follows: Beginning at the Northwest corner of said Lot 48, thence Northeasterly 87 feet along the North boundary line of said lot, thence Southerly to the South boundary line of said Lot 48 to a point 68 feet Northeasterly of the Southwest corner of said Lot 48, thence Southwesterly along the South boundary line of said Lot 48 to the Southwest corner thereof, thence Northwesterly along the West boundary line of said Lot 48 to the point of beginning.

8. That portion of Lot 11, Section 11, Township 13 North, Range 2 West, described as follows: A parcel of land created by straight Southwesterly extension of the side lines of Lot 44, SHERMAN PINES (a subdivision recorded in the plat of records in the office of Yavapai County Recorder in Book 7 of Maps, page 19), for a distance of 65 feet into the unplatted area of said Lot 11.

9. Trace "A" of SHERMAN PINES SUBDIVISION according to the plat of record in the office of the Yavapai County Recorder in Book 7 of Maps, page 19 thereof.

Subject to the restrictions and reservations contained within that certain Easement to the Public by Deed dated October 6, 1976, recorded on October 27, 1976, Book 1042 of Official Records, page 416, records of Yavapai County, Arizona, and re-recorded on May 15, 1979, Book 1192 of Official Records, page 888, records of Yavapai County, Arizona.

10. That part of the real property hereinafter described, lying East of a line which is ten feet (10') West of and parallel to the West property line of Lot 50, SHERMAN PINES, to-wit:

All that portion of Lot Twelve (12) of Section Eleven (11), Township Thirteen (13) North, Range Two (2) West, Gila and Salt River Basins and Meridian, described as follows:

BEGINNING at a point used locally as the Northeast corner of said Lot 12; thence South 04°57' East, 760.75 feet to the TRUE POINT OF BEGINNING; thence South 70°43' West, 101.22 feet; thence North 32°45' West, 97.81 feet; thence North 58°02' East, 128.75 feet; thence South 18°32' East, 123.39 feet to the TRUE POINT OF BEGINNING.

ALSO KNOWN as Lot 55, SWEET ACRES, according to the unrecorded plat thereof.

11. The East ten (10) feet lying north of a line determined by a prolongation westerly of the south property line of Lot 48, SHERMAN PINES, according to the plat of record in the office of the Yavapai County Recorder in Book 7 of Maps, page 19, of the following-described real property:

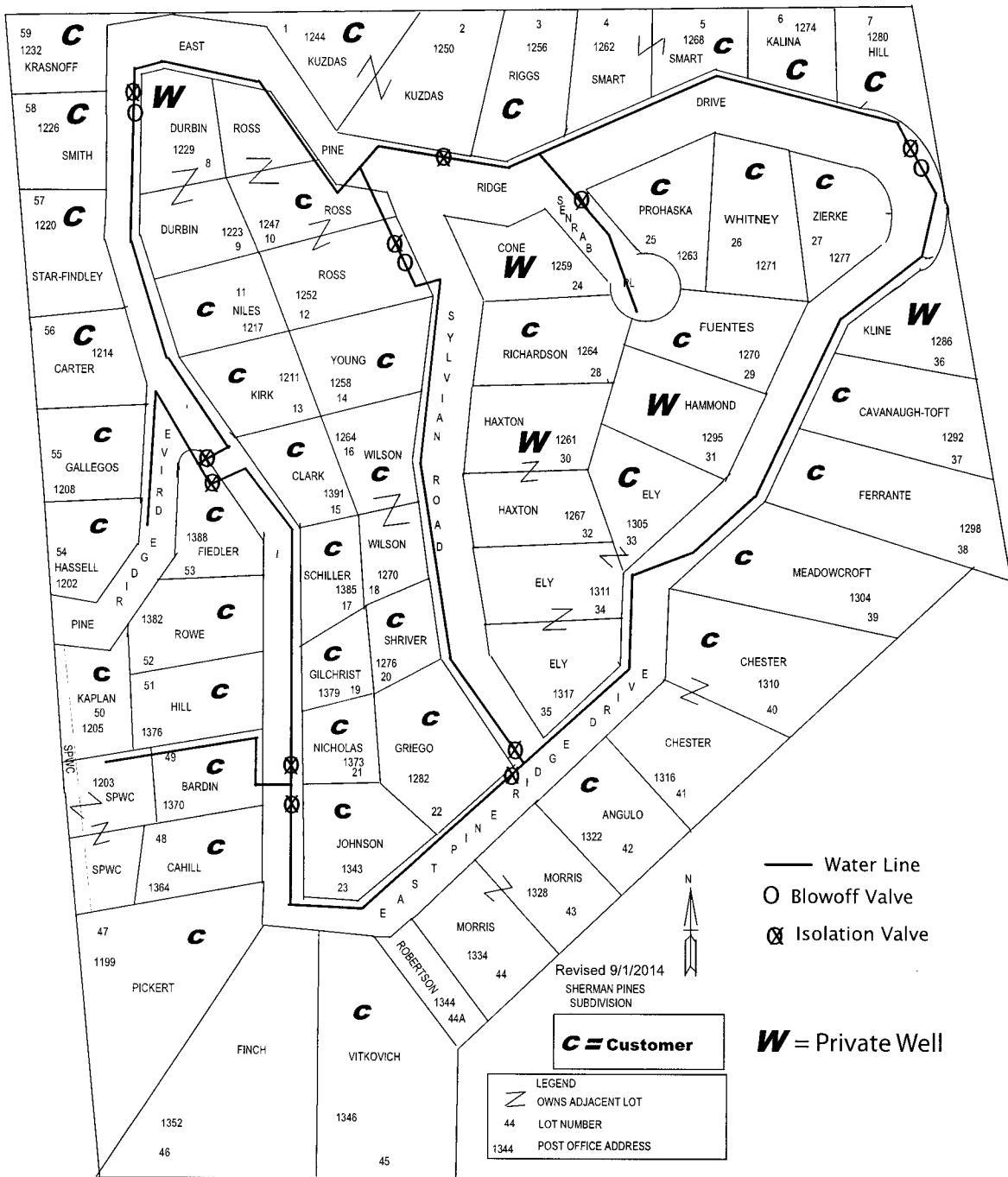
All that portion of Lot Twelve (12), Section Eleven (11), Township Thirteen (13) North, Range Two (2) West, Gila and Salt River Base and Meridian, Yavapai County, Arizona, described as follows:

BEGINNING at the Southeast corner of said Lot 12; thence North 04°57' West, 600.92 feet, along the Westerly line of Sherman Pines Subdivision, as recorded in Book 7 of Maps, page 19, Yavapai County Recorder's Office, to the Southeast corner of Lot 55 of the unrecorded subdivision, SWEET ACRES, as described in Book 517 of Official Records, page 229; thence South 70°43' West, 101.22 feet, along the Southerly line of said Lot 55, to the Southwest corner of said Lot 55; thence South 07°52' East, 87.25 feet; thence South 12°00' West, 138.00 feet; thence South 19°01' East, 209.58 feet; thence South 07°07' East, 148.05 feet to a point on the Southerly line of said Lot 12; thence North 89°56' East, 78.02 feet to the POINT OF BEGINNING.

SHERMAN PINES HOMEOWNERS ASSOCIATION WATER COMPANY SERVICE AREA

SHERMAN PINES SUBDIVISION - DRAWN SEPTEMBER 30, 2004

Map revised 09/01/2014 by T. Hill - Lot #7



Sherman Pines Homeowners Association, Inc.
 Petition for approval of the Application for an Adjudication
 "Not a Public Service Corporation"

Sherman Pines Homeowners Association, Inc. (Water Company) has applied to the Arizona Corporation Commission for an adjudication that it is not a public service corporation (Public utility) and therefore are not under their jurisdiction. If the application is approved, the Commission will not regulate the rates we charge the members. All complaints concerning rates and service will be handled by your board of directors elected by the members.

If you have any questions about this application or have any objections to its approval, you may contact the Arizona Corporation Commission's Utilities Division at 1-800-222-7000, or write at 1200 W. Washington, Phoenix, Arizona 85007.

The undersigned members hereby petition the Arizona Corporation Commission to approve the above-mentioned Application for an Adjudication "Not a Public Service Corporation":

Name (print)	Signature	Address	Telephone #	Date
Carol Fiedler	<i>Carol Fiedler</i>	1388 E. Pine Ridge Dr.	602-399-5196	8-25-2014
Maxine Hassell	<i>Maxine Hassell</i>	1222 E. Pine Ridge Dr.	928-728-9182	8-25-2014
Cathy Schiller	<i>Cathy D. Schiller</i>	1385 E. Pine Ridge Dr.	928-717-2020	8/25/14
William Clark	<i>William Clark</i>	1391 E. Pine Ridge Dr.	928-232-0577	8/25/14
Carolyn Prohaska	<i>Carolyn Prohaska</i>	1263 E. Pine Ridge Dr.	928-445-5418	8/25/14
Colleen Wilson	<i>Colleen Wilson</i>	1204 Sylvanoka	928-771-2238	8/25/14
Mary Ann Niles	<i>Mary Ann Niles</i>	1206 E. Pine Ridge Dr.	623-210-6290	8/25/14
Bret Ely	<i>Bret Ely</i>	1311 E. Pine Ridge Dr.	928-445-4210	8/25/14
Van Gordon	<i>Van Gordon</i>	1370 E. Pine Ridge Dr.	028-445-9352	8/25/14
Creay Ross	<i>Creay Ross</i>	1247 E. Pine Ridge Dr.	928-445-8374	8/25/14
Donna Spalding	<i>Donna Spalding</i>	1220 E. Pine Ridge Dr.	623-418-9140	8/29/14
Chuck Rowe	<i>Chuck Rowe</i>	1322 E. Pine Ridge Dr.	623-561-1661	8/29/14
Bill Chester	<i>Bill Chester</i>	1310 Pine Ridge Dr.	602-973-5760	8/29/14
Jean Vitkovic	<i>Jean Vitkovic</i>	1346 Pine Ridge Dr.	602-527-9709	8/29/14

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Sherman Pines Homeowners Association, Inc. (Water Company) has applied to the Arizona Corporation Commission for an adjudication that it is not a public service corporation (Public utility) and therefore are not under their jurisdiction. If the application is approved, the Commission will not regulate the rates we charge the members. All complaints concerning rates and service will be handled by your board of directors elected by the members.

If you have any questions about this application or have any objections to its approval, you may contact the Arizona Corporation Commission's Utilities Division at 1-800-222-7000, or write at 1200 W. Washington, Phoenix, Arizona 85007.

The undersigned members hereby petition the Arizona Corporation Commission to approve the above-mentioned Application for an Adjudication "Not a Public Service Corporation":

Name (print)	Signature	Address	Telephone #	Date
SALLY E. PICKREY	<i>[Signature]</i>	1199 E Pine Ridge Dr	928-778-7022	8/25/14
ROBERT JOHNSON	<i>[Signature]</i>	1343 E PINE RIDGE DR	928 4421432	8/25/14
ALLEN KAPLAN	<i>[Signature]</i>	1205 E. PINE RIDGE DR	928-445-3009	8/26/14
N. MARIE NICL	<i>[Signature]</i>	1376 PINE RIDGE DRIVE	602 292 2737	8-28-14
LINDA HILL	<i>[Signature]</i>	1280 E PINE RIDGE DR	928-778-5654	8/28/14
ANNON KAUZARIS	<i>[Signature]</i>	1244 E Pine Ridge Dr	#50-331-7484	8/30/14
JUANITA FALLS	<i>[Signature]</i>	1282 SILVER DA	602 741 8632	8/30/14
JERRY SMAS	<i>[Signature]</i>	1268 E PINE RIDGE	928 277 487	8/30/14
JOSEPH GARTER	<i>[Signature]</i>	1214 E PINE RIDGE DR	602 285 8959	8/30/14
5425 SILVER FALLS	<i>[Signature]</i>	1242 E Pine Ridge Dr	480-242-6121	8/30/14

Page 2 / November 5, 2001
Sherman Pines Homeowners Association, Inc.
Water Franchise Agreement

fifteen (15) years from the date hereof, along, upon, under and across the public highways of Yavapai County, Arizona, within the above described area of Yavapai County, which area is not within the limits of any incorporated city or town, upon the following terms and conditions:

RESTRICTIONS AND LIMITATIONS

1. All rights and privileges hereunder are granted under the express condition that the Board of Supervisors shall have the power at any time to impose such additional and further restrictions and limitations and to make such regulations on such highways, roads, thoroughfares, alleys, and public ways as may be deemed best for the public safety, welfare and convenience. No construction of improvements within a County road right-of-way shall be made without a permit from the Yavapai County Engineer first being obtained.

2. Grantor will notify Grantee if Grantor determines that any lines are located at a depth which interferes with road maintenance. Any such lines shall be buried at a sufficient depth upon receipt of notice. In the event that water lines must be relocated due to road construction or because of inadequate depth, the Grantee shall bear the cost of such relocation.

3. All rights and privileges hereunder shall be exercised so as to not interfere or conflict with any easements or rights-of-way heretofore granted by said Board of Supervisors and now in force.

4. All equipment and facilities constructed, installed, erected, used and maintained under this franchise shall in all respects be adequate, sufficient and substantial in design and workmanship and shall be so located, erected and maintained so as not to interfere with the full and free use and enjoyment of the public and so not to endanger life or property.

5. All rights and privileges hereunder shall be exercised so as not to interfere or conflict with any easement, either public or private, of whatsoever nature, which has been acquired in or to the proper use of said highways, roads, thoroughfares, alleys and public ways, or any portion thereof.

Page 3 / November 5, 2001
Sherman Pines Homeowners Association, Inc.
Water Franchise Agreement

6. Grantee shall bear all expenses, including damages and compensation to any aggrieved third parties, incurred or expended for the alteration of the course, direction, surface, grade or alignment of any of the said highways, roads, thoroughfares, alleys, and public ways necessarily made by or for Grantee for the purpose of exercising any right under this franchise, and said Grantee shall indemnify and hold harmless the County of Yavapai and the Board of Supervisors thereof from any and all suits, claims, damages and judgments resulting from injuries to persons or property due to the placing, location and maintenance of equipment and facilities upon, in or under the provisions hereof. Grantee shall maintain its equipment and facilities at its own cost and expense and will make all necessary repairs from time to time as the same may be needed without the necessity of notice from Yavapai County.

7. The Grantee shall be required to secure and maintain in force for the duration of the franchise general comprehensive liability insurance insuring against all damages charged to the County or the Grantee resulting from the installation, development, maintenance or expansion of the Grantee's system, as follows:

(a) Five Hundred Thousand Dollars (\$500,000) for bodily injury or death to any one person with an aggregate limit for any one occurrence of One Million Dollars (\$1,000,000) for bodily injury or death.

(b) Two Hundred Fifty Thousand Dollars (\$250,000) for property damage resulting from any one accident.

(c) Fifty Thousand Dollars (\$50,000) for all other types of liability.

Yavapai County, Arizona, shall be named on the aforesaid policy as a coinsured, or added thereon by endorsement as a named insured. A certificate of insurance as well as a copy of the policy shall be filed with the Public Works Director. The certificate shall provide that if the policy shall be cancelled by the insurance company or the Grantee during the term of the policy, ten (10) days written notice prior to the effective date of such cancellation shall be given the Public Works Director of Yavapai County, Arizona.

Page 4 / November 5, 2001
Sherman Pines Homeowners Association, Inc.
Water Franchise Agreement

8. This franchise shall not be deemed to be exclusive and the Board of Supervisors hereby expressly reserves the right and power from time to time to grant similar franchises and privileges over the same territory and highways, roads, thoroughfares, alleys, and public ways.

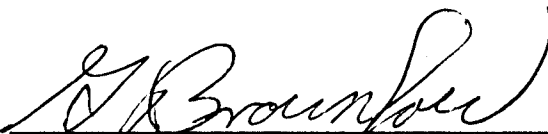
9. Grantee certifies that all water and sewer operations shall be supervised by a duly authorized local operator, whose name, address, and phone number shall be kept in the records of the Public Works Director. Grantee shall notify the Public Works Director of any operator changes.

10. Grantee shall notify the Public Works Director of any assignment of this franchise, including assignee's name, address and phone number.

11. Grantee shall apply for renewal of this franchise not less than sixty (60) days prior to its expiration. In the event required notice, public hearings and official action cannot be taken prior to expiration due to no fault of Grantee, this franchise shall continue until final action by Grantor has been taken.

* 12. This franchise is granted upon the express condition subsequent that a Certificate of Convenience and Necessity be procured from the Arizona Corporation Commission within six months from the date of granting of this franchise; and if such Certificate is not granted within six months from said date, then this franchise to be void, otherwise to be in full force and effect for the time herein specified.

Dated: November 5, 2001


Chairman, Board of Supervisors

ATTEST:


Clerk, Board of Supervisors

* Status of Arizona Corporation Commission not required for this franchise agreement.

Page 5 / November 5, 2001
Sherman Pines Homeowners Association, Inc.
Water Franchise Agreement

ACCEPTANCE OF LICENSE

T0: The Clerk of the Board of Supervisors of Yavapai County

Pursuant to the Order of the Board of Supervisors of Yavapai County dated the (Insert Date Here)

SHERMAN PINES HOMEOWNERS ASSOCIATION, INC.

hereby accepts the license to construct and/or operate a water franchise within the authorized service area and under the terms specified in the license.

Dated this 5TH Day of November , 2001.

This franchise agreement shall expire on: November 5, 2016

By *T. Hill*
Its: President

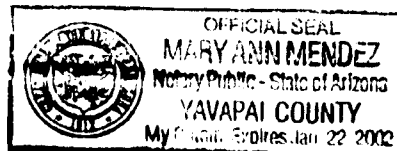
STATE OF ARIZONA)
) ss.
COUNTY OF YAVAPAI)

SUBSCRIBED AND SWORN TO before me by Terry Hill
this 23 day of Nov., 2001.

Mary Ann Mendez
Notary Public

My Commission Expires:

January 22, 2001



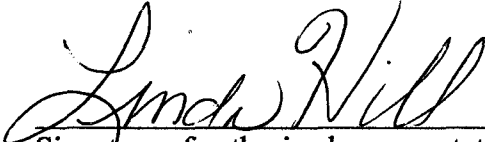
Sherman Pines Homeowners Association, Inc.
Water Company

An Arizona Nonprofit Corporation
1203 E Pine Ridge Dr
Prescott, AZ 86303-5940

"Sherman Pines Homeowners Association, Inc. (Water Company) has applied to the Arizona Corporation Commission for an adjudication that it is not a public service corporation (Public utility) and therefore are not under their jurisdiction. If the application is approved, the Commission will not regulate the rates we charge the members. All complaints concerning rates and service will be handled by your board of directors elected by the members. If you have any questions about this application or have any objections to its approval, you may contact the Arizona Corporation Commission's Utilities Division at 1-800-222-7000, or write at 1200 W. Washington, Phoenix, Arizona 85007."

Please be hereby advised that the above notice of this application for adjudication was sent to all 42 current Sherman Pines Homeowners Association Inc. members on September 2, 2014 by enclosing it with their monthly bill.

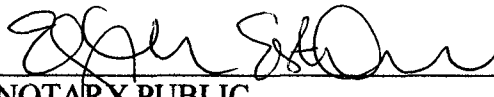
Dated the 2nd day of Sept 2014


Signature of authorized representative

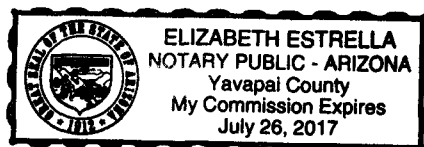
Linda Hill

Treasurer, Sherman Pines Homeowners Assoc. Inc.

SUBSCRIBED AND SWORN to before me on this 2nd day of September 2014


NOTARY PUBLIC

My commission expires July 26, 2017



ARIZONA
CORPORATION COMMISSION
MAPPING DIVISION

NAME OF
COMPANY

SHERMAN PINES WATER Co.

DOCKET
NUMBER

44-1671

DECISION NO. 32323 - JULY 26, 1960

SHERMAN PINES SUBDIVISION, LOCATED IN
AND BEING A PART OF LOT # 11 (NE 1/4 SW 1/4) SEC. 11.

SHERMAN PINES SUBDIVISION, DESCRIBED AS BEGINNING AT THE NW CORNER OF LOT # 1
(NE 1/4 SW 1/4) SEC. 11, T 13 N, R 2 W, THENCE S 04° 57' E 1361.31', THENCE N 89° 56' E
422.73', THENCE N 0° 04' W 154.19', THENCE N 46° 51' E 830.99', THENCE S 72° 26' E
35.18', THENCE N 10° 02' W 662', THENCE S 89° 38' W 1064.87', TO THE POINT OF
BEGINNING.

YAVAPAI COUNTY	13 N TOWNSHIP NO.	2 W RANGE NO.	ORIGINAL AREA AREA	PLATTED MAY 16 1962 BY H. HARRIS
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0	1	2	3	4	5	6	7		
						4	3	2	1
						5	6	7	8
7	8	9	10			12	10	9	12
						13	14	15	16
18	17	16	15			14		13	
19	20	21	22			23		24	
29	28	27	26			25		24	

REVIEWED
JAN 26 1967
BY H. HARRIS