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**ORIGINAL**

Oak Creek Utility Corporation  
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[oakcreekaz@gmail.com](mailto:oakcreekaz@gmail.com)

(1of3)

January 4, 2010

**CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Mr. Scott W. Gray, P.C.  
4700 E. Thomas Road, Ste. 203  
Phoenix, AZ 85018-7703

WS-02061A-04-0835  
WS-02061A-04-0836

2010 JAN 11 PM 2:08  
RECEIVED  
ARIZONA CORPORATION COMMISSION

RE: Transfer of Triple Net Land Lease and Return of Oak Creek Utility Corporation (OCUC) With all Shares and Rights to Original Land Utility Owner, Scott Gray

Dear Mr. Gray,

Hope this letter finds you and yours enjoying 2010?

As you already know I have been fighting a battle with a rare cancer , which I am now on permanent disability, and with the advice of my doctor and partner we are turning Oak Creek Utility Corporation with all assets and shares back to the actual owner of the utility which is you.

My partner, Carla Hastings and I purchased Oak Creek Utility Corporation in hopes to be able to improve the system, move to that area, and make a positive difference to the customers, community, and the environment.

During the three years of owning OCUC, we have tried to comply with all agencies to construct a 10k tank which was originally financed and planned for Lot 73b, 1090 Julie Lane, Twin Springs Terrace (Tract C), Oak Creek Canyon, Sedona, Arizona. During this time OCUC has tried to comply in every way to accomplish this order. Because of all the different agencies involved, unforgiving time restraints, and daily increased financial obligations, the current owners, Dixie Potter, President and Carla Hastings, Vice-President cannot manage OCUC any longer.

In August 2009, OCUC sent a request to Arizona Corporation Commission (ACC) for permission to add or modify an existing \$40,000 loan through Water Infrastructure Finance Authority (WIFA) to complete this project. OCUC did not receive any reply on additional information regarding this loan modification until December 16, 2009 which was too late to send the modification application for additional funds to WIFA. The next meeting date for WIFA will be in the middle of February 2010. If OCUC's modification for the loan is approved as anticipated, that would not give OCUC enough time to meet the construction of the 10k tank by April 30, 2010 which has been ordered by ACC. OCUC was told by ACC that there would be absolutely no more extensions for construction of this project.

Arizona Corporation Commission

**DOCKETED**

JAN 11 2010

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(2of3)

When OCUC has asked for help, we are told to get a lawyer. Because of these time delays throughout the three years, OCUC has lost contractors, money, faith in Arizona's legislature, and mostly the hard work, money, and pride put into this company which is producing an outstanding product for the community.

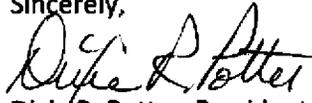
My health has been suffering because of all the stress, and OCUC cannot afford the construction of this project as well as any legal counsel. Mr. Dean Orem, the prior owner of OCUC applied and received a rate increase to construct this 10k tank without the guidance or technical assistance of a professional engineer. The much needed rate increase will not cover but a small fraction of the loan or what the construction costs will be.

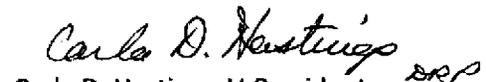
We are sorry to unload this project on you, but know that not only are you a lawyer, familiar with ACC, WIFA, ADEQ, Coconino County, Sedona, have previously been an owner of OCUC, the owner of the property where the utility is located, have a steady income from the telephone cell towers at location coming from what was formerly OCUC's property until 1984 when you divided the utility's property, and became owner of the property which actually houses the utility. You were the logical choice, if there is any logic in this transaction. We did not want to just walk away as many small utilities have.

We have all the files and will be glad to give everything to you as soon as possible. OCUC just received a "Notice to Proceed" from ADEQ on January 4, 2010, but have still not received funds to do so. You are familiar with Karl Tobin from Arizona Engineering Company, he is great and will be happy to help with any other information you may need. As always, I am available to help or answer any questions as long as I am able.

Please forgive me if I sound bitter and curt, but I have put everything into this business the last three years and resent the criminal way we were treated. Both Carla and I are willing to legally sign any documents of paperwork you may need from us. I will be glad to turn in the Quarterly Report to Mr. Bozzo for the months of October, November, and December 2009 as soon as I receive the paperwork to do so. Thank you for your help and understanding.

Sincerely,

  
Dixie R. Potter, President

  
Carla D. Hastings, V-President DRP

Cc:

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Mr. Brian Bozzo  
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