

**ARIZONA DEPARTMENT OF WATER RESOURCES
PERMITTING UNIT**

**MAIL TO: 3550 North Central Avenue
Phoenix, Arizona 85012-2105**

Telephone (602) 771-8621
Fax (602) 771-8689

(For office use only)

Registry No: _____

Date Filed: _____

**APPLICATION TO SEVER AND TRANSFER
(To be completed by transferee)**

1. Applicant Bonita Creek Land and Homeowners' Association LLC Telephone _____
Address 251 North Big Al's Run City Payson State AZ Zip 85541

2. Registry number of right or claim being severed or transferred Certificate of Water Right No. 3696.0002
(Application No A-3906.0003) (also see Attachment 1, #3)

Check one box:

- Water right is being severed and transferred to land that *is within* the same parcel or farm unit as the current use and that does not include a change in water source, beneficial use (s) or ownership.
- Water right is being severed and transferred to land that *is not* within the same parcel or farm unit at the current use, or that includes a change in water source, use or ownership.

3. Check one box only:

- Total Severance and Transfer Partial Severance and Transfer
(see Attachments 1 and 4)

INFORMATION REGARDING RIGHT OR CLAIM TO BE SEVERED AND TRANSFERRED

4. Is applicant the current holder of the right? Yes ___ No ___ X ___

5. Type of water source and name East Clear Creek
a tributary to Little Colorado River within the _____ watershed
(For office use only)

6. Location of point of water diversion: County Coconino (see Attachment 2)

Parcel I.D. No. _____ and/or Lot No. _____

_____¹/₄ _____¹/₄ _____¹/₄, Section _____, Township _____ N/S, Range _____ E/W

7. Location of place(s) of water use: County Maricopa (see Attachment 2)

Parcel I.D. No. _____ and/or Lot No. _____

_____¹/₄ NW _____¹/₄ NW _____¹/₄, Section 33, Township 14 N/S, Range 11 E/W

Parcel I.D. No. _____ and/or Lot No. _____

_____¹/₄ _____¹/₄ _____¹/₄, Section _____, Township _____ N/S, Range _____ E/W

8. Location of water storage: County Coconino Authorized storage volume See Attachment 2

Parcel I.D. No. _____ and/or Lot No. _____

_____ 1/4 _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W

9. Water has been used each year from 1 January to 31 December
(Day/Month) (Day/Month)

Water has been stored each year from 1 January to 31 December
(Day/Month) (Day/Month)

10. Describe diversion works See Attachment 2

11. Water is used for the following purposes in the following amounts: (see Attachment 2)

Irrigation Number of acres _____ Quantity _____

Stockwatering Number and type of stock _____ Quantity _____

Domestic Number served _____ Quantity _____

Other Description _____ Quantity _____

12. Was there any consecutive five year period when water was not beneficially used? Yes _____ No X

If yes, describe when and why

INFORMATION REGARDING PROPOSED TRANSFER

13. Type of water source and name Bonita Creek under exempt water exchange with SRP (also see Attachment 1, # 3)

a tributary to East Verde River within the _____ watershed
(For office use only)

14. Location of point of water diversion: County Gila (see Attachment 3)

Parcel I.D. No. _____ and/or Lot No. _____

_____ 1/4 _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W

15. Location of place(s) of water use: County Gila (see Attachment 3)

Parcel I.D. No. _____ and/or Lot No. _____

_____ 1/4 _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W

Parcel I.D. No. _____ and/or Lot No. _____

_____ 1/4 _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W

16. Location of water storage: County See Attachment 3 Storage volume _____

Parcel I.D. No. _____ and/or Lot No. _____

_____ 1/4 _____ 1/4 _____ 1/4, Section _____, Township _____ N/S, Range _____ E/W

17. Water to be used each year from 1 May to 30 April
(Day/Month) (Day/Month)

Water to be stored each year from 1 May to 30 April (also see Attachments 3 and 4)

(Day/Month)

(Day/Month)

18. Describe diversion works: See Attachment 3

19. Water to be used for the following purposes in the following amounts: (also see Attachment 3)

Irrigation Number of acres _____ Quantity _____

Stockwatering Number and type of stock _____ Quantity _____

Municipal Number served Apprx. 150 parcels (360 residents) at build-out Quantity avg.
15 AF per water year, not to exceed 17.45 AF per water year (water year is defined as May 1 to April 30) (also
see Attachments 3 and 4)

Power Quantity _____

Mining Quantity _____

20. Is the current place of use located within an irrigation or agricultural improvement district or water users association?

Yes X (see Attachment 3) No _____

If yes, written consent of such district or association to the proposed transfer must be obtained and attached.

21. Is the water source on or from a watershed or drainage area which supplies or contributes water for the irrigation of lands within an irrigation or agricultural improvement district or water users' association?

Yes _____ No X

If yes, you must obtain and attach written consent from such organization or provide evidence that the application is approved by default due to failure of the governing body to approve or reject within the statutory time frame.

22. If only a portion of the original water right is proposed for transfer, explain the status of the remaining portion as to its use or abandonment. The water storage right and the remaining portion of the water use right will continue to be used by the Salt River Project Agricultural Improvement and Power District as permitted under the Certificate of Water Right (see Attachment 4).

23. Provide any additional information to explain the proposed transfer.

24. **REQUIRED ATTACHMENTS:**

Initial Application Fee of \$1,000.00 as authorized by A.A.C. R12-15-103.

Consent of Holder of Right or Claim: Must be provided if applicant is not the current holder of record of the right or claim proposed for severance and transfer.

Written Consent: Must be attached if the existing right or claim has place(s) of use located within an irrigation or agricultural improvement district or water users' association.

Written Consent or Evidence Supporting Approval by Default: Must be attached if the existing right or claim has a water source on or from a watershed or drainage area which supplies or contributes water for irrigation of lands within an irrigation or agricultural improvement district or water users' association.

Copy of recorded deed showing land ownership. If owned by other than applicant, provide copies of all pertinent leases, grazing permits, allotments, or a letter from the landowner.

(see Attachment 6 for a copy of Bonita Creek Land & Homeowner's Association's CC&N)

25. NOTICE:

Arizona Revised Statute § 41-1030(B), (D), (E) and (F) provide as follows:

B. An agency shall not base a licensing decision in whole or in part on a licensing requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact. A general grant of authority in statute does not constitute a basis for imposing a licensing requirement or condition unless a rule is made pursuant to that general grant of authority that specifically authorizes the requirement or condition.

D. This section may be enforced in a private civil action and relief may be awarded against the state. The court may award reasonable attorney fees, damages and all fees associated with the license application to a party that prevails in an action against the state for a violation of this section.

E. A state employee may not intentionally or knowingly violate this section. A violation of this section is cause for disciplinary action or dismissal pursuant to the agency's adopted personnel policy.

F. This section does not abrogate the immunity provided by section 12-820.01 or 12-820.02.

The undersigned hereby acknowledges the information contained in this application to be true and correct to the best of his or her knowledge at the time of filing.

Submit the completed application with the initial application fee, required attachments and supporting documents to:

Arizona Department of Water Resources, Surface Water Permit Unit, 1110 W. Washington Street, Suite 310, Phoenix, Arizona 85007.



2-5-20

Signature of Applicant/Representative (if representative, include authorization)

Date

President, Bonita Creek Land and Homeowners' Association LLC

Attachment 1

Application to Sever and Transfer

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

3. Partial Severance and Transfer

This application applies to Certificate of Water Right No. 3696.0002¹ (Application No A-3906.0003). Through the “Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System”, executed on October 14, 2015 (Attachment 5) and any amendments thereto, SRP intends to sever and transfer an average of 15 acre-feet of water per water year (May 1 to April 30 of each year), with a maximum annual delivery amount not to exceed 17.45 acre-feet, of its right to the beneficial use of stored water from C.C. Cragin Reservoir on lands within the Salt River Reservoir District to the Bonita Creek Land and Homeowners’ Association LLC (BCLHOA) for municipal uses exclusively within the BCLHOA water service area. The remainder of the use under this existing Certificate will continue to be used by SRP within the Salt River Reservoir District. No right to store water in C.C. Cragin Reservoir is being transferred by this application.

BCLHOA, due to its geographical location, cannot physically use stored water from C.C. Cragin Reservoir without considerable expense. Accordingly, as evidenced by 1) Paragraph 10 of the “Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System”, executed on October 14, 2015 (Attachment 5) and any amendments thereto, and 2) this severance and transfer application, the parties agreed to enter into an exempt water exchange under A.R.S. § 45-1002(A)(1) where SRP will accept delivery of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in exchange for BCLHOA diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers (see Attachment 3 for information on points of delivery and receipt).

¹ On April 18, 2019, the Arizona Department of Water Resources issued Revised Certificate No. 3696.002 (Application Nos. A-3906.0003 and R-1457.0003) to SRP and Revised CWR No. 3696.0003 (Application No. A-3906.0004) to the Town of Payson. On July 8, 2019, the Arizona Department of Water Resources conditionally approved a Sever and Transfer application for beneficial use of water from C. C. Cragin Reservoir that was submitted by Payson Water Company for the Mesa del Caballo Subdivision. This conditionally approved Sever and Transfer partially assigned a portion of the beneficial use right of Revised CWR No. 3696.0002 to Payson Water Company, which will result in the issuance of Revised CWR No. 3696.0005 (Application Nos. A-3906.0006 and R-1457.0004) to SRP and Revised CWR No. 3696.0004 (Application No. A-3906.0005) to Payson Water Company.

Attachment 2

Information Regarding Right or Claim to be Severed and Transferred

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

6. Location of Point of Water Diversion

C. C. Cragin Dam is located within the NE SE Section 33, T14N, R11E, Gila and Salt River Base and Meridian, Coconino County, Arizona. Water is diverted from C. C. Cragin Reservoir through a tunnel beginning within the NW SW Section 33, T14N, R11E and extending to a pump station within the NE NW Section 5, T13N, R11E.

7. Location of Place(s) of Use

Water is used for beneficial purposes on lands within the area known as the Salt River Reservoir District. The Salt River Reservoir District lands are shown on the map included with this attachment. The legal description for the Salt River Reservoir District is as follows:

Commencing at a point on the right bank of the Salt River at the mouth of the Verde River; thence in a southerly direction to the headgates of the Arizona Canal; thence in a general westerly direction along the north line of the right of way of the Arizona Canal to a ditch leading out of said Canal on its north side in the Northwest Quarter of Section 28, Township 2 North, Range 4 East; thence along or near said ditch in a northwesterly direction to the township line between Township 2 North, Range 3 East and Township 2 North, Range 4 East; thence in a southerly direction to the Arizona Canal; thence along the north line of the right of way of the Arizona Canal to Skunk Creek; thence along the east bank of Skunk Creek to its intersection with New River; thence in a southerly direction along the left bank of New River to its intersection with the Agua Fria River; thence in a general southerly direction along the left bank of the Agua Fria River to a point in Section 14, Township 1 North, Range 1 West, where the line of the St. John's Canal intersects the Agua Fria River; thence in a southeasterly direction along the north line of the right of way of the St. John's Canal to the north bank of the Salt River; thence across the Salt River to a point in Section 35, Township 1 North, Range 1 East, where the east line of the Gila River Indian Reservation intersects the south bank of the Salt River; thence in a southerly direction along the east line of the Gila River Indian Reservation to the township line between Townships 1 and 2 South; thence following the boundary of said Gila River Indian Reservation, east along said township line to the range line between Ranges 4 and 5 East; thence south between Ranges 4 and 5 East; thence east between Townships 2 and 3 South, to the east line of the right of way of the east branch of the Consolidated Canal; thence north, following the east line of the right of way of the east branch of the Consolidated Canal to the south line of Section 2, Township 2 South, Range 5 East; thence east to the section corner common to Sections 5, 6, 7 and 8, Township 2 South, Range 6 East; thence north between Sections 5 and 6, Township 2 South, Range 6 East, to the east bank of the Highland Canal; thence in a general northerly direction along the east bank of the Highland Canal; now known as Lateral 12.5 of the Eastern Canal, to a point in the Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 29, Township 1 South, Range 6 East, where it intersects the Eastern Canal; thence in a general northerly direction along the east bank of the Eastern Canal to the left bank of the Salt River; thence in a general northerly direction along the left bank of the Salt River to a point opposite the mouth of the Verde River, to the place of beginning.

Attachment 2 (continued)

Information Regarding Right or Claim to be Severed and Transferred

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

8. Location of Water Storage

The waters of East Clear Creek are stored in C. C. Cragin Reservoir, which has an authorized storage volume of 15,000 acre-feet. The dam is located in the NE SE Section 33 T14N, R11E with the reservoir occupying portions of Sections 31-34, T14N, R11E; Section 36, T14N, R10E; and Sections 4-6, and 8, T13N, R11E. After diversion from C. C. Cragin Reservoir into the Verde River watershed, water is stored in reservoirs along the Verde River created by Horseshoe and Bartlett Dams. Horseshoe Dam is located in the N1/2 Section 2, T7N, R6E with the storage reservoir occupying portions of Sections 3, 10, 15, 16, 21, 22, 26-28, and 33-35, T8N, R6E and Sections 1-4, T7N, R6E, Yavapai and Maricopa Counties. Bartlett Dam is located in the SE Section 33, T6N, R7E with the storage reservoir occupying portions of Sections 19, 29, 30, 32, and 33, T7N, R7E, Sections 3-5, 9-11, 13-15, 21-23, 26-28, 33, and 34, T6N, R7E, and Sections 3 and 4, T5N, R7E, Maricopa County. The combined SRP storage volume in these reservoirs is 219,701 acre-feet as of 2001.

10. Describe Diversion Works

C. C. Cragin Dam is a 147-foot tall, 492-foot long, thin-arch reinforced-concrete dam equipped with a 24-inch gate to drain the reservoir to East Clear Creek, if necessary.

The water diversion and transmission system begins from an 8-foot x 8-foot intake structure at elevation 6,624 feet in the reservoir, which diverts water into a 4,427 foot long, 6-foot diameter tunnel bored into bedrock and leads to a vertical pump shaft below a booster station. A pumping plant is used to lift the water from the tunnel to a 2 million gallon priming reservoir at elevation 7,265 feet via 5.3 miles of 33-inch diameter steel-reinforced concrete cylinder pipe. Four hydro-pneumatic surge vessels provide surge protection. The water drains from the priming reservoir via gravity, south over the Mogollon Rim, to the East Verde River at elevation 5,788 feet via 4.7 miles of 24-, 30-, and 33-inch steel reinforced concrete cylinder pipe. Water is initially diverted by C. C. Cragin Dam, the pumping plant and piped transmission system. Once the water enters the Verde River system, water is transmitted in the East Verde River to the Verde River and then to the Salt River where it is then diverted by gravity flow into the Arizona Canal and South Canal by means of the Granite Reef Diversion Dam located in the SW NE and the NW SE Section 13, T2N, R6E as shown in Figure 1.

Attachment 2 (continued)

Information Regarding Right or Claim to be Severed and Transferred

11. Water is Used for the Following Purposes in the Following Amounts

Water is used for beneficial purposes on approximately 250,000 acres within the Salt River Reservoir District in an average annual amount not exceeding 11,000 acre-feet diverted from C. C. Cragin Reservoir. Additional, general information related to the current uses is shown in the table below.

Beneficial Use	General Description of Use
Irrigation	Agricultural and urban irrigation
Stockwatering	Various domesticated animals
Municipal	Municipal demands from approximately 2 million persons
Power	Non-consumptive hydropower uses located at the terminal point of the diversion system into the East Verde River and along SRP canals
Mining	Sand and gravel operations
Recreation, fish, and wildlife	Water storage pools at Horseshoe and Bartlett Dams; along SRP canals

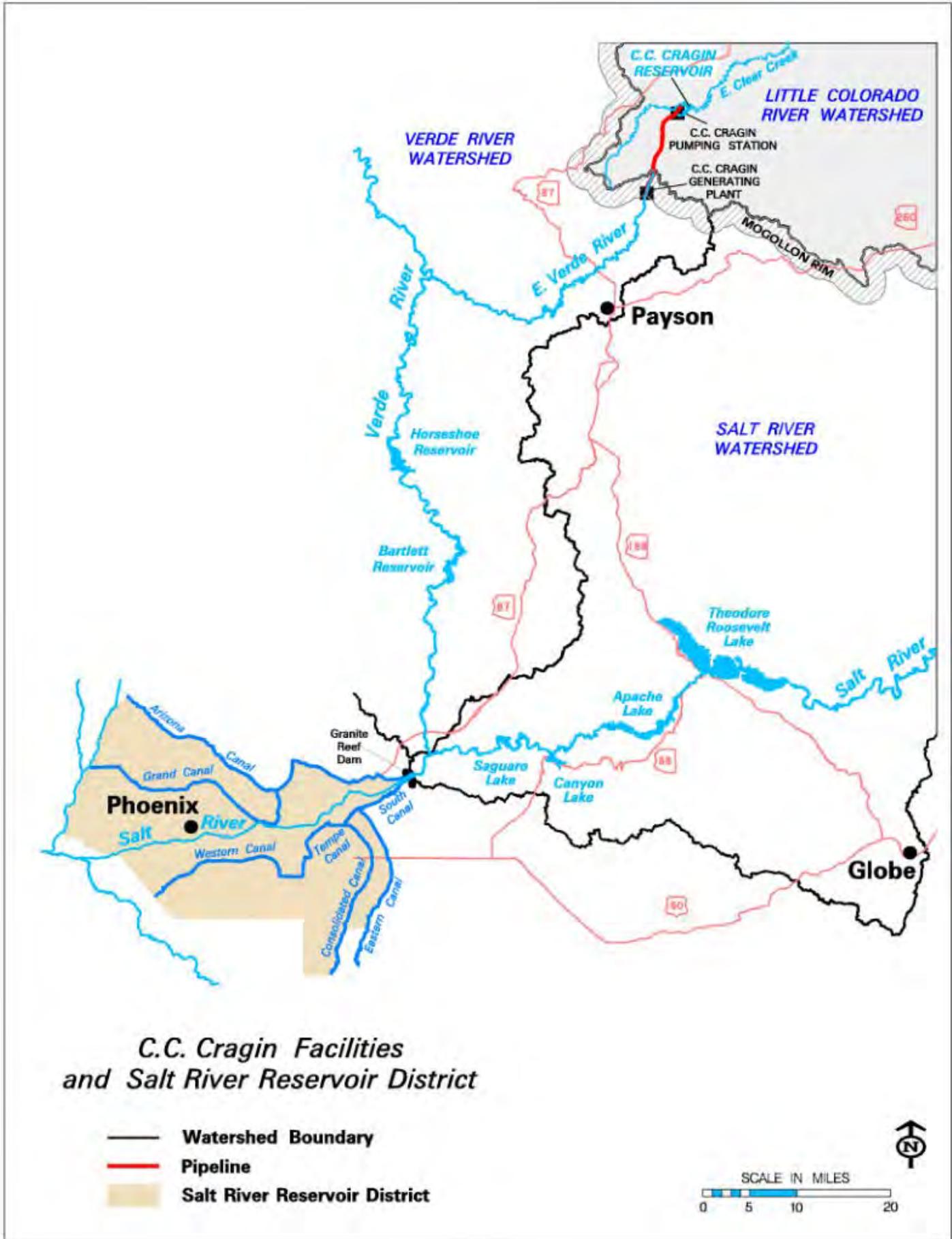


Figure 1: C.C. Cragin Facilities and Salt River Project Reservoir District

Attachment 3

Information Regarding Proposed Transfer

Numbers correspond with the numbered inquiries on the application to sever and transfer form.

14. Location of Point of Water Diversion

Water will be initially diverted by C. C. Cragin Dam, the pumping plant and piped transmission system, ending at a point along the East Verde River in the NW NE Section 23, T12N, R10E (Latitude 34°25'04", Longitude 111°15'47" NAD27) (see also the answer to #10, Attachment 2; and #18 below).

The BCLHOA will divert appropriable water at a point along Bonita Creek located in NW SW Section 32, T12N, R11E (Latitude 34.382222, Longitude -111.220533 WGS 84).

Through the "Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System", executed on October 14, 2015 (Attachment 5) and any amendments thereto, SRP intends to sever and transfer a portion of its right to stored water from C.C. Cragin Reservoir to the BCLHOA. However, BCLHOA, due to its geographical location, cannot physically use stored water from C.C. Cragin Reservoir that has been diverted into the East Verde River as described above without considerable expense. Accordingly, as evidenced by 1) Paragraph 10 of the "Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System", executed on October 14, 2015 (Attachment 5) and any amendments thereto, and 2) this severance and transfer application, the parties agreed to enter into an exempt water exchange under A.R.S. § 45-1002(A)(1) where SRP will accept delivery of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in exchange for BCLHOA diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers. (Figure 2)

15. Location of Places of Use

The place of use encompasses the BCLHOA's water service area (Figures 3 through 6), the exterior boundary of which includes all land located within the exterior boundaries of the BCLHOA's Certificate of Convenience and Necessity No. W-02195A (Attachment 6). The place of use includes a portion of the following sections of land:

- Located in SE Section 31 and NW SW Section 32, within T12N, R11E

Please see Attachment 7 for a list of parcel numbers obtained from the Gila County Assessor's Office for lots the within the BCLHOA subdivision.

16. Location of Water Storage

Water treated for municipal use will be stored in two metal tanks located within the BCLHOA's water service area with a current capacity of 10,000 gallons (Figure 6). The locations of the storage tanks are as follows:

- Storage Tanks (Latitude 34.382525, Longitude -111.217921 WGS 84)

18. Describe Diversion Works

The BCLHOA water diversion and distribution system includes a pump that is installed at a point along Bonita Creek (Latitude 34.382222, Longitude -111.220533 WGS 84), a water treatment plant (Latitude 34.382521, Longitude -111.219785 WGS 84), and two water storage tanks (Latitude 34.382525, Longitude -111.217921 WGS 84) located in Section 32, T12N, R11E. (Figure 6)

19. Water to be Used for the Following Purposes in the Following Amounts

The quantity being transferred via an exempt water exchange agreement (see also the answer to #3, Attachment 1) for beneficial use by the BCLHOA for municipal purposes, is an average of 15 acre-feet per water year, commencing on the date SRP begins deliveries via an exempt water exchange to the BCLHOA, with a maximum annual delivery amount not to exceed 17.45 acre-feet per water year.

Table 1: Annual surface water withdrawals and water customer deliveries within the BCLHOA water service area².

Year	Apprx. Number of Connections	Total Withdrawn (gallons)	Total Received/Purchased (gallons)
2002	40	1,264,330	0
2003	40	1,327,142	0
2004	41	952,440	0
2005	40	845,960	0
2006	43	889,320	0
2007	43	1,122,480	0
2008	46	1,139,458	0
2012	40	905,438	0
2013	43	965,880	0
2014	46	801,100	0
2015	47	895,500	0
2016	50	986,000	0
2017 ³	51	940,000	0

Source: Bonita Creek Land and Homeowners’ Association annual water utility reports submitted to the Arizona Corporation Commission. Docket Nos. W-02195A and W-02195B (*Note: Annual reports are not available for 2009, 2010, and 2011.*)

There are 150 parcels within the BCLHOA water service area. Census data collected within Gila County indicates that a typical household includes 2.4 persons. Multiplying the average number of persons per household (2.4) by the estimated number of service connections at buildout (150) yields a maximum population estimate of 360. Water use estimates within the community indicate a total projected annual demand of 15 acre-feet per year within the BCLHOA water service area at buildout. Based on this information, the BCLHOA estimates that it will need an average of 15 acre-feet of water per water year via an exempt water exchange agreement, which equates to 0.136% of the average annual yield of C. C. Cragin Reservoir. The maximum annual delivery amount should not exceed 17.45 acre-feet per water year, which is 0.136% of the active conservation capacity of C. C. Cragin Reservoir.

² Due to ongoing water security issues, several customers within the BCLHOA water service area initiated passive water conservation measures such as rainwater harvesting. The execution of the “Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System” between SRP and the BCLHOA provides BCLHOA’s water customers with a guaranteed physical and legal water supply. Because of this, it is not likely that new water service customers will invest in significant water harvesting systems when they have greater water certainty.

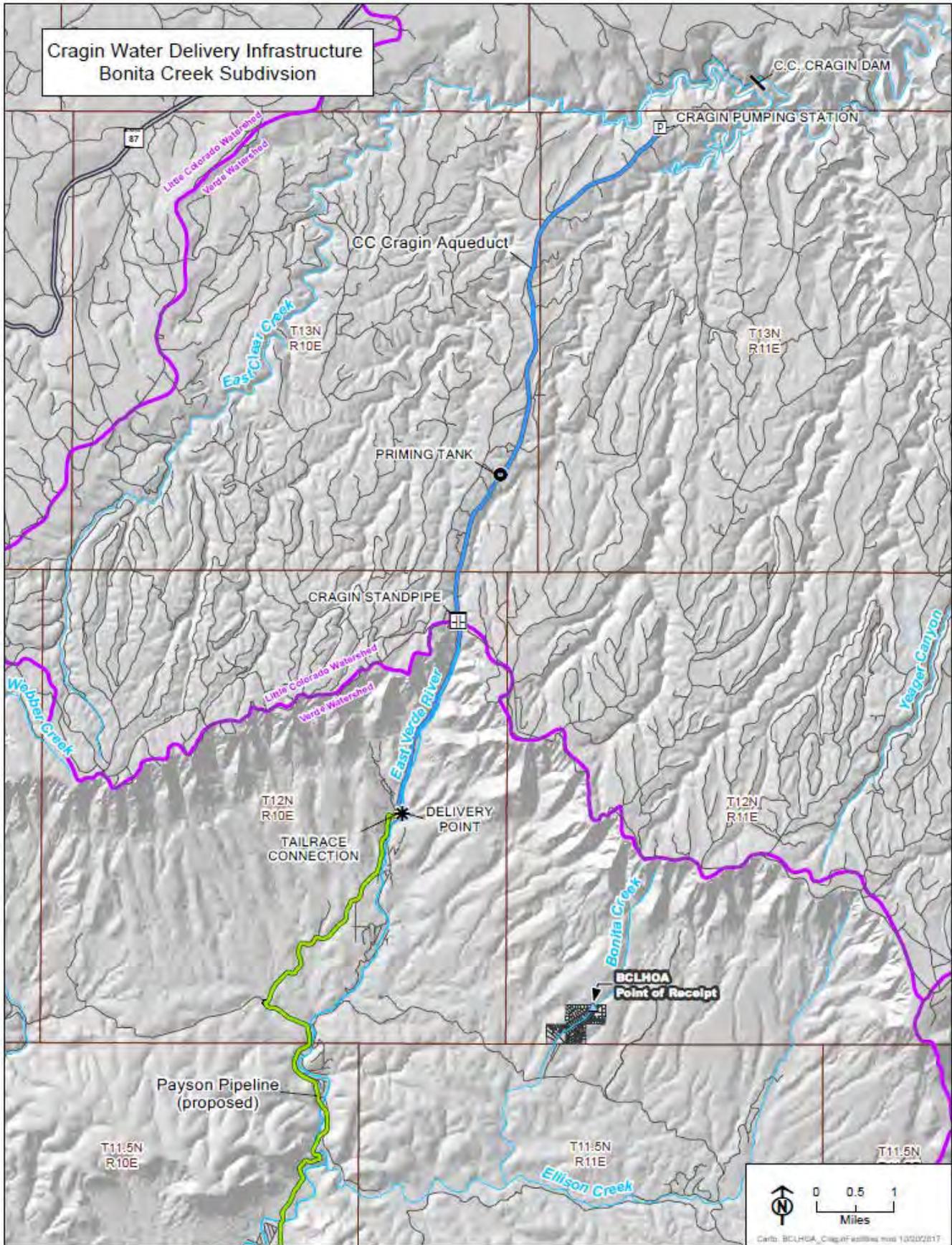


Figure 2: Location of SRP's delivery point on the East Verde River, Bonita Creek Land and Homeowners' Association point of receipt on Bonita Creek, and the Bonita Creek Land and Homeowners' Association water service area. (The location of the Tailrace Connection on this Figure is identical to the location of the SRP delivery point to Bonita Creek Land and Homeowners' Association as described in the SRP/BCLHOA Agreement provided in Attachment 5).

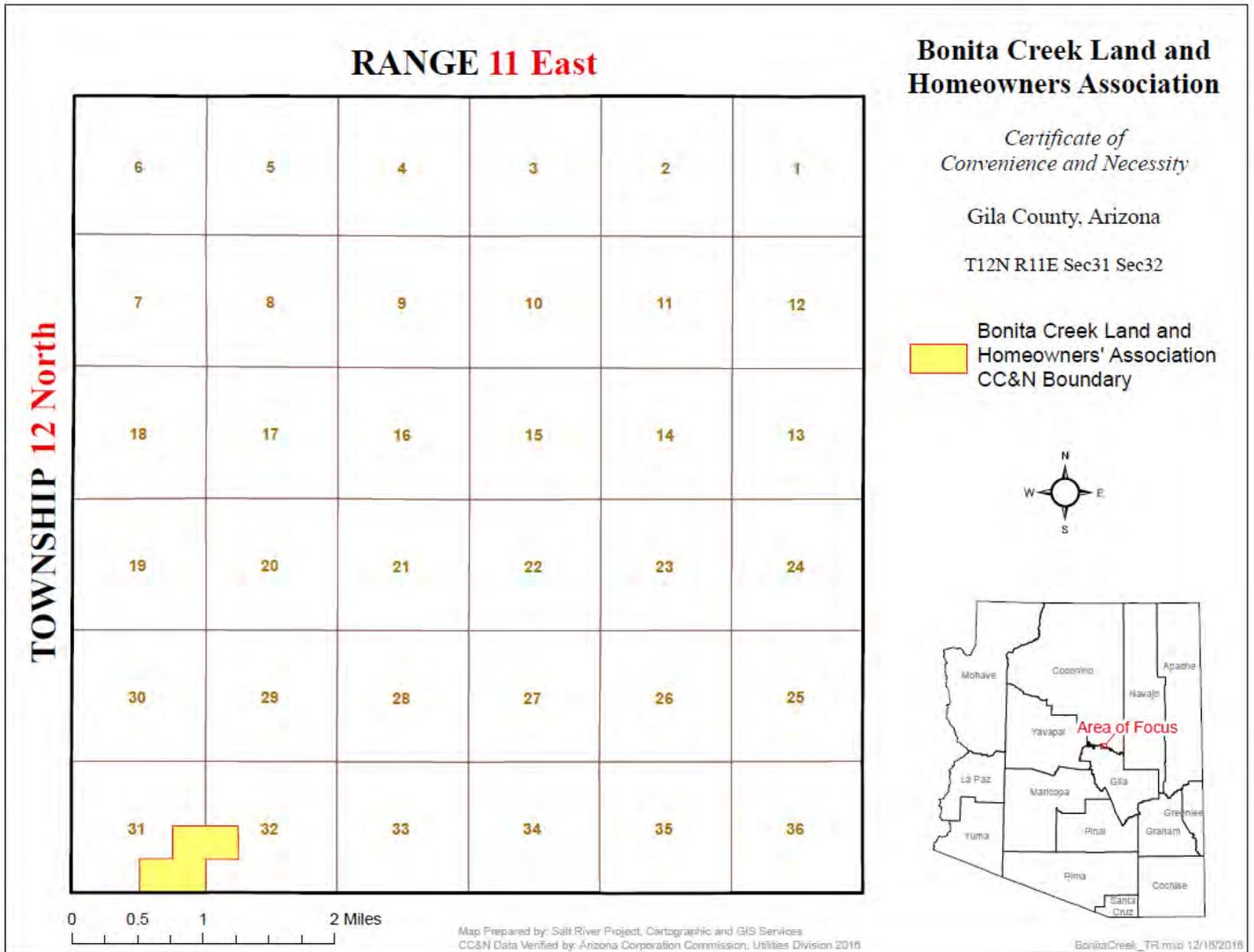


Figure 3: Bonita Creek Land and Homeowners' Association water service area within Sections 31 and 32 Township 12 North Range 10 East.

R11E

Exhibit 4.8:
Bonita Creek Land & Homeowners' Association
Water Service Area

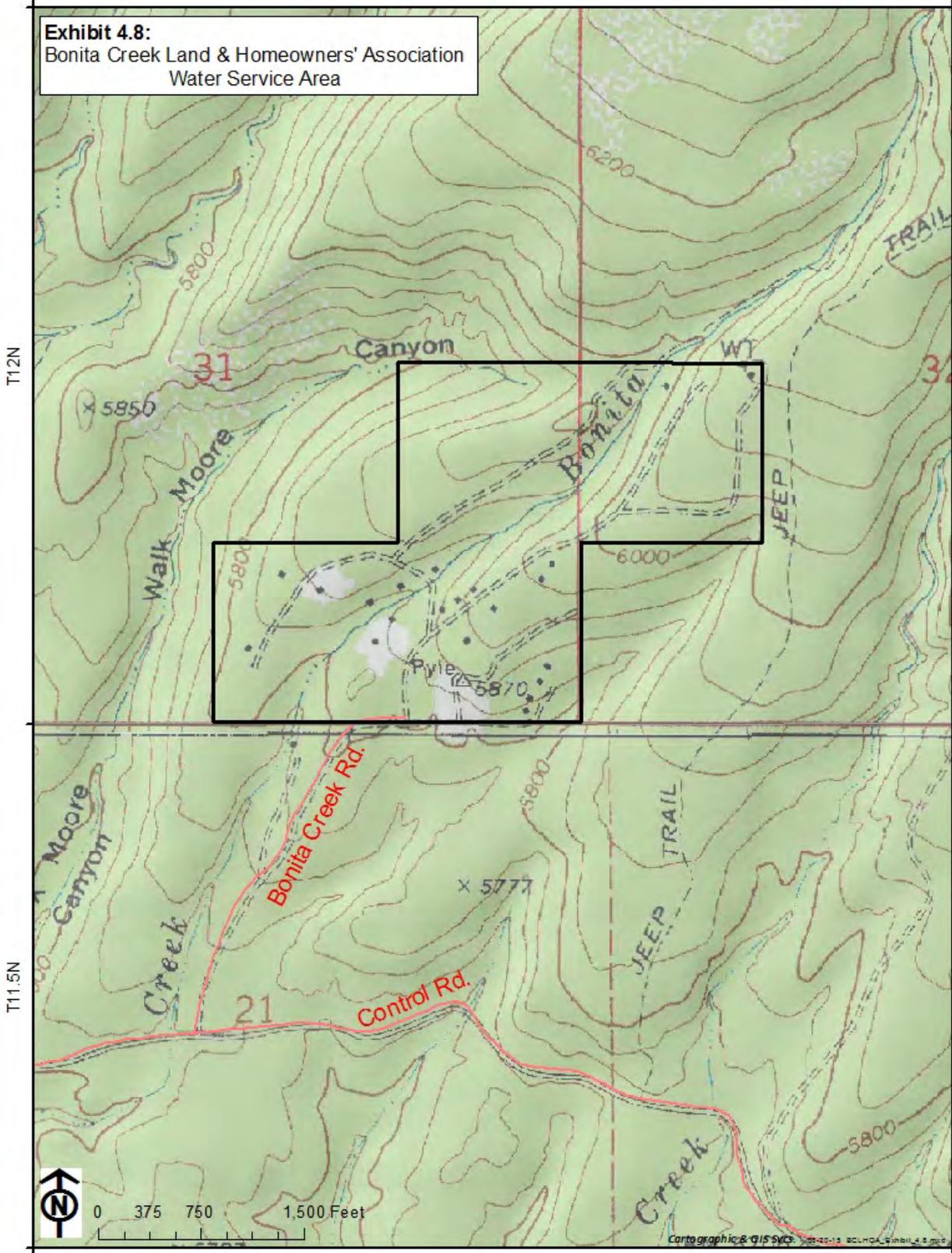


Figure 4: Bonita Creek Land and Homeowners' Association water service area as defined by Exhibit 4.8 of Attachment 5.

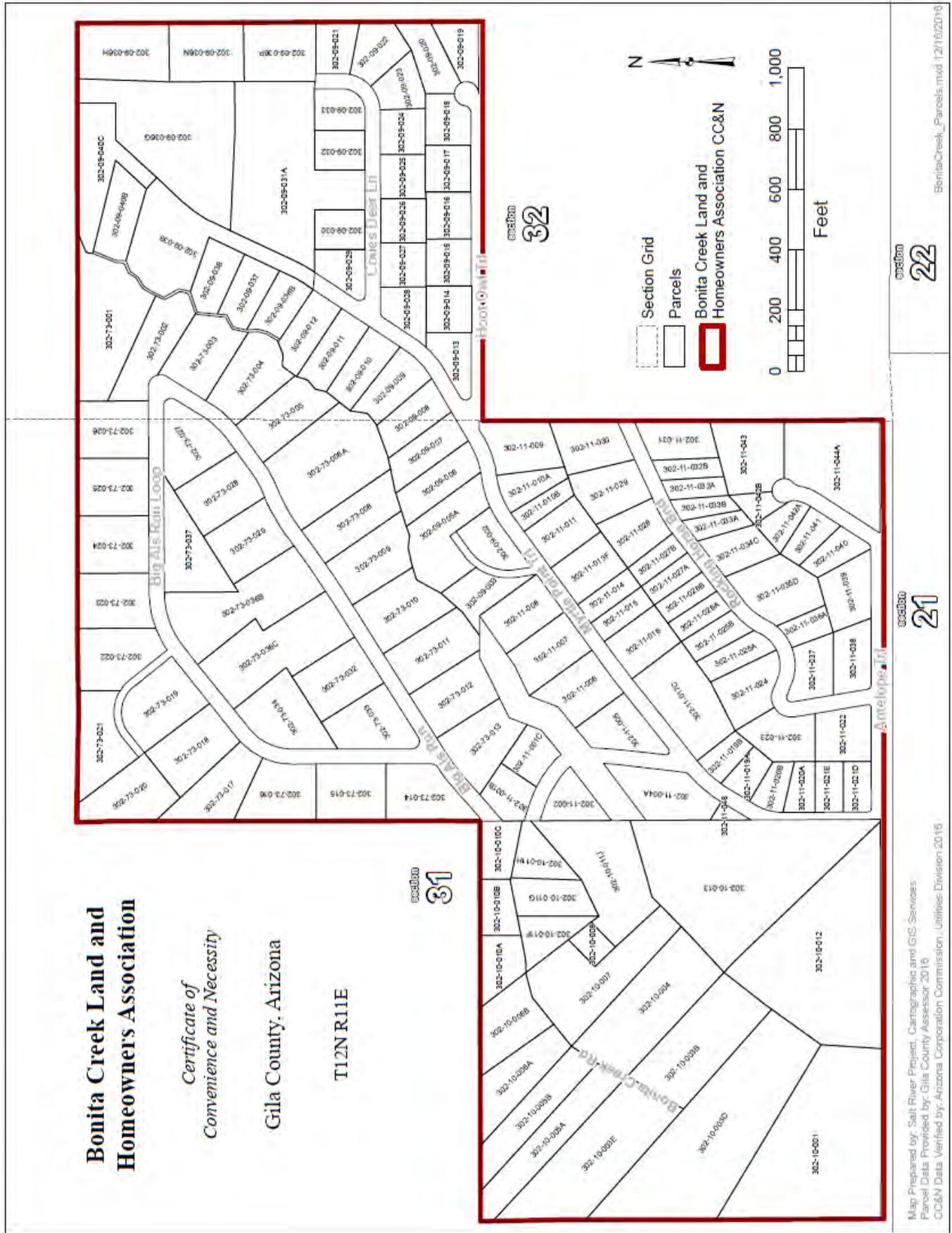
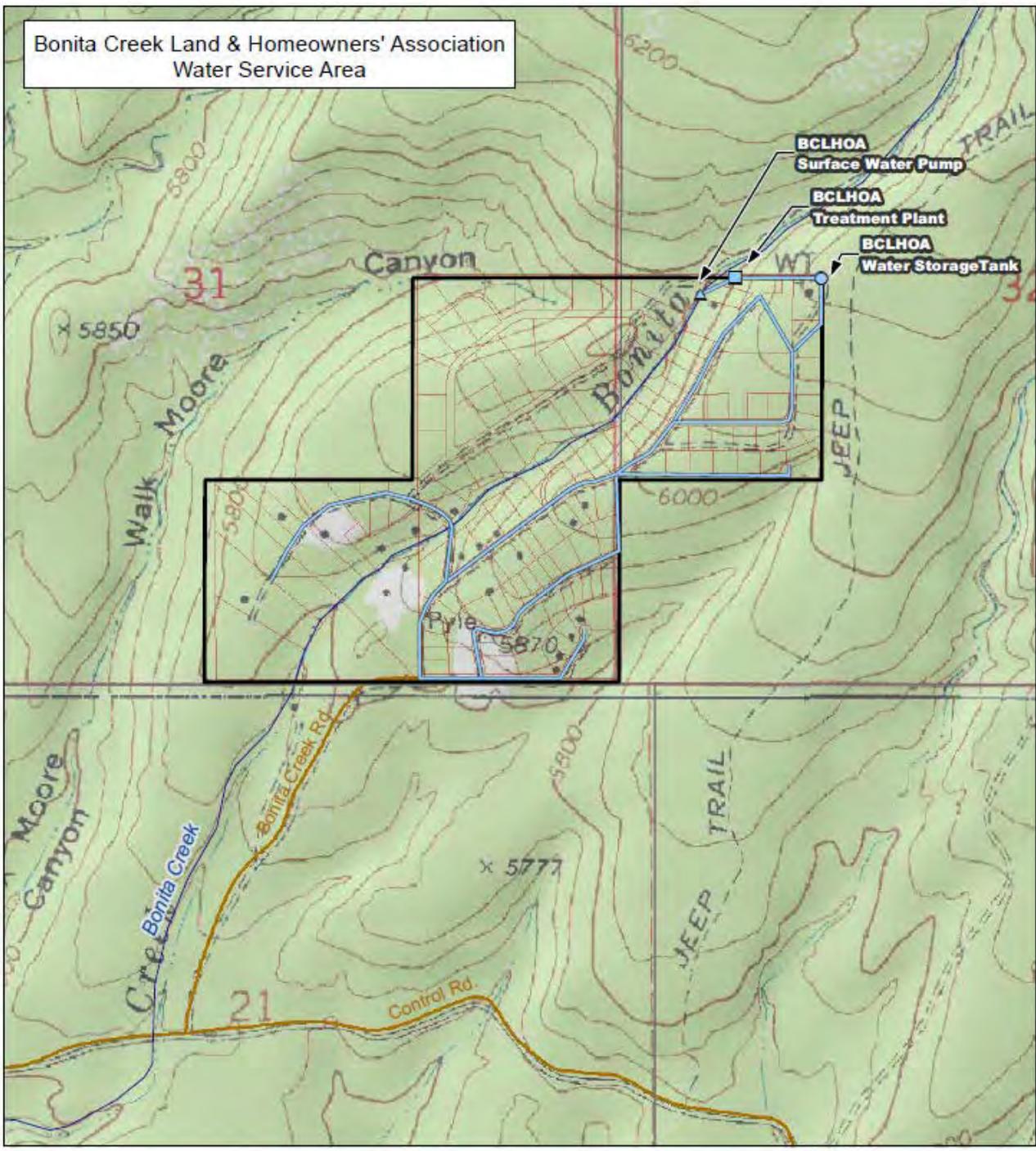


Figure 5: Bonita Creek Land and Homeowners' Association water service area, CC&N boundary, and Gila County parcels.

Bonita Creek Land & Homeowners' Association
Water Service Area



- Stream
- Road
- Bonita Creek Water System Main
- Bonita Creek Parcels
- BCLHOA Water Company



Figure 6: Location of the Bonita Creek Land and Homeowners' Association water diversion and distribution system.

Consent to Sever and Transfer

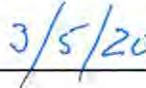
Numbers correspond with the numbered inquiries on the application to sever and transfer form.

20. Written consent of the irrigation or agricultural improvement district or the water users' association to the proposed transfer:

The Salt River Project Agricultural Improvement and Power District hereby consents to the partial severance and transfer of Certificate of Water Right No. 3696.0002 (Application No. A-3906.0003) to the Bonita Creek Land and Homeowners' Association. Such consent is limited to an average of 15 acre-feet per water year commencing on the date SRP begins deliveries of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in an exempt water exchange (per A.R.S. §45-1002(A)(1)) for Bonita Creek Land and Homeowners' Association diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers, with a maximum annual delivery amount not to exceed 17.45 acre-feet per water year, as determined in accordance with provisions of the "Water Rights Transfer and Water Delivery and Use Agreement among the Salt River Valley Water Users' Association, the Salt River Project Agricultural Improvement and Power District, and the Bonita Creek Land and Homeowners' Association", executed on October 14, 2015 and any amendments thereto.



David C. Roberts
Associate General Manager, Water Resources
Salt River Project



Date

Attachment 4

Certificate of Water Right

Certificate of Water Right (Revised)

State of Arizona

County of Maricopa

**Certificate No. 3696.0002
(Application Nos. A-3906.0003
and R-1457.0003)**

Arizona Department of Water Resources
1110 West Washington Street, Suite 310
Phoenix, Arizona 85007

COPY

REVISED

Pursuant to the Sever and Transfer Decision and Order dated March 5, 2010 in matter no. ST-10-001, which approved the Town of Payson's application to partially sever and transfer the diversion and beneficial use water rights under Certificate of Water Right No. 3696.0001 (Application Nos. A-3906.0002 and R-1457.0002) held by the Salt River Project Agricultural Improvement and Power District, this Revised Certificate No. 3696.0002 (Application Nos. A-3906.0003 and R-1457.0003) is issued to the Salt River Project Agricultural Improvement and Power District.

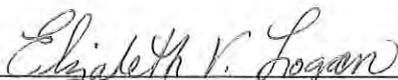
This is to Certify, that the Salt River Project Agricultural Improvement and Power District, State of Arizona, has a right to the use of the water of East Clear Creek, tributary to the Little Colorado River within the Little Colorado River watershed, for the purposes of municipal, irrigation, stockwater, recreation, wildlife, including fish, power purpose and mining uses under Application Nos. A-3906 and R-1457, and that the right to the use of the waters was perfected in accordance with the laws of Arizona; that the priority of the water right dates from April 11, 1957; that the amount of water to which such right is entitled for the stated purposes is limited to an amount actually beneficially used for such purposes, but shall not exceed 11,000 acre-feet average per annum of water less the amount delivered to the Town of Payson pursuant to Revised Certificate of Water Right No. 3696.0003 (Application No. A-3906.0004), which amount shall not exceed 3,500 acre-feet per calendar year and 3,000 acre-feet average per calendar year of water; and that the authorized water storage in a water storage reservoir, commonly known as C.C. Cragin Reservoir, shall not exceed 15,000 acre-feet.

The places where the water is put to beneficial uses are described as being located within: the Salt River Reservoir District, Gila and Salt River Base and Meridian, Maricopa County, Arizona, as described on Attachment A and depicted on Attachment B.

The point of diversion is described as being located within: The Northwest quarter of the Southwest quarter (NW¼SW¼), Section 33, Township 14 North, Range 11 East, Gila and Salt River Base and Meridian, Coconino County, Arizona.

The right to the use of water is restricted to the places of use, and for the purposes described previously and is subject to all existing water rights with a priority date earlier than the priority date described in this certificate.

WITNESS the seal and signature of the Assistant Director,
Arizona Department of Water Resources,
affixed this 18th day of April, 2019.



Elizabeth V. Logan, Supervisor (Attest)
Surface Water Permitting Unit

Clint Chandler, Assistant Director
Arizona Department of Water Resources

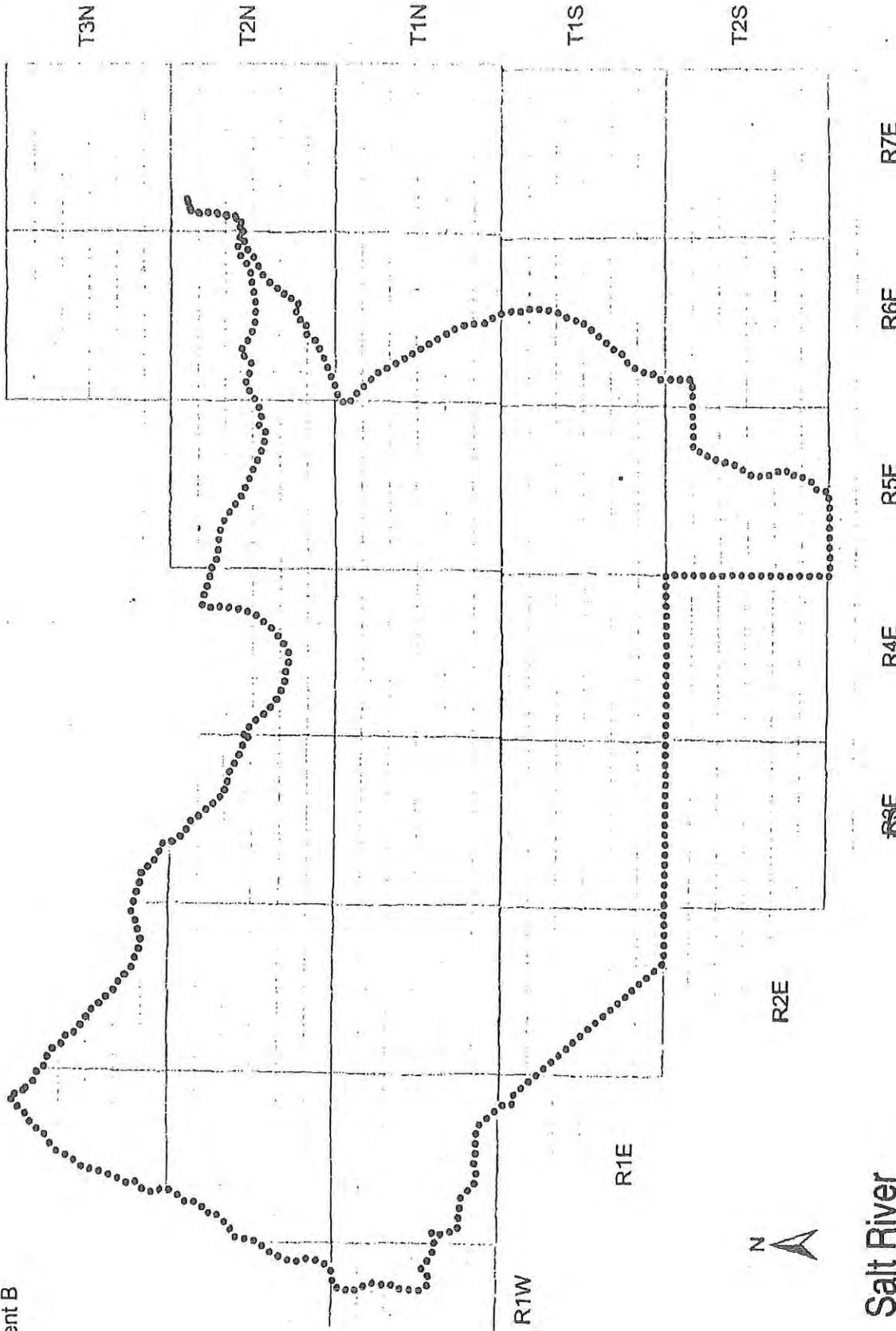
The Arizona Department of Water Resources shall be notified of any change of address for the above named person(s) or if ownership of the water right or of the land at the location of the water right is conveyed to another person(s), pursuant to Arizona Revised Statute § 45-164(B).

Location of Place(s) of Use

Water will be used for beneficial purposes on lands within the area known as the Salt River Reservoir District. The Salt River Reservoir District lands are shown on the map included with this attachment. The legal description for the Salt River Reservoir District is as follows:

Commencing at a point on the right bank of the Salt River at the mouth of the Verde River; thence in a southerly direction to the headgates of the Arizona Canal; thence in a general westerly direction along the north line of the right of way of the Arizona Canal to a ditch leading out of said Canal on its north side in the Northwest Quarter of Section 28, Township 2 North, Range 4 East; thence along or near said ditch in a northwesterly direction to the township line between Township 2 North, Range 3 East and Township 2 North, Range 4 East; thence in a southerly direction to the Arizona Canal; thence along the north line of the right of way of the Arizona Canal to Skunk Creek; thence along the east bank of Skunk Creek to its intersection with New River; thence in a southerly direction along the left bank of New River to its intersection with the Agua Fria River; thence in a general southerly direction along the left bank of the Agua Fria River to a point in Section 14, Township 1 North, Range 1 West, where the line of the St. John's Canal intersects the Agua Fria River; thence in a southeasterly direction along the north line of the right of way of the St. John's Canal to the north bank of the Salt River; thence across the Salt River to a point in Section 35, Township 1 North, Range 1 East, where the east line of the Gila River Indian Reservation intersects the south bank of the Salt River; thence in a southerly direction along the east line of the Gila River Indian Reservation to the township line between Townships 1 and 2 South; thence following the boundary of said Gila River Indian Reservation, east along said township line to the range line between Ranges 4 and 5 East; thence south between Ranges 4 and 5 East; thence east between Townships 2 and 3 South, to the east line of the right of way of the east branch of the Consolidated Canal; thence north, following the east line of the right of way of the east branch of the Consolidated Canal to the south line of Section 2, Township 2 South, Range 5 East; thence east to the section corner common to Sections 5, 6, 7 and 8, Township 2 South, Range 6 East; thence north between Sections 5 and 6, Township 2 South, Range 6 East, to the east bank of the Highland Canal; thence in a general northerly direction along the east bank of the Highland Canal; now known as Lateral 12.5 of the Eastern Canal, to a point in the Northeast Quarter of the Northwest Quarter of the Southeast Quarter of Section 29, Township 1 South, Range 6 East, where it intersects the Eastern Canal; thence in a general northerly direction along the east bank of the Eastern Canal to the left bank of the Salt River; thence in a general northerly direction along the left bank of the Salt River to a point opposite the mouth of the Verde River, to the place of beginning.

Attachment B



Salt River Reservoir District

Attachment 5

“Water Rights Transfer and Water Delivery and Use Agreement among the Salt River Valley Water Users’ Association, the Salt River Project Agricultural Improvement and Power District, and the Bonita Creek Land and Homeowners’ Association”, executed on October 14, 2015

Note: The following is intended to provide the reviewer with clarification on certain aspects of the SRP/BCLHOA Agreement included in this Attachment 5.

1. *SRP/BCLHOA Agreement Paragraph 4.18. The paragraph defines the Points of Receipt as those points where Surface Water would be diverted and Underground Water would be withdrawn. It then goes on to state that the Points of Receipt may be changed by mutual agreement of the parties. The Points of Receipt are intended to be the points of diversion if the severance and transfer application were granted.*

SRP and BCLHOA understand that any changes in a point of diversion must be approved by the Department.

2. *SRP/BCLHOA Agreement Paragraph 4.23. This paragraph defines "Underground Water" as all "water withdrawn from underground sources from wells located within the BCLHOA water service area by the BCLHOA and Bonita Creek Residents under this Agreement in exchange for BCLHOA Stored Water." This paragraph goes on to state that the parties agree that "for purposes of this Agreement, Underground Water is appropriable water of Bonita creek and its tributaries under Arizona law."*

The parties understand that the SRP/BCLHOA Agreement does not demonstrate that Underground Water would be appropriable for purposes of BCLHOA's severance and transfer application. Due to the legal uncertainties associated with the administration of subflow, it is not clear at the time of this sever and transfer application what criteria would adequately demonstrate that Underground Water is subflow.

3. *SRP/BCLHOA Agreement Paragraph 7.1.1.*

This paragraph further indicates that a portion of the water right will be assigned to BCLHOA "Upon the Effective Date of this Agreement." Under paragraph 6.1, the Effective Date is the date of execution, which appears to have been October 14, 2015.

SRP and BCLHOA understand that an assignment of water right would not be processed by the Department because of the change in place of use and that a severance and transfer of the water right is necessary.

4. *SRP/BCLHOA Agreement Paragraph 7.1.2.*

- a. *This paragraph further indicates that a severance and transfer application would be filed to sever and transfer the "assigned portion of the water right" when "mutually agreed by the parties."*

See response to item 3 above.

- b. *In addition, this paragraph indicates that BCLHOA will use the water for "municipal uses," which the parties have agreed to define as "all beneficial uses of water, other than the use of water for application to two or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock, range livestock or poultry, as such terms are defined in A.R.S. § 3-1201."*

SRP and BCLHOA understand that the definition of beneficial uses of surface water is determined by A.R.S. § 45-151 and that any order issued by the Department approving the BCLHOA

severance and transfer application would rely on the definition of beneficial uses found in A.R.S. § 45-151 and not the definition agreed upon by the parties.

5. *SRP/BCLHOA Agreement Paragraph 7.2.*

- a. *This paragraph refers to the water right "assigned."*

See response to item 3 above.

- b. *This paragraph also refers to the storage of water by BCLHOA within the BCLHOA water service area.*

SRP and BCLHOA understand that ADWR would consider the water storage facilities as part of the distribution system.

6. *SRP/BCLHOA Agreement Paragraph 10.*

The statute pertaining an exempt water exchange was incorrectly referenced as A.R.S. § 45-1002(A)(2), and should be A.R.S. § 45-1002(A)(1).

7. *SRP/BCLHOA Agreement Paragraph 11.1. The last sentence of this paragraph states that, "Nothing in this Agreement shall be construed to prevent BCLHOA from rehabilitating, replacing, or deepening their existing wells."*

SRP and BCLHOA understand that changes in the Points of Diversion (including wells) would require ADWR's approval.

8. *SRP/BCLHOA Agreement Paragraph 11.5. This paragraph describes Emergency Conditions that would allow BCLHOA to use "Surface Water or Underground Water in excess of the quantity permitted in Subparagraph 11.2 without triggering the obligations under Subparagraph 11.3."*

This paragraph is not intended to allow the BCLHOA to use water "in excess" of the quantity authorized by ADWR to be severed and transferred. The intent behind the emergency provision in this paragraph is to allow BCLHOA some flexibility in times when available credits in BCLHOA's Stored Water account are less than the credits needed by the BCLHOA to serve their customers. Because BCLHOA's Stored Water credits are based on 0.136% of Net May 1 Storage in the C. C. Cragin Reservoir, if Net May 1 Storage is lower than expected, there could be times when BCLHOA's May 1 Stored Water credits are less than the quantity of water that this application seeks to sever and transfer. Under the Emergency Conditions described in Paragraph 11.5 of the SRP/BCLHOA Agreement, BCLHOA may use water in excess of their Stored Water credits during the water year. However, any quantity of water physically diverted by the BCLHOA for use within their water service area must comply with the provisions outlined in Paragraphs 7.0 (pertaining to the partial severance and transfer of SRP's water right) and 10.0 (pertaining to the exempt water exchange), among others, of the SRP/BCLHOA Agreement.

SRP and BCLHOA understand that the quantity of water authorized to be severed and transferred by ADWR cannot lawfully be exceeded.

9. *SRP/BCLHOA Agreement Paragraph 19.2. Several paragraphs and exhibits were incorrectly cross-referenced and should be as follows:*

- a. *19.2.1 refers to Exhibit 4.12; however, this should reference Exhibit 4.8 as the water service area map;*
- b. *19.2.2 refers to Subparagraph 9.3; however this should reference Subparagraph 9.2;*
- c. *And 19.2.3 refers to Subparagraph 9.5; however this should reference Subparagraph 11.5.*

10. SRP/BCLHOA Agreement Paragraph 21.2. This paragraph states that BCLHOA "shall either file a claim or amend its existing claim in the Gila River General Stream Adjudication to reflect the BCLHOA Stored Water [Paragraph 4.5] under this Agreement as the basis for its claim" within 90 days after the Effective Date (October 14, 2015).

BCLHOA intends to comply with this provision of the SRP/BCLHOA Agreement.

11. SRP/BCLHOA Agreement Paragraph 21.3. This paragraph states that BCLHOA "shall withdraw any pending applications to appropriate water that it has previously filed under Arizona law" within 30 days after the Effective Date (October 14, 2015).

a. The Department's records indicate that the only pending application filed by BCLHOA is 33-96240. That application has not yet been withdrawn.

b. The Department's records also indicate that the BCLHOA filed a Statement of Claim of Right to Use Public Waters of the State of Arizona (Statement of Claim) No. 36-104921 "on behalf of all lot owners within 160 patented acres." Note that this Statement of Claim is not an application to appropriate water.

BCLHOA intends to comply with this provision of the SRP/BCLHOA Agreement.

12. SRP/BCLHOA Agreement, SRP Signature Authority.

Attachment 5.A. of this severance and transfer application includes copies of resolutions from the governing bodies of the Salt River Valley Water Users' Association and the Salt River Project Agricultural Improvement and Power District authorizing execution of the Water Transfer Agreement by the Deputy General Manager and Chief Strategic Initiatives Executive.

13. SRP/BCLHOA Agreement, BCLHOA Board of Directors' Authority.

Attachment 5.B.i of this severance and transfer application includes a copy of the BCLHOA's Board of Directors Annual Meeting Minutes, dated September 6, 2015, which states that the Board of Directors authorized the BCLHOA President "to enter into and execute on behalf of the BCLHOA" the SRP/BCLHOA Agreement.

Attachment 5.B.ii includes a copy of the BCLHOA's Constitution and Bylaws authorizing, under Section 7, the Board of Directors to "engage in beneficial ventures for the Association membership or water customers subject to approval at a Board of Directors meeting".

Finally, Attachment 5.B.iii includes a copy of BCLHOA's 2015 ACC Corporation Annual Report & Certificate of Disclosure which lists Betty McRae as a duly authorized officer of Bonita Creek Land and Homeowners' Association.

Resident Agency Agreement (Exhibit 16.1.7 to the SRP/BCLHOA Agreement)

14. Resident Agency Agreement, Paragraph 2.1. This paragraph states that the BCLHOA "desires the option to withdraw water from wells adjacent to Bonita creek located within its service area for distribution to its customers."

BCLHOA acknowledges that any such wells need to be identified before the severance and transfer application is granted, and any certificate of water right will be limited to existing rather than future beneficial uses.

15. Resident Agency Agreement, Paragraph 2.7. The last sentence of this paragraph indicates that the Residents who enter into this Agreement use water for "domestic purposes."

This provision is intended to be consistent with the Water Transfer Agreement Paragraph 7.1.2, which states that the water to be severed and transferred will be used for municipal purposes.

16. *Resident Agency Agreement, Paragraphs 2.10, 2.11, 8. These paragraphs indicate that Residents may become "agents" of the BCLHOA "in the diversion [of] Surface Water and/or withdrawal of Underground Water exchanged for the diversion of stored water in C.C. Cragin Reservoir under certain conditions," which would entitle them to "receive a right to divert Surface Water and/or withdraw Underground Water" in the future.*

The Resident Agency Agreement is intended to provide a mechanism for individual residents who live within the boundaries of the BCLHOA CC&N and are withdrawing appropriable surface water and/or subflow to offset that water use via the exempt water exchange from C. C. Cragin.

17. *Resident Agency Agreement, Paragraph 5.5. Consistent with the Water Transfer Agreement Paragraph 4.18, this paragraph states that the Points of Receipt may be changed by mutual agreement.*

SRP and BCLHOA understand that changes in the Points of Diversion (including wells) would require ADWR's approval.

**WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION**

OCTOBER 2015

**WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
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**WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
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 FOR THE
 BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
 AMONG
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 BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION**

LIST OF EXHIBITS

Exhibit	Title	No. of Pages
4.8	BCLHOA WATER SERVICE AREA	1
4.17	POINTS OF MEASUREMENT	1
7.1	WATER RIGHT ASSIGNMENT AND SEVERANCE AND TRANSFER APPLICATION	-
7.5	BCLHOA CERTIFICATE OF WATER RIGHT FOR BONITA CREEK LHOA WATER SERVICE AREA	-
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**WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION**

1. PARTIES:

The Parties to this Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement for the Bonita Creek Water System ("Agreement") entered into this 14th day of October, 2015, are BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION, an Arizona non-profit corporation ("BCLHOA"); and the SALT RIVER VALLEY WATER USERS' ASSOCIATION, an Arizona Corporation ("Association"), and the SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT, a political subdivision of the State of Arizona ("District"). The Association and the District are sometimes collectively referred to as "SRP." BCLHOA and SRP are referred to individually as "Party" and collectively as "Parties."

2. RECITALS:

This Agreement is made with regard to the following:

- 2.1 The Association is the agent of the United States of America in the operation of the Salt River Federal Reclamation Project, a federal reclamation project, pursuant to an agreement dated September 6, 1917, and is also the agent for the District in the operation of portions of the federal reclamation project pursuant to an agreement dated March 22, 1937, as amended by agreements dated February 28, 1944, and September 12, 1949. C.C. Cragin Reservoir, formerly known as Blue Ridge Reservoir, is a component of the Salt River Federal Reclamation Project. The District holds the water right for water stored in and diverted from C.C. Cragin Reservoir under Certificate of Water Right ("CWR") No. 3696.0002.
- 2.2 Association shareholders hold decreed water rights to the normal flow of the Salt

and Verde Rivers including appropriable water of Bonita Creek, a tributary of the East Verde River located in northern Gila County, which is a tributary of the Verde River, with priority dates from 1869 through 1909.

- 2.3 BCLHOA, through its public water system (No. 04-024), develops and distributes water from Bonita Creek under a certificate of convenience and necessity (W-02195A) to customers within its service area located in northern Gila County. BCLHOA currently diverts surface water from Bonita Creek to serve customers within its service area and may in the future construct wells adjacent to Bonita Creek to withdraw water to serve its customers within its service area. Its predecessor in interest, Bonita Water Company, filed an application to appropriate water from Bonita Creek under Arizona law on August 3, 1956 which was subsequently rejected by the Arizona State Land Department. BCLHOA filed an application to appropriate water from Bonita Creek on November 6, 1992, which SRP protested and remains unresolved. SRP believes that BCLHOA does not have a right to divert appropriable water of Bonita Creek and that such diversions adversely impact SRP shareholders' senior vested water rights to the Verde River System.
- 2.4 Under provisions of the Arizona Water Settlements Act of 2004 (Public Law 108-451), up to 3,500 acre-feet of water per year may be made available from C.C. Cragin Reservoir for municipal and domestic uses in northern Gila County, Arizona without cost to the Salt River Federal Reclamation Project.
- 2.5 In an effort to eliminate future conflict with SRP over the use of appropriable water of Bonita Creek and withdrawal of water from wells adjacent to Bonita Creek, the Parties desire to enter into this Agreement.
- 2.6 Through this Agreement, SRP intends to sever and transfer a portion of its right to stored water from C.C. Cragin Reservoir to the BCLHOA. However, BCLHOA, due to its geographical location, cannot physically use stored water from C.C. Cragin Reservoir without considerable expense. Accordingly, the Parties intend to enter into an exempt water exchange under A.R.S. § 45-1002(A)(1) where SRP will accept delivery of stored water from C.C. Cragin Reservoir into the East Verde River for use by its shareholders in exchange for BCLHOA diverting appropriable water of Bonita Creek and/or withdrawing water from wells adjacent to Bonita Creek to deliver to its water customers.

2.7 The Parties recognize that certain residents who own parcels of land and reside within the Bonita Creek Water Service Area privately divert appropriable water of Bonita Creek and/or withdraw water from wells adjacent to Bonita Creek for domestic uses. Parties desire to provide these residents with an option to avoid future conflict with SRP over these diversions and withdrawals through the terms of this Agreement.

3. AGREEMENT:

In consideration of the mutual covenants herein set forth, the Parties hereto agree as follows:

4. DEFINITIONS:

The definitions used in this Agreement shall govern the interpretation of this Agreement only. As used in this Agreement, the following terms, when capitalized, mean:

4.1 Active Conservation Capacity: The capacity of C.C. Cragin Reservoir used to store water on a continuous basis, excluding water stored in the Inactive Capacity. The initial Active Conservation Capacity shall be set at 12,832 acre-feet and shall be adjusted periodically as provided in Subparagraph 8.6.

4.2 ADWR: The Arizona Department of Water Resources or its successor agency.

4.3 Authorized Representative(s): Representatives of the Parties appointed to administer certain provisions of this Agreement, pursuant to Paragraph 19.

4.4 BCLHOA: The Bonita Creek Land and Homeowners' Association that owns and operates the Bonita Creek Land and Homeowners' Association Water System and serves water to BCLHOA Water Customers within the exterior boundaries of its Certificate of Convenience and Necessity No. W-02195A and the BCLHOA Water Service Area.

4.5 BCLHOA Stored Water: The quantity of water from C.C. Cragin Reservoir allocated to BCLHOA for the BCLHOA Water Service Area as determined under Paragraph 8 and exchanged with SRP for Surface Water and Underground Water under Paragraph 10.

- 4.6 BCLHOA Stored Water Account: Water account established by SRP under Subparagraph 15.1.
- 4.7 BCLHOA Water Customers: Residents within the BCLHOA Water Service Area that receive water service from the BCLHOA.
- 4.8 BCLHOA Water Service Area: The area shown on the BCLHOA Water Service Area map attached hereto as Exhibit 4.8 where Surface Water may be diverted and Underground Water may be withdrawn by BCLHOA under Subparagraph 9.3 in exchange for BCLHOA Stored Water under Paragraph 10 for delivery to BCLHOA Water Customers. The exterior boundaries of the BCLHOA Water Service Area are defined by legal description in Exhibit 4.8 and include all land located within the exterior boundaries of the BCLHOA's Certificate of Convenience and Necessity No. W-02195A. The BCLHOA Water Service Area may be amended from time to time by agreement of the Authorized Representatives and compliance with applicable regulatory requirements.
- 4.9 Bonita Creek Residents: Private parcel owners within the BCLHOA Water Service Area that, under Paragraph 16, (1) divert Surface Water for use on the parcels and/or (2) operate private wells located on the parcels where Bonita Creek Residents withdraw Underground Water for use on parcels. Bonita Creek Residents may also be BCLHOA Water Customers.
- 4.10 C.C. Cragin Project: The water storage reservoir known as C.C. Cragin Reservoir situated in Coconino and Gila Counties, Arizona, consisting generally of C.C. Cragin Dam and all pipelines, tunnels, buildings, hydroelectric generating facilities, and other structures of every kind, transmission, telephone and fiber optic lines, pumps, machinery, tools, and appliances; and all real or personal property, appurtenant to or used, or constructed or otherwise acquired to be used, in connection with C.C. Cragin Reservoir.
- 4.11 Cumulative Total: The total quantity of Surface Water diverted and Underground Water withdrawn by BCLHOA at the Points of Receipt during the Water Year to serve BCLHOA Water Customers. The Cumulative Total also includes the total quantity of Surface Water diverted and Underground Water withdrawn by Bonita Creek Residents under Paragraph 16 during the Water Year.
- 4.12 Delivery Point: The point along the East Verde River where SRP delivers BCLHOA

Stored Water from the C.C. Cragin Project and measured at the measuring device known as the USGS gage No. 09507580, East Verde Diversion from East Clear Creek near Pine, Arizona.

- 4.13 Flow Measurement System: A flow measurement system configured to relevant industry standards including a primary water measurement device or method (flow meter, weir, gate, electronic transducer, etc.) and a detection device (float, depth probe, manometer, flow meter, etc.) for the real-time monitoring of water able to (1) indicate a rate of flow for operation purposes, and (2) produce a volume totalization for water accounting purposes. The detection device shall be electronically compatible with SRP requirements for data collection, software, telemetry, and water totalization methods and reporting, unless otherwise agreed by the Authorized Representatives. The Flow Measurement System shall be configured to enable an adequate secondary measurement (field verification) for proof of accuracy as provided for in Exhibit 14.1 of this Agreement.

- 4.14 Inactive Capacity: The capacity of C.C. Cragin Reservoir below the intake of the pump inlet tunnel at C.C. Cragin Reservoir.

- 4.15 Net May 1 Storage: The total quantity of water in storage in the Active Conservation Capacity on May 1 of each year.

- 4.16 Operation, Maintenance, and Capital Budget Plan: An annual plan developed by SRP addressing the capital requirements and the operation and maintenance ("O&M") activities for the C.C. Cragin Project and the planned budget reflecting SRP's Capital Costs and SRP's O&M Costs associated with the C.C. Cragin Project from May 1 through the following April 30 of each year.

- 4.17 Points of Measurement: Points agreed to by the Authorized Representatives where it is required to accurately ascertain the total quantity of:
 - 4.17.1 BCLHOA Stored Water delivered by SRP to the Delivery Point;
 - 4.17.2 Surface Water diverted by BCLHOA;
 - 4.17.3 Underground Water withdrawn by BCLHOA;
 - 4.17.4 Surface Water diverted by Bonita Creek Residents under Paragraph 16;

and

4.17.5 Underground Water withdrawn by Bonita Creek Residents under Paragraph 16.

The Points of Measurement, which may be changed by the Authorized Representatives upon mutual agreement, are listed in Exhibit 4.17.

4.18 Points of Receipt: The points where the BCLHOA and Bonita Creek Residents divert Surface Water and withdraw Underground Water in exchange for BCLHOA Stored Water. Points of Receipt include points where:

4.18.1 Surface Water is diverted by BCLHOA;

4.18.2 Underground Water is withdrawn by BCLHOA;

4.18.3 Surface Water is diverted by Bonita Creek Residents under Paragraph 16;
and

4.18.4 Underground Water is withdrawn by Bonita Creek Residents under Paragraph 16.

The Points of Receipt, which may be changed by the Authorized Representatives upon mutual agreement, are listed in Exhibit 4.17.

4.19 Salt River Project (SRP): The Salt River Project Agricultural Improvement and Power District and the Salt River Valley Water Users' Association.

4.20 SRP's Capital Costs: All costs incurred by SRP for the acquisition and improvement of land, facilities, equipment, and inventories related to the C.C. Cragin Project, which shall include but not be limited to labor, overhead, materials, supplies, spare parts, equipment purchase and rental, and transportation. Prior to May 1, 2009, all expenses incurred by SRP shall be accrued as SRP's Capital Costs.

4.21 SRP's O&M Costs: All costs incurred by SRP for the operation and maintenance of all C.C. Cragin facilities, except for those costs defined as SRP's Capital Costs. Such costs shall include, but not be limited to, costs for the following items: insurance, inspections, permits, taxes, fees (including administrative fees), licenses, contract services, legal services, accounting, travel, environmental compliance, repairs,

testing, labor, salaries, overhead, materials, supplies, expenses, equipment, vehicles, energy, and fuel.

4.22 Surface Water: All appropriable water of Bonita Creek and its tributaries under Arizona law that is diverted by BCLHOA or Bonita Creek Residents under this Agreement in exchange for BCLHOA Stored Water.

4.23 Underground Water: All water withdrawn from underground sources from wells located within the BCLHOA Water Service Area by the BCLHOA and Bonita Creek Residents under this Agreement in exchange for BCLHOA Stored Water. The Parties agree under Paragraph 5 that for purposes of this Agreement, Underground Water is appropriable water of Bonita Creek and its tributaries under Arizona law.

4.24 Water Year: Period from May 1 to April 30 each year.

5. SCOPE OF AGREEMENT:

This Agreement shall encompass only the following services or arrangements between the Parties:

5.1 Agreement among the Parties to the following with respect to water rights to and hydrologic conditions of Bonita Creek, the East Verde River, and their tributaries:

5.1.1 Except for the right to divert Surface Water and withdraw Underground Water in exchange for BCLHOA Stored Water under this Agreement, BCLHOA has no right to appropriable water of Bonita Creek and its tributaries under Arizona law;

5.1.2 For purposes of this Agreement, water that BCLHOA withdraws from wells located within the BCLHOA Water Service Area is appropriable water of Bonita Creek and its tributaries under Arizona law;

5.1.3 For purposes of this Agreement, withdrawing one acre-foot of water from wells located within the BCLHOA Service Area is equivalent to diverting one acre-foot of appropriable water of Bonita Creek and its tributaries;

- 5.1.4 For purposes of this Agreement, a hydrologic connection exists between appropriable water of Bonita Creek and its tributaries and appropriable water of the East Verde River and its tributaries such that diverting one acre-foot of appropriable water of Bonita Creek and its tributaries is equivalent to diverting one acre-foot of appropriable water of the East Verde River and its tributaries; and
- 5.1.5 In the event this Agreement is terminated under Paragraph 6.0, the Parties agree that:
 - 5.1.5.1 Nothing contained in this Agreement shall be used as an admission against BCLHOA that there is a hydrologic connection between appropriable water of Bonita Creek and its tributaries and appropriable water of the East Verde River and its tributaries;
 - 5.1.5.2 Nothing contained in this Agreement shall be used as an admission against SRP that there is no hydrologic connection between the appropriable water of Bonita Creek and its tributaries and appropriable water of the East Verde River and its tributaries;
 - 5.1.5.3 Nothing contained in this Agreement shall be used as an admission against BCLHOA that water it is withdrawing from wells located within the BCLHOA Water Service Area is not percolating groundwater under Arizona law; and
 - 5.1.5.4 Nothing contained in this Agreement shall be used as an admission against SRP that water withdrawn by BCLHOA from wells located within the BCLHOA Water Service Area is not appropriable water of Bonita Creek and its tributaries.
- 5.2 The partial severance and transfer of the right to use stored water from C.C. Cragin Reservoir associated with CWR No. 3696.0002 from SRP to BCLHOA for use within the BCLHOA Water Service Area in quantities not to exceed the quantities described in Subparagraph 7.1. To the extent the water right severed and transferred to BCLHOA is not used by BCLHOA, it shall continue to be used by SRP.

- 5.3 An exempt water exchange under A.R.S. § 45-1002(A)(1) between the Parties under which the BCLHOA may divert Surface Water and/or withdraw Underground Water from within the BCLHOA Water Service Area to which SRP and its shareholders have valid senior rights in exchange for SRP's acceptance of the BCLHOA Stored Water into the East Verde River for use by SRP shareholders.
- 5.4 The diversion and delivery of BCLHOA Stored Water by SRP from C.C. Cragin Reservoir to the Delivery Point for use by SRP shareholders under the exempt water exchange.
- 5.5 Diversion, withdrawal, and delivery of Surface Water and Underground Water by BCLHOA to serve BCLHOA Water Customers in BCLHOA Water Service Area under Paragraph 9.3 in an aggregate quantity equal to or less than the quantity of BCLHOA Stored Water exchanged annually under Paragraph 10.
- 5.6 Limitations on diversion of Surface Water and withdrawal of Underground Water and the use of water received from others by BCLHOA.
- 5.7 Provision for Bonita Creek Residents to become agents of the BCLHOA for the diversion, withdrawal and use of Surface Water and Underground Water on the Bonita Creek Residents' individual land parcels under Paragraph 16.
- 5.8 Limitations on the diversion of Surface Water and withdrawal of Underground Water and the use of water received from others by Bonita Creek Residents.

6. EFFECTIVE DATE AND TERM OF AGREEMENT:

- 6.1 This Agreement shall become effective upon execution by the Parties ("Effective Date") and unless terminated pursuant to Subparagraphs 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 or 6.8, this Agreement shall remain in effect in perpetuity.
- 6.2 This Agreement shall terminate upon the occurrence of any of the following: (1) C.C. Cragin Reservoir no longer exists or is permanently disabled from storing water within the Active Conservation Capacity due to any circumstance; (2) BCLHOA is permanently precluded from using any water from Bonita Creek in the BCLHOA Water Service Area under the exempt exchange in Paragraph 10; (3) as provided in Subparagraph 7.6; or (4) ADWR determines, in a final non-

appealable order, not to approve the severance and transfer of a portion of CWR No. 3696.0002 to BCLHOA as provided in Paragraph 7.

- 6.3 SRP may automatically and unilaterally terminate this Agreement if the BCLHOA, by nonuse of Surface Water and Underground Water, creates conditions whereby the water right described in Subparagraphs 5.2 and 7.1.1 may be forfeited or abandoned under Arizona law. The Parties hereby express their intent NOT to forfeit or abandon the water rights included under this Agreement. For purposes of this Agreement, the Parties agree that SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not use Surface Water and Underground Water within the BCLHOA Water Service Area for any four (4) consecutive year time period. SRP agrees that BCLHOA is not in violation of this Subparagraph due to its non-use of a portion of its BCLHOA Stored Water as its municipal demand increases to full development within the BCLHOA Water Service Area.
- 6.4 SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not satisfy its payment obligations under paragraph 18.
- 6.5 SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not seek and receive SRP's consent under Subparagraph 7.8.
- 6.6 SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not comply with the insurance requirements contained in Paragraph 13.
- 6.7 SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not perform its obligations under Subparagraph 11.4 in the event it exceeds its Cumulative Total in a Water Year.
- 6.8 SRP may automatically and unilaterally terminate this Agreement if BCLHOA does not terminate the Resident Agreement under the conditions provided under Subparagraph 16.4.

7. TRANSFER OF WATER RIGHTS; REVERSION:

- 7.1 The District shall:

- 7.1.1 Upon the Effective Date of this Agreement, assign to BCLHOA that portion of the right to use stored water under CWR No. 3696.0002 exclusively for use within the BCLHOA Water Service Area so as to yield at the Delivery Point, an average quantity of fifteen (15) acre-feet per Water Year, not to exceed seventeen and forty-five hundredths (17.45) acre-feet per Water Year.
- 7.1.2 When mutually agreed to by the Parties, file with ADWR an application to sever and transfer the assigned portion of water right under CWR No. 3696.0002 to BCLHOA for municipal uses exclusively within the BCLHOA Water Service Area. The assignment, as provided for in Subparagraphs 7.1.1 and the severance and transfer application shall become Exhibit 7.1. For purposes of this Agreement, "municipal uses" shall mean all beneficial uses of water, other than the use of water for application to two or more acres of land to produce plants or parts of plants for sale or human consumption, or for use as feed for livestock, range livestock or poultry, as such terms are defined in A.R.S. § 3-1201. The quantity of water available to BCLHOA for use within the BCLHOA Water Service Area each calendar year pursuant to the certificate of water right referenced in Subparagraph 7.5 shall be determined pursuant to Paragraph 8.
- 7.2 It is expressly understood by the Parties that the portion of the water right assigned in Subparagraph 7.1.1 is limited to a right to use stored water from C.C. Cragin Reservoir under the exchange under Paragraph 10 and that no storage right in C.C. Cragin Reservoir is granted to BCLHOA. Nothing in this Subparagraph shall prevent BCLHOA from storing water within the BCLHOA Water Service Area so long as it is in compliance with this Agreement. Subject to Subparagraph 8.4, SRP shall not take any action to impair the BCLHOA's ability to exercise the water right assigned in Subparagraph 7.1.1, provided that the severance and transfer contemplated in Subparagraph 7.1.2 is approved by ADWR.
- 7.3 SRP shall pay, and BCLHOA shall reimburse SRP, for all application, notice, publication, and other fees and expenses, including legal fees and expenses, associated with ADWR's water right severance and transfer administrative process for the application referenced in Subparagraph 7.1.2.

- 7.4 SRP and BCLHOA shall jointly cooperate and support the severance and transfer application through ADWR's administrative process.
- 7.5 The certificate of water right, when issued to BCLHOA by ADWR, shall become Exhibit 7.5 of this Agreement.
- 7.6 If, at any time after the Effective Date of this Agreement, BCLHOA determines that it no longer needs or desires the right to stored water from C.C. Cragin Reservoir described in Paragraph 7, BCLHOA shall immediately assign such water rights to SRP, at no cost to SRP, and this Agreement shall thereafter terminate. Provided, however, that if a certificate of water right has been issued to BCLHOA, SRP and BCLHOA shall jointly cooperate and support a subsequent application for severance and transfer of the water rights to SRP under ADWR's administrative process.
- 7.7 In the event this Agreement is terminated for any reason, including pursuant to Subparagraphs 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, or 6.8, BCLHOA shall immediately reassign the water right assigned to it pursuant to Subparagraph 7.1, at no cost to SRP. Provided, however, that if a certificate of water right has been issued to the BCLHOA, SRP and BCLHOA shall jointly cooperate and support a subsequent application for severance and transfer of the water rights to SRP under ADWR's administrative process. The obligations described in this Subparagraph 7.7 shall survive termination of this Agreement.
- 7.8 In the event this Agreement is terminated for any reason including pursuant to Subparagraphs 6.2, 6.3, 6.4, 6.5, 6.6, 6.7 or 6.8, and BCLHOA is not available to jointly cooperate and support a subsequent assignment and/or application for severance and transfer of the right to stored water from C.C. Cragin Reservoir to SRP under ADWR's administrative process pursuant to Subparagraphs 7.6 and 7.7, the Parties agree that they do not intend to forfeit or abandon the right to stored water from C.C. Cragin Reservoir and that such water right will automatically revert to SRP. BCLHOA hereby expresses its consent to the assignment and/or severance and transfer of the right to stored water in C.C. Cragin Reservoir back to SRP in the event this Agreement is terminated under this Subparagraph and executes the "Consent to Assignment and/or Severance and Transfer" document attached hereto as Exhibit 7.8. The Parties agree that BCLHOA cannot transfer or assign this Agreement to any successors or assignees without the written consent of SRP. This obligation to receive the consent of SRP

for any transfer or assignment continues to be binding upon and enforceable against any and all successors and assignees. As a condition precedent of any transfer or assignment of this Agreement to any successor or assignee is for that successor or assignee to execute an updated Exhibit 7.8 which will become Exhibit 7.8 to the Agreement. SRP agrees that it will not unreasonably withhold its consent to the assignment or transfer of this Agreement and agrees to provide its decision regarding its consent within a reasonable time.

8. BCLHOA STORED WATER:

- 8.1 On May 1 of each year, SRP shall calculate the quantity of BCLHOA Stored Water to be credited to BCLHOA for exchange of Surface Water and Underground Water to be diverted and used exclusively within the BCLHOA Water Service Area from May 1 of that year through April 30 of the following calendar year as the sum of: (1) one hundred thirty-six thousandths of a percent (0.136%) of Net May 1 Storage, plus (2) one hundred thirty-six thousandths of a percent (0.136%) of the quantity of water diverted from C.C. Cragin Reservoir during the period from January 1 through April 30 of that year by SRP for its own use. Provided, however, that the sum of (1) and (2) shall not exceed the lesser of either one hundred thirty-six thousandths of a percent (0.136%) of the Active Conservation Capacity, or a quantity of water that would produce an average of fifteen (15) acre-feet, not to exceed seventeen and forty-five hundredths (17.45) acre-feet in any one Water Year, for the Water Years from the first May 1 following the Effective Date.
- 8.2 BCLHOA Stored Water credits shall not be subject to daily evaporation and seepage losses occurring at C.C. Cragin Reservoir or transmission losses for BCLHOA Stored Water transported from C.C. Cragin Reservoir to the Delivery Point.
- 8.3 BCLHOA Stored Water credits remaining in the BCLHOA Stored Water account at 11:59 p.m. on April 30 of each year shall not be carried forward and the credits in the BCLHOA Stored Water account, as prescribed in Paragraph 15, shall be set to zero at that time. Subparagraph 11.3 shall apply in the event that BCLHOA diverts water in excess of the available BCLHOA Stored Water credits in any Water Year.

- 8.4 BCLHOA Stored Water credits shall be subject to reduction as provided in this Subparagraph if any agency of the state or federal government, or other entity with requisite jurisdiction, requests or requires SRP to release water from C.C. Cragin Dam to: (1) preserve the structural safety of C.C. Cragin Dam, (2) mitigate environmental impacts of the C.C. Cragin Project, (3) satisfy senior downstream water rights, or (4) preserve the structural safety of C.C. Cragin Dam if a reasonable person would determine independently of such a request or requirement that it is necessary or prudent to release water from C.C. Cragin Dam. In the event that SRP releases water from C.C. Cragin Reservoir pursuant to this Subparagraph 8.4, BCLHOA Stored Water credits shall be reduced by one hundred thirty-six thousandths of a percent (0.136%) of the quantity of water released, up to the quantity of any remaining BCLHOA Stored Water credits in its account at the time such releases are made.
- 8.5 If SRP releases water from C.C. Cragin Dam pursuant to Subparagraph 8.4, SRP shall make reasonable efforts to notify BCLHOA prior to making such releases of water from C.C. Cragin Dam, provided that nothing in this Subparagraph 8.5 shall be deemed or construed to in any manner limit SRP's ability to make such releases.
- 8.6 The Parties acknowledge that sedimentation will reduce the water storage capacity at C.C. Cragin Reservoir. In coordination with BCLHOA and in conjunction with the Operation, Maintenance and Capital Budget Plan, SRP may plan and conduct periodic sediment surveys to determine the total water storage capacity and the Active Conservation Capacity of C.C. Cragin Reservoir. Costs for the sediment survey shall be included in SRP's O&M Costs. Beginning on May 1 immediately after completion of the most recent sediment survey, the quantity specified in Subparagraph 4.1 shall be adjusted to reflect the Active Conservation Capacity determined in the sediment survey. Such adjusted quantity shall be used for purposes of determining the BCLHOA Stored Water quantity pursuant to Subparagraph 8.1 until next adjusted.

9. DELIVERY AND DISTRIBUTION:

- 9.1 To the extent that there are credits in the BCLHOA Stored Water Account, and subject to Paragraph 11, water deliveries by SRP to the Delivery Point shall be made upon BCLHOA's request. Requests for delivery by BCLHOA shall be

provided to the designated SRP department in conformance with procedures established by SRP.

- 9.2 SRP shall be responsible for transporting BCLHOA Stored Water to the Delivery Point; as such point may be revised by the Authorized Representatives.
- 9.3 BCLHOA may divert Surface Water and withdraw Underground Water from the Points of Receipt in exchange for BCLHOA Stored Water under Paragraph 10 exclusively for transportation and distribution to BCLHOA Water Customers within the Bonita Creek Water Service Area subject to the conditions described in this Agreement, including Paragraph 11. BCLHOA shall have the sole responsibility for delivery and transportation of the Surface Water and Underground Water to BCLHOA Water Customers under this Agreement.
- 9.4 BCLHOA's right to fix or determine the rates or charges imposed by BCLHOA for service from BCLHOA's water system including, without limitation, rates or charges, for the delivery of Surface Water and Underground Water shall not be limited by any provisions of this Agreement and such rates or charges shall be within the sole discretion of the BCLHOA, in accordance with any regulatory requirements.

10. EXEMPT WATER EXCHANGE:

The Parties agree to participate in an exempt water exchange under A.R.S. § 45-1002(A)(2) that consists of the following:

- 10.1 Subject to the limitations under Paragraphs 11 and 16, BCLHOA agrees to divert Surface Water or withdraw Underground Water from within the BCLHOA Water Service Area at the Points of Receipt for delivery to the BCLHOA Water Customers under this Agreement in a quantity not to exceed the quantity of BCLHOA Stored Water ordered and delivered under Paragraph 9.1; and
- 10.2 SRP agrees to accept BCLHOA Stored Water at the Delivery Point in exchange for the Surface Water diverted and Underground Water withdrawn by BCLHOA under Paragraph 9 and the Bonita Creek Residents under Paragraph 16; and

10.3 The exempt exchange does not include a quantity exceeding seventeen and forty-five hundredths (17.45) acre-feet in any twelve month period which is less than the statutory limit under A.R.S. § 45-1002(A)(1).

11. SURFACE WATER DIVERTED AND UNDERGROUND WATER WITHDRAWN BY THE BCLHOA AND WATER RECEIVED FROM OTHERS:

11.1 Upon the Effective Date, for the purpose of water deliveries exclusively to the BCLHOA Water Service Area, BCLHOA agrees not to: (1) divert Surface Water from locations on Bonita Creek outside the BCLHOA Water Service Area, including from current and future land administered by the United States Forest Service, or any successor agency; (2) withdraw Underground Water from wells located outside the exterior boundaries of the BCLHOA Water Service Area, including from current and future land administered by the United States Forest Service, or any successor agency; (3) receive appropriable water of Bonita Creek and its tributaries from others, including Bonita Creek Residents; and (4) receive water withdrawn from wells owned by others, including Bonita Creek Residents including from wells located outside the exterior boundaries of the BCLHOA Water Service Area. Nothing in this Subparagraph 11.1 shall prevent BCLHOA from diverting Surface Water from the segment of Bonita Creek adjacent to the boundary of the BCLHOA Water Service Area. Nothing in this Agreement shall be construed to prevent BCLHOA from rehabilitating, replacing, or deepening their existing wells.

11.2 Upon the first May 1 following the Effective Date, BCLHOA shall limit the quantity of the Cumulative Total during the Water Year so as not to exceed the quantity of BCLHOA Stored Water calculated under Paragraph 8.

11.3 If the Cumulative Total exceeds the quantity of BCLHOA Stored Water calculated under Paragraph 8 for the Water Year, BCLHOA shall, during the subsequent Water Year, perform one or more of the following:

11.3.1 Reduce BCLHOA's withdrawal of Underground Water or diversion of Surface Water by at least the quantity of water the Cumulative Total exceeded the quantity of BCLHOA Stored Water calculated under Paragraph 8 for the prior Water Year; or

11.3.2 Deliver or cause to be delivered to SRP a quantity of water equal to at least the quantity of water the Cumulative Total exceeded the quantity of

BCLHOA Stored Water calculated under Paragraph 8 for the prior Water Year.

- 11.4 If BCLHOA does not perform the obligations under Subparagraph 11.3, SRP may terminate this Agreement. Provided, however, that BCLHOA's obligations under Subparagraph 11.3 survive termination of this Agreement.
- 11.5 Under Emergency Conditions, BCLHOA may use Surface Water or Underground Water in excess of the quantity permitted in Subparagraph 11.2 without triggering the obligations under Subparagraph 11.3. For purposes of this Subparagraph, "Emergency Conditions" shall mean those periods when BCLHOA Stored Water is not available for delivery to Delivery Point for use by SRP shareholders, or is available in such quantities that BCLHOA is unable to supply the municipal use demands within the limitations in Subparagraph 11.2 but only after using all BCLHOA Stored Water physically available to BCLHOA. When BCLHOA determines that such Emergency Conditions exist or are imminent, BCLHOA shall request a meeting of the Authorized Representatives at which BCLHOA shall explain why it concludes that Emergency Conditions exist or are imminent, and how long the BCLHOA anticipates those conditions will persist, if a reasonable basis for making that projection exists. The Authorized Representatives shall cooperate in good faith in agreeing that such Emergency Conditions do or do not exist, or are or are not imminent.
- 11.6 Under Emergency Conditions, and subject to Paragraph 13, BCLHOA may, at no cost to SRP, physically transport BCLHOA Stored Water directly from the Delivery Point for distribution to BCLHOA Water Customers. For purposes of this Subparagraph, "Emergency Conditions" shall mean those periods when Surface Water and Underground Water is not available for delivery to BCLHOA Water Customers, or is available in such reduced quantities that the BCLHOA is unable to supply the municipal use demands within the limitations in Paragraph 11. When BCLHOA determines that such Emergency Conditions exist or are imminent, BCLHOA shall request a meeting of the Authorized Representatives at which the BCLHOA shall explain why it concludes that Emergency Conditions exist or are imminent, and how long BCLHOA anticipates those conditions will persist, if a reasonable basis for making that projection exists. The Authorized Representatives shall cooperate in good faith in agreeing that such Emergency Conditions do or do not exist, or are or are not imminent.

12. INTERRUPTIONS OR REDUCTIONS IN DELIVERY:

Water delivered to the Delivery Point on behalf of BCLHOA shall be in accordance with the BCLHOA's request pursuant to Paragraph 9, except for (1) interruptions or reductions in deliveries due to: (A) water supply or water delivery facility limitations, or (B) uncontrollable forces as defined in Paragraph 20; (2) interruptions or reductions which are reasonably necessary or desirable for the purposes of maintenance, repairs, replacements, installations, investigations and inspections of the C.C. Cragin Project equipment, works, and facilities including, but not limited to, system dry-ups; provided that SRP, except in case of emergency, will give BCLHOA reasonable, advance notice of temporary interruptions or reductions and will attempt to remove the cause thereof with diligence; and (3) interruptions or reductions in deliveries due to BCLHOA's delinquency in the payment of charges billed by SRP as described in Subparagraph 18.2.5.

13. WATER QUALITY, INDEMNITY, AND INSURANCE:

In the event that the Parties agree that BCLHOA has established that Emergency Conditions exist under Subparagraph 11.6 and exercises the option to physically transport BCLHOA Stored Water directly from the Delivery Point for distribution to BCLHOA Water Customers, BCLHOA agrees to the following conditions:

13.1 SRP neither guarantees nor warrants the quality of water SRP delivers to BCLHOA at the Delivery Point pursuant to this Agreement. BCLHOA assumes all responsibility and liability for purifying or otherwise treating such water delivered by SRP at the Delivery Point to meet applicable water quality standards established by federal, state or local authorities. BCLHOA shall and does hereby release SRP from liability for any claims related to the quality of water delivered by SRP to the Delivery Point, except liability resulting in whole or in part from SRP's gross negligence. Except as provided in the preceding sentence, BCLHOA shall assume all liability against all losses, of whatsoever kind or nature, whether found in tort, strict liability or contract, from claims by third parties resulting from the delivery of such water to BCLHOA and to the Delivery Point. BCLHOA shall defend and hold harmless SRP, members of its governing bodies, its directors, governors, employees, officers, and agents from and against all such claims for such losses except those losses resulting in whole or in part from SRP's gross negligence. Nothing in this Agreement precludes BCLHOA from asserting claims of whatsoever kind or nature, whether found in tort, strict liability or

contract, against persons or entities other than SRP, members of its governing bodies, its directors, governors, employees, officers, or agents, as a result of actions or failures to act that impair the quality of water delivered to the Delivery Point from the C.C. Cragin Project.

- 13.2 Without limiting any liabilities or any other obligations of BCLHOA under this Agreement, BCLHOA shall provide and maintain, with forms and insurers acceptable to SRP, until all the obligations under this Agreement are satisfied, the minimum insurance coverage as follows: Commercial General Liability insurance with a minimum combined single limit of TWO MILLION DOLLARS (\$2,000,000) each occurrence. BCLHOA may achieve this minimum insurance coverage through a combination of one or more policies including regular and umbrella coverages. The policies shall include coverage for bodily injury liability, property damage liability, personal injury liability and contractual liability for liability assumed under this Agreement or any other associated contract. The policies shall contain a severability of interests provision.
- 13.3 The policies required herein shall be endorsed to include SRP, members of its governing bodies, its directors, governors, officers, employees, and agents as additional insureds, and shall stipulate that the insurance afforded for SRP, members of its governing bodies, its directors, governors, officers, employees, and agents shall be primary insurance and that any insurance carried by SRP, members of its governing bodies, its directors, governors, officers, employees, and agents shall be excess and not contributory insurance.
- 13.4 BCLHOA and its insurers providing the required coverage shall waive all rights of subrogation against SRP, members of its governing bodies, its directors, governors, officers, employees, and agents.
- 13.5 Prior to the Effective Date of this Agreement, BCLHOA shall furnish SRP with Certificates of Insurance as evidence that policies providing the required coverage, conditions and limits are in full force and effect. BCLHOA shall immediately notify SRP of any cancellation, termination or material alteration of any of the policies providing the required coverages. The original Certificates of Insurance and any notices of cancellation, termination, or alteration shall be sent directly to SRP's Authorized Representative under paragraph 19 of this Agreement.

13.6 SRP reserves the right to request and receive certified copies of any or all of the above policies and/or endorsements.

13.7 The insurance policies may provide coverage which contains deductibles or self-insured retentions. BCLHOA shall be solely responsible for deductibles and/or self-insured retentions and SRP, at its option, may require BCLHOA to secure the payment of such deductibles or self-insured retentions by a surety bond or an irrevocable and unconditional letter of credit.

14. FLOW MEASUREMENT:

14.1 BCLHOA shall, at its sole expense and with the approval of the Authorized Representatives, construct, install, and maintain a primary Flow Measurement System at each Point of Measurement in accordance with manufacturers' specifications for the specific application and Exhibit 14.1. At all Points of Measurement, BCLHOA shall maintain the accuracy of the associated Flow Measurement System as close to zero error as practical but in no event shall a uniform distribution of accumulated error deviate from actual volume by more than:

14.1.1. plus or minus five percent (5%) at the flow (rate) indicating device, unless otherwise agreed by the Authorized Representatives, and

14.1.2. plus or minus two percent (2%) of the annual totalized volume, unless otherwise agreed by the Authorized Representatives.

14.2 BCLHOA shall prepare and regularly implement testing and recalibration procedures for the Flow Measurement Systems, which procedures must be approved by the Authorized Representatives. At least once every year at the Points of Measurement, unless otherwise agreed by the Authorized Representatives, BCLHOA shall recalibrate its Flow Measurement Systems as close to zero error as practical, but in no event shall error exceed the accuracy standard in Subparagraph 14.1. BCLHOA shall orally or in writing notify SRP's Authorized Representative of when such recalibration is planned so that SRP may observe the procedure. SRP may at reasonable times, at its sole expense and after reasonable notice to BCLHOA, test or have tested the Flow Measurement System to determine its accuracy. Such test shall be performed in

accordance with industry standards and shall not interfere with the operation of BCLHOA's water system. Annual secondary flow verification tests shall be performed in accordance with the procedures in Exhibit 14.1 (Validation Criteria for Points of Measurement: Closed-Pressurized Pipe Configurations) of this Agreement.

- 14.3 In the event that water accounting records or any routine or special test of the Flow Measurement System discloses an annual volume, or a flow measurement error, that exceeds the limits provided in Subparagraph 14.1, all bills and water accounting affected by such limits having been exceeded may be adjusted by SRP based on the best available data, subject to Subparagraph 18.2 and Paragraph 24. Adjustments shall not encompass more than the elapsed time since the last preceding test.
- 14.4 The method of measurement required by Bonita Creek Residents for Surface Water diverted and Underground Water withdrawn under Paragraph 16 shall be determined by mutual agreement of the Parties so long as the chosen method shall accurately measure the quantity of Surface Water diverted and Underground Water withdrawn by Bonita Creek Residents under Paragraph 16 to add to the Cumulative Total under Subparagraph 11.2.

15. WATER ACCOUNTING AND REPORTING:

- 15.1 SRP shall establish a BCLHOA Stored Water Account for BCLHOA and shall:
 - 15.1.1 Credit the BCLHOA Stored Water Account at 12:01 a.m. on May 1 of each year with the quantity of BCLHOA Stored Water as provided for in Subparagraph 8.1.
 - 15.1.2 If elected by BCLHOA under Subparagraph 11.3.1, debit the BCLHOA Stored Water Account with the quantity of water the Cumulative Total exceeded the quantity of BCLHOA Stored Water for the previous Water Year.
 - 15.1.3 Debit the BCLHOA Stored Water Account with the quantity of BCLHOA Stored Water diverted from C.C. Cragin Reservoir and delivered to the Delivery Point.

- 15.1.4 Debit the BCLHOA Stored Water Account in accordance with Subparagraph 8.4 in the event that water is released from C.C. Cragin Dam.
- 15.1.5 Extinguish all unused BCLHOA Stored Water credits remaining in the BCLHOA Stored Water Account at 11:59 p.m. on April 30 of each year as provided for in Subparagraph 8.3.
- 15.2 SRP shall maintain a record of the total quantity of BCLHOA Stored Water diverted and delivered to the Delivery Point. The quantity of BCLHOA Stored Water for which BCLHOA will be charged and deemed to have received shall be the greater of the Cumulative Total or the quantity of BCLHOA Stored Water ordered by BCLHOA and delivered by SRP to the Delivery Point.
- 15.3 Unless the Authorized Representatives agree on a different schedule, BCLHOA shall report to SRP each quarter:
 - 15.3.1 The quantity of Underground Water withdrawn by BCLHOA under Paragraph 11 and Bonita Creek Residents under Paragraph 16 each month; and
 - 15.3.2 The quantity of Surface Water diverted by BCLHOA under Paragraph 11 and Bonita Creek Residents under Paragraph 16 each month.
- 15.4 BCLHOA shall report the quantity of water pursuant to Subparagraph 15.3 for each month on or before the eighth (8th) business day of January, April, July, and October of each year to the SRP department designated by SRP in a form as agreed to by SRP.
- 15.5 SRP shall report the quantities prescribed in this Paragraph 15 and the associated water accounting to BCLHOA on a monthly basis by the end of the month following the month for which the accounting was performed. Such report shall include a year-to-date accounting summary on a month-end basis.

16. SURFACE WATER DIVERTED AND UNDERGROUND WATER WITHDRAWN BY THE BONITA CREEK RESIDENTS AND RECEIVED FROM OTHERS:

16.1 The Parties agree that individual Bonita Creek Residents may become agents of the BCLHOA in delivery of Surface Water and Underground Water exchanged for BCLHOA Stored Water to the parcel owned by the Bonita Creek Resident under the following conditions:

16.1.1 Bonita Creek Resident agrees to the following with respect to water rights and hydrologic conditions of Bonita Creek, the East Verde River and their tributaries:

16.1.1.1 Except for the right to divert Surface Water and withdraw Underground Water in exchange for BCLHOA Stored Water as an agent of BCLHOA under the BCLHOA-Bonita Creek Resident Agency Agreement, Bonita Creek Resident has no right to appropriable water of Bonita Creek and its tributaries under Arizona law;

16.1.1.2 For purposes of the BCLHOA-Bonita Creek Resident Agency Agreement, water that Bonita Creek Resident withdraws from wells located within the exterior boundaries of the parcel owned by Bonita Creek Resident is appropriable water of Bonita Creek and its tributaries under Arizona law;

16.1.1.3 For purposes of the BCLHOA-Bonita Creek Resident Agency Agreement, withdrawing one acre-foot of water from wells located within the exterior boundaries of the parcel owned by the Bonita Creek Resident is equivalent to diverting one acre-foot of appropriable water of Bonita Creek and its tributaries;

16.1.1.4 For purposes of the BCLHOA-Bonita Creek Resident Agency Agreement, a hydrologic connection exists between appropriable water of Bonita Creek and its tributaries and appropriable water of the East Verde River and its tributaries such that diverting one acre foot of

appropriable water of Bonita Creek and its tributaries is equivalent to diverting one acre-foot of appropriable water of the East Verde River and its tributaries; and

- 16.1.2 The Bonita Creek Resident agrees to become an agent of the BCLHOA in delivery of Surface Water and Underground Water exchanged for the BCLHOA Stored Water to the parcel owned by the Bonita Creek Resident.
- 16.1.3 The Bonita Creek Resident agrees that Surface Water diverted by the Bonita Creek Resident shall only be used on the parcel owned by the Bonita Creek Resident and Underground Water withdrawn by the Bonita Creek Resident shall only be withdrawn from wells located on the parcel owned by the Bonita Creek Resident and used on the parcel owned by the Bonita Creek Resident.
- 16.1.4 The Bonita Creek Resident agrees not to receive Surface Water or Underground Water from others, including from sources outside the exterior boundaries of the Bonita Creek Resident's parcel other than Surface Water and Underground Water received from BCLHOA as a Bonita Creek Water Customer.
- 16.1.5 The Bonita Creek Resident, at their own expense, agrees to measure the quantities of Surface Water diverted and Underground Water withdrawn and report those quantities to the BCLHOA to be included in the BCLHOA's reporting requirements under Subparagraph 15.3. Bonita Creek Resident agrees to comply with the Flow Measurement Requirements as agreed to with SRP under Subparagraph 14.4.
- 16.1.6 The Bonita Creek Resident agrees to the limitations on Surface Water diversions and Underground Water withdrawals provided in Paragraph 11.
- 16.1.7 The Bonita Creek Resident agrees to execute the Resident Agency Agreement for Bonita Creek Resident Water Delivery and Use between Bonita Creek Resident and BCLHOA ("BCLHOA-Bonita Creek Resident Agency Agreement") attached hereto as Exhibit 16.1.7. Bonita Creek

Resident agrees that SRP shall be an express third-party beneficiary to the BCLHOA-Bonita Creek Resident Agreement.

16.1.8 The Bonita Creek Resident agrees that the BCLHOA-Bonita Creek Resident Agreement terminates if this Agreement terminates for any reason.

16.1.9 The Bonita Creek Resident agrees to grant SRP and BCLHOA, their employees and agents the right of access to its facilities serving Surface Water and Underground Water, including, but not limited to Bonita Creek Resident well sites, water diversion facilities, water storage facilities, and water recovery facilities, rights of way, and easements, at reasonable times agreed to by SRP and the Bonita Creek Resident and after reasonable notice from the request by SRP, for purposes of ascertaining compliance with this Agreement and the BCLHOA-Bonita Creek Resident Agreement, including the right to test any water measurement system used by the Bonita Creek Resident to gather and report data pursuant to this Agreement and the BCLHOA-Bonita Creek Resident Agreement.

16.1.10 The Bonita Creek Resident agrees to withdraw any claims to appropriable water of Bonita Creek and its tributaries currently filed in the Gila River General Stream Adjudication related to the parcel owned by the Bonita Creek Resident and agrees not to file any such claim while the BCLHOA-Bonita Creek Resident Agreement is effective.

16.2 BCLHOA agrees that SRP shall be an express third-party beneficiary to the BCLHOA-Bonita Creek Resident Agency Agreement.

16.3 BCLHOA shall terminate the BCLHOA-Bonita Creek Resident Agreement under Paragraph 6 of the BCLHOA-Bonita Creek Resident Agreement if this Agreement terminates for any reason.

16.4 If requested by SRP, BCLHOA shall terminate the BCLHOA-Bonita Creek Resident Agency Agreement under Paragraph 6 of the BCLHOA-Bonita Creek Resident Agency Agreement if the Bonita Creek Resident does not comply with the following paragraphs of the BCLHOA-Bonita Creek Resident Agency Agreement:

16.4.1 The flow measurement requirements under Paragraph 10;

16.4.2 The reporting requirements under Paragraph 11; or

16.4.3 The access provisions under Paragraph 14.

16.5 The Parties agree that all Surface Water diverted and Underground Water withdrawn by Bonita Creek Residents under this Paragraph 16 and the BCLHOA-Bonita Creek Resident Agency Agreement shall count towards the Cumulative Total under Paragraph 11.

17. OPERATION, MAINTENANCE, AND CAPITAL BUDGET PLAN:

17.1 SRP shall prepare an Operation, Maintenance, and Capital Budget Plan ("Plan") prior to each SRP fiscal year (currently May through April). Such Plan shall include, at a minimum, a description and schedule of the projected operation and maintenance activities, the budget level cost estimates of such activities, the budget level cost estimate of any capital improvements and acquisitions, and the projected water delivery schedule for each Party for each month of the Plan. The budget level cost estimates shall be increased by ten percent (10%) for contingencies. Development of the Plan shall be accomplished in the following manner:

17.1.1 On or before November 1 of each year, SRP shall develop a runoff and water storage forecast and SRP's projected delivery schedule for water from C.C. Cragin Reservoir to the East Verde River for the succeeding May 1 through April 30 time period.

17.1.2 On or before December 1 of each year, the BCLHOA shall submit to SRP the projected water orders for BCLHOA Stored Water on a monthly basis for the succeeding calendar year.

17.1.3 On or before February 1 of each year, SRP shall submit the proposed Plan to BCLHOA, together with any revision to the runoff and water storage forecast and delivery schedule as provided for in Subparagraph 17.1.1.

17.1.4 SRP shall finalize the Plan prior to April 1 of that year.

17.2 The Plan may be modified to accommodate operations, maintenance, and capital construction activities not anticipated prior to the adoption of the initial

Plan. Such revised Plan shall remain in effect until the next revised Plan becomes effective.

18. BILLING AND PAYMENT OF CHARGES; ADJUSTMENTS:

18.1 BCLHOA shall pay SRP the following:

18.1.1 One hundred thirty-six thousandths of a percent (0.136%) of SRP's Capital Costs accrued to the C.C. Cragin Project from the date it was acquired by the District through April 30, 2009.

18.1.2 One hundred thirty-six thousandths of a percent (0.136%) of SRP's Capital Costs and one hundred thirty-six thousandths of a percent (0.136%) of SRP's O&M Costs incurred from May 1, 2009 through April of SRP's most recently completed fiscal year prior to the Effective Date of this Agreement.

18.1.3 Beginning on May 1 of the SRP fiscal year in which this Agreement becomes effective, one hundred thirty-six thousandths of a percent (0.136%) of SRP's Capital Costs and one hundred thirty-six thousandths of a percent (0.136%) of SRP's O&M Costs budgeted according to the Plan developed each year pursuant to Paragraph 17 of this Agreement.

18.2 SRP shall bill the charges described in Subparagraph 18.1 to BCLHOA, including any adjustments to previous charges, in accordance with the following:

18.2.1 SRP shall bill BCLHOA and BCLHOA shall pay SRP the costs as set forth in Subparagraphs 18.1.1 and 18.1.2 of this Agreement within thirty (30) days of the Effective Date of this Agreement.

18.2.2 SRP shall bill BCLHOA the costs as set forth in Subparagraphs 18.1.3 by no later than June 30 of each year and BCLHOA shall pay SRP quarterly, in four (4) equal installments beginning no later than July 10, October 10, January 10, and April 10. The bill shall include a reconciliation of SRP's Capital Costs and SRP's O&M Costs so that such budgeted costs paid by BCLHOA do not exceed BCLHOA's share of SRP's Capital Costs and SRP's O&M Costs as those costs are defined in Subparagraphs 4.20 and 4.21. In the event this Agreement becomes effective after June 30 of any SRP

fiscal year, SRP shall bill BCLHOA within thirty (30) days of the Effective Date of this Agreement and BCLHOA shall pay SRP under terms and conditions mutually agreeable to the Parties.

18.2.3 BCLHOA shall pay SRP in good funds as provided for in this Subparagraph 18.2. Bills which are not paid by the dates as prescribed in Subparagraphs 18.2.1, and 18.2.2 shall be delinquent and thereafter accrue an interest charge equal to the prime rate of interest as established by the Bank of America on the last business day of the month following the month for which the bill was submitted, plus two percent (2%) per annum, prorated by days, of the unpaid principal, computed daily until payment is received. Any payment received shall first be applied to any interest charges owed, and then to the charges for services rendered.

18.2.4 If BCLHOA disputes any portion of any bill, BCLHOA shall pay the disputed amount under protest when due and include with its payment a written statement indicating the basis for the protest. The matter shall then be resolved in accordance with Paragraph 24. If the protest is resolved and determined to be in favor of BCLHOA, SRP shall refund to BCLHOA any overpayment plus interest, accrued at the rate applicable pursuant to Subparagraph 18.2.4, prorated by days from the date payment was credited to BCLHOA to the date the refund check is mailed.

18.2.5 If BCLHOA does not pay any delinquent amount within thirty (30) days after receipt by BCLHOA of written notice by SRP to BCLHOA of the delinquency, then SRP may use any available legal remedy to collect the delinquent amount. Additionally, SRP may refuse to deliver or discontinue the delivery of water under this Agreement until the delinquent amount is paid in full.

19. APPOINTMENT AND DUTIES OF AUTHORIZED REPRESENTATIVES:

19.1 Each Party shall appoint an Authorized Representative and an alternate, to administer the provisions of this Agreement assigned to the Authorized Representatives. The alternate shall act only in the absence of the Authorized Representative. All decisions and agreements of the Authorized Representatives shall be in writing and be signed by both Authorized Representatives.

- 19.2 In addition to any other responsibilities assigned to the Authorized Representatives in this Agreement, the Authorized Representatives:
- 19.2.1 May amend the BCLHOA Water Service Area as shown on the map attached hereto as Exhibit 4.12, pursuant to Subparagraph 4.12.
 - 19.2.2 May change the Delivery Point, pursuant to Subparagraph 9.3.
 - 19.2.3 Shall confer to determine if Emergency Conditions do or do not exist, or are or are not imminent, under Subparagraph 9.5.
 - 19.2.4 Shall approve BCLHOA's Flow Measurement Systems, and the construction, installation and maintenance thereof, pursuant to Subparagraph 14.1 and the methodology for measuring diversions and withdrawals by Bonita Creek Residents under Subparagraph 14.4.
 - 19.2.5 Shall approve BCLHOA testing and recalibration procedures for the BCLHOA Flow Measurement Systems and any changes in the required frequency of such testing and recalibration, pursuant to Subparagraph 14.2.
 - 19.2.6 Shall approve the manner of access to the premises, rights of way and easements of BCLHOA and Bonita Creek Residents when such access is required by SRP, pursuant to Paragraph 22.
 - 19.2.7 Shall arrange for the requesting Party to audit the books, records and documents of the other Party directly pertaining to the billings and water accounting data required to administer this Agreement, pursuant to Subparagraph 23.1.
 - 19.2.8 Shall respond to any notification of an exception taken as a result of an audit, pursuant to Subparagraph 23.2.
 - 19.2.9 Shall arrange for the owing Party to return water and/or money owed as a result of an audit, pursuant to Subparagraph 23.2, or upon final resolution of a dispute, pursuant to Paragraph 24.
 - 19.2.10 Shall jointly address any disputes as provided in Paragraph 24.

19.2.11 Shall annually review BCLHOA's water accounting procedures and procedures for the determination of the quantities of BCLHOA Stored Water, Underground Water and Surface Water in accordance with this Agreement.

19.2.12 Shall meet at least once every twelve (12) months, unless they otherwise agree, to carry out the duties assigned to them by this Agreement and to discuss additional matters of common concern to the Parties.

19.3 If the Authorized Representatives disagree as to any action to be taken or decision to be made, or as to the need for taking any action or making any decision, or as to whether any matter is within the scope of the Authorized Representatives' responsibilities hereunder, the question or questions at issue may be referred to the Deputy General Manager & Chief Strategic Initiatives Executive of SRP and the President of BCLHOA. Any issue(s) unresolved by the Deputy General Manager & Chief Strategic Initiatives Executive of SRP and the President of BCLHOA may be addressed in a manner consistent with Paragraph 24.

19.4 Each Party shall notify the other Party in writing within thirty (30) days after Effective Date of the designation of its Authorized Representative and alternate and shall promptly notify the other Party of any subsequent changes in such designation.

19.5 The Authorized Representatives shall have no authority to modify, amend or supplement this Agreement, other than as expressly provided in this Paragraph 19.

20. UNCONTROLLABLE FORCES:

Neither Party shall be considered in default in the performance of any of its obligations hereunder when a failure of performance shall be due to Uncontrollable Forces; provided, however, that BCLHOA shall not be excused from paying its then current obligation pursuant to Subparagraph 18.1.3. The term "Uncontrollable Forces" shall mean any cause beyond the control of the Party unable to perform such obligation, including, but not limited to, failure of or threat of failure of facilities, flood, earthquake, storm, fire, lightning and other natural catastrophes, epidemic, war, riot, civil disturbance or disobedience, strike, labor dispute, labor or material shortage, sabotage, government priorities and restraint by court order or public authority, and action or non-action by, or failure to obtain the necessary authorizations or approvals from, any governmental agency or authority,

which by exercise of due diligence such Party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. Nothing contained herein shall be construed to require either Party to settle any strike or labor dispute in which it is involved.

21. GILA RIVER BASIN AND LITTLE COLORADO RIVER BASIN WATER RIGHTS ADJUDICATIONS:

- 21.1 The Parties agree to support each other and take all necessary actions in the Gila River and Little Colorado River General Stream Adjudications to claim and establish their respective rights to the use of stored water from C.C. Cragin Reservoir in accordance with the terms of this Agreement.
- 21.2 BCLHOA agrees that it cannot assert a valid claim to appropriable water of Bonita Creek and its tributaries under Arizona law in the Gila River General Stream Adjudication and agrees that within ninety (90) days after the Effective Date, BCLHOA shall either file a claim or amend its existing claim in the Gila River General Stream Adjudication to reflect the BCLHOA Stored Water under this Agreement as the basis for its claim and sole source of the water right for the BCLHOA. BCLHOA shall provide SRP with a copy of such claim or amendment.
- 21.3 Within thirty (30) days after the Effective Date, BCLHOA shall withdraw any pending applications to appropriate water that it has previously filed under Arizona law. BCLHOA shall provide a copy to SRP of its withdrawal under this Subparagraph and the Arizona Department of Water Resources acknowledgement of that request.
- 21.4 SRP shall assert and defend the claims and rights to divert water from East Clear Creek for storage in C.C. Cragin Reservoir in the Gila River and Little Colorado River General Stream Adjudications.
- 21.5 SRP shall assert and defend its claims and rights to store and divert appropriable water from the Verde River and its tributaries, including the East Verde River and Bonita Creek and their tributaries.
- 21.6 BCLHOA shall assert and defend its claim to the diversion of stored water from C.C. Cragin Reservoir to the Delivery Point in exchange for Surface Water and Underground Water to which SRP and its shareholders hold valid senior rights, for use within the BCLHOA Water Service Area in the Gila River and Little Colorado River General Stream Adjudications.

- 21.7 SRP shall assert and defend its claim to the diversion of stored water from C.C. Cragin Reservoir for use within the Salt River Reservoir District and for delivery to BCLHOA at the Delivery Point in accordance with the terms of this Agreement.
- 21.8 Consistent with the terms of this Agreement, BCLHOA shall not object to the claims and water rights of SRP to store, divert, and use water from East Clear Creek and C.C. Cragin Reservoir; and SRP shall not object to BCLHOA's claims and rights to stored water in C.C. Cragin Reservoir.
- 21.9 All of SRP's costs and expenses incurred in asserting and defending the claims as described in Subparagraph 21.4 and Subparagraph 21.7 shall be included in SRP's O&M Costs.

22. ACCESS TO PREMISES AND FACILITIES:

BCLHOA agrees to grant SRP, its employees and agents the right of access to its facilities serving the BCLHOA Water Service Area, including, but not limited to BCLHOA's well sites, water storage facilities, and water recovery facilities, rights of way, and easements in Gila County, at reasonable times agreed to by the Parties and after reasonable notice from the request by SRP, for purposes of ascertaining compliance with this Agreement, including the right to test any water measurement system used by BCLHOA to gather and report data pursuant to this Agreement. Right of access under this Paragraph 22 shall be in a manner approved by the Authorized Representatives.

23. AUDIT:

- 23.1 Upon reasonable written notice to the Authorized Representative of the other Party, either Party at its expense shall have the right, at all reasonable times, to review and audit the books, records and documents of the other Party directly pertaining to the billings and water accounting data required to administer this Agreement. Any audit hereunder may be conducted by an employee of or independent accountant or other suitable professional person designated by the auditing Party. The Party being audited agrees to fully cooperate with any such audit. The right to audit shall extend for a period of three (3) years following the date of each payment under this Agreement. The Parties agree to retain all necessary records and documentation during this audit period. The foregoing shall not be construed to permit either Party to conduct a general audit of the other

Party's records. Information obtained by either Party's representatives in examining the other Party's applicable records to verify such billings and Water Accounting data shall not be disclosed to third parties without prior written consent of the audited Party, unless such disclosure is in response to compulsory judicial or regulatory process or required by state law including the public records law. The Party required to disclose information to a third party shall give the other Party written notice of the disclosure as much in advance as possible.

23.2 The audited Party's Authorized Representative shall be notified in writing of any exception taken as a result of an audit and shall respond to such notification within thirty (30) days. Upon resolution of any exception, A) as to payment of any money due, the owing Party shall directly remit the amount of any exception to the other Party within thirty (30) days, with interest calculated in accordance with Subparagraph 18.2.4 and computed from the date of the original billing to the date of payment by the Party owing as a result of the audit; B) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.

24. RESOLUTION OF DISPUTES:

Any dispute under this Agreement shall first be submitted to the Authorized Representatives for resolution. If the matter cannot be resolved by the Authorized Representatives, any Party may submit the matter to the Deputy General Manager & Chief Strategic Initiatives Executive of SRP and the President of BCLHOA. If the matter cannot be resolved by the Deputy General Manager & Chief Strategic Initiatives Executive of SRP and the President of BCLHOA, any Party may bring suit upon the matter, provided however, that it is expressly agreed that the venue shall only be in the Superior Court of the State of Arizona in and for the County of Maricopa. In the event of any future dispute or action arising under this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs incurred therein, including expert witness fees.

25. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Paragraph 24, the Parties shall make payments and otherwise perform, to the extent legally permissible, in a manner consistent with this Agreement. Amounts paid by a Party pursuant to this Paragraph 25 during the pendency of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due. Upon such final resolution, A) money due shall be

billed and remitted in accordance with Paragraph 18, and B) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.

26. EXHIBITS:

All Exhibits referred to and attached to this Agreement are incorporated herein by this reference.

27. NOTICES:

Unless otherwise agreed by the Authorized Representatives, any notice, demand or request provided for in this Agreement shall be in writing and delivered in person, or sent by registered or certified mail, postage prepaid, to:

27.1 If to SRP:

Bruce Hallin, Director
Water Rights and Contracts
Salt River Project, MS PAB 110
1521 Project Drive
Tempe, AZ 85281-1298

Reference: BCLHOA-SRP Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement

With copies to:

Patrick B. Sigl, Senior Attorney
Law Services—Litigation
Salt River Project, MS PAB 341
1521 Project Drive
Tempe, AZ 85281-1298

Corporate Secretary's Office
Salt River Project
1521 Project Drive, MS PAB 215
Tempe, AZ 85281-1298

27.2 Bonita Creek Land and Homeowners' Association
c/o President
251 North Big Al's Run
Payson, AZ 85541

Reference: BCLHOA-SRP Water Rights Transfer, Water Exchange, and Water Delivery and Use Agreement

28. WAIVER:

The waiver by either Party of any breach of any term, covenant or condition herein contained shall not be deemed a waiver of any other term, covenant or condition, or any subsequent breach of the same or any other term, covenant or condition herein contained.

29. NO PARTNERSHIP AND NO JOINT VENTURE:

Nothing contained in this Agreement shall be construed as creating a partnership or joint venture among the Parties hereto.

30. GOVERNING LAW:

This Agreement is made under, and shall be governed by, the laws of the State of Arizona.

31. INTERPRETATION:

The Parties hereby acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and that this Agreement is the result of negotiations between the Parties. In the event of any ambiguity in or dispute regarding the interpretation of this Agreement, the interpretation shall not be resolved by any rule of interpretation providing for the interpretation against the Party who caused the uncertainty to exist or against the draftsman.

32. HEADINGS:

Title and paragraph headings herein are for reference only and are not part of this Agreement.

33. SRP ASSIGNS AND SUCCESSORS:

For purposes of this Agreement, the District or any Assignee or Successor of Association shall be entitled to the rights and benefits and be bound by the obligations of this Agreement the same as Association.

34. BCLHOA ASSIGNS AND SUCCESSORS:

For purposes of this Agreement, any successors or assignees of BCLHOA shall be entitled to the rights and benefits and be bound by the obligations of this Agreement the same as BCLHOA.

35. ENTIRE AGREEMENT:

The terms, covenants and conditions of this Agreement constitute the entire Agreement between the Parties within the scope of the Agreement set forth in Paragraph 5, and no understandings or obligations not herein expressly set forth shall be binding upon them. This Agreement may not be modified or amended in any manner unless in writing and signed by the Parties. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

36. NONSEVERABLE AGREEMENT:

If any material provision of this Agreement is determined to be unenforceable in a final, nonappealable order by a court of competent jurisdiction, the entire Agreement shall be deemed voidable by either Party. In the event of such an order, however, the Parties shall exercise their best efforts, through the use of a dispute resolution process of their choice or, failing that, through the dispute resolution process provided in Paragraph 24, or other process of their choice, to agree on a modification of or replacement for the material unenforceable term or terms to achieve the objectives and preserve the mutual benefits of this Agreement.

[signatures on the following page]

IN WITNESS WHEREOF, this Agreement was executed by the Parties on the date first hereinabove written.

SALT RIVER VALLEY WATER USERS' ASSOCIATION

By 
John F. Sullivan
Deputy General Manager, and Chief Strategic Initiatives Executive

APPROVED AS TO FORM


Senior Attorney, Law Services - Litigation

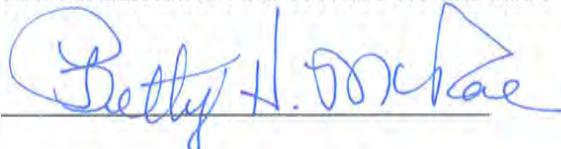
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT

By 
John F. Sullivan
Deputy General Manager, and Chief Strategic Initiatives Executive

APPROVED AS TO FORM


Senior Attorney, Law Services - Litigation

BONITA CREEK LAND AND HOMEOWNERS ASSOCIATION, INC.

By 
President

Date September 6, 2015

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

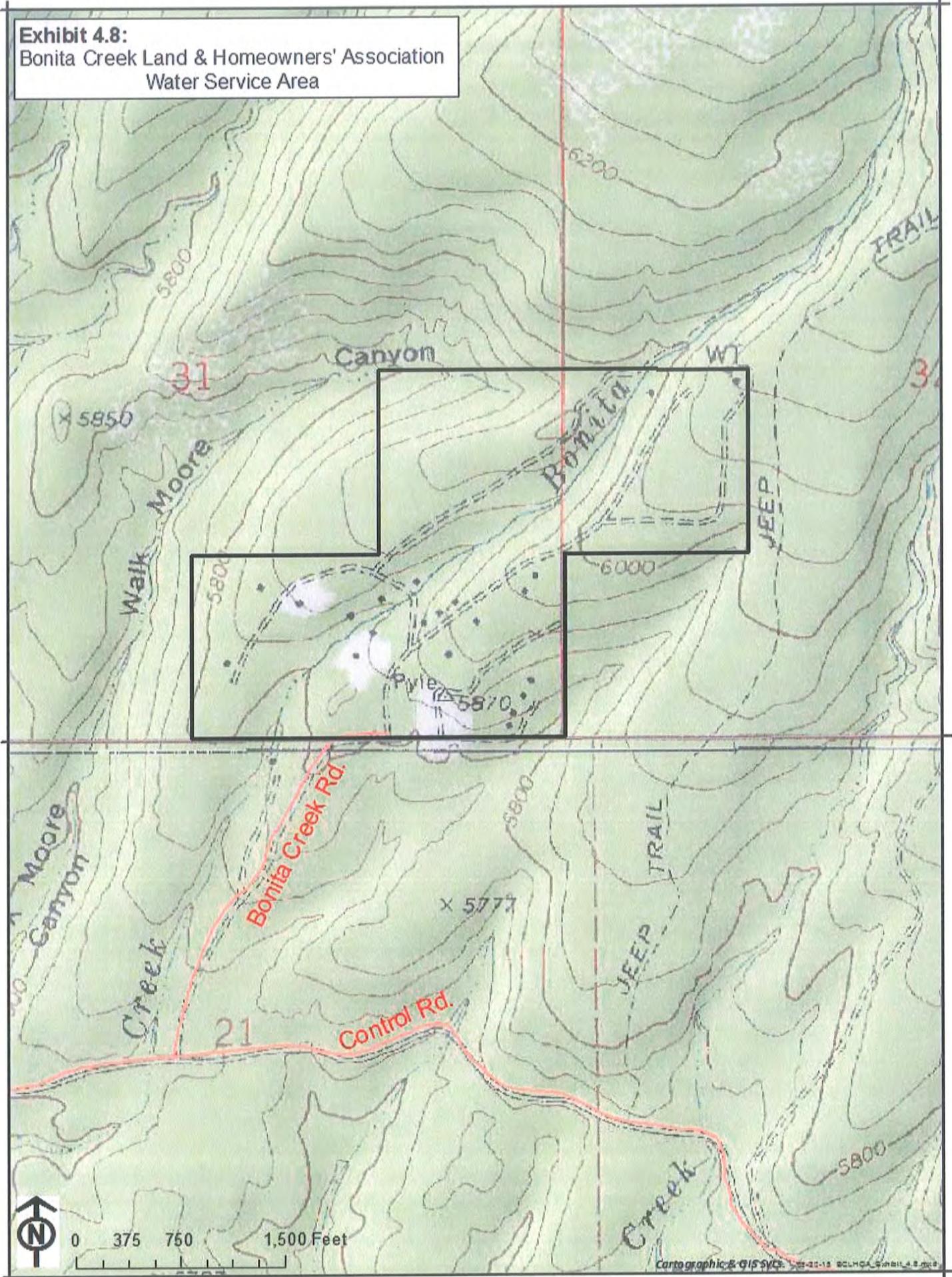
EXHIBIT 4.8

BCLHOA Water Service Area

Exhibit 4.8:
Bonita Creek Land & Homeowners' Association
Water Service Area

T12N

T11.5N



WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

EXHIBIT 4.17

Points of Measurement

<u>Point of Measurement</u>	<u>Location</u>
1. Delivery Point: East Verde River	Section 23, Township 12 North, Range 10 East
2. Points of Receipt: Surface Water Diversion Bonita Creek	Section 32, Township 12 North, Range 11 East
Underground Water Wells N/A	
Location of Surface Water Diversions and Underground Water Wells used by Bonita Creek Residents under Paragraph 16 are listed in Exhibit 5.4 to the BCLHOA-Bonita Creek Resident Agency Agreements	

Notes: This Exhibit to be reviewed annually.

SRP to verify meters at Point of Measurement prior to delivery of BCLHOA Stored Water under this Agreement.

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

EXHIBIT 7.1

Water Right Assignment and Severance and Transfer Application

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

EXHIBIT 7.5

BCLHOA Certificate of Water Right

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

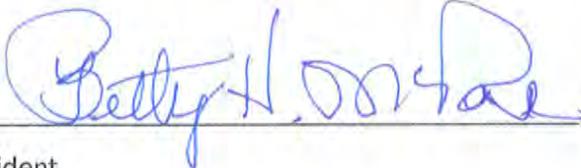
EXHIBIT 7.8

BCLHOA Consent To Assignment and/or Severance And Transfer

Bonita Creek Land and Homeowners' Association Consent to Assignment and/or Severance and Transfer

Bonita Creek Land and Homeowners' Association hereby consents to the assignment and/or severance and transfer of Certificate of Water Right No. _____ (Application No. _____, Permit No. _____) to the Salt River Project. Such consent is determined in accordance with the Water Rights Transfer and Water Delivery and Use Agreement For the Bonita Creek Land and Homeowners' Association Water System among the Salt River Valley Water Users' Association, Salt River Project Agricultural Improvement and Power District, and the Bonita Creek Land and Homeowners' Association dated _____, __, 2015.

BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION



President

Date: September 6, 2015

NOTE: Specific details regarding the Water Right No., Application No, and Permit No. will be added when known.

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

EXHIBIT 14.1

Validation Criteria for Points of Measurement:

Closed-Pressurized Pipe Configurations

Acceptable Measurement Devices

1. Primary Flow Measurement System: The Flow Measurement System must have the ability to monitor flow rate on a continuous basis and provide a totalized volume that is within the accuracy limits of 2% stated in Paragraph 14. An electromagnetic flow meter system or its equivalent shall be installed at each Point of Measurement for water that is commonly debris laden, as agreed to by the Authorized Representatives.
2. Secondary Field Method: The secondary field method may be portable and must have the ability to monitor flow rate or totalized volume over at least a 10 minute interval. The method should meet the standards of the American Water Works Association for accuracy requirements and testing procedures ("AWWA Standards") and be within the accuracy limits of 5% stated in Paragraph 14.

Flow Measurement System Installation

1. Primary Flow Measurement System: A Flow Measurement System should be installed in a manner to meet the manufacturer's specified criteria for an "optimal" configuration. An optimal configuration is ten (10) straight-unobstructed pipe diameters upstream of the flow meter and five (5) straight-unobstructed pipe diameters downstream of the flow meter. All control valves, access ports, and invasive pipe components shall be installed up or downstream of the optimal configuration. If the site does not allow for an "optimal" configuration, provide documentation from the manufacturer stating the anticipated accuracy with the given pipe configuration. An accurate assessment of the pipe material within the optimal flow measurement

system configuration should include the pipe material and class or schedule, measured outside diameter, measured wall thickness and measured inside pipe diameter. This assessment shall be permanently affixed to the outside of the pipe near the flow meter.

2. Secondary Flow Measurement System: A flow meter should be installed in a manner to meet the manufacturer's specified criteria for an "optimal" configuration. As a general rule this is usually ten (10) diameters upstream and five (5) diameters downstream of straight pipe run from the flow meter. If the site does not allow for an "optimal" configuration, provide documentation describing how the secondary method will be used to assess flow rate to meet the accuracy limits of 5% stated in Paragraph 14.

Secondary Flow Measurement Test Frequency

Paragraph 14 requires that a secondary field test occur annually. A secondary test completed at the end of the calendar year would provide benchmark accuracy for the start of the new calendar year. More frequent secondary tests throughout the year would reduce the reconciliation time interval should a secondary test fail to meet the accuracy limits stated in Paragraph 14. The frequency and time during the year for a secondary test is individual to each site and should take into account the annual water use for that site.

Secondary Flow Measurement Verification Procedure

All sites should employ at least one secondary field test during a calendar year. The length of the test must achieve at least the minimum requirement for the AWWA Standard. Testing intervals longer than 10 minutes will produce higher quality secondary measurements.

1. Secondary Field Test $\leq 5\%$: Results in compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests.
2. $10\% \geq$ Secondary Field Test $> 5\%$: Results in compliance with the AWWA Standard and Out of Compliance with Paragraph 14 of this Agreement for the time interval and volume of water between the current and preceding field tests.
 - a. Decide to retest (up to three (3) times within 30 days of failed test). May change the secondary test methodology and/or duration of test
 - i. Retest $\leq 5\%$: Results in compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests.
 - ii. Retest $> 5\%$: Results in out of compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests. Follow the Out of Compliance Procedure.
 - b. Decide that the flow meter is out of compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests. Follow the Out of Compliance Procedure.

3. Secondary Field Test > 10 %: Out of Compliance with the AWWA Standard and Paragraph 14 for the time interval and volume of water between the current and preceding field tests.
 - a. Decide to retest [at least two (2) times within seven (7) days of failed test]. May change the secondary test methodology and/or duration of test
 - iii. Two (2) retests ≤ 5 %: Compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests.
 - iv. Retest > 5 %: Out of Compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests. Follow the Out of Compliance Procedure.
 - b. Decide that the flow meter is Out of Compliance with Paragraph 14 for the time interval and volume of water between the current and preceding field tests. Follow the Out of Compliance Procedure, below.

Out of Compliance Procedure

1. A site that will not permit a secondary field test, or if the BCLHOA elects to not perform a secondary field test, will be considered out of compliance with Paragraph 14. An agreement between the Authorized Representatives will identify the implications of being out of compliance and outline a course of action for that site.
2. A site that fails a secondary field test is out of compliance. This site is subject to water accounting reconciliation back to the last acceptable secondary field test.

Approval from Salt River Project

Documentation must be submitted to Salt River Project for approval for all existing and future Points of Measurement or if any changes are made to an existing Point of Measurement.

WATER RIGHTS TRANSFER, WATER EXCHANGE, AND
WATER DELIVERY AND USE AGREEMENT
FOR THE BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION WATER SYSTEM
AMONG
SALT RIVER VALLEY WATER USERS' ASSOCIATION,
SALT RIVER PROJECT AGRICULTURAL IMPROVEMENT AND POWER DISTRICT,
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

EXHIBIT 16.1.7

BCLHOA-Bonita Creek Resident Agreement

RESIDENT AGENCY AGREEMENT FOR BONITA CREEK RESIDENT WATER DELIVERY AND USE
BETWEEN
BONITA CREEK RESIDENT
AND
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION, INC.

1. PARTIES:

The Parties to this Agreement for Bonita Creek Resident Water Delivery and Use for the Bonita Creek Land and Homeowners' Water System ("Agreement") entered into this _____ day of _____, 2015, are BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION, INC., an Arizona corporation ("BCLHOA"), and _____, Bonita Creek Resident ("Resident"). The BCLHOA and Resident are referred to individually as "Party" and collectively as "Parties."

2. RECITALS:

This Agreement is made with regard to the following:

- 2.1 BCLHOA, through its public water system, develops and distributes water to customers within its service area located in northern Gila County ("BCLHOA Water Service Area"). The BCLHOA diverts appropriable water of Bonita Creek for distribution to its customers within the BCLHOA Water Service Area. Bonita Creek HOA desires the option to withdraw water from wells adjacent to Bonita Creek located within its service area for distribution to its customers.
- 2.2 The Salt River Valley Water Users' Association ("Association") shareholders hold decreed water rights to the normal flow of the Salt and Verde Rivers including water flowing in the East Verde River, a tributary of the Verde River located in northern Gila County, with priority dates from 1869 through 1909.
- 2.3 SRP believes that the BCLHOA's use of appropriable water of Bonita Creek and its desire to withdraw water from wells adjacent to the Bonita Creek may adversely impact the regional supply of appropriable water of Bonita Creek and the East Verde River which Association shareholders hold valid, senior vested water rights.

- 2.4 In an effort to eliminate any future conflict with SRP over the use of appropriable water of Bonita Creek through direct diversions and through the withdrawal of water from wells adjacent to the Bonita Creek, BCLHOA entered into an agreement on _____, 2015 entitled "Water Rights Transfer, and Water Delivery and Use Agreement for the Bonita Creek Land and Homeowners' Association Water System Among Salt River Valley Water Users' Association, Salt River Project Agricultural Improvement And Power District, And Bonita Creek Land and Homeowners' Association, Inc." ("BCLHOA-SRP Agreement").
- 2.5 Under the BCLHOA-SRP Agreement, SRP agreed to sever and transfer a portion of its certificated water right to stored water in C.C. Cragin Reservoir from the Salt River Reservoir District to the BCLHOA Water Service Area. Under the BCLHOA-SRP Agreement, SRP shall discharge the BCLHOA entitlement to stored water in C.C. Cragin Reservoir to the East Verde River for use by SRP shareholders in exchange for the BCLHOA diverting Surface Water and withdrawing Underground Water from the Points of Receipt subject to the conditions contained in the BCLHOA-SRP Agreement.
- 2.6 Resident owns a parcel of land ("Property") within the BCLHOA Water Service Area and such parcel is legally described in Exhibit 5.6 and is depicted on the map on Exhibit 5.6A.
- 2.7 Resident also diverts appropriable water of Bonita Creek and/or withdraws water from a well(s) located within the exterior boundaries of its Property located within the BCLHOA Water Service Area. Resident uses this water for domestic purposes on the Property.
- 2.8 SRP believes that Resident's diversion of appropriable water of Bonita Creek and/or withdrawal of water from well(s) adjacent to Bonita Creek located within the exterior boundaries of the Property adversely impacts the regional supply of appropriable water of Bonita Creek and East Verde River and their tributaries which Association shareholders hold senior vested water rights.
- 2.9 Although the BCLHOA, under the BCLHOA-SRP Agreement and associated severance and transfer, will receive a right to divert stored water from C.C. Cragin Reservoir and provide it to SRP shareholders in in exchange for the right to divert Surface Water and/or withdraw Underground Water and distribute it for use on the Property for the benefit of the Resident as a BCLHOA Water

Customer, the Resident does not have an independent right to divert appropriable water of Bonita Creek and its tributaries either through direct diversions from Bonita Creek or as water withdrawn from wells located adjacent to Bonita Creek for use on the Property.

- 2.10 Paragraph 16 of the BCLHOA-SRP Agreement provides an option for Residents to become agents of the BCLHOA in the diversion Surface Water and/or withdrawal of Underground Water exchanged for the diversion of stored water in C.C. Cragin Reservoir under certain conditions.
- 2.11 The Parties intend, through this Agreement, that the Resident, as an agent of the BCLHOA, will receive a right to divert Surface Water and/or withdraw Underground Water for use on the Property under the terms and conditions contained herein.
- 2.12 There may be some residents with property located within the BCLHOA Water Service Area who claim an independent right to use appropriable water of Bonita Creek which is appurtenant to the Property under Arizona law. SRP will review the claim and the basis for the claim and may recognize such right in a process different from the process described under the BCLHOA-SRP Agreement and this Agreement. This Agreement is intended for Residents who agree they have no right to use appropriable water from Bonita Creek and its tributaries.

3. AGREEMENT:

In consideration of the mutual covenants herein set forth, the Parties hereto agree as follows:

4. INCORPORATION OF RECITALS AND EXHIBITS:

The recitals set forth above and all attached exhibits are hereby expressly incorporated and included as part of this Agreement.

5. DEFINITIONS:

The Parties hereby incorporate the definitions contained in the BCLHOA-SRP Agreement attached hereto as Exhibit 5.3. As used in this Agreement, the following terms, when capitalized, mean:

5.1 Annual Administrative Fee: Fee set by the BCLHOA Board of Directors under Subparagraph 12.1 and paid by the Resident under Subparagraphs 12.2.

5.2 BCLHOA Board of Directors: Board of Directors of the BCLHOA duly elected under the BCLHOA articles of incorporation and by-laws.

5.3 BCLHOA-SRP Agreement: Agreement entitled "Water Rights Transfer, and Water Delivery and Use Agreement for the Bonita Creek Land and Homeowners' Association Water System among Salt River Valley Water Users' Association, Salt River Project Agricultural Improvement and Power District, And Bonita Creek Land and Homeowners' Association, Inc." dated _____, 2015 attached hereto as Exhibit 5.3.

5.4 Points of Measurement: Points agreed to by the Authorized Representatives and Resident where it is required to accurately ascertain the total quantity of:

5.4.1 Surface Water diverted by Resident under Paragraph 9 herein and Paragraph 16 of the BCLHOA-SRP Agreement; and

5.4.2 Underground Water withdrawn by Resident under Paragraph 9 herein and Paragraph 16 of the BCLHOA-SRP Agreement.

The Points of Measurement, which may be changed by the Authorized Representatives and Resident by mutual agreement, are listed in Exhibit 5.4.

5.5 Points of Receipt: Points where Resident, as an agent of the BCLHOA, diverts Surface Water and/or withdraws Underground Water in exchange for BCLHOA Stored Water. Points of Receipt include points where:

5.5.1 Surface Water is diverted by Resident under Paragraph 9 herein and Paragraph 16 of the BCLHOA-SRP Agreement; and

5.5.2 Underground Water is withdrawn by Resident under Paragraph 9 herein and Paragraph 16 of the BCLHOA-SRP Agreement.

The Points of Receipt, which may be changed by the Authorized Representatives and Resident by mutual agreement, are listed in the Points of Measurement in Exhibit 5.4.

- 5.6 Property: Real estate land parcel owned by Resident that is the subject of this Agreement. The Property is described by legal description in Exhibit 5.6 and a map of the Property is attached as Exhibit 5.6A.
- 5.7 Resident Water Allocation: Quantity of BCLHOA Stored Water allocated to Resident by the Bonita Creek Board of Directors in a Water Year to be diverted from Bonita Creek as Surface Water and/or withdrawn as Underground Water in exchange for BCLHOA Stored Water for use on the property under this Agreement.
- 5.8 SRP: The Salt River Valley Water Users' Association, an Arizona corporation, and the Salt River Project Agricultural Improvement and Power District, an agricultural improvement district formed under Title 48, Chapter 17 of the Arizona Revised Statutes.

6. EFFECTIVE DATE AND TERM OF AGREEMENT:

- 6.1 This Agreement shall become effective upon execution by the Parties ("Effective Date") and unless terminated pursuant to Subparagraphs 6.2, 6.3, 6.4, 6.5, 6.6 or 6.7, this Agreement shall remain in effect in perpetuity.
- 6.2 This Agreement terminates automatically if BCLHOA-SRP Agreement terminates for any reason.
- 6.3 BCLHOA may automatically and unilaterally terminate this Agreement if Resident does not comply with the flow measurement requirements under Paragraph 10.
- 6.4 BCLHOA may automatically and unilaterally terminate this Agreement if Resident does not comply with the reporting requirements under Paragraph 11.
- 6.5 BCLHOA may automatically and unilaterally terminate this Agreement if the Resident does not comply with the payment requirements under Paragraph 12.
- 6.6 BCLHOA may automatically and unilaterally terminate this Agreement if the Resident does not comply with the access requirements under Paragraph 14.1.
- 6.7 If, at any time after the Effective Date of this Agreement, Resident may terminate this Agreement if it determines it no longer needs or desires the right to be an

agent of the BCLHOA for the delivery of stored water from C.C. Cragin Reservoir to its Property under Paragraph 8 by first recording written notice of termination with the Property in the real property records of the Gila County Recorder's office and by providing a copy of the termination notice to BCLHOA and SRP under Paragraph 24. The termination will be effective upon sending notice to BCLHOA and SRP under Paragraph 24.

7. RIGHTS TO BONITA CREEK AND ITS TRIBUTARIES:

Resident agrees to the following with respect to water rights to and hydrologic conditions of Bonita Creek, the East Verde River, and their tributaries:

- 7.1 Except for the right to divert Surface Water and withdraw Underground Water in exchange for BCLHOA Stored Water as an agent of BCLHOA under this Agreement, Resident has no right to appropriable water of Bonita Creek and its tributaries under Arizona law;
- 7.2 For purposes of this Agreement, water that Resident withdraws from wells located within the exterior boundaries of the Property is appropriable water of Bonita Creek and its tributaries under Arizona;
- 7.3 For purposes of this Agreement, withdrawing one acre-foot of water from wells located within the exterior boundaries of the Property is equivalent to diverting one acre-foot of appropriable water of Bonita Creek and its tributaries;
- 7.4 For purposes of this Agreement, a hydrologic connection exists between appropriable water of Bonita Creek and its tributaries and appropriable water of the East Verde River and its tributaries such that diverting one acre-foot of appropriable water of Bonita Creek and its tributaries is equivalent to diverting one acre-foot of appropriable water of the East Verde River and its tributaries; and

8. RESIDENT IS AN AGENT OF THE BCLHOA FOR DELIVERY OF SURFACE WATER AND UNDERGROUND WATER:

Resident shall be an agent of the BCLHOA in the delivery of Surface Water and Underground Water to the Property under Paragraph 9.

9. RESIDENT WATER ALLOCATION; SURFACE WATER DIVERTED AND UNDERGROUND WATER WITHDRAWN BY RESIDENT AND WATER RECEIVED FROM OTHERS:

- 9.1 BCLHOA Board of Directors shall set the quantity of BCLHOA Stored Water allocated to Resident in exchange for Surface Water and Underground Water for diversion and withdrawal at the Points of Receipt under Subparagraph 9.2 as an agent of BCLHOA during a Water Year ("Resident Water Allocation").
- 9.2 Resident may divert Surface Water and withdraw Underground Water at the Points of Receipt for use on the Property for domestic uses in a quantity not to exceed the Resident Water Allocation as determined by the BCLHOA Board under Subparagraph 9.1.
- 9.3 Surface Water diverted by Resident shall only be used within the exterior boundaries of the Property and Underground Water withdrawn by Resident shall only be withdrawn from wells located on the Property and the Underground Water shall only be used within the exterior boundaries of the Property.
- 9.4 Resident shall not to receive appropriable water of Bonita Creek and its tributaries from others or water withdrawn from wells by others including from sources outside the exterior boundaries of the Property. Nothing in this Subparagraph shall be construed to prevent Resident from receiving Surface Water and Underground Water from BCLHOA as a BCLHOA Water Customer.

10. FLOW MEASUREMENT:

The Resident, at Resident's own expense, shall measure, at the Points of Measurement, the quantities of Surface Water diverted and Underground Water withdrawn under this Agreement as follows:

- 10.1. Resident shall determine the quantity of Surface Water diverted during a Water Year as follows:
- 10.1.1 By measuring the area on the Property irrigated, including gardens or turf, and applying a water duty of three (3) acre-feet per acre; or
- 10.1.2 By another method as agreed to in writing by Resident and both Authorized Representatives of the BCLHOA and SRP.

10.2 Resident shall determine the quantity of Underground Water withdrawn in a Water Year as follows:

10.2.1 By installing a water meter that is approved in writing by the Authorized Representatives of the BCLHOA and SRP to measure the quantity of Underground Water withdrawn; or

10.2.2 By calculating the quantity of water withdrawn by providing the pump size and quantity of electricity used to BCLHOA for the water year; or

10.2.3 By another method as agreed to in writing by the Resident and both Authorized Representatives of the BCLHOA and SRP.

11. WATER ACCOUNTING AND REPORTING:

11.1 Unless the Authorized Representatives of both the BCLHOA and SRP agree on a different schedule in writing, Resident shall report to BCLHOA each quarter:

11.1.1 The quantity of Underground Water withdrawn by Resident under Paragraph 10 each month; and

11.1.2 The quantity of Surface Water diverted by Resident under Paragraph 10 each month.

11.2 Resident shall report the quantity of Surface Water diverted and Underground Water withdrawn pursuant to Subparagraph 11.1 for each month on or before the eighth (8th) business day of March, June, September, and December to BCLHOA.

12. ANNUAL ADMINISTRATIVE FEE:

12.1 BCLHOA Board of Directors shall set the Annual Administrative Fee.

12.2 Within 10 days after the Effective Date, Resident shall pay the Annual Administrative Fee as set by the BCLHOA Board of Directors under Subparagraph 12.1.

12.3 On each successive May 1, Resident shall pay the Annual Administrative Fee as set by the BCLHOA Board of Directors for the Water Year.

13. GILA RIVER BASIN AND LITTLE COLORADO RIVER BASIN WATER RIGHTS ADJUDICATIONS AND ADWR:

13.1 The Parties agree to support each other and take all necessary actions in the Gila River and Little Colorado River General Stream Adjudications to claim and establish their respective rights to the use of stored water from C. C. Cragin Reservoir in accordance with the terms of this Agreement and the BCLHOA-SRP Agreement.

13.2 Resident agrees that it cannot assert a valid claim to appropriable water of Bonita Creek and its tributaries under Arizona law in the Gila River General Stream Adjudication and agrees that within ninety (90) days after the Effective Date, Resident shall withdraw any claims to appropriable water of Bonita Creek and its tributaries currently filed in the Gila River General Stream Adjudication related to the Property and Resident shall not file any such claim while this Agreement is effective.

13.3 Within thirty (30) days after the Effective Date, Resident shall withdraw any pending applications to appropriate water related to the Property that Resident has previously filed with the Arizona Department of Water Resources or its predecessor agencies under Arizona law.

14. RIGHT OF ACCESS:

Resident shall grant BCLHOA and SRP, their employees and agents the right of access to its facilities diverting Surface Water and/or withdrawing Underground Water, including, but not limited to Resident well sites, water diversion facilities, water storage facilities, and water recovery facilities, rights of way, and easements, at reasonable times agreed to by SRP, the BCLHOA, and Resident and after reasonable notice from the request by SRP and/or the BCLHOA, for purposes of ascertaining compliance with this Agreement and the BCLHOA-SRP Agreement, including the right to test any water measurement system used by Resident to gather and report data pursuant to this Agreement and the BCLHOA-SRP Agreement.

15. AUDIT:

15.1 Upon reasonable written notice to Resident or the Authorized Representatives of SRP or BCLHOA, any Party at its expense shall have the right, at all reasonable times, to review and audit the books, records and documents of any other Party directly pertaining to the billings and water accounting data required to administer this Agreement. Any audit hereunder may be conducted by an employee of or independent accountant or other suitable professional person designated by the auditing Party. The Party being audited shall fully cooperate with any such audit. The right to audit shall extend for a period of three (3) years following the date of each payment under this Agreement. The Parties agree to retain all necessary records and documentation during this audit period. The foregoing shall not be construed to permit any Party to conduct a general audit of the other Party's records. Information obtained by a Party's representatives in examining any other Party's applicable records to verify such billings and Water Accounting data shall not be disclosed to third parties without prior written consent of the audited Party, unless such disclosure is in response to compulsory judicial or regulatory process or required by state law including the public records law. The Party required to disclose information to a third party shall give the other Party written notice of the disclosure as much in advance as possible.

15.2 The audited Party's Authorized Representative shall be notified in writing of any exception taken as a result of an audit and shall respond to such notification within thirty (30) days. Upon resolution of any exception, A) as to payment of any money due, the owing Party shall directly remit the amount of any exception to the other Party within thirty (30) days, with interest calculated in accordance with Subparagraph 18.2.4 of the BCLHOA-SRP Agreement and computed from the date of the original billing to the date of payment by the Party owing as a result of the audit; B) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.

16. RESOLUTION OF DISPUTES:

Any dispute under this Agreement shall first be submitted to the Resident and Authorized Representatives for resolution. If the matter cannot be resolved by the Resident and Authorized Representatives, any Party may submit the matter to the Resident, Deputy General Manager & Strategic Initiatives Executive of SRP and the President of BCLHOA. If the matter cannot be resolved by the Resident, Deputy General Manager & Strategic

Initiatives Executive of SRP and the President of BCLHOA, any Party may bring suit upon the matter, provided however, that it is expressly agreed that the venue shall only be in the Superior Court of the State of Arizona in and for the County of Maricopa. In the event of any future dispute or action arising under this Agreement, the prevailing Party shall be entitled to recover its reasonable attorneys' fees and costs incurred therein, including expert witness fees.

17. ACTION PENDING RESOLUTION OF DISPUTES:

Pending the resolution of a dispute pursuant to Paragraph 24, the Parties shall make payments and otherwise perform, to the extent legally permissible, in a manner consistent with this Agreement. Amounts paid by a Party pursuant to this Paragraph 25 during the pendency of such dispute shall be subject to refund and adjustment upon a final resolution of any dispute involving an amount due. Upon such final resolution, A) money due shall be billed and remitted in accordance with Paragraph 18, and B) as to any water due, the Authorized Representatives shall arrange for the owing Party to return the amount owed as soon as practicable.

18. COVENANTS RUNNING WITH THE LAND; BINDING AGREEMENT:

It is the Parties' intention that the covenants contained in this Agreement shall constitute covenants running with the Property and shall bind the real estate described herein and inure to the benefit of and be binding upon and inure to the benefit of the Parties, their heirs, executors, successors, and assigns and all persons now owning or holding or hereafter acquiring any interest in the Property.

19. SRP THIRD PARTY BENEFICIARY:

BCLHOA and Resident hereby acknowledge and agree that SRP is an express third party beneficiary of this Agreement.

20. WAIVER:

The failure of any Party to insist on any one or more instances upon strict performance of any of the obligations of any other Party pursuant to this Agreement or to take advantage of any of its rights hereunder shall not be construed as a waiver of the performance of any such obligation or the relinquishment of any such rights for the future, but the same shall continue and remain in full force and effect.

21. CONTROLLING LAW, JURISDICTION, AND VENUE:

This Agreement shall be interpreted and construed according to Arizona law. The Parties hereby agree that jurisdiction and venue in any action to enforce the provisions of this Agreement shall be proper in the Superior Court in and for Maricopa or Gila County, Arizona.

22. TRANSACTIONS COSTS:

Each Party shall bear its own attorneys' fees, consultants' fees, and other costs associated with negotiating, drafting, and executing this Agreement.

23. ENTIRE AGREEMENT:

This Agreement and the exhibits attached and incorporated herein constitute the entire understanding of the Parties and supersede any previous agreement or understandings on the subjects discussed herein.

24. NOTICE; CHANGE OF NAME OR ADDRESS:

24.1 All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been received either when delivered or on the fifth business day following mailing, by registered or certified mail, postage prepaid, return receipt requested, whichever is earlier, addressed as set forth below:

24.1.1 If to SRP:

Bruce Hallin, Director
Water Rights and Contracts
Salt River Project, MS PAB 110
1521 Project Drive
Tempe, AZ 85281-1298

Reference: Bonita Creek Land and Homeowners' Association – Bonita Creek Resident Agency Agreement

With copies to:

Patrick B. Sigl, Senior Attorney
Law Services—Litigation
Salt River Project, MS PAB 341
1521 Project Drive
Tempe, AZ 85281-1298

Corporate Secretary's Office
Salt River Project
1521 Project Drive, MS PAB 215
Tempe, AZ 85281-1298

24.1.2 If to BCLHOA:

[insert]

24.1.3 If to Resident:

[insert]

24.2 Any Party may change the addressee or address to which communications or copies are to be sent by giving notice of such change of addressee or address in conformity with the provisions of this Paragraph 21 for giving notice.

25. AMENDMENTS:

Any amendment, modification, or termination of this Agreement shall be effected only by an instrument executed and acknowledged by each of the Parties or their successors in interest.

26. TIME OF ESSENCE:

Time is of the essence under this Agreement. Any extension of time for performance under this Agreement by any Party must be in writing.

27. SEVERABILITY:

If any provision or any portion of a provision of this Agreement is deemed to be invalid, illegal, or unenforceable, such invalidity, illegality, or unenforceability shall not affect the remaining portion of that provision or of any other provision of this Agreement, as each provision of this Agreement shall be deemed to be severable from all other provisions hereof.

28. NOT PARTNERS:

Neither this Agreement, nor any activity of the Parties in connection herewith, shall constitute the Parties as partners for any purposes whatsoever.

29. INTERPRETATION:

The Parties hereby acknowledge and agree that each has been given the opportunity to independently review this Agreement with legal counsel, and that this Agreement is the result of negotiations among the Parties. In the event of any ambiguity in or dispute regarding the interpretation of Agreement, the interpretation shall not be resolved by any rule of interpretation providing for the interpretation against the party who caused the uncertainty to exist or against the draftsman.

30. COUNTERPARTS:

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, with the same force and effect as if all signatures were appended to one instrument.

31. RECORDING:

To the extent allowed by applicable law, each Party hereby consents to the recording of this Agreement with the Gila County Recorder or with any other appropriate governmental agency.

32. NOT PRECEDENT:

The Parties have negotiated this Agreement to resolve specific issues relating to the Property. The terms and conditions of this Agreement are not intended to have any value as precedent with respect to other parcels in the area or other situations.

IN WITNESS HEREOF, this Agreement is executed by the Parties and made effective on the Effective Date.

BCLHOA

By _____
President

Date: _____, 201__

Resident
[INSERT LANDOWNER NAME]

By _____

Date: _____, 201__

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by _____, the President of the Bonita Creek Land and Homeowners' Association, on behalf of the Bonita Creek Land and Homeowners' Association.

Notary Public

My commission expires:

STATE OF ARIZONA)
) ss.
County of _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 201__, by [LANDOWNER].

Notary Public

My commission expires:

EXHIBIT 5.3

BCLHOA-SRP AGREEMENT

EXHIBIT 5.4

Points of Measurement

Point of Receipt

Location

1. Surface Water Diversion
2. Underground Water Wells:

[Well Registration Number]

EXHIBIT 5.6

LEGAL DESCRIPTION OF THE PROPERTY

EXHIBIT 5.6A

MAP OF THE PROPERTY

Attachment 5.A

Copies of resolutions from the governing bodies of the District and the Association authorizing execution of the SRP/ BCLHOA Agreement and related severance and transfer application



CERTIFICATE

I, JOHN M. FELTY, the duly appointed, qualified, and acting Corporate Secretary of the Salt River Valley Water Users' Association (the "Association"), a private corporation, DO HEREBY CERTIFY that attached hereto is a true and correct copy of an excerpt from the minutes of the Association Board of Governors meeting duly held on October 5th, 2015, at which a quorum was present and voted, and that no change, revision, amendment, or addendum has been made subsequent thereto.

IN WITNESS WHEREOF, I have set my hand and seal of the Salt River Valley Water Users' Association, this 9th day of October 2017.


John M. Felty
Corporate Secretary



Water Rights Transfers, Water Exchanges, and Water Delivery and Uses Agreements

Governor S. Williams reported that Management had requested approval by the Committee to recommend Board approval for the General Manager or the Deputy General Manager and Chief Strategic Initiatives Executive to execute agreements regarding water rights transfers, water exchanges, and water delivery and uses with Bonita Creek Land and Homeowners' Association, Cowan Ranch Homeowners' Association, Whispering Pines Domestic Water Improvement District, and Payson Water Company for water stored in C.C. Cragin Reservoir to resolve water right conflicts in Northern Gila County. He stated that legal issues pertaining to these agreements were discussed with counsel in an executive session at the Water Committee meeting of September 22, 2015.

President Rousseau asked the Board if they would like to enter into an executive session to discuss or consult with attorneys for legal advice regarding these agreements. The Board did not request to go into an executive session.

Governor S. Williams concluded with the Committee's recommendation for approval to execute agreements regarding water rights transfers, water exchanges, and water delivery and uses.

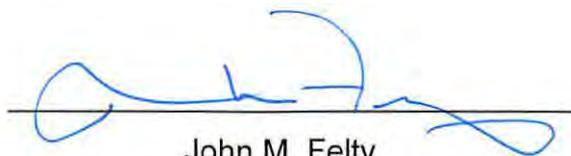
On a motion duly made by Governor S. Williams, seconded by Governor Pace and carried (Governor Hendrickson voted "yes" by teleconference), the Board granted approval, as recommended by the Water Committee.



CERTIFICATE

I, JOHN M. FELTY, the duly appointed, qualified, and acting Corporate Secretary of the Salt River Project Agricultural Improvement and Power District (the "District"), a special district under Title 48 of the Arizona Revised Statutes, DO HEREBY CERTIFY that attached hereto is a true and correct copy of an excerpt from the minutes of the District Board of Directors meeting duly held on October 5th, 2015, at which a quorum was present and voted, and that no change, revision, amendment, or addendum has been made subsequent thereto.

IN WITNESS WHEREOF, I have set my hand and seal of the Salt River Project Agricultural Improvement and Power District, this 9th day of October 2017.


John M. Felty
Corporate Secretary



Report of the Water Committee Meeting of September 22, 2015

Director S. Williams reported that Management at the Water Committee meeting of September 22, 2015 requested approval by the Committee to recommend Board approval for the General Manager and Chief Executive Officer or the Deputy General Manager and Chief Strategic Initiatives Executive to execute agreements regarding water rights transfers, water exchanges, and water delivery and uses with Bonita Creek Land and Homeowners' Association, Cowan Ranch Homeowners' Association, Whispering Pines Domestic Water Improvement District, and Payson Water Company for water stored in C.C. Cragin Reservoir to resolve water right conflicts in Northern Gila County. He stated that legal issues pertaining to these agreements were discussed with counsel in an executive session at the Water Committee meeting of September 22, 2015.

President Rousseau asked the Board if they would like to enter into an executive session to discuss or consult with attorneys for legal advice regarding these agreements. The Board did not request to go into an executive session.

Director S. Williams concluded with the Committee's recommendation for approval to execute agreements regarding water rights transfers, water exchanges, and water delivery and uses.

On a motion duly made by Director S. Williams, seconded by Director Pace and carried (Director Hendrickson voted "yes" by teleconference), the Board granted approval, as recommended by the Water Committee.

Attachment 5.B

- i. Board of Directors Annual Meeting Minutes, dated September 6, 2015**
- ii. Constitution and Bylaws of Bonita Creek Land and Homeowners' Association**
- iii. BCLHOA 2015 ACC Corporation Annual Report & Certificate of Disclosure**

**Board of Directors Annual Meeting Minutes
Home of Bill and Lorna Glaunsinger
480 N. Big Als Run
Sunday September 6, 2015**

President, Betty McRae called the meeting to order at 4:03 PM. Board attendees: Betty McRae (President), Dieter Armbruster (Vice President), Sue Sattelmaier (Treasurer), Bill Akins (Member at Large) and Lorna Glaunsinger (Secretary). Absent: Tim Mattison (Member at Large). Approximately 45 HOA members & their families were in attendance.

Motion made by Lorna Glaunsinger, seconded by Dieter Armbruster to approve the Agenda as provided.
Motion unanimously approved

Motion made by Dieter Armbruster to approve the April 12, 2015 meeting minutes, seconded by Bill Akins.
Motion unanimously approved.

Sign in sheet provided for those present who wish to speak regarding the agenda items.

Financial report: Sue Sattelmaier

- BCLHOA checking - \$9015.41
- BCLHOA savings- \$7005.49
- Water Company checking - \$3,200
- Water Company savings - \$6000
- Unit II property owners who participated in the pipeline extension were reimbursed for three years of water sales at a total amount of \$925.47
- The BCLHOA received \$3,550 in dues from 36 property owners with 47 lots
- The BCLHOA donated \$25.00 to the Whispering Pines Fire District towards the cost of two port-a-potties for the July 4 parade held in Whispering Pines as previously approved.

Motion made by Bill Akins to accept the financial report, seconded by Dieter Armbruster. Motion unanimously approved.

The BCLHOA Board and those in attendance recognized Karl Kohlhoff for his long term efforts to help negotiate an agreement with SRP for the Water Company to acquire water rights. Without his expertise and knowledge of water issues in the Western States and particularly Arizona, this potential agreement may not have been possible.

The BCLHOA Board and those in attendance recognized Doyle Warner for his important contributions as water operator and all the improvements he orchestrated for the Water Company during his tenure.

SRP/BCLHOA WATER RIGHTS AGREEMENT

Betty McRae summarized the BCLHOA's efforts over the last 10 years to acquire water rights. For the last two years a Severance and Transfer agreement between SRP and BCLHOA has been in negotiation. If approved by the BCLHOA Board, BCLHOA will pay a one-time fee of \$26,675.85 **to SRP** representing 0.0136% of the Capital and Maintenance costs incurred by SRP for infrastructure improvements to the reservoir since acquiring C.C. Cragin Reservoir in 2009. In return, the Water Company will be legally allowed to pump a yearly amount of 15 acre feet of water, well more than the current average annual amount of 2.5 AF it currently provides to its water customers. Each calendar year BCLHOA shall pay to SRP 0.0136% of the yearly Operation and Maintenance costs for C.C. Cragin reservoir which for 2015-16 is estimated to be just under \$2,000. There is no charge for the water itself. BCLHOA will pay a required one-time Severance and Transfer

fee of \$2,000 to Arizona Department of Water Resources (ADWR). The application documents for this Severance and Transfer will be prepared by SRP at no cost to BCLHOA. To pay for the SRP and ADWR charges we have acquired a private party 15 year 2.8% loan and will pay \$1,178.00 semiannually with a projected payout by 2030. If necessary, the 15 year time frame can be extended.

Several property owners asked questions about costs and the number acre feet for the agreement. One individual referred to a document he had acquired that at buildout we would need more than double the SRP agreed amount. It was stated that in the future we may be able to purchase water rights through AZ Central Arizona Project, but current calculations by individuals familiar with our community over the last 15 years believe the 15 A.F. is more than adequate.

A motion was made by Bill Akins: for the Board of Directors to authorize the President of BCLHOA to enter into and execute on behalf of BCLHOA the agreement entitled "Water Rights Transfer, Water Exchange, Water Delivery and Use Agreement for the Bonita Creek Land and Homeowners' Association Water System among Salt River Valley Water Users' Association, Salt River Project Agricultural Improvement and Power District and the Bonita Creek Land and Homeowners' Association." The motion was seconded by Dieter Armbruster and with a show of Board member hands was unanimously approved.

COMMITTEE REPORTS

Water: Ken Nagy

- Thanked Doyle Warner for his training and helpful transition to his new position as operator. He thanked Dee Warner for handling the water customer billing.
- The Water Company has purchased a hand held Turbidity Meter at the suggestion of ACC. A water surge suppressor has been installed at the bottom of Big Als Run to prevent water hammers.
- The Water company has 47 customers.
- Ken has passed his grade II Distribution exam and will take the grade II Water Treatment test on Wed. Sept 9th.
- Estimated 2016 costs of \$4,500 to cover maintenance, repairs, chemical supplies and 3 isolation valves.
- 2017-18- the Water Company should replace the old tank at a cost of \$7000. In 4-5 years replace the sand filter to be replaced and redesign the system to eliminate the 3 dead end areas which will allow for a complete circulation of water in the system.

Trails etc: Lorna Glaunsinger

- Trial has been weed-eated twice this summer by Jaime Silva and Lorna
- The upper washed out bridge was found, repaired and replaced by Jaime & David Silva, Ethan Disilvestro, and Bill & Lorna Glaunsinger
- The fence around the community was repaired by Mark Yarish, Bill Glaunsinger and Ken Nagy which prevented the cattle from entering the community in August.

Firewise: Lorna Glaunsinger

- Reminded all in attendance that the spring and summer rains have increased growth on properties and encouraged property owners to thin branches and cut love grass.
- Property owners can contact her for the key to Perley pit or for individuals who can weed-eat or use a chain saw to thin branches.

Communications: Betty McRae

- Mark Ririe handles the BCLHOA website: bonitacreekhoa.org. The 2015-16 board will assign someone to be responsible to send him information to post.

Fire District: Ron Sattelmaier

- Discussed wildfire numbers in AZ and the western states and explained WPFDF's fire patrol project
- Summarized the WPFDF acquisitions including the water bladders and helicopter dip tank, 24/7 coverage at station 71, completion of station 72, reduction in ISO ratings for some of the area communities, purchase of a Type 1 fire engine for Station 71, and another Type 1 fire engine has been donated for use in Geronimo Estates.

Election Results: Bob Johnson

- Dieter Armbruster elected for a 2 year term as incoming President, Pat Nagy - 1 yr term as Vice President, Jack Helzer- 2 yr term as Water Director, Lorna Glaunsinger - 1 yr term as Secretary and Bill Aikins – 2 yr Director at Large. Continuing board member - Tim Mattison – Director at Large, and Sue Sattelmaier as Treasurer

Lorna Glaunsinger recognized Betty McRae for her leadership as Board President for the last 4 years and the attendees gave her a standing ovation.

Meeting adjourned at 5:20PM

**CONSTITUTION AND BYLAWS
OF
BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION**

ARTICLE I-NAME

The name of this Association shall be Bonita Creek Land and Homeowners' Association.

ARTICLE II- PURPOSE

The mission of the Association is to preserve the beauty and natural resources of the Bonita Creek area and to operate the Bonita Water Company to best serve its customers. Examples of this mission include:

Section 1 Volunteer Efforts

Organization of volunteer efforts to address conservation and other ecological issues that are important for the preservation and enjoyment of the natural environment at Bonita Creek.

Section 2 Services

Improvement of government and private services to the community, including fire protection and the grading of county roads.

Section 3 Relationship with Agencies

Development of a mutually beneficial working relationship with federal, state, municipal and other funding agencies.

Section 4 Communication

Accurate and timely reporting of information to all Association members by the following methods: teleconference, e-mail, mail, telephone and website. Information to be communicated includes: Board of Directors Agenda, meeting minutes, community actions, as well as county, state or federal agency communications.

A. Website

1. Website content shall be determined by the Board of Directors.
2. Current Updating of the Website is necessary.
3. Any Association member in good standing may submit a subject for consideration by the Board of Directors to be included in the next update of the Website.
4. Water Company information shall be included: water alert stage, water issues impacting the community – i.e. burst pipes, meters.

ARTICLE III- ADMINISTRATION

The governance of this Association shall be vested in a Board of Directors consisting of not less than five nor more than seven members, all of whom must be property owners in Bonita Creek and Association members in good standing. Members of the Board are to be elected at the annual meeting and serve a two-year term. The preceding members of the Board will work to ensure a successful transition of the Board of Directors.

Immediately following the annual meeting, the newly elected Board of Directors shall meet one or more times for the purpose of organization. Notice of Board of Directors' meetings shall be given by e-mail, mail, website or by direct contact not less than ten days before the time of the meeting.

Section 1 Board Meetings and Quorum

The Board of Directors shall meet when deemed necessary. A majority of the Board shall constitute a quorum.

Section 2 Directors

The Board of Directors shall consist of not less than five members: the President (who will chair the Board), Secretary and Treasurer. Additionally, a Vice President and three Directors at Large may be elected to the Board. The Directors at Large shall have special responsibilities within the Association. There shall be a limit of two (2) consecutive terms in the same office.

Section 3 Items for Consideration

The Board of Directors shall submit items not in conflict with this constitution and bylaws that are to be voted on. Any item for discussion may be added to the next Board of Directors meeting Agenda if presented in writing and signed by no less than three (3) Association members in good standing. Such request must be submitted to each Board member two (2) weeks prior to next scheduled Board meeting to be included on Agenda.

Section 4 Board Member Replacement

The Board of Directors shall elicit volunteers and make recommendations for appointment for absent or unexpired terms. The Board's appointment shall then be ratified by Association members. In the event the Annual meeting is not eminent within six (6) months, ballots shall be mailed to all Association members. The Board may elect to use the nomination process available at the meeting to elect Board Members to fulfill absent or unexpired terms. The majority of votes cast by the Association members shall constitute ratification or election to the Board.

Section 5 Delegates

The Board of Directors may elect delegates to any organization or convention in which representation from the Association is desirable. Such delegates shall not commit the Association to any policy, action or expense without the written consent of the Board of Directors.

Section 6 Media Authorization

No Board member or member of this Association shall release any matter to the news media concerning this Association without written authorization from the Board of Directors. The Board of Directors shall approve a written copy of all news releases.

Section 7 Authority

The Board of Directors has the authority to carry on routine matters within the general administration of the approved business of this Association. They do not have the power to execute any policy involving new or unapproved ventures, which may in any way involve any members financially or legally. The Board of Directors is vested with the

authority to engage in beneficial ventures for the Association membership or water customers subject to approval at a Board of Directors meeting.

Section 8 Committees

Committees shall be appointed by the Board of Directors. The President of the Association shall be an ex-officio member of all committees. The Chairperson of such committee may call meetings of committees at any time. No more than one (1) member from each property ownership may serve on a committee. A majority of a committee present shall constitute a quorum.

ARTICLE IV- MEMBERS AND DUES

All property owners whose names appear on the title of property or the current tax records in Bonita Creek are qualified and eligible for membership in this Association, subject to the following:

Section 1 Annual Dues

All Association members are required to pay annual dues by July 1 and bearing a postmark no later than June 30. The Board of Directors shall determine the amount of dues and send out invoices not later than May 20. Dues must be paid individually by check, cashiers check or money order for each lot owned.

Section 2 Dues Allocation

The Association dues shall be the same amount for all lots.

Section 3 Delinquent Dues (Moved from Miscellaneous Section)

Any member overdue in the payment of his/her dues shall lose his/her vote.

Section 4 Special Fees

Additional fees that may be necessary from time to time will be determined and justified by the Board of Directors.

Section 5 Association Membership

Although no property owner is obligated to join this Association, each owner's membership is important to the Association's effectiveness; therefore owners are strongly encouraged to join the Association.

ARTICLE V-FINANCE

Section 1 Financial Institution

The Board of Directors shall select one or more institutions through which all financial matters are to be carried out in the name of the Association.

Section 2 Accounting/Tax Assistance

The Board of Directors shall select an accounting/tax organization for professional assistance in these areas.

Section 3 Legal Assistance

Legal Assistance/Advice shall be obtained from a firm/attorney with experience in areas of concern.

Section 4 Annual Budget

Annual proposed budgets will be prepared by the Treasurer, with input from the Board of Directors, Committees and Association members, and be presented to the membership at the annual meeting.

Section 5 Disbursements

All disbursements will be made by check. The Board of Directors shall establish an account in the name of Bonita Creek Land and Homeowners' Association. Signatures of the President or the Treasurer are required on all disbursement checks. The President and the Treasurer are also required to sign and countersign on bank account signature cards.

Section 6 Disbursement Limit

All disbursements of \$500.00 or more shall be brought to the Board's attention, consideration and vote. The majority of votes of Directors present shall constitute a quorum for approval or non-approval. Upon approval, the Treasurer is authorized to make the disbursement.

Section 7 Bids for Goods and Services

Disbursement for goods or services with an estimated value over \$500.00 must be put to bid. At least two bids should be obtained if possible. The Board's attention, consideration and vote will be required once the bids have been presented and before disbursement by the Board is authorized and made by the Treasurer. In case of emergencies, the above process can be waived by Board approval.

Section 8 Reimbursement

There may come a time when a Board member may find it easier to make expenditures from their personal funds rather than from an Association check. In the event that this becomes necessary, receipts must be presented to the Treasurer and filed for reimbursement. The Treasurer will make these reimbursements within two weeks of presentation.

ARTICLE VI- MEETINGS AND ELECTIONS

Section 1 Association Dues

All members are required to pay annual dues.

Section 2 Eligibility to Vote

Only members who have paid dues by July 1 shall have voting privileges. The Board of Directors shall determine the amount of dues and send out invoices not later than May 20th.

Section 3 Voting Procedure

- A. Ballots will be mailed to each Bonita Creek Homeowner's Association member in good standing as of July 1 of each year.

- B. Ballots postmarked August 10th or earlier shall be received by the accountant for the Association at his/her office.
- C. No ballots shall be opened except by the three (3) member nominating committee in the view of the accountant at his/her office or other agreed upon location.
- D. An assembly line process shall be used with one committee member opening each ballot and making a record of vote on personal tally.
- E. Ballot is then passed to second committee member who will likewise record the vote on a personal tally before passing to third committee member.
- F. Third committee member records the vote on a personal tally prior to stacking the ballot on the table in front of the accountant.
- G. Tallies shall then be compared to confirm voting outcome.

Section 4 Meetings

The annual meeting of the members shall be held the Saturday preceding Labor Day, if at all possible, at such time and place as the Board of Directors may direct. Special meetings may be held at such time and place and in such manner as determined by the Board of Directors.

Section 5 Notice of Annual Meeting

Notices of the annual meeting shall be sent at least thirty (30) days prior to the annual meeting to the last known address of each member as the name appears on the title or current tax records for all property owners.

Section 6 Meeting Leadership

The President or, in his/her absence, the Vice President, shall call meetings of the members to order and shall act as Chairperson. The Secretary of the Association shall act as Secretary at all meetings of the members. In his/her absence, the presiding officer may appoint any person to act as Secretary.

Section 7 Quorum

A majority of all members of the Association present at any meeting shall constitute a quorum.

Section 8 Special Meeting

Special meetings of the members of the Association may be called at any time by the Board of Directors and will be called by the Board of Directors upon petition of one third (33%) of the members entitled to vote.

Section 9 Order of Business

The order of business of all meetings of the members and the Board of Directors shall be as follows:

Call to order

Approval of minutes of the last meeting

Reports of Committees

Treasurer's Report

Old Business

New Business

Election results.

Section 10 Vote Allocation

There will be one vote per membership per lot. Where two (2) or more members own a lot they shall determine among themselves who is to cast the vote represented by said membership. Except for Association work, solicitations for money, service or sales of tickets will not be allowed without prior approval of the Board of Directors.

Section 11 Nominating Committee

Elections to the Board shall occur every year at an annual meeting on a staggered basis so that each Board member is elected for a two-year period. The Board of Directors shall solicit volunteers and then appoint a Nominating Committee consisting entirely of non-Board members or candidates. The Nominating Committee shall formulate a slate of proposed Directors for consideration. The Committee will also be responsible for preparing and mailing ballots describing the candidates and their background information as well as a statement of goals for presidential candidates. This shall be completed not later than July 10th. The Nominating Committee will record the results of the vote.

Section 12 Proxy Voting

Proxy voting shall be utilized only for the annual meeting and any special meeting where voting by the Association members is allowed. The proxy shall be valid only for one meeting. The following shall apply:

- A. Name of designated voter
- B. Date of meeting
- C. Signature notarized or witnessed by two (2) unrelated parties
- D. Proxy to be delivered to the Secretary prior to start of said meeting.

ARTICLE VII-AMENDMENT

The Board of Directors may amend this constitution and bylaws at any annual or special meeting or by ballot sent to Association members' homes. Ratification by a majority of the respondents by ballot or a majority of the voting members of the Association present at any called meeting is needed for adoption. An absentee member may send a written vote to the Secretary prior to the regular or special meeting. Any amendment to this constitution and bylaws shall not in any way conflict with any property owner's specified or unspecified rights on property deed restrictions.

ARTICLE VIII- MISCELLANEOUS

Section 1 List of Members

No list of member's names and addresses shall be disclosed to any agency, person or concern for commercial or real estate agency purposes by any member of the Board of Directors or Association member entrusted with such a list. Any use of such a list shall

constitute disbarment of the member from the Association for a period of time determined by the Board of Directors.

Section 2 Address Change

All members shall be responsible to notify the Secretary of the Association of any address change as soon as possible.

Section 3 Restricted Representation

No member of this Association or Board of Directors will appear before any government body or other groups to speak or represent this Association without written permission from the Board of Directors.

Section 4 Membership Termination

Any Association member or member of the Board of Directors who violates any portion of this Constitution and Bylaws shall be subject to warning/censure or immediate termination of said membership or Board of Directors position. There shall be the right of appeal to the Board of Directors. Reinstatement shall be determined by the Board of Directors.

Amended September 3, 2011



STATE OF ARIZONA
CORPORATION COMMISSION
CORPORATION ANNUAL REPORT
& CERTIFICATE OF DISCLOSURE

AZ Corp. Commission



05011727



DUE ON OR BEFORE 02/03/2015

FILING FEE

PLEASE READ ALL INSTRUCTIONS. The following information is required by A.R.S. §§10-1622 & 10-11622 for all corporations organized pursuant to Arizona Revised Statutes, Title 10. The Commission's authority to prescribe this form is A.R.S. §§ 10-121(A) & 10-3121(A). YOUR REPORT MUST BE SUBMITTED ON THIS ORIGINAL FORM. Make changes or corrections where necessary. Information for the report should reflect the current status of the corporation.

1. 0227166-5
Bonita Creek Land and Homeowners' Association
251 N Big Al's Run
Payson, AZ 85541

RECEIVED

MAR 30 2015

ARIZONA CORP. COMMISSION
CORPORATIONS DIVISION

Business Phone: 928-951-7771
State of Domicile: ARIZONA

(Business phone is optional.)

Type of Corporation: NON-PROFIT

2.

Statutory Agent: Susan Sattelmair
177 E Coates Deer Lane
Payson, AZ 85541

Statutory Agent's Street or Physical Address, If Different.

ACC USE ONLY	
Fee	\$ _____
Penalty	\$ _____
Reinstate	\$ _____
Expedite	\$ _____
Resubmit	\$ _____

If appointing a new statutory agent, the new agent MUST consent to that appointment by signing below. Note that the agent address must be in Arizona.

I, (individual) or We, (corporation or limited liability company) having been designated the new Statutory Agent, do hereby consent to this appointment until my removal or resignation pursuant to law.

Susan Sattelmair
Signature of new Statutory Agent

Susan Sattelmair
Printed Name of new Statutory Agent

3. Secondary Address:

(Foreign Corporations are **REQUIRED** to complete this section).

4. Check the one category below which best describes the CHARACTER OF BUSINESS of your corporation.

BUSINESS CORPORATIONS

- | | |
|---|--|
| <input type="checkbox"/> 1. Accounting | <input type="checkbox"/> 20. Manufacturing |
| <input type="checkbox"/> 2. Advertising | <input type="checkbox"/> 21. Mining |
| <input type="checkbox"/> 3. Aerospace | <input type="checkbox"/> 22. News Media |
| <input type="checkbox"/> 4. Agriculture | <input type="checkbox"/> 23. Pharmaceutical |
| <input type="checkbox"/> 5. Architecture | <input type="checkbox"/> 24. Publishing/Printing |
| <input type="checkbox"/> 6. Banking/Finance | <input type="checkbox"/> 25. Ranching/Livestock |
| <input type="checkbox"/> 7. Barbers/Cosmetology | <input type="checkbox"/> 26. Real Estate |
| <input type="checkbox"/> 8. Construction | <input type="checkbox"/> 27. Restaurant/Bar |
| <input type="checkbox"/> 9. Contractor | <input type="checkbox"/> 28. Retail Sales |
| <input type="checkbox"/> 10. Credit/Collection | <input type="checkbox"/> 29. Science/Research |
| <input type="checkbox"/> 11. Education | <input type="checkbox"/> 30. Sports/Sporting Events |
| <input type="checkbox"/> 12. Engineering | <input type="checkbox"/> 31. Technology(Computers) |
| <input type="checkbox"/> 13. Entertainment | <input type="checkbox"/> 32. Technology(General) |
| <input type="checkbox"/> 14. General Consulting | <input type="checkbox"/> 33. Television/Radio |
| <input type="checkbox"/> 15. Health Care | <input type="checkbox"/> 34. Tourism/Convention Services |
| <input type="checkbox"/> 16. Hotel/Motel | <input type="checkbox"/> 35. Transportation |
| <input type="checkbox"/> 17. Import/Export | <input type="checkbox"/> 36. Utilities |
| <input type="checkbox"/> 18. Insurance | <input type="checkbox"/> 37. Veterinary Medicine/Animal Care |
| <input type="checkbox"/> 19. Legal Services | <input type="checkbox"/> 38. Other _____ |

NON-PROFIT CORPORATIONS

- | |
|---|
| <input type="checkbox"/> 1. Charitable |
| <input type="checkbox"/> 2. Benevolent |
| <input type="checkbox"/> 3. Educational |
| <input type="checkbox"/> 4. Civic |
| <input type="checkbox"/> 5. Political |
| <input type="checkbox"/> 6. Religious |
| <input type="checkbox"/> 7. Social |
| <input type="checkbox"/> 8. Literary |
| <input type="checkbox"/> 9. Cultural |
| <input type="checkbox"/> 10. Athletic |
| <input type="checkbox"/> 11. Science/Research |
| <input type="checkbox"/> 12. Hospital/Health Care |
| <input type="checkbox"/> 13. Agricultural |
| <input type="checkbox"/> 14. Cooperative Marketing Association |
| <input type="checkbox"/> 15. Animal Husbandry |
| <input checked="" type="checkbox"/> 16. Homeowner's Association |
| <input type="checkbox"/> 17. Professional, commercial industrial or trade association |
| <input type="checkbox"/> 18. Other _____ |

5. CAPITALIZATION:

(For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

Business trusts must indicate the number of transferable certificates held by trustees evidencing their beneficial interest in the trust estate.

5a. Please examine the corporation's original Articles of Incorporation for the amount of **shares authorized**.

Number of Shares/Certificates Authorized Class Series Within Class (if any)

5b. Review all corporation amendments to determine if the original number of shares has changed. Examine the corporation's minutes for the number of **shares issued**.

Number of Shares/Certificates Issued Class Series Within Class (if any)

6. SHAREHOLDERS:

(For-profit Corporations and Business Trusts are **REQUIRED** to complete this section.)

List shareholders holding more than 20% of any class of shares issued by the corporation, or having more than a 20% beneficial interest in the corporation.

NONE Name: _____ Name: _____

Name: _____ Name: _____

7. OFFICERS

Name: Betty McRae

Title: President

Address: 251 N Big Al's Run
Payson, AZ 85541

Date taking office: 9/3/2011

Name: Susan Sattelmair

Title: Treasurer

Address: 251 N Big Al's Run
Payson, AZ 85541

Date taking office: 4/12/2014

Name: Dieter Ambruster

Title: Vice-President

Address: 251 N Big Al's Run
Payson, AZ 85541

Date taking office: 8/31/2014

Name: Lorna Glaunsinger

Title: Secretary

Address: 251 N Big Al's Run
Payson, AZ 85541

Date taking office: 1/29/2015

8. DIRECTORS

Name: Betty McRae- Temporary

Address: 251 N Big Al's Run
Payson, AZ 85541

Date taking office: 2/1/2015

Name: _____

Address: _____

Name: _____

Address: _____

Date taking office: _____

Name: _____

Address: _____

Date taking office: _____

Date taking office: _____

9. FINANCIAL DISCLOSURE (A.R.S. §10-11622(A)(9))

Nonprofits – if your annual report is due on or before September 25, 2008, you **must attach** a financial statement (e.g. income/expense statement, balance sheet including assets, liabilities). If your nonprofit annual report is due after September 25, 2008, a financial statement is not required. **Cooperative marketing associations** must in all cases submit a financial statement. All other forms of corporations are exempt from filing a financial statement no matter what date the annual report was due.

ONLY NONPROFIT CORPORATIONS MUST ANSWER THIS QUESTION:

9A. MEMBERS (A.R.S. §10-11622(A)(6)) This corporation **DOES** **DOES NOT** have members.

10. CERTIFICATE OF DISCLOSURE (A.R.S. §§ 10-202(D), 10-3202(D), 10-1622(A)(8) & 10-11622(A)(7))

A. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation been:

1. Convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven year period immediately preceding the execution of this certificate?
2. Convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses or restraint of trade or monopoly in any state or federal jurisdiction within the seven year period immediately preceding execution of this certificate?
3. Subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven year period immediately preceding execution of this certificate where such injunction, judgment, decree or permanent order involved the violation of:
 - (a) fraud or registration provisions of the securities laws of that jurisdiction, or
 - (b) the consumer fraud laws of that jurisdiction, or
 - (c) the antitrust or restraint of trade laws of that jurisdiction?

One box must be marked: YES **NO**

If "YES" to A, the following information must be submitted as an attachment to this report for each person subject to one or more of the actions stated in Items 1 through 3 above.

- | | |
|---|---|
| 1. Full birth name. | 5. Date and location of birth. |
| 2. Full present name and prior names used. | 6. The nature and description of each conviction or judicial action; the date and location; the court and public agency involved; and the file or cause number of the case. |
| 3. Present home address. | |
| 4. All prior addresses for immediately preceding 7 year period. | |

B. Has any person who is currently an officer, director, trustee, incorporator, or who, in a For-profit corporation, controls or holds over 20% of the issued and outstanding common shares, or 20% of any other proprietary, beneficial or membership interest in the corporation, served in any such capacity or held a 20% interest in any other corporation on the bankruptcy or receivership of that other corporation?

One box must be marked: YES **NO**

If "YES" to B, the following information must be submitted as an attachment to this report for each corporation subject to the statement above.

- (a) Name and address of each corporation and the persons involved.
- (b) State(s) in which it: (i) was incorporated and (ii) transacted business.
- (c) Dates of corporate operation.

11. STATEMENT OF BANKRUPTCY OR RECEIVERSHIP (A.R.S. §§ 10-1623 & 10-11623)

A. Has the **corporation** filed a petition for bankruptcy or appointed a receiver? **One box must be marked: YES** **NO**

If "Yes" to A, the following information must be submitted as an attachment to this report:

1. All officers, directors, trustees and major stockholders of the corporation within one year of filing the petition for bankruptcy or the appointment of a receiver. If a major stockholder is a corporation, the statement shall list the current president, chairman of the board of directors and major stockholders of such corporate stockholder. "Major stockholder" means a shareholder possessing or controlling twenty per cent of the issued and outstanding shares or twenty per cent of any proprietary, beneficial or membership interest in the corporation.
2. Whether any such person has been an officer, director, trustee or major stockholder of any other corporation within one year of the bankruptcy or receivership of the other corporation. If so, for each such corporation give:
 - (a) Name and address of each corporation;
 - (b) States in which it: (i) was incorporated and (ii) transacted business.
 - (c) Dates of operation.

12. SIGNATURES: Annual Reports must be signed and dated by at least one duly authorized officer or they will be rejected.

I declare, under penalty of perjury, that all corporate income tax returns required by Title 43 of the Arizona Revised Statutes have been filed with the Arizona Department of Revenue. I further declare under penalty of perjury that I (we) have examined this report and the certificate, including any attachments, and to the best of my (our) knowledge and belief they are true, correct and complete.

Name Susan Sattelmaier Date 3/24/2015 Name _____ Date _____
 Signature Susan Sattelmaier Signature _____
 Title Treasurer Title _____

(Signator(s) must be duly authorized corporate officer(s) listed in section 7 of this report.)

March 24, 2015

State of Arizona Corporate Commission
c/o Annual Reports-Corporate Division
1300 West Washington Street
Phoenix, AZ85007-2929

RE: File# 0227166-5

To whom it may concern:

My deepest apologies for this report being late. I took office as the treasurer in April 2015, I was not aware of this report needing to be done, I just found out about it from the President of the Bonita Creek Land and Homeowners' Association.

If this report is not right or we did not pay enough monies in penalties, please contact me.

Again my deepest apologies,

Susan Sattelmaier
Treasurer
928-951-4771 c
Justme.3@juno.com email
177E Coues Deer Lane
Payson, AZ 85541

Attachment 6

**Certificate of Convenience and Necessity (CC&N)
for the Bonita Creek Land and Homeowners' Association**



0000002765

NEW APPLICATION

Original

ORIGINAL RECEIVED

BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

2003 OCT 21 A 10: 35

ATTACHMENT A

Arizona Corporation Commission

DOCKETED

OCT 21 2003

DOCKETED BY *CKR*

AZ CORP COMMISSION
DOCKET CONTROL

Bonita Creek Land and Homeowners'
Association
HC7 Box 271-R
Payson, AZ 85541

October 15, 2003

W-02195B-03-0770

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona

Attached is an application by the Bonita Creek Land and Homeowners' Association for an adjudication that it is not a public service corporation. The purpose of this application is to change from our present Public Utility Service Corporation to a Non Public Utility Service Corporation so that we may regulate our rates we charge the customers as needed, to keep us solvent. Giving us more control over our needs as a very small water company. We currently have 40 water customers, of which only 8 customers live here on a full time basis. At the present time we have to go through all the same requirements that are required of large water companies.

Thank you for your consideration in this matter.

Sincerely,

Bill Glaunsinger

Bill Glaunsinger, President

ARIZONA CORPORATION COMMISSION
APPLICATION FOR AN ADJUDICATION
"NOT A PUBLIC SERVICE CORPORATION"
WATER AND/OR SEWER

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

Fred Washburn, Water Director - Bonita Creek Land & Homeowners Ass.
HC 7 Box 271-R 928-472-7526
Payson AZ 85541

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:

Bill Glaunsinger, Pres ; Bob Johnson, V.P. ; Calista (Lita) Washburn, Sec
Linda Soto, treasurer ; Dave Kelley, Communications ; Marcia Ueberschmid, Enviro-
ment

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

Fred Washburn 928-472-7526
HC 7 Box 271-E Payson AZ 85541

✓D. If Applicant is a unincorporated homeowners/property owners association, attach a list homeowners/property owners.

- 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".
 - N/A ✓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. N/A
- 2. Department of Environmental Quality, or designee, "Approval to Construct" utility facilities. N/A

G. How many lots are there within the subdivision? 160

H. What size are the lots? 1/2 acre to 5 acre

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

J. How many lots within the area are occupied? 45. *14 full time residents*
3 homes under construction

K. Is the Applicant presently providing service to anyone? Yes, No *40 customers*

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).

RECEIVED

OCT 03 1990

ARTICLES OF INCORPORATION

OF

BONITA CREEK LAND AND HOMEOWNER'S ASSOCIATION

ARIZONA CORP. COMMISSION

KNOW ALL MEN BY THESE PRESENTS:

That we, the undersigned, have this day associated ourselves together for the purpose of forming a nonprofit corporation under and pursuant to the laws of the State of Arizona, and for that purpose do hereby adopt the following Articles of Incorporation:

ARTICLE I

The name of the corporation shall be Bonita Creek Land and Homeowner's Association.

ARTICLE II

The names and addresses of the incorporators are:

R. C. Meek
13437 North 16th Place
Phoenix, AZ 85022

Martha K. Brown
2164 West Eugie
Phoenix, AZ 85029

Sandra I. Rose
1547 West Juanita Circle
Mesa, AZ 85202

ARTICLE III

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

ARTICLE IV

The character of affairs which the corporation initially intends to actually conduct in this state is the promotion of

community awareness and cooperation among the property owners within the Bonita Creek and Bonita Creek Ranch Subdivisions (as shown in Exhibit A) of Gila County, Arizona, who elect to become members of the Association, and to represent them in all matters affecting their common interests, including management, maintenance, repair, replacement, administration and operation of common facilities and areas, however such statement shall not limit the character of affairs which the corporation ultimately conducts.

ARTICLE V

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 payments and distributions in furtherance of the purpose set forth in Article IV. No substantial part of the activities of the corporation shall be the carrying on of propoganda, 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 provision 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) of the Internal Revenue Code of 1986, or the corresponding provision of any future United States Internal Revenue Law.

ARTICLE VI

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 purposes of the corporation in such manner, or to such organizations organized and operated exclusively for the same or similar purposes and as shall at the time qualify as an exempt organization or organizations under Section 501(c) of the Internal Revenue Code of 1986, or the corresponding provision 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 purpose or to such organization or organizations, as said Court shall determine, which are organized and operated exclusively for such purpose.

ARTICLE VII

The members, directors and officers of the corporation shall not be individually or personally liable for the debts or other liabilities of the corporation. The private property of the members, directors and officers of the corporation shall be forever exempt from corporate debts or liabilities of any kind whatsoever; provided, however, that the foregoing shall not limit or affect the personal liability owed by a member directly to the corporation; nor shall the foregoing limit or otherwise affect the corporation's recourse against a member's property for any indebtedness owed to the corporation. The officers and directors of the corporation shall be indemnified to the extent allowed by law.

ARTICLE VIII

STATUTORY AGENT: The name and address of the initial statutory agent of the corporation is:

Martha K. Brown
2164 West Eugie
Phoenix, AZ 85029

ARTICLE IX

The business and affairs of the corporation shall be conducted by a Board of Directors in accordance with these Articles and the Bylaws. These Articles and the Bylaws may be amended at any time by a vote of the majority of those members present in person or by proxy at a meeting duly called for such purpose. The corporation may have one or more than one class of members and the designation of such class or classes, the manner of election or appointment and the qualifications and rights of the members of each class shall be set forth in the Bylaws. The Board of Directors, who shall serve without compensation for their services to the corporation, shall initially consist of not less than three nor more than nine Directors. The names and addresses of the persons who are to serve as the Directors until until their successors are elected and qualified are:

R. C. Meek
13437 North 16th Place
Phoenix, AZ 85022

Don Aleckson
7740 East Glenrosa
Scottsdale, AZ 85251

Martha K. Brown
2164 West Eugie
Phoenix, AZ 85029

Sandra I. Rose
1547 West Juanita Circle
Mesa, AZ 85202

William Artwohl
7525 North 16th Drive
Phoenix, AZ 85021

Steve Rose
1547 West Juanita Circle
Mesa, AZ 85101

Melissa Moore
10403 North 38th Street
Phoenix, AZ 85028

John Johnson
561 West Enid
Mesa, AZ 85210

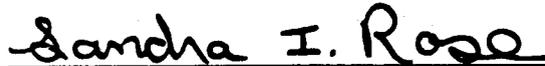
DATED this 13th day of September, 1990.



R. C. Meek



Martha K. Brown

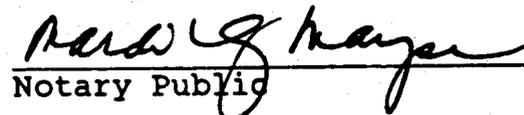


Sandra I. Rose

STATE OF ARIZONA)
) ss.
County of Maricopa)

On this the 13th day of September, 1990, before me, the undersigned Notary Public, appeared Bob Meek, Martha Brown and Sandra Rose, known to me to be the persons whose names are subscribed to the within instrument, and acknowledged that they executed the same for the purposes therein contained.

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

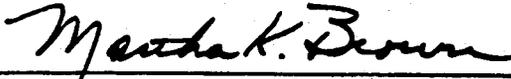

Notary Public

My Commission Expires September 23, 1991.

CONSENT TO ACT AS STATUTORY AGENT

I, Martha K. Brown, having been designated to act as Statutory Agent, hereby consent to act in that capacity until removed, or resignation is submitted in accordance with the Arizona Revised Statutes.

DATED this 13th day of September, 1990.



Statutory Agent's Signature

ARIZONA CORPORATION COMMISSION
CORPORATIONS DIVISION

Phoenix Address: 1200 West Washington
Phoenix, Arizona 85007

Tucson Address: 402 West Congress
Tucson, Arizona 85701

CERTIFICATE OF DISCLOSURE

A.R.S. Sections 10-128 & 10-1084

PLEASE SEE REVERSE SIDE

Bonita Creek Land and Homeowner's Association

EXACT CORPORATE NAME

CHECK APPROPRIATE BOX(ES) A or B
ANSWER "C"

THE UNDERSIGNED CERTIFY THAT:

- A. No persons serving either by elections or appointment as officers, directors, incorporators and persons controlling, or holding more than 10% of the issued and outstanding common shares or 10% of any other proprietary, beneficial or membership interest in the corporation:
1. Have been convicted of a felony involving a transaction in securities, consumer fraud or antitrust in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 2. Have been convicted of a felony, the essential elements of which consisted of fraud, misrepresentation, theft by false pretenses, or restraining the trade or monopoly in any state or federal jurisdiction within the seven-year period immediately preceding the execution of this Certificate.
 3. Have been or are subject to an injunction, judgment, decree or permanent order of any state or federal court entered within the seven-year period immediately preceding the execution of this Certificate where such injunction, judgment, decree or permanent order:
 - (a) Involved the violation of fraud or registration provisions of the securities laws of that jurisdiction; or
 - (b) Involved the violation of the consumer fraud laws of that jurisdiction; or
 - (c) Involved the violation of the antitrust or restraint of trade laws of that jurisdiction.

- B. For any person or persons who have been or are subject to one or more of the statements in Items A.1 through A.3 above, the following information MUST be attached:
1. Full name and prior name(s) used.
 2. Full birth name.
 3. Present home address.
 4. Prior addresses (for immediate preceding 7-year period).
 5. Date and location of birth.
 6. Social Security number.
 7. The nature and description of each conviction or judicial action, date and location, the court and public agency involved and file or cause number of case.

STATEMENT OF BANKRUPTCY, RECEIVERSHIP OR REVOCATION

A.R.S. Sections 10-128.01 and 10-1083

- C. Has any person serving (a) either by election or appointment as an officer, director, trustee or incorporator of the corporation or, (b) major stockholder possessing or controlling any proprietary, beneficial or membership interest in the corporation, served in any such capacity or held such interest in any corporation which has been placed in bankruptcy or receivership or had its charter revoked? YES ___ NO X

IF YOUR ANSWER TO THE ABOVE QUESTION IS "YES", YOU MUST ATTACH THE FOLLOWING INFORMATION FOR EACH CORPORATION:

1. Name and address of the corporation.
2. Full name, including alias and address of each person involved.
3. State(s) in which the corporation:
 - (a) Was incorporated.
 - (b) Has transacted business.
4. Dates of corporate operation.
5. A description of the bankruptcy, receivership or charter revocation, including the date, court or agency involved and the file or cause number of the case.

Under penalties of law, the undersigned incorporators/Officers declare that we have examined this Certificate, including any attachments, and to the best of our knowledge and belief it is true, correct and complete.

BY [Signature] DATE 9/13/90
 TITLE Treasurer

BY [Signature] DATE 9-13-90
 TITLE Secretary

BY [Signature] DATE 9-13-9
 TITLE Treasurer

BY _____ DATE _____
 TITLE _____

FISCAL DATE: August 31

CONSTITUTION AND BYLAWS OF BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION

ARTICLE I-NAME

The name of this Association shall be Bonita Creek Land and Homeowners' Association

ARTICLE II- PURPOSE

The mission of the Association is to preserve the beauty and natural resources of the Bonita Creek area, protect the rights of everyone in the community, and to work cooperatively with all members of the community. Examples of this mission include:

- Organization of volunteer efforts to address conservation and other ecological issues that are important for the preservation and enjoyment of the natural environment at Bonita Creek
- Improvement of government and private services to the community, including fire protection and the grading of county roads.
- Development of a mutually beneficial working relationship with federal, state, municipal and other funding agencies.
- Accurate and timely reporting of information, meeting minutes, community actions, as well as county, state or federal agency communications.

ARTICLE III- ADMINISTRATION

- The governance of this Association shall be vested in a Board of Directors consisting of not less than three or no more than seven members, all of whom must be property owners at Bonita Creek. Members of the Board are to be elected at the annual meeting and serve a two-year term. The preceding members of the Board will work to ensure a successful transition of the Board of Directors. Immediately following the annual meeting, the newly elected Board or Directors shall meet one or more times for the purpose of organization. Notice of Board of Directors' meetings shall be given by e-mail, mail, or by direct contact not less than ten days before the time of the meeting.
- The Board of Directors shall meet when deemed necessary. The majority of the Board shall constitute a quorum.
- The Board of Directors shall consist of not less than three members: the President (who will chair the Board), Secretary and Treasurer. Additionally, a Vice President and three Directors at Large may be elected to the Board. The Directors at Large shall have special responsibilities within the Association.
- The Board of Directors shall submit items not in conflict with this constitution and bylaws that are to be voted upon by the Association members.
- The Board of Directors shall elicit volunteers and make recommendations for appointment for absent or unexpired terms. The Board's appointment shall then be ratified by vote at the annual meeting or by ballot sent to the Association's members. In the event that a meeting of the Association is eminent, the Board may elect to use the nomination process available at the meeting to elect Board Members to fulfill

- **Bylaws**
- **August 23, 2002**
- **Page 3**
-

- Annual proposed budgets will be prepared by the Treasurer, with input from the board of Directors, Committees and Association members, and be presented to the membership at the annual meeting.
- All disbursements will be made by check or petty cash. The Board of Directors shall establish an account in the name of Bonita Creek Land and Homeowners' Association. Signatures of the President and the Treasurer are required on all disbursement checks. The President and the Treasurer are also required to sign and countersign on bank account signature cards.
- All disbursements of \$300.00 or more shall be brought to the Board's attention, consideration, and vote. The majority of votes of members present shall constitute a quorum for approval or non- approval. Upon approval, the Treasurer is authorized to make the disbursement.
- Disbursement for goods or services with an estimated value over \$500.00 must be put to bid. At least two bids should be obtained if possible. The Board's attention, consideration, and vote will be required once the bids have been presented and before disbursement by the Board is authorized and made by the Treasurer. In case of emergencies, the above process can be waived by Board approval.
- There may come a time when a Board member may find it easier to make expenditures from their personal funds rather than from an Association check. In the event that this becomes necessary, receipts must be presented to the Treasurer and filed for reimbursement. The Treasurer will make these reimbursements within two weeks of presentation.

ARTICLE VI- MEETINGS AND ELECTIONS

- The annual meeting of the members shall be held in September at such time and place as the Board of Directors may direct. Special meetings may be held at such time and place and in such manner as determined by the Board of Directors.
- Notices of the annual meeting shall be sent at least 15 working days prior to such a meeting to the last known address of each member as the name appears on the records of the Association.
- The President or, in his/her absence, the Vice President, shall call meetings of the members to order and shall act as Chairperson. The Secretary of the Association shall act as Secretary at all meetings of the members. In his/her absence, the presiding officer may appoint any person to act as Secretary. All meetings shall be conducted in accordance with Roberts Rules of Order.
- A majority of all members of the Association present at any meeting shall constitute a quorum.
- Special meetings of the members of the Association may be called at any time by the Board of Directors and will be called by the Board of Directors upon petition of one third (33%) of the members entitled to vote.

- Bylaws
- August 23, 2002
- Page 4

- The order of business of all meetings of the members and the Board of Directors shall be as follows:
 - 1) Call to order
 - 2) Approval of minutes of the last meeting
 - 3) Reports of Committees
 - 4) Treasurer's Report
 - 5) Old Business
 - 6) New Business
 - 7) Election results
- There will be one vote per membership per lot. Where two or more members own a lot they shall determine among themselves who is to cast the vote represented by said membership.
- Except for Association work, solicitations for money, service or sales of tickets will not be allowed without prior approval of the Board of Directors.
- The Board of Directors shall solicit volunteers and then appoint a Nominating Committee consisting entirely of non-Board members. The Nominating Committee shall formulate a slate of proposed Directors for consideration. The Committee will also be responsible for preparing and mailing ballots describing the candidates and their background information as well as a statement of goals for presidential candidates. This shall be completed no more than 15 days before the annual meeting. The Nominating Committee will record the results of the vote. Ballots will be accepted as late as the start of the annual meeting.

ARTICLE V11-AMENDMENT

The Board of Directors may amend this constitution and bylaws at any annual or special meeting or by ballot sent to Association members' homes. Ratification by a majority of the respondents by ballot or a majority of the voting members of the Association present at any called meeting is needed for adoption. An absentee member may send a written vote to the Secretary prior to the regular or special meeting. Any amendment to this constitution and bylaws shall not in any way conflict with any property owner's specified or unspecified rights on property deed restrictions.

ARTICLE V111- MISCELLANEOUS

- No list of member's names and addresses shall be disclosed to any agency, person or concern for commercial or real estate agency purposes by any officer or member entrusted with such a list. Any use of such a list shall constitute disbarment of the member from the Association.
- All members shall be responsible to notify the Secretary of the Association of any address change as soon as possible.
- Any member overdue in the payment of his/her dues shall lose his/her vote and shall not be counted until his/her dues are paid in full. Dues are payable on or before September 1st of each year.

- **Bylaws**
- **August 23, 2002**
- **Page 5**

- No officer or member of this Association shall release any matter to the news media concerning this Association without written authorization from the Board of Directors. The Board of Directors shall approve a written copy of all news releases.
- No member of this Association will appear before any government body or other groups to speak or represent this Association without written permission from the Board of Directors.

Amended October 19, 2002

RESOLUTION

WHEREAS, Bonita Creek Land and Homeowners' Association holds a franchise to operate a community water system in Gila County, Arizona, known as **Bonita Creek Water Company**; and

WHEREAS, the Bonita Creek Land and Homeowners' Association has requested consent to transfer from its present C Corporation - Public Utility Service to a C Corporation - Non Public Utility Service Corporation; and

WHEREAS, The Bonita Creek Land and Homeowners' Association 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, but our members will always be involved in the approval of any rate change decisions. All complaints concerning rates and services will be handled by your board of directors, elected by the members.

WHEREAS, information relating to the proposed transfer has been furnished; and

WHEREAS, after consideration of said request and information, it has been determined that it is appropriate to consent to the proposed transfer.

NOW, THEREFORE, BE IT RESOLVED, that the Bonita Creek Land and Homeowners' Association Members hereby approve the proposed transfer from a "C" Public Utility Service Corporation to a status of "C" Non Public Utility Service Corporation

PASSED AND ADOPTED this 23rdth Day of August, 2003, at Bonita Creek, Payson, Gila County, Arizona.

Bonita Creek Land and Homeowners' Association Board Members



President



Secretary



Road and Water Director



Communications Director



Vice President



Treasurer



Environmental Director

RESOLUTION

WHEREAS, Bonita Creek Land and Homeowners' Association holds a franchise to operate a community water system in Gila County, Arizona, known as **Bonita Creek Water Company**; and

WHEREAS, the Bonita Creek Land and Homeowners' Association has requested consent to transfer from its present "C" Corporation to an ~~an~~ "S" Corporation, Non Public Service Corporation; and

WHEREAS, The Bonita Creek Land and Homeowners' Association 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, but our members will always be involved in the approval of any rate change decisions. All complaints concerning rates and services will be handled by your board of directors, elected by the members.

WHEREAS, information relating to the proposed transfer has been furnished; and

WHEREAS, after consideration of said request and information, it has been determined that it is appropriate to consent to the proposed transfer.

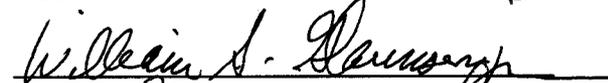
NOW, THEREFORE, BE IT RESOLVED, that the Bonita Creek Land and Homeowners' Association Members hereby approve the proposed transfer from a "C" Corporation to an ~~an~~ "S" Corporation status of Non Public Service Corporation

PASSED AND ADOPTED this 23RD Day of August, 2003, at Bonita Creek, Payson, Gila County, Arizona.

Bonita Creek Land and Homeowners' Association Board Members



President



Vice President



Secretary



Treasurer



Road and Water Director



Environmental Director



Communications Director

STATE OF ARIZONA, County of Gila, ss

I do hereby certify that the within instrument was filed and recorded at request of

Date May 31st, 1956
Records of Gila County, Arizona

Time 10:55 A. M. Docket 55

Official Records Page 7

55-27

JOSEPH A. TRINER

WITNESS my hand and official seal the day and year first above written.

JOSEPH KINSMAN, County Recorder

214865

By

DECLARATION OF RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

That PHOENIX TITLE AND TRUST COMPANY, an Arizona corporation, as Trustee, being the owner of all of the following described premises, situate within the County of Gila, State of Arizona, to-wit:

Lots One (1) through Forty-two (42), inclusive, except Lots Eighteen (18), Nineteen (19), Twenty (20) and Twenty-one (21), BONITA CREEK RANCH NO. 2, according to the plat of record in the office of the County Recorder of Gila County, Arizona, recorded May 28, 1956 as Map No. 160;

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 restrictive covenants running with the title to said premises and with each and every part and parcel thereof, to-wit:

1. All of the said lots in said BONITA CREEK RANCH NO. 2 shall be known and described as single-family residential lots, except lots 18, 19, 20, and 21, and Tracts "A", "B", and "C".

2. None of said lots shall be resubdivided into smaller lots or conveyed or encumbered in less than the full original dimension of such lot as shown by the plat of BONITA CREEK RANCH NO. 2, except for public utilities, provided that this restriction shall not prevent the conveyance or encumbrance of, or resubdividing of lots or parts of lots by the subdivider, without reservation, when the conveyance, encumbrance or subdividing of lots or parts of lots will permit a better utilization of the land, stream frontage or terrain. Nothing herein contained shall prevent the dedication or conveyance of portions of lots for public utilities, in which event the remaining portion of any such lot shall, for the purpose of this provision, be treated as a whole lot. Nothing contained herein shall prevent the subdivider from resubdividing into smaller parcels any lot or parts thereof, when considered necessary to better utilize the land, terrain or stream frontage, to the extent of increasing the number of lots if necessary.

3. No structure shall be built on, over or across the easements as shown on the plat of BONITA CREEK RANCH NO. 2.

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(c).

4. On none of said residential lots shall a hospital, sanitarium, hotel, lodging house, apartment house or other building of any kind or nature whatsoever used or occupied for the care, lodging or entertainment of persons suffering from disease, or for any purpose that will depreciate the value of the property for dwelling purposes, be maintained, kept or permitted on such premises, or any part thereof.

5. No billboards or advertising signs of any character shall be erected, placed, permitted or maintained on any lot or on any building erected thereon, other than one sign not larger than 12" by 18" indicating that the property is for sale or for rent, with wording limited to "For Sale" or "For Rent", and the name and address and telephone number of the owner or agent, and the words "Inquire within"; provided, however, that the subdividers and their agents may erect and maintain signs advertising for the sale of lots in said subdivision.

6. Plans, including architectural designs, dimensions and class of materials to be used for the proposed structures must be submitted to, and have the approval of the subdividers before any construction is undertaken. On building sites which slope in one or more directions, a ground plan showing the foundation elevation in relation to the finished ground line may be necessary also. Following are minimum requirements:

- a. Architectural plans will include design and class of materials to be used. This will involve floor plans, a perspective sketch, or simple front and side elevations, and construction details for foundation, sills, size and spacing of floor joists, framing, roof pitch, size and spacing of rafters, electrical wiring, flue construction, etc.
- b. Simplicity of architectural design, good proportions, and an appearance of naturalness to the forest setting are desired in the completed structure. Ornate, elaborate, pretentious or showy structures, or parts thereof, will be unacceptable. Minimum square footage is to be 800, exclusive of carports, storage or other out buildings.
- c. Continuous foundations are required which may be of solid native rock, masonry, solid concrete, or concrete with native rock veneer. Foundations will rest on good footings and extend not less than 12 inches below the ground, unless set on solid rock. Preferred height above ground

is 12 inches, and the maximum allowable height is 20 inches. Care is necessary in the selection of building sites to keep grading to a minimum. Screened vents shall be provided in the foundation. 16 to 19 gauge galvanized wire cloth with 1/4" to 1/3" mesh in metal frames of 24 or 26 gauge galvanized sheet steel are ideal.

d. No building will be built closer than 50 feet to bank of stream.

e. Exterior walls and porches may be of peeled logs, either round, sawed or hewed; hand split shakes or burnt adobe; log siding; edged, peeled slabs; rough lumber; or native stone. The use of bright-colored mortar or stucco, corrugated iron or tar paper will not be approved. Stains are preferable to paints for outside wood surfaces. The natural wood color may be retained or stains may be colored to produce a neutral brown or weathered gray. Where paint is required, soft browns and grays are preferred. Window and door casings and other outside trim must harmonize with the background and should not present strong contrasts.

f. Chimneys must extend to a solid ground foundation with adequate footing and must be of fireproof construction lined with flue tile or fire brick. All exposed surfaces must be in keeping with the exposed building foundations.

g. Roofs of the car-roof or shed-type are prohibited. The following roof coverings are acceptable; shakes, shingles and prepared roofing shingles, preferable of fire-resistant material. Tin, corrugated iron, sheet metal, flat-roll roofing or tar paper will not be permitted. Bright color schemes are unacceptable; roof colors must harmonize with the walls.

h. All plumbing to be modern inside-type, connected to inside connections below ground surface and to cesspool and septic tank. All ground water sources, such as wells and springs, should be adequately protected from sources of contamination. Septic tanks, sewers, and sub-surface pits must be located at least 100 feet down-grade from water supplies and not less than 50 feet from live streams.

55 30

i. Fly-tight metal containers will be required for the storage of garbage and refuse pending removal and disposal. Garbage and refuse will be disposed of in accordance with State Sanitary Regulations.

j. Spark arrestors shall be installed on chimneys. The roofs of all buildings shall be kept clear of leaves and other inflammable material.

All heating systems shall be so installed as to eliminate the danger of fire therefrom.

k. Camp fires are prohibited except in prepared fireplaces which have been approved by the Forest Supervisor or his representatives.

l. In landscaping, the desire is to preserve the natural forest conditions to the fullest extent possible. Tree pruning and clearance will be held to the minimum. Walks should be gravel or native stone; and the use of painted or whitewashed rocks or trees and other types of "decorations" foreign to the natural environment avoided.

m. No rental units permitted, each forest lot is limited to one single-family residence, guest house, barns, etc.

n. No business will be permitted.

o. No house trailers permitted. Horse trailers and utility trailers permitted.

p. Stream frontage will be considered as an easement for the use and enjoyment of all property owners residing within Bonita Creek Ranch.

Fencing off or obstructing the use of Bonita Creek to deny the use of the waters or stream banks for lawful fishing or hunting is prohibited.

It is expressly understood and agreed that the said BONITA CREEK RANCH NO. 12 has been platted and laid out as a choice and attractive residential district, and that these covenants and restrictions are made for the benefit of the lots herein described, and are to run with the land and shall inure to the benefit of and be binding on all of said lots until January 1, 1976, at which time such covenants shall be automatically extended for successive periods of five years each, unless by a majority vote of the then individual property owners it is agreed to change the said covenants in whole or in part.

If any person shall violate or attempt to violate any of the covenants or restrictions herein before January 1, 1976, or such time later as may be set up by the provisions of the paragraph preceding this one, it shall be lawful for any person or persons owning any other lots in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him or them from so doing or to recover damages or other dues for such violation.

Should any of the covenants or stipulations herein be held invalid or void, such invalidity or voidness of any of the covenants shall not affect the rest of the instrument or any valid covenants herein contained.

IN WITNESS WHEREOF, the Phoenix Title and Trust Company, as Trustee, has hereunto caused its corporate name to be signed and its corporate seal to be affixed and the same to be attested by the signatures of its duly authorized officers this 29th day of May, 1956.

PHOENIX TITLE AND TRUST COMPANY, TRUSTEE
BY _____
Vice President
Attest: _____
Assistant Secretary

STATE OF ARIZONA)
) S.S.
County of Maricopa)

On this, the 29th day of May, 1956, before me, the undersigned officer, personally appeared CHARLES S. WELT and WILLIAM B. FLEMING, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Phoenix Title and Trust Company, a corporation, and that they as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation, as Trustee, by themselves as such officers, respectively.

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

Notary Public

My commission expires:

APRIL 2, 1960

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(c).

STATE OF ARIZONA, County of Gila, ss.
I do hereby certify that the within instrument is a true and correct copy of the original as recorded in the County Recorder's Office of Gila County, Arizona.
Date Sept. 12, 1956 Time 3:50 P. M. Docket 61 Official Record Book 245
Records of Gila County, Arizona

WITNESS my hand and official seal the day and year first above written

218097

Joseph Fineman
H. Joseph Fineman

AMENDMENT TO RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, PHOENIX TITLE AND TRUST COMPANY, an Arizona corporation, as Trustee, is the owner of Lots One (1) through Forty-two (42), inclusive, except Lots Eighteen (18), Nineteen (19), Twenty (20) and Twenty-one (21), BONITA CREEK RANCH NO. 2, according to the plat of record in the office of the County Recorder of Gila County, Arizona, recorded May 24, 1956 as Map No. 160 thereof; and

WHEREAS, on May 31, 1956 a Declaration of Restrictions on all of the above property was recorded in Docket 55, page 27; and

WHEREAS, it is now desirable to amend said Declaration of Restrictions to eliminate the provision that the size of the lots will be limited in square footage;

NOW, THEREFORE, the aforementioned Declaration of Restrictions is hereby amended by deleting the third sentence of sub-paragraph "b." of paragraph "6" on Page 2 of said Declaration of Restrictions. The said sentence to be deleted, reads as follows: "Minimum square footage is to be 800, exclusive of carports, storage or other but buildings."

In all other respects the original restrictions as recorded in Docket 55, page 27, are reaffirmed and ratified.

IN WITNESS WHEREOF, the PHOENIX TITLE AND TRUST COMPANY, as Trustee, has caused its corporate name to be signed and its corporate seal to be affixed and the same to be attested by the signatures of its duly authorized officers this 5th day of September, 1956.



PHOENIX TITLE AND TRUST COMPANY, TRUSTEE
by *Charles S. Voigt*
Vice President
Attest *Willard B. Fleming*
Assistant Secretary

STATE OF ARIZONA) ss.
County of Maricopa)

On this, the 6th day of September, 1956, before me, the undersigned officer, personally appeared Charles S. Voigt and Willard B. Fleming, who acknowledged themselves to be the Vice President and Assistant Secretary, respectively, of Phoenix Title and Trust Company, a corporation, and that they as such officers, respectively, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation, as Trustee, by themselves as such officers respectively.
IN WITNESS WHEREOF, I have set my hand and official seal.



Joseph Fineman
Notary Public

My commission expires: Jan. 8, 1960
Trust 1698-G; HLB:jl

When recorded mail to
Transamerica Title Ins. Co.
P. O. Drawer 13028
Phoenix, Arizona 85002
Attn: ED - Tr. 5582

DOCKET 273 PAGE 339

DECLARATION OF RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS:

That TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, an Arizona Corporation, as Trustee, being the owner of the following described property:

Lots 1 thru 32 inclusive, BONITA CREEK, according to the plat of record in the office of the County Recorder of Gila County, Arizona, recorded October 6, 1969 as Map No. 408 .

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 to said premises and with each and every part and parcel thereof, to-wit:

1. All of the said lots shall be known and described as single family residential lots.

2. None of the said lots shall be resubdivided into smaller lots or conveyed or encumbered in less than the full original dimension of such lot, providing that this restriction shall not prevent the conveyance or encumbrance of, or resubdividing of lots or parts of lots by the subdivider, PUTMAN-GRAHAM PROPERTIES, without reservation, when the conveyance, encumbrance or subdividing of lots or parts of lots will permit a better utilization of the land, stream frontage or terrain. Nothing herein contained shall prevent the dedication or conveyance of portions of lots for public utilities, in which event the remaining portion of any such lot shall, for the purpose of this provision, be treated as a whole lot. Nothing contained herein shall prevent the subdivider from resubdividing into smaller parcels any lot or parts thereof, when considered necessary to better utilize the land, terrain or stream frontage; to the extent of increasing the number of lots if necessary.

3. No structure shall be built on, over or across any of the easements shown on the plat of BONITA CREEK.

PURSUANT TO SEC. 804 (c), TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968, 42 USC 3601, ET SEQ, RESTRICTIONS HEREIN, IF ANY, BASED ON RACE, COLOR, RELIGION OR NATIONAL ORIGIN ARE DELETED OR OMITTED.

X

4. No building except one single-family residence, a private garage or carport, and a structure to serve as a stable or hobby room, shall be erected, maintained, placed or permitted on any lot, except for lot 4. Such stable shall be of a design harmonious with the other structure or structures upon said lot, and no use of used or inferior materials shall be permitted. Any quarters for servants or guests must be in an integral part of said residence.

5. No building whatsoever shall be erected on any of said lots until a dwelling house shall have been erected. No garage, stable, hobby room or other building shall be used for residential purposes.

6. No dwelling house having a ground floor area of less than seven hundred (700) square feet, exclusive of open porches, pergolas or attached garage, if any, shall be erected, permitted or maintained on any of said lots, except lot 4. No dwelling house or building may be erected closer than twenty-five (25) feet from front lot line and closer than fifteen (15) feet from side lot line. Lot No. 4 is permitted one trailer house with a ramada completely covering same. Lot 4 is subject to all other restrictions contained herein.

7. The maintenance of horses and the physical facilities for the same shall be maintained by lot owner in a clean, neat, orderly fashion in accordance with prevailing custom, usage, and Health Department Standards so that such facilities shall not become a nuisance to the remaining lot owners in said BONITA CREEK. Any such physical facilities for the maintenance of horses must be maintained at a minimum distance of seventy (70) feet from the front property line and a minimum of thirty (30) feet from rear or side lines. None of said lots or any portion thereof shall ever be used for commercial animal husbandry. A maximum of four (4) horses shall be maintained on each lot.

8. Plans, including architectural designs, dimensions and class of materials to be used for the proposed structures must be submitted to, and have the approval of the subdividers before any

construction is undertaken. On building sites which slope in one or more directions, a ground plan showing the foundation elevation in relation to the finished ground line may be necessary also. Following are minimum requirements.

- a. Architectural plans will include design and class of materials to be used. This will involve floor plans, a perspective sketch, or simple front and side elevations, and construction details for foundation, sills, size and spacing of floor joists, framing, roof pitch, size and spacing of rafters, electrical wiring, flue construction, etc.
- b. Simplicity of architectural design, good proportions, and an appearance of naturalness to the forest setting are desired in the completed structure. Ornate, elaborate, pretentious or showy structures, or parts thereof, will be unacceptable. Minimum square footage is to be 700, exclusive of carports, storage or other out buildings.
- c. Continuous foundations are required which may be of solid, native rock, masonry, solid concrete, or concrete with native rock veneer. Pier footings with masonry or rock veneer wall between piers is acceptable. Foundations will rest on good footings and extend not less than 12 inches below the ground, unless set on solid rock. Preferred height above ground is 12 inches, and the maximum allowable height is 20 inches. Care is necessary in the selection of building sites to keep grading to a minimum. Screened vents shall be provided in the foundation. 16 to 19 gauge galvanized wire cloth with 1/4" to 1/3" mesh in metal frames of 24 or 26 gauge galvanized sheet steel are ideal.
- d. No building will be built closer than 50 feet to bank of stream.
- e. Exterior walls and porches may be of peeled logs, either round, sawed or hewed; hand split shakes or burnt adobe; log siding; edged, peeled slabs; rough lumber; or native stone. The use of bright-colored mortar or stucco, corrugated iron or tar paper will not be approved. Stains are preferable to paints for outside wood surfaces. The natural wood color may be retained or stains may be colored to produce a neutral brown or weathered gray. Where paint is required, soft browns and grays are preferred. Window and door casings and other outside trim must harmonize with the background and should not present strong contrasts.
- f. Chimneys must extend to a solid ground foundation with adequate footing and must be of fireproof construction lined with flue tile or fire brick; unless a fireplace of the prefabricated metal type is used. All exposed surfaces must be in keeping with the exposed building foundations.
- g. Roofs of the car-roof or shed-type are prohibited. The following roof coverings are acceptable: shakes, shingles and prepared roofing shingles; preferable of fire-resistant material. Tin, corrugated iron, sheet metal, flat-roll roofing or tar paper will not be permitted. Bright color schemes are unacceptable; roof colors must harmonize with the walls.
- h. All plumbing to be modern inside-type, connected to inside connections below ground surface and to cesspool and septic tank. All ground water sources, such as wells and springs, should be adequately protected from sources of contamination. Septic Tanks; sewers, and sub-surface pits must be located at least 100 feet downgrade from water supplies and not less than 50 feet from live streams.

- i. Fly-tight metal containers will be required for the storage of garbage and refuse pending removal and disposal. Garbage and refuse will be disposed of in accordance with State Sanitary Regulations.
- j. Spark arrestors shall be installed on chimneys. The roofs of all buildings shall be kept clear of leaves and other inflammable material. All heating systems shall be so installed as to eliminate the danger of fire therefrom.
- k. Camp fires are prohibited except in prepared fireplaces which have been approved by the Forest Supervisor or his representatives.
- l. In landscaping, the desire is to preserve the natural forest conditions to the fullest extent possible. Tree pruning and clearance will be held to the minimum. Walks should be gravel or native stone; and the use of painted or white-washed rocks or trees and other types of "decorations" foreign to the natural environment avoided.
- m. No rental units permitted; each forest lot is limited to one single-family residence, guest house, barns, etc.
- n. No business will be permitted.
- o. No house trailers permitted, except lot 4.
- p. Stream frontage will be considered as an easement for the use and enjoyment of all property owners residing within the 160 acres of the original BONITA CREEK HOMESTEAD. Fencing off or obstructing the use of Bonita Creek, to deny the use of the waters or stream banks for lawful fishing for those owners stipulated herein is prohibited.

9. No clothes lines, washing machines or other appliances may be maintained in front of dwelling houses.

10. No noxious or offensive activity shall be carried on upon any lot. No servicing, repairing, storing, buying, selling or commercial business of any nature shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the community.

11. All corral fences and fences surrounding said lot areas shall be of woven wire, pipe or wood material, and kept in good repair at all times.

12. No billboards or advertising signs of any character shall be erected, placed, permitted or maintained on any lot or on any building erected thereon, other than one sign not larger than 12" by 18" indicating that the property is for sale or for rent, with wording limited to "For Sale" or "For Rent", and the name and address and telephone number of the owner or agent, and the words "Inquire Within"; provided, however, that the subdividers and their agents may erect and maintain signs advertising for the sale of lots in said subdivision.

13. It is expressly understood and agreed that the said BONITA CREEK has been platted and laid out as a choice and attractive residential district; and that these covenants and restrictions are made for the benefit of the lots herein described; and are to run with the land and shall insure to the benefit of and be binding on all of said lots until January 1, 1990; at which time such covenants shall be automatically extended for successive periods of five years each, unless by a majority vote of the then individual property owners it is agreed to change the said covenants in whole or in part.

14. If any person shall violate or attempt to violate any of the covenants or restrictions herein before January 1, 1990, or such time later as may be set up by the provisions of the paragraph preceding this one, it shall be lawful for any person or persons owning any other lots in said development or subdivision to prosecute any proceedings at law or in equity against the person or persons violating or attempting to violate any such covenants or restrictions and either to prevent him or them from so doing or to recover damages or their due for such violation.

15. The failure of any landowner or the subdivider to enforce any restrictions, conditions, covenant or agreement herein contained shall in no event be deemed a waiver of the right to do so thereafter as to the same breach or as to one occurring prior or subsequent thereto, nor shall such failure give rise to any claim or cause of action against the subdivider or such landowner. Violation of any one or more of such covenants may be restrained by any court of competent jurisdiction, and damages awarded against such violator, provided, however, that a violation of these restrictive covenants, or any one 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.

16. The Company shall have the right to transfer to any other corporation, person or partnership all of its rights and obligations hereunder. Upon such transfer and the assumption of such obligations by the transferee, the Company shall have no further obligations hereunder.

17. Should any of the covenants or stipulations hereing be held invalid or void, such invalidity or voidness of any of the covenants shall not affect the rest of the instrument or any valid covenants herein contained.

18. The breach of any of the foregoing restrictive cove- nants, conditions and restrictions shall not defeat or render invalid the lien of any mortgage or other encumbrance made in good faith for value as to any lot or portions of lots, but these restrictive covenants, conditions and restrictions shall be binding upon and be effective against any such mortgagee or encumbrance holder, whose title thereto or whose grantor's title is or was acquired by fore- closure, judicial sale or otherwise.

IN WITNESS WHEREOF, TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee, has hereunto caused its corporate seal to be affixed and the name to be attested by the signature of its duly authorized officer this 12th day of September 1969.

TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, as Trustee

By: [Signature] Trust Officer

STATE OF ARIZONA)
County of Maricopa) ss

On this 12th day of September, 1969, before me, the undersigned Notary Public, personally appeared Ernest Durrant who acknowledged himself to be the Trust Officer of TRANSAMERICA TITLE INSURANCE COMPANY OF ARIZONA, an Arizona corporation, as Trustee, and that he as such officer, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing the name of the corporation as Trustee, by himself as such officer.

James C. Franklin
Notary Public



My commission will expire: July 14, 1972

#2.00
2:15
C

323307

Transamerica Title Insurance Company of Arizona

STATE OF ARIZONA, County of Gila, ss:
I do hereby certify that the within instrument was filed and recorded at request of _____
Date Oct. 7, 1969 Time 2:15 P. M., Docket 273 Official Records Page 339
Records of Gila County, Arizona.

WITNESS my hand and official seal the day and year first above written.

INDEXED

DORIS PARKIN, County Recorder

PAGED

By Elizabeth [Signature] Deputy

STATE OF ARIZONA



Office of the
CORPORATION COMMISSION

To all to whom these presents shall come, greeting:

I, Jack Rose, Executive Secretary of the Arizona Corporation Commission, do hereby certify that

*****BONITA CREEK LAND AND HOMEOWNER'S ASSOCIATION*****

a domestic corporation organized under the laws of the state of Arizona, did incorporate on October 3, 1990.

I further certify that this corporation has filed all affidavits and annual reports and paid all filing fees required to date and, therefore, is in good standing in this state.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the Arizona Corporation Commission. Done at Phoenix, the Capitol, this 7th day of October, 1998, A. D.



Jack Rose
Executive Secretary

BY: *John A. Reilly*



Bonita Creek

February 18, 1992

Arizona Corporation Commission
Docket Control
1200 West Washington
Phoenix, Arizona 85005

Re: Water Franchise - Bonita Creek Land & Homeowners' Association

Gentlemen:

Attached is a copy of the Water Franchise ordered by the Corporation Commission. This was ordered under Docket #U-2195-90-355, Decision #57390.

Any further questions relating to this subject will be answered by the undersigned who can be reached by calling 997-9158.

Very truly yours,

William Artwohl
President

116 Cng.
3:45
Q

612491

STATE OF ARIZONA, County of Gila, ss;
I do hereby certify that the within instrument was filed and recorded at request of Gila County Board of Supervisors

Date Feb. 11, 1992 Time 3:20 P. M., Docket 857 Official Records Page 759
Records of Gila County, Arizona.

WITNESS my hand and official seal the day and year first above written.

MARY V. DE PAOLI, County Recorder

MICROFILMED

By Mary V. De Paoli Recorder

Gila County Board of Supervisors Compared

RESOLUTION

NO. 92-2-1

WHEREAS, Rancho Bonita Water Company holds a franchise to operate a community water system in Gila County, Arizona; and

WHEREAS, Rancho Bonita Water Company has requested consent to transfer the Franchise to the BONITA CREEK LAND & HOMEOWNERS' ASSOCIATION; and

WHEREAS, information relating to the proposed transfer has been furnished; and

WHEREAS, after consideration of said request and information, it has been determined that it is appropriate to consent to the proposed transfer.

NOW, THEREFORE, BE IT RESOLVED, That the Gila County Board of Supervisors hereby consents, as requested, to the proposed transfer of the Franchise from Rancho Bonita Water Company to the BONITA CREEK LAND & HOMEOWNERS' ASSOCIATION.

PASSED AND ADOPTED this 3rd day of February, 1992, at Globe, Gila County, Arizona.



GILA COUNTY BOARD OF SUPERVISORS

[Signature]
Chairman

ATTEST:

Rosmary Cliff
Deputy Clerk

BEFORE THE ARIZONA CORPORATION COMMISSION

RUSSELL WILLIAMS
Chairman
CHARLES H. GARLAND
Commissioner
AL FARON
Commissioner

IN THE MATTER OF THE APPLICATION OF UNITED UTILITIES, A CORPORATION, FOR AUTHORITY TO SELL THE PHYSICAL ASSETS AND TRANSFER THE CERTIFICATE OF CONVENIENCE AND NECESSITY IN THE PORTION OF ITS CERTIFICATED AREA, TO PUTMAN-GRAHAM PROPERTIES, A GENERAL PARTNERSHIP, DBA BONITA WATER COMPANY.

DOCKET NO. U-1993 ✓
U-2195 ✓

DECISION NO. 42274

OPINION AND ORDER

BY THE COMMISSION:

The above entitled matter came on for hearing before the Commission on June 8, 1972, in Phoenix, Arizona.

Applicants were represented by Hamilton E. McRae III, attorney, and there was no appearance in opposition to the granting of the application.

From the testimony presented, and the records and files in the matter, the Commission is of the opinion that the granting of the application would be in the public interest.

WHEREFORE, IT IS ORDERED that authority is hereby granted for United Utilities, a corporation, to sell the physical assets and transfer the Certificate of Convenience and Necessity in the portion of its certificated area described as the South Half (S $\frac{1}{2}$) Southeast Quarter (SE $\frac{1}{4}$) and the Northeast Quarter (NE $\frac{1}{4}$) Southeast Quarter (SE $\frac{1}{4}$) of Section 31, and the Northwest Quarter (NW $\frac{1}{4}$) Southwest Quarter (SW $\frac{1}{4}$), Section 32, All in Township 12 North, Range 11 East, G&SRB&M, Gila County, Arizona to Putman-Graham Properties, a general partnership, dba Bonita Water Company.

IT IS FURTHER ORDERED that the rates heretofore approved for United Utilities in this area are hereby approved and shall remain in force and effect for Bonita Water Company, such rates being;

1. Service Charge-No Water Supplied \$5.50
2. Consumption Charge per 1,000 gallons \$.85

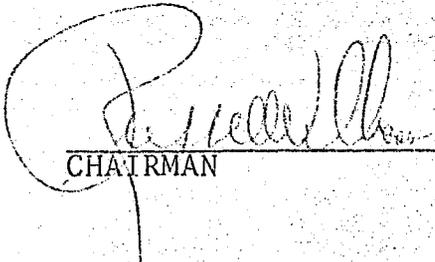
IT IS FURTHER ORDERED that all services shall be metered at the time of the initial connection.

DOCKET NO. U-1993
U-2195

DECISION NO. 42294

Page 2

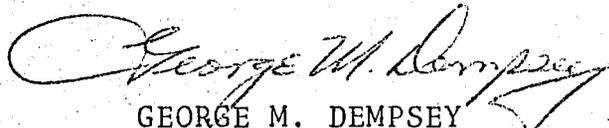
BY ORDER OF THE ARIZONA CORPORATION COMMISSION.


CHAIRMAN


COMMISSIONER


COMMISSIONER

IN WITNESS WHEREOF, I, GEORGE M. DEMPSEY, Executive Secretary of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of this Commission to be affixed, at the Capitol in the City of Phoenix, this 4th day of August, 1972.

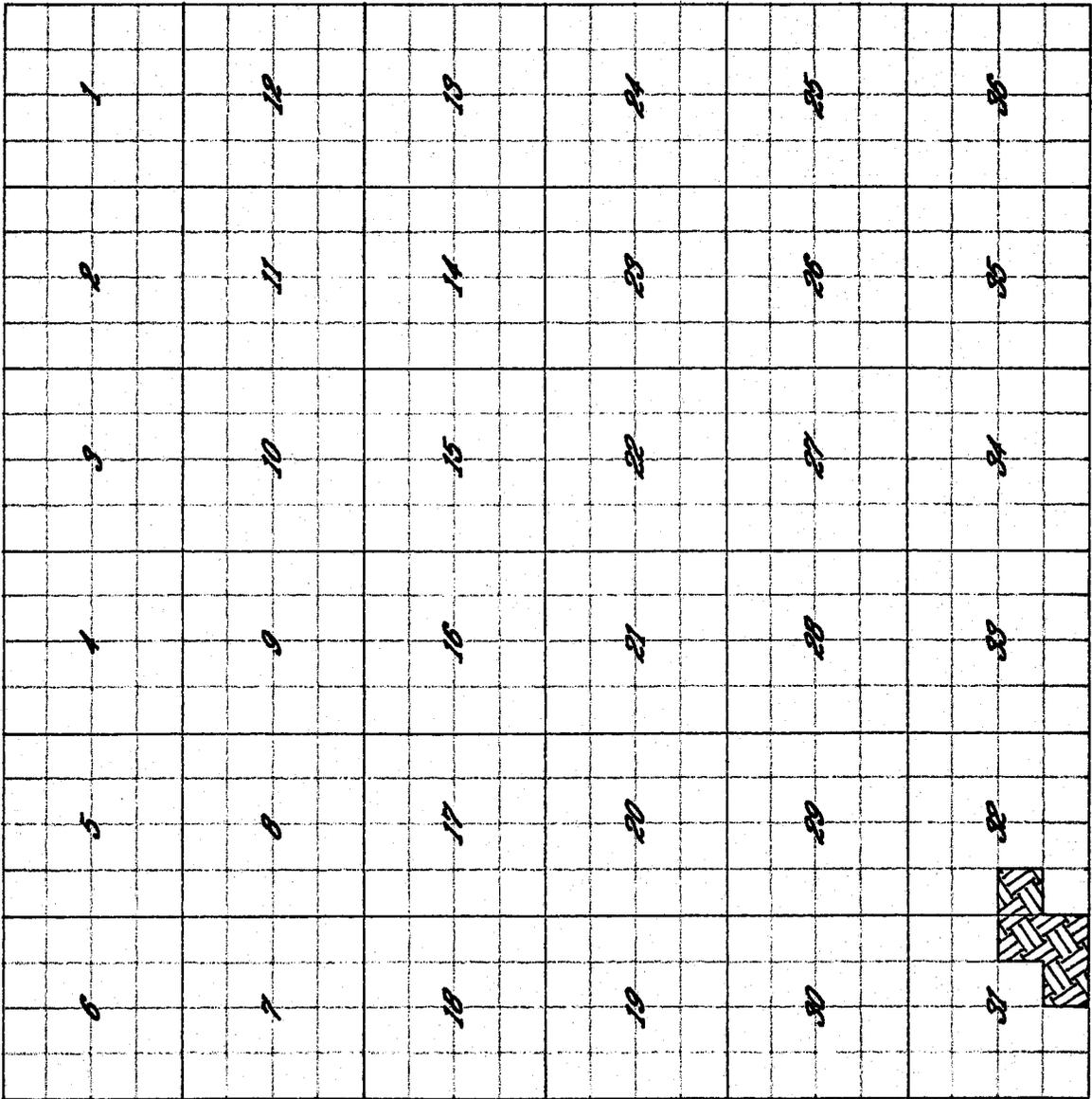

GEORGE M. DEMPSEY
EXECUTIVE SECRETARY

Map No. 23

COUNTY: Gila

RANGE 11 East

TOWNSHIP 12 North



U-2195 (1)
 Bonita Creek Land and
 Homeowner's Association

I agree with changing
the water company from
a Public Utility Company
Non Public Utility Company

Name: W M Ambuster Lot # 314 Date: 9-04-03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.


Signature _____ Lot # Date 17, 18+19

Roger Allen Lot # 314 Date: 9/13/03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.


Signature _____ Lot # Date
Print Name RONALD ALLEN

Lot # 10403

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.


Signature _____ Lot # Date
Print Name Dieter Armbruster

Lot # 9129103

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Carrie S. Bell Lot # 6 BC II Date 8/26/03
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Angie Becker Lot # 5-c Date 8/29/03
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Carrie S. Bell Lot # #30 Date 9/29/03
Signature
Print Name Carrie S. Bell

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Christy Dillmy Lot # 345 Date 9/29/03
Signature
J. Dillmy Lot # Ranch II

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

R. Quinteros Signature
48 Lot #
8/28/03 Date

Paul P. Duff Signature
48 Lot #
8/28/03 Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

[Signature] Signature
29 Lot #
8/27/03 Date

Timm Esque Signature

This vote is required by the Arizona Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Signature
13 Lot #
9-9-03 Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Signature
65 Lot #
8/27/03 Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Mary M. Helson 1-A 8-26-03
Signature Lot # Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

George Graham 55 8/26/03
Signature Lot # Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Jack Helzer BCR lot 44
Signature Lot # Date
Print Name Jack Helzer

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

John Gaudin BCR 8-30-03
Signature Lot # 1 Date

MR. BILL GLAUNSINGER PRES.
I OWN LOTS 13B & 25A & B
WE VOTE IN AFFIRMATIVE;

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Signature: *Bill Glaunsinger*
Lot #: *25A & B*
Date: *10/12/03*

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Signature: *[Signature]*
Lot #: *26A*
Date: *9/10/03*

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Signature: *[Signature]*
Print name: *Jeff Johnson*
Lot #: *11H*
Date: *10/12/03*

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Signature: *[Signature]*
Print Name: *JOHN R. JOHNSON*
Lot # Date: *BCR 2 17B 15/16*

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Robert J. Johnson
Signature
BONITA CREEK #2
Lot #
35
Date
9/11/03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Derry Jossefides
Signature
69
Lot #
Date
8/27/03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Linda Kelly
Signature
3412
Lot #
Date
8-25-03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Howard R Kelly
Signature
64
Lot #
Date
10-8-03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Janey Floor Lot # 17A + 18B Date 8-27-03

Janey Floor
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Nicole Freyger Lot # 5 Date 9-5-03

Nicole Freyger
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of adjudication. Please sign and return this card giving your approval. Thank you.

Sten Roberg Lot # 10 Date 8/1/03

Sten Roberg
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience giving us your approval. Thank you.

J. Bell-Marcik Lot # 40 Date 8/29

J. Bell-Marcik
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of adjudication. Please sign and return this card giving your approval. Thank you.

Robert M. Meek Lot # 51 Date 9/1/03
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Robert M. Meek Lot # 51 Date 9-7-03
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Robert M. Meek Lot # 51 Date 9/1/03
Signature
Print Name Alice & Bob Meek

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Ray Meek Lot # 262 Date 9/3/03
Signature

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of adjudication. Please sign and return this card giving your approval. Thank you.

S. [Signature] Lot # 32 Date 8/24/03

Momentum Partners LLC

This vote is required by the Arizona Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Lot # 21 Date 9/25/03

This This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Lot # 66 Date 8/26/03

Herma Orcutt

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

[Signature] Lot # 116
Print Name TED MOWEN

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Anthony Puzza 38 A Sept 7-03
Signature Lot # Date
Print name Anthony Puzza

This This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Ray Pittman 39 8/26/03
Signature Lot # Date

BC #2

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Anthony Puzza 7 9-1-03
Signature Lot # Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Steven A Pace 17 9/10/03
Signature Lot # Date

This vote is required by the Arizona Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Deerly Smith
Signature
Lot # 21339 Date 9/2/03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Craig Allen Russell
Signature
Lot # 3810903 Date 9/2/03
Print Name CRAIG ALLEN RUSSELL

This This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Kimprea Smith
Signature
Lot # 47 Date 9-3-03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

Steve Smith
Signature
Lot # 13 Date 9/6/03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

John E. Holt Signature
14 Lot #
8-29-03 Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still need to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Denik Spoelman Signature
27008 Lot #
Denik Spoelman Print Name

9-30-03

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

James E. Jump Signature
48 BUR Lot #
9/5/03 Date

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature of approval of the adjudication. Please sign and return this card giving your approval. Thank you.

Susan Tubman Signature
22 Lot #
9/5/03 Date

This vote is required by the Arizona Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

M. Van Dusen Signature
100 Lot #
9/4/63 Date

This vote is required by the Arizona Corp. Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience.

[Signature] Signature
29 AUG. 03 Date
LESTER E. VANGORDER Lot 54
BC 2

This vote is required by the AZ Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication.. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Signature
6 Lot #
8/28/03 Date

This vote is required by the Arizona Corporation Commission in order to adjudicate the Bonita Creek Water Company from a Public Utility Company to a Non Public Utility Company. Allowing us to manage our own rates. Even if you are not a water customer we still have to have your signature to approve the adjudication. Please sign and return this card at your earliest convenience. Thank you.

[Signature] Signature
4 Lot #
9-5-03 Date

BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION
CERTIFICATION

Dated the 25nd day of August, 2003

I certify that the attached is a legal copy of the correspondence sent to each home/property owner in the Bonita Creek Land and Homeowners' Association.

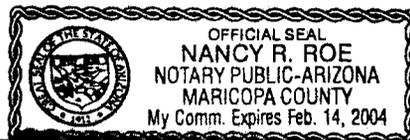
Calista Washburn

Signature
Calista (Lita) Washburn
Secretary

SUBSCRIBED AND SWORN to before me on this 25th day of August, 2003.

Nancy R. Roe

NOTARY PUBLIC



My Commission Expires _____

BONITA CREEK LAND AND HOMEOWNERS' ASSOCIATION
August 23, 2003

ATTACHMENT C

NOTICE TO HOMEOWNERS/PROPERTY OWNERS

The Bonita Creek Land and Homeowners' Association 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, but our members will always be involved in the approval of any rate change decisions. All complaints concerning rates and services 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.

Sincerely,



President
Bonita Creek Board of Directors

Addington, Mike & Cheryl
216 W. Estate Ln
Payson, Az 85541

Affholter, Conrad & Nadedzda
2462 N. 84th St.
Scottsdale, Az 85255

Allen, Roger & Carol
29967 N. Little Leaf Dr.
Queen Creek, Az 85242

Allen, Ronald
1013 N. 74th St.
Scottsdale, Az 85257

Altherr, Pauline
1307 W. Thomas
Phoenix, Az 85013

Armbruster, Dieter & Charlotte
4517 S. Kachina
Tempe, Az 85283

Arnold, Byron Jr.
4118 W. Whitton
Phoenix, Az 85013

Arnold, Byron Jr. & Gunter,
Jeffrey M.
4118 W. Whitton
Phoenix, Az 85013

Arnold, Byron, Arnold, Joe, & Austin,
Margaret
3815 Berridge Ln.,
Paradise, Valley, Az 85253

Artwohl, Bill & Mary-Jo
10446 82nd Place
Scottsdale, Az 85258

Austin, R. & Daily, Anne
8406 Whiterose Court
College Station, Tx 77845

Becher, Gay & Robin
238 N. Nielson St
Gilbert, Az 85234

Bell, Moe & Carrie
8572 E. San Felipe
Scottsdale, Az 85258

Bilbrey, Paul & Christy
24440 N. 53rd Ave.
Glendale, Az 85310

Brown, William & Martha
2164 W. Eugie
Phoenix, Az 85029

Conant, Mark
3926 W. Cresthaven Dr.
Westlake Village, Ca 91362

Dean, Donald
511 E. Oregon
Phoenix, Az 85012

Dunn, Linda & Chancey
1531 N. Northshore Dr.
Tempe, Az 85283

Ellis, Robert & Pamela
7025 N. Siena Dr.
Tucson, Az 85704

Esque, Timm & Shelly
1443 E Colt Rd.
Tempe, Az 85284

Fairbank, Gerald & Nancy
10739 Oxbow Dr.
Dewey, Az 85327

Fiedler properties, LLC
16242 E. Meadow View Dr.
Gilbert, Az 85297

Field, Stan
1292 N. McKemy
Chandler, Az 85226

Fink, Richard & Sandra
2141 E. Lawrence Dr.
Phoenix, Az 85016

Gervasio, Joseph
7639 N. 22nd St.
Phoenix, Az 85020

Gibson, T.
3095 W. Mcdowell
Apache Junction, Az 85220

Gilson, Mark & Mary
2580 W. Highland Ct.
Chandler, Az 85284

Glaunsinger, William & Lorna
HC 7 Box 271
Payson, Az 85541

Glenn, Brelice Les, Mary, Brelice
Leon, & Jesse
4138 N. 31st St.
Phoenix, Az 85017

Goulette, John
HC3 Box 276K
Payson, Az 85541

Graham, George
1638 W. Nido
Mesa, AZ 85202

Graham, Gerald & Fredna
318 W. Moon Valley Dr.
Phoenix, Az 85023

Grahmann, James & Julie
3311 W. Ironwood Dr.
Chandler kAz 85226

Helzer, Jack & Suzanne
1650 W. Ironwood Dr.
Chandler Az 85224

Hounihan, Jerome D. & Elizabeth A.
4208 E. Wilshire Dr.
Phoenix, Az 850

Hull, Jess & Patricia
7218 N. 2nd St.
Phoenix Az 85226

Ichida, Nozumu & Ginny
HC7 Box 276-E
Payson, AZ 85541

Jacquemart, Cynthia &
Larmer, Sherri
910 W. Butler
Phoenix, Az 85044

Joaquim, Jeffrey & Kathleen
4302 E. Redfield Rd.
Phoenix, Az 85032

Johnson, Abia & Irene
919 E. Aire Libre
Phoenix, Az 85022

Johnson, John & Meredith
5903 W. Manzanita Ct.
Chandler, Az 85336

Johnson, Robert & Patricia
P.O. Box 1113
Payson, Az 85541

Jossefides, Derry & Vivian
16625 S. 38th St..
Phoenix, Az 85044

Kelley, David and Linda
1605 W. Barrow Dr.
Chandler Az 85226

Kelly, Howard & Patricia
5500 N. Ranger Rd.
Prescott, Valley, Az 86314

Kenzik, Phillis; Graves, Dwayne &
Selmar, Janice
1007 S. Palamino Cir.
Payson, Az 85541

King, Deborah
6035 E. Pershing Ave.
Scottsdale, Az 85254
*12250 N 26th Way
Phoenix Az 85032-7010*

Kloos, Leonard & Nancy
4226 E Sheena Dr.
Phoenix, Az 85017

Knapp, Brian & Joseph
7457 E. Glenn Moor Rd.
Scottsdale, Az 85255

Kohlhoff, Karl & Joan
1863 W. San Angelo St.
Gilbert, Az 85223

Krueger, Reinhard & Diane
1124 W. North View
Phoenix, Az 85021

Lara, Jose & Mercy
6440 W. Thomas Rd.
Phoenix, Az 85033

Lawrence Investments, LLC
2715 E. North Ln
Phoenix, Az 85028

Legge, Gretchen
3138 E. Golden Vista
Phoenix, Az 85028

Lockerby, Steven & Shelly
334 E. Page Ave
Gilbert, Az 85234

MacKenzie, Franklin & Nancy
8021 E. Carol Way
Scottsdale, Az 85258

Marovich, William; & Bell, Kristine
1512 W. Posada Ave.
Mesa, kAz 85202

Martin, Ronald & Leap, Richard
1067 W. Palmcroft Dr.
Yuma, Az 85364

Mason, Michael & Deanna
111 N. Senate St.
Chandler, Az 85225

* Mattingly, Phil & Linda
HC7 Box 281
Payson Az 85541

McRae, Hamilton & Betty
c/o Republic Companies
11811 N. Tatum Blvd, Suite 1005
Phoenix Az 85028

Meek, Bob & Alice
10129 W. Thunderbird Blvd
Sun City, Az 85351

Moen, Brad & Dee
4421 W. Acoma Dr.
Glendale, Az 853

Mohr, Gary
5545 W. Soft Wind Dr.
Glendale, Az 85310

Monte, Roderick
205 E. Phoenix St.
Payson, Az 85541

Montoya, Paul & Lynn
356 Santa Ana Rd.
Bernalillo, NM 87004

Moore, Ted & Melissa
10403 N. 38th St.
Phoenix, Az 85028

Mullen, Ted and Diann
10000 N. 55th Way
Scottsdale, Az 85253

Murrietta, Humberto & Esther
11028 W. Devonshire Ave.
Phoenix, Az 85037

Muylaert, Neal & Cynthia
1729 S. Val Vista Rd.
Apache Junction, Az 85219

Newsome, Robert
7125 E. Apache Trail
Mesa, Az 85207

Nobel, Neil & Gayle
1538 E. Acoma Dr.
Phoenix, Az 85022

Nowell, Frances L.
Frances L. Nowell, Trustee
Harris Trust C. of Az
6720 N. Scottsdale Rd. Suite 111
Scottsdale, Az 85253

Orcutt, Herman & Kathleen
512 W. El Caminito Dr.
Phoenix, Az 85021

Pelligrino, Robert & Ann
321 County Rte. 6
Phoenix, NY 13135

Piazza, Anthony & Lisa
9082 E. Paradise Dr.
Scottsdale, Az 85260

Putman, Harry & Joan
8771 W. Echo Ln
Peoria, Az 85345

Robertson, Vi
HC7 Box 282
Payson, Az 85541

Rose, Steve & Sandy
1547 W. Juanita Circle
Mesa, Az 85202

Russell, Beverly
P.O. Box 965
Payson, Az 85547

Rychener, Tom & Janet
2126 E. Evans Dr.
Phoenix, Az 85022

Semon, Vernon & Nora
545 W. Palo Verde Dr.
Phoenix, Az 85013

Sibert, James & Ruby
HCR Box 276A
Payson, Az 845541

Simon, Fred & Diance
4431 E. Turney
Phoenix, Az 85018

Smick, Winfrid
5960 E. Julep St.
Mesa, Az 85205

Smith, Irene
HC7 Box 271-C
Payson, AZ 85541

* Soto, Jesus & Linda
HC7 Box 276 G
Payson, Az 85541

The Majestic Company
C/O Carol Moore
P.O. Box 2495
Show Low, AZ 85902

Tubman, Susan
70 San Siemeon Place'
Rancho Mirage, Ca 92270

Vanderwerf, Russel
P.O. Box 650
Ada, Mi

VanDrunen, Mark & Leslea
8815 W. Betty Elyse Ln.
Peoria, AZ 85382

Vangorder, Larry & Ruth C/O Lester
299 Park Ave.
Satellite Beach, Fl 32937

Vasquez, John & Ida
3818 E. HAZelwood
Phoenix, AZ 85018

Viezens, Harry L. & Marcia L.
HC7 Box 274
Payson, AZ 85541

Voss, Karl
8225 E. Clarendon Ave
Scottsdale, AZ 85251

Warner, Doyle & Deanna
P.O. Box 31217
Phoenix, AZ 85046

Washburn, Frederick & Calista
HC7 Box 271E
Payson, AZ 85541

Weber, Siegfried & Karen
7192 E.. Thirsty Cactus Ln. Dr.
Scottsdale, AZ 85262

Wong, Harry
4618 W. Berridge
Glendale, AZ 85301

Momentum Partners, LLC
745 N. Gilbert Road
Suite 124-191
Gilbert, AZ 85234

Moser, Clay & Belle
1209 S. Hall
Mesa, AZ 85204

Tom Weidmann & Jerri Jennings
4405 W. Butterwood Dr.
Glendale, AZ 85310

Tim Washburn Lot 9

Attachment 7

**Gila County Assessor Parcel Numbers for Lots Served within the
Bonita Creek Land and Homeowners' Association Water Service Area**

Parcel #	Street #	Pre Dir	Street Name	Street Type	Name 1	Name 2	C/O	Address 2	City	State	Zip Code
30209002					LEGGE LAURA LEE TRUSTEE	LEGGE GRETCHEN J FAMILY TRUST		4242 E CACTUS RD APT #327	PHOENIX	AZ	85032
30209003					MOORE TED W & MELISSA L		C/O MICHAEL MOORE	116 E COUNTRY GABLES DR	PHOENIX	AZ	85022
30209005A	352	N	MYRTLE POINT	TRL	WARNER DOYLE KEITH & DEANNA KAY TRSTES	WARNER D & D TRUST		352 N MYRTLE POINT TRL	PAYSON	AZ	85541
30209006					GRAHMANN JAMES W & JULIE A TRUSTEES	GRAHMANN TRUST		3311 W IRONWOOD DR	CHANDLER	AZ	85226
30209007	416	N	MYRTLE POINT	TRL	VIEZENS HARRY L & MARCIA L TRSTE/TRST			416 N MYRTLE POINT TRL	PAYSON	AZ	85541
30209008	428	N	MYRTLE POINT	TRL	ROSE STEVEN A & SANDRA I			1649 E SHARON DR	PHOENIX	AZ	85022
30209009	442	N	MYRTLE POINT	TRL	FEDERAL HOME LOAN MORTGAGE CORP		C/O JPMORGAN CHASE BANK	3415 VISION DR	COLUMBUS	OH	43219
30209010	488	N	MYRTLE POINT	TRL	CFS HOLDINGS LLC			22432 N 49TH PL	PHOENIX	AZ	85054
30209011	506	N	MYRTLE POINT	TRL	ALDERETE DAVID L & OLIVIA J			3945 E JUNE ST	MESA	AZ	85205
30209012					HICKS ROBERT R & NICOLE			3286 E FRUITVALE	GILBERT	AZ	85297
30209013					ELLIS ROBERT K & PAMELA K			8241 E CRESTWOOD DR	TUCSON	AZ	85750
30209014	136	E	HOOT OWL	TRL	LYNCH MICHAEL W & RENEE TRUSTEES	LYNCH FAMILY TRUST		136 E HOOT OWL TRAIL	PAYSON	AZ	85541
30209015					ARTWOHL WILLIAM & MARY-JO F			10446 N 82ND PL	SCOTTSDALE	AZ	85258
30209016					ARTWOHL WILLIAM & MARY-JO			10446 N 82 PL	SCOTTSDALE	AZ	85258
30209017					MURRIETTA HUMBERTO C & ESTHER O			11028 W DEVONSHIRE AVE	PHOENIX	AZ	85037
30209018	188	E	HOOT OWL	TRL	EIKERMANN VICKI LYNN			188 E HOOT OWL TRL	PAYSON	AZ	85541
30209019	188	E	HOOT OWL	TRL	ALLEN ROGER			4550 E ALAMO ST	SAN TAN VALLEY	AZ	85140
30209020	196	E	HOOT OWL	TRL	ALLEN ROGER			4550 E ALAMO ST	SAN TAN VALLEY	AZ	85140
30209021			COUES DEER	LN	POLANSKI CLIFF & DIANA L			2217 W SIERRA ST	PHOENIX	AZ	85029
30209022	199	E	COUES DEER	LN	LYNCH MARK J & LORI E			PO BOX 4632	SAN DIMAS	CA	91773
30209023					MEEK ROBERT C & ALICE M			14032 NEWCASTLE DR	SUN CITY	AZ	85351
30209024	177	E	COUES DEER	LN	MEEK ROBERT C & ALICE M			14032 NEWCASTLE DR	SUN CITY	AZ	85351
30209025	161	E	COUES DEER	LN	CANEZ FRANK L & LETICIA I			2806 N 34TH ST	PHOENIX	AZ	85008
30209026	149	E	COUES DEER	LN	ARTWOHL WILLIAM & MARY JOE			10446 N 82ND PL	SCOTTSDALE	AZ	85258
30209027	126	E	COUES DEER	LN	ARTWOHL WILLIAM & MARY JO			10446 N 82ND PL	SCOTTSDALE	AZ	85258
30209028					CFS HOLDINGS LLC 401K PLAN			22432 N 49TH PL	PHOENIX	AZ	85054
30209029					ESQUE TIMM J & SHELLY M TRUSTEES	ESQUE TIMM & SHELLY FAMILY TRUST		1443 E COLT RD	TEMPE	AZ	85284
30209030	132	E	COUES DEER	LN	ESQUE TIMM J & SHELLY M TRUSTEES	ESQUE TIMM & SHELLY FAMILY TRUST		1443 E COLT RD	TEMPE	AZ	85284
30209031A	164	E	COUES DEER	LN	BELL MARVIN M & CARRIE S TRSTES	MM & CS BELL TRST		8669 E TURQUOISE AVE	SCOTTSDALE	AZ	85258
30209032					JENNINGS JERRI TRUSTEE/TRUST			30746 N 137TH LN	PEORIA	AZ	85383
30209033	190	E	COUES DEER	LN	PK ROMA LLC			13794 W WADDELL RD STE 203-101	SURPRISE	AZ	85379
30209036B	544	N	MYRTLE POINT	TRL	KOHLHOFF KARL F & JOAN M TRUSTEES	KOHLHOFF FAMILY TRUST		1863 W SAN ANGELO ST	GILBERT	AZ	85233
30209036G					SUKENIK STEVEN R TRUSTEE	SUKENIK TRUST		574 RIVERSHIRE PL	LINCOLNSHIRE	IL	60069
30209036H	297	E	COUES DEER	LN	ICHIDA NOZOMU & GINNY			297 E COUES DEER LN	PAYSON	AZ	85541
30209036N					ICHIDA NOZOMU & GINNY			297 N COUES DEED LN	PAYSON	AZ	85541
30209036P	231	E	COUES DEER	LN	POLANSKI CLIFF & DIANA L			2217 W SIERRA ST	PHOENIX	AZ	85029
30209037					KOHLHOFF KARL F & JOAN M TRUSTEES	KOHLHOFF FAMILY TRUST		1863 W SAN ANGELO ST	GILBERT	AZ	85233
30209038					CONANT MARK E			3926 W CRESTHAVEN DR	WESTLAKE VILLAGE	CA	91362
30209039	636	N	MYRTLE POINT	TRL	MCRAE HAMILTON E III & BETTY H			PO BOX 87420	PHOENIX	AZ	85080
30209040B					EASTMAN TODD			1204 E MALIBU DR	TEMPE	AZ	85282
30209040C					EASTMAN TODD			1204 E MALIBU DR	TEMPE	AZ	85282
30210001	389	W	BURNT POINT	TRL	GOULETTE IRVING J TRUSTEES/TRUST			389 W BURNT POINT TRL	PAYSON	AZ	85541
30210003B					SEMON CABIN LLC			7016 N 10TH AVE	PHOENIX	AZ	85021
30210003D	355		BURNT POINT	TRL	ROBERTSON DON C & LUCKE ANNE J TRUSTEES	ROBERTSON LUCKE TRUST		7302 W GROVERS AVE	GLENDALE	AZ	85308
30210003E					MACKENZIE FRANKLIN F & NANCY K TRUSTEES	KASE TRUST		1403 SUTERLAND RD	CARY	NC	27511
30210004	318	W	BURNT POINT	TRL	SEMON CABIN LLC			7016 N 10TH AVE	PHOENIX	AZ	85021
30210005A					ARTWOHL WILLIAM JR & MARY JO			10446 N 82ND PL	SCOTTSDALE	AZ	85258

Parcel #	Street #	Pre Dir	Street Name	Street Type	Name 1	Name 2	C/O	Address 2	City	State	Zip Code
3021005B					ARTWOHL WILLIAM JR & MARY JO			10446 N 82ND PL	SCOTTSDALE	AZ	85258
3021006A					ARTWOHL WILLIAM & MARY-JO F			10446 N 82ND PL	SCOTTSDALE	AZ	85258
3021006B	275		BURNT POINT	TRL	MOSER CLAY A			945 E GLENCOVE ST	MESA	AZ	85203
30210007					SEMON DUANE & SHERI			6846 N 11TH AVE	PHOENIX	AZ	85013
30210008	258	W	BURNT POINT	TRL	BORDUIN VIRGINIA			3425 N CAMINO DE VISTA	TUCSON	AZ	85745
30210010A	256	W	BURNT POINT	TRL	CASTRO FELIPE DE JESUS & REBECCA			7246 W WIER AVE	PHOENIX	AZ	85043
30210010B					MULLEN TED OSCAR II & DIANN L			5518 E SEVEN PALMS DR	CAVE CREEK	AZ	85331
30210010C	112	N	BIG ALS RUN		NAGY KENNETH A & PATRICIA A			112 N BIG AL'S RUN	PAYSON	AZ	85541
30210011F	244	W	BURNT POINT	TRL	MULLEN TED O & DIANN L			5518 E SEVEN PALMS DR	CAVE CREEK	AZ	85331
30210011G	228	W	BURNT PT	TRL	MULLEN TED O & DIANN L			5518 E SEVEN PALMS DR	CAVE CREEK	AZ	85331
30210011H	208	W	BURNT POINT	TRL	JOAQUIM JEFFREY P & KATHLEEN M			4302 E REDFIELD RD	PHOENIX	AZ	85032
30210011J					ALTHERR LAWANDA TRUSTEE	ALTHERR TRUST		10011 W KINGSWOOD CIR	SUN CITY	AZ	85351
30210012	304	N	BONITA CREEK	RD	ROBERTSON VIOLA I TRUSTEE	ROBERTSON TRUST		6614 W BLOOMFIELD RD	GLENDALE	AZ	85304
30210012	304	N	BONITA CREEK	RD	HARDY CHARLOTTE GAY & JAMES HERBERT			6614 W BLOOMFIELD	GLENDALE	AZ	85304
30210013	166	N	MYRTLE POINT	TRL	ESCOBEDO BONITA SUCCESSOR TRUSTEE	SUMPTER TRUST		166 N MYRTLE POINT TRL	PAYSON	AZ	85541
3021001B	135	N	BIG ALS RUN		GILSON MARK R & MARY M TRUSTEES	GILSON TRUST		2580 W HIGHLAND CT	CHANDLER	AZ	85224
30211001C					GUNTER JEFFREY M 1/2	KNAPP JEFF 1/2		4118 W WHITTON	PHOENIX	AZ	85019
30211002					ALTHERR LAWANDA TRUSTEE	ALTHERR TRUST		10011 W KINGSWOOD CIR	SUN CITY	AZ	85351
30211004A	112	W	BURNT POINT	TRL	NORTH DARIN BLANE OR	NORTH II DAVID ROY		205 S CANPAR WAY	PAYSON	AZ	85541
30211004A	112	W	BURNT POINT	TRL	NORTH DARIN BLANE OR	NORTH II DAVID ROY		205 S CANPAR WAY	PAYSON	AZ	85541
30211004A	112	W	BURNT POINT	TRL	NORTH DARIN & STACY			205 S CANPAR WY	PAYSON	AZ	85541
30211005	123	W	BURNT POINT	TRL	KNAPP JOSEPH E & KRISTINE M TRUSTEES	KNAPP JOSEPH & KRISTINE TRUST		2085 S PORTER ST	GILBERT	AZ	85295
30211006					DEMURO SUSAN A			4118 W WHITTON	PHOENIX	AZ	85019
30211007					ALLING JACQUELINE R & ROBERT E			5535 N 19TH ST	PHOENIX	AZ	85016
30211008					MOORE TED W & MELISSA L		C/O MICHAEL MOORE	116 E COUNTRY GABLES DR	PHOENIX	AZ	85022
30211009					BENKOWSKI PATRICK D & LINDA M TRUSTEES	BENKOWSKI TRUST		15634 E CENTIPEDE DR	FOUNTAIN HILLS	AZ	85268
30211010A					MONTANO DAISY P			906 E PIERCE	PHOENIX	AZ	85006
30211010B					ARNOLD JOE WARREN TRUSTEE	JOE ARNOLD TRUST 1/3					
30211010B					AUSTIN ARNOLD MARGARET 1/3			4712 E FLOWER ST	PHOENIX	AZ	85018
30211010B					ARNOLD BYRON TAFT JR TRUSTEE	BYRON TAFT TRUST 1/3		4118 W WHILTON	PHOENIX	AZ	85019
30211011					ARNOLD JOE WARREN TRUSTEE	JOE ARNOLD TRUST 1/3		4712 E FLOWER ST	PHOENIX	AZ	85018
30211011					AUSTIN ARNOLD MARGARET 1/3			4712 E FLOWER ST	PHOENIX	AZ	85018
30211011					ARNOLD BYRON TAFT JR TRUSTEE	BYRON TAFT TRUST 1/3		4118 W WHILTON	PHOENIX	AZ	85019
30211013F	271	N	MYRTLE POINT	TRL	KELLEY DAVE & LINDA			1605 W BARROW DRIVE	CHANDLER	AZ	85224
30211014					HULL PATRICIA A TRUSTEE	HULL TRUST		5311 E DECATUR ST	MESA	AZ	85205
30211015	265	N	MYRTLE POINT	TRL	FIELD STANISLAUS EUGENE TRUSTEE	FIELD FAMILY TRUST		5131 E PARADISE LN	SCOTTSDALE	AZ	85254
30211015	265	N	MYRTLE POINT TRL		FIELD STANISLAUS EUGENE TRUSTEE	FIELD FAMILY TRUST		5131 E PARADISE LN	SCOTTSDALE	AZ	85254
30211016	257	N	MYRTLE POINT	TRL	SOTO JESUS C & LINDA E TRUSTEES/TRUST			257 N MYRTLE POINT TRL	PAYSON	AZ	85541
30211017C	189	N	MYRTLE PT	TRL	JOHNSON JOHN L & MEREDITH K			42706 W KINGFISHER DR	MARICOPA	AZ	85138
30211019A	177	N	MYRTLE POINT	TRL	KLOOS LEONARD E & NANCY V TRUSTEES/TRUST			4226 E SHEENA DR	PHOENIX	AZ	85032
30211019B					JOHNSON JOHN L & MEREDITH K			42706 W KINGFISHER DR	MARICOPA	AZ	85138
30211020A					BURBANK KEVIN & LEANN			17224 N 31ST DR	PHOENIX	AZ	85053
30211020B					KLOOS LEONARD E & NANCY V TRUSTEES/TRUST			4226 E SHEENA DR	PHOENIX	AZ	85032
30211021D					WHISPERING PINES FIRE DEPARTMENT			10603 N HOUSTON MESA RD	PAYSON	AZ	85541
30211021E	121	N	MYRTLE POINT	TRL	DRISCOLL LANCE			1343 E GLADE CIR	MESA	AZ	85204
30211022	664	E	ANTELOPE	TRL	ARMBRUSTER DIETER & CHARLOTTE			4517 S KACHINA DR	TEMPE	AZ	85282
30211023					DUNN LINDA JEAN TRUSTEE	DUNN TRUST		491 COCHRAN DR	CROWN POINT	IN	46307

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30211024					TUBMAN SUSAN S			70 SAN SIMEON PLACE	RANCHO MIRAGE	CA	92270
30211025A	182	N	ROCKING HORSE BEND		LENZ CHAD & REBECCA C			BOX 731	CAROLINE ALBERTA		
30211025B					FUGGER MARK A & SUSAN M			2563 S SALIDA DEL SOL	MESA	AZ	85202
30211026A					FUGGER MARK A & SUSAN M			2563 S SALIDA DEL SOL	MESA	AZ	85202
30211026B					CRUBAUGH LAURIE M &	CRUBAUGH JAMES & TARA		2839 E MALLORY ST	MESA	AZ	85213
30211027A					HULL PATRICIA A TRUSTEE	HULL TRUST		5311 E DECATUR ST	MESA	AZ	85205
30211027B					HULL PATRICIA A TRUSTEE	HULL TRUST		5311 E DECATUR ST	MESA	AZ	85205
30211028					MOHR GARY ALLEN TRUSTEE AND	MOHR ROBIN GAY OPEL - TRUSTEE		5545 W SOFT WIND DR	GLENDALE	AZ	85310
30211029					SPOELMAN BARBARA			7652 W WILLETTA ST	MESA	AZ	85207
30211030					SPOELMAN DERRIK			3810 DELWOOD PL	ANCHORAGE	AK	99504
30211031					MIELKE CHRISTOPHER V			8331 N 85TH PLACE	SCOTTSDALE	AZ	85258
30211032A					YATES RANDY E & TERESA L TRUSTEES	YATES TRUST		4038 E HOLMES AVE	MESA	AZ	85206
30211032B					MIELKE CHRISTOPHER V			8331 N 85TH PL	SCOTTSDALE	AZ	85258
30211033A					DEAN DONALD D			511 E OREGON	PHOENIX	AZ	85012
30211033B					DEAN DONALD D			511 E OREGON	PHOENIX	AZ	85012
30211034C	195	N	ROCKING HORSE BEND		WRIGHT RANDY L & KRISTIE L TRUSTEES	RW/KW TRUST		14646 S 4TH DRIVE	PHOENIX	AZ	85045
30211035D	185	N	ROCKING HORSE BEND		W H AKINS COMPANY LLC			3108 S HANSEN CIR	TEMPE	AZ	85282
30211036A	175	N	ROCKING HORSE	BEND	YARISH MARK V & DIANE MARIE			4042 E COLUMBINE DR	PHOENIX	AZ	85032
30211037	167	N	ROCKING HORSE BEND		JOHNSON ROBERT E & PATRICIA W			167 ROCKING HORSE BEND	PAYSON	AZ	85541
30211038					RYCHENER TOM & JANET			2126 E EVANS DR	PHOENIX	AZ	85022
30211039					RYCHENER TOM & JANET			2126 E EVANS DR	PHOENIX	AZ	85022
30211040	760	E	ANTELOPE	TRL	LANGDON PATRICK			109 BREEZE AVE APT 7	VENICE	CA	90291
30211041					FOGEL VALERIE			17305 E TEAL DR	FOUNTAIN HILLS	AZ	85268
30211042A	39		BONITA CREEK RANCH		FOGEL VALERIE			17305 E TEAL DR	FOUNTAIN HILLS	AZ	85268
30211042B					YORK TODD A & JILL R			1008 MAPLEWOOD DR	DELANO	MN	55328
30211043					ALLEN RONALD L			1013 N 74TH ST	SCOTTSDALE	AZ	85257
30211044A					ALAALDIN HAMDI K & PAM K			322 W INDIGO DR	CHANDLER	AZ	85248
30211048					ESCOBEDO BONITA SUCCESSOR TRUSTEE	SUMPTER TRUST		166 N MYRTLE POINT TRL	PAYSON	AZ	85541
30273001	405		BIG ALS RUN		GRAHAM THOMAS G & REGINA S			64912 E CALLE ROSALINDA	TUCSON	AZ	85739
30273002					VASQUEZ JOHN M			2742 N WILSON AVE	TUCSON	AZ	85719
30273003					LAWRENCE PROPERTIES			2715 E NORTH LN	PHOENIX	AZ	85028
30273004					LAWRENCE PROPERTIES			2715 E NORTH LN	PHOENIX	AZ	85028
30273005	355	N	BIG ALS RUN		DISILVESTRO KYLE & STEPHANIE			355 N BIG ALS RUN	PAYSON	AZ	85541
30273006A	333	N	BIG ALS RUN		STALEY TINA COOLEY			450 N CHASE CRT	CHANDLER	AZ	85225
30273008	301	N	BIG ALS RUN		MAROVICH WILLIAM D &	BELL KRISTINE J		301 N BIG AL'S RUN	PAYSON	AZ	85541
30273009					GERVASIO JOSEPH A TRUSTEE	GERVASIO REVOCABLE FAMILY TRUST		7639 N 22ND ST	PHOENIX	AZ	85020
30273010	259	N	BIG ALS RUN		NEWSOME ROBERT L & EVELYN M TRUSTEES	NEWSOME REVOCABLE LIVING TRUST		2597 E SWIFT TRL	SAFFORD	AZ	85546
30273011	251	N	BIG ALS RUN		GLAUNSINGER WILLIAM S & LORNA STULEN-	GLAUNSINGER TRUST		480 N BIG ALS RUN	PAYSON	AZ	85541
30273012	215	N	BIG ALS RUN		HELZER JACK W & SUZANNE M TRSTE/TRST			1650 W IRONWOOD DR	CHANDLER	AZ	85224
30273013					LAWRENCE PROPERTIES			2715 E NORTH LN	PHOENIX	AZ	85028
30273014					GLAUNSINGER WILLIAM S AND	STULEN-GLAUNSINGER LORNA TRUSTEE		480 N BIG ALS RUN	PAYSON	AZ	85541
30273014	LT 46		BIG ALS RUN		WHISPERING PINES FIRE DEPARTMENT			10603 N HOUSTON MESA RD	PAYSON	AZ	85541
30273015					SMICK WINIFRED M TRUSTEE	SMICK TRUST		5960 E JULEP ST	MESA	AZ	85205
30273016					DAILY R AUSTIN & ANN P			8406 WHITEROSE COURT	COLLEGE STATION	TX	77845
30273017					LAWRENCE PROPERTIES			2715 E NORTH LN	PHOENIX	AZ	85028
30273018					GIBSON T J			PO BOX 2060	TAYLOR	AZ	85939
30273019	447	N	BIG ALS RUN		SILVA JAIME & SHARON M			447 N BIG ALS RUN	PAYSON	AZ	85541

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30273020					SIMON FRED VEIT III & DIANE LOUISE			4432 E TURNEY	PHOENIX	AZ	85018
30273021					VANDERWERF RUSSEL M TRSTE/TRST			PO BOX 2321	ARLINGTON	VA	22202
30273022					SNYDER SCOTT L			2733 N POWER RD STE 102 #500	MESA	AZ	85215
30273023	437		BIG ALS RUN		GRAHAM GEORGE A & JEANELL TRUSTEES	GRAHAM TRUST		1638 W NIDO AVE	MESA	AZ	85202
30273024					GRAHAM GEORGE A & JEANELL TRUSTEES	GRAHAM TRUST		1638 W NIDO	MESA	AZ	85202
30273025	419	N	BIG ALS RUN		CHURCHILL MELVIN & JODENE (1/3 INT) AND	MATTISON TIM & ANNE (1/3 INT) AND		11238 N 33RD AVE	PHOENIX	AZ	85029
30273026					GRAHAM GERALD THOMAS G & REGINA S			64912 E CALLE ROSA LINDA	TUCSON	AZ	85739
30273027	360	N	BIG ALS RUN		MOORE BRANDON J & FELICIA D			141 S OLD HAM RD	PAYSON	AZ	85541
30273028					FINE CHARLES L & PENNY H TRUSTEES	FINE CHARLES & PENNY TRUST		9041 N 33RD WAY	PHOENIX	AZ	85028
30273029	330	N	BIG ALS RUN		GRUBER TERI			2504 E FLOWER ST	PHOENIX	AZ	85016
30273032					GLAUNSINGER WILLIAM S & LORNA STULEN TRUSTEES	GLAUNSINGER REVOCABLE TRUST		480 N BIG ALS RUN	PAYSON	AZ	85541
30273033	480	N	BIG ALS RUN		GLAUNSINGER WILLIAM S & LORNA STULEN-	GLAUNSINGER TRUST		480 N BIG ALS RUN	PAYSON	AZ	85541
30273034					STOUT KENNETH A & CYNTHIS L TRUSTEES	STOUT KENNETH A & CYNTHIA L AB LIVING TRUST		3138 E LOS ALTOS CT	GILBERT	AZ	85296
30273036B					JACQUEMART CYNTHIA J TRUSTEE	JACQUEMART TRUST		910 W BUTLER DR	PHOENIX	AZ	85021
30273036C	288	N	BIG ALS RUN		JACQUEMART CYNTHIA J TRUSTEE	JACQUEMART FAMILY TRUST		910 W BUTLER	PHOENIX	AZ	85021
30273036C	288	N	BIG ALS RUN		LARMER SHERRI R						
30273037					LYSTRA TERRY E & RENICE L			1445 S ARIZONA AVE #13	CHANDLER	AZ	85286