

IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF YAVAPAI

FILED 10 O'Clock

SEP 27 2005

BY JEANNE HICKS SHEETS PATE Deputy

GEORGE W. HANCE, et al.,)

No. CV 4772

Plaintiffs,)

Division 1

vs.)

ORDER FOR AUTHORIZATION AND APPROVAL OF A SPECIAL ASSESSMENT (EX PARTE)

WALES ARNOLD, et us., et al.,)

In the matter of VERDE DITCH COMPANY)

Defendants.)

Upon review of the ex parte Petition filed by GORDON WILLIAMS, JOHN TEAGUE, DAVID STUTZMAN, VERNON HILBERS and JOHN REDDELL, the duly appointed Commissioners of the Verde Ditch Company, and good cause appearing therefrom, the Court finds that it is in the best interest of the shareholders of the Verde Ditch Company to order and approve a special assessment. Pursuant to the authority vested in the Court as the Master of the Verde Ditch Company.

NOW, THEREFORE, IT IS ORDERED, ADJUDGED AND DECREED:

- (1) Directing the Commissioners of the Verde Ditch Company to send out notice of a special assessment in the amount of FIFTY and 00/100 DOLLARS (\$50.00) per share per annum, and that said special assessment is due and payable on or before December 1, 2005, and continuing to be due on or before December 1st of each and every year thereafter until the special assessment is modified or terminated.
(2) Directing the Commissioners of the Verde Ditch Company to establish a separate account to deposit all funds received as a special assessment pursuant to this Order.

Law Offices of L. Richard Mabery, P.C. 234 North Montezuma Street Prescott, Arizona 86301-3008 (928) 778-1116

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(3) Authorizing the expenditure of these special assessment funds only for the express purposes stated in the *ex parte* Petition filed by the Commissioners.

(4) Authorizing the Commissioners of the Verde Ditch Company to accept monthly installments, together with interest thereon at the rate of TEN PERCENT (10%) per annum, for any shareholder who requests a hardship extension with the first monthly installment to be due on or before January 10, 2006, and continuing on or before the 10th day of each and every month thereafter for a period not to exceed FIVE (5) consecutive months. Interest will accrue on an extended assessment at the rate of TEN PERCENT (10%) per annum and shall be paid in addition to the special assessment amount.

(5) Directing the Commissioners of the Verde Ditch Company to prepare and file with the Clerk of the Court a list containing the names of any shareholder who fails to pay the special assessment on or before July 1, 2006, and on or before the 1st day of July for each successive year until the special assessment is terminated or otherwise modified.

(6) The enforcement provisions under the current Rules and Regulations of the Verde Ditch Company shall pertain to the special assessment.

(7) The special assessment shall continue on an annual basis until such time as the Commissioners petition the Court for termination or modification of the special assessment, or upon further order of this Court.

DONE IN OPEN COURT this 23rd day of September, 2005.



DAVID L. MACKEY

Master of the Verde Ditch Company and
Judge of the Superior Court

Law Offices of
L. Richard Mabery, P.C.
234 North Montezuma Street
Prescott, Arizona 86301-3008
(928) 778-1116

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