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Arizona Corporation Commission
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BEFORE THE ARIZONA CORPORATION COMMISSION

IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF A RATE INCREASE	DOCKET NO. W-04254A-08-0361
IN THE MATTER OF THE APPLICATION OF MONTEZUMA RIMROCK WATER COMPANY, LLC FOR APPROVAL OF A FINANCING APPLICATION	DOCKET NO. W-04254A-08-0362 **NOTICE OF FILING**

In accordance with the Procedural Order dated April 9, 2012, Montezuma Rimrock Water Company, LLC files the following documents: (1) Water Services Agreement between the Company and Ms. Olsen dated March 16, 2012 (attached as Exhibit 1); (2) Terms and Conditions of Lease between Ms. Olsen and Nile River Leasing dated March 16, 2012 (attached as Exhibit 2); and (3) Contract for Arsenic Treatment System between Ms. Olsen and Kevlor Design Group dated February 28, 2012 (attached as Exhibit 3). These documents were previously filed with Docket Control on March 19, 2012.

RESPECTFULLY SUBMITTED this 13th day of April, 2012.

FENNEMORE CRAIG

By _____
Todd C. Wiley
3003 North Central, Suite 2600
Phoenix, AZ 85012
Attorneys for Montezuma Rimrock Water Company, LLC

ORIGINAL and 13 copies
of the foregoing was filed
this 13th day of April, 2012 with:

Docket Control
Arizona Corporation Commission
1200 West Washington Street
Phoenix, Arizona 85007

COPY of the foregoing
was hand-delivered this 13th
day of April, 2012, to:

Charles Hains
Legal Division
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

Steven M. Olea
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

A COPY of the foregoing
was mailed/emailed this 13th
day of April, 2012, to:

Douglas C. Fitzpatrick
LAW OFFICE OF DOUGLAS C. FITZPATRICK
49 Bell Rock Plaza
Sedona, AZ 86351
fitzlaw@sedona.net
Attorney for Montezuma Rimrock Water
Company, LLC

Patricia Olsen
MONTEZUMA RIMROCK WATER COMPANY, LLC
P.O. Box 10
Rimrock, AZ 86335
patsy@montezumawater.com

John Dougherty
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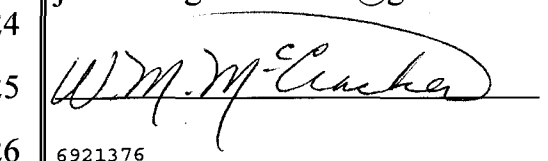
jd.investigativemedia@gmail.com



6921376

EXHIBIT 1

WATER SERVICES AGREEMENT

THIS WATER SERVICES AGREEMENT ("Agreement"), entered into as of the latest of the dates shown opposite the signatures of the Parties to this Agreement, is made by and between Patricia D. Olsen ("Olsen"), a Certified Operator (#20172) and Montezuma Rimrock Company LLC, an Arizona Corporation ("Company") (Patricia Olsen and Company are sometimes hereinafter referred to collectively as the "Parties" and individually as "Party").

RECITALS

A. Company's Wells No. 1 and No. 4 currently produce groundwater containing arsenic ("the Contaminant") in excess of 10 micrograms per liter. The wells are located on real property depicted on *Exhibit "A"*: attached hereto.

B. Olsen represents that it possesses the requisite skill, expertise, technology, and solutions to install Facilities (described in *Exhibit" B"* attached hereto) to treat groundwater containing the Contaminant (the "Facilities"), so as to enable Company to supply water from the Wells No. 1 and No. 4 that will not exceed 9 micrograms per liter of the Contaminant.

C. Olsen represents that it has the requisite skill, expertise, and qualifications to properly operate the Facilities consistent with prudent water utility operating standards, practices and procedures, and all applicable regulatory requirements.

D. This Agreement sets forth the terms and conditions under which Olsen will construct, install, maintain and own the Facilities to treat water produced from the Wells and properly dispose of all waste derived therefrom.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Treatment

1.1 Facilities

1.1(a) Olsen shall install, maintain and own the Facilities to treat the water produced by the Wells as provided in this Agreement.

1.1(b) The Facilities shall be capable of treating 150 gallons per minutes of water from Wells No. 1 and No. 4, as specified in the facility description in Exhibit B.

1.1 (c) The Facilities shall be capable of operating at a maximum operating pressure of 150 psig.

1.1 (d) On the Start-up Date, as defined in Section 7, Olsen shall operate the Facilities consistent with prudent water utility operating standards, practices and procedures, and all applicable regulatory requirements.

2. Term

2.1 Duration of Agreement. This Agreement shall commence on the date the Parties enter into this Agreement and shall continue for a period of 20 years from the Start-up Date (the "Term") unless this Agreement is earlier terminated pursuant to Section 15 below. At the end of the Term, Company shall have the option to purchase the Facilities for cash to be paid within thirty days from the expiration of the Term. Such option shall be exercised by notice given by Company to Olsen no later than sixty days prior to expiration of the Term.

2.2 Term Year. As used herein a "Term Year" is a period of twelve (12)months commencing on the Start-up Date, and ending on the day immediately preceding the anniversary of the Start-up Date.

3. Construction, and Installation of the Facilities

3.1 Olsen's Obligations. Olsen shall construct and install the Facilities in accordance with generally accepted engineering standards so as to reduce the Contaminant from the wells to comply with the water quality specification as defined in Section 4 below. Olsen shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of Arizona and in compliance with all applicable federal, state and local statutes, laws, regulations, codes and local ordinances (collectively "Laws"). Provided Company first installs the improvements described in Section 3.2 of this Agreement that are required for operation of the Facilities, Olsen shall install the Facilities and cause them to be ready for performance testing no later than sixty (60) days thereafter. Olsen shall be responsible for all costs and expenses necessary to construct, and install the Facilities to treat the water produced by the wells to comply with the water qualify specification. Olsen will perform all necessary water tests and other tests and investigations in connection with construction and installation of the Facilities. Olsen may store equipment or materials on Company's real property where Well No. 1 is located during installation of the Facilities, provided that such storage does not interfere with Company's operations and complies with all laws. The risk of loss of all stored equipment and materials and work in progress shall remain with Olsen and Olsen agrees to remove all such equipment and materials no later than thirty (30) days after the Start-up Date. Olsen agrees that Company shall not be required to provide any security for stored equipment and materials and work in progress in addition to the current fencing around the well site.

3.2 Company's Obligations. Company shall provide Olsen with: (a) all water quality data Company has for the influent water which Olsen reasonably requests as necessary for the construction, and installation of the Facilities; (b) all construction information the Company has concerning the well that Olsen reasonably requests as necessary for Olsen to design the

connection of the Facilities to the Well and from the Facilities to Company's water distribution system; (c) all external electrical equipment required to operate the Facilities (the capital cost of acquisition and installation of such equipment to be born solely by Company; (d) the license described in section 17 hereof; (e) directly or indirectly, all electrical powered required by Olsen to install the Facilities ; (f) the real property on which Olsen will install the Facilities, as depicted on Exhibit A; and (g), after issuance of ADEQ's Approval of Construction to use water treated by the Facilities, Company's written notice of acceptance of the Facilities. Olsenr shall not proceed with any work which is or could be affected by discrepancies, omissions or inaccuracies in the data provided by Company or obtained independently by Olsen until all such discrepancies, omission, or inaccuracies have been resolved by written Agreement of the parties and no change order or extra cost reimbursement for the affected work will be permitted without such Agreement of the parties.

3.3 Verification rights. Each party shall have the right to verify, at its own expense, the amount and quality of the water entering and exiting the Facilities and to conduct independent testing thereof. Olsen shall monitor the operation of the Facilities to assure proper operation and performance of the Facilities and advise Company of the results of the monitoring.

4. Water Quality. After Olsen's installation of the Facilities, the Facilities shall reduce the level of the contaminant in the water produced by the Well connected to the Facilities to comply with the Treated Water Arsenic Limitation in *Exhibit "C"* attached hereto (the "Water Quality Specification"). No less frequently than annually, Company shall provide Olsen with annual reports describing influent water quality. Company shall bear the cost of complying with changes in water quality standards that require reduction of the contaminant to levels less than the water quality Specification.

5. Payments. Company shall pay Olsen the fees and charges set forth in Section 7 below for all water produced by Company and treated by the Facilities which complies with the Water Quality Specification irrespective of whether such water complies with water quality standards for constituents other than the Contaminant.

6. Measurement. Water treated pursuant to this Agreement which complies with the Water Quality Specification shall be measured each month by Olsen at the point of connection between Company's water distribution system and the Facilities. The Parties shall be bound by the measurements of the water meter at such point.

7. Treatment fees. Beginning on the later of: (a) the date that ADEQ gives Company an Approval of Construction to use the water treated by the Facilities, or (b) the date that the Facilities continuously and consistently treat water that complies with the Water Quality Specification for seven (7) consecutive days shall be called the Start-up Date. The parties shall execute a supplement to this Agreement specifying and acknowledging the Start-up Date, and Company shall commence paying the following treatment fees to Olsen:

7.1 Monthly Standby Fee. A standby fee of one thousand five hundred dollars ($1,500) per month representing recovery of the cost of constructing the Facilities (the "Monthly Standby Fee").

7.2 Per Acre Foot Treatment Fee. For each acre foot of water treated by the Facilities that complies with the Water Quality Specification, measured as provided in section 6 above, a treatment fee representing four categories of operating and maintenance cost categorized as : (i) media replacement or regeneration costs; (ii) media replacement or regeneration service costs; and (iii) waste media or regeneration disposal costs; and (iv) other operation and maintenance costs totaling four hundred dollars ($400.00) per acre foot (the "Per Acre Foot Treatment fee"). The four categories of costs making up the Per Acre Foot Treatment Fee are shown in *Exhibit "G"*.

7.3 Additional Treatment Fee. Company intends to deliver for processing and treatment at the Facilities up to forty-two (42) acre feet per year of water from the wells in each Term year (the "Base Quantity"). If: (a) Company delivers more than the Base Quantity for processing and treatment in any Term Year, and (b) the Facilities treat more than the Base Quantity in any Term Year, then the additional Treatment Fee for each such acre foot in excess of the Base Quantity that complies with the Water Quality Specification shall be four hundred dollars ($400.00) per acre foot in such Term Year (the "Additional Treatment Fee"). The four categories of costs making up the additional Treatment Fee are show in *Exhibit "G"*.

7.4 Adjustment for Increase of Influent Arsenic Concentration. The Per Acre Foot Treatment Fee and Additional Treatment Fee are based on the Influent Arsenic Concentration in Exhibit D attached hereto. If, after the Start-up Date, the Influent Arsenic Concentration increases above the level in Exhibit D, the Per Acre Foot Treatment Fee and Additional Treatment Fee shall be adjusted if Olsen reasonably demonstrates to Company that Olsen has experienced higher treatment costs caused solely by such increase in Influent Arsenic Concentration.

7.5 Adjustment for Changes in Water Quality Specification. The Per Are Foot Treatment Fee and the Additional Treatment Fee are based in part on the Water Quality Specification. If the Water Quality Specification is changed during the Term, the Per Acre Foot Treatment Fee and the Additional Treatment Fee shall be adjusted if Olsen reasonably demonstrates to Company that Olsen has experienced higher or lower treatment costs caused solely by such change.

7.6 Adjustment for CPI . The Per Acre Foot Treatment Fee and the Additional Treatment Fee shall be adjusted by Olsen in its invoices to Company no sooner than the first day of any month that is at least twelve (12) months beyond the Start-up Date, and on the first day of such month in any Term Year thereafter, by the percentage change, if any, reflected in the consumer price index published by the United States Department of Labor, Bureau of Labor Statistics for all Urban Consumers, all Cities Index ("CPI-U") for the twelve (12) months preceding such change.

7.8 Suspension of Payments. Company shall be entitled to suspend the payment of all treatment fees (including the Monthly Standby Fee, which will be prorated during any month in

which a suspension of payments occurs) for a period of time starting with any day during which the Facilities fail to treat water from Well No. 1 and Well No. 4 to comply with the Water Quality Specification, and continuing until such time as the Facilities again treat water from Wells No. 1 and No. 4 to comply with the Water Quality Specification all as verified to Company's satisfaction by water quality testing procedures. Notwithstanding the provisions of Section 20.5 of this Agreement, Olsen agrees that, upon notice from Company that the Facilities have failed to treat water from the well to comply with the Water Quality Specification, Olsen will immediately take all action necessary to promptly remedy such failure.

8. Invoices. Olsen shall invoice Company within ten (10) days of the last day of the month beginning with the month of the Start-up Date. The invoice shall be substantially in the form provided in *Exhibit "E"* hereto and shall state the amount of water treated during that month, measured in accordance with Section 6 above, multiplied by the Per Acre Foot Treatment Fee and the Additional Treatment Fee, if applicable. Within thirty (30) days following Company's receipt of such invoice, Company shall, less Company's deduction for any amount of such invoice that is the subject of a dispute as set forth in Section 9(a), below, make payment to Olsen at the address on the invoice. Company and Olsen shall cooperate to effect meter reading, billing, and payments to maximize efficiency.

9. Delinquent Payments. Any invoice under this Agreement that is not paid within thirty (30) days after Company's receipt thereof shall bear interest at the lesser of twelve percent (12%) per annum or at the maximum rate permitted by law, from the date due until payment is received by Olsen. If Company fails to pay Olsen for water treated in accordance with this Agreement within one hundred twenty (120) days after receipt of the invoice, Olsen may terminate this Agreement, shut down or remove the Facilities, and receive a lump sum payment from Company of the present value of the remaining Monthly Standby Fees that would otherwise be owed to Olsen had the Agreement been completed through the Term; provided, however, that if a bona fide dispute exists between Company and Olsen, then Olsen shall not terminate this Agreement so long as: (a) Company has paid the undisputed portion of any amount due, and (b) the Parties are negotiating in good faith, are submitting to arbitration, or taking legal action to resolve the dispute.

10. Operation, Maintenance, and Repairs.

10.1 Operation. On and after the Start-up Date Olsen shall be solely responsible for operating the Facilities as required by law and in accordance with the permits (as defined in Section 12 below). The ongoing electrical usage costs, including any electrical costs related to the pumps or booster stations shall be borne by Company. Olsen shall be responsible for all other operating costs of the Facilities, including without limitation, salt to treat water from Well No. 1 and Well No. 4 and disposal of brine and other waste as set forth in section 10.4 below, but excluding any cost or expense relating to Company's operating or managerial personnel or related overhead.

10.2 **Maintenance and Repairs**. Olsen shall be solely responsible for, and, at its sole expense, shall promptly and diligently perform according to industry standards, all maintenance, repairs, and replacements as necessary to maintain the Facilities in good condition.

10.3 **Third-Party Contracts**. At its option, Olsen may contract with third parties to perform routine operational activities and maintenance of the Facilities under Olsen's direction supervision. If Olsen desires to enter into such a contract with Company, then, as a condition thereto and in recognition of the proprietary nature of the Facilities, Company agrees to execute Olsen's standard confidentiality and non-disclosure Agreement subject to Company's right to first review and propose revisions to said Agreement. Company shall allow Olsen's third party contractor reasonable access to the Facilities only after (a) adequate advance notice thereof to Company from Olsen, and (b) Company's issuance of written consent thereto.

10.4 **Waste**. Olsen shall be solely responsible at its sole expense, for properly and lawfully disposing of brine and all other waste incidental to the operation of the Facilities, including, but not limited to, the disposal of all hazardous waste (as defined under all applicable federal, state and local statutes and/or regulations) associated with or derived from the treatment of water from Wells No. 1 and No. 4 under this Agreement, such disposal to be in compliance with all applicable laws. Olsen shall defend Company (through counsel approved by Company) in any criminal, civil or administrative proceeding and indemnify Company against and hold it harmless from all claims, demands, penalties, fines, liabilities, losses and costs (including without limitation attorneys, paralegals' and experts' fees and costs (collectively, "Claims") arising out of or related to Olsen's acts or omissions or the acts or mission of Olsen's agents, contractors and/or employees in the handling, transportation or disposal of such brine and other waste including, but not limited to, the disposal of all hazardous waste (as defined under all applicable federal, state and local statues and/or regulations) associated with or derived from the treatment of water from Wells No. 1 and No. 4 under this Agreement. Olsen may request assistance from others in such disposal and shall be responsible for the acts or omissions of all such others, including, but not limited to its contractors, agents and employees.

11. **Security; Insurance**.

11.1 Facilities. Olsen agrees that the only security Company shall be obligated to provide for the Facilities is the current fencing around the well site.

11.2 Insurance

11.2.1 Coverage by Company. Company shall maintain at its sole expense, commercial general liability insuranc with limits of not less than $500,00 per occurrence and in the aggregate.

11.2.2 Coverage by Olsen. With respect to Olsen's activities under this Agreement, Olsen shall maintain or cause to be maintained, and shall provide or cause to be provided, with

evidence thereof to Company, property insurance coverage for the Facilities in an amount equal to or exceeding the replacement costs thereof.

12. Permits and Authorizations. Olsen and Company shall cooperate and use good faith efforts to obtain all permits, consents, entitlements, and approvals required under any of the Laws as of the Start-up Date, including without limitation any and all environmental permits (collectively the "Permits") necessary to enable Olsen to construct, install, maintain, own and, before the Start-up Date and during any suspension period under paragraph 7.8 above, operate the Facilities to treat water produced from Wells No. 1 and No. 4 to comply with the Water Quality Specification. Accordingly, Olsen and Company shall (a) jointly pursue, and support each other in obtaining, the permits necessary to initiate timely installation and operation of the facilities; (b) make timely application for such Permit, except for the Application for Approval of Construction which Olsen shall prepare and file with the Arizona Department of Environmental Quality, with Company's cooperation and support, as necessary, and (c) cooperate with each other in implementing the terms of this Agreement and achieving its objectives. All costs and expenses of the activities required under this section 12 shall be the responsibility of Olsen. Any permit, consent, entitlement, or approval necessary to operate the Facilities shall be issued in Company's name.

13. Time for Performance. Subject to Sections 14 and 19.18 below, Olsen and Company shall perform their respective obligations under this Agreement in a diligent, prompt, timely and professional manner and in accordance with the performance schedule attached hereto as *Exhibit"F"*.

14. Early Termination

14.1 Company's Termination Options.

14.1.1 Failure to Obtain Permits. If for any reason other than a delay caused by Company or by a force majeure event (as defined in section 19.18 below) if all requisite permits have not been secured and Olsen has not been able to install the Facilities to treat the water so that it complies with the Water Quality Specification within sixty (60 days) after the last day of the performance schedule (the "Performance Deadline") , then Company, at its option, upon written notice to Olsen may terminate this Agreement and Company and Olsen shall each nave no further responsibilities to the other party under this Agreement and each shall bears its own expenditures and out of pocket costs incurred up to then in connection with this Agreement.

14.1.2 Change in Water Quality Specification. If, before the issuance of the permits, a Water Quality Specification lower than as set forth in Exhibit C is required for any reason not caused by Company, Company at its option, upon written notice to Olsen may terminate this Agreement, and Company and Olsen shall each have no further responsibilities to the other Party under this Agreement and each shall bear its own expenditures and out of pocket costs incurred up to then in connection with this Agreement.

15. Expiration of Agreement. Upon expiration of this Agreement, Company shall purchase from Olsen the Facilities for the sum of one dollar ($1.00), provided Company has not exercised its option to purchase the Facilities in accordance with the terms in accordance with the terms Paragraph 2(2.1). Olsen shall coordinate the final purchase Company.

16. License to Enter. Effective with the Parties' execution of this Agreement, Company gives Olsen license for permission to use Company's property as mutually agreed to be necessary to install and maintain the Facilities. If Olsen so requests, the license shall be formalized by a separate written instrument consistent with the scope of the license set forth above and in Company's customary form. Such license can only be revoked upon termination of this Agreement.

17. Representations and Warranties.

17.1 Representations and Warranties of Company. Company makes the following representations, warranties, and covenants to Olsen:

17.1.1 Power and Authority to Execute and Perform this Agreement. Company has the right, power, and authority to enter into this Agreement and perform its obligations hereunder, and the person executing this Agreement on behalf of Company has the right, power, and authority to do so.

17.1.2 Enforceability. This Agreement constitutes a legal, valid, and binding obligation of Company, enforceable against Company in accordance with its terms.

17.1.3 Operational Capabilities. Upon completion of installation of the Facilities and for the Term of this Agreement, Olsen will maintain its certification (#20172) so as to properly operate the Facilities in an efficient manner and deliver water to the Facilities for treatment.

17.2 Representation of Warranties of Olsen. Olsen makes the following representations, warranties, and covenants to Company:

17.2.1 Power and Authority to Execute and Perform this Agreement. Olsen has the right, power, and authority under this Agreement to perform its obligations hereunder, and the person executing this Agreement on behalf of Olsen has the right, power, and authority to do so.

17.2.2 Enforceability. This Agreement constitutes a legal, valid, and binding obligation of Olsen, enforceable against Olsen in accordance with its terms.

17.2.4 No Conflict. The execution, delivery, and performance of this Agreement by Olsen will not breach or constitute a default under, or grounds for the acceleration of maturity of, any Agreement, indenture, or undertaking or other instrument to which Olsen is a party or by which Olsen or any of its property may be bound or affected and does not constitute a breach or default under any law, regulation, ruling, or court order.

18. Taxes. Olsen shall not be liable for taxes and governmental charges of any kind whatsoever that may at any time be assessed or levied against, or with respect to, the use, possession, occupation, and/or ownership of any property, or part thereof, involved in the implementation of this Agreement (including, but not limited to, Wells No. 1 and No. 4, the Facilities, and the real property where Well No. 1 and No. 4 and the Facilities are located and where Olsen will have a license to enter pursuant to section 17 above), or any and all general or special taxes, fees, assessment, and/or charges made by any governmental body for any improvement made to such property, or part thereof, and/or for any services or activities performed hereunder. If Olsen is assessed any such taxes, fees, assessments, or charges, said sums shall either be paid by Company within thirty days after receipt of an invoice therefor from Olsen, or, at its option, Company may contest any such assessment in the manner Company deems appropriate, provided that Company will remain ultimately responsible for the payment of any such assessments.

19. Miscellaneous Provisions.

19.1 Further Assurances. At any time and from time to time after the date hereof, the Parties agree to take such actions and to execute and deliver such documents as the other Party may reasonably request to effectuate the purposes of this Agreement.

19.2 Assignment. Neither Party shall assign any right, interest, or obligations under this Agreement without the prior written consent of the other Party. This Agreement and all provisions hereof shall be binding upon, and insure to the benefit of, the Parties and their respective heirs, successors, legal representatives, and assigns.

19.3 Amendment. Except as otherwise provided in this Agreement, neither this Agreement nor any provision hereof may be waived, modified, amended, discharged, or terminated except by an instrument in writing signed by both parties, and then only to the extend set for in such instrument.

19.4 Entire Agreement. This Agreement and the Agreements provided for herein constitute the entire understanding between the Parties with respect to the matters set forth herein, and they supercede all prior or contemporaneous understandings or Agreements between the Parties with respect to the subject matter hereof, whether oral or written.

19.5 Notices. Any notice, approval, consent, waiver or other communication required or permitted to be given or to be served upon either Party in connection with this Agreement shall be in writing. Such notice shall be personally served. Such notices shall be addressed to the Party to whom such notice is to be given at the Party's address or sent in accordance with this section.

If to Olsen:

Patricia Olsen
P.O. Box 10
Rimrock, AZ 86335

928-300-3291

If to Company: Montezuma Rimrock Water Company LLLC
P.O. Box 10
Rimrock, AZ 86335

19.6 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with the laws of the State of Arizona, without given effect to any choice-of-law or conflict of law rule or principle that would result in the application of any other laws.

19.7 Headings. Headings, title, and captions are for convenience only and shall not constitute a portion of this Agreement or be used for the interpretation thereof.

19.8 Cumulative Rights; Waiver. The rights created under this Agreement, or by law or equity, shall be cumulative and may be exercised at any time and from time to time. No failure by either party to exercise and no delay in exercising any rights, shall be construed or deemed to be a waiver thereof, nor shall any single or partial exercise by any Party preclude any other or future exercise thereof or the exercise of any other right. Any waiver of any provision or of any breach of any provision of this Agreement must be in writing and any waiver by any party of any breach of any provision of this Agreement shall not operate as or be construed to be a waiver of any other breach of that provision or of any breach of any other provision of this Agreement. The failure of any party to insist upon strict adherence to any term of the Agreement on one or more occasions shall not be considered or construed or deemed a waiver of any provision or any breach of any provision of this Agreement or deprive that Party of the right thereafter to insist upon strict adherence to that term or provision or any other term or provision of this Agreement. No delay or omission on the part of any Party in exercising any right under this Agreement shall operate as a waiver of any such right or any other right under this Agreement.

19.9 Liberal Construction. This Agreement constitutes a fully-negotiated agreement among commercially sophisticated Parties, each assisted by legal counsel, and the terms of this agreement shall not be construed or interpreted for or against any Party because that Party or its legal representative drafted or prepared such provision.

19.10 Severability. If any provision of this Agreement is invalid, illegal, or unenforceable, such provision shall be deemed to be severed or deleted from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such invalidity, illegality, or unenforceability.

19.11 Good Faith and Fair Dealing. The Parties acknowledge and agree that the performances required by the provisions of this Agreement shall be undertaken in good faith, and with each of the parties dealing fairly with each other.

19.12. No Third-Party Beneficiaries. Subject to section 19.2 above, this Agreement does not create, and shall not be construed to create, any rights enforceable by any person, partnership, corporation, joint venture, limited liability Company or other form of organization or association of any kind that is not a Party, except to the extent that a Party's rights may be enforced by a parent company or a subsidiary of such Party.

19.13 Counterparts; Facsimile Execution. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon, provided such signature page is attached to any other counterpart identical thereto except for having an additional signature page executed by any other Party. Each Party agrees that each other Party may rely upon the facsimile signature of any Party on this Agreement as constituting a duly authorized, irrevocable, actual, current delivery of this Agreement as fully as if this Agreement contained the original ink signature of the Party supplying a facsimile signature.

19.14 Time of the Essence. Time is of the essence, of each and every provision of this Agreement. Unless business days are expressly provided for, all reference to "days" herein shall refer to consecutive calendar days. If any date or time period provided or in this Agreement is or ends on a Saturday, Sunday or federal, state, or legal holiday, then such date automatically shall be extended to the next day which is not a Saturday, Sunday, or federal, state, or legal holiday.

19.15 Number and gender. As used herein, and as the circumstances require, the plural term shall include the singular, the singular shall include the plural, the neuter term shall include the masculine and feminine genders, the masculine term shall include the neuter and the feminine genders, and the feminine term shall include the neuter and the masculine genres.

19.16 Disputes.

19.16.1 Arbitration. Any dispute or controversy arising out of, under, or in connection with, or in relation to, this Agreement and/or any amendments thereto , or the breach thereof, which is not resolved informally by prior mutual Agreement of the Parties, shall be submitted to arbitration in accordance with the procedures set forth in the Arizona Uniform Arbitration Act (ARS 12-1501, *et seq.*), unless otherwise waived and/or modified in writing by the parties. The cost of such arbitration shall be paid by the Parties equally; however, the prevailing Party in the arbitration shall be entitled to reimbursement of its attorneys fees and other costs and expenses incurred in connection therewith.

19.16.2. Attorneys Fees. If a dispute arises which is not resolved by arbitration pursuant to Section 19.16.1 above, and any party reasonably retains counsel for the purpose of enforcing any provision of this Agreement, including without limitation the institution of any action or proceeding to enforce any provision of this Agreement, or to recover damages if otherwise available hereunder, or to obtain injunctive or other relief by reason of any alleged

breach of any provision of this Agreement, or for a declaration based on demonstrated necessity of such Party's rights or obligations under this Agreement, or for any other judicial or equitable remedy, then if the matter is settled by judicial or quasi-judicial determination, the prevailing party shall be entitled, in addition to such other relief as may be granted, to be reimbursed by the losing Party for all costs and expenses incurred including, without limitation, all attorneys' fees and costs for services rendered to the prevailing Party and any attorneys' fees and costs incurred in enforcing any judgment or order entered. The prevailing Party shall be as determined by the court in the initial or any subsequent proceeding.

19.17 Governing Law. The validity, interpretation, and enforcement of this Agreement shall be governed by the laws of the State of Arizona.

19.18 Force Majeure. If any performance other than the payment of money due hereunder) of this agreement is prevented, delayed, or made impracticable due to drought, flood, fire, earthquake, or other natural disaster, strike, insufficiency of electrical power or fuel, civil rioting, terrorist attack, war or military conflict, inability of Olsen to obtain all necessary permits or approvals (including any and all environmental approvals), or if the cost of complying with environmental or safe drinking water requirements renders such performance economically impractical (collectively a "Force Majeure Event"), then such performance (except for the payment of money due hereunder) of this Agreement shall be excused for the period of prevention, delay, or impracticability resulting from the Force Majeure Event.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the last date below written.

Dated: 3/16/12

Olsen

By: [signature]

Dated: 3/16/12

Montezuma Rimrock Water Company LLC

By: [signature]

EXHIBIT "A"

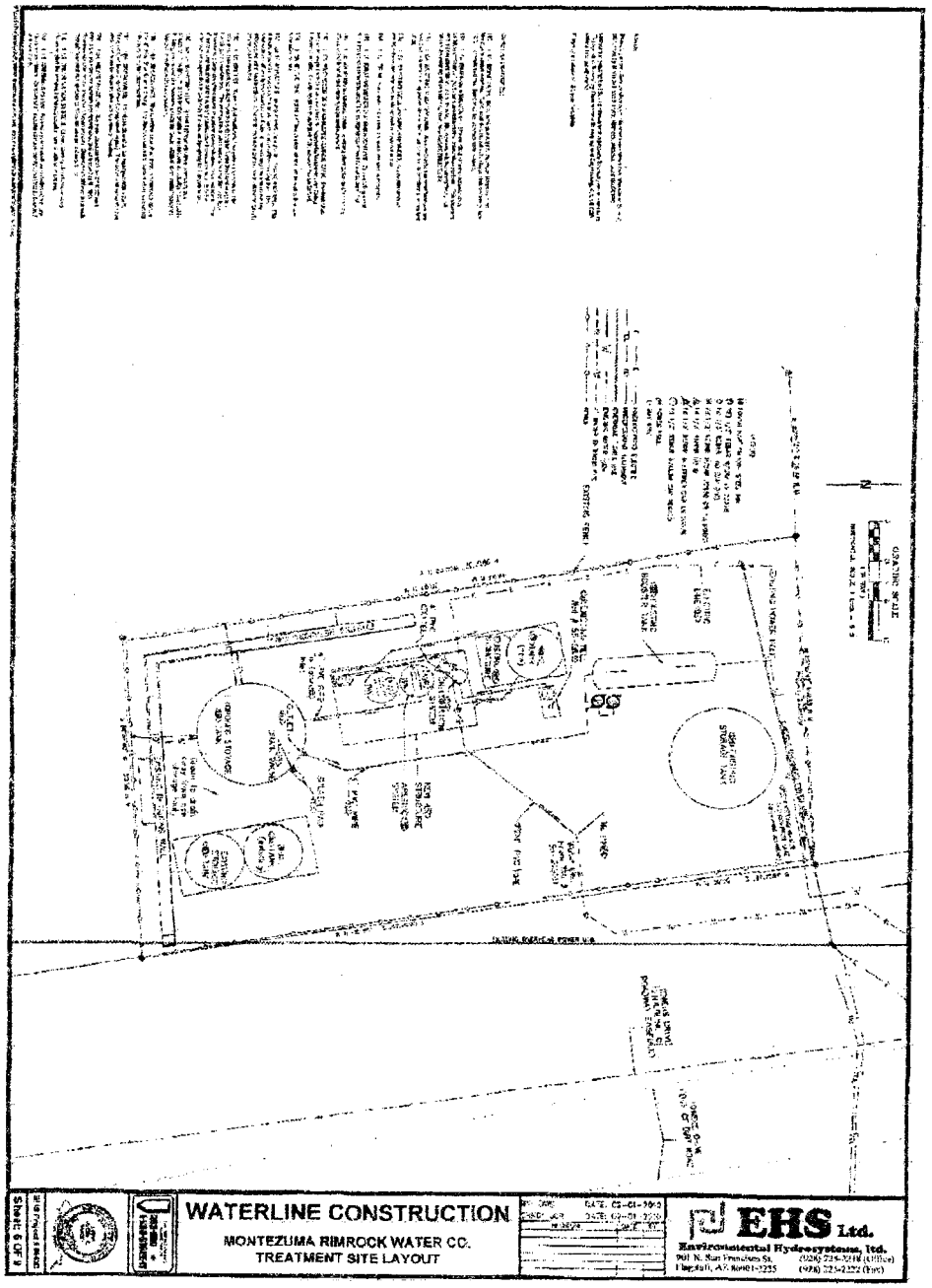

WATERLINE CONSTRUCTION
MONTEZUMA RIMROCK WATER CO.
TREATMENT SITE LAYOUT
EHS Ltd.
Environmental Hydrosystems, Ltd.

EXHIBIT "B"

Montezuma Rimrock Water Company, LLC
Wells No. 1 and No. 4
Arsenic Removal Facilities

Description of Facilities

- Treatment Module (150 gpm capacity)
  - 2 bed configuration
  - Internal media system

- Pre-Treatment filter system
  - Bag filters
  - Inlet, outlet, filter header system

- Waste storage tanks
  - 1 polypro tank
  - 3" Waste discharge system

EXHIBIT "C"

Montezuma Water Company
Wells No. 1 and No. 4
Arsenic Treatment Facility

Water Quality Specification

Treated Water Arsenic Concentration: Not greater than 9 micrograms per liter

EXHIBIT "D"

Montezuma Rimrock Water Company
Wells No. 1 and No. 4
Arsenic Removal Facility

Influent Arsenic Concentration

Influent Arsenic Concentration: Not greater than 45 micrograms per liter.

EXHIBIT "E"

INVOICE			INV. #XXXXXXX
Patricia Olsen P.O. Box 10 Rirmock, AZ 86335 928-300-3291			
BILL TO: Montezuma Rimrock Water Company P.O. Box 10 Rimrock, AZ 86335		SERVICE ADDRESS: Well No. 1 Rimrock, AZ	
PO/Contract Number: Invoice Date: 3/25/2012 Billing Cycle: 3/30/2012 - 4/30/2012 Days of Service: 31	Previous Meter Reading: Current Meter Reading: Total Flow (gallons): Total Flow (Acre-ft):	3/30/12 12:00AM 4/30/12 12:00AM	0.0 0.0 0.0 0.00000
Previous Charges and Credits:	Amount of Previous Bill Payment Received		$0.00 $0.00
New Charges and Credits:	Standby Fee: Treatment Fee:	$0.00/ month $0.00 /acre-ft x 0.0 acre-ft	$0.00 $0.00

Total Due	$0.00

Please Remit to:

Patricia Olsen

P.O. Box 10

Rimrock, AZ 86335

EXHIBIT "F"

Montezuma Rimrock Water Company
Well No. 1 and No. 4
Arsenic Removal Facility

Performance Schedule

- Week 1
  - Company begins on-site and off-site preparation
  - Olsen begins unit assemble

- Week 6
  - Company completes on-site and off-site preparations
  - Olsen begins on-site mobilization

- Week 8
  - Olsen begins installation of Arsenic Removal Facility

- Week 10
- Olsen completes installation of Arsenic Removal Facility
- Olsen begins startup tests
- Olsen completes startup tests
- Arsenic Removal Facility ready for permitting

EXHIBIT "G"

PER ACRE FOOT TREATMENT FEE

CATEGORY	%	Fee Per Acre Foot
Media Replacement or Regeneration Costs		
Media Replacement or Regeneration Service Costs		
Waste Media Regeneration Disposal Costs		
Other Operation and Maintenance Costs		
TOTAL		

ADDITIONAL TREATMENT FEE

CATEGORY	%	Fee Per Acre Foot
Media Replacement or Regeneration Costs		
Media Replacement or Regeneration Service Costs		
Waste Media Regeneration Disposal Costs		
Other Operation and Maintenance Costs		
TOTAL		

EXHIBIT 2

Lessor: NILE RIVER LEASING, L.L.C. 9526 N. 46TH ST. PHOENIX, AZ 85028 Ph. (480) 607-6800 Toll Free (888) 607-6800	Lease Number >
Full Legal Name and Place of Business of Lessee > PATRICIA D. OLSEN > 2126 S. TOMBAUGH WAY > FLAGSTAFF, AZ 86001	**Place of incorporation or organization or, if an individual, location of principal residence.** > 2126 S. TOMBAUGH WAY > FLAGSTAFF, AZ 86001

Quantity	Description, Model #, Catalog #, Serial #, or other Identification
Equipment Leased	> 1 – ARSENIC BUILDING PLANT BUILDING CONSTRUCTION WITH ELECTRICAL CONNECTION – SIZE: 10 X 20 X 10 FEET
Equipment Location if Different	>4599 E. GOLDMINE RD., RIMROCK, AZ 86335

Terms	Amount of Each Payment (plus Sales or Use Tax, if applicable)	☒ Monthly ☐ Other Specify:	Terms of Lease	No. of Payments	Advanced Payment/Security Deposit
>	> $ 342.09		>36	> 36	> $ 734.46

TERMS AND CONDITIONS OF LEASE

1. LEASE. Lessee hereby leases from Lessor, and Lessor leases to Lessee, the equipment and other property described above, together with any replacement parts, additions, repairs or accessories now or hereafter incorporated in or affixed thereto (hereinafter referred to as the "Equipment").

2. ACCEPTANCE OF EQUIPMENT. Lessee agrees to inspect the Equipment and to execute an Acknowledgement and Acceptance of Equipment by Lessee notice, as provided by Lessor, after the Equipment has been delivered and after Lessee it satisfied that the Equipment is satisfactory in every respect. Lessee hereby authorizes Lessor to insert in this Lease serial number or other identifying data with regard to the Equipment.

3. DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES. THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR. Lessee acknowledges and agrees by his signature below as follows: (a) LESSOR MAKES NO WARRANTIES EITHER EXPRESSED OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS OF THE EQUIPMENT; (b) Lessee has fully inspected the Equipment which it has requested Lessor to acquire and lease to Lessee, and the Equipment is in good condition and to Lessee's complete satisfaction; (c) Lessee leases the Equipment "as is" and with all faults; (d) Lessee specifically acknowledges that the Equipment is leased to Lessee solely for commercial or business purposes and not for personal, family, household, or agricultural purposes; (e) LESSEE SHALL HAVE NO REMEDY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AGAINST LESSOR; and (f) NO DEFECT, DAMAGE, OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.

4. ASSIGNMENT BY LESSEE PROHIBITED. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE SHALL NOT ASSIGN THIS LEASE OR SUBLEASE THE EQUIPMENT OR ANY INTEREST THEREIN, OR PLEDGE OR TRANSFER THIS LEASE, OR OTHERWISE DISPOSE OF THE EQUIPMENT COVERED HEREBY.

5. COMMENCEMENT; RENTAL PAYMENTS: INTERIM RENTALS. This Lease shall commence upon the written acceptance hereof by Lessor and shall end upon the full performance and observance by Lessee of each and every term, condition and covenant set forth in this Lease, any Schedules hereto and any extensions hereof. Rental payments shall be in the amounts and frequency as set forth on the face of this Lease or any Schedules hereto. In addition to regular rentals, Lessee shall pay to Lessor interim rent for the use of the Equipment prior to the due date of the first payment. Interim rent shall be in an amount equal to 1/30th of the monthly rental, multiplied by the number of days elapsing between the date in which the Equipment is accepted by Lessee and the commencement date of this Lease, together with the number of days elapsing between commencement of the Lease and the due date of the first payment. The payment of interim rent shall be due and payable upon Lessee's receipt of invoice from Lessor. The rental period under the Lease shall terminate following the last day of the term stated on the face hereof or in any Schedule hereto unless such Lease or Schedule has been extended or otherwise modified, Lessor shall have no obligation to Lessee under this Lease if the Equipment, for whatever reason, is not delivered to Lessee within ninety (90) days after Lessee signs this Lease.

THIS LEASE IS NOT CANCELABLE OR TERMINABLE BY LESSEE.

LESSEE UNDERSTANDS AND ACKNOWLEDGES THAT NO BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, IS AN AGENT OF LESSOR OR BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE, AND NO REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY THE BROKER OR SUPPLIER, NOR ANY SALESMAN, BROKER, OR AGENT OF ANY BROKER OR SUPPLIER, SHALL IN ANY WAY AFFECT LESSEE'S DUTY TO PAY THE RENTALS AND TO PERFORM LESSEE'S OBLIGATIONS SET FORTH IN THIS LEASE.

6. CHOICE OF LAW. This Lease shall not be effective until signed by Lessor at its principal office listed above. This Lease shall be considered to have been made in the State of Arizona and shall be interpreted in accordance with the laws and regulations of the State of Arizona. Lessee agrees to jurisdiction in the State of Arizona in any action, suit, arbitration or proceeding regarding this Lease. In the event of any legal action with regard to the Lease or the Equipment covered hereby, Lessee agrees that venue shall be maintained in Maricopa County, Arizona.

7. SECURITY DEPOSIT. As security for the prompt and complete payment of the amounts due under this Lease, and Lessee's complete performance of all its obligations under this Lease, and any extension or renewal hereof, Lessee has deposited with Lessor the amount set forth in the section shown as "Security Deposit." In the event any default shall be made in the performance of any Lessee's obligations under this Lease, Lessor shall have the right, but shall not be obligated, to apply the security deposit to the curing of such default. Within 15 days after Lessor mails notice to Lessee that Lessor has applied any portion of the security deposit to the amount of any default, Lessee shall restore said security deposit to the full amount set forth above. On the expiration or earlier termination or cancellation of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rent called for and fully performed all other provisions of this Lease, Lessor will return to the Lessee any then remaining balance of said security deposit, without interest. Said security deposit may be commingled with Lessor's other funds.

8. LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend the terms of the Lease to reflects a change in one or more of the following conditions: (a) Lessor's actual cost of providing the Equipment to Lessee, or (b) A change in rental payments, or (c) Description of the Equipment, then Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless within 15 days after the date of such letter Lessee objects in writing to Lessor, this Lease shall be deemed amended and such amendments shall be incorporated in this Lease herein as if originally set forth. Lessee grants to Lessor a specific power of attorney for Lessor to use as follows: (i) Lessor may sign and file on Lessee's behalf any document Lessor deems necessary to perfect or protect Lessor's interest in the Equipment or pursuant to the Uniform Commercial Code, and (ii) Lessor may sign, endorse or negotiate for Lessor's benefit any instrument representing proceeds from any policy of insurance covering the Equipment.

9. LOCATION. The Equipment shall be kept at the location specified above, or, if none is specified, at Lessee's address as set forth above and shall not be removed without Lessor's prior written consent. Notwithstanding this provision, should Lessee change the location of the Equipment without first obtaining Lessor's consent, then Lessee shall immediately provide Lessor with the new location of the Equipment.

10. USE. Lessee shall use the Equipment in a careful manner, make as necessary repairs at Lessee's expense, shall comply with all laws relating to its possession, use, or maintenance, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. All additions, repairs or improvements made to the Equipment shall belong to Lessor.

11. OWNERSHIP; PERSONALTY. The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease.

LESSEE ACKNOWLEDGEMENTS. Lessee acknowledges the following: (a) Lessee's full and accurate legal name is as provided on page one of this Lease; (b) Lessee is a corporation ( )/partnership ( )/individual ( ); (c) Lessee is (if an organization) duly organized, validly existing and in good standing under the laws of the jurisdiction set forth on page one of this Lease.

LESSEE: PATRICIA D. OLSEN

Date: 3/16/12

LESSOR: NILE RIVER LEASING, L.L.C.

Date: 3-16-2012

3824-0

Lessor: NILE RIVER LEASING, L.L.C. 9526 N. 46TH ST. PHOENIX, AZ 85028 Ph. (480) 607-6800 Toll Free (888) 607-6800	Lease Number >

Full Legal Name and Place of Business of Lessee	Place of incorporation or organization or, if an individual, location of principal residence.
> PATRICIA D. OLSEN > 2126 S. TOMBAUGH WAY > FLAGSTAFF, AZ 86001	> 2126 S. TOMBAUGH WAY > FLAGSTAFF, AZ 86001

Quantity	Description, Model #, Catalog #, Serial #, or other Identification
Equipment Leased	> 1 – ARSENIC REMOVAL WATER TREATMENT SYSTEM TANKS, PIPING COMPONENTS, ENGINEERING, START-UP ETC.
Equipment Location If Different	>4599 E. GOLDMINE RD., RIMROCK, AZ 86335

Terms	Amount of Each Payment (plus Sales or Use Tax, if applicable)	☒ Monthly ☐ Other Specify:	Terms of Lease	No. of Payments	Advanced Payment/Security Deposit
>	> $ 1,058.18		>60	> 60	> $ 2,271.92

TERMS AND CONDITIONS OF LEASE

1. LEASE. Lessee hereby leases from Lessor, and Lessor leases to Lessee, the equipment and other property described above, together with any replacement parts, additions, repairs or accessories now or hereafter incorporated in or affixed thereto (hereinafter referred to as the "Equipment").

2. ACCEPTANCE OF EQUIPMENT. Lessee agrees to inspect the Equipment and to execute an Acknowledgement and Acceptance of Equipment by Lessee notice, as provided by Lessor, after the Equipment has been delivered and after Lessee it satisfied that the Equipment is satisfactory in every respect. Lessee hereby authorizes Lessor to insert in this Lease serial numbers or other identifying data with regard to the Equipment.

3. DISCLAIMER OF WARRANTIES AND CLAIMS; LIMITATION OF REMEDIES. THERE ARE NO WARRANTIES BY OR ON BEHALF OF LESSOR. Lessee acknowledges and agrees by his signature below as follows: (a) LESSOR MAKES NO WARRANTIES EITHER EXPRESSED OR IMPLIED AS TO THE CONDITION OF THE EQUIPMENT, ITS MERCHANTABILITY, ITS FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE, ITS DESIGN, ITS CAPACITY, ITS QUALITY, OR WITH RESPECT TO ANY CHARACTERISTICS OF THE EQUIPMENT; (b) Lessee has fully inspected the Equipment which it has requested Lessor to acquire and lease to Lessee, and the Equipment is in good condition and to Lessee's complete satisfaction; (c) Lessee leases the Equipment "as is" and with all faults; (d) Lessee specifically acknowledges that the Equipment is leased to Lessee solely for commercial or business purposes and not for personal, family, household, or agricultural purposes; (e) LESSEE SHALL HAVE NO REMEDY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES AGAINST LESSOR; and (f) NO DEFECT, DAMAGE, OR UNFITNESS OF THE EQUIPMENT FOR ANY PURPOSE SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY RENT OR RELIEVE LESSEE OF ANY OTHER OBLIGATION UNDER THIS LEASE.

4. ASSIGNMENT BY LESSEE PROHIBITED. WITHOUT LESSOR'S PRIOR WRITTEN CONSENT, LESSEE SHALL NOT ASSIGN THIS LEASE OR SUBLEASE THE EQUIPMENT OR ANY INTEREST THEREIN, OR PLEDGE OR TRANSFER THIS LEASE, OR OTHERWISE DISPOSE OF THE EQUIPMENT COVERED HEREBY.

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THIS LEASE IS NOT CANCELABLE OR TERMINABLE BY LESSEE.

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6. CHOICE OF LAW. *This Lease shall not be effective until signed by Lessor at its principal office listed above.* This Lease shall be considered to have been made in the State of Arizona and shall be interpreted in accordance with the laws and regulations of the State of Arizona. Lessee agrees to jurisdiction in the State of Arizona in any action, suit, arbitration or proceeding regarding this Lease. In the event of any legal action with regard to the Lease or the Equipment covered hereby, Lessee agrees that venue shall be maintained in Maricopa County, Arizona.

7. SECURITY DEPOSIT. As security for the prompt and complete payment of the amounts due under this Lease, and Lessee's complete performance of all its obligations under this Lease, and any extension or renewal hereof, Lessee has deposited with Lessor the amount set forth in the section shown as "Security Deposit." In the event any default shall be made in the performance of any Lessee's obligations under this Lease, Lessor shall have the right, but shall not be obligated, to apply the security deposit to the curing of such default. Within 15 days after Lessor mails notice to Lessee that Lessor has applied any portion of the security deposit to the amount of any default, Lessee shall restore said security deposit to the full amount set forth above. On the expiration or earlier termination or cancellation of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rent called for and fully performed all other provisions of this Lease, Lessor will return to the Lessee any then remaining balance of said security deposit, without interest. Said security deposit may be commingled with Lessor's other funds.

8. LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend the terms of the Lease to reflects a change in one or more of the following conditions: (a) Lessor's *actual cost* of providing the Equipment to Lessee, or (b) A change in rental payments, or (c) Description of the Equipment, then Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless within 15 days after the date of such letter Lessee objects in writing to Lessor, this Lease shall be deemed amended and such amendments shall be incorporated in this Lease herein as if originally set forth. Lessee grants to Lessor a specific power of attorney for Lessor to use as follows: (i) *Lessor may sign* and file on Lessee's behalf any document Lessor deems necessary to perfect or protect Lessor's interest in the Equipment or pursuant to the Uniform Commercial Code, and (ii) Lessor may sign, endorse or negotiate for Lessor's benefit any instrument representing proceeds from any policy of insurance covering the Equipment.

9. LOCATION. The Equipment shall be kept at the location specified above, or, if none is specified, at Lessee's address as set forth above and shall not be removed without Lessor's prior written consent. Notwithstanding this provision, should Lessee change the location of the Equipment without first obtaining Lessor's consent, then Lessee shall immediately provide Lessor with the new location of the Equipment.

10. USE. Lessee shall use the Equipment in a careful manner, make as necessary repairs at Lessee's expense, shall comply with all laws relating to its possession, use, or maintenance, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. All additions, repairs or improvements made to the Equipment shall belong to Lessor.

11. OWNERSHIP; PERSONALTY. The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease.

LESSEE ACKNOWLEDGEMENTS. Lessee acknowledges the following: (a) Lessee's full and accurate legal name is as provided on page one of this Lease; (b) Lessee is a corporation ( )/partnership ( ) /individual ( ); (c) Lessee is (if an organization) duly organized, validly existing and in good standing under the laws of the jurisdiction set forth on page one of this Lease.

LESSEE: PATRICIA D. OLSEN

Date: 3/16/12

LESSOR: NILE RIVER LEASING, L.L.C.

Date: 3-16-2012

3834-0

EXHIBIT 3

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

Contract for:

Arsenic Treatment System
With
Patricia Olsen
Owner/Operator of

Montezuma Rimrock Water Company, LLC

Kevlor Design Group, LLC
430 Fitzgerald Place • Atlanta, Georgia 30349

Proposal ID: KDG012712

January 27, 2012

Patricia Olsen (928-300-3291)
Montezuma Rimrock Water Co. LLC
P.O. Box 10
Rimrock, AZ 86335

Dear Patricia,

Kevlor Design Group, LLC is involved in water treatment and automation projects throughout the U.S.A. With years of experience we offer solutions for arsenic removal, chemical metering, and system integration.

Products & Services
Our products and services are built around filtration technologies along with manufacturing state of the art equipment for water processing. Our objective is focused on performance and continuous improvement. This makes us a company of trust, which is where we build our relationship with customers.

Contact Kevlor for your next water treatment project. Call us at 770-653-5174 to get your project flowing.

Sincerely,

Kelvin Duffy
President

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

TOTAL PROJECT COST: $46,000.00

TERMS AND CONDITIONS

Down Payment	Due at signing of contract	$ 23,000
ADEQ Permit Fee	Due at signing of contract	$ N/A
Engineering	Due at signing of contract	$ N/A
Media payment	Due at System Delivery	$ 16,280
Final Payment	Due upon System Hookup	$

Protected Pricing – This pricing is valid through 02/28/2012
Transportation Liability – Kevlor is responsible for transportation and any damage during the delivery process. FOB is to Well Site.

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

Kevlor Design Group, LLC is pleased to present this contract to Patricia Olsen owner/operator of Montezuma Rimrock Water Company, LLC for arsenic removal at well #1, 4599 E. Goldmine Rd., Rimrock, AZ 86335

Our arsenic removal system utilizes the Bayoxide Granular Ferric E33 arsenic removal media. This treatment technology provides the highest capacity in wide range of water conditions with superior kinetics, and no wastewater discharge requirement.
We have based this pricing on information provided to us by Patricia Olsen, Manager of Montezuma Rimrock Water Company, LLC.

Proposal No. KDG012712

Contents

Equipment Description
System Design
- **Media Cost (___cu. Ft)**

Design Criteria
Ancillary Services
- **Installation/Start-up**
- **Equipment Warranty**
- **Site Building**

Service Provided by Patricia Olsen
Total Project Cost
Terms and Conditions
Contract Acceptance
ADEQ Required Testing

*Any or all additional local, state, or federal fees, taxes, or permits are the responsibility of Montezuma Rimrock Water Company LLC.

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

ASSUMPTIONS

We have based this information upon your well running intermittently 24 hours a day, 365 days per year.

EQUIPMENT DESCRIPTION

Kevlor will design and manufacture the arsenic removal system using 2 fiberglass vessels size 48" x 72" height. The vessels are NSF/ANSI certified for drinking water applications and will include all internal parts (bottom hub, laterals etc). The vessels will also be design with a 6-inch diameter flange on top and bottom for plumbing connections.
A small stainless steel enclosure will be the operator interface for monitoring the flow readings and totalizing.
The valves will be 2" butterfly valves with easy operating levers for opening and closing the valves for water direction.
Plumbing and construction will be done on-site using schedule 80 PVC piping for inlet and outlet connections. In-line check valves, ball valves, and diaphragm valves will be used for flow control.

SYSTEM DESIGN

Maximum Flow Design – 150 GPM
Pre-treatment – The pre-treatment system will be a manual bag filtration system.
Blending System – If blended, treated water delivery must go to a storage tank.
Chlorination – Chlorination is required for these arsenic removal systems.
Media Disclosure – This system is designed to operate with Bayoxide E33 approved media only. The total amount of media to be loaded is: 74 cubic feet. The media cost is $220.00 per cuft plus shipping. Any other media usage voids the equipment warranty.
Equipment Sizing – The system sizing is based on well volume (gpm) information provided by Montezuma Rimrock Water Company LLC and the local P.E.

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

ADEQ REQUIRED TESTING				
WELL #	**DATE**	**RESULTS**	**DATE**	**NOTES**
DAY 1				KEEP AT SITE
DAY 2				KEEP AT SITE
DAY 3				KEEP AT SITE
DAY 4				KEEP AT SITE
DAY 5				KEEP AT SITE
DAY 6				KEEP AT SITE
DAY 7				KEEP AT SITE
WEEK 2				KEEP AT SITE
WEEK 3				KEEP AT SITE
WEEK 4				KEEP AT SITE
MONTH 1				KEEP AT SITE
QUARTER 1				KEEP AT SITE
QUARTER 2				KEEP AT SITE

Kevlor Design Group, LLC
430 Fitzgerald Place Atlanta, Georgia 30349

ALL TESTS MUST BE BY A 3RD PARTY LAB

Kevlor Design Group, LLC
430 Fitzgerald Place · Atlanta, Georgia 30349

CONTRACT ACCEPTANCE FORM

I, Patricia Olsen, accept the terms and conditions of the stated proposal No: KDG012712 from Kevlor Design Group, LLC.
I, Patricia Olsen, understand all statement and warranted both written and implied and further agree to follow items as outlined in the operational manual which pertain to all original manufacturers of equipment.
I, Patricia Olsen, am authorized to enter into this legally binding contracted for arsenic removal.

If this proposal is in accordance with your request, please indicate your acceptance by signing in the space below. We are prepared to process this order upon receipt.

If you have any questions, please contact me at (770) 653-5174.

Kevlor Design Group, LLC
kduffy@kevlordesigngroup.com

By: _____
Kelvin Duffy,
President
Date: January 27, 2012

Accepted and Agreed:
Patricia Olsen

By: _____
Print Name: Patricia D. Olsen
Title: Manager
Date: 2/28/12