

**LOS PADRES LIMITED PARTNERSHIP
RESOLUTION**
(Domestic Water Improvement District Board Members)

The undersigned is the sole General Partner of LOS PADRES LIMITED PARTNERSHIP, an Arizona limited partnership (the "Partnership"), and hereby consents to and approves of the actions set forth in the following resolutions. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Partnership's Agreement.

WHEREAS, on or about December 18, 2012 the Partnership purchased certain land generally identified as Gila County tax parcel number 303-08-005A, located near Payson, Arizona and legally described as set forth on Exhibit A attached hereto (the "Property");

WHEREAS, on or about May 12, 2009, the Gila County Board of Supervisors approved a petition to form the Little Creek Land Company Domestic Water Improvement District (the "DWID") for the purpose of providing a water company to a planned subdivision on the Property;

WHEREAS, following the sale of the Property to the Partnership, the prior governing members of the DWID resigned, and the DWID requires the appointment of new governing members;

WHEREAS, by virtue of its ownership of the Property, the Partnership is the only entity or individual currently authorized to vote in the elections of the DWID's governing members;

RESOLVED, the Partnership hereby appoints the following individuals to serve as Board Members of the DWID to serve until expiration of their term as set forth below, pursuant to Gila County election law:

<u>Name</u>	<u>Term Expiration</u>
KEITH N. LAYTON	December 31, 2016
K. AARON LAYTON	December 31, 2014
ADAM C. LAYTON	December 31, 2016

RESOLVED FURTHER, the governing members are hereby authorized to file the Resolution with the Gila County Department of Elections, and to take all lawful action on behalf of the DWID consistent with the authority granted to governing members thereof.

[Signature appears on the page below.]

DATED effective as of December 18, 2012.

GENERAL PARTNER:

KNL MANAGEMENT, INC.,

By: 
KEITH N. LAYTON, President

EXHIBIT A
LEGAL DESCRIPTION

PARCEL NO. 1

The Southeast quarter of the Northeast quarter of the Northwest quarter and the West half of the Southwest quarter of the Northwest quarter of the Northeast quarter of Section 30, Township 11 North, Range 13 East of the Gila and Salt River Base and Meridian, Gila County, Arizona, lying South of Highway 260.

PARCEL NO. 2

The Northeast quarter of the Southeast quarter of the Northwest quarter and the West half of the Northwest quarter of the Southwest quarter of the Northeast quarter of Section 30, Township 11 North, Range 13 East of the Gila and Salt River Base and Meridian, Gila County, Arizona.

EXCEPT all those portions of the Southeast quarter of the Northeast quarter of the Northwest quarter and the West half of the Southwest quarter of the Northwest quarter of the Northeast quarter of Section 30, Township 11 North, Range 13 East of the Gila and Salt River Base and Meridian, Gila County, Arizona, lying South of Highway 260 more particularly described as follows:

COMMENCING at the Northwest corner of said Section 30;

THENCE South 00°01'10" East, along the West line of said Section 30, a distance of 881.87 feet;

THENCE from a local tangent bearing of North 81°16'27" East, along the arc of a curve to the right having a radius of 1600.00 feet, a distance of 613.68 feet;

THENCE South 74°55'25" East, a distance of 160.20 feet;

THENCE South 74°03'00" East, a distance of 554.47 feet;

THENCE South 74°58'25" East, a distance of 179.05 feet;

THENCE from a local tangent bearing of South 76°45'00" East, along the arc of a curve to the left having a radius of 2000.00 feet, a distance of 490.72 feet to the West line of said Southeast quarter of the Northeast quarter of the Northwest quarter of Section 30;

THENCE North 00°05'00" East, along said West line, a distance of 100.015 feet to the TRUE POINT OF BEGINNING;

THENCE continuing North 00°05'00" East, along said West line, a distance of 100.015 feet to the existing centerline of said State Highway 260;

THENCE from a local tangent bearing of North 89°05'34" East, along said centerline, along the arc of a curve to the left having a radius of 1800.00 feet, a distance of 421.23 feet;

THENCE from a local tangent bearing of North 75°39'00" East, continuing along said centerline, along a spiral curve to the left, having a "a"-1.876, a distance of 169.65 feet;

THENCE North 72°57'00" East, continuing along said centerline, a distance of 399.90 feet to the East line of said West half of the Southwest quarter of the Northwest quarter of the Northeast quarter of Section 30;

THENCE South 00°05'00" West, along said East line, a distance of 104.64 feet;

THENCE South 72°57'00" West, a distance of 369.07 feet;

THENCE South 73°51'44" West, a distance of 174.34 feet;

THENCE from a local tangent bearing of South 75°39'00" West, along the arc of a curve to the right having a radius of 1900.00 feet, a distance of 446.52 feet to the TRUE POINT OF BEGINNING.

PARCEL NO. 3

Area 1, as shown on Record of Survey/Right-of-Way Abandonment, recorded July 28, 2009 in Survey Map No. 3740, records of Gila County, Arizona, being a portion of Christopher Creek Loop Road located in the North ½ of Section 30, Township 11 North Range 13 East, of the Gila and Salt River Base and Meridian, Gila County, Arizona.