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Intervener

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BEFORE THE ARIZONA CORPORATION COMMISSION

DOCKET CONTROL

Arizona Corporation Commission
DOCKETED

JAN 14 2013

DOCKETED BY

Commissioners
BOB STUMP – Chairman
GARY PIERCE
SUSAN BITTER SMITH
BRENDA BURNS
BOB BURNS

IN THE MATTER OF THE
APPLICATION FOR APPROVAL
OF A RATE INCREASE
BY MONTEZUMA
WATER COMPANY, LLC
AND APPROVAL OF
CERTAIN LOANS

W-04254A-12-0204
W-04254A-12-0205
W-04254A-12-0206
W-04254A-12-0207

**MOTION TO HOLD MONTEZUMA
IN CONTEMPT OF THE COMMISSION**

**MOTION TO BAR MONTEZUMA FROM
EXPENDING RATEPAYER FUNDS FOR
UNAPPROVED CAPITAL LEASES**

**MOTION TO REQUIRE PATRICIA OLSEN
TO REFUND COMPANY PAYMENTS MADE
ON UNAPPROVED CAPITAL LEASES**

MOTION FOR CRIMINAL REFERRAL

**MOTION TO REVOKE MONTEZUMA'S
CC&N**

By the Intervener

Faced with an Arizona Department of Environmental Quality Consent Order deadline to have the Arsenic Treatment Facility completed, Montezuma entered into two Capital Lease agreements in connection with the construction and operation of its Arsenic Treatment Facility without Commission approval in direct violation of Procedural Orders

issued on March 12, 2012 and April 9, 2012 in Docket W-4254A-08-361, W-4254A-08-362.

The Company is now charging Ratepayers approximately \$367.23 a month for an Arsenic Treatment Building lease and approximately \$1,135 a month for an Arsenic Treatment System. Both leases are Capital Leases that the Company knew from previous Procedural Orders and Staff Reports required Commission approval before executing.

Nevertheless, Montezuma entered into the Capital Leases without prior approval from the Commission and did this knowingly and with intent to deceive the Commission, Ratepayers and the Public in violation of ARS S40-424 and ARS S40-302 (A).

As a result, more than \$10,000 in Company funds have been used to pay for the unapproved Capital leases between May 2012 and December 2012.

Montezuma's conduct in this matter, in conjunction with a longstanding history of deception documented in the Formal Complaint in Docket W-4254A-11-0323 (including improperly charging Ratepayers for unapproved Arsenic surcharges on two occasions and entering into an unapproved, \$32,000 long term loan to acquire property and then filing false annual reports to hide the fact) provide overwhelming evidence that this Company can not be trusted to honestly operate and appears willing to engage in fraudulent acts.

Because of the egregiousness of the Company's action as documented below, The Commission should impose all penalties available under A.R.S. S40-425, S40-426, S40-428, and S40-429 and refer this matter to the Attorney General/County Attorney for further investigation.

MONTEZUMA'S SCHEME TO HIDE CAPITAL LEASES

The scheme begins in docket W-4254A-08-361, W-4254A-08-362 where Montezuma was seeking to avoid Commission approval for Capital Leases for the Arsenic Treatment building and Arsenic Treatment System by having Ms. Olsen personally enter into lease agreements for the building and equipment.

Montezuma proposed in several docketed filings that Ms. Olsen would then sublease the building and the arsenic treatment equipment to her Company through a "Water Services Agreement" between herself and Montezuma. Ms. Olsen is the manager and sole member of Montezuma Rimrock Water Company, LLC.

On March 12, 2012 the Administrative Law Judge ordered Montezuma to docket all lease agreements signed personally by Ms. Olsen, or by the Company, by March 30, 2012. (1) On April 9, 2012, the judge extended the deadline to April 13, 2012. (2)

On March 20, 2012, Montezuma Counsel Todd Wiley stated in a Response to Motion to Bar Execution of Arsenic Treatment Contract in Docket W-4254A-08-361, W-4254A-08-362 that:

“Under the current plan, Ms. Olsen, in her individual capacity, intends to enter a contract with Kevlor Design Group for construction and operation of arsenic treatment facilities .Ms. Olsen intends to finance those facilities through a lease agreement with Odyssey Equipment Financing Company. The terms of that lease agreement will involve \$30,000 paid by Ms. Olsen to Odyssey over \$60 month at \$810/month, along with a \$7,000 payment for the facility building/housing paid over 48 months at \$275/month. In turn, Ms. Olsen proposes to enter a Water Services Agreement with MRWC. Under that Water Services Agreement, Ms. Olsen proposes to lease the arsenic treatment facilities to MRWC.”

Mr. Wiley states further that the Commission “does not have any authority over the agreement between Ms. Olsen and Kevlor or the agreement between Ms. Olsen and Odyssey.”

On April 13, 2012, Montezuma’s counsel docketed two lease agreements for an Arsenic Treatment Building and Arsenic Treatment System. Ms. Olsen, personally, signed the leases on March 16, 2012. The lease agreements were not with Odyssey, but with Nile River Leasing, LLC. (Exhibit 1)

The agreements show Ms. Olsen personally entered into a three-year lease agreement with Nile River Leasing, LLC for an Arsenic Treatment Building. The agreement is signed by Patricia D. Olsen and dated March 16, 2012.

Ms. Olsen also personally entered into a five-year lease agreement with Nile River Leasing, LLC, for the Arsenic Treatment System. The agreement is signed by Patricia D. Olsen and dated March 16, 2012.

1) On March 12, 2012, the Administrative Law Judge issued a Procedural Order in Docket W-4254A-08-361, W-4254A-08-362 stating “that if Montezuma has executed any contractual documents related to purchase, construction installation, operation or maintenance of an arsenic treatment facility to treat the water from its Well #1 and/or Well #4, Montezuma shall, by March 30, 2012, file a copy of all such contractual documents in this docket.”

2) On April 9, 2012, the Administrative Law Judge issued the following Procedural Order in Docket W-4254A-08-361, W-4254A-08-362: “IT IS FURTHER ORDERED that **Montezuma, through counsel, shall, by April 13, 2012, file complete copies of any and all agreements** that have been executed by Ms. Olsen individually or for Montezuma, for the purpose of Montezuma’s obtaining arsenic treatment for its water supply.”

The filing also includes a \$46,000 purchase contract with Kevlor Design Group , LLC. The contract is between Kevlor and “Patricia Olsen, Owner/Operator of Montezuma Rimrock Water Company, LLC.” Patricia D. Olsen signs the agreement as “manager” on February 28, 2012.

On April 27, 2012 Commission Staff, stated in Staff’s Notice of Filing Response to Procedural Order that the Water Services Agreement was a Capital Lease that required Commission approval.

On April 27, 2012, Montezuma’s Counsel docketed a Legal Brief that stated:

Ms. Olsen has entered a contract for construction and installation of an arsenic treatment facility with Kevlor Design Group. That contract is strictly between Ms. Olsen and Kevlor, neither of which are public service corporations subject to jurisdiction of the Arizona Corporation Commission. Thus, no approval of the Corporation Commission is required as to that agreement.

The second agreement is a lease between Ms. Olsen and Nile River Leasing. Again, that agreement is strictly between Ms. Olsen and Nile River Leasing, neither of which are public service corporations subject to jurisdiction of the Arizona Corporation.

Importantly, Mr. Wiley does not address the lease agreement between Ms. Olsen and Nile River Leasing for the Arsenic building.

On April 30, 2012, at the conclusion of a Procedural Conference, Montezuma’s Counsel withdrew the Water Services Agreement from consideration. Counsel stated in the hearing that a new Water Services Agreement would be structured as an operating lease and therefore not subject to Commission approval.

Montezuma has never docketed a new Water Services Agreement, nor did the company provide any further information on the fate of the two lease agreements signed by Ms. Olsen.

Without the Water Services Agreement, Ms. Olsen would be personally responsible for paying nearly \$1,500/month for the building and equipment leases.

But Montezuma never had any intention of using Ms. Olsen’s personal funds to pay for the lease agreements of a commercial building to house a commercial Arsenic Treatment System.

Instead, Ms. Olsen renegotiated the two lease agreements to remove her name as lessee and replace it instead with Montezuma. This action was never disclosed in docket W-4254A-08-361, W-4254A-08-362.

Montezuma entered into a Lease agreement with Nile River for the Arsenic Treatment Building **on March 22, 2012.** Montezuma’s counsel did not include this lease agreement in his April 13 filing of lease agreements, but instead docketed the March 16, 2012 lease

agreement between Ms. Olsen personally and Nile River.

Furthermore, five days after Mr. Wiley stated in his April 27 Legal Brief that Ms. Olsen had personally signed the lease agreement with Nile River for the Arsenic Treatment System, Montezuma signed a new lease agreement for the Arsenic Treatment System with a different leasing company, Financial Pacific Leasing, LLC.

The new lease agreements between Montezuma and the leasing companies has never disclosed in docket W-4254A-08-361, W-4254A-08-362, where Mr. Wiley remains the attorney of record.

On May 31, 2012, Montezuma filed a rate increase application and request for permission to enter into three long-term loans under four new dockets.

On July 24, 2012, the Commission consolidated the four cases.

The fact that Montezuma, rather than Ms. Olsen, entered into the two lease agreements is not disclosed until October 25, 2012 filing in this docket entitled “Insufficiency Submittals and Amendments”.

Montezuma, which is not represented by Counsel in the consolidated dockets, did not provide proper service of the filing of the “Insufficiency Submittals and Amendments” to any of the parties included on the Service list, including the Commission and Intervener.

In the Oct. 25 filing, Montezuma submitted copies of the signed lease agreements between the Company and two private lessors for the building and the arsenic treatment system. (Exhibit 2)

The Oct. 25 filing reveals, for the first time, Montezuma’s signed a lease agreement for the Arsenic Treatment Building dated March 22, 2012 with Nile River Leasing, LLC. The lease payment terms of \$342.09 for 36 months are identical to the lease agreement signed six days earlier by Ms. Olsen, acting on her own behalf, with the same company, Nile River Leasing, LLC.

The Oct. 25 filing also includes a May 2, 2012 lease agreement between Montezuma and Financial Pacific Leasing, LLC for the Arsenic Treatment System. The lease payment terms of \$1,058.18/month, before taxes, for 60 months are identical to the payment terms in the lease signed by Ms. Olsen, acting individually, on March 16, 2012 with Nile River Leasing, LLC.

The Oct. 25 filing includes a “Delivery and Acceptance Certificate” for the Arsenic Treatment Building. The certificate is addressed to Montezuma Rimrock Water Company and the lessee is identified as Montezuma Rimrock Water Company, LLC. Patricia D. Olsen, as “Managing Member” signed the Certificate on May 10, 2012.

The bait-and-switch on Arsenic Treatment Building and Arsenic Treatment System leases

by Ms. Olsen and Montezuma were designed to avoid the need for Commission approval of the leases because both leases are Capital leases.

Such approval may have proved difficult to obtain because of very expensive terms of the leases and the subsequent excessive burden on Ratepayers that is now reflected in the Company's request for a huge 100 percent rate increase.

Montezuma and its Counsel's failure to disclose that the Company had entered into a lease agreement for the Arsenic Treatment Building on March 22, 2012 violates the March 12, 2012 and April 9, 2012 Procedural Orders in Docket W-4254A-08-361, W-4254A-08-362.

Montezuma also failed to disclose that five days after its Counsel stated on April 27, 2012 that Ms. Olsen was the lessee for the Arsenic Treatment System that Montezuma signed a lease for the Arsenic Treatment System. The failure to disclose this material event is another devious act meant to deceive the Commission, Ratepayers and the Public.

Montezuma and Ms. Olsen appear to have engaged in a series of contemptuous and fraudulent acts with the intent to hide Montezuma's Capital lease agreements from the Commission, Ratepayers and the Public.

Does Kevlor Design Group believe it has entered into a \$46,000 sales agreement for a commercial Arsenic Treatment System with Patricia D. Olsen, individually, as asserted by Montezuma's Counsel in his April 27 Legal Brief, or does Kevlor believe it has entered into a sales agreement for commercial grade equipment with Montezuma?

The Commission should refer this matter to the Attorney General and/or the Yavapai County Attorney for further investigation.

THE MONTEZUMA LEASES ARE CAPITAL LEASES

Accounting Standards Codification ("ASC"), a codification of Generally Accepted Accounting Principals ("GAAP"), provides under ASC 840 a test for whether a lease is a Capital lease or an Operating lease. Under the ASC 840 if a lease satisfies any one of four criteria, it is a Capital lease. The considerations are (1) the lease conveys ownership to the lessee at the end of the lease term; (2) The lessee has an option to purchase the asset at a bargain price at the end of the lease term; (3) the term of the lease is 75 percent or more of the economic life of the asset; and (4) the present value of the rents, using the lessee's incremental borrowing rate, is 90 percent or more of the fair market value of the asset.

Arsenic Building Lease

On December 6, 2011, Montezuma stated in an Interim Report of Montezuma Water Company filed in Docket W-4254A-08-361, W-4254A-08-362 that the arsenic treatment

building was worth \$7,000.

The lease agreement signed by Montezuma requires monthly payments of \$342.09 (before taxes) for 36 months. The payments, therefore, will total \$12,315.24. The terms of the lease, therefore, satisfy ASC 840 Criteria 4 because the present value of \$12,315.24 of all lease payments discounted at 6 percent for three years is \$10,340. This greatly exceeds the \$7,000 fair market value for the asset.

In fact, the discount rate would have to rise to 25 percent to obtain a present value of \$6,305.45, which would be equal to approximately 90 percent of the \$7,000 fair market value for the building.

Arsenic treatment equipment lease

The Arsenic Treatment Equipment lease signed by Montezuma includes a clause for an “Option Price/Guarantee Purchase for \$1.”

Paragraph 8 of the agreement states: “If the Option Price is stated as a Guaranteed Purchase, Lessee shall be required to purchase the Equipment, rather than have an option to do so.”

Therefore, the lease meets ASC 840 Criteria 1 as a Capital Lease because the lease conveys ownership to the lessee at the end of the lease term.

In addition, Montezuma stated the cost of the Arsenic Treatment System was \$46,000 in its April 13, 2012 Notice of Filing in Docket W-4254A-08-361, W-4254A-08-362.

The lease agreement calls for monthly payments of \$1,058.18 (before taxes) for 60 months, which totals \$63,490.80.

The terms of the lease agreement therefore satisfy ASC 840 Criteria 4 because the future value of \$63,490.80 discounted at 6 percent for five years is \$47,444.02, which exceeds the \$46,000 fair market value for the equipment.

In fact, the discount rate would have to rise to 9 percent to obtain a present value of \$41,264, which is slightly less than \$41,400, which is 90 percent of \$46,000.

COMMISSION APPROVAL IS REQUIRED FOR CAPITAL LEASES

Because Montezuma’s lease agreements for an Arsenic Treatment Building and an Arsenic Treatment System are Capital leases, Commission approval is required. ARS S 40-302(A) provides that:

Before a public service corporation issues stocks and stock certificates, bonds, notes and other evidences of indebtedness, it shall first secure from the commission an order authorizing such issue and stating the amount thereof,

the purposes to which the issue proceeds thereof are to be applied, and that, in the opinion of the commission, the issue is reasonably necessary or appropriate for the purposes specified in the order, pursuant to S 40-301, and that, *except as otherwise permitted in the order, such purposes are not, wholly or in part, reasonably chargeable to operative expenses* or to income. Before an order is issued under this section, notice of the filing of the application for such order shall be given by the commission or the applicant in such form and manner as the commission deems appropriate. The commission may hold a hearing, and make inquiry or investigation, and examine witnesses, books, papers and documents, and require filing data it deems of assistance.

As the Arsenic Treatment Building lease and the Arsenic Treatment System lease are Capital leases, they are not operating leases, which would be accounted for as an operating expense. Pursuant to A.R.S. S 40-302(A), Commission approval is required for both leases.

MONTEZUMA, RATHER THAN MS. OLSEN, IS PAYING THE CAPITAL LEASES

On January 9, 2013, Montezuma filed its "Response to John Dougherty Data Request" in this Docket. The records include:

1. Copies of billing statements from Nile River Leasing, LLC to Montezuma for the Arsenic Treatment Building in the amount of \$367.23 dated June 25, 2012, July 25, 2012, Aug. 25, 2012, Sept. 25, 2012 and Oct. 25, 2012. (Exhibit 3)

The invoices from May through October total \$2,203.38

2. Copies of billing statements from Financial Pacific Leasing, LLC to Montezuma for the Arsenic Treatment System for May 29, 2012 (\$1,287.4), June 28, 2012 (\$1,361.10), July 29, 2012 (\$1,209.65), August 29, 2012 (\$1,135.96), September 28, 2012 (\$1,135.96) and Oct. 29, 2012 (\$1,135.96). (Exhibit 4)

The invoices from May through October total \$7,266.03

3. Copies of a "Payment Authorization Notice" from Financial Pacific Leasing, LLC to Montezuma allowing for the automatic withdrawal from a bank card ending in "1762" dated June 16, 2012 (\$1,287.41), July 18, 2012 (\$1,361.10), Aug. 17, 2012 (\$1,095.28), Sept. 19, 2012 (\$1,135.96) and Oct. 20, 2012 (\$1,135.96). (Exhibit 5)

In addition, Montezuma's National Bank of Arizona Account #xxxxxx3297 shows a Nov. 23, 2012 debit charge of \$1,135.96 to Financial Pacific Leasing. (Exhibit 6).

These records clearly show that Montezuma has paid more than \$10,000 for the unapproved Capital leases rather than Patricia Olsen, personally.

BASED UPON THE PRECEDING INFORMATION AND SUPPORTING EXHIBITS, INTERVENER RESPECTFULLY SUBMITS THE FOLLOWING MOTIONS:

Motion to hold Montezuma in Contempt of the Commission and ARS S40-424, or for any other charge as deemed appropriate by this Court, for violating the March 12, 2012 and April 9, 2012 Procedural Orders in Docket W-4254A-08-361, W-4254A-08-362 requiring disclosure of lease agreements entered into by the Company.

Motion to Bar Montezuma from expending any further Company funds to pay for the unapproved Capital leases for an Arsenic Treatment Building and Arsenic Treatment System entered into by the Company in violation of A.R.S. S 40-302(A).

Motion to require Ms. Olsen to personally refund the Company for all payments made by the Company for the unapproved Capital leases for an Arsenic Treatment Building and Arsenic Treatment System entered into by the Company in violation of A.R.S. S 40-302(A).

Motion for the Commission to make a criminal referral under A.R.S. S40-421 (A, B) to the Attorney General and/or Yavapai County Attorney for the Company's fraudulent statements to the Commission asserting that Ms. Olsen, as an individual, was entering into the lease agreements when, in fact, Montezuma entered into unapproved Capital leases in violation of A.R.S. S 40-302(A). This action has resulted in the expenditure of more than \$10,000 in Company funds.

Motion to revoke Montezuma's Certificate of Convenience and Necessity for knowingly deceiving the Commission by stating in Legal Briefs that Ms. Olsen, as an individual, was signing lease agreements for the Arsenic Treatment Building and Arsenic Treatment System when, in fact, the Company had already signed a Capital lease agreement for the Arsenic Treatment Building and five days after the Brief had been docketed, the Company signed a Capital lease for the Arsenic Treatment System. Both leases were signed without Commission approval in violation of A.R.S. S 40-302(A).

Submitted on January 11, 2013 by



John E. Dougherty III
Intervener

I certify that a copy of this Motion has been mailed on January 11, 2013 to:

Ms. Patricia Olsen
Montezuma Rimrock Water Company

P.O. Box 10
Rimrock, AZ 86335

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RUCO
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Todd C. Wiley
3003 N. Central Ave.
Suite 2600
Phoenix, AZ 85012

Exhibit 1

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1 FENNEMORE CRAIG
A Professional Corporation
2 Todd C. Wiley (Bar No. 015358)
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3 Suite 2600
Phoenix, Arizona 85012-2913
4 Telephone: (602) 916-5000

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5 Attorneys for Montezuma Rimrock Water Company, LLC

DOCKETED BY	<i>[Signature]</i>
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7 **BEFORE THE ARIZONA CORPORATION COMMISSION**

8 IN THE MATTER OF THE APPLICATION
9 OF MONTEZUMA RIMROCK WATER
COMPANY, LLC FOR APPROVAL OF A
10 RATE INCREASE

DOCKET NO. W-04254A-08-0361

11 IN THE MATTER OF THE APPLICATION
12 OF MONTEZUMA RIMROCK WATER
COMPANY, LLC FOR APPROVAL OF A
FINANCING APPLICATION

DOCKET NO. W-04254A-08-0362

NOTICE OF FILING

14 In accordance with the Procedural Order dated April 9, 2012, Montezuma Rimrock
15 Water Company, LLC files the following documents: (1) Water Services Agreement
16 between the Company and Ms. Olsen dated March 16, 2012 (attached as Exhibit 1); (2)
17 Terms and Conditions of Lease between Ms. Olsen and Nile River Leasing dated March
18 16, 2012 (attached as Exhibit 2); and (3) Contract for Arsenic Treatment System between
19 Ms. Olsen and Kevlor Design Group dated February 28, 2012 (attached as Exhibit 3).
20 These documents were previously filed with Docket Control on March 19, 2012.

21 RESPECTFULLY SUBMITTED this 13th day of April, 2012.

22 FENNEMORE CRAIG

23 By

[Signature]
24 Todd C. Wiley
25 3003 North Central, Suite 2600
26 Phoenix, AZ 85012
Attorneys for Montezuma Rimrock Water
Company, LLC

Lessor: NILE RIVER LEASING, L.L.C. 9526 N. 46 TH 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 Equipment Leased	Description, Model #, Catalog #, Serial #, or other Identification > 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) > \$ 342.09	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other Specify:
	Terms of Lease > 36	No. of Payments > 36
	Advanced Payment/Security Deposit > \$ 734.46	

TERMS AND CONDITIONS OF LEASE

- 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").
- ACCEPTANCE OF EQUIPMENT.** Lessee agrees to inspect the Equipment and to execute an Acknowledgment and Acceptance of Equipment by Lessee notation, as provided by Lessor, after the Equipment has been delivered and after Lessee is 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.
- DISCLAIMER OF WARRANTIES AND CLAUSES; LIMITATION OF REMEDY.** 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.
- 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.
- 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 invoices 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 sixty (60) 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.

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.

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 above 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.

LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend the terms of the Lease to reflect 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.

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.

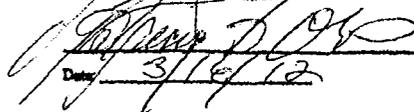
USE. Lessee shall use the Equipment in a careful manner, make as necessary repairs at Lessee's expense, shall comply with all laws relating to its possession, use, or maintenance, and shall not make any alterations, additions, or improvements to the Equipment without Lessor's prior written consent. All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

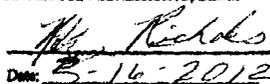
OWNERSHIP; PERSONALTY. The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease.

LESSEE'S ACKNOWLEDGMENTS. 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 no 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

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


 Date: 3/16/12


 Date: 3-16-2012

Lessor: NILE RIVER LEASING, L.L.C. 9326 N. 46 TH 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 Equipment Leased	Description, Model #, Catalog #, Serial #, or other Identification > 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) > \$ 1,058.18	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other Specify:
	Terms of Lease > 60	No. of Payments > 60
		Advanced Payment/Security Deposit > \$ 2,271.92

TERMS AND CONDITIONS OF LEASE

- 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").
- ACCEPTANCE OF EQUIPMENT.** Lessee agrees to inspect the Equipment and to execute an Acknowledgment and Acceptance of Equipment by Lessee notice, as provided by Lessor, after the Equipment has been delivered and after Lessee is 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.
- 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.
- 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.
- 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 Schedule 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.

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.

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.

LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend the terms of the Lease to reflect 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.

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.

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.

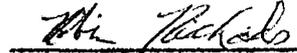
OWNERSHIP; PERSONALTY. The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title, or interest in the Equipment except as expressly set forth in this Lease.

LESSEE ACKNOWLEDGMENTS. 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

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


 Date: 3/16/12


 Date: 3-16-2012



Kevlor Design Group, LLC

430 Fitzgerald Place Atlanta, Georgia 30349

Contract for:

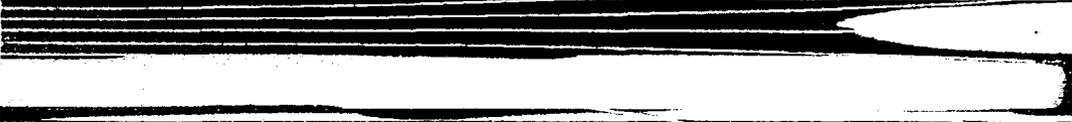
Arsenic Treatment System

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.

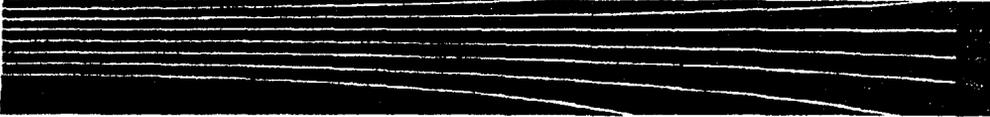
Products & Services

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

CONTRACT ACCEPTANCE FORM

I, Patricia Olsen, accept the terms and conditions of the stated proposal No: KDG012712 from Kevlor Design Group, LLC.

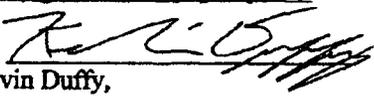
I, Patricia Olsen, understand all statement and warranted both written and implied and further agree to follow items as outlined in the operational manual which pertain to all original manufacturers of equipment.

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.

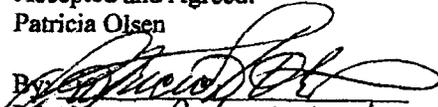
If you have any questions, please contact me at (770) 653-5174.

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

ORIGINAL

Exhibit 2

0000140199

RECEIVED
BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

2012 OCT 25 P 4: 51

GARY PIERCE - Chairman
BOB STUMP
SANDRA D. KENNEDY
PAUL NEWMAN
BRENDA BURNS

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING TO
INSTALL A WATER LINE FROM THE WELL ON
TIEMANN TO WELL NO. 1 ON TOWERS

DOCKET NO. W-04254A-12-0204

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING TO
PURCHASE THE WELL NO. 4 SITE AND THE
COMPANY VEHICLE

DOCKET NO. W-04254A-12-0205

IN THE MATTER OF THE APPLICATION OF
MONTEZUMA RIMROCK WATER COMPANY,
LLC FOR APPROVAL OF FINANCING FOR AN
8,000 GALLON HYDRO-PNEUMATIC TANK

DOCKET NO. W-04254A-12-0206

IN THE MATTER OF THE RATE APPLICATION
OF MONTEZUMA RIMROCK WATER COMPANY,
LLC.

DOCKET NO. W-04254A-12-0207

Insufficiency Submittals & Amendments

Montezuma Rimrock Water Company LLC hereby submits the insufficiencies and amendments to its Rate Case Application.

Patricia D. Olsen

Arizona Corporation Commission

DOCKETED

OCT 25 2012

DOCKETED BY 

LEASE AGREEMENT

Lessor: NILE RIVER LEASING, L.L.C. 9526 N. 46 TH ST. PHOENIX, AZ 85028 Ph. (480) 607-6800 Toll Free (888) 607-6800		Lease Number >
Full Legal Name and Place of Business of Lessee > MONTEZUMA RIMROCK WATER COMPANY LLC > PO BOX 10 > RIMROCK, AZ 86335		Place of incorporation or organization or, if an individual, location of principal residence. > ARIZONA
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) > \$ 342.09	<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Other Specify:
	Terms of Lease	No. of Payments
	> 36	> 36
	Advanced Payment/Security Deposit	
	> \$ 734.46	

TERMS AND CONDITIONS OF LEASE

- 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").
- 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 is 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.
- 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.
- 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.
- 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.

- 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.
- 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.
- LIMITED PREARRANGED AMENDMENTS; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend the terms of the Lease to reflect 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 any 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.
- 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.
- 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.
- 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: MONTEZUMA RIMROCK WATER COMPANY LLC

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

Date: 3/22/12

Date: 3/23/12

3824-0

12. **SURRENDER.** By this Lease, Lessee acquires no ownership rights in the Equipment, and has no option to purchase same unless said option is incorporated herein by an attached Rider. Upon the expiration or earlier termination or cancellation of this Lease, or in the event of a default under Paragraph 20 hereof, Lessee, at its expense, shall return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof alone excepted, by delivering it, packed and ready for shipment, to such place as Lessor may specify.
13. **RENEWAL.** As the expiration of the Lease, Lessee shall return the Equipment in accordance with Paragraph 12 hereof. At Lessor's option, this Lease may be continued on a month-to-month basis until 30 days after Lessee returns the Equipment to Lessor. In the event the Lease is so continued, Lessee shall pay to Lessor rentals in the same periodic amounts as is indicated under the section entitled Amount of Each Payment above.
14. **LOSS AND DAMAGE.** Lessee shall at all times after signing the Lease bear the entire risk loss, theft, damage or destruction of the Equipment from any cause whatsoever, and no loss, theft, damage or destruction of the Equipment shall relieve Lessee of the obligation to pay rent or to comply with any other obligation under this Lease, in the event of damage to any part of the Equipment, Lessee shall immediately place the same in good repair as Lessee's expense. If Lessor determines that any part of the Equipment is lost, stolen, destroyed, or damaged beyond repair, Lessee shall, at Lessee's option, do one of the following: (a) Replace the same with like equipment in good repair, acceptable to Lessor; or (b) Pay Lessor in cash the following: (i) all amounts due by Lessee to Lessor under this Lease up to the date of the loss; (ii) the accelerated balance of the total amounts due for the remaining term of this Lease attributable to said item; discounted to present value at a discount rate of 6% as of the date of loss; and (iii) the Lessor's estimate as of the time the Lease was entered into of Lessor's residual interest in the Equipment, discounted to present value at a discount rate of 6%, as of the date of loss. Upon Lessor's receipt of payment as set forth above, Lessee shall be entitled to receive title to the Equipment without any warranties. If insurance proceeds are used to fully comply with this subparagraph, the balance of any such proceeds shall go to Lessee to compensate for loss of use of the Equipment for the remaining term of the Lease.
15. **INSURANCE; LIENS; TAXES.** Lessee shall provide and maintain insurance against loss, theft, damage, or destruction of the Equipment in an amount not less than the full replacement value of the Equipment, with loss payable to the Lessor. Lessee also shall provide and maintain comprehensive general all-risk liability insurance, including but not limited to product liability coverage, insuring Lessor and Lessee, with a severability of interest endorsement, or its equivalent, against any and all loss or liability for all damages, either to persons or property or otherwise, which might result in or happen in connection with the condition, use, or operation of the Equipment, with such limits and an insurer satisfactory to Lessor. Each policy shall expressly provide that said insurance as to Lessor and its assigns shall not be invalidated by any act, omission, or neglect of Lessee and cannot be canceled without 30 days prior written notice to Lessor. As to each policy Lessee shall furnish to Lessor a certificate of insurance from the insurer, which certificate shall evidence the insurance coverage required by the paragraph Lessor shall have no obligation to ascertain the existence of or provide any insurance coverage for the Equipment or for Lessee's benefit, if Lessee fails to provide the insurance, Lessor will have the right, but no obligation, to have such insurance protecting Lessor and at Lessee's expense. Such placement will result in an increase in Lessee's periodic payments, the increase being attributed to Lessor's costs of obtaining such insurance and any customary charges or fees of Lessor's or its designee associated with such insurance.
- Lessee shall keep the Equipment free and clear of all levies, liens, and encumbrances. Lessee shall pay all charges and taxes (local, state, and federal) which may now or hereafter be imposed upon the ownership, leasing, rental, sale, purchase, possession, or use of the Equipment; excluding, however, all taxes on or measured by Lessor's net income. If Lessee fails to pay said charges or taxes, Lessor shall have the right, but shall not be obligated, to pay such charges or taxes. In that event, Lessor shall notify Lessee of such payment and Lessee shall repay to Lessor the cost thereof within 15 days after such notice is mailed to Lessee.
16. **INDEMNITY.** Lessee shall indemnify Lessor against any claims, actions, damages or liabilities, including all attorney fees incurred out-of or connected with the Equipment, without limitation. Such indemnification shall survive the expiration, cancellation, or termination of this Lease. Lessee waives any immunity Lessee may have under any industrial insurance act, with regard to indemnification of Lessor.
17. **ASSIGNMENT BY LESSOR.** Any assignee of Lessor shall have all of the rights but none of the obligations of Lessor under this Lease. Lessee shall recognize and hereby consents to any assignment of the Lease by Lessor, and shall not assert against the assignee any defense, counterclaim, or setoff that Lessee may have against Lessor. Subject to the foregoing, this Lease inures to the benefit of and is binding upon the heirs, devisees, personal representatives, survivors, successors in interest, and assigns of the parties hereto.
18. **SERVICE CHARGES; INTEREST.** If Lessee shall fail to make any payment required by the Lease within 10 days of the due date thereof, Lessee shall pay to Lessor a service charge of 10% of the amount due per month, minimum 25.00 for each month that the payment remains delinquent. In addition, Lessee shall pay to Lessor any actual additional expenses incurred by Lessor in collection efforts, including but not limited to long-distance telephone charges and travel expenses. Lessee shall pay to Lessor interest on any delinquent payment or amount due under this Lease from the due date thereof until paid, at the lesser of the maximum rate of interest allowed by law or 24% per annum.
19. **TIME OF ESSENCE.** Time is of the essence of the Lease, and the provision shall not be impliedly waived by the acceptance on occasion of late or defective performance.
20. **DEFAULT.** Lessee shall be in default if: (a) Lessee shall fail to make any payment due under the terms of this Lease for a period of 10 days from the due date thereof; or (b) Lessee shall fail to observe, keep or perform any other provision of the Lease, and such failure shall continue for a period of 10 days; or (c) Lessee has made any misleading or false statement in connection with application for or performance of the Lease; or (d) The Equipment or any part thereof shall be subject to any lien, levy, seizure, assignment, transfer, bulk transfer encumbrance, application, attachment, execution, sublease, or sale without prior written consent of Lessor, or if Lessee shall abandon the Equipment or permit any other entity or person to use the Equipment without the prior written consent of Lessor; or (e) Lessee dies or ceases to exist; or (f) Lessee defaults on any other agreement it has with Lessor; or (g) Any guarantor of the Lease defaults on any obligation to Lessor; or any to the above listed events of default occur with respect to any guarantor or any such guarantor files or has filed against it a petition under the bankruptcy laws.
21. **REMEDIES:** If Lessee is in default, Lessor, with or without notice to Lessee, shall have the right to exercise any one or more of the following remedies, concurrently or separately, and without any election of remedies being deemed to have been made: (a) Lessor may enter upon Lessee's premises and, without any court order or other process of law, may repossess and remove the Equipment, or render the Equipment unusable without removal, either with or without notice to Lessee. Lessee hereby waives any trespass or right of action for damages by reason of such entry, removal or disabling. Any such repossession shall not constitute a termination of the Lease unless Lessor so notifies Lessee in writing; (b) Lessor may require Lessee, at its expense, to return the Equipment in good repair, ordinary wear and tear resulting from proper use thereof excepted, by delivering it, packed and ready for shipment, to such place as Lessor may specify; (c) Lessor may cancel or terminate this Lease and may retain any and all prior payments paid by Lessee; (d) Lessor may declare all sums due and to become due under the Lease immediately due and payable without notice or demand to Lessee; (e) Lessor may re-lease the Equipment, without notice to Lessee, to any third party, upon such terms and conditions as Lessor alone shall determine, or may sell the Equipment, without notice to Lessee, at private or public sale, at which sale Lessor may be the purchaser with respect to any exercise of Lessor of its right to recover and/or dispose of any Equipment or other collateral securing Lessee's obligations under this Lease. Lessee acknowledges and agrees as follows: (i) Lessor shall have no obligation, subject to the requirements of commercial reasonableness, to clean-up or otherwise prepare the Equipment or any other collateral for disposition, (ii) Lessor may comply with any applicable state or federal law requirements in connection with any disposition of the Equipment or other collateral, and any actions taken in connection therewith shall not be deemed to have adversely affected the commercial reasonableness of any disposition of such Equipment and/or other collateral; (f) Lessor may sue for and recover from Lessee the sum of all unpaid rents and other payments due under the Lease then accrued, all accelerated future payments due under the Lease, reduced to their present value using a discount rate of 6%, as of the date of default, plus Lessor's estimate at the time the Lessee was entered into of Lessor's residual interest in the Equipment, reduced to present value at a discount rate of 6%, as of the date of default, less the net proceeds of disposition, if any, of the Equipment; (g) To pursue any other remedy available at law, by statute or equity.
- No right or remedy herein conferred upon or reserved to Lessor is exclusive of any other right or remedy herein, or by law or by equity provided or permitted, but each shall be cumulative of every other right or remedy given herein or now or hereafter existing by law or equity or by statute or otherwise, and may be enforced concurrently therewith or from time to time. No single or partial exercise by Lessor of any right or remedy hereunder shall preclude any other or further exercise of any other right of remedy.
22. **MULTIPLE LESSEES.** Lessor may, with the consent of any one of the Lessees hereunder, modify, extend, or change any of the terms hereof without consent or knowledge of the others, without in any way releasing, waiving, or impairing any right granted to Lessor against the others. Lessee and each of them are jointly and severally responsible and liable to Lessor under the Lease.
23. **EXPENSE OF ENFORCEMENT.** In the event of any legal action with respect to the Lease, the prevailing party in any such action shall be entitled to reasonable attorney fees, including attorney fees incurred at the trial level, including action in bankruptcy court on appeal or review, or incurred without action, suits or proceedings, together with all costs and expenses incurred in pursuit thereof.
24. **ENTIRE AGREEMENT; NO ORAL MODIFICATIONS; NO WAIVER.** This instrument constitutes the entire agreement between Lessor and Lessee. No provision of the Lease shall be modified or rescinded unless in writing signed by a representative of Lessor. Waiver by Lessor of any provision hereof in one instance shall not constitute waiver as to any other instance.
25. **SEVERABILITY.** This Lease is intended to constitute a valid and enforceable legal instrument, and no provision of this Lease that may be deemed unenforceable shall in any way invalidate any other provision or provisions hereof, all of which shall remain in full force and effect.

CERTIFICATE OF AUTHORITY

The undersigned, being the duly elected MEMBER of the Company named in the foregoing Lease, hereby certifies that: (a) PATRICIA D. OLSEN, in his/her capacity as MANAGING MEMBER of the Company, is authorized by the Bylaws or other organizational documents of the Company, or by a resolution duly adopted or other authorization properly given by the Board of Directors, the Managers, the Managing Member(s) or the Managing Partner(s) of the Company, as applicable, in accordance with the Bylaws or other organizational documents of the Company, to negotiate execute and deliver on behalf and in the name of this Company, the Commercial Lease; (b) that such authorization has not been revoked and continues in full force and effect; (c) that the execution of such documents by such officer shall be conclusive evidence of his/her approval thereof and (d) this Lease and such other documents constitute legal and binding obligations of the Company. IN WITNESS WHEREOF, I have affixed my name as MEMBER of the Company on the date set forth below.

Printed Name
 >PATRICIA D. OLSEN

Date
 3/22/12

LEASE AGREEMENT

For internal use only.

This document is subject to a security interest in favor of Wells Fargo Capital Finance, LLC as Collateral Agent for the Secured Parties

LEASE #: 796680.001

LESSEE

MONTEZUMA RIMROCK WATER COMPANY LLC
 BILLING ADDRESS:
 PO BOX 10
 RIMROCK, AZ 86335
 COUNTY: YAVAPAI

VENDOR/SUPPLIER

KEVLOR DESIGN GROUP, LLC
 430 FITZGERALD PLACE
 ATLANTA, GA 30349

EQUIPMENT DESCRIPTION (Attach separate Equipment List if needed) new, used

SEE EQUIPMENT LIST

EQUIPMENT LOCATION. Complete only if Equipment will not be located at Lessee's address above.

ADDRESS: 4599 E. GOLDMINE RD., RIMROCK, AZ 86335

SCHEDULE OF LEASE PAYMENTS

Lease Term (Months)	Number of Payments	Amount of Each Lease Payment			Number Prepayment(s)	Administrative Fee	Security Deposit	Initial Amount Due	Option Price/Guaranteed Purchase
		Rental	Tax	Total Payment					
60	60	\$1,058.18	\$77.78	\$1,135.96	2	\$420.00	\$0.00	\$2,691.92	\$1.00

Payment Due Date 1st 15th Pro rata rental is calculated as follows: (Monthly Rental Payment divided by 30 days = Daily Rate) x (# of Days Between Acceptance Date And First Payment Date) = Total. Pro rata rental is billed on your first invoice.

THIS LEASE AGREEMENT ("Lease") IS SUBJECT TO THE TERMS AND CONDITIONS PRINTED HEREON AND ON THE FOLLOWING PAGES, ALL OF WHICH ARE MADE A PART HEREOF AND WHICH LESSEE ACKNOWLEDGES HAVING READ. PLEASE READ CAREFULLY BEFORE SIGNING.

THIS LEASE, WHICH CONSISTS OF 5 PAGES, IS NOT BINDING UNTIL ACCEPTED BY LESSOR.

LESSEE: MONTEZUMA RIMROCK WATER COMPANY LLC LESSOR: FINANCIAL PACIFIC LEASING, LLC

 PATRICIA D. OLSEN, MEMBER AND INDIVIDUALLY
 5/2/2012

 (Date)

 By
 (Signature Only)

 (Title)

THIS IS A NON-CANCELABLE LEASE FOR THE TERM INDICATED.

Lessor, hereby Leases to Lessee, and Lessee hereby hires and takes from Lessor all property described in this Lease or hereafter and made a part hereof (collectively, together with any substitutions or replacements thereto, the "Equipment").

1. ENTIRE AGREEMENT. This Lease constitutes the entire agreement between Lessor and Lessee. No oral agreement, guarantee, promise, condition, representation or warranty shall be binding on Lessor. All prior conversations, agreements or representations related hereto and/or to the Equipment are integrated herein. No modification hereof shall be binding unless in writing and signed by Lessor.

CONTINUED ON FOLLOWING PAGES

2. **LESSEE REPRESENTATIONS.** Lessee acknowledges that no salesman or agent of the supplier of the equipment is authorized to waive or alter any term or condition of this Lease and no representation as to the Equipment or any matter by the Supplier shall in any way effect Lessee's duty to pay the Lease payments and perform its other obligations as set forth in this Lease. Lessee represents that its exact legal name, state of formation, location of its chief executive office and/or its place of residence as applicable have been correctly identified to Lessor.

3. **STATUTORY FINANCE LEASE.** Lessee agrees and acknowledges that it is the intent of both parties to this Lease that it qualify as a statutory finance lease under Article 2A of the Uniform Commercial Code. Lessee acknowledges and agrees that Lessee has selected both: (1) the Equipment; and (2) the Supplier from whom Lessor is to purchase the Equipment. Lessee acknowledges that Lessor has not participated in any way in Lessee's selection of the Equipment or of the Supplier, and Lessor has not selected, manufactured, or supplied the Equipment.

LESSEE IS ADVISED THAT IT MAY HAVE RIGHTS UNDER THE CONTRACT EVIDENCING LESSOR'S PURCHASE OF THE EQUIPMENT FROM THE SUPPLIER CHOSEN BY LESSEE AND THAT LESSEE SHOULD CONTACT SUCH SUPPLIER FOR A DESCRIPTION OF ANY SUCH RIGHTS.

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

6. **APPLICABLE LAW AND VENUE.** ALL MATTERS INVOLVING THE CONSTRUCTION, VALIDITY, PERFORMANCE, OR ENFORCEMENT OF THIS LEASE SHALL BE GOVERNED BY THE LAWS OF THE STATE OF WASHINGTON. LESSEE CONSENTS TO THE PERSONAL JURISDICTION OF THE COURTS OF THE STATE OF WASHINGTON AND AGREES THAT AT LESSOR'S SOLE OPTION, JURISDICTION AND LOCATION FOR ANY DISPUTE, SUIT OR ACTION ARISING UNDER OR IN RELATION TO THE LEASE, AND ALL DOCUMENTS EXECUTED IN CONNECTION THEREWITH, SHALL BE IN KING COUNTY, STATE OF WASHINGTON. LESSEE WAIVES THE RIGHT OF JURY TRIAL. LESSOR SHALL HAVE THE OPTION OF COMMENCING AN ACTION IN ANY COURT HAVING JURISDICTION OVER THE SUBJECT MATTER AND PARTIES TO THE TRANSACTION.

6. **NO WARRANTY.** Lessor, not being the manufacturer of the equipment, nor manufacturer's agent, MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS FOR A PARTICULAR USE OR OTHERWISE, QUALITY, DESIGN, CONDITION, CAPACITY, SUITABILITY, MERCHANTABILITY OR PERFORMANCE OF THE EQUIPMENT OR OF THE MATERIAL OR WORKMANSHIP THEREOF; IT BEING AGREED THAT THE EQUIPMENT IS LEASED "AS IS" AND THAT ALL SUCH RISKS, AS BETWEEN LESSOR AND LESSEE, ARE TO BE BORNE BY LESSEE AT ITS SOLE RISK AND EXPENSE. Lessee accordingly agrees not to assert any claim whatsoever against Lessor based thereon. In addition, Lessee waives any and all rights and remedies conferred by UCC 2A-508 through 2A-522, including, but not limited to: Lessee's right to (a) cancel or repudiate the Lease; (b) reject or revoke acceptance of the Equipment; (c) deduct from rental payments all or any part of any claimed damages resulting from Lessor's default under the Lease; (d) recover from Lessor any general, special, incidental, or consequential damages, for any reason whatsoever. Lessee further waives any and all rights, now or hereafter, conferred by statute or otherwise, that may require Lessor to sell, re-lease, or otherwise use or dispose of the Equipment in mitigation of Lessor's damages or that may otherwise limit or modify any of Lessor's rights or remedies hereunder.

7. **TERM.** The initial term of this Lease is set forth on the first page of this Lease. The term begins on the earlier of the following dates: (a) the date Lessee requests Lessor to make payment to the Supplier; or (b) the Acceptance Date as indicated on the Inspection/Verification Certificate.

8. **END OF TERM OPTIONS.** If the option exists and so long as no Event of Default exists, Lessee may, at the end of the original or any renewal term, purchase all (but not less than all) the Equipment by paying the option price set forth in the Schedule of Lease Payments plus any applicable taxes and fees. If option price is designated as a Guaranteed Purchase, Lessee shall be required to purchase the Equipment, rather than have an option to do so. If no option price is indicated, Lessor will use its reasonable judgment to determine the Equipment's fair market value. Upon payment of the Fair Market Value price and applicable taxes and fees, Lessor's interest in the Equipment shall terminate and Lessee shall accept the Equipment "AS IS, WHERE IS" without any representation or warranty whatsoever.

9. **LEASE PAYMENT; SECURITY DEPOSIT.** The lease payments for the Equipment leased shall be in the amount designated in the schedule of payments and shall commence on the indicated payment due date immediately following the Equipment Acceptance Date. Lessee shall pay Lessor said lease payments on or before the due date, at the office of Lessor or to such other person or place as Lessor may designate in writing. Lessee agrees to pay pro rata rental (based on the monthly lease payments) for the period from the Acceptance Date, to the due date of the first payment. Said pro rata rental shall be in addition to the first payment and shall be made simultaneously with the first payment. Prepayments are credited with one payment being applied to the first month's rental and any other prepayments then applied to the last month(s) rental(s). Any security deposit shall remain as security for performance of all the terms and conditions of this Lease. In the event any default shall be made in the performance of any of 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. On the expiration or earlier termination or cancellation of this Lease, or any extension or renewal hereof, provided Lessee has paid all of the rental called for and fully performed all other provisions of this Lease, Lessor will return to Lessee any then remaining balance of said security deposit, without interest. Said security deposit may be commingled with Lessor's other funds.

10. **LATE CHARGES AND COLLECTION CHARGES.** A late charge of 10% of the total monthly lease payment, or \$10, whichever is greater, will be assessed when a payment is not received on or before the due date. An additional late charge will be assessed for each month a payment remains unpaid. If Lessee's delinquency requires additional collection efforts, a charge will be assessed in accordance with Lessor's collection charge schedule. In addition, Lessee shall be assessed for any charges levied by an outside collection agency following Lessee's default.

11. **LOCATION AND USE OF EQUIPMENT.** Lessee shall keep the equipment at the location designated in the Lease, unless Lessor, in writing, permits its removal. The Equipment shall be used solely in the conduct of Lessee's business. Lessee shall notify Lessor if equipment is used for transporting or storing product considered hazardous material. Lessee warrants that Equipment is leased for commercial or business purposes and not for consumer, personal, home or family purposes.

12. **SURRENDER OF EQUIPMENT.** At the expiration of the term of this lease, or upon demand by Lessor pursuant to Paragraph 19 of this Lease or in the event of an option price pursuant to paragraph 8 of this Lease, Lessee at its expense shall return the Equipment in proper working order, condition and repair by delivering it packed and ready for shipment to such place or on board such carrier as Lessor may specify. **WARNING: FAILURE TO RETURN THE EQUIPMENT MAY RESULT IN CRIMINAL PROSECUTION AND/OR ADDITIONAL RENTAL CHARGES, ON A MONTH TO MONTH BASIS, UNTIL THE EQUIPMENT IS RECOVERED BY LESSOR.**

13. **NOTICES.** Services of all notices under this agreement shall be sufficient if given personally or mailed to Lessor at 3455 S. 344th Way, Suite 300, Federal Way, WA 98001, or P.O. Box 4588, Federal Way, WA 98003; or to Lessee at Lessee's address set forth above or at such other address as a party may provide in writing from time to time. Any notices required by this Lease shall be deemed to be delivered when a record properly directed to the

CONTINUED ON FOLLOWING PAGES

Intended recipient has been (a) deposited with the US Postal Service, (b) transmitted by facsimile, (c) transmitted through the Internet, or (d) has been personally delivered.

14. LIABILITY AND INDEMNITY; LOSS AND DAMAGE. Lessee shall indemnify and hold Lessor harmless from liability expense of every kind or nature from whatever cause, including, but not limited to, the liability arising under any statute, ordinance or regulation in connection with the use of the Equipment and from all liability on account of any claim for personal injury, death, or property damage to any person or party whatsoever, including Lessee, arising out of the manufacture, selection, operation, use, maintenance, or delivery of the Equipment. Such indemnification shall survive the expiration, cancellation, or termination of this Lease. Lessee hereby assumes and shall bear the entire risk of loss and damage to the Equipment from any cause whatsoever, regardless of whether the loss is insured. In the event of loss or damage to the Equipment, or to any part thereof, Lessee, at the option of the Lessor, shall (a) Replace the same in good condition, repair and working order; or (b) Replace the same, with like property of the same or greater value provided, however, at Lessee's option, the remaining obligation under this Lease can be satisfied by the payment of the remaining unpaid lease payments and the estimated value of the Equipment at the expiration of this Lease, and other amounts due under the Lease, less the net amount of the recovery, if any, actually received by Lessor from insurance or otherwise for such loss or damage. Except as expressly provided in this paragraph, total or partial destruction of any of the Equipment or total or partial loss of use or possession thereof to Lessee shall not release or relieve Lessee from the duty to pay the lease payments herein provided.

15. INSURANCE. Lessee, at its own expense, shall keep the Equipment insured for the full term of this Lease and any renewals or extensions thereof, for the full insurable value thereof against all risks of loss or damage, and against such other risks in such amounts as Lessor may specify, including liability insurance, with limits not less than \$500,000, unless Lessor specifies an increased amount due to the equipment location or use of equipment (bodily injury and property damage) combined single limit. Provided, however, in those instances where Lessee is leasing the Equipment defined by Lessor as "mobile Equipment," Lessee shall procure and maintain, for the full lease term, all risk physical damage insurance as opposed to insurance against fire and theft, with extended or combined coverage. All insurance policies must provide that no cancellation shall be effective without thirty (30) days' prior written notice to Lessor. Lessee shall deliver to Lessor the policies or evidence of insurance with a standard form of endorsement attached thereto showing Lessor to be named as an additional insured, together with receipts for the premiums thereunder. Lessee shall, at the request of Lessor, name as Loss Payee such party who may have a security interest in the Equipment. Lessee agrees that any dispute regarding insurance charges will be determined by arbitration conducted under the rules of the American Arbitration Association in Seattle, Washington.

16. LESSEE'S FAILURE TO PAY TAXES, INSURANCE, ETC. Should Lessee fail to make any payment or do any act as herein provided, then Lessor shall have the right, but not the obligation, without notice or demand upon Lessee, and without releasing Lessee from any obligation hereunder, to make or do the same and to pay, purchase, contest, or compromise any encumbrance, charge or lien which in the judgment of Lessor appears to affect the Equipment, and in exercising such rights, incur any liability and expend whatever amounts in its absolute discretion it may deem necessary therefore. Should Lessee fail to provide Lessor the policies or evidence of insurance described herein, Lessor shall have the right, but not the obligation, to secure insurance on the Equipment in such form and amount as Lessor deems reasonable to protect Lessor's interests. Lessee understands that, if Lessor secures insurance on the Equipment the insurance may not name Lessee as an insured and may not fully protect Lessee's interests. Lessee agrees that, if Lessor secures insurance on the Equipment, Lessee will pay an insurance charge that may be substantially higher than the premium that Lessee would pay if Lessee placed said insurance independently. Lessee agrees that, in addition to the premium, the insurance charge Lessee is required to pay Lessor will include an interest charge, administrative and processing fees, which will result in profit to Lessor and its agents. All sums so incurred or expended by Lessor shall be without demand immediately due and payable by Lessee and shall bear interest at eighteen percent (18%), per annum if not prohibited by law, otherwise at the highest lawful contract rate. The parties agree that any claim, dispute, or controversy regarding insurance or any fee charged by Secured Party for securing insurance or for any other action taken by Secured Party under this Agreement will, upon demand by either party, be submitted to binding arbitration conducted by the American Arbitration Association in Seattle, Washington; provided however, such agreement does not authorize class arbitration or entitle any party to bring third parties or other claims into the arbitration proceeding. This agreement to arbitrate certain claims does not limit the right of any party to commence or continue any legal action with respect to other claims arising under this Agreement.

17. AUTHORITY TO SIGN. If Lessee is a Limited Liability Company ("LLC"), partnership or corporation, the person signing the Lease on behalf of such LLC, partnership or corporation hereby warrants that (s)he has full authority from the LLC, partnership or corporation to sign this Lease and obligate the LLC, partnership or corporation.

18. DEFAULT REMEDIES.

a) An event of default shall occur if:

- (1) Lessee fails to pay any Lease installment and such failure continues for a period of ten (10) days;
- (2) Lessee shall fail to perform or observe any covenant, condition or obligation to be performed or observed by it hereunder and such failure continues uncorrected for fifteen (15) days;
- (3) Lessee or any guarantor has made any misleading or false statement, or representation in connection with application for performance of this Lease;
- (4) Lessee or any guarantor becomes insolvent or is the subject of a petition in bankruptcy or under any other insolvency law or law providing for relief of debtors, either voluntary or involuntary, or makes an assignment for the benefit of creditors, or is named in, or the Equipment becomes subjected to a suit for the appointment of a receiver, or any action is taken for the dissolution of Lessee, if Lessee be a corporation;
- (5) If the Equipment is seized or levied upon under any legal or governmental process;
- (6) Lessee attempts to remove, sell, transfer, encumber, part with possession or subject the Equipment or any item thereof without first obtaining Lessor's consent;
- (7) Lessee or any guarantor defaults in the performance of any obligation owed to Lessor under the provisions of any other agreement with the Lessor.

b) Upon the occurrence of an event of default, Lessor shall have the right to exercise any one or more of the following remedies:

- (1) To declare the entire unpaid lease payments and other sums payable by Lessee hereunder to be immediately due and payable;
- (2) Cause Lessee, at Lessee's expense, promptly to return any or all of the Equipment to Lessor, all without demand or legal process, and to allow Lessor to enter into the premises where the Equipment may be found and take possession of or remove the same, whereupon all rights of Lessee in the Equipment shall terminate absolutely; and
 - (i) Retain the Equipment and all lease payments made hereunder; or
 - (ii) Retain all prior lease payments and sell the Equipment at public or private sale, with or without notice to Lessee. The sale price, less 10% to cover Lessor's internal costs, will be credited against the remaining unpaid lease payments, unpaid late charges, estimated value of Equipment at the expiration of the lease term, charges for retaking, storage, repairing and reselling the Equipment; reasonable attorney's fees incurred by Lessor and other amounts due under the Lease in such order as Lessor in its sole discretion shall determine. Lessee shall remain liable for the deficiency and any surplus remaining after such application of proceeds of sale shall be

paid to whosoever may be lawfully entitled to receive the same; or

(iii) Retain the Equipment and all prior payments, with Lessee remaining liable for the unpaid lease payments, unpaid late charges, charges for retaking and restoring Equipment to proper order and working condition, reasonable attorney's fees incurred by Lessor, together with other amounts due under the Lease; or

(iv) Lease the Equipment for any portion thereof, for such period, rental, and to such persons as Lessor shall select, and credit Lessee with an amount equal to Lessor's capital cost of this new lease, less ten percent (10%) after declaring all costs and expenses incurred in connection with the recovery, repair, storage and leasing of the Equipment against obligations due from Lessee to Lessor hereunder, with Lessee remaining responsible for any deficiency. It is agreed that the amounts to be retained by Lessor and the balance to be paid by Lessee under this paragraph (2) shall not be a penalty but shall be as and for liquidated damages for the breach of this Lease and as reasonable return for the use of the Equipment and for the depreciation thereof.

(3) No remedy hereon conferred upon or reserved to Lessor is intended to be exclusive of any other remedy herein or by law provided; but shall be cumulative and in addition to every other remedy available to Lessor. The forbearance on the part of Lessor to exercise any right or remedy available hereunder in the event of Lessee's default, or Lessor's failure to demand punctual performance or any obligation of Lessee shall not be deemed a waiver (A) of any such right or remedy, or (B) the requirement of punctual performance; or (C) of any subsequent breach or default on the part of Lessee.

19. ATTORNEY'S FEES AND EXPENSE. In the event Lessor is required to retain an attorney to assist in the enforcement of its rights under this Lease, it shall be entitled to a reasonable attorney's fee, however incurred, in addition to costs and necessary disbursements, whether or not suit becomes necessary, including fees incurred on appeal or in connection with a bankruptcy proceeding.

20. OPERATION, MAINTENANCE AND REPAIR. Lessor shall not be obligated to install, erect, test, adjust, service or make repairs or replacements to the Equipment. Lessee shall bear the expense of all necessary repairs, maintenance, operation, and replacements required to be made to maintain the Equipment to proper working condition, using as a guide the maintenance program described in the owner's manual, if any, for each item of Equipment and shall perform all maintenance required to insure full validation of a manufacturer's warranty on the Equipment. Lessee shall comply with all laws and regulations relating to ownership, possession, operation, use and maintenance of the Equipment. No Equipment shall be used contrary to its intended use, or the provisions of any insurance policy covering the Equipment.

21. TAXES. Lessee shall pay and discharge all sales, use, property and other taxes now or hereafter imposed by any taxing authority upon the Equipment based upon the ownership, leasing, renting, sale, possession or use thereof, whether the same be assessed to Lessor or Lessee, together with any penalties or interest in connection therewith, and will submit written evidence of the payment at Lessor's request. Sales or use tax due on rental payments shall be due at the same time as the rental payment. For those property taxes required to be filed by Lessor, Lessor will include the Equipment as property in the possession of Lessee for purposes of tax assessments. A processing fee of the greater of \$10.00 or 10% of the tax will be collected from Lessee for managing the payment of any taxes which are the responsibility of Lessee. Upon termination of the Lease, Lessee will pay Lessor personal property taxes, reasonably estimated, for every year assessed by the taxing authority but unpaid as of termination. In the event that the actual personal property tax bill is within \$500 of such estimate, then Lessor shall not seek reimbursement from Lessee for any underpayment, and Lessor may retain any overpayment. If the difference between such estimate and the actual tax bill exceeds \$500, Lessor shall refund or Lessee shall remit the entire difference.

22. LESSOR'S ASSIGNMENT. Lessor may assign all or any of Lessor's other rights hereunder. After such assignment, Lessee waives any right Lessee may have to claim or assert any defenses, setoffs or counterclaims against assignee of Lessor. Lessee will settle all claims arising out of alleged breach of warranties, defenses, setoffs and counterclaims it may have against Lessor directly with Lessor and not set up any such against Lessor's assignee. An assignee of Lessor shall not be obligated to perform any of Lessor's obligations under this Lease. Lessee, on receiving notice of any such assignment, shall abide thereby and make payment as may therein be directed. Following such assignment, solely for the purpose of determining assignee's rights hereunder, the term "Lessor" shall be deemed to include or refer to Lessor's assignee. Lessee acknowledges that the Equipment may be subject to a security interest which is prior to Lessee's interest in the Equipment.

23. TITLE; LESSEE'S INTEREST; GRANT OF SECURITY INTEREST. The Equipment is, and shall remain, the property of Lessor, and Lessee shall have no right, title or interest therein or thereto except as expressly set forth in this Lease. The Equipment is, and shall at all time be and remain, personal property notwithstanding that the Equipment or any part thereof may now be, or hereafter become, in any manner affixed or attached to real property. Lessee shall keep the equipment free of any liens, claims or encumbrances other than those in favor of Lessor. Lessee shall obtain the necessary permission from the owner of any real property where the Equipment is to be affixed to the realty or be deemed a fixture in order that the Equipment shall at all times be severable and removable therefrom by Lessor, free of any right, title, claim or interest of the property owner and of Lessee except as herein provided. In addition to all of the other rights of Lessor under this Lease, Lessee grants to Lessor a security interest in and to the Leased Property and all proceeds thereof (including insurance proceeds) as security for performance of all of Lessee's obligations to Lessor of every kind and nature, now existing or hereafter arising, including, but not limited to, Lessee's obligations under this Lease and under any other agreement with Lessor.

24. LIMITED PREARRANGED AMENDMENTS; AUTHORIZATION; SPECIFIC POWER OF ATTORNEY. In the event it is necessary to amend this Lease to correct an obvious error or to reflect a change in one or more of the following: (a) Lessor's actual cost of procuring the Equipment, or (b) Lessor's actual cost of providing the equipment to Lessee, or (c) a change in rental payments as a result of (a) or (b) or (d) above or (e) description of the Equipment; Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee; this Lease shall be deemed amended and such amendments shall be incorporated in this Lease herein as if originally set forth. Lessee further grants to Lessor a specific power of attorney for Lessor to sign, endorse or negotiate for Lessor's benefit any instrument representing proceeds from any policy of insurance covering the Equipment.

25. FINANCIAL STATEMENTS; CREDIT REPORTS. Lessor may require from time to time, and Lessee agrees to furnish, statements setting forth the financial condition and operations of Lessee. Lessee authorizes Lessor, its successors, assigns and prospective assigns, to obtain a personal credit profile on Lessee or any guarantor from any credit reporting company.

26. MISCELLANEOUS. Lessee will not change or remove any insignia or lettering on the Equipment and shall conspicuously identify each item of the Equipment by suitable lettering, thereon to indicate Lessor's ownership. Lessor and Lessee agree that facsimile signatures on any document pertaining to this lease agreement shall be accepted by Lessor, Lessee and all guarantors, as binding and enforceable and to have the same force and effect as original signatures. Lessee authorizes Lessor to communicate with Lessee through electronic means. All Lessee email addresses provided to Lessor will be confidential, and will not be shared, sold or spammed. Delinquent lease installments and other sums due under this Lease shall bear interest at eight percent (8%) per annum if not prohibited by law, otherwise at the highest lawful contract rate. If there is more than one Lessee, Lessor may, with the consent of any one of the Lessees, modify, extend, or change any one of the terms hereof without consent or knowledge of the others; without in any way releasing, waiving, or impairing any right granted to Lessor against the others. Lessees and each of them are jointly and severally responsible and liable to Lessor under this Lease. If Lessor is required by law to discount any unpaid lease payment or other sums payable by Lessee hereunder, then the parties hereto agree that the discount rate used shall be five percent (5%) annually. If any provision of this Lease is contrary to, prohibited by, or held invalid under applicable laws or regulations or any jurisdiction in which it is sought to be enforced, then such provision shall be considered severable and inapplicable, but shall not invalidate the remaining provisions of this Lease.

CONTINUED ON FOLLOWING PAGES

DELIVERY AND ACCEPTANCE CERTIFICATE

Re: MONTEZUMA RIMROCK WATER COMPANY LLC

Lease No.:

To Lessor: NILE RIVER LEASING, L.L.C.

All of the items referred to in the above-referenced Lease have been delivered to and have been received by the undersigned. All installation or other work necessary prior to the use thereof has been completed. Said equipment has been examined and/or tested and is in good operating order and condition, and is in all respects satisfactory to the undersigned and is as represented. Said equipment has been accepted by the undersigned and complies with all terms of the Lease.

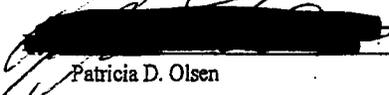
In the future, even if the equipment fails to perform as expected or represented, we will continue to honor the above-referenced Lease by continuing to make our periodic payments in the normal course of business, and we will look solely to the seller or manufacturer for the performance of all covenants and warranties. In addition, we agree to indemnify and hold harmless and defend the Lessor from such nonperformance of all the aforementioned equipment.

We acknowledge the Lessor is neither the manufacturer, distributor, or seller of all the equipment and has no control, knowledge, or familiarity with the conditioning, capacity, functioning, or other characteristics of the equipment.

NOTICE TO THE LESSEE: DO NOT SIGN THIS ACCEPTANCE UNTIL THE EQUIPMENT HAS BEEN DELIVERED, ASSEMBLED, INSTALLED AND ACCEPTED BY YOU AS SATISFACTORY IN ALL RESPECTS. PAYMENT TO THE SUPPLIER WILL NOT BE MADE UNTIL THIS NOTICE IS SIGNED AND RETURNED TO THE LESSOR.

EQUIPMENT: 1 - ARSENIC BUILDING PLANT - BUILDING CONSTRUCTION WITH ELECTRICAL CONNECTION - SIZE: 10 X 20 X 10.

LESSEE: MONTEZUMA RIMROCK WATER COMPANY LLC


Patricia D. Olsen

Title: MANAGING MEMBER

Date:

5/10/2012

PHONE # (928) 592-9211 CELL # (928) 300-3291

EMAIL: Patsy @ MontezumaWater.com

I hereby authorize _____ (title) to verbally verify my/our acceptance of the above-referenced equipment in my absence.

PHONE # () _____

Exhibit 3

NILE RIVER LEASING, L.L.C.

9526 N. 46TH ST.
PHOENIX, AZ 85028
PHONE: 602-549-7654
FAX: 602-532-7140

October 25, 2012

INVOICE

Customer Information

Name: Montezuma Rimrock Water Company Account #: NR-120322
Address: PO Box 10
City, State, Zip: Rimrock, AZ 86335
Phone: 928-592-9211
Contact: Patricia Olsen

Equipment Information

Description: 1 - Arsenic Building Plant
Location: 2126 S. Tombaugh Way
Flagstaff, AZ 86001

Payment Information

<u>Payment Due Date</u>	<u>Base Payment</u>	<u>Sales Tax</u>	<u>Late Charge</u>	<u>Total</u>
November 1, 2012	\$342.09	\$25.14	\$0.00	\$367.23
Total Due By			11/1/2012	\$367.23

THANK YOU FOR YOUR PROMPT PAYMENT

NILE RIVER LEASING, L.L.C.

9526 N. 46TH ST.

PHOENIX, AZ 85028

PHONE: 602-549-7654

FAX: 602-532-7140

September 25, 2012

INVOICE

Customer Information

Name: Montezuma Rimrock Water Company Account #: NR-120322
Address: PO Box 10
City, State, Zip: Rimrock, AZ 86335
Phone: 928-592-9211
Contact: Patricia Olsen

Equipment Information

Description: 1 - Arsenic Building Plant
Location: 4599 E. Goldmine Rd.
Rimrock, AZ 86335

Payment Information

<u>Payment Due Date</u>	<u>Base Payment</u>	<u>Sales Tax</u>	<u>Late Charge</u>	<u>Total</u>
October 1, 2012	\$342.09	\$25.14	\$0.00	\$367.23
Total Due By			10/1/2012	\$367.23

THANK YOU FOR YOUR PROMPT PAYMENT

NILE RIVER LEASING, L.L.C.

9526 N. 46TH ST.
PHOENIX, AZ 85028
PHONE: 602-549-7654
FAX: 602-532-7140

August 25, 2012

INVOICE

Customer Information

Name: Montezuma Rimrock Water Company Account #: NR-120322
Address: PO Box 10
City, State, Zip: Rimrock, AZ 86335
Phone: 928-592-9211
Contact: Patricia Olsen

Equipment Information

Description: 1 - Arsenic Building Plant
Location: 4599 E. Goldmine Rd.
Rimrock, AZ 86335

Payment Information

<u>Payment Due Date</u>	<u>Base Payment</u>	<u>Sales Tax</u>	<u>Late Charge</u>	<u>Total</u>
September 1, 2012	\$342.09	\$25.14	\$0.00	\$367.23
<u>Total Due By</u>			<u>9/1/2012</u>	<u>\$367.23</u>

THANK YOU FOR YOUR PROMPT PAYMENT

NILE RIVER LEASING, L.L.C.

9526 N. 46TH ST.
PHOENIX, AZ 85028
PHONE: 602-549-7654
FAX: 602-532-7140

July 25, 2012

INVOICE

Customer Information

Name: Montezuma Rimrock Water Company Account #: NR-120322
Address: PO Box 10
City, State, Zip: Rimrock, AZ 86335
Phone: 928-592-9211
Contact: Patricia Olsen

Equipment Information

Description: 1 - Arsenic Building Plant
Location: 4599 E. Goldmine Rd.
Rimrock, AZ 86335

Payment Information

<u>Payment Due Date</u>	<u>Base Payment</u>	<u>Sales Tax</u>	<u>Late Charge</u>	<u>Total</u>
August 1, 2012	\$342.09	\$25.14	\$0.00	\$367.23
Total Due By			8/1/2012	\$367.23

THANK YOU FOR YOUR PROMPT PAYMENT

NILE RIVER LEASING, L.L.C.

9526 N. 46TH ST.
PHOENIX, AZ 85028
PHONE: 602-549-7654
FAX: 602-532-7140

June 25, 2012

INVOICE

Customer Information

Name: Montezuma Rimrock Water Company Account #: NR-120322
Address: PO Box 10
City, State, Zip: Rimrock, AZ 86335
Phone: 928-592-9211
Contact: Patricia Olsen

Equipment Information

Description: 1 - Arsenic Building Plant
Location: 4599 E. Goldmine Rd.
Rimrock, AZ 86335

Payment Information

<u>Payment Due Date</u>	<u>Base Payment</u>	<u>Sales Tax</u>	<u>Late Charge</u>	<u>Total</u>
July 1, 2012	\$342.09	\$25.14	\$0.00	\$367.23
<u>Total Due By</u>			<u>7/1/2012</u>	<u>\$367.23</u>

THANK YOU FOR YOUR PROMPT PAYMENT

Exhibit 4



Financial Pacific Leasing, LLC
3455 S. 344th Way. #300
Federal Way, WA 98001-9546

Return Service Requested

Please check here if your address has changed.
Provide new address on reverse side.

8832000080 PRESORT 80 1 AB 0.374 P1C7

MONTEZUMA RIMROCK WATER COMPAN
2126 SOUTH TOMBAUGH WAY
FLAGSTAFF AZ 86001-7164

Remittance Section

Invoice Number: 2951207
Contract Number: 001-0796680-001
Invoice Date: 10/29/2012
Payment Due Date: 11/15/2012
Total Amount Due: \$1,135.96
Amount Enclosed: \$

We accept the following credit cards for payment:
Please call 1-800-447-7107



Use enclosed envelope and make checks payable to:

Financial Pacific Leasing
P.O. Box 749642
Los Angeles, CA 90074-9642

Keep lower portion for your records - Please return upper portion with your payment

Important Messages

Save a tree and GO GREEN! Starting October 1st, you can sign up for online invoicing. You'll go to <https://fastpay.finpac.com> and click "Yes" for Sign Up Today, then follow the easy instructions to start online invoicing. It's quick, easy and free!

CUSTOMER CONTRACT NUMBER	INVOICE DATE	INVOICE NUMBER	DUE DATE	REFLECTS PAYMENT RECEIVED THROUGH
001-0796680-001	10/29/2012	2951207	11/15/2012	10/26/2012

CONTRACT NUMBER	DESCRIPTION	CURRENT	PAST DUE 30 DAYS	PAST DUE 60 DAYS	PAST DUE 90 DAYS	TOTAL DUE
001-0796680-001	ARSENIC REMOVAL WATER TREATMENT SYS					
	CONTRACT PAYMENT	1,058.18				1,058.18
	SALES TAX	77.78				77.78
	TOTAL	1,135.96				\$1,135.96



See Reverse side for more information

Amount Enclosed: \$

Please use new address on reverse side

Please attach your credit cards for payment.

MUNTEZUMA HINNOCK WATER COMPANY

P.O. BOX 22888

Keep lower portion for your records - Please return upper portion with your payment

Important Messages

Save a tree and GO GREEN! Starting October 1st, you can sign up for online invoicing. You'll go to... quick, easy and free!

CUSTOMER CONTRACT NUMBER	INVOICE DATE	INVOICE NUMBER	DUE DATE	REFLECTS PAYMENT RECEIVED THROUGH
001-0796680-001	09/28/2012	2933575	10/15/2012	09/27/2012

CONTRACT NUMBER	DESCRIPTION	CURRENT	PAST DUE 30 DAYS	PAST DUE 60 DAYS	PAST DUE 90 DAYS	TOTAL DUE
001-0796680-001	ARSENIC REMOVAL WATER TREATMENT SYS					
	CONTRACT PAYMENT	1,058.18				1,058.18
	SALES TAX	77.78				77.78
	TOTAL	1,135.96				\$1,135.96





Financial Pacific Leasing, LLC
 3455 S. 344th Way, #300
 Federal Way, WA 98001-9546

Return Service Requested

Please check here if your address has changed.
 Provide new address on reverse side.

4563000078 PRESORT 78 1 AB 0.374 P1C7 <B3>

MONTEZUMA RIMROCK WATER COMPAN
 2126 SOUTH TOMBAUGH WAY
 FLAGSTAFF AZ 86001-7164

Remittance Section

Invoice Number: 2915973
 Contract Number: 001-0796680-001
 Invoice Date: 08/29/2012
 Payment Due Date: 09/15/2012
 Total Amount Due: \$1,135.96
Amount Enclosed: \$ _____

We accept the following credit cards for payment:
 Please call 1-800-447-7107



Use enclosed envelope and make checks payable to:

Financial Pacific Leasing
 P.O. Box 749642
 Los Angeles, CA 90074-9642

Keep lower portion for your records - Please return upper portion with your payment

Important Messages

Save a tree and GO GREEN! Starting October 1st, you can sign up for online invoicing. You'll go to <https://fastpay.finpac.com> and click "Yes" for Sign Up Today, then follow the easy instructions to start online invoicing. It's quick, easy and free!

CUSTOMER CONTRACT NUMBER	INVOICE DATE	INVOICE NUMBER	DUE DATE	REFLECTS PAYMENT RECEIVED THROUGH
001-0796680-001	08/29/2012	2915973	09/15/2012	08/28/2012

CONTRACT NUMBER	DESCRIPTION	CURRENT	PAST DUE 30 DAYS	PAST DUE 60 DAYS	PAST DUE 90 DAYS	TOTAL DUE
001-0796680-001	ARSENIC REMOVAL WATER TREATMENT SYS					
	CONTRACT PAYMENT	1,058.18				1,058.18
	SALES TAX	77.78				77.78
	TOTAL	1,135.96				\$1,135.96



See Reverse side for more information



Financial Pacific Leasing, LLC
 3455 S. 344th Way, #300
 Federal Way, WA 98001-9546

Return Service Requested

Please check here if your address has changed.
 Provide new address on reverse side.

9893000076 PRESORT 76 1 AB 0.374 P1C7



MONTEZUMA RIMROCK WATER COMPAN
 2126 SOUTH TOMBAUGH WAY
 FLAGSTAFF AZ 86001-7164

Remittance Section

Invoice Number: 2898360
 Contract Number: 001-0796680-001
 Invoice Date: 07/29/2012
 Payment Due Date: 08/15/2012
 Total Amount Due: \$1,209.65

Amount Enclosed: \$

We accept the following credit cards for payment:

Please call 1-800-447-7107



Use enclosed envelope and make checks payable to:

Financial Pacific Leasing
 P.O. Box 749642
 Los Angeles, CA 90074-9642



Keep lower portion for your records - Please return upper portion with your payment

Important Messages

Save time and postage costs! **MAKE YOUR PAYMENT ONLINE** today using Financial Pacific's FastPay system. Go to fastpay.finpac.com and click on "Yes" for Sign Up Today. It's quick, easy and free!

CUSTOMER CONTRACT NUMBER	INVOICE DATE	INVOICE NUMBER	DUE DATE	REFLECTS PAYMENT RECEIVED THROUGH
001-0796680-001	07/29/2012	2898360	08/15/2012	07/27/2012

CONTRACT NUMBER	DESCRIPTION	CURRENT	PAST DUE 30 DAYS	PAST DUE 60 DAYS	PAST DUE 90 DAYS	TOTAL DUE
001-0796680-001	ARSENIC REMOVAL WATER TREATMENT SYS					
	CONTRACT PAYMENT	1,058.18				1,058.18
	SALES TAX	77.78				77.78
	INSURANCE CHARGE	73.69				73.69
	TOTAL	1,209.65				\$1,209.65



See Reverse side for more information





Financial Pacific Leasing, LLC
 3455 S. 344th Way, #300
 Federal Way, WA 98001-9546

Remittance Section

Invoice Number: 2863214
 Contract Number: 001-0796680-001
 Invoice Date: 05/29/2012
 Payment Due Date: 06/15/2012
 Total Amount Due: \$1,287.41

Amount Enclosed: \$ _____

We accept the following credit cards for payment:
 Please call 1-800-447-7107



Use enclosed envelope and make checks payable to:

Financial Pacific Leasing
 P.O. Box 749642
 Los Angeles, CA 90074-9642

Return Service Requested

Please check here if your address has changed.
 Provide new address on reverse side.

0237000086 PRESORT 86 1 AB 0.374 P1C8

MONTEZUMA RIMROCK WATER COMPAN
 PO BOX 10
 RIMROCK AZ 86335-0010

Keep lower portion for your records - Please return upper portion with your payment

Important Messages

Save time and postage costs! **MAKE YOUR PAYMENT ONLINE** today using Financial Pacific's FastPay system. Go to fastpay.finpac.com and click on "Yes" for Sign Up Today. It's quick, easy and free!

CUSTOMER CONTRACT NUMBER	INVOICE DATE	INVOICE NUMBER	DUE DATE	REFLECTS PAYMENT RECEIVED THROUGH
001-0796680-001	05/29/2012	2863214	06/15/2012	

CONTRACT NUMBER	DESCRIPTION	CURRENT	PAST DUE 30 DAYS	PAST DUE 60 DAYS	PAST DUE 90 DAYS	TOTAL DUE
001-0796680-001	ARSENIC REMOVAL					
	WATER TREATMENT					
	SYS					
	CONTRACT PAYMENT	1,058.18				1,058.18
	SALES TAX	77.78				77.78
	1/3 PRO PAYMENT	151.45				151.45
	TOTAL	1,287.41				\$1,287.41



See Reverse side for more information

If you have questions regarding your bill, please call us at 1-800-447-7107 or email us at service@finpac.com

Exhibits

Financial Pacific Leasing, LLC
3455 S 344th Way, Suite 300
Federal Way, WA 98001

10/20/2012

Subject: PAYMENT AUTHORIZATION NOTICE

Dear: Patricia Olsen

Thank you for your recent payment. Based on our conversation with you or your use of Fastpay on 10/19/2012 we charged your bank card ending in xxxxxxxxxxxx1762 for \$1,135.96 and applied it to your contract number 001-0796680-001. Please contact our Customer Service Department at 800-447-7107 with any questions and reference authorization number 6301429092.

For your convenience, you can also make your payment on line at fastpay.finpac.com 24 hours a day, 7 days a week.

Best Regards,

Your Financial Pacific Team
(Please Keep for your records)

Financial Pacific Leasing, LLC
3455 S 344th Way, Suite 300
Federal Way, WA 98001

09/19/2012

Subject: PAYMENT AUTHORIZATION NOTICE

Dear: Patricia Olsen

Thank you for your recent payment. Based on our conversation with you or your use of Fastpay on 09/18/2012 we charged your bank card ending in xxxxxxxxxxxx1762 for \$1,135.96 and applied it to your contract number 001-0796680-001. Please contact our Customer Service Department at 800-447-7107 with any questions and reference authorization number 6301421800.

For your convenience, you can also make your payment on line at fastpay.finpac.com 24 hours a day, 7 days a week.

Best Regards,

Your Financial Pacific Team
(Please Keep for your records)

Financial Pacific Leasing, LLC
3455 S 344th Way, Suite 300
Federal Way, WA 98001

08/17/2012

Subject: PAYMENT AUTHORIZATION NOTICE

Dear: Patricia Olsen

Thank you for your recent payment. Based on our conversation with you or your use of Fastpay on 08/16/2012 we charged your bank card ending in xxxxxxxxxxxx1762 for \$1,095.28 and applied it to your contract number 001-0796680-001. Please contact our Customer Service Department at 800-447-7107 with any questions and reference authorization number 6301414863.

For your convenience, you can also make your payment on line at fastpay.finpac.com 24 hours a day, 7 days a week.

Best Regards,

Your Financial Pacific Team
(Please Keep for your records)

Financial Pacific Leasing, LLC
3455 S 344th Way, Suite 300
Federal Way, WA 98001

07/18/2012

Subject: PAYMENT AUTHORIZATION NOTICE

Dear: Patricia Olsen

Thank you for your recent payment. Based on our conversation with you or your use of Fastpay on 07/17/2012 we charged your bank card ending in xxxxxxxxxxxx1762 for \$1,361.10 and applied it to your contract number 001-0796680-001. Please contact our Customer Service Department at 800-447-7107 with any questions and reference authorization number 6301408043.

For your convenience, you can also make your payment on line at fastpay.finpac.com 24 hours a day, 7 days a week.

Best Regards,

Your Financial Pacific Team
(Please Keep for your records)

Financial Pacific Leasing, LLC
3455 S 344th Way, Suite 300
Federal Way, WA 98001

06/16/2012

Subject: PAYMENT AUTHORIZATION NOTICE

Dear: Patricia Olsen

Thank you for your recent payment. Based on our conversation with you or your use of Fastpay on 06/15/2012 we charged your bank card ending in xxxxxxxxxxxx1762 for \$1,287.41 and applied it to your contract number 001-0796680-001. Please contact our Customer Service Department at 800-447-7107 with any questions and reference authorization number 6301402023.

For your convenience, you can also make your payment on line at fastpay.finpac.com 24 hours a day, 7 days a week.

Best Regards,

Your Financial Pacific Team
(Please Keep for your records)

Exhibit 6



NATIONAL BANK OF ARIZONA

PO Box 30709 Salt Lake City, UT 84130-0709

Statement of Accounts

Page 1 of 7

This Statement: November 30, 2012

Last Statement: October 31, 2012

Primary Account [REDACTED]

0024935

2136-06-0000-NBA-PC0023-00033

MONTEZUMA RIMROCK WATER CO LLC
PATRICIA OLSEN
PO BOX 10
RIMROCK AZ 86335-0010

DIRECT INQUIRIES TO:
1 (800) 497-8168
WWW.NBARIZONA.COM
Flagstaff (Jeroux & Birch St)
(928) 779-9000
211 N. Leroux
Flagstaff, AZ 86001-0000

Tired of all the paper? Start receiving your statements electronically and view your account notices online. Sign up for Online Banking or login today at WWW.NBARIZONA.COM

SUMMARY OF ACCOUNT BALANCE

Table with 4 columns: Account Type, Account Number, Checking/Savings Ending Balance, Outstanding Balances Owed. Row 1: Business Freedom Checking, [REDACTED], \$1,778.05

BUSINESS FREEDOM CHECKING 0070033297

107 33

Summary table with 5 columns: Previous Balance, Deposits/Credits, Charges/Debits, Checks Processed, Ending Balance. Values: 545.07, 9,364.59, 5,516.61, 2,615.00, 1,778.05

37 DEPOSITS/CREDITS

Table with 3 columns: Date, Amount, Description. Lists 37 transactions from 11/01 to 11/27, including various deposits and transfers.



MEMBER FDIC

WWW.NBARIZONA.COM

0024935-0000001-0055334

Continued ...

Date *Amount* *Description*

11/23

1,135.96

2443106NP0RTVVEE91 0356 FNCL PACIFIC LEASING 253-568-6148 WA 1203315769



MEMBER
FDIC