

Letter: 1

ORIGINAL



0000125578

5-30-2011

RECEIVED

To: Arizona Corporation Commission
1200 West Washington Street
Phoenix, AZ 85007

2011 JUN -1 P 1:58

AZ CORP COMMISSION
DOCKET CONTROL

From: Brad and Gloria Ness
Erik and Dianah Ness
3960 N. Pinal Street
Kingman, AZ 86409

Arizona Corporation Commission
DOCKETED

JUN 1 2011

DOCKETED BY 

Docket # W-02526A-10-0499

Dear Commissioners and Staff:

Count One:

A. We believed that the ACC knew about the 20 year long-term loan with the McClains, who had a lien on Bellemont Water Company, Inc. Brad Ness, Gloria Ness, Elliott Ness, Klaudia Ness, Erik Ness, and Dianah Ness were "ALL" responsible for this note. All Ness Family members were signers on the note.

B. We also believed that since we had that loan with the McClains that it would not be a problem for Steve and Janet Adams to assume the position of the McClains based on a 10 year loan. This in fact shortened the original note by 10 years.

C. We believe that by the time we go to court, the lien will be satisfied.

Letter: 1

Count Two:

The long-term indebtedness should be resolved by the time we go to court.

Count Three:

It is true Brad Ness collected monies from the standpipe and used it to pay Belmont Water Company's bills, and also paid loan payments to Steve Adams. At the time this was done, we had one of two options to make: 1. Allow the McClains to foreclose on Belmont Water Company, which we thought wasn't good for the company. 2. Or save the company and stock, which we believed that was the best interest of the company, and the best interest of the customers.

The only way we knew to save the company was use the money from the standpipe account. We still believe that BWC had to defend itself in court.

Court Four:

It is true Erik Ness collected monies from the standpipe and used it to pay one payment to Steve Adams.

Count Five:

At this time, we do not have any paperwork that we can use to do the Annual Report. At the time the report was due, Klaudia Ness was acting Secretary, and this was under her job description. She was and is still responsible for these filings.

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Brad Ness	<i>Brad Ness</i>	Date	<i>5-31-2011</i>
Gloria Ness	<i>Gloria Ness</i>	Date	<i>5-31-2011</i>
Erik Ness	<i>Erik Ness</i>	Date	<i>5-31-2011</i>
Dianah Ness	<i>Dianah Ness</i>	Date	<i>5-31-2011</i>

LETTER:

2

5-30-2011

To: Arizona Corporation Commission
1200 W. Washington Street
Phoenix, AZ 85007

From: Brad Ness and Erik Ness
3960 N. Pinal Street
Kingman, AZ 86409

Regarding: Docket # W-02526A-10-0499

Honorable Judge, Commissioners, and Staff:

In September 2006, we the Ness Family, Brad, Gloria, Elliott, Klaudia, Erik, and Dianah purchased stock of Bellemont Water Company, Inc.

At this time, Brad Ness was President, Erik Ness was Vice-President, Elliott Ness was Treasurer, and Klaudia Ness was Secretary.

We gave Klaudia Ness control of the day-to-day operations with the intentions of Klaudia Ness communicating about the direction, and discussing the major decisions regarding the business.

In approximately October 2008, I, Erik Ness turned in bills to Bellemont Water Company for hauling in gravel. Klaudia refused to pay the bills. In December 2008 is when I decided to get on the internet and start monitoring the bank accounts. This is when I noticed the misuse of the account. I went back to the beginning of 2007, and starting looking at the previous bank accounts and was concerned.

With the concern of this account, we slowly started processing and

Letter: 2

investigating other issues of the business.

Here are some reasons why Brad Ness, President felt it necessary to start taking over the business.

Klaudia Ness has acted as President, Vice President, Secretary, and the Treasurer.

Klaudia was not happy with the President and Vice President monitoring the account. She held back checks and opened an account at Wells Fargo on 4-9-09; account number [REDACTED] 1951. The opening balance was \$10,666.11. This happened without the knowledge of the President or the Vice President. A corporate meeting was never called when making this decision. When confronted with this information, she denied opening the account. An additional \$10,428.06 was deposited into this account. We have never seen the bank statements regarding this account. We do not know what expenses were ever paid out of this account, or if it was used for personal.

Klaudia applied for a grant. This grant was talked about, but she didn't disclose that it was a matching grant. She herself, through the company came up with \$16,500.00 This amount was not discussed with the board members, or the President or the Vice President.

Klaudia moved forward on an approximate 1.7 million dollar loan for a deep well. The President and Vice President were repeatedly told that it was a grant; when in fact it was a loan. BWC had an estimate for a deep well for approximately one million dollars less than the proposed 1.7 million dollars.

Elliott and Klaudia Ness had a water business called E&K Water Company. They delivered water from the well to residential area and other businesses. She had and still has full use of the card machine and the cards. We do not know how they paid for their water. There is no

Letter: 2

accountability, or any type of a check and balance system. We were concerned.

There was a meeting at Rodney Wilson's office. In attendance was Brad Ness, Erik Ness, Mike Fatta, Rodney Wilson, Elliott Ness, and Klaudia Ness. There are no minutes available for this meeting.

Klaudia has not willing supplied any books or records or information regarding the company. She told the President on several occasions that she would give him information on a "need-to-know basis".

The President and the Vice President had trouble receiving information that was sent to the post office box.

Bellefont Water Company, Inc. and the Ness Family were being sued by the McClains for non-payment. The President and Vice President were unaware that payments had stopped being made.

The Vice President called the Secretary several times a week and she refused to answer her phone since February of 2009.

In conclusion; in July 2010, The President, Brad Ness decided to take control of the standpipe monies. The President and Vice President were concerned because no deposits were being made from the dates of 10-3-2009 through 6-3-2010. (except for \$60.00)

The Treasurer, Elliott Ness stated that the Secretary, Klaudia Ness was holding the money in a money bag at their home.

The many reasons listed above is why Brad Ness, President tried to take over the standpipe monies.

At this time, we believe that these issues and matters can be resolved.

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NOTE: We feel that Staff and Commissioners do not have the correct dates regarding the accounts of Bellemont Water Company, nor do they realize what actually took place with these accounts.

Standpipe

Klaudia Ness: September 2006 through July 9, 2010

Had full control: The President and Vice President did not even have keys to the money box.

Brad Ness: July 13, 2010 through November 15, 2010

Erik Ness: November 15, 2010 through December 22, 2010

Main Checking Account at Wells Fargo: Account # [REDACTED] 6925
As per Bank Statements 9-2006 through 5-25-2011.

Klaudia Ness and Elliott Ness

9-2006 through 5-25-2011	Charges: \$51,683.17
	Payroll: \$31,538.69

Brad Ness:

9-2006 through 11-15-2011	Charges: \$2,735.89
---------------------------	---------------------

Erik Ness:

9-2006 through 4-2011	Charges: \$10,250.72
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Unauthorized Account: Wells Fargo# [REDACTED] 1951

Klaudia Ness-over \$20,000.00 deposited. We do have any bank statements regarding this account. (only deposits slips).

5-30-2011

NOTE: /

On May 3, 2011, I appeared before Judge Stern, along with the Staff. I, Erik Ness asked that in order to provide any evidence, I needed to have records, including the bank statements for the last two years. Judge Stern ordered Klaudia Ness to give the records to Rodney Wilson, CPA. When we received those records. The bank statements were not there.

We then called Rodney Wilson, CPA. He reported to us that Klaudia said that the Commissioners said we were not to be given anything.

5-30-2011

NOTE: 2

Elliott Ness and Erik Ness have checked the well production on several occasions. The most recent is when the well meter was installed. At that time, we came up with 10.65 gallons per minute. This method was more accurate than in the past, when we measured it by inches.

10.65 gallons per minute is 460,080 gallons in 30 days, which is 1,840,320 gallons in 4 months. If you take away metered customers for July 23, 2010 through November 15, 2010, of approximately 201,030 gallons. Then the total standpipe could generate 1,639,290, which means that the standpipe could only make \$14,753.61 in 4 months. During this period, the well pump could never shut off.

5-30-2011

NOTE: 3

Total Gallons of the Well: Summary March 2009 through April 2011

(Being Accused of)

Well produced:	10,095,700 gallons
Brad Accused of:	2,348,778 gallons
Erik Accused of:	561,222 gallons
Metered Customers used # of gallons:	3,023,590 gallons
Stand Pipe Sales:	<u>1,736,222 gallons</u>

Unaccounted gallons on Klaudia's watch: 2,425,888 gallons
This amount equals \$21,832.99.

(Well capable of producing)

Well produced:	10,095,700 gallons
Brad's Watch/Well Produced Maxed-Out	1,639,290 gallons
Erik's Watch/Well Produced	561,222 gallons
Metered Customers Used # of gallons:	3,023,590 gallons
Klaudia's Watch/Standpipe monies deposited Converted to gallons	<u>1,736,222 gallons</u>

Unaccounted gallons on Klaudia's watch: 3,135,376 gallons
This amount equals \$28,218.38.

NOTE: 4

Standpipe Account-Ending in 2008

Monies deposited from the standpipe:

**Person
In Charge**

September 2006 through March 2009

Klaudia

April 2009 Balance as of 4-30-09

4,316.24 Klaudia

May 2009

0.00 Klaudia

June 2009

444.00 Klaudia

July 2009

0.00 Klaudia

August 2009

3,895.00 Klaudia

September 2009

1,096.00 Klaudia

October 2009

1,027.00 Klaudia

November 2009

0.00 Klaudia

December 2009

60.00 Klaudia

January 2010

0.00 Klaudia

February 2010

0.00 Klaudia

March 2010

0.00 Klaudia

April 2010

0.00 Klaudia

Note: 4, a

May 2010	0.00	Klaudia
June 2010	4,713.00	Klaudia
July 2010	853.00	Klaudia
July 2010	975.00	Brad
August 2010	0.00	Brad
September 2010	0.00	Brad
October 2010	0.00	Brad
November 2010	331.00	½ Brad/½ Erik
December 2010	0.00	Erik
January 2011	265.00	No One
February 2011	2,253.00	Elliott
March 2011	1,020.00	Elliott
April 2011	0.00	Elliott

NOTE: 5

These amounts are taken from the Bellemont Water Billings
For the time period from March 2009 through March 2011

These billings were recently provided by Klaudia Ness ordered by
Judge Stern.

Name of Customer:	Gallons Billed
Brian and Karen Billideau	56,970
Above All Marble & Stone	23,250
Canyonland Publishing	109,080
Distinctive Woodworks	33,320
Craftsman Cabinetry	27,600
Move It Tire	12,470
SCA Tissue	2,361,000
Schuff Steel	<u>399,900</u>
Total Gallons Billed	3,023,590

NOTE: 6

From: Brad and Erik Ness

Labor that has been performed for Bellemont Water, Inc.
Personal monies paid out.

Pulled Pump. (7 times on deep well)	\$5,040.00
Pulled Pump. (3 times on shallow well)	\$600.00
Plowed snow many times. (20 hours @ 50.00)	\$1,000.00
Brought in gravel. (Was paid for some)	\$1,275.00
Graded gravel with the tractor. Filled in holes and Fixed turn-a-round. (10 hours @ 75.00)	\$750.00
Fixed pipes. Pipe broke underneath tank. (12 hours @ 40.00)	\$480.00
Welded standpipe. (5 hours @ 40.00)	\$200.00
Financed Corvette to pay settlement with McClain's verses Bellemont Water, Inc.	\$12,200.00
Monies paid out of personal account.	\$7,262.00
Borrowed from Bank of America Credit Line to did well.	\$10,000.00

Exhibit 1.a



Wells Fargo Business Online®

Account Activity

BUSINESS MARKET RATE SAVINGS XXXXX2008

Activity Summary

Ending Balance as of 12/31/10	\$6,994.23
Ending Collected Balance as of 12/31/10	\$6,994.23
Available Balance	\$6,994.23
Interest earned this period	\$0.00
Interest paid year-to-date	\$5.32

Transactions

Show: All Transactions for Last 18 Months

Date	Description	Deposits / Credits	Withdrawals / Debits
Pending Transactions			
No pending transactions meet your criteria above.			
Posted Transactions			
12/31/10	INTEREST PAYMENT	\$0.90	
11/30/10	INTEREST PAYMENT	\$0.85	
11/05/10	DEPOSIT MADE IN A BRANCH/STORE #210423684	\$331.00	
10/29/10	INTEREST PAYMENT	\$0.85	
09/30/10	INTEREST PAYMENT	\$0.82	
08/31/10	INTEREST PAYMENT	\$0.85	
07/30/10	INTEREST PAYMENT	\$0.72	
07/27/10	ONLINE TRANSFER REF #1BE292WCTX FROM BUSINESS CHECKING DEPOSITED IN WRONG ACCOUNT	\$975.00	
07/08/10	DEPOSIT MADE IN A BRANCH/STORE #238126840	\$853.00	
06/30/10	INTEREST PAYMENT	\$0.26	
06/30/10	DEPOSIT MADE IN A BRANCH/STORE #199794439	\$860.00	
06/28/10	DEPOSIT MADE IN A BRANCH/STORE #218185483	\$1,285.00	
06/16/10	DEPOSIT MADE IN A BRANCH/STORE #218309385	\$1,138.00	
06/04/10	DEPOSIT #218309460	\$1,430.00	
05/28/10	MONTHLY SERVICE FEE		\$6.00
05/28/10	INTEREST PAYMENT	\$0.02	
04/30/10	MONTHLY SERVICE FEE		\$6.00
04/30/10	INTEREST PAYMENT	\$0.01	
03/31/10	MONTHLY SERVICE FEE		\$6.00
03/31/10	INTEREST PAYMENT	\$0.02	
02/26/10	MONTHLY SERVICE FEE		\$6.00
02/26/10	INTEREST PAYMENT	\$0.01	
01/29/10	MONTHLY SERVICE FEE		\$6.00
01/29/10	INTEREST PAYMENT	\$0.01	
12/31/09	MONTHLY SERVICE FEE		\$6.00
12/31/09	INTEREST PAYMENT	\$0.01	
12/04/09	DEPOSIT MADE IN A BRANCH/STORE #168769833	\$60.00	
11/30/09	MONTHLY SERVICE FEE		\$6.00
10/30/09	INTEREST PAYMENT	\$0.03	

Exhibit 1. b

Date	Description	Deposits / Credits	Withdrawals / Debits
10/02/09	WITHDRAWAL MADE IN A BRANCH/STORE		\$16,500.00
10/02/09	DEPOSIT #169022973	\$1,027.00	
09/30/09	INTEREST PAYMENT	\$1.24	
09/15/09	DEPOSIT	\$600.00	
09/08/09	WITHDRAWAL MADE IN A BRANCH/STORE		\$384.70
09/08/09	DEPOSIT #169129892	\$496.00	
08/31/09	INTEREST PAYMENT	\$1.63	
08/27/09	DEPOSIT MADE IN A BRANCH/STORE #161024253	\$680.00	
08/20/09	DEPOSIT #161024267	\$1,190.00	
08/18/09	DEPOSIT MADE IN A BRANCH/STORE #55392598	\$811.00	
08/13/09	DEPOSIT #161317804	\$659.00	
08/03/09	DEPOSIT	\$555.00	
07/31/09	INTEREST PAYMENT	\$1.24	
07/07/09	ONLINE TRANSFER REF #BE27HXJCV FROM BUSINESS CHECKING XXXXXX6925 ON 07/07/09	\$6,200.00	
Totals		\$19,159.47	\$16,926.70

Main acc

Equal Housing Lender

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Exhibit 2



Wells Fargo Business Online®

Account Activity

BUSINESS MARKET RATE SAVINGS XXXXXX2008

Activity Summary

Ending Balance as of 05/27/11	\$10,099.97
Ending Collected Balance as of 05/27/11	\$10,099.97
Available Balance	\$10,099.97
Interest earned this period	\$1.02
Interest paid year-to-date	\$4.06

Transactions

Show: All Transactions for Last 90 Days

Date ▼	Description	Deposits / Credits	Withdrawals / Debits
Pending Transactions			
No pending transactions meet your criteria above.			
Posted Transactions			
05/27/11	DEPOSIT MADE IN A BRANCH/STORE #346359767	\$699.00	
05/27/11	DEPOSIT MADE IN A BRANCH/STORE #346359766	\$1,489.00	
04/29/11	INTEREST PAYMENT	\$1.03	
04/18/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$871.52
03/31/11	INTEREST PAYMENT	\$1.23	
03/31/11	ONLINE TRANSFER REF #IBETHPNJFH FROM BUSINESS CHECKING REIMBURSEMENT FOR WELL REPAIR	\$1,309.30	
03/30/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$1,752.80
03/29/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$1,309.30
03/23/11	DEPOSIT MADE IN A BRANCH/STORE #303823378	\$1,020.00	
Totals		\$4,519.56	\$3,933.62

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Flagstaff Well & Supply Co.

**4301 E. Huntington
Flagstaff, AZ 86004
928-774-8243**

Exhibit 3

Estimate

DATE
7/24/2007

NAME / ADDRESS
Bellemont Water Co. PO Box 31176 Flagstaff, AZ 86003

DESCRIPTION	COST	TOTAL
Revised estimate for drilling 2800 ft. well and 200 GPM pump at Bellemont.		
WELL:		
Drilling 450 ft. of 16" dia. hole	100.00	45,000.00
Installing 450 ft. of 12" dia. .250 wall steel casing	42.00	18,900.00
Neat cement for grouting surface casing	3,500.00	3,500.00
Drilling and installing 2000 ft. of 10" .250 wall steel casing	188,000.00	188,000.00
Drilling 800 ft. of 10" dia. hole	56.00	44,800.00
Installing 800 ft. of perforated casing liner (2000 to 2800 ft.)*	39,500.00	39,500.00
12 Hrs. Rig Time - Bail and Develop	200.00	2,400.00
Chlorinate well	1,800.00	1,800.00
Subtotal for well		343,900.00
*Perforate 10" casing from 1700-2000 ft. if required \$9000.00		
PUMPING EQUIPMENT:		
300 HP Submersible Pump 200 GPM @ 2500 ft.	228,685.00	228,685.00
Includes:		
Pump, cable, 2500 ft. of 3-1/2" tubing, check valve, VFD, pump panel, well head, transducer line, and labor to install in well.		
Subtotal for pumping equipment		228,685.00
Estimated test pumping & new source water sampling allowance	100,000.00	100,000.00
Sales Tax	4.37125%	29,400.37
	TOTAL	\$701,985.37

Exhibit 5

Date: September 10, 2010

Wells Fargo Photo Copy Request

Page 2 of 4

Reference: 1000079584756:1000079584756:1000079572756

DEPOSIT TICKET

91-577/1251 244
9895471951

BELMONT WATER COMPANY, INC
P O BOX 81178
FLAGSTAFF, AZ 86003

DATE **5-6-09**

DEPOSITS MAY NOT BE AVAILABLE FOR REDEEMATE WITHDRAWAL.
INCLUDE ADDING MACHINE TAPE LISTING.

	DOLLARS	CENTS
TOTAL CURRENCY		
TOTAL COIN		
TOTAL FOOD STAMPS		
LIST EACH CHECK		
1 Conroy	109	69
2 Medette	103	88
3 Schutt	946	03
4 BCA	6830	00
5		
6		
7		
8		
9		
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39		
40		
TOTAL FROM OTHER SIDE OR ATTACHED LIST		
7989.00		

Wells Fargo Bank, N.A.
FD-302 (Rev. 11-2008)

FOR ACH/DIRECT DEPOSIT ONLY, USE A VOIDED CHECK

07 04488 0080012 \$ Co00038
05/07/09 04:40PM

7989.00

1951

ITEMIZE CHECKS HERE
USE ADDITIONAL DEPOSIT SLIPS IF NEEDED

DESCRIPTION	DOLLARS	CENTS
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37		
38		
39		
40		
TOTAL		

PLEASE TRANSFER THIS TOTAL TO FRONT SIDE

R/T Number **1770021**
Sequence Number **4450247059**

Processing Date 20090507
Amount 7989.00
Check Number -

Exhibit 6

Date: September 10, 2010

Wells Fargo PhotoCopy Request

Page 4 of 4

Reference: 1000079584756:1000079584756:1000079572756

WELLS FARGO BANK
DEPOSIT TICKET
BELMONT WATER COMPANY, INC
P O BOX 31178
FLAGSTAFF, AZ 86005

DATE **6-19-09**

DEPOSITS MAY NOT BE AVAILABLE FOR CASHBACK WITHDRAWAL
INCLUDE ADDING MACHINE TAPE LIST THIS.

TOTAL CURRENCY	DOLLARS	CENTS
TOTAL COIN		
TOTAL FOOD STAMPS		
LIST EACH CHECK		
Debitus	237	81
2700000	104	35
1000000	103	70
4		
5		
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7		
8		
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28		
TOTAL FROM OTHER SIDE OR ATTACHED LIST		
		445.36

Wells Fargo Bank, N.A.
02 03727 1510193 \$ Co00038
06/19/09 04:00PM
1551

ITEMIZE CHECKS HERE
USE ADDITIONAL DEPOSIT SLIPS IF NEEDED

DESCRIPTION	DOLLARS	CENTS
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39		
40		
TOTAL		

PLEASE TRANSFER THIS TOTAL TO FRONT SIDE

R/T Number 1220027
Sequence Number 1000202105

Processing Date 20090619
Amount 445.36
Check Number -

Site VPII Paid Date 20100608 Serial 270000000 Routing 12210527 Account [REDACTED] PC 000037 Amount 765.99 Sequence # 4530434968 Ci

Deposit:
 (Check One) Checking Savings Money Market Access

Checking, Savings, Money Market Access account number
 [REDACTED] 6925 Date 6/8/10

Please print: Name Ballant Wicket Inc
 Please print: Street Address, City, State, Zip Code

Please sign in teller's presence for cash received. Two forms of ID may be required for cash back transactions.

X

Bank Use Only (When SVT is Not Available) TLR8667 (06/09) wf0117 10125378

Customer Id: [REDACTED] Exp. date: [REDACTED] Token Verified (✓) Approval: [REDACTED]

Deposits may not be available for immediate withdrawal. See Delayed posting information on reverse.

Total Checks (Include total from other units) 765.99
 Cash 765.99
 Subtotal
 Minus cash back
 Total \$ 765.99

CI \$765.99
 \$765.99
 06/08/10 04:05PM 02 03727 0930103
 [REDACTED]

Wells Fargo Confidential When Completed

ENTER THIS TOTAL ON FRONT

CHECKS	AMOUNT
1	
2	
3	
4	
5	
6	
7	
8	
9	
TOTAL CHECKS	

CASH COUNT FOR BANK USE

X 100
X 50
X 20
X 10
X 5
X 2
X 1
TOTAL \$

Wells Fargo Confidential When Completed

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Site VPII Paid Date 20100608 Serial [REDACTED] Routing 12210527 Account [REDACTED] PC 000037 Amount 300.00 Sequence # 4530434740 Ci

Deposit:
 (Check One) Checking Savings Money Market Access

Checking, Savings, Money Market Access account number
 [REDACTED] 6925 Date 6/8/10

Please print: Name
Bellmont Water Co. Inc.
 Please print: Street Address, City, State, Zip Code

Please sign in teller's presence for cash received. Two forms of ID may be required for cash back transactions.

X

Bank Use Only (When SVT is Not Available) TLR8697 (06/09) WFB117 10126378

Customer Id: [REDACTED] Exp. date: [REDACTED] Token Verified (✓) Approval: [REDACTED]

Deposits may not be available for immediate withdrawal. See Delayed posting information on reverse.

Cash 300.00
 Total Checks (Exclude total from other side)
 Subtotal
 Minus cash back
 Total \$ 300.00

CI \$300.00
 \$300.00
 06/08/10 04:10PM 02 03727 0960108

Wells Fargo Confidential When Completed

CHECKS	AMOUNT
1	
2	
3	
4	
5	
6	
7	
8	
9	
0	
TOTAL CHECKS	

ENTER THIS TOTAL ON FRONT

CASH COUNT FOR BANK USE	TOTAL
X 100	
X 50	
X 20	
X 10	
X 5	
X 2	
X 1	
TOTAL \$	

There is no charge for this service. If you are unable to provide a valid form of identification, you may be required to provide a valid form of identification. If you are unable to provide a valid form of identification, you may be required to provide a valid form of identification.

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Exhibit 10

Wellhead Meter

Installation reading
Reading on May 11, 2011

00445000 Gallons
10734500 Gallons

Note: Given to Rodney Wilson
As per Klaudia Ness

Exhibit	Date	Time	Value
11.a	1-23-10	4: P.m	179.709
	1-28-10	2:04 p.m.	180.600
	1-29-10	2:41 p.m.	181.300
	2-5-10	11:46 A.M	181.940
	2-16-10	12:50 p.m.	183.200
	2-17-10	4:20 p.m.	183.900
	2-19-10	5:30 p.m	184.100
	2-21-10	4:15 p.m.	184.800
	2-25-10	2:30 p.m.	185.250
	2-30-10	5:30 p.m.	185.285
	3-2-10	6:15 p.m.	186.020
	3-10-10	1: p.m p.m	186.640
	3-16-10	2:45 p.m	186.980
	3-20-10	3:35 p.m.	187.320
	3-25-10	12:30 p.m	187.620
	3-29-10	11:15 A.M.	187.960
	4-6-10	2:30 p.m.	188.140
	4-15-10	10:05 A.M.	188.180
	4-23-10	7:15 p.m.	188.540
	4-26-10	4:00 p.m.	188.860
	4-30-10	2:00 p.m	188.940
	5-6-10	1:30 p.m	189.120
	5-15-10	1:15 p.m.	189.350
	5-21-10	3:20 p.m.	190.460
	5-30-10	4:20 p.m.	191.600
	6-4-10	3:20 p.m.	192.400

Exhibit 11.6

6-13-10	4:15 p.m.	192.960
6-19-10	3:00 p.m.	193.420
6-27-10	4:30 A.M.	193.900
7-3-10	4:45 p.m.	194.600
7-11-10	4:00 p.m.	196.200
7-18-10	2:00 p.m.	197.240
7-25-10	1:00 p.m.	198.460
7-29-10	12:30 p.m.	199.120
8-7-10	4:30	199.660
8-14-10	4:50 p.m.	201.360
8-28-10	5:00 p.m.	202.460
9-2-10	5:30 p.m.	202.960
9-15-10	4:35 p.m.	203.400
9-23-10	4:00 p.m.	205.200
9-29-10	5:30 p.m.	205.650
10-8-10	6: p.m.	205.900
10-14-10	6:30 p.m.	206.220
10-23-10	6:35 p.m.	206.500
10-30-10	2:30 p.m.	206.920
11-3-10	1:00 p.m.	207.110
11-14-10	2:00 p.m.	207.330
11-28-10	1:15 p.m.	207.600
12-3-10	12:35 p.m.	207.980
12-9-10	1:00 p.m.	208.010
12-18-10	1:30 p.m.	208.280
12-24-10	2:35 p.m.	208.470
12-30-10	1:15 p.m.	208.625

Exhibit 11.C

1-2-11	3:15 p.m.	208.880
1-18-11	4:15 p.m.	209.020
2-8-11	4:00 p.m.	209.165

Transactions

Show: All Transactions for Date Range 11/30/09 to 05/03/11

Date ▼	Description	Deposits / Credits	Withdrawals / Debits
Pending Transactions			
No pending transactions meet your criteria above.			
Posted Transactions			
04/29/11	INTEREST PAYMENT	\$1.03	
04/18/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$871.52
03/31/11	INTEREST PAYMENT	\$1.23	
03/31/11	ONLINE TRANSFER REF #IBETHPNJFH FROM BUSINESS CHECKING REIMBURSEMENT FOR WELL REPAIR	\$1,309.30	
03/30/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$1,752.80
03/29/11	WITHDRAWAL MADE IN A BRANCH/STORE		\$1,309.30
03/23/11	DEPOSIT MADE IN A BRANCH/STORE #303823378	\$1,020.00	
02/28/11	INTEREST PAYMENT	\$0.90	
02/22/11	DEPOSIT MADE IN A BRANCH/STORE #303891297	\$2,253.00	
01/31/11	INTEREST PAYMENT	\$0.90	
01/18/11	DEPOSIT MADE IN A BRANCH/STORE #285877625	\$265.00	
12/31/10	INTEREST PAYMENT	\$0.90	
11/30/10	INTEREST PAYMENT	\$0.85	
11/05/10	DEPOSIT MADE IN A BRANCH/STORE #210423684	\$331.00	

Exhibit 12

Exhibit 13

Amount: \$2,262.00

Sequence Number: [Redacted]

Capture Date: 08/02/2010

Bank Number: 12210170

Check Number: 1205

BRADLEY W. NESS 12-09
GLORIA J. NESS

1205

3960 N. PINAL ST.
KINGMAN, AZ 86409-3218

91-170/1221 AZ
Z267

7/29/10
Date

Pay Bellmont Water Co \$ 2,262.⁰⁰
to the order of two thousand two hundred sixty two ⁰⁰/₁₀₀ Dollars

Bank of America

ACH/R/T 122101706 (attorney)

Memo Loan to Belmont Water Brad Ness

(personal Acc.) Buf A

CREDITED TO THE ACCOUNT OF
WITHIN NAMED PAYEE
LACK OF ENDORSEMENT GUARANTEED
WELLS FARGO BANK, N.A.
AU 03727 AU 03727

Vertical text on the left side of the document, possibly a routing slip or processing notes, including fields like "Routing Slip" and "Payee Information".

Exhibit 14



INVOICE NO:

Wholesale Tire & Wheel

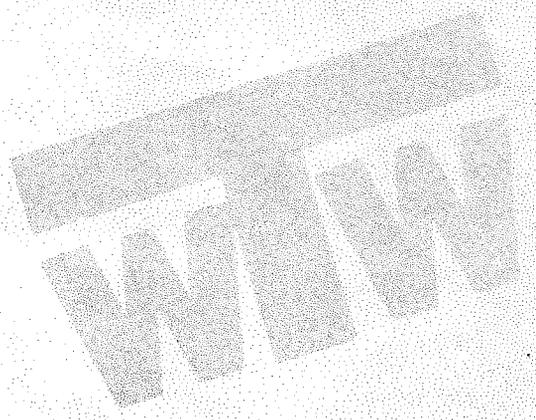
3875 E. Huntington
 Flagstaff, Arizona 86004
 (928) 527-8326
 1-800-99-TIRES (998-4737)



S O L D T O	115551	S H I P T O
	Retail Sales Account	
	Cash Account	
	Flagstaff, AZ	

DATE 07-09-10	SOLD BY Jersey Drona	CUSTOMER ORDER NO.	TERMS Cash	VIA O/T
------------------	-------------------------	--------------------	---------------	------------

PRODUCT CODE	ORDER QTY.	SHIP QTY.	DESCRIPTION	FET	UNIT PRICE	EXTENDED AMOUNTS
24255	4	4	LT285/70R17/6 Herc T/Trac AT		160.00	640.00
ENV-FEE		4	Environment Fee for above ites		2.00	8.00



421202878885
 WHOLESAL TIRE & WHEEL
 3875 E. HUNTINGTON
 FLAGSTAFF, AZ 86004
 520-527-8339

07/09/10 14:08:05
 00000001
SETTLEMENT REPORT

Batch Num: 000393
 Host Name: PAYM

Sales :	1	\$ 702.05
Total :	1	\$ 702.05
Total :	1	\$ 702.05

Settlement Successful
 OK 393 0709 0000

Ret

Taxable	640.00
Sub Total	648.00
Tax	34.05
Total	702.05

There will be a 5% restocking charge on all returns.

In the event that there shall be a default in payment, the customer agrees to pay such attorney fees and court costs incurred in such collection proceedings. FINANCE CHARGE is computed by a "PERIODIC RATE" of 1-1/2% per month which is an "ANNUAL PERCENTAGE RATE" OF 18% ON PAST DUE

RECEIVED BY:

Routing	Sequence #	Paid Date	Amount	Account	Serial	Capture Source
12210527	950018140	07072010	\$5000.00	██████████	4095	00910527

Withdrawal/Retiro:

(Check One/Marque Uno) Checking/Cuenta de Cheques Savings/Ahorros Money Market Access

4095

██████████
Date/Fecha 7/10/10

Please print Name / Letra de nombre: Bradley mess

Please print Street Address, City, State, Zip Code / Letra de nombre: Domicilio, Ciudad, Estado, Código Postal

I authorize this withdrawal and acknowledge receipt of the amount indicated below. / Yo autorizo este retiro y doy conocimiento de haber recibido la cantidad indicada abajo.
Please sign in teller's presence / Favor de firmar en la presencia del cajero.
Two forms of ID may be required. / Se podrian requerir dos tipos de identificacion.

Bradley mess

five thousand ~~no~~ \$ 5000.00 Dollars

Bank Use Only (When SVT is Not Available) TLR9230 (06/09) wfo11s 09683472

Customer ID: ██████████ Exp. date: Token Verified (✓) Approval:

██████████

Wells Fargo Internal Use When Blank. Wells Fargo Confidential When Filled.

(from savings) wells fargo.

FELIX REICH
Res: Bellemont water / Brad mess

Exhibit 16

PROMISSORY NOTE

Effective Date: September 8, 2006	County and State where Note was executed: Coconino County, Arizona
MAKER (Name, Address and Zip): Brad Ness and Gloria Ness, Husband and Wife, Erik W. Ness and Claudia R. Ness Husband and Wife, Elliott B. Ness and Diana M. Ness, Husband and Wife 3960 Pinal Street Kingman, Arizona 86409	PAYEE (Name, Address and Zip): Nona McClain, as to 47% interest Donna Kertman, as to 10.6% interest Rosalind Racher-Kirk, as to 10.6% interest Linda Celidonio, as to 10.6% interest Jason McClain, as to 10.6% interest Lloyd Racher, as to 10.6% interest 11215 Edith Drive Flagstaff, Arizona 86004
Principal Amount: Twenty Thousand Dollars (\$20,000.00)	Interest Rate: Six and Three-Quarters Percent (6-3/4%) Interest per annum

No. of Payments	Amount of Each Payment	Dates of Payments
1	\$21,350.00, including interest	Due in Full: On or before One (1) year from the date hereof

FOR VALUE RECEIVED, the undersigned Maker, jointly and severally, promises to pay to the order of Payee and their assigns, the principal sum of TWENTY THOUSAND DOLLARS (\$20,000.00), together with interest thereon at the rate of SIX AND THREE QUARTERS PERCENT (6-3/4%) per annum, and all fees and costs according to the terms as contained herein. Said Note, including all principal, interest, and all costs, shall be due and payable in full in one year (1) from the Effective Date. The payment shall be made on or before September 7, 2007. Interest shall begin to accrue on September 8, 2006.

PAYMENT. Principal and interest shall be payable in lawful money of the United States. All payments shall be applied first to attorney fees, cost, late fees, then to interest, and then the balance to principal. Payments shall be made at the address of the Payee on or before the due dates.

PREPAYMENT. Maker shall have the right to prepay this Note in full or in part at any time without penalty.

COLLATERAL SECURITY. This Note is secured by a Security Agreement of even date herewith, granted by Maker to Payee, of Maker's ownership interest in Bellemont Water Company, Inc., an Arizona corporation.

LATE FEE. Maker shall pay the sum of Fifteen Percent (15%) per annum if payment is not received by Payee on the due date as set forth herein.

DEFAULT. The occurrence of any one or more of the following shall constitute an event of default as the term is used herein:

(a) default in the payment of interest, late fees, or principal herein when the same shall have become due and payable as aforesaid; or

(b) the Maker becomes bankrupt or admits in writing inability to pay debts as they mature, or makes an assignment for the benefit of creditors, or consents to the appointment of a trustee or receiver; or

(c) a trustee or receiver is appointed for the Maker or for all or part of the Maker's property; or

(d) bankruptcy or insolvency proceedings, or other proceedings for relief in equity or under any acts of Congress or any laws of any State of the United States relating to the relief of debtors are instituted against the Maker or are consented to by the Maker; or

(e) the Maker fails to comply with or perform when due any material obligations, covenants or conditions contained in this Note, the Security Agreement, the Stock Purchase Agreement of even date herewith, or any other agreement between the parties.

In case of any event of default, then, at the option of the legal holder hereof, the entire unpaid principal balance of this Note, together with all accrued interest thereon, shall forthwith become immediately due and payable without notice. The legal holder hereof shall be entitled to reasonable costs of collection, including attorneys' fees.

Exhibit 16. b.

GOVERNING LAW AND FORUM. This Note shall be governed by and construed in accordance with the laws of the State of Arizona, with the courts of Coconino County Arizona (of if there is exclusive federal jurisdiction, the U. S. District Court for the District of Arizona) having exclusive jurisdiction and venue over any disputes arising out of this Note. The parties hereby consent to the jurisdiction of such courts.

COUNTERPARTS. This Note may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

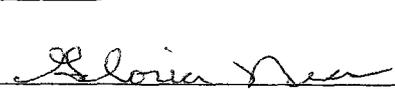
IN WITNESS WHEREOF, this Note has been executed by Maker as of the date set forth above.

MAKER:



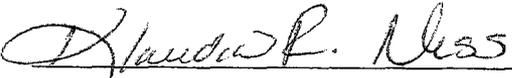
Brad Ness

MAKER:



Gloria Ness

Erik W. Ness



Claudia R. Ness



Elliott B. Ness

Diana M. Ness