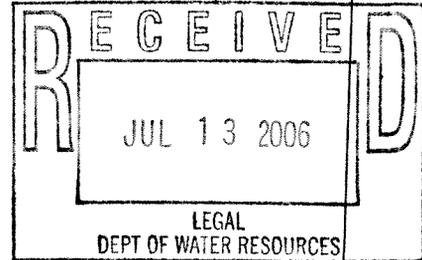


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**SUPERIOR COURT OF ARIZONA
MARICOPA COUNTY**



**IN RE THE GENERAL
ADJUDICATION OF ALL RIGHTS TO
USE WATER IN THE GILA RIVER
SYSTEM AND SOURCE.**

**No. W-1 (Salt)
No. W-2 (Verde)
No. W-3 (Upper Gila)
No. W-4 (San Pedro)**

CONTESTED CASE NO. W1-208

NOTICE OF PROPOSED SETTLEMENT

In re Proposed Tohono O'odham Nation Water Rights Settlement.

IMPORTANT NOTICE FOR CLAIMANTS IN THE GILA RIVER ADJUDICATION

Several parties to the Gila River general stream adjudication ("Gila River Adjudication") have asked the Superior Court to approve a proposed settlement of all claims within the Tucson Active Management Area, the Santa Cruz Active Management Area and that part of the Upper Santa Cruz Basin not within either of the Active Management Areas ("Tucson Management Area") for water rights of the Tohono O'odham Nation (the "Nation"), individual Indian trust allotment landowners ("Allottees"), and the United States acting on behalf of the Nation and the Allottees. The claimed water rights of the Nation, the Allottees, and the United States on behalf of the Nation and the Allottees, for the San Xavier Reservation and the eastern portion of the Schuk Toak District (as shown on the map, Attachment A), are subject to adjudication by this Court.

The parties to this proposed settlement (the "Settling Parties") include: the Tohono O'odham Nation, the Allottees, the United States of America, the State of Arizona, the City of Tucson, Farmers Investment Co. and Asarco Incorporated.

YOU ARE HEREBY NOTIFIED that the Court is conducting special proceedings to determine whether this proposed settlement should be approved. If the Court approves the proposed settlement and enters a final judgment adjudicating the water rights claims within the Tucson Management Area of the Nation, the Allottees, and the United States on behalf of the Nation and Allottees, as set forth in a stipulation reflecting the principal terms of the settlement, the judgment will be binding upon all claimants in the Gila River Adjudication.

The Court has ordered the Arizona Department of Water Resources ("ADWR") to prepare a factual analysis or technical assessment of the proposed settlement. ADWR's report must be completed by October 24, 2006.

The Court has ordered the Settling Parties to provide interested parties in the Gila River Adjudication and the public with information about the proposed settlement. A meeting will be held at 7:00 p.m. on November 13, 2006, at the City of Tucson Mayor and Council Chambers, 255 West Alameda Street, Tucson, Arizona 85701.

Claimants in the Gila River Adjudication will have until December 13, 2006 to file any objections they might have to the proposed settlement. The Court will thereafter schedule hearings on the proposed settlement and any objections to the proposed settlement.

1 You or your predecessor has filed a statement of claimant for water uses in the Gila River system and source.
2 Your claimed water rights may be affected by the proposed settlement. To help you determine whether you should file
3 an objection to the proposed settlement, you should review the application filed by the parties to the proposed
4 settlement; the Court's Order of July 11, 2006, authorizing these special proceedings; and the settlement documents.
5 All these materials may be examined during business hours at the Arizona Department of Water Resources, 3550 N.
6 Central Avenue, Phoenix, Arizona 85012, the Tucson Active Management Area, 400 W. Congress, Suite 518, Tucson,
7 Arizona 85701, or at Arizona Department of Water Resource's website (www.azwater.gov). Also, copies of the
8 proposed settlement may be examined at the office of the Superior Court Clerk in each Arizona county.

9 If you decide to file an objection to the proposed settlement, you must do so on or before December 13, 2006.
10 Any claimant in the Gila River Adjudication may file an objection with the Adjudication Court asserting that:

11 a. The approval of the stipulation setting forth the terms of the settlement, and the proposed final
12 judgment and decree adjudicating the water rights claims of the Nation, the Allottees, and the United States on behalf
13 of the Nation and the Allottees, as set forth in the settlement agreement, would cause material injury to the objector's
14 claimed water right;

15 b. The conditions described in the Arizona Supreme Court's Special Procedural Order Providing for the
16 Approval of Federal Water Rights Settlements, Including Those of Indian Tribes, dated May 16, 1991, which warrant
17 this special proceeding have not been satisfied; or

18 c. The water rights established in the settlement agreement, set forth in the stipulation and adjudicated
19 in the proposed final judgment and decree, are more extensive than the Indian tribe or federal agency would have been
20 able to establish at trial.

21 Objections must also include:

22 a. The name, address, and signature of the objector;

23 b. A description of the water rights asserted in the objector's claim;

24 c. A statement of the legal basis for the objection, and the specific factual grounds upon which the
25 objection is based;

26 d. A list of any witnesses and exhibits that the objector intends to present at any hearing on the
27 objection;

28 e. Any request for discovery relating to the objection and a statement as to the need for such discovery;
and

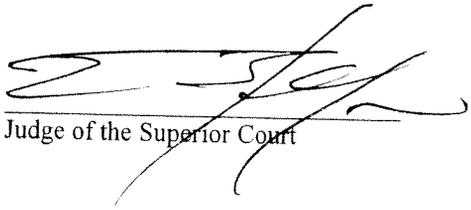
f. Any other information the Adjudication Court may require in the order for summary proceedings.

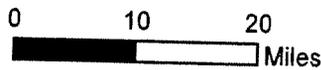
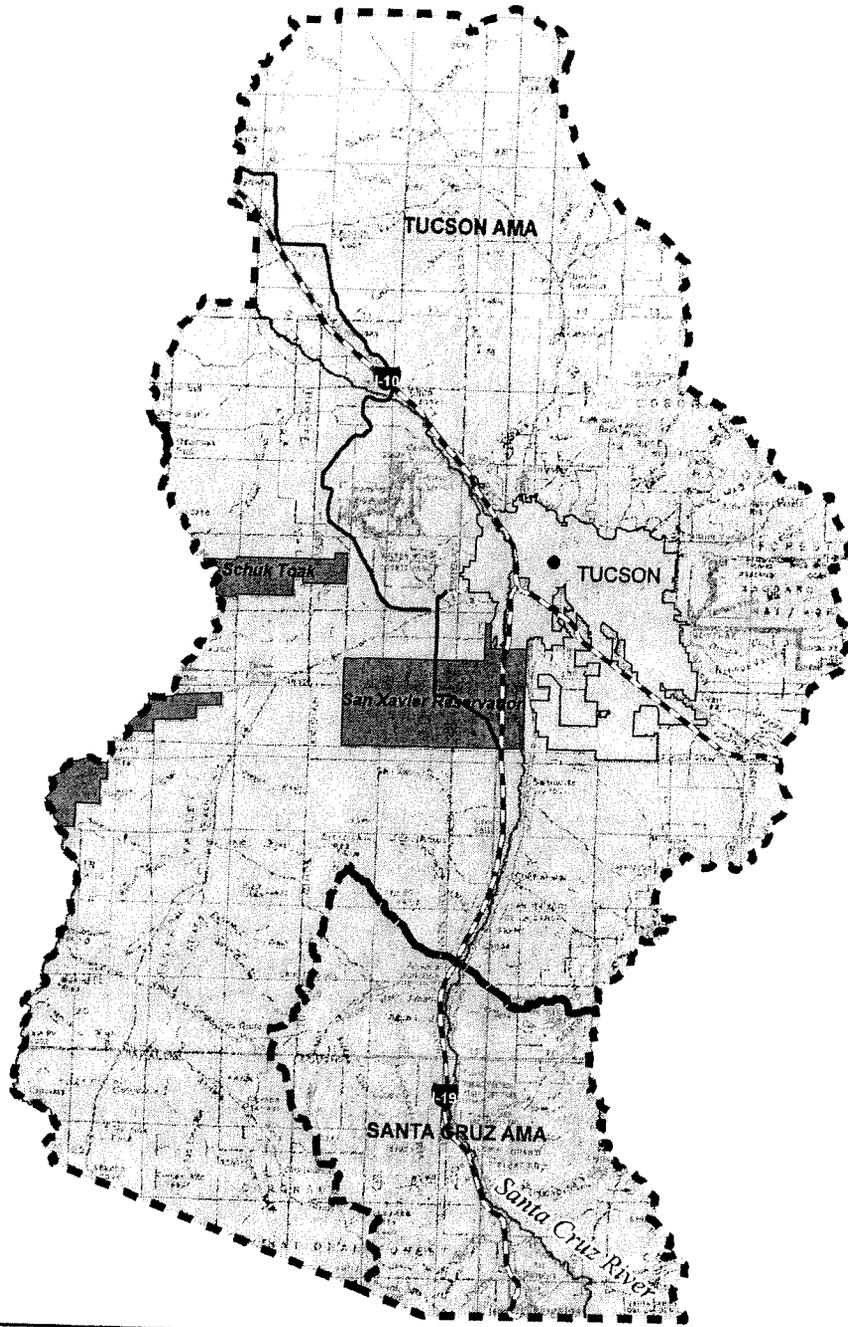
Objections must be filed with the Clerk of the Superior Court, Maricopa County, Attention: Water Case No.
W1-208, 601 W. Jackson, Phoenix, Arizona 85003.

If you have any questions concerning the proposed settlement and these special proceedings to consider the
proposed settlement, you may wish to contact an attorney of your choice.

This Notice was approved on July 11, 2006, and mailed pursuant to the order of the Court.

DATED this 12 day of July, 2006.


Judge of the Superior Court



-  River
-  CAP Canal
-  Interstate
-  AMA
-  Indian Reservation
-  City

Southern Arizona Water Rights Settlement Act (SAWRSA)

