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IN THE SUPERIOR COURT OF THE STATE OF ARIZONA

IN AND FOR THE COUNTY OF YAVAPAI

GEORGE W. HANCE, et al.,)
)
 Plaintiffs,)

No. P1300CV4772
Division 1

vs.)

WALES ARNOLD, et us., et al.,)
 In the matter of VERDE DITCH COMPANY)
 Defendants.)

PETITION REQUESTING COURT
APPROVAL OF COMMISSIONERS'
RECOMMENDATION TO INCREASE
REGULAR ANNUAL ASSESSMENT

(Ex Parte)

In the Matter of the VERDE DITCH)
COMPANY,)
_____)

Albert Dupuy, Jr., John Teague, Vernon Hilbers, Jeff Cochrane and David Myers, acting as the VERDE DITCH COMMISSIONERS, respectfully request that the Court approve and adopt the Commissioners' recommendation that the regular annual assessment be increased to one hundred five dollars (\$105.00) per share. The current Verde Ditch regular assessment of \$85.00 per share was

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approved and adopted effective January 1, 2008. Increased costs and continuing maintenance of the Verde Ditch necessitate an adjustment to the regular annual assessment.

The Commissioners believe that \$105.00 per share for the regular assessment should provide sufficient additional revenues of approximately \$28,000.00 per year for needed ditch improvements including restoring useable access to the banks of the ditch in certain areas; improving efficiency of segments of the ditch where siltation and other impediments exist; increasing bank growth removal and mowing; acquisition of additional equipment that will facilitate in house maintenance thereby reducing costs and reliance on private contractors; and enhancement of an increased database to ensure better communication with the Verde Ditch Shareholders.

While the Commissioners have stretched the available funds to complete normal maintenance along the Verde Ditch, further efforts are deemed necessary to improve the capacity of the Ditch, decrease the inefficiencies and loss of irrigation water through evaporation and seepage. The 2012 summer demands and low flow of the Verde River were especially challenging and the Commissioners believe that increased efficiencies can be obtainable through increased maintenance during the 2013 season. The Commissioners are aware of the financial constraints resulting from the current economic conditions and will be filing a separate Petition to reduce the Special Assessment.

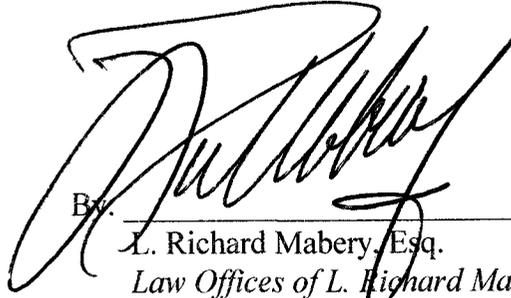
WHEREFORE, the Commissioners of the Verde Ditch Company respectfully request an increase in the regular annual assessment from \$85.00 per share to \$105.00 per share pursuant to the Rules and Regulations of the Verde Ditch and request that the assessment change be effective January 1, 2013.

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RESPECTFULLY SUBMITTED this 7th day of September, 2012

L. RICHARD MABERY



By _____

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