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BEFORE THE ARIZONA CORPORATION COMMISSION

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WILLIAM A. MUNDELL
CHAIRMAN
JIM IRVIN
COMMISSIONER
MARC SPITZER
COMMISSIONER

2001 JUL 23 P 3:55

AZ CORP COMMISSION
DOCUMENT CONTROL

IN THE MATTER OF ARIZONA UTILITY)
SUPPLY AND SERVICES, LLC FOR A) DOCKET NO. SW-04002A-01-0228
CERTIFICATE OF CONVENIENCE AND)
NECESSITY TO PROVIDE SEWER SERVICE)
TO PORTIONS OF PINAL COUNTY, ARIZONA.)

IN THE MATTER OF THE APPLICATION OF)
JOHNSON UTILITIES, L.L.C., DBA JOHNSON) DOCKET NO. WS-02987A-01-0295
UTILITIES COMPANY FOR AN EXTENSION) Arizona Corporation Commission
FOR ITS CERTIFICATE OF CONVENIENCE) DOCKETED
AND NECESSITY TO PROVIDE WATER AND)
WASTEWATER SERVICE TO THE PUBLIC IN) JUL 23 2001
THE DESCRIBED AREA IN PINAL COUNTY,)
ARIZONA.)

DOCKETED BY []

ARIZONA UTILITY SUPPLY & SERVICES, LLC's FIRST REVISED AND SUPPLEMENTED RESPONSE TO FIRST SET OF DATA REQUESTS FROM JOHNSON UTILITIES COMPANY

This Revised and Supplemented Response to First Set of Data Requests replaces and supersedes Arizona Utility Supply & Services, LLC's original Response in all respects, except that all Exhibits to the original Response ("Original Response") are incorporated herein by reference as if set forth herein in full. All responses are to the knowledge and belief of Maurice L. Lee.

1. Please state the basis for your conclusion that the operation of the Links at Ocotillo Wastewater Treatment Plant (and any other wastewater treatment plant at the Links

1 Estates) by AUSS without a Certificate of Convenience and Necessity from the Arizona
2 Corporation Commission does not violate A.R.S. § 40-281.C.

3 Response: The plant is owned by nonprofit homeowners associations. AUSS
4 operates it under contract to the associations.

5 2. Please identify the owner of the Links at Ocotillo Wastewater Treatment Plant.
6

7 Response: The Links at Ocotillo Homeowners' Association, an Arizona non-profit
8 corporation, and Woodside Homes, whose interest has been or will be assigned to a
9 homeowners association established by Woodside Homes.

10 3. Please identify and provide any and all documents relating to the ownership of the
11 Links at Ocotillo Wastewater Treatment Plant.

12 Response: The documents are attached behind Tab A of the Original Response.
13

14 4. Please state the basis for your conclusion that the construction of the Cambria
15 Wastewater Treatment Plant and the Castlegate Wastewater Treatment Plant (and any other
16 wastewater treatment plant in areas covered by AUSS's application in Docket No. SW-
17 04002A-01-0228) by AUSS without a Certificate of Convenience and Necessity from the
18 Arizona Corporation Commission does not violate A.R.S. § 40-281.A.

19 Response: With respect to the Links at Ocotillo Wastewater Treatment Plant, see
20 response to number 1 above. With respect to the Cambria plant, it will be owned by a
21 nonprofit homeowners association(s) unless AUSS is granted the CC&N for the appropriate
22 area. There are no other wastewater treatment plants under construction in areas covered by
23 AUSS's referenced application. Any plants that are constructed in the future will be owned
24 by nonprofit homeowners associations unless AUSS is granted the CC&N for the
25 appropriate areas.
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5. Please identify the owner of the Cambria Wastewater Treatment Plant and the Castlegate Wastewater Treatment Plant.

Response: The Cambria plant will be owned by a nonprofit homeowners association(s) unless AUSS is granted the CC&N for the appropriate area. The Castlegate plant does not exist.

6. Please identify and provide any and all documents relating to the ownership of the Cambria Wastewater Treatment Plant, the Castlegate Wastewater Treatment Plant, and any other wastewater treatment plant constructed and/or operated by AUSS in the area covered by AUSS's application in Docket No. SW-04002A-01-0228.

Response: See Response to number 3 above for documents related to the Links at Ocotillo Wastewater Treatment Plant. There are no other plants constructed and/or operated by AUSS in the referenced area.

7. Please identify and provide any and all documents relating to the right of AUSS to construct and/or operate any wastewater treatment plant in the area covered by AUSS' application in Docket No. SW04002A-01-0228.

Response: See Response to number 3 above for documents related to the Links at Ocotillo Wastewater Treatment Plant. Documents relating to the construction of the Cambria plant are attached behind Tab B of the Original Response. Documents relating to the future construction of a wastewater treatment plant for the Castlegate development are attached behind Tab C of the Original Response. In addition, Tab C is supplemented by the attachment hereto of a Lease Agreement with respect to the anticipated future site of the

1 Castlegate plant and a related Agreement Regarding Wastewater Services (Castlegate).
2 Documents relating to contributions to the construction of the Cambria plant for shared use
3 by the Redmond development are attached behind Tab D of the Original Response.

4 8. Please identify and provide any and all contracts between AUSS and
5 homeowners' associations in developments in areas covered by AUSS's application in
6 Docket NO. SW-04002A-01-0228, including the Links Estates and the Cambria Homes
7 developments.
8

9 Response: See the responses to items 3 and 7 above.

10 9. Please identify and provide any and all permits, approvals, and submissions to
11 ADEQ relating to the construction and/or operation by AUSS of wastewater treatment plants
12 in the area covered by AUSS's application in Docket No. SW-04002A-01-0028.
13

14 Response: AUSS objects to this Data Request as being overbroad and unduly
15 burdensome. In addition, all requested documents are public records available to Johnson
16 Utilities Company for inspection and copying at the offices of the Arizona Department of
17 Environmental Quality. AUSS believes that such records have already been inspected for
18 Johnson Utilities Company.
19

20 RESPECTFULLY SUBMITTED this 23 day of July, 2001.

21 MOYES STOREY LTD.

22 By Jeffrey C. Zimmerman
23 Jeffrey C. Zimmerman
24 Brad K. Keogh
25 3003 N. Central Ave., Suite 1250
26 Phoenix, Arizona 85012
27 Attorneys for Applicant
28

PROOF OF SERVICE AND
CERTIFICATE OF MAILING

1
2 I hereby certify that on this 23d day of July, 2001, I caused the foregoing
3 document to be served on Johnson Utilities Company by hand-delivering the original of said
4 document to:

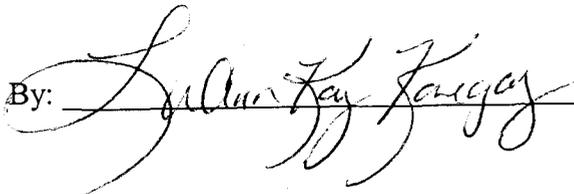
5 Thomas H. Campbell
6 Michael Denby
7 Michael Hallam
8 Lewis & Roca
9 40 N. Central Ave.
10 Phoenix, AZ 85004
11 Attorneys for Johnson Utilities Company

12 and copies of the foregoing were
13 mailed this 23d day of July,
14 2001, to:

15 Marc E. Stern
16 Administrative Law Judge
17 Arizona Corporation Commission
18 1200 W. Washington
19 Phoenix, AZ 85007

20 Teena Wolfe
21 Legal Division
22 Arizona Corporation Commission
23 1200 W. Washington
24 Phoenix, AZ 85007

25 Mark Di Nunzio
26 Utilities Division
27 Arizona Corporation Commission
28 1200 W. Washington
Phoenix, AZ 85007

By: 

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "*Lease*") is made to be effective as of March 6, 2001 (the "*Effective Date*"), between SUMMER RIDGE, LLC, an Arizona limited liability company ("*Landlord*"), and ARIZONA UTILITY SUPPLY & SERVICES, LLC, an Arizona limited liability company ("*Tenant*").

RECITALS:

A. Landlord is the fee owner of approximately five acres of real property in Pinal County, Arizona, which is more particularly described in Exhibit A attached hereto (the "*Premises*").

B. Tenant has entered into a Letter Agreement, dated March 6, 2001, among Tenant, Landlord, Providence Development, Inc. and Victory Development, LLC with respect to the "Castlegate Wastewater Treatment Plant" (the "*Letter Agreement*") in which Tenant has agreed to construct a wastewater treatment facility and to provide certain wastewater treatment services to a proposed development known as "Castlegate" located adjacent to the Premises, as more particularly set forth in the Letter Agreement.

C. Tenant desires to construct and operate the wastewater treatment facility on the Premises in accordance with the Letter Agreement.

D. Accordingly, Landlord desires to lease the Premises to Tenant, and Tenant desires to lease the Premises from Landlord subject to the provisions of this Lease.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, Landlord and Tenant agree as follows:

AGREEMENTS:

1. Recitals. The Recitals are incorporated herein as true and correct statements of fact binding on the parties.

2. Premises.

2.1 Lease of Premises. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises and all easements, appurtenances and rights related thereto. Such lease is upon, and subject to, the terms, covenants and conditions set forth below and each party covenants, as a material part of the consideration for this Lease, to keep and perform their respective obligations under this Lease.

2.2 Legal Description. Landlord and Tenant shall agree on the exact location, configuration and legal description of the Premises, which shall be located on the site described in Exhibit A and shall consist of no more than five acres of real property. When the exact location and description of the Premises have been determined, Landlord and Tenant shall enter into an amendment to this Lease setting forth such location, configuration and legal description of the Premises.

2.3 Reservation of Access Road. Landlord hereby reserves the right to use a 40-foot portion of the Premises for an access road (the "*Access Road*") for use by such parties as Landlord may permit. Landlord shall determine the exact location of the Access Road, but such location shall not unreasonably interfere with the Tenant's use of the Premises. Tenant shall bear all costs of the construction and maintenance of the Access Road. Landlord may

grant utility easements on, over, across or under the Access Road. From time to time, Landlord may dedicate all or any portion of the Access Road to an appropriate governmental agency. In such event, the portion of the Access Road so dedicated shall no longer be part of the Premises; however, Tenant shall not be entitled to any reduction or abatement in rent as a result of such dedication.

3. Lease Term.

3.1 Primary Term. This Lease shall be for a term of 20 years commencing at 12:01 a.m., Mountain Standard Time ("MST") on June 1, 2001 (the "Commencement Date"), and ending at 11:59 p.m., MST, on the last day of the 20th consecutive year thereafter (the "Primary Term"), unless sooner terminated as provided in this Lease; provided, however, that if the Commencement Date is a day other than the first day of a calendar month, the Primary Term shall be extended by the number of days remaining in such calendar month.

3.2 Extended Term. Landlord shall and does hereby grant to Tenant the option to extend the Primary Term for a period of 10 years (the "Extended Term") following expiration of the Primary Term. Tenant shall be deemed automatically to have exercised each option to extend unless Tenant gives notice to Landlord at least 6 months immediately prior to the expiration of the Primary Term that Tenant is not exercising the extension option. Tenant shall have no right to exercise the extension option and shall not be deemed to have exercised the extension option, if, as of the time prescribed for exercising such option, Tenant has not fully and faithfully performed all of its obligations under this Lease. During the Extended Term, all terms and provisions of this Lease shall remain in full force and effect. As used in this Lease, "Lease Term" shall mean the Primary Term and the Extended Term, if Tenant exercises the extension option.

3.3 Early Termination. Landlord shall have the right to terminate this Lease by notice to Tenant if: (a) Tenant does not commence construction of the Facility (as defined in Section 9.1 below) by 11:59 p.m., MST, on September 1, 2001; or (a) Tenant does not complete construction and commence operation of the first phase of the Facility (as described in the Letter Agreement) by 11:59 p.m., MST, on January 31, 2002.

3.4 Lease Year. As used in this Lease, "Lease Year" shall mean a period of 12 consecutive calendar months during the Lease Term commencing on the Commencement Date, except that: (a) if the Commencement Date is other than the first day of a calendar month, the first Lease Year shall be extended to end on and include the last day of the twelfth full calendar month following the Commencement Date; and (b) the last Lease Year shall terminate on the date of expiration or earlier termination of the Primary or Extended Term, as applicable.

4. Use.

4.1 Tenant's Business. Tenant shall use the Premises solely for the operation of a wastewater treatment facility as contemplated by the Letter Agreement (the "Business") and shall not use or permit the Premises to be used for any other use or purpose whatsoever.

4.2 Prohibited Uses. Tenant shall not use or allow the Premises to be used: (a) in violation of any recorded covenants, conditions and restrictions affecting the Premises or of any law or governmental rule or regulation, or of any certificate of occupancy issued for the Premises or any building thereon; or (b) for any improper, immoral, unlawful or reasonably objectionable purpose. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, nor commit or suffer to be committed any waste in, on or about the Premises.

4.3 Compliance with Laws. Tenant shall observe and comply with all requirements of any board of fire underwriters or similar body relating to the Premises and all laws, rules and regulations of all governmental

agencies having jurisdiction and shall obtain all licenses, permits and approvals necessary for Tenant's use of the Premises, including, without limitation, all licenses and permits as are required for the operation of the Business on the Premises. Moreover, Tenant shall, at its expense, promptly construct, bring, keep and maintain the Improvements and the Premises in compliance with all applicable laws, rules and regulations, including, without limitation, all building codes, health and safety codes, the Americans with Disabilities Act and all Environmental Laws (as defined in Section 27.3 below) now or hereafter applicable to the Business, the Improvements and/or the Premises.

5. Rent.

5.1 Minimum Rent. Subject to adjustment as provided in Section 5.1.3 below, Tenant agrees to pay Landlord annual rent for each Lease Year in the amounts described in Sections 5.1.1, 5.1.2 and 5.1.3 below (the "Minimum Annual Rent"). During each Lease Year, the Minimum Annual Rent shall be paid by Tenant in 12 equal monthly installments (the "Minimum Monthly Rent") in advance starting on the Commencement Date and on the first day of each calendar month thereafter through the end of the Lease Term.

5.1.1 Lease Years 1 through 4. During each of the first four Lease Years of this Lease, the Minimum Annual Rent shall be \$12,000.00 per Lease Year and the Minimum Monthly Rent shall be \$1,000.00.

5.1.2 Lease Year 5. During the fifth Lease Year, the Minimum Annual Rent shall be \$36,000.00 per Lease Year and the Minimum Monthly Rent shall be \$3,000.00.

5.1.3 Remaining Lease Years. For each of the remaining Lease Years (including the Extended Term, if applicable), the Minimum Annual Rent shall be the amount of Minimum Annual Rent for the immediately preceding Lease Year increased by 3.0%. For example: (a) in Lease Year 6, the Minimum Annual Rent will be increased from \$36,000 to \$37,080 (i.e., an increase of \$1,080, which is 3% of \$36,000); and (b) in Lease Year 7, the Minimum Annual Rent will be increased from \$37,080.00 to \$38,192.40 (i.e., an increase of \$1,112.40, which is 3% of \$37,080). For each such Lease Year, the Minimum Monthly Rent shall be the amount obtained by dividing the amount of the Minimum Annual Rent for such Lease Year by 12.

5.2 Percentage Rent.

5.2.1 Percentage Rent Rate. In addition to the Minimum Annual Rent, Tenant shall pay to Landlord as annual percentage rent (the "Percentage Rent") a sum equal to the amount by which 10% of the Gross Proceeds (as defined in Section 5.2.2 below) made from Tenant's use of the Premises during each Lease Year exceeds the Minimum Annual Rent for such Lease Year. The Percentage Rent shall be payable monthly, on the 15th day of each calendar month during the Lease Term based on the Gross Proceeds for the previous calendar month, subject to adjustment at the end of each Lease Year as provided in Section 5.2.3 below.

5.2.2 Gross Proceeds Defined. As used in this Lease, "Gross Proceeds" shall mean the aggregate amount of all amounts received for services performed, made and rendered in, about or in connection with Tenant's use of the Premises, including, without limitation, arising from the operating of the Business, and all charges, fees, sales or rentals, whether for cash, credit or otherwise, arising from Tenant's use of the Premises. Gross Proceeds shall not include any federal, state, municipal or other sales, value added, retail, excise or similar taxes paid or incurred by Tenant whether such taxes are collected from customers or absorbed by Tenant.

5.2.3 Gross Proceeds Statements.

5.2.3.1 Monthly Statements. Within 20 days immediately following the end of each calendar month during each Lease Year, Tenant shall deliver to Landlord a statement (the "Monthly Statement") setting

forth Tenant's Gross Proceeds for such month, which statement shall be certified by Tenant as true, correct and complete.

5.2.3.2 Annual Statements. In addition to the Monthly Statement, within 20 days following the end of each Lease Year, Tenant shall deliver to Landlord a statement (the "Annual Statement") certified by Tenant as true, correct and complete setting forth Tenant's Gross Proceeds for the prior Lease Year, and Tenant shall pay to Landlord the Percentage Rent due for that Lease Year to the extent not previously paid pursuant to Section 5.2.1 above. If Tenant shall have overpaid its Percentage Rent, Tenant shall be entitled to offset such overpayment against the Percentage Rent next coming due in accordance with Section 5.2.1.

5.2.3.3 Books and Records. Tenant shall keep on the Premises or at Tenant corporate office full and accurate books of account, records, billings, invoices, cash receipts, sales tax returns and other pertinent data (collectively, the "Records") showing Tenant's Gross Proceeds. Tenant shall keep the Records for a period of 3 years after the end of the Lease Year to which such Records apply. Landlord shall be entitled to inspect and examine the Records to determine Tenant's Gross Proceeds. Tenant shall cooperate fully with Landlord in making such inspection. Landlord shall also be entitled to have an independent audit of the Records to determine Tenant's Gross Proceeds, which audit shall be conducted by a certified public accountant to be designated by Landlord (the "Outside Audit"). The Outside Audit shall be limited to the determination of Gross Proceeds, shall be conducted at the place at which the Records are usually kept and shall be paid for by Landlord, except in any case when Tenant has understated Gross Proceeds for any Lease Year by 2% or more, in which case, Tenant shall pay Landlord's cost of the Outside Audit. If the Outside Audit shows any deficiency in the payment of any Percentage Rent, the deficiency, plus interest thereon at the Default Rate (as defined in Section 19.2 below) from the due date to the date of payment, shall become immediately due and payable.

5.3 Additional Rent. All amounts and charges payable by Tenant under this Lease in addition to the Minimum Annual Rent and the Percentage Rent shall be considered additional rent for the purpose of this Lease. As used in this Lease, "rent" shall mean the Minimum Annual Rent, Percentage Rent and all such additional rent, collectively, unless the context specifically or clearly implies that only the Minimum Annual Rent or Percentage Rent is referenced.

6. Address for Payments. All rent and other sums payable by Tenant to Landlord hereunder shall be paid to Landlord at the following address: 7116 E. Laguna Azul Avenue, Mesa, Arizona 85208, or to such other persons and/or at such other places as Landlord may hereafter designate in writing and shall be paid to Landlord without any prior demand therefor and without any deduction or offset whatever, in lawful money of the United States of America.

7. Taxes and Assessments.

7.1 Rent Taxes. Tenant shall pay contemporaneously with each payment of Minimum Monthly Rent and Percentage Rent and as additional rent any privilege tax, sales tax, gross proceeds tax, rent tax, or like tax (but not including any net income, inheritance, succession or franchise tax imposed on Landlord), now or hereafter levied, assessed or imposed by any governmental authority upon any rent or other payments required to be paid by Tenant hereunder (collectively, "Rent Taxes"). If Landlord is required to pay any Rent Taxes and has not previously received amounts from Tenant sufficient to make such payment: (a) Landlord may demand that Tenant reimburse Landlord for the payments of such Rent Taxes; and (b) Tenant shall, immediately upon receipt of such demand, pay the amount of such Rent Taxes to Landlord. Tenant's obligations under this Section 7.1 shall survive the expiration or termination of this Lease.

7.2 Personal Property Taxes. Tenant shall also pay before delinquent all personal property taxes and assessments levied or assessed by any governmental authority against any personal property or fixtures located on the Premises, whether owned by Landlord or Tenant, during the Lease Term. Any such tax, assessment, imposition, levy or charge, or any part thereof, shall be considered to be delinquent on the date it begins to draw interest, penalty or other charge or on which the right to a discount expires. On written request by Landlord, Tenant shall furnish Landlord with satisfactory evidence of such payments. Following the expiration or early termination of the Lease Term, Tenant shall reimburse Landlord for Tenant's share of any such taxes attributable to periods during the Lease Term to the extent Landlord is required or chooses to pay such taxes.

7.3 Real Property Taxes and Assessments. Tenant shall pay before delinquent all real property taxes and assessments levied or assessed against or attributable to the Premises, both general and special, and all water charges and assessments levied in connection with any improvement or irrigation projects of which the Premises may be a part, regardless of whether any such taxes, assessments or charges are currently existing or come into existence during the Lease Term. In this regard, Landlord shall provide Tenant with notice of the tax levies and assessments received by Landlord. Any such tax, assessment, imposition, levy or charge, or any part thereof shall be considered to be delinquent on the date same begins to draw interest, penalty or other charge or on which the right to a discount expires. All taxes and assessments becoming due and payable in the first and last years of the Lease Term, or any year in which this Lease is terminated, shall be apportioned between Landlord and Tenant based upon the number of months the Lease Term during such years bears to the calendar year. Tenant shall have the right to seek a reduction of, or contest, any taxes that are to be paid by Tenant hereunder. Tenant shall bear the cost of such actions or proceedings, shall hold Landlord harmless from any loss, damage, cost or expense arising therefrom and shall pay any final judgment that may be rendered therein. If, at any time during the Lease Term, the laws concerning the methods of real property taxation prevailing on the effective date hereof are changed so that a tax or excise on rents or any other such tax, however described, is levied or assessed against Landlord as a direct substitution, in whole or in part, for any real property taxes or assessments otherwise due, Tenant shall pay before delinquency, the substitute tax, assessment, or excise on rents.

7.4 Impound for Taxes. Any time after a default by Tenant has occurred under this Lease, regardless of whether such default is subsequently cured, at Landlord's option, Tenant shall pay, with each installment of Minimum Monthly Rent, an amount equal to the sum of: (a) 1/12th of the amount of the annual personal property taxes with respect to personal property owned by Landlord and located on the Premises required to be paid by Tenant under Section 7.2 above (as estimated by Landlord); and (b) 1/12th of the amount of the annual real property taxes and assessments required to be paid by Tenant under Section 7.3 above (as estimated by Landlord) (collectively, the "Impounds"). If Landlord determines that the amount of the Impounds is insufficient for the payment in full of such taxes and assessments, Landlord shall notify Tenant of the increased amounts required to provide a sufficient fund, whereupon Tenant shall pay to Landlord, within 10 days of Tenant's receipt of such notification, the additional amount stated in Landlord's notice. The Impounds shall be held by or on behalf of Tenant in one or more noninterest-bearing accounts and may be commingled with Landlord's other funds. If no default then exists under this Lease, Landlord shall make the Impounds available to Tenant for payment of such taxes and assessments when payment for such items becomes delinquent or, at Landlord's option, make such payment directly.

7.5 Landlord's Remedies. Should Tenant fail, within the time periods specified above, to pay all or any part of the payments to be borne and paid by Tenant pursuant to this Section 7, including all penalties, fines, interest, costs and expenses (a "Payment"), Landlord may, without notice to or demand upon Tenant, pay, discharge, compromise or adjust all or any part of the Payment. In case of any sale or sales to enforce or collect a Payment, Landlord may effect any redemption therefrom as Landlord may deem fit. The legality and validity of a Payment, the full amount paid or expended by Landlord, and the regularity of all proceedings had in respect thereof or toward the enforcement thereof, shall, as between the parties hereto, be conclusively deemed to exist. Tenant shall repay to

Landlord the full amount so paid and expended by Landlord, including any costs, expenses and reasonable attorneys' fees incurred by Landlord, within 20 days following Tenant's receipt from Landlord of a notice setting forth such amount (and any costs, expenses and reasonable attorneys' fees) and the date of Landlord's payment thereof, together with interest thereon at the Default Rate calculated from the date of payment of any such obligations, costs, expenses or attorneys' fees incurred by Landlord until repaid.

8. Utilities and Services. Tenant shall pay for all utilities and services furnished to or used by Tenant at the Premises, including, without limitation, gas, electricity, water, telephone service, trash collection and sewer service. Landlord shall have no liability or obligation with respect to the furnishing of any utilities or other services to the Premises. No interruption or discontinuance of any such utilities or other services shall release or relieve Tenant of any of its agreements, liabilities or obligations under this Lease.

9. Tenant Improvements. Tenant acknowledges that the Premises currently consist of vacant land. Tenant, at its sole expense, shall construct, furnish and make such improvements to the Premises as are necessary for Tenant's use of the Premises (the "*Improvements*"), including, without limitation, a wastewater treatment facility (the "*Facility*") with a minimum capacity to provide wastewater services to the "Castlegate" development located near the Premises, which is planned to consist of approximately 1,409 residential lots, an approximately four acre commercial site and an approximately 9.6 acre industrial site. Tenant shall construct all the Facility and all other improvements in compliance with all applicable laws, codes, rules and ordinances, including, without limitation, all building, health and safety codes and the Americans with Disabilities Act, and shall obtain all necessary permits and approvals for such construction.

10. Alterations. Upon the expiration or termination of this Lease, Tenant shall remove all alterations, additions, fixtures or improvements to the Premises (collectively "*Alterations*"), made by Tenant except for such items as Landlord may, at its option, designate as improvements to remain on the Premises (the "*Landlord Improvements*"). The Landlord Improvements shall remain on and be surrendered with the Premises upon expiration or termination of the Lease. Tenant shall be solely responsible, at Tenant's expense, for any and all Alterations.

11. Maintenance and Repair; Condition of Premises.

11.1 Maintenance and Repair. Tenant shall, at its sole cost and expense, maintain and repair the Premises, including, without limitation, the Improvements and all personal property, trade fixtures and equipment located thereon, whether owned by Landlord or Tenant, in a good state of repair and in a reasonable sanitary condition.

11.2 Condition of Premises. Tenant acknowledges that Tenant is leasing the Premises solely in reliance on Tenant's own investigation and inspection of the Premises and that no representations, claims or warranties of any kind whatsoever, express or implied, concerning the Premises or their fitness, condition or suitability for any use or purpose, including, without limitation, their ability to be used for the operation of the Business, or the environmental condition of the Premises, have been made by Landlord or any party acting on behalf of Landlord. Tenant further acknowledges that Tenant has been given an opportunity to inspect the Premises and that Tenant has inspected the Premises to the extent that Tenant deems appropriate including, without limitation, inspection regarding the physical condition of the Premises, hazardous and toxic substances and waste, zoning regulation, laws, ordinances, and other governmental requirements and compliance with building codes. Tenant agrees to bear the risk of all matters referred to in this paragraph and any adverse consequence or condition with respect to any such matters. Tenant is leasing the Property "AS IS" and "WHERE IS" with any and all damage, faults and defects.

12. Liens. Tenant shall not permit any mechanic's, materialmen's or other liens to be filed against all or any part of the Premises, nor against Tenant's leasehold interest in the Premises, by reason of or in connection with any

repairs, alterations, improvements or other work contracted for or undertaken by Tenant or any other act or omission of Tenant or Tenant's agents, employees, contractors, licensees or invitees. Tenant shall, at Landlord's request, provide Landlord with enforceable, unconditional and final lien releases (and other evidence reasonably requested by Landlord to demonstrate protection from liens) from all persons furnishing labor and/or materials with respect to the Premises. Landlord shall have the right at all reasonable times to post on the Premises and record any notices of non-responsibility that Landlord deems necessary for protection from such liens. If any such liens are filed, Tenant shall, at its sole cost, immediately cause such lien to be released of record or bonded in a manner acceptable to Landlord so that it no longer encumbers the Premises. If Tenant fails to cause such lien to be so released or bonded within 30 days after filing thereof, such failure shall be deemed a material breach by Tenant under this Lease without the benefit of any additional notice or cure period, and Landlord may, without waiving its rights and remedies based on such breach, and without releasing Tenant from any of its obligations, cause such lien to be released by any means it shall deem proper, including payment in satisfaction of the claim giving rise to such lien. Tenant shall pay to Landlord within 5 days after receipt of invoice from Landlord, any sum paid by Landlord to remove such liens, together with interest at the Default Rate from the date of such payment by Landlord.

13. Indemnification and Exculpation.

13.1 Tenant's Indemnification of Landlord. Tenant shall be liable for, and shall indemnify, defend and hold harmless Landlord and Landlord's managers, members, partners, directors, officers, employees, attorneys, agents, successors and assigns (collectively, "*Landlord Parties*") from and against, any and all claims, damages, judgments, suits, causes of action, losses, liabilities and expenses, including attorneys' fees and court costs (collectively, "*Indemnified Claims*"), arising or resulting from: (a) any act or omission of Tenant or any of Tenant's managers, members, partners, directors, officers, agents, employees, contractors, subtenants, assignees, licensees, guests, customers or invitees (collectively, "*Tenant Parties*"); (b) the use of the Premises and conduct of the Business by Tenant or any Tenant Parties, or any other activity, work or thing done, permitted or suffered by Tenant or any Tenant Parties, in, on or about the Premises; and/or (c) any default by Tenant of any obligations to be performed by Tenant under this Lease. If any action or proceeding is brought against Landlord or any Landlord Parties by reason of any such Indemnified Claims, Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel approved in writing by Landlord, which approval shall not be unreasonably withheld.

13.2 Tenant's Assumption of Risk and Waiver. Tenant, as a material part of the consideration to Landlord, hereby agrees that neither Landlord nor any Landlord Parties shall be liable to Tenant for, and Tenant expressly assumes the risk of, and waives any and all claims it may have against Landlord or any Landlord Parties with respect to, any and all damage to property or injury to persons in, upon or about the Premises resulting from any act or omission of Landlord or of any Landlord Indemnified Party (whether or not negligent) or from any other cause whatsoever, except to the extent arising from the Landlord's breach of this Lease, the gross negligence of Landlord or its agents.

13.3 Survival: No Release of Insurers. Tenant's indemnification obligations under Section 13.1 above and the waiver contained in Section 13.2 shall survive the expiration or earlier termination of this Lease. Tenant's covenants, agreements and indemnification in Sections 13.1 and 13.2 above are not intended to and shall not relieve any insurance carrier of its obligations under policies required to be carried by Landlord or Tenant, respectively, pursuant to the provisions of this Lease for actions or events that occur during the Lease Term.

14. Tenant's Insurance.

14.1 Types of Insurance. On or before the earlier of the Commencement Date or the date Tenant commences or causes to be commenced any work on the Premises, and continuing during the entire Lease Term, Tenant shall obtain and keep in full force and effect, the following insurance:

14.1.1 special form insurance (fka "all risks") , including fire and extended coverage, vandalism and malicious mischief upon the Improvements and all other property of every description and kind located on the Premises (whether owned by Landlord or Tenant), or for which Tenant is legally liable or installed by or on behalf of Tenant including, without limitation, the Facility, equipment, furniture and any other personal property, in an amount not less than the full replacement cost thereof. In the event that there shall be a dispute as to the amount which comprises full replacement cost, the decision of Landlord shall control;

14.1.2 commercial general liability insurance coverage, including personal injury, bodily injury (including wrongful death), broad form property damage, operations hazard, owner's protective coverage, contractual liability (including Tenant's indemnification obligations under this Lease, including Section 13 above), products and completed operations liability and owned/non-owned auto liability, with initial limits as follows: general aggregate--not less than \$3,000,000.00, and per occurrence--not less than \$1,000,000.00;

14.1.3 worker's compensation insurance, in statutory amounts and limits as required by the State of Arizona, and employer's liability insurance with limits as follows: bodily injury each accident--not less than \$1,000,000.00, bodily injury/disease each employee--not less than \$1,000,000.00, and a bodily injury/disease policy limit of not less than \$1,000,000.00; and

14.1.4 any other form or forms of insurance as Tenant or Landlord or the mortgagees or deed of trust beneficiaries of Landlord may require from time to time, in form, amounts and for insurance risks against which a prudent tenant would protect itself, but only to the extent such risks and amounts are available in the insurance market at commercially reasonable costs.

From time to time during the Lease Term, Landlord, at its option, may require that the policy limits in Sections 14.1.2, 14.1.3 and 14.1.4 above be increased to reflect increases in the amount of coverage then commonly accepted in the State of Arizona for Tenant's industry.

14.2 Policy Requirements. Each policy required to be obtained by Tenant hereunder shall: (a) be issued by insurers authorized to do business in the State of Arizona and not less than policyholder rating A in the most recent version of Best's Key Rating Guide; (b) be in form reasonably satisfactory to Landlord; (c) name Tenant as named insured thereunder and shall name Landlord and, at Landlord's request, Landlord's mortgagees or deed of trust beneficiaries of which Tenant has been informed in writing, as additional insureds thereunder, all as their respective interests may appear; (d) shall not have a deductible amount exceeding \$5,000.00; (e) specifically provide that the insurance afforded by such policy for the benefit of Landlord and Landlord's mortgagees and deed of trust beneficiaries shall be primary, and any insurance carried by Landlord or Landlord's mortgagees or deed of trust beneficiaries shall be excess and non-contributing; (f) except for worker's compensation insurance, contain an endorsement that the insurer waives its right to subrogation as described in Section 15.2 below; and (g) contain an undertaking by the insurer to notify Landlord (and any mortgagees and deed of trust beneficiaries of Landlord who are named as additional insureds) in writing not less than 30 days prior to any material change, reduction in coverage, cancellation or other termination thereof.

14.3 Evidence of Insurance. Prior to the Commencement Date, Tenant shall deliver to Landlord certificates from the insurance company evidencing the existence of such insurance and Tenant's compliance with the foregoing provisions of this Section 14. Tenant shall cause replacement certificates to be delivered to Landlord on or

before 30 days prior to the expiration of any such policy or policies. Promptly following Tenant's receipt of the actual insurance policies (including any modification or replacements), Tenant shall deliver a copy of such policies to Landlord. If any such initial or replacement policies or certificates are not furnished within the time(s) specified herein, Tenant shall be deemed to be in material default under this Lease without the benefit of any additional notice or cure period, and Landlord shall have the right, but not the obligation, to procure such policies and certificates at Tenant's expense. In such event, Tenant shall pay Landlord the amount of all costs and expenses incurred by Landlord to procure such policies and certificates within 10 days after demand from Landlord along with interest thereon at the Default Rate from the date Landlord makes such payment or incurs such costs until paid. The foregoing rights are in addition to any and all remedies available to Landlord upon Tenant's default as described in Section 19 below.

15. Waivers of Subrogation.

15.1 Waiver by Tenant. Tenant hereby waives its rights against Landlord and the Landlord Parties with respect to any claims or damages or losses (including any claims for bodily injury to persons and/or damage to property) that are caused by or result from: (a) risks insured against under any insurance policy carried by Tenant pursuant to the provisions of this Lease; or (b) risks which would have been covered under any insurance required to be obtained and maintained by Tenant under Section 14 above had such insurance been obtained and maintained as required therein. The foregoing waivers shall be in addition to, and not a limitation of, any other waivers or releases contained in this Lease.

15.2 Waiver by Insurer. Tenant shall cause each insurance policy required to be obtained by Tenant pursuant to Section 14 above (excluding the worker's compensation insurance) to provide that the insurer waives all rights of recovery by way of subrogation against Landlord and the employees, agents and authorized representatives of Landlord in connection with any claims, losses and damages covered by such policy. If Tenant fails to maintain insurance required hereunder and without waiving any default resulting from such failure, such insurance shall be deemed to be self-insured with a deemed full waiver of subrogation as set forth in the immediately preceding sentence.

16. Landlord's Insurance. Landlord may, at its option, obtain such liability and casualty insurance relating to the Premises as Landlord deems desirable, but Landlord shall have no obligation to obtain or maintain any such insurance.

17. Damage Or Destruction.

17.1 Repair and Restoration. If the Premises are damaged by fire or other casualty, Tenant shall be responsible to commence and proceed diligently with the work of repair, reconstruction and restoration, and this Lease shall continue in full force and effect. Tenant shall bear all costs of repairing, reconstructing and restoring the Premises regardless of the adequacy of insurance proceeds. Landlord shall make all insurance proceeds received by Landlord available to Tenant for such repair, reconstruction and restoration, allowing Tenant to draw on such proceeds in a manner consistent with customary construction lending practices.

17.2 Insurance Proceeds. In the event of any damage or destruction of all or any part of the Premises, Tenant shall immediately: (a) notify Landlord thereof; and (b) deliver to Landlord all insurance proceeds received by Tenant with respect to the Premises, excluding proceeds for inventory and/or personal property, which shall remain with Tenant, and Tenant hereby assigns to Landlord all rights to receive such insurance proceeds. Landlord shall make such insurance proceeds available to Tenant for repair or reconstruction as provided in Section 17.1 above.

17.3 No Abatement of Rent. Tenant shall not be entitled to: (a) any abatement of rent as a result of any damage, repair, reconstruction or restoration of the Premises or any portion thereof; or (b) any compensation or

damages for loss of, or interference with, Tenant's business or use of or access to all or any part of the Premises resulting from any such damage, repair, reconstruction or restoration.

17.4 Damage Near End of Term. Landlord and Tenant shall each have the right to terminate this Lease if any damage to the Premises occurs during the last 12 months of the Lease Term.

17.5 Waiver of Termination Right. Tenant hereby expressly waives the provisions of Arizona Revised Statutes Section 33-343 (and any successor statutes thereof permitting Tenant to terminate this Lease as a result of any damage or destruction).

18. Eminent Domain.

18.1 Substantial Taking. Subject to the provisions of Section 18.4 below, in case the whole of the Premises, or such part thereof as shall prevent the operation of the Business as reasonably determined by Landlord, shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold to prevent or in lieu of such taking, either party shall have the right to terminate this Lease effective as of the date possession is required to be surrendered to said authority.

18.2 Partial Taking; Abatement of Rent. In the event of a taking of a portion of the Premises that does not prevent the operation of the Business as reasonably determined by Landlord and Tenant, neither party shall have the right to terminate this Lease, and Tenant shall thereafter proceed to make a functional unit of the remaining portion of the Premises (and Landlord shall make available such portion of the proceeds received by Landlord from the condemning authority as is attributable to the taking of any portion of the Improvements), and Minimum Annual Rent and Percentage Rent shall not be abated or reduced. Proceeds received by Landlord for the value of Tenant's business shall belong to Tenant.

18.3 Condemnation Award. Subject to the provisions of Section 18.4 below, in connection with any taking of the Premises or any portion thereof, Landlord shall be entitled to receive the entire amount of any award that may be made or given in such taking or condemnation or any payment made in lieu or anticipation of any such taking or condemnation, without deduction or apportionment for any estate or interest of Tenant, it being expressly understood and agreed by Tenant that no portion of any such award shall be allowed or paid to Tenant for any so-called bonus or excess value of this Lease, and such bonus or excess value shall be the sole property of Landlord. Tenant shall not assert any claim against Landlord or the taking authority for any compensation because of such taking (including any claim for bonus or excess value of this Lease); provided, however, Tenant shall be granted the right to recover from the condemning authority (but not from Landlord) any compensation as may be separately awarded or recoverable by Tenant for Tenant's relocation expenses and for any loss of goodwill.

18.4 Temporary Taking. In the event of a taking of the Premises or any part thereof for temporary use: (a) this Lease shall be and remain unaffected thereby and rent, including, without limitation, Minimum Monthly Rent and Percentage Rent, shall not abate; and (b) Tenant shall be entitled to receive for itself such portion or portions of any award made for such use with respect to the period of the taking that is within the Lease Term. For purpose of this Section 18.4, a temporary taking shall be defined as a taking for a period of 120 days or less.

18.5 No Taking for Access Road. The dedication of all or any portion of the Access Road under Section 2.3 above shall not be deemed a "taking" for purposes of this Lease.

19. Tenant's Default and Landlord's Remedies.

19.1 Tenant's Default. The occurrence of any one or more of the following events shall constitute a default under this Lease by Tenant:

19.1.1 the vacating or abandonment of the Premises by Tenant. "Abandonment" shall include, without limitation, any absence by Tenant from the Premises for more than 10 consecutive days or longer;

19.1.2 the failure of the Facility to operate for a period of more than 30 consecutive days after the Facility commences operation;

19.1.3 the failure by Tenant to make any payment of Minimum Annual Rent, Percentage Rent or any other payment required to be made by Tenant hereunder, as and within 10 days of when due;

19.1.4 the failure by Tenant to delivery to Landlord any Monthly Statement or Annual Statement within 30 days of when due;

19.1.5 the failure by Tenant to maintain the insurance required under Section 14 above;

19.1.6 the intentional misrepresentation by Tenant of Tenant's Gross Sales in any Monthly Statement or Annual Statement of Gross Sales delivered by Tenant under Section 5.2.3 above;

19.1.7 any default by Tenant (after any applicable notice and grace periods) under the Letter Agreement, except that if "Developer" (as defined in the Letter Agreement) exercises its right to take over the construction and/or operation of the Facility and assumes the obligations of Tenant under this Lease, then Tenant's default under this Section 19.1.7 shall be deemed cured;

19.1.8 the failure by Tenant to observe or perform any of the covenants or provisions of this Lease to be observed or performed by Tenant (other than those described in Sections 19.1.1 through 19.1.7 above), if such failure continues for a period of 30 days after written notice thereof from Landlord to Tenant; provided, however, that, if the nature of Tenant's default is such that more than 30 days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant shall commence such cure within such 30-day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than 120 days from the date of such notice from Landlord. However, the foregoing notice and cure periods shall not apply to Tenant's failure to perform under any provision of this Lease that specifically excludes the application of any notice, grace or cure period; and

19.1.9 (a) the making by Tenant of any general assignment for the benefit of creditors; (b) the filing by or against Tenant of a petition to have Tenant adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against the Tenant, the same is dismissed within 60 days); (c) the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease, if possession is not restored to Tenant within 60 days; or (d) the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or of Tenant's interest in this Lease if such seizure is not discharged within 60 days.

19.2 Late Charge and Default Interest. If any installment of Minimum Monthly Rent, Percentage Rent, any additional rent or other amount payable by Tenant hereunder is not received by Landlord by the date at which time failure to pay becomes a default under Section 19.1.3 above (the "Default Date"), it shall be subject to a late

charge of 5% of the amount delinquent and shall bear interest at 18% per annum (the "Default Rate") from the Default Date until paid. All interest shall be considered additional rent due from Tenant to Landlord under the terms of this Lease.

19.3 Landlord's Remedies: Termination. In the event of any such default by Tenant, Landlord shall have the immediate right to terminate this Lease and all rights of Tenant hereunder. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall have the right to recover from Tenant:

19.3.1 the worth at the time of award of any unpaid rent which had been earned at the time of such termination; plus

19.3.2 the worth at the time of the award of the amount by which the unpaid Minimum Annual Rent and Percentage Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

19.3.3 the worth at the time of award of the amount by which the unpaid Minimum Annual Rent and Percentage Rent for the balance of the term after the time of award exceeds the amount of such rental loss that Tenant proves could be reasonably avoided; plus

19.3.4 any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations under this Lease or which, in the ordinary course of things, would be likely to result therefrom.

As used in Sections 19.3.1 and 19.3.2 above, the "worth at the time of award" is computed by allowing interest at the Default Rate. As used in Section 19.3.3 above, the "worth at the time of award" is computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus one percent (1%).

19.4 Landlord's Remedies: Re-Entry Rights. In the event of any such default by Tenant, Landlord shall also have the right, with or without terminating this Lease, to re-enter the Premises and remove all persons from the Premises and take possession of all property located thereon. No re-entry or taking possession of the Premises by Landlord pursuant to this Section 19.4, and no acceptance of surrender of the Premises or other action on Landlord's part, shall be construed as an election to terminate this Lease unless a written notice of such intention be given to Tenant or unless the termination thereof be decreed by a court of competent jurisdiction.

19.5 Landlord's Remedies: Continuation of Lease. In the event of any such default by Tenant, Landlord shall have the right to continue this Lease in full force and effect, whether or not Tenant shall have abandoned the Premises. In the event Landlord elects to continue this Lease in full force and effect pursuant to this Section 19.5, then Landlord shall be entitled to enforce all of its rights and remedies under this Lease, including the right to recover Minimum Annual Rent and Percentage Rent as it becomes due. Landlord's election not to terminate this Lease pursuant to this Section 19.5 or pursuant to any other provision of this Lease, at law or in equity, shall not preclude Landlord from subsequently electing to terminate this Lease or pursuing any of its other remedies. Landlord shall have the right to relet the Premises or any portion thereof for such term or terms (which may extend beyond the Lease Term) and at such rental and on such other terms and conditions as Landlord, in its sole discretion, may deem advisable. Landlord shall also have the right to make such alteration and repairs to the Premises as Landlord may deem advisable, in its sole discretion. Upon such reletting, the rents received by Landlord shall be applied first to the payment of any costs and expenses of such reletting, including, without limitation, the cost of brokerage fees and commissions, and of such alterations and repairs; second, to the payment of any amounts other than Minimum Annual Rent and Percentage

Rent due from Tenant under this Lease; third, to the payment of Minimum Annual Rent and Percentage Rent due and unpaid under this Lease; and the residue, if any, shall be held by Landlord and applied to payment of future rent and other amounts as the same become due and payable hereunder. If the rents received from such reletting during any month are less than that to be paid during that month by Tenant hereunder, Tenant shall immediately pay any such deficiency to Landlord. Such deficiency shall be calculated and paid monthly.

19.6 Rights and Remedies Cumulative. All rights, options and remedies of Landlord contained in this Section 19 and elsewhere in this Lease (including Section 23 below) shall be construed and held to be cumulative, and no one of them shall be exclusive of the other. Landlord shall have the right to pursue any one or all of such remedies or any other remedy or relief that may be provided by law or in equity, whether or not stated in this Lease. Nothing in this Section 19 shall be deemed to limit or otherwise affect Tenant's indemnification of Landlord pursuant to any provision of this Lease.

19.7 Determination of Percentage Rent. "Percentage Rent" for periods occurring after Tenant's vacation or abandonment of the Premises or Landlord's termination of this Lease shall be determined by using the average amount of Percentage Rent for the last 12 calendar months prior to such vacation, abandonment or termination in which the Business was in operation for the entire calendar month.

20. Landlord's Default. Landlord shall not be in default in the performance of any obligation required to be performed by Landlord under this Lease unless Landlord has failed to perform such obligation within 30 days after the receipt of notice from Tenant specifying in detail Landlord's failure to perform; provided however, that if the nature of Landlord's obligation is such that more than 30 days are required for its performance, then Landlord shall not be deemed in default if it commences such performance within such 30-day period and thereafter diligently pursues the same to completion. Upon any such uncured default by Landlord, Tenant may exercise any of its rights provided in law or at equity; provided, however: (a) Tenant shall have no right to offset or abate rent in the event of any default by Landlord under this Lease; and (b) Tenant's rights and remedies hereunder shall be limited to the extent: (i) Tenant has expressly waived in this Lease any of such rights or remedies; and/or (ii) this Lease otherwise expressly limits Tenant's rights or remedies, including the limitation on Landlord's liability contained in Section 26 hereof.

21. Estoppel Certificate.

21.1 Tenant's Obligations. Within 10 days following Landlord's written request, Tenant shall execute and deliver to Landlord an estoppel certificate certifying: (a) the Commencement Date of this Lease; (b) that this Lease is unmodified and in full force and effect (or, if modified, that this Lease is in full force and effect as modified, and stating the date and nature of such modifications); (c) the date to which the rent and other sums payable under this Lease have been paid; (d) that there are not, to the best of Tenant's knowledge, any defaults under this Lease by either Landlord or Tenant, except as specified in such certificate; and (e) such other matters as are reasonably requested by Landlord. Any such estoppel certificate delivered pursuant to this Section 21.1 may be relied upon by any mortgagee, deed of trust beneficiary, purchaser or prospective purchaser of the Premises, as well as their assignees.

21.2 Tenant's Failure to Deliver. Tenant's failure to deliver such estoppel certificate within such time shall be conclusive upon Tenant that: (a) this Lease is in full force and effect without modification, except as may be represented by Landlord; (b) there are no uncured defaults in Landlord's or Tenant's performance; and (c) not more than one month's rental has been paid in advance. Tenant shall indemnify, defend (with counsel reasonably approved by Landlord in writing) and hold Landlord harmless from and against any and all claims, judgments, suits, causes of action, damages, losses, liabilities and expenses (including attorneys' fees and court costs) attributable to any failure by Tenant to timely deliver any such estoppel certificate to Landlord pursuant to Section 21.1 above.

22. Landlord's Right to Perform. Except as specifically provided otherwise in this Lease, all covenants and agreements by Tenant under this Lease shall be performed by Tenant at Tenant's sole cost and expense and without any abatement or offset of rent. If Tenant shall fail to pay any sum of money (other than Minimum Annual Rent and Percentage Rent) or perform any other act on its part to be paid or performed hereunder and such failure shall continue for 5 days with respect to monetary obligations (or 15 days with respect to non-monetary obligations) after Tenant's receipt of written notice thereof from Landlord, Landlord may, without waiving or releasing Tenant from any of Tenant's obligations, make such payment or perform such other act on behalf of Tenant. All sums so paid by Landlord and all necessary incidental costs incurred by Landlord in performing such other acts shall be payable by Tenant to Landlord within 15 days after demand therefor as additional rent and, if not paid within such 15-day period, shall bear interest at the Default Rate from the date Landlord makes such payment or incurs such costs until paid. The foregoing rights are in addition to any and all remedies available to Landlord upon Tenant's default as described in Section 19 above.

23. Assignment and Subletting.

23.1 Restriction on Transfer. Except as provided in Section 23.3 below, Tenant shall not, without the prior written consent of Landlord, which consent may be withheld in Landlord's sole and absolute judgment and discretion, assign or encumber this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use or occupancy of the Premises by any party other than Tenant (any such assignment, encumbrance, sublease or the like is referred to as a "Transfer"). Any Transfer without Landlord's consent shall constitute a default by Tenant under this Lease, and in addition to all of Landlord's other remedies at law, in equity or under this Lease, such Transfer shall be voidable at Landlord's election. In addition, this Lease shall not, nor shall any interest of Tenant herein, be assignable by operation of law without the written consent of Landlord. For purposes of this Section 23, if Tenant is a corporation, partnership, limited liability company or other entity, any transfer, assignment, encumbrance or hypothecation of 49% or more (individually or in the aggregate) of any stock or other ownership interest in such entity, and/or any transfer, assignment, hypothecation or encumbrance of any controlling ownership or voting interest in such entity, shall be deemed an assignment of this Lease and shall be subject to all of the restrictions and provisions contained in this Section 23.

23.2 No Release or Waiver. No Transfer shall release Tenant of Tenant's obligations under this Lease or alter the primary liability of Tenant to pay the rent and to perform all other obligations to be performed by Tenant hereunder. Landlord may require that any transferee remit directly to Landlord on a monthly basis, all monies due Tenant by said Transferee. However, the acceptance of rent by Landlord from any other person shall not be deemed to be a waiver by Landlord of any provision hereof. Consent by Landlord to one Transfer shall not be deemed consent to any subsequent Transfer. In the event of default by any transferee of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such transferee or successor. Landlord may consent to subsequent assignments of the Lease or sublettings or amendments or modifications to the Lease with assignees of Tenant, without notifying Tenant, or any successor of Tenant, and without obtaining its or their consent thereto and any such actions shall not relieve Tenant of liability under this Lease.

23.3 Transfer to Developer. If Developer assume the construction and/or operation of the Facility as allowed in the Letter Agreement, then Developer may become the "Tenant" under this Lease and Tenant shall be deemed to have assigned all of its interest in this Lease to Developer upon Landlord's receipt of a written assumption agreement executed by Developer assuming all of Tenant's obligations under this Lease.

24. Entry by Landlord. Landlord and its employees and agents shall at all times have the right to enter the Premises to inspect the same, to exhibit the Premises to prospective lenders or purchasers (or during the last year of the

Lease Term, to prospective tenants), to post notices of non-responsibility, and/or to perform any act Landlord is required or allowed to perform under any provision of this Lease, all without being deemed guilty of or liable for any breach of Landlord's covenant of quiet enjoyment or any eviction of Tenant, and without abatement of rent. In exercising such entry rights, Landlord shall endeavor to minimize, as reasonably practicable, the interference with Tenant's business. Nothing in this Section 24 shall be construed as obligating Landlord to perform any repairs, alterations or improvements.

25. Transfer of Owner's Interest. The term "*Landlord*" as used in this Lease, so far as covenants or obligations on the part of the Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to the Premises. In the event of any transfer or conveyance of any such title (other than a transfer for security purposes only), the transferor shall be automatically relieved of all covenants and obligations on the part of Landlord contained in this Lease accruing after the date of such transfer or conveyance. Landlord and Landlord's transferees and assignees shall have the absolute right to transfer all or any portion of their respective title and interest in the Premises and/or this Lease without the consent of Tenant, and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms and conditions of this Lease.

26. Limitation on Landlord's Liability. Anything contained in this Lease to the contrary notwithstanding, the obligations of Landlord under this Lease (including any actual or alleged breach or default by Landlord) do not constitute personal obligations of Landlord, and Tenant shall not seek recourse against Landlord or any of Landlord's personal assets for satisfaction of any liability with respect to this Lease. In addition, in consideration of the benefits accruing hereunder to Tenant and anything contained in this Lease to the contrary notwithstanding, Tenant hereby covenants and agrees for itself and all of its successors and assigns that the liability of Landlord for its obligations under this Lease (including any liability as a result of any actual or alleged failure, breach or default hereunder by Landlord), shall be limited solely to, and Tenant's and its successors' and assigns' sole and exclusive remedy shall be against, Landlord's interest in the Premises and proceeds therefrom, and no other assets of Landlord.

27. Environmental Matters.

27.1 Tenant's Covenants. Tenant shall comply with all Environmental Laws (as defined in Section 27.3 below) with respect to the Premises and Tenant's operations on the Premises. Neither Tenant nor any Tenant Parties shall use, handle, store or dispose of any Regulated Substances (as defined in Section 27.3 below) in, on, under, at or about the Premises, except those typically used in the operation of the Business and then: (a) for use in the manner for which they were designed and only in accordance with all Environmental Laws and the highest standards prevailing in the industry for such use; and (b) only in such amounts as may be normal for the operation of the Business. Tenant shall promptly take all actions, at its sole cost and expense, as are necessary to return the Premises to the condition existing prior to the introduction of any such Regulated Substances by Tenant or any Tenant Parties, provided Landlord's approval of such actions shall first be obtained. Furthermore, Tenant shall immediately notify Landlord of any inquiry, test, investigation or enforcement proceeding by or against Tenant or the Premises concerning any Environmental Law.

27.2 Tenant's Indemnity. Tenant shall be solely responsible for and shall indemnify, defend (with counsel reasonably approved by Landlord) and hold Landlord and Landlord Parties harmless from and against any and all claims, judgments, suits, causes of action, damages, penalties, fines, liabilities, losses and expenses (including, without limitation, investigation and clean-up costs, attorneys' fees, consultant fees and court costs) that arise during or after the Lease Term as a result of the breach of any of the obligations and covenants set forth in Section 27.1 above, and/or any presence, spill, discharge, release, threatened release, cleanup or contamination of or by any Regulated Substance in, on, at, under, about or from the Premises directly or indirectly arising from the activities of Tenant or any Tenant Parties.

27.3 Definitions. For the purposes of this Lease: (a) "Environmental Law" shall mean any federal, state or local environmental or health or safety law, regulation or rule, including, without limitation, any judicial or administrative statement of general or specific applicability, now or hereafter enacted or in effect; and (b) "Regulated Substance" shall mean any substance, material or waste regulated by any Environmental Law.

27.4 Survival. The covenants and indemnities of Tenant in this Section 27 shall survive the expiration or earlier termination of this Lease.

28. Surrender of Premises; Holding Over.

28.1 Surrender of Premises. On expiration or termination of the Lease Term and subject to Tenant's right and obligation to remove certain improvements under Section 10 above, Tenant shall surrender to Landlord the Premises, all of the improvements and alterations in good condition and repair (except for ordinary wear).

28.2 Holding Over. If Tenant remains in possession of the Premises after expiration or termination of the Lease Term, such possession by Tenant shall be deemed to be a month-to-month tenancy terminable on 30 days' notice given at any time by either party. During any such month-to-month tenancy, Tenant shall pay Minimum Monthly Rent in an amount equal to 125% of the Minimum Monthly Rent in effect as of the termination or expiration. All provisions of this Lease (including the requirement to pay Percentage Rent), except those pertaining to term and options to extend shall apply to the month-to-month tenancy. A tenancy from year to year will not be created by implication of law.

29. Subordination. Without the necessity of any additional document being executed by Tenant for the purpose of effecting a subordination, and at the election of Landlord or any mortgagee of a mortgage or a beneficiary of a deed of trust now or hereafter encumbering all or any portion of the Premises, this Lease shall be subject and subordinate at all times to the lien of such mortgages and deeds of trust (as well as to any advances made thereunder and to all renewals, replacements, modifications and extensions thereof). As a condition precedent to the effectiveness of any such subordination of this Lease to the lien of any future mortgages or deeds of trust, Landlord shall provide to Tenant a commercially reasonable subordination, non-disturbance and attornment agreement in favor of Tenant executed by such future mortgagee or deed of trust beneficiary, as the case may be, which shall provide that Tenant's quiet possession of the Premises shall not be disturbed on account of such subordination so long as Tenant is not in default under any provisions of this Lease and agrees pursuant to the terms thereof to attorn to such mortgagee or beneficiary and any future owner of the Premises. Notwithstanding the foregoing, Landlord shall have the right to subordinate or cause to be subordinated the lien of any or all mortgages or deeds of trust to this Lease. In the event that any mortgage or deed of trust is foreclosed or a conveyance in lieu of foreclosure is made for any reason, at the election of Landlord's successor in interest, Tenant shall attorn to and become the tenant of such successor. Tenant hereby waives its rights under any current or future law that gives or purports to give Tenant any right to terminate or otherwise adversely affect this Lease and the obligations of Tenant hereunder in the event of any such foreclosure proceeding or sale. Tenant covenants and agrees to execute and deliver to Landlord within 10 days after receipt of written demand by Landlord and in the form reasonably required by Landlord, any additional documents evidencing the priority or subordination of this Lease with respect to the lien of any such mortgage or deed of trust. Should Tenant fail to sign and return any such documents within such 10-day period, Tenant shall be in default hereunder without the benefit of any additional notice or cure periods specified in Section 19.1.

30. Security Agreement.

30.1 Grant of Security Interest. In addition to Landlord's statutory landlord's lien, Tenant hereby pledges and grants to Landlord a security interest in all of Tenant's fixtures (including trade fixtures), equipment and other personal property, including, without limitation, all permits and information such as construction drawings plans and specifications, operations manuals and information and warranties related to the Facility (collectively, the "Collateral") that may be located at the Premises or used in connection with the operation of the Facility at any time during the Lease Term for the purpose of securing Tenant's performance of its obligations under this Lease, including, without limitation, Tenant's obligations to pay Minimum Annual Rent and Percentage Rent. Throughout the Lease Term, Tenant shall execute such financing statements and other documents as Landlord may deem necessary to perfect, protect or continue the security interest granted to Landlord under this Section 30.

30.2 Assignment and Deliver of Documents and Rights. At any time that a default exists under this Lease and remains uncured, Tenant, at Landlord's request and at no cost to Landlord, shall:

30.2.1 deliver to Landlord copies (including, if available, copies in electronic or digital format and mylar or other similar non-paper originals) of all documents, records and information relating to the Premises and the Facility in Tenant's possession or control, including, without limitation, all drawings, plans, specifications and schematics, operation manuals, records of operation, customer data and financial information and records, permits, certificates and approvals (collectively, "Tenant Documents"); and

30.2.2 to the extent assignable, assign to Landlord all of Tenant's right, title and interest in and to Tenant Documents and all of Tenant's interest in all rights, certificates, approvals, permit applications and permit rights relating to the Premises and the Facility, including, without limitation, any 208 amendment approval, aquifer protection permit and recharge permit (collectively, "Tenant Documents & Rights"). Tenant shall pay fully and promptly all outstanding amounts due to any third party, including, without limitation, any consultants, engineers and contractors, for Tenant Documents & Rights. Tenant shall deliver promptly to Landlord a written assignment of the Tenant Documents & Rights in a form acceptable to Landlord. Such assignment shall include a representation and warranty by Tenant that all of the Tenant Documents & Rights are free and clear of all claims and interests, including, without limitation, all claims by the parties that prepared or did any work in connection with the Tenant Documents & Rights, and that all fees, costs, charges and expenses payable by Tenant in connection with the production, acquisition and preparation of the Tenant Documents & Rights have been paid in full.

31. Miscellaneous.

31.1 Governing Law; Venue. This Agreement together with all attachments and exhibits shall be governed by, and construed and enforced in accordance with, the internal substantive laws of the State of Arizona (without reference to choice of law principles). Landlord and Tenant hereby irrevocably submit to the process, jurisdiction, and venue of the courts of the State of Arizona, Maricopa County, and to the process, jurisdiction and venue of the United States District Court of Arizona, for purposes of suit, action or other proceedings arising out of or relating to this Agreement. Without limiting the generality of the foregoing, Landlord and Tenant hereby waive and agree not to assert by way of motion, defense or otherwise in any such suit, action or proceeding any claim that any such party is not personally subject to the jurisdiction of the above-named courts, that suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

31.2 Successors and Assigns. Subject to the provisions of Sections 23 and 25 above, and except as otherwise provided in this Lease, all of the covenants, conditions and provisions of this Lease shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives and permitted successors and assigns; provided, however, no rights shall inure to the benefit of any transferee of Tenant unless the Transfer to such transferee is made with Landlord's consent pursuant to Section 23 above.

31.3 No Merger. The voluntary or other surrender of this Lease by Tenant or a mutual termination thereof shall not work as a merger and shall, at the option of Landlord, either: (a) terminate all or any existing subleases; or (b) operate as an assignment to Landlord of Tenant's interest under any or all such subleases.

31.4 Professional Fees. If either Landlord or Tenant should bring suit against the other with respect to this Lease, including for unlawful detainer or any other relief against the other hereunder, then all costs and expenses (including, without limitation, actual appraisers', accountants', attorneys' and other professional fees and court costs) incurred by the prevailing party therein, as determined by the judge of the court and not by the jury, shall be paid by the other party.

31.5 Waiver. The waiver by either party of any breach by the other party of any term, covenant or condition herein contained shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant and condition herein contained, nor shall any custom or practice which may become established between the parties in the administration of the terms hereof be deemed a waiver of, or in any way affect, the right of any party to insist upon the performance by the other in strict accordance with said terms. No waiver of any default of either party hereunder shall be implied from any acceptance by Landlord or delivery by Tenant (as the case may be) of any rent or other payments due hereunder or any omission by the non-defaulting party to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in said waiver. The subsequent acceptance of rent hereunder by Landlord shall not be deemed to be a waiver of any preceding breach by Tenant of any term, covenant or condition of this Lease other than the failure of Tenant to pay the particular rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such rent.

31.6 Terms, Headings and References. The words "Landlord" and "Tenant" as used herein shall include the plural as well as the singular. Words used in any gender include other genders. The Section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof. All references to "Sections" in this Lease shall refer to the numbered sections of this Lease unless specifically stated otherwise.

31.7 Time. Time is of the essence with respect to performance of every provision of this Lease in which time or performance is a factor. All references in this Lease to "days" shall mean calendar days unless specifically modified herein to be "business" days.

31.8 Prior Agreements; Amendments. This Lease (and the Exhibits attached hereto) contain all of the covenants, provisions, agreements, conditions and understandings between Landlord and Tenant concerning the lease of the Premises. No prior agreement or understanding, oral or written, express or implied, pertaining to the lease of the Premises shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest. The parties acknowledge that all prior agreements, representations and negotiations regarding the lease of the Premises to Tenant are deemed superseded by the execution of this Lease to the extent they are not expressly incorporated herein.

31.9 Severability. If any term or provision of this Lease shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable (except for Tenant's obligation to pay rent), the remainder of this Lease shall not be affected thereby, but such term or provision shall be reduced or otherwise modified by such court or authority only to the minimum extent necessary to make it valid and enforceable, and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law. If any term or provision cannot be reduced or modified to make it reasonable and permit its enforcement, it shall be severed from this Lease and the remaining terms shall be interpreted in such a way as to give maximum validity and enforceability to this Lease. It is

the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

31.10 Recording. Neither Landlord nor Tenant shall record this Lease or any short form or memorandum of this Lease.

31.11 Exhibits. All Exhibits attached to this Lease are hereby incorporated in this Lease as though set forth at length herein.

31.12 Accord and Satisfaction. No payment by Tenant or receipt by Landlord of a lesser amount than the rent payment herein stipulated shall be deemed to be other than on account of the rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy provided in this Lease. Tenant agrees that each of the foregoing covenants and agreements shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by any statute or at common law.

31.13 Tenant's Authority. If Tenant executes this Lease as a partnership or corporation, then Tenant and the persons and/or entities executing this Lease on behalf of Tenant represent and warrant that: (a) Tenant is a duly authorized and existing partnership or corporation, as the case may be, and is qualified to do business in the State of Arizona; (b) such persons and/or entities executing this Lease are duly authorized to execute and deliver this Lease on Tenant's behalf in accordance with the Tenant's partnership agreement (if Tenant is a partnership), or a duly adopted resolution of Tenant's board of directors and the Tenant's by-laws (if Tenant is a corporation); and (c) this Lease is binding upon Tenant in accordance with its terms.

31.14 Notice. Any notice, demand, request, consent, approval or communication (collectively "Notice") required or permitted under this Lease shall be in writing and shall be personally delivered or sent by certified mail, with return receipt requested, postage prepaid or sent by nationally recognized overnight courier service (e.g., Federal Express or UPS), addressed as follows:

Landlord: Mr. Scott Simonton
Summer Ridge, LLC
7116 E. Laguna Azul Avenue
Mesa, Arizona 85208

and a copy to:

Paul D. Ellsworth
Paul D. Ellsworth, PLC
4041 East Grove
Mesa, Arizona 85206-3201

Tenant: Arizona Utility Supply & Services, LLC
3420 E. Shea Boulevard, Suite 213
Phoenix, Arizona 85028

and a copy to:

Jeffrey C. Zimmerman
Moyes Storey
3003 N. Central Avenue, Suite 1250
Phoenix, Arizona 85012-2915

Notice given in accordance with the terms hereof shall be deemed received on the date of receipt if personally delivered, upon the date three business days after posting if transmitted by mail or one business day after depositing such Notice with an overnight courier. Any party hereto may change the address for receiving Notice by notice sent in accordance with the terms of this Section 31.14. The inability to deliver a Notice because of a changed address of which no Notice was given, or rejection or other refusal to accept any Notice, shall be deemed to be receipt of the Notice as of the date of such inability to deliver, rejection or refusal to accept. Any Notice to be given by any party hereto may be given by legal counsel for such party; however, notice to a party's legal counsel without notice directly to such party shall not be deemed notice to such party.

31.15 Negation of Partnership. Nothing in this Lease shall be construed to render the Landlord in any way, or for any purpose, a partner, joint venturer or associate with Tenant, nor shall this Lease be construed to authorize either Landlord or Tenant to act for the other, except as expressly stated herein. The only relationship between the parties hereto is that of Landlord and Tenant.

31.16 Brokerage. Neither Landlord nor Tenant has employed a finder or broker in connection with this Lease and each party agrees to indemnify and hold the other party harmless from any brokerage commission or finder's fee arising as a result of the employment of any finder or broker by such party.

31.16 No Brokers. Landlord and Tenant warrant, each to the other, that they have not dealt with any finder, broker or real estate sales person in connection with this lease transaction. If any person shall assert a claim to a finder's fee or brokerage commission on account of alleged employment as a finder or broker in connection with this lease transaction, the party under whom the finder or broker is claiming shall and does hereby indemnify the other party against, and agrees to hold the other party harmless from, any such claim and all costs, expenses and liabilities incurred in connection with such claim or any action or proceeding brought on such claim, including, but not limited to, attorneys' and witness fees and court costs in defending against such claim.

31.17 Net Lease. Landlord and Tenant intend this Lease to be a "triple net" lease so that Tenant bears all costs related to Tenant's use and occupancy of the Premises, including, without limitation, all property taxes, insurance and construction, maintenance and repair costs.

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31.18 Execution. This Lease may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The partially executed signature page of any counterpart of this Lease may be attached to any other partially executed counterpart of this Lease without impairing the legal effect of the signature(s) on such signature page.

Landlord and Tenant have executed this Lease to be effective as of the Effective Date.

LANDLORD:

SUMMER RIDGE, LLC,
an Arizona limited liability company

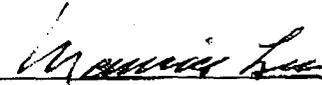
By: _____


G. Scott Simonton, Member

TENANT:

ARIZONA UTILITY SUPPLY & SERVICES, LLC,
an Arizona limited liability company

By: _____



Its: _____

MEMBER / MANAGER

EXHIBIT A

Legal Description of Premises

AGREEMENT REGARDING WASTEWATER SERVICES
(Castlegate)

This Agreement Regarding Wastewater Services (this "*Agreement*") is entered into as of March 6, 2001 (the "*Effective Date*"), between SUMMER RIDGE, LLC, an Arizona limited liability company ("*Summer Ridge*") and ARIZONA UTILITY SUPPLY & SERVICES, LLC, an Arizona limited liability company ("*Operator*").

RECITALS:

A. Summer Ridge owns two parcels of real property -- an approximately 40-acre parcel (the "*40-Acre Parcel*") and the other an approximately 24-acre parcel (the "*24-Acre Parcel*") -- located at or near the intersection of Ocotillo Road and Schnepf Road, in Pinal County, Arizona (collectively, the "*Summer Ridge Property*").

B. Summer Ridge Property is part of a proposed development known as "Castlegate" that is currently planned to consist of approximately 1,409 residential lots, an approximately four acre commercial site, an approximately 9.6 acre industrial site, a public school site and a wastewater treatment facility site (the "*Castlegate Development*").

C. The balance of the Castlegate Development is owned by Providence Development, Inc., an Arizona corporation ("*Providence*") and Victory Development, LLC, a Nevada limited liability company ("*Victory*").

D. Summer Ridge has entered into certain agreements with Providence and Victory under which Summer Ridge has the right, subject to receiving government approvals, to develop a wastewater treatment facility for and provide wastewater services to the Castlegate Development (the "*Wastewater Facility Agreements*"), as evidence by the following recorded documents: (i) Memorandum of Agreement Regarding Wastewater Treatment Facility, recorded June 21, 2000, at Fee No. 2000-025949, official records of Pinal County, Arizona; and (ii) Memorandum of Agreement Regarding Wastewater Treatment Facility, recorded August 17, 2000, at Fee No. 2000-034205, official records of Pinal County, Arizona.

E. Operator desires to construct a wastewater treatment facility to service the Castlegate Development (the "*Castlegate Treatment Facility*") and to provide wastewater treatment services to the Castlegate Development (the "*Castlegate Wastewater Services*").

F. Summer Ridge has agreed to waive its rights to under the Wastewater Facility Agreements, subject to the terms, conditions and provisions of this Agreement.

G. In the interest of proceeding as quickly as possible with the Castlegate Development, Summer Ridge and Operating have previously agreed on the terms contained in this Agreement and have executed a Letter Agreement, dated March 6, 2001 (the "*Letter Agreement*"), along with Providence and Victory setting forth the terms on which Operator intends to proceed with the Castlegate Treatment Facility and the Castlegate Wastewater Services.

H. The parties desire to enter into this Agreement to memorialize and clarify their agreement with respect to Summer Ridge's willingness to allow Operator to proceed, subject to government approvals, with such facility and services despite the terms of the existing Wastewater Facility Agreements.

I. Operator agrees that: (i) Operator will benefit greatly by entering into this Agreement; (ii) without this Agreement, Operator would not be able to construct the Castlegate Treatment Facility; and (iii) without this Agreement, it would be extremely difficult (if not impossible) for Operator to secure the right to provide, and actually to provide, the Castlegate Wastewater Services.

Therefore, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the Summer Ridge and Operator agree as follows:

AGREEMENTS:

1. Recitals. The Recitals above are incorporated herein as true statements of fact and shall be binding on the parties conclusively as true and correct statements of fact.

2. Waiver of Rights under Wastewater Facility Agreements.

2.1 Waiver. Summer Ridge hereby waives its rights under the Wastewater Facility Agreements. Such waiver is for the benefit of Operator specifically and for no other party.

2.2 Reservation of Rights. Summer Ridge reserves the right to exercise any rights available to it under the Wastewater Facility Agreements as if this waiver had not occurred if Operator does not proceed to construct the Castlegate Treatment Facility (unless Operator uses an Alternate Facility as allowed in Section 3.2 below) or provide the Castlegate Wastewater Services in accordance with the Letter Agreement. However, the parties acknowledge that the Wastewater Facility Agreements contain certain deadlines that Summer Ridge will not be able to satisfy as a result of entering into this Agreement and not proceeding with its own treatment plans. Accordingly, the exercise by Summer Ridge of any rights reserved under this Section 2.2 shall be in addition to and shall not limit any rights and remedies Summer Ridge may have under this Agreement.

3. Operator Obligations.

3.1 Construction of Facility. Operator shall proceed with reasonable diligence to construct the Castlegate Wastewater Facility and to provide the Castlegate Wastewater Services in accordance with the Letter Agreement. Operator shall fully comply with the Letter Agreement and proceed in such a way that the Developers (as defined in the Letter Agreement) do not take over and complete construction of the Wastewater Treatment Facility.

3.2 Alternate Facility. Operator shall not be required to construct the Castlegate Wastewater Facility if: (a) Operator provides the Castlegate Wastewater Services through another treatment facility owned by Operator (the "Alternate Facility"); and (b) the Developers consent to receiving services for the Castlegate Development through such other facility.

3.3 Operation of Treatment Services. Following the construction of the Castlegate Wastewater Facility or the Alternate Facility (if allowed under Section 3.2 above), Operator shall provide the Castlegate Wastewater Services in accordance with industry standards and in commercial reasonable manner.

3.4 Compliance with Laws. Operator shall observe and comply with all laws, rules and regulations of all governmental agencies having jurisdiction and shall obtain all licenses, certificates, permits and approvals necessary for the construction and operation of the Castlegate Wastewater Facility (or the

Alternate Facility, if applicable) and for providing the Castlegate Wastewater Services. Moreover, Operator shall, at its expense, promptly construct, bring, keep and maintain the Castlegate Wastewater Facility (or the Alternate Facility, if applicable) in compliance with all applicable laws, rules and regulations, including, without limitation, all building codes, health and safety codes now or hereafter applicable.

4. Land Lease. Summer Ridge and Operator shall enter into a lease agreement (the "Land Lease"), in form reasonably acceptable to both of them, under which Summer Ridge will lease to Operator approximately five acres of the 24-Acre Parcel (the "Summer Ridge Site"). The Land Lease shall include the following terms:

4.1 Term. The term of the Land Lease shall be for a term of 20 years with the option for Operator to renew for an additional 10 years.

4.2 Rent. Operator shall pay minimum annual rent in the amount of \$12,000 per year for the first four years and \$36,000 per year for each remaining year of the Land Lease term with annual increases starting in the sixth year of the term at the rate of 3% per year. In addition, Operator shall pay percentage rent on the gross proceeds from the treatment facility in the amount that 10% of such gross proceeds exceeds the minimum annual rent.

4.3 Triple Net Lease. The lease shall be a "triple net" lease so that Operator bears all costs related to its use and occupancy of the Premises, including, without limitation, all property taxes, insurance and construction, maintenance and repair costs.

5. Construction of Treatment Facility on Other Property.

5.1 Right to Terminate Land Lease. If Operator decides to construct the Castlegate Treatment Facility on property other than the Summer Ridge Site or to provide the Castlegate Wastewater Services through an Alternate Facility (if allowed under Section 3.2 above), then Operator may terminate the Land Lease and Operator shall pay to Summer Ridge the fees described in this Section 5. The fees in this Section 5 shall not be payable while the Land Lease is in effect.

5.2 Minimum Annual Fee. Subject to adjustment as provided in this Section 5.2, Operator shall pay to Summer Ridge an annual fee for each Fee Year (as defined in Section 5.4 below) in the amounts described below (the "Minimum Annual Fee") commencing on the date the Land Lease is terminated (the "Fee Commencement Date"). Operator shall pay the Minimum Annual Fee in 12 equal monthly installments (the "Minimum Monthly Fee") in advance starting on the Commencement Date and on the same day of each calendar month thereafter. During each of the first four Fee Years, the Minimum Annual Fee shall be \$9,600.00. During the fifth Fee Year, the Minimum Annual Fee shall be \$28,800. Commencing on the first day of the sixth Fee Year and on the first day of each successive Fee Year thereafter, the Minimum Annual Fee shall be increased by 3.0% of the amount of the Minimum Annual Fee for the immediately preceding Fee Year.

5.3 Percentage Fee.

5.3.1 Percentage Fee Rate. In addition to the Minimum Annual Fee, Operator shall pay a fee (the "Percentage Fee") in the amount by which the 8.0% of the annual Gross Proceeds (as defined in Section 5.3.2 below) in any Fee Year exceeds the Minimum Annual Fee for such Fee Year. The Percentage Fee shall be payable monthly, on the 15th day of each calendar month based on the Gross Proceeds for the previous calendar month, subject to adjustment at the end of each Fee Year as provided in Section 5.3.3 below.

5.3.2 Definition of Gross Proceeds. As used in this Agreement, "Gross Proceeds" shall mean the aggregate amount of all amounts received by Operator for services performed, made and rendered in, about or in connection with the Castlegate Development, including, without limitation, arising from the operating of the Castlegate Wastewater Facility, providing the Castlegate Wastewater Services, sales of fertilizers, processing of waste from septic tanks and all other charges, fees, sales or rentals, whether for cash, credit or otherwise, arising from or relating to the Castlegate Development. Gross Proceeds shall not include any federal, state, municipal or other sales, value added, retail, excise or similar taxes paid or incurred by Operator whether such taxes are collected from customers or absorbed by Operator.

5.3.3 Gross Proceeds Statements.

5.3.3.1 Monthly Statements. Within 20 days immediately following the end of each calendar month during each Fee Year, Operator shall deliver to Summer Ridge a statement (the "Monthly Statement") setting forth the Gross Proceeds for such month, which statement shall be certified by Operator as true, correct and complete.

5.3.3.2 Annual Statements. In addition to the Monthly Statement, within 20 days following the end of each Fee Year, Operator shall deliver to Summer Ridge a statement (the "Annual Statement") certified by Operator as true, correct and complete setting forth the Gross Proceeds for the prior Fee Year, and Operator shall pay to Summer Ridge the Percentage Fee due for that Fee Year to the extent not previously paid pursuant to Section 5.3.1 above. If Operator shall have overpaid its Percentage Fee, Operator shall be entitled to offset such overpayment against the Percentage Fee next coming due in accordance with Section 5.3.1.

5.3.3.3 Books and Records. Operator shall keep on the Premises or at Tenant corporate office full and accurate books of account, records, billings, invoices, cash receipts, sales tax returns and other pertinent data (collectively, the "Records") showing the Gross Proceeds. Operator shall keep the Records for a period of 3 years after the end of the Fee Year to which such Records apply. Summer Ridge shall be entitled to inspect and examine the Records to determine the Gross Proceeds. Operator shall cooperate fully with Summer Ridge in making such inspection. Summer Ridge shall also be entitled to have an independent audit of the Records to determine The Gross Proceeds, which audit shall be conducted by a certified public accountant to be designated by Summer Ridge (the "Outside Audit"). The Outside Audit shall be limited to the determination of Gross Proceeds, shall be conducted at the place at which the Records are usually kept and shall be paid for by Summer Ridge, except in any case when Operator has understated Gross Proceeds for any Fee Year by 2% or more, in which case, Operator shall pay Summer Ridge's cost of the Outside Audit. If the Outside Audit shows any deficiency in the payment of any Percentage Fee, the deficiency, plus interest thereon at the rate of 18% per annum from the due date to the date of payment, shall become immediately due and payable.

5.4 Fee Year. As used in this Agreement, "Fee Year" shall mean a period of 12 consecutive calendar months commencing on the Fee Commencement Date, except that if the Fee Commencement Date is other than the first day of a calendar month, the first Fee Year shall be extended to end

on and include the last day of the twelfth full calendar month following the Fee Commencement Date and the Minimum Annual Fee for the first Fee Year shall be increased proportionately.

6. Address for Payments. All fees and other sums payable to Summer Ridge under this Agreement shall be paid to Summer Ridge at the following address: 7116 E. Laguna Azul Avenue, Mesa, Arizona 85208, or to such other persons and/or at such other places as Summer Ridge may designate in writing and shall be paid to Summer Ridge without any prior demand therefor and without any deduction or offset whatever, in lawful money of the United States of America.

7. Summer Ridge Right to Effluent Benefits and Use.

7.1 Assignment. Operator hereby assigns, conveys and transfers to Summer Ridge all of its right, title and interest in and to: (a) all long-term storage credits and all other rebates, deductions, credits, compensation and benefits (whether governmental or private) (collectively, the "Effluent Benefits") with respect to the use of treated wastewater created by the treatment of wastewater from the Castlegate Development ("Effluent"); and (b) the right to use (but not the obligation to dispose of) and sell all Effluent.

7.2 Obligation to Create and Maintain. Operator, at its expense, shall construct recharge wells of such type and specifications as are required to process the Effluent and create the Effluent Benefits or any comparable type of credits, rebates deductions, compensation or benefits that may in the future replace or succeed any of the Effluent Benefits (collectively, "Replacement Benefits"). Except to the extent otherwise directed by Summer Ridge, Operator shall use the Effluent to recharge the aquifer in such manner as to obtain the maximum possible Effluent Benefits (and all Replacement Benefits, if any) for Summer Ridge. Operator shall maintain and protect the Effluent for Summer Ridge's use and benefit. Operator shall not use the Effluent for any purpose not approved by Summer Ridge, which approval may be given or withheld in Summer Ridge's sole and absolute judgment and discretion. Operator shall execute such assignments and other documents as Summer Ridge may request to further document or evidence the matters described in this Section 7.

8. Purchase of Existing Plans. The parties acknowledge that Summer Ridge has delivered to Operator, and Operator has purchased from Summer Ridge (for a price of \$87,204.00) certain engineering drawings, plans and designs (the "Existing Plans"), which were prepared for Summer Ridge in anticipation of the construction of a wastewater treatment facility on the 24-Acre Parcel. Operator acknowledges and agrees that Summer Ridge makes no representation or warranty regarding the accuracy or correctness of the Existing Plans or the opinions expressed therein. Any reliance by Operator on the contents of the Existing Plans shall be at Operator's own risk.

9. Reasonableness of Compensation; Term. The parties acknowledge and agree that the amount of compensation being given to Summer Ridge for its waiver of rights is the result of an arms-length transaction and is reasonable because by agreeing to such waiver Summer Ridge is giving up the opportunity to construct and operate the Castlegate Treatment Facility and to provide the Castlegate Wastewater Services and the profits and a perpetual future revenue stream Summer Ridge would have received for providing such services. Accordingly, the term of this Agreement shall be perpetual and shall not expire for any reason other than the mutual agreement of Operator and Summer Ridge, but neither party shall have any obligation to agree to any termination of this Agreement. If for any reason a court of competent jurisdiction shall determine that this Agreement may not be perpetual, then this Agreement shall expire on the date that is 90 years immediately following the Effective Date.

10. Transfer By Operator. Operator shall not transfer the ownership or operation of the Castlegate Wastewater Facility (or the Alternate Facility, if applicable) or Operator's rights to provide all or any portion of the Castlegate Wastewater Services to any other party without giving notice of this Agreement to the transferee and requiring that such transferee assume in writing all of Operator's obligations under this Agreement with respect to portion of the ownership, operation or rights being transferred and agree that following such assumption all references to "Operator" in this Agreement shall also refer to such transferee. Operator shall promptly deliver to Summer Ridge an executed original of such assumption. Regardless of such assumption, the original Operator shall continue to be liable for all obligations of "Operator" under this Agreement, but such obligations may be fulfilled by the transferee.

11. Default. The existence or occurrence of any one or more of the following shall constitute a default under this Agreement by the responsible party:

11.1 Failure to Perform Monetary Obligations. A party fails to pay any monies due under this Agreement when due; or

11.2 Failure to Perform Non-Monetary Obligations. A party fails to fully and timely perform any non-monetary obligations under this Agreement by 5:00 p.m., Mountain Standard Time, on the date that is 30 days immediately following the date such party receives written notice from the other party of such failure; provided, however, that, if the nature of such failure is such that more than 30 days is reasonably required for its cure, then the non-performing party shall not be deemed to be in default if it commences such cure within the 30-day period and thereafter diligently prosecute such cure to completion, which completion shall occur not later than 90 days immediately following the expiration of the 30-day period.

11.3 Failure to Perform under Letter Agreement. Operator fails to fully and timely perform any of its obligations under the Letter Agreement (after the expiration of all applicable notice and cure periods); or

11.4 Failure to Perform under Land Lease. Operator fails to fully and timely perform any of its obligations under the Land Lease (after the expiration of all applicable notice and cure periods); or

11.5 Failure to Comply with Governmental Requirements. Operator fails to fully and timely comply with and satisfy any governmental laws, rules, regulations, requirements or standards applicable to the construction, maintenance, operation or ownership of the Castlegate Treatment Facility or the Alternate Facility, if applicable, or applicable to the operation, delivery or ownership or the Castlegate Wastewater Services and all related improvements and facilities; or

11.6 Bankruptcy; Insolvency. (a) the making by Operator of any general assignment for the benefit of creditors; (b) the filing by or against Operator of a petition to have Operator adjudged a bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy (unless, in the case of a petition filed against the Operator, the same is dismissed within 60 days); (c) the appointment of a trustee or receiver to take possession of substantially all of Operator's assets or of Operator's interest in the Castlegate Treatment Facility or the Alternate Facility, if applicable, if possession is not restored to Operator within 60 days; or (d) the attachment, execution or other judicial seizure of substantially all of Operator's assets or of Operator's interest in the Castlegate Treatment Facility or the Alternate Facility, if applicable, such seizure is not discharged within 60 days.

12. Remedies.

12.1 General. If either party is in default under this Agreement, the other party shall be entitled to pursue all remedies at law or in equity. All such remedies shall be cumulative and concurrent and may be pursued singly, successively or together, at the sole discretion of the non-defaulting party, and may be exercised as often as occasion therefor shall occur; and the failure to exercise any such right or remedy shall in no event be construed as a waiver or release thereof.

12.2 Default Interest. If any amount to be paid under this Agreement is not paid when due, such amount shall bear interest at 18% per annum (the "Default Rate") from the date due until paid.

12.3 Delivery and Assignment of Materials & Rights. If Operator does not proceed to construct the Castlegate Treatment Facility (unless Operator uses an Alternate Facility as allowed in Section 3.2 above) or provide the Castlegate Wastewater Services in accordance with the Letter Agreement, then at Summer Ridge's request, Operator shall promptly and at no cost to Summer Ridge:

12.3.1 return to Summer Ridge all documents and information relating to the Castlegate Treatment Facility and/or the Castlegate Wastewater Services, including, without limitation, the Existing Plans;

12.3.2 deliver to Summer Ridge originals (including, if available, originals or copies in electronic or digital format and mylar or other similar non-paper originals) of all documents, information and materials in Operator's possession or control regarding or relating to the Castlegate Treatment Facility and/or the Castlegate Wastewater Services, including, without limitation, operations manuals, facility plans and schematics, system plans and schematics, budgets, pro formas and financial estimates and projections (collectively, "Operator Materials"); and

12.3.4 assign to Summer Ridge all of Operator's right, title and interest in and to the Operator Materials and all of Operator's interest in any and all rights, applications, permits, certificates and approvals relating to the Castlegate Treatment Facility and/or the Castlegate Wastewater Services Property, including, without limitation, 208 Amendment application and/or approval, aquifer protection application and/or permit and recharge application and/or permits (collectively, the "Operator Materials & Rights"). Operator shall pay fully and promptly all outstanding amounts due to any third party, including, without limitation, any consultants, engineers and contractors, for the Operator Materials & Rights. Operator shall deliver promptly to Summer Ridge a written assignment of the Operator Materials & Rights in a form reasonably acceptable to Summer Ridge. Such assignment shall include a representation and warranty by Operator that all of the Operator Materials & Rights are free and clear of all claims and interests, including, without limitation, all claims by the parties that prepared or did any work in connection with the Operator Materials & Rights, and that all fees, costs, charges and expenses payable by Operator in connection with the production, acquisition and preparation of the Operator Materials & Rights have been paid in full.

13. Notice. Any notice, demand, request, consent, approval or communication (collectively "Notice") required or permitted under this Agreement shall be in writing and shall be personally delivered or sent by certified mail, with return receipt requested, postage prepaid or sent by nationally recognized overnight courier service (e.g., Federal Express or UPS), addressed as follows:

Summer Ridge: Mr. Scott Simonton
Summer Ridge, LLC
7116 E. Laguna Azul Avenue
Mesa, Arizona 85208

With a copy to: Paul D. Ellsworth
Paul D. Ellsworth, PLC
4041 East Grove
Mesa, Arizona 85206-3201

Operator: Arizona Utility Supply & Services, LLC
3420 E. Shea Boulevard, Suite 213
Phoenix, Arizona 85028

With a copy to: Jeffrey C. Zimmerman
Moyes Storey
3003 N. Central Avenue, Suite 1250
Phoenix, Arizona 85012-2915

Notice given in accordance with the terms hereof shall be deemed received on the date of receipt if personally delivered, upon the date three business days after posting if transmitted by mail or one business day after depositing such Notice with an overnight courier. Any party hereto may change the address for receiving Notice by notice sent in accordance with the terms of this Section 13. The inability to deliver a Notice because of a changed address of which no Notice was given, or rejection or other refusal to accept any Notice, shall be deemed to be receipt of the Notice as of the date of such inability to deliver, rejection or refusal to accept. Any Notice to be given by any party hereto may be given by legal counsel for such party; however, notice to a party's legal counsel without notice directly to such party shall not be deemed notice to such party.

14. Successors. Subject to the provisions of Section 10 above, this Agreement shall inure to the benefit of and be binding upon Operator, Summer Ridge and their respective successors and assigns; provided, however, no rights shall inure to the benefit of any transferee of Operator unless such transferee has assumed Operator's obligations as required in Section 10 above. Summer Ridge may assign its interest in this Agreement freely without needing Operator's consent.

15. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and shall not be modified or amended except in a written document signed by each of the parties. Any prior agreements or understandings (whether written or oral) between the parties concerning the subject matter hereof are superseded and replaced by this Agreement and are hereby rendered null and void.

16. Time of the Essence. The parties expressly and specifically agree time is of the essence of this Agreement and all provisions, obligations and conditions thereof. All time periods set forth herein in terms of "days" refer to calendar days. Whenever notice must be given, documents delivered or an act done under this Agreement on a day that is not a Business Day, the notice may be given, document delivered or act done on the next following day that is a Business Day. As used in this Agreement, "Business Day" shall mean a day other than a Saturday, Sunday or a day observed as a legal holiday by the United States government or the State of Arizona.

17. Recording/Filing. Each party shall execute and allow to be recorded or filed such other documents as the other party reasonably requests give notice to third parties of the existence of this Agreement and the matters contained herein.

18. Governing Law. This Agreement shall be governed by, and construed and enforced in accordance with, the internal substantive laws of the State of Arizona (without reference to choice of law principles). The parties hereby irrevocably submit to the process, jurisdiction, and venue of the courts of the State of Arizona, Maricopa County, and to the process, jurisdiction and venue of the United States District Court of Arizona, for purposes of suit, action or other proceedings arising out of or relating to this Agreement. Without limiting the generality of the foregoing, the parties hereby waive and agree not to assert by way of motion, defense or otherwise in any such suit, action or proceeding any claim that any such party is not personally subject to the jurisdiction of the above-named courts, that suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper.

19. Waiver. The waiver by any party hereto of any right granted to it hereunder shall not be deemed to be a waiver of any other right granted hereunder, nor shall the same be deemed to be a waiver of a subsequent right obtained by reason of the continuation of any matter previously waived.

20. Construction. This Agreement is the result of negotiations between the parties, neither of whom has acted under any duress or compulsion, whether legal, economic or otherwise. Accordingly, the terms and provisions hereof shall be construed in accordance with their usual and customary meanings. The parties hereby waive the application of any rule of law which otherwise might be applicable to the construction of this Agreement that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared the executed Agreement or any earlier draft of the same.

21. Interpretation. If there is any specific and direct conflict between, or any ambiguity resulting from, the terms and provisions of this Agreement and the terms and provisions of any document, instrument or other agreement executed in connection herewith or in furtherance hereof, including any exhibits hereto, the same shall be consistently interpreted in such manner as to give effect to the general purposes and intention as expressed in this Agreement, which shall be deemed to prevail and control. All references to Sections shall be to the numbered sections of this Agreement unless specifically stated otherwise. In this Agreement (unless the context requires otherwise), the masculine, feminine and neuter genders and the singular and the plural shall be deemed to include one another, as appropriate.

22. No Third Party Beneficiary. No term or provision of this Agreement or the exhibits hereto is intended to be, nor shall any such term or provision be construed to be, for the benefit of any person, firm, corporation or other entity not a party hereto, and no such other person, firm, corporation or entity shall have any right or cause of action hereunder.

23. Severability. If any term or provision of this Agreement shall, to any extent, be determined by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, but such term or provision shall be reduced or otherwise modified by such court or authority only to the minimum extent necessary to make it valid and enforceable, and each term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law. If any term or provision cannot be reduced or modified to make it reasonable and permit its enforcement, it shall be severed from this Agreement and the remaining terms shall be interpreted in such a way as to give maximum validity and enforceability to this Agreement. It is the intention of the parties hereto that if any provision of this Agreement

is capable of two constructions, one of which would render the provision void and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

24. Headings; Exhibits. The headings in this Agreement are for reference only and shall not limit or define the meaning of any provision of this Agreement. All exhibits to this Agreement are fully incorporated herein as though set forth herein in full.

25. Attorneys' Fees. If there is any litigation between the parties to enforce or interpret any provisions hereof or rights arising under this Agreement, the losing party in such litigation, as determined by the court, shall pay to the prevailing party, as determined by the court, all costs and expenses, including without limitation, reasonable attorneys' fees incurred by the prevailing party, such fees to be determined by the court sitting without a jury.

26. Additional Acts. The parties agree to execute promptly such other documents and perform such other acts as may be reasonably necessary to carry out the purpose and intent of this Agreement.

27. Negation of Partnership. Nothing in this Agreement shall be construed to render the parties in any way, or for any purpose, partners, joint venturers or associates, nor shall this Agreement be construed to authorize either party to act for the other, except as expressly stated herein.

28. Authority. Each party represents to the other, that the person executing this Agreement on behalf of the representing party has full power and authority to bind the representing party.

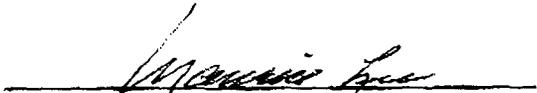
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29. Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. The partially executed signature page of any counterpart of this Agreement may be attached to any other partially executed counterpart of this Agreement without impairing the legal effect of the signature(s) on such signature page. Fax copies of the executed signature pages of this Agreement shall be effective and binding upon the parties as if such signatures were original signatures.

SUMMER RIDGE, LLC,
an Arizona limited liability company

By: 
G. Scott Simonton, Member

ARIZONA UTILITY SUPPLY & SERVICES,
LLC, an Arizona limited liability company

By: 
Its: MEMBER/MANAGER