

When recorded mail to:
First United Realty, Inc.
6245 North 24th Parkway
Suite 205
Phoenix, AZ, 85016

**SPECIAL WARRANTY DEED
OF INTEREST IN WELL**

This Deed made this 1st day of April, 2018, between SPEK Investments, LLC, an Arizona limited liability company, (hereinafter "Owner"), as Grantor and the SIERRA HIGHLANDS RANCH PROPERTY OWNERS ASSOCIATION, an Arizona nonprofit corporation (hereinafter "Association"), as Grantee as to Sierra Highlands Ranch - Units 1 & 2.

- A. Owner is the owner of a 1.493-acre tract of land described as: "Wellsite" and further described in Exhibit "A"
- B. The Association is a property owners association comprised of property owners in Sierra Highlands Ranch - Units 1 & 2, Apache County, Arizona, which property is described as follows:

Parcels 1 through 152 inclusive, SIERRA HIGHLANDS RANCH - UNIT 1, according to the Record of Survey recorded as Fee No - 2007-004023, Book No 17 of Land Surveys, page 9 (1 of 9), April 25, 2007, in the office of the County Recorder of Apache County, State of Arizona.

Parcels 153 through 277 inclusive, SIERRA HIGHLANDS RANCH - UNIT 2, according to the Record of Survey recorded as Fee No - 2014-005818, Book No 22 of Land Surveys, page 58 (1 of 9), Dec 3, 2014, in the office of the County Recorder of Apache County, State of Arizona.

- C. And any future lands described and annexed into the Association and causing said Declaration of Annexation to be recorded in the office of the County Recorder of Apache County, State of Arizona.

The Owner's property described in paragraph A includes land, well, casings, pumps, tanks, fencing, solar facilities and any other well appurtenances.

- D. In light of the facts set forth above and in condition of the promises herein, and subject to the conditions set forth in this instrument, Owner does hereby grant and convey to the Association an undivided 100% interest in and to the above mentioned wellsite including well, casing, pumps, tanks, fencing, solar facilities and appurtenances, and any other existing fixtures and appliances, together with the right for the Members in good standing, and Future Members of the Property Owners Association to take the water from the well for domestic purposes and to convey water from the well to the Associations Member's properties by vehicle or other non-pipeline means of conveyance. The Association and its members are expressly prohibited from constructing pipelines to distribute or convey water beyond the wellsite boundaries.
- E. This conveyance is made on the condition that the Association, its heirs and assigns shall bear all the expenses incurred in the use, operation, maintenance and improvement, if any, of the above described well and its pump and all the appurtenances and accessories thereto; and that the Association shall pay and keep current any and all property taxes levied or other assessments inuring to the Wellsite; and that the Association shall procure, keep and pay for Liability Insurance covering the Wellsite and all appurtenances there to, and further naming as Additional Insured - SPEK Investments LLC, an Arizona limited liability company, and its successors, heirs or assigns and First United Realty, Inc, an

Arizona corporation, and its successors, heirs and assigns; and that the Association, its heirs or assigns, shall keep and maintain the well and accessories in good order for ongoing use by its Members and so that there will be no leakage or seepage there from or any defects that may cause injury to the land and premises or to properties adjoining and non-adjoining the boundaries of the Well site.

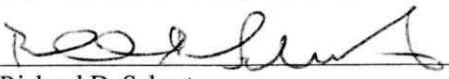
- F. This conveyance is made on the further condition that the Association agrees to hold Owner and its principals, officers, directors, beneficiaries, employees, lessees, and agents, and its successors and assigns, and including but not limited to First United Realty, Inc., and its principals, officers, directors, beneficiaries, employees, lessees, and agents, and its successors and assigns, harmless and indemnify all of the above from any liability arising from or related to the well site and well or from injury to property or persons associated with the past or future used, operation or maintenance of the well.
- G. This conveyance is made on the further condition that the Association warrants that it now finds that the water from the above described well to be acceptable and agrees to hold the Owners and its principals, officers, directors, beneficiaries, employees and agents, and its successors and assigns and including but not limited to First United Realty, Inc., and its principals, officers, directors, beneficiaries, employees and agents, and its successors and assigns, harmless and indemnify and defend all of the above from any and all liability arising from any impurity or contamination whenever discovered.
- H. This conveyance is made on the further condition that the water from the well will be provided free of charge to the Association's Members in good standing; that the Association agrees that the Association and its Members will not sell nor cause to be sold water retrieved from the well.
- I. This conveyance is made on the further condition that the Association promulgate rules and regulations to its Members Property Owners as described in the attached Exhibit "B" and enforce compliance with their rules and regulations with regards to use of the well.
- J. This conveyance is made on the further condition that the Association agrees that the Owner conveys the above referenced well site, well, casing, pumps, appurtenances and any other fixtures and appliances "AS IS" that is, in its condition as of the date of the execution of the Deed, and that Owner makes no warranties and representations concerning the condition of the well, the potability of the water there from, and casings, pumps, tanks, fencing, solar facilities and appurtenances and any other fixtures and appliances in any respect.

Exempt from Affidavit per ARS 11-1134 .A7

And the GRANTOR binds itself and its successors to warrant the title as against its acts and none other, subject to the matters above set forth.

Grantor:

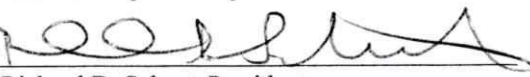
SPEK Investments, LLC,
an Arizona limited liability company

By 
Richard D. Schust
Managing Member

Grantee:

ACCEPTED AND APPROVED:

Sierra Highlands Property Owners Association,
an Arizona nonprofit corporation

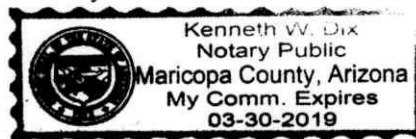
By 
Richard D. Schust, President

STATE OF ARIZONA)
)ss.
County of Maricopa)

This instrument was acknowledged and executed by me this 30th day of March, 2018 by Richard D. Schust who acknowledged himself to be the Managing Member of SPEK Investments, LLC, an Arizona limited liability company and as such managing member, signed on behalf of SPEK Investments, LLC, an Arizona limited liability company.

My Commission Expires: 03/30/2019

Notary Public

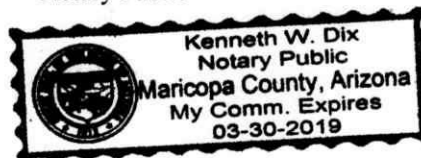


STATE OF ARIZONA)
)ss.
County of Maricopa)

This instrument was acknowledged and executed by me this 30th day of March, 2018 by Richard D. Schust who acknowledged himself to be the President of Sierra Highlands Property Owners Association, an Arizona nonprofit corporation, and as such President, signed on behalf of Sierra Highlands Property Owners Association, an Arizona nonprofit corporation.

My Commission Expires: 03/30/2019

Notary Public



Wellsite - EXHIBIT "A"

A PORTION OF Section 27, T16N, R31E, G. & S.R.B. & M., Apache County, Arizona described as follows:

Commencing at Mile Post Marker 154 of the Arizona and New Mexico state border said Corner being a GLO. Brass Cap;

Thence N 2°18'03" E a distance of 70.13' along the East line of Section 27; thence S 89°59'19" W a distance of 640.36 to a AL. Cap 19849 which is the **True Point of Beginning**;

Thence S 89°59'19" W a distance of 299.52' to an Al. Cap 19849.

Thence N 1°33'31" W a distance of 204.87' to an Al. Cap 19849.

Thence East a distance of 335.53' to an Al. Cap 19849.

Thence S 8°27'26" W a distance of 206.98' to which is the **Point of Beginning** and having an area of **1.493** acres of land, more or less.

Excepting a 30' easement on the south and west boundary.

Excepting any Rights-of-Way, Easements or other Encumbrance that would be revealed by a current TITLE REPORT.

EXHIBIT "B"

SIERRA HIGHLANDS RANCH PROPERTY OWNERS ASSOCIATION

RULES AND REGULATIONS REGARDING THE USE OF THE CONVENIENCE WELL BY MEMBER PROPERTY OWNERS

1. The convenience well, delivery system and holding tanks are maintained by the Sierra Highlands Ranch Property Owners Association. Only a Property Owner member in good standing with the Sierra Highlands Ranch Property Owners Association may draw water from the well.
2. Vehicles drawing and transferring water from the well must display a Sierra Highlands Ranch Property Owners Association membership sticker which shall be issued by the Property Owners Association.
3. In order to draw water from well, Association members must obtain the lock combination from the Property Owners Association. Water shall be transported via truck or other non-pipeline means. The construction and use of pipelines associated with the convenience wells is strictly prohibited.
4. No member may withdraw more than 500 gallons of water per calendar month without the prior authorization of the Board of Directors of the Property Owners Association.
5. Water drawn from the well may only be used for domestic purposes. The water **MAY NOT** be used for tree/plant watering, landscaping, irrigation, etc.
6. Water drawn from the well is limited to the personal use of the Members on or within the confines of the parcels owned by Members within Sierra Highlands Ranch.
7. The water drawn from the well may not be sold to any person or entity. The water is provided free of charge only for the personal use of the Association members on or within the confines of their property at Sierra Highlands Ranch.
8. Use of the well is subject to all applicable state laws and regulations in effect from time to time, as well as the rules and regulations promulgated by the Property Owners Association which may be amended from time to time.
9. Each violation of these Rules and Regulations or any other unauthorized use of the well shall result in a penalty of \$100.00 which shall be collected from the Member along with his or her Property Owners Association dues and shall be a lien against the Member's parcel along with enforcement of delinquent payments shall be in accordance with the CC&Rs of the Property Owners Association: Article 3, Section I.
10. A violation of any of the rules and regulations herein constitutes grounds for the suspension of well use rights by the Sierra Highlands Ranch Property Owners Association.
11. The amount of water available within the convenience well's storage tank will vary with usage and is subject to periods when the capacity may be limited due to a system malfunction or until it is fully recharged. Do not depend on having access to the well water for these reasons. It is advised that you always bring sufficient water supplies to meet the needs of your stay.
12. The convenience well is not intended to serve the domestic water needs of the Association Member, but merely to act as a convenient source of limited water withdrawals for those with the means to access and haul the water away.