

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF YAVAPAI

DIVISION 1

ETHEL BOUTON, Clerk of the Superior Court

HON. RICHARD ANDERSON
(Judge)

By: Virginia F. Goldsmith
(Deputy)

CASE NUMBER: 4772

DATE: January 22, 1988

TITLE:

GEORGE W. HANCE, et al.

(Plaintiff)

COUNSEL:

(For Plaintiff)

vs:

and

WALES ARNOLD, et ux., et al.

IN THE MATTER OF:
THE VERDE DITCH COMPANY (Defendant)

L. RICHARD MABERY (For Defendant)

HEARING ON:

NATURE OF PROCEEDINGS

COURT REPORTER

Interview With Commissioners/Shareholders Meeting

Kitty Martenis

Interview with Commissioners having been set and coming on regularly this date for hearing, the following persons are present in chambers: Howard Ferguson, Glen Everett, Vince Higginbotham, John Blevins, and Dale Harper.

The Court inquires of the Commissioners as to Mr. Allert and is advised that Mr. Allert is ill, and IT IS ORDERED Mr. Ferguson shall replace Ted Allert as Commissioner.

The Court inquires of Mr. Blevins and Mr. Harper relative to their willingness to serve as Commissioners and as to their backgrounds.

Mr. Everett and Mr. Higgenbotham make statements to the Court relative to their service as Commissioners.

Discussion is held relative to management of the Ditch.

The Court advises the Commissioners that he will appoint a committee of three persons to look into the records of the Ditch and make recommendations to the Court.

Discussion is held regarding the question of whether Mr. Blevins and Mr. Harper would be willing to serve as assistant Commissioners at this time.

Court and Commissioners discuss the Shareholders Meeting to be held after this proceeding.

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Thereafter, at the hour of 2:35 P.M., Court, Commissioners, clerk, court reporter and Shareholders appear in open court. Also present are Charles Anthony Shaw, Mike Mongini, L. Richard Mabery and Marty Cathcart.

The Court gives the Shareholders some background information relative to the organization of the Verde Ditch.

The Court advises the Shareholders that it has replaced Mr. Ted Allert with Mr. Howard Ferguson as Commissioner for District 1.

IT IS ORDERED appointing John Blevins for District 2 and Dale Harper for District 3 to serve as Assistant Commissioners, without voting rights.

IT IS FURTHER ORDERED appointing Bobbie Sell and Mike Mongini to serve on a committee to report to the Court relative to the books and records of the Ditch and make recommendations. A third member of this committee will be appointed by Ms. Sell and Mr. Mongini.

The Court advises the Shareholders that they should voice their concerns relative to the Ditch to the Commissioners and the Commissioners will, in turn, report to the Court.

The Court further states that the records of the Ditch will be returned to the offices of Marty Cathcart's Accounting Office in Camp Verde and will be available to the Commissioners and the committee appointed by the Court.

cc:Verde Ditch Company
Charles Anthony Shaw
Mike Mongini