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BEFORE THE ARIZONA CORPORATION COMMISSION

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CHAIRMAN

GARY PIERCE  
COMMISSIONER

BRENDA BURNS  
COMMISSIONER

SUSAN BITTER SMITH  
COMMISSIONER

BOB BURNS  
COMMISSIONER

IN THE MATTER OF THE JOINT )  
APPLICATION OF NORTH MOHAVE )  
VALLEY CORPORATION AND EPCOR )  
WATER ARIZONA INC. FOR APPROVAL OF )  
THE SALE OF ASSETS AND TRANSFER OF )  
CERTIFICATE OF CONVENIENCE AND )  
NECESSITY )

DOCKET NO. W-02259A-13-0138

DOCKET NO. W-01303A-13-0138

NOTICE OF FILING

At the request of Utility Division Staff, North Mohave Valley Corporation ("NMVC") and EPCOR Water Arizona Inc. (together, "Applicants") hereby file the attached Agreement for Purchase and Sale of Water Utility Assets ("Purchase Agreement") in the above-captioned matter. Certain portions of the attached Purchase Agreement have been redacted to protect Applicants' proprietary business information and information about NMVC's employees and customers.

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Arizona Corporation Commission  
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JUN 11 2013

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RESPECTFULLY SUBMITTED this 11th day of June, 2013.

KELLEY MOSS PLLC

*Matt Bingham for*

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Jamie Kelley  
William D. Condray  
2031 Highway 95  
Bullhead City, AZ 86442  
P: (928) 763-6969

Attorneys for North Mohave Valley Corporation  
and

LEWIS AND ROCA LLP

*Matt Bingham*

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Thomas H. Campbell  
Matthew Bingham  
40 North Central Avenue  
Phoenix, AZ 85004  
P: (602) 262-5311

Attorneys for EPCOR Water Arizona Inc.

1 ORIGINAL and thirteen (13) copies  
2 of the foregoing filed this 11th day  
of June, 2013, with:

3 The Arizona Corporation Commission  
4 Utilities Division – Docket Control  
5 1200 W. Washington Street  
6 Phoenix, Arizona 85007

7 Copy of the foregoing hand-delivered  
8 this 11th day of June, 2013, to:

9 Lyn Farmer, Chief Administrative Law Judge  
10 Hearing Division  
11 Arizona Corporation Commission  
12 1200 W. Washington Street  
13 Phoenix, Arizona 85007

14 Marc Stern, Administrative Law Judge  
15 Hearing Division  
16 Arizona Corporation Commission  
17 1200 W. Washington Street  
18 Phoenix, Arizona 85007

19 Charles Hains, Counsel  
20 Legal Division  
21 Arizona Corporation Commission  
22 1200 W. Washington Street  
23 Phoenix, Arizona 85007

24 Matthew Laudone  
25 Legal Division  
26 Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

Steven M. Olea, Director  
Utilities Division  
Arizona Corporation Commission  
1200 W. Washington Street  
Phoenix, Arizona 85007

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**AGREEMENT FOR PURCHASE AND SALE OF  
WATER UTILITY ASSETS**

THIS AGREEMENT FOR PURCHASE AND SALE OF WATER UTILITY ASSETS (this "Agreement") is made and entered into as of the ~~19th~~ day of April, 2013 by and between NORTH MOHAVE VALLEY CORPORATION, an Arizona corporation ("Seller"), and EPCOR WATER ARIZONA INC., an Arizona corporation ("Buyer").

**RECITALS:**

A. Seller owns and operates a potable water production, treatment, storage, transmission, and distribution system in Mohave County, Arizona (the "Utility System").

B. The Utility System operates under a Certificate of Convenience and Necessity (a "CC&N") issued by the Arizona Corporation Commission (the "Commission"), which authorizes the owners of the Utility System to provide water service within a defined portion of Mohave County, Arizona (the "Business").

C. Seller desires to sell certain of the assets of the Business and the Utility System to Buyer, and Buyer desires to purchase such assets from Seller, upon the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the respective representations, warranties, covenants and agreements contained in this Agreement, Buyer and Seller, each intending to be legally bound by this Agreement, hereby agree as follows:

1. **RECITALS.** The foregoing recitals are incorporated into and made a part of the agreement between Seller and Buyer.

2. **COVENANTS TO PURCHASE AND SELL: DESCRIPTION OF PURCHASED ASSETS.**

2.1 **Agreement to Purchase.** Buyer shall buy from Seller, and Seller shall sell to Buyer, the Purchased Assets (as defined in Section 2.2) upon the terms, and subject to the conditions, set forth in this Agreement.

2.2 **Purchased Assets.** "Purchased Assets" shall include all assets, business properties and rights, both tangible and intangible, that Seller owns, or in which Seller has an interest, relating to the Utility System or the Business except the Excluded Assets (as defined in Section 2.3), including, but not limited to:

(a) The real property owned by Seller, and all buildings, improvements and fixtures located on any such real property, as identified in Schedule 2.2(a) (collectively, the "Real Property");

(b) All easements, licenses, prescriptive rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned or used by Seller for the construction, operation and maintenance of the Utility System, as identified in Schedule 2.2(b) (collectively, the "Easements");

(c) All wells, water treatment plants, water storage facilities and water supply and distribution facilities of every kind and description whatsoever owned by Seller and used in connection with the Utility System, including but not limited to pumps, motors, plants, electric systems and services, Supervisory Control And Data Acquisition systems, tanks, transmission mains, distribution mains, supply pipes, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations and office and computer equipment, together with all additions and replacements (including inventory) to any of the foregoing, including those items identified in Schedule 2.2(c) (collectively, the "Tangible Personal Property");

(d) All certificates, immunities, privileges, franchises, permits, license rights, consents, grants, ordinances, leaseholds, and all rights to construct, maintain and operate the Utility System and the plants and systems for the procuring, treatment, storage and distribution of water and every right of every character whatsoever in connection with the foregoing; all rights of Seller to receive a supply of water to the Utility System or others; all water rights, flowage rights and riparian rights and all renewals, extensions, additions or modifications of any of the foregoing; in each case as identified in Schedule 2.2(d) (collectively, the "Permits");

(e) All supplier lists, customer records (including historical customer billing information), prints, plans, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information in Seller's possession and relating to the Utility System or the Business;

(f) All financial records, receipts and other documentation to support all of Seller's capital investments in the Utility System and all advances and contributions from third parties and refunds to third parties since the end of the test year of its last rate case before the Commission;

(g) All vehicles, other "rolling stock" and equipment of Seller used or held for use in the operation of the Utility System or the Business and identified in Schedule 2.2(g) (the "Vehicles");

(h) All drawings, if any, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias or other reproducible materials in Seller's possession and including any plans, drawings and approvals relating to a future water storage tank planned at the site of the well referred to by Seller as Tank Site 4;

(i) All rights of Seller under the agreements, contracts (including software licenses), consent orders and leases to be assumed by Buyer at the Closing (as defined below in Section 10.1), as identified in Schedule 2.2(i) (collectively, the "Assumed Contracts");

(j) All customer deposits and developer deposits and prepayments under any line extension agreements, in each case as identified in Schedule 2.2(j) (collectively, the "Transferred Deposits"); and

(k) All third-party warranties relating to the Utility System or any equipment or other component comprising a part of the Utility System.

2.3 Excluded Assets. Notwithstanding anything to the contrary in this Agreement, the following assets (collectively, the "Excluded Assets") are excluded from the Purchased Assets:

(a) All cash, accounts receivable, prepaid taxes, bank accounts, equity and debt securities of any nature, deposits maintained by Seller with any governmental authority or utility providing services to Seller, and prepaid expenses of Seller that (i) are Seller's sole property and (ii) are not subject to refund by Seller or its successor to customers, developers or others;

(b) Escrow and other provisions of Seller for payment of federal and state income taxes;

(c) Seller's name, all corporate records of Seller and all financial records of Seller not directly relating to the Utility System; provided, however, that with respect to financial records of Seller directly relating to the Utility System, Seller shall be entitled to retain copies for its records;

(d) Those assets of Seller expressly identified on Schedule 2.3(d); and

(e) All rights of Seller under any agreement which is not an Assumed Contract.

2.4 Assumed Liabilities. Other than (a) obligations arising subsequent to the Closing under the Assumed Contracts or as a result of Buyer's post-Closing operation of the Utility System, (b) obligations to refund the Transferred Deposits subsequent to the Closing, and (c) the obligation to provide utility services in connection with Buyer's operation of the Business from and after the Closing (collectively, the "Assumed Liabilities"), Buyer shall not assume or be obligated to pay, perform or discharge any debts, liabilities or obligations of Seller, whether or not related to the Purchased Assets or the Business (collectively, the "Excluded Liabilities").

2.5 Seller's Employees. Schedule 2.5 sets forth the salaries, wages and benefits provided to Seller's employees as of the date of this Agreement. If [REDACTED] remains an employee of Seller as of the Closing Date, Buyer shall offer [REDACTED] employment with Buyer with substantially similar compensation as that provided by Seller as of the date of this Agreement, but with employee benefits consistent with those then offered by Buyer to its employees generally. With respect to Seller's other employees as of the Closing Date, Buyer shall have the right, but not the obligation, to offer employment to any or all of those Seller

employees as of the Closing and upon such terms and conditions as Buyer desires. To the extent Buyer does not offer such employment or, if it is offered, the Seller employee (including [REDACTED]) does not satisfy any conditions to that employment or does not accept Buyer's offer, Buyer shall have no responsibility or liability with respect to that Seller employee and Seller shall remain responsible for the employment or the termination of employment of that employee from and after the Closing.

### 3. PURCHASE PRICE.

3.1 Payment. Buyer shall pay to Seller at the Closing, subject to the adjustments and proration set forth in Section 10.3, a purchase price in the aggregate amount equal to 110% of Seller's regulatory rate base as of the Closing Date (the "Purchase Price"). Payment of the Purchase Price shall be made to Seller in cash, in immediately available federal funds, by wire transfer to an account or accounts designated by Seller.

3.2 Determination of Seller's Rate Base. Seller's regulatory rate base as of December 31, 2012 is \$2,137,020, determined as described on Schedule 3.1 (the "December 31, 2012 Rate Base"). Within one week after the Commission's approval contemplated in section 8.1(b), below, Seller shall deliver to Buyer a statement (the "Closing Date Statement") setting forth a calculation of Seller's estimated actual regulatory rate base as of the Closing Date (assuming the Closing Date will be 30 days after the date of Commission's approval), along with supporting documentation for adjustments to that regulatory rate base from December 31, 2012 through the Closing Date. If Buyer has any objections to the Closing Date Statement, Buyer shall, within seven days after Seller's delivery of the Closing Date Statement, give written notice to Seller specifying in reasonable detail such objections and the basis for each, and calculations which Buyer has determined in good faith are necessary to eliminate such objections. If Buyer does not deliver such notice within the period described above, the Closing Date Statement shall be final, binding and conclusive on Buyer and Seller. If Buyer provides such notice during the period described above, Seller and Buyer shall negotiate in good faith during the next seven days to resolve any disputes regarding the Closing Date Statement. If Seller and Buyer are unable to resolve all such disputes within such seven-day period, then either Buyer or Seller may exercise any rights then available to it under this Agreement, at law or in equity to resolve the disputes, and the Closing will be delayed until such resolution is achieved.

3.3 Possible Additional Rate Base Payment. When Buyer files its first rate case for its Mohave Water District following the Closing, Buyer will request the Commission to approve Buyer's recovery of an additional rate base amount of approximately \$950,000 attributable to the use of the Purchased Assets to produce water for delivery to Buyer's Mohave Water District customers, so long as Buyer determines that position to then be factually supportable. If Buyer makes such request, Buyer will assert the position with the Commission that approving Buyer's recovery of that amount of additional rate base will enable Buyer to avoid or defer additional water production capital improvement cost in its Mohave Water District in excess of the amount of the proposed additional rate base amount. Seller may participate in that rate proceeding before the Commission by intervening in it at Seller's own cost and expense. If, and to the extent, the Commission approves any such additional recovery by Buyer, Buyer will pay to Seller an additional amount (the "Contingent Purchase Price") equal to the amount of the additional Buyer Mohave Water District rate base approved by the Commission and relating

to water production capabilities of the Purchased Assets, to the extent Buyer is authorized by the Commission to retain for itself any customer rates paid to Buyer in respect of such additional rate base and Buyer's customer rates for its customers then on the Utility System are unaffected. The Contingent Purchase Price will be payable within 60 days following the Commission's final order approving the additional Buyer Mohave Water District rate base amount and the customer rates supporting that additional rate base amount. Beyond requesting the recovery of an additional rate base amount as contemplated in this section, Buyer may unilaterally determine when to file its next Mohave Water District rate case and will not be constrained in its filing, amendment or management of, or participation in, the rate case proceeding. In particular, Buyer will not be precluded from settling the rate case on terms that do not provide for the additional rate base contemplated in this Section 3.3. Buyer acknowledges that Seller may assign its right to receive the Contingent Purchase Price to its shareholders by written notice to Buyer.

3.4 Delivery of Title. Title to the Purchased Assets shall be delivered by Seller to Buyer at Closing, free and clear of all liens, encumbrances, debts, liabilities or third party claims whatsoever ("Encumbrances"), other than Permitted Encumbrances. For purposes of this Agreement, "Permitted Encumbrances" means and includes the following:

(a) All present and future building restrictions, zoning regulations, laws, ordinances, resolutions, regulations and orders of any governmental authority having jurisdiction over the Real Property and the use of the Real Property, in each case, to the extent not inconsistent with the use or condition of the related Real Property as of the date of this Agreement;

(b) Easements, restrictions, reservations, rights-of-way, conditions and limitations of record, including without limitation any drainage, canal, mineral, road, or other reservations of record in favor of the State of Arizona or any of its agencies or governmental or quasi-governmental entities, none of which, however, shall materially impair or restrict the use of the Real Property for the operation of the Utility System;

(c) The matters listed in Schedule 3.4; and

(d) Any defect as approved by Buyer pursuant to Section 6.2.

4. REPRESENTATIONS AND WARRANTIES OF SELLER. As a material inducement to Buyer to execute this Agreement and perform its obligations hereunder, Seller represents and warrants to Buyer as follows:

4.1 Organization; Authority; Enforceability. Seller is duly organized, validly existing and in good standing under the laws of the State of Arizona. Seller has all requisite corporate power and authority to carry on the Business as it is being conducted as of the applicable date, to operate the Utility System as it is being operated as of the applicable date, to enter into this Agreement, and to carry out and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by Seller and is the valid and binding obligation of Seller, enforceable against it in accordance with its terms.

4.2 Conflicts: Consents. Except as set forth in Schedule 4.2, Seller is not (i) in violation of, or in default under, any term or provision of its Articles of Incorporation or by-laws or any lien, mortgage, lease, agreement, instrument, order, judgment, or decree, or subject to any restriction of any kind or character contained in any of the foregoing, which would prohibit Seller from entering into this Agreement or prevent consummation of the transactions contemplated by this Agreement, and such entering into or consummation will not cause any such violation or default, and (ii) required to obtain the consent of any person or entity as a condition to its entering into this Agreement or consummating the transactions contemplated by this Agreement.

4.3 Litigation. Except as set forth in Schedule 4.3, (i) there are no legal actions, suits, mediations, arbitrations, or other legal or administrative proceedings pending or, to Seller's knowledge, after due investigation ("Seller's Knowledge"), threatened against Seller that could adversely affect the Utility System or the Business; and to Seller's Knowledge there are no facts that might result in any action, suit, mediation, arbitration or other proceedings that might result in any material adverse change in the Business or the condition (financial or otherwise) of the Utility System, and (ii) Seller is not in default with respect to any judgment, order or decree of any court or any governmental agency or instrumentality applicable to the Utility System.

4.4 Compliance with Law. Except as set forth in Schedule 4.4, (i) the business operations of the Utility System have been and are being conducted in all respects in accordance with all applicable laws, rules, regulations and orders of all authorities, including without limitation the Commission and the Arizona Department of Environmental Quality ("ADEQ"), (ii) Seller has not received written notification of any material violation of any governmental rules, regulations, orders, permitting conditions or other governmental requirements of any type or nature applicable to the ownership, maintenance, construction or operation of the Utility System, and (iii) to Seller's Knowledge, there are no conditions which, by reason of the passing of time or the giving of notice, would constitute such a violation. Neither Seller nor the operation of the Utility System or conduct of the Business is subject to any outstanding compliance orders issued by the Commission or ADEQ.

4.5 Real Property. The Real Property constitutes all parcels of land that Seller owns or to which Seller has title and all parcels of land included in the determination of the December 31, 2012 Rate Base. The Easements constitute all easements, licenses, prescription rights, rights-of-way and rights to use public and private roads, highways, streets and other areas owned or used by Seller for the construction, operation and maintenance of the Utility System and all Easements included in the determination of the December 31, 2012 Rate Base. Seller has exclusive possession, control, ownership and good and marketable title to the Real Property, subject to no Encumbrance other than (i) Encumbrances that will be discharged by Seller at Closing and are listed on Schedule 4.5 (collectively, "Seller Encumbrances"), and (ii) Permitted Encumbrances. The Real Property and the Easements, together, constitute all of the real property rights necessary to operate the Utility System as it is being operated as of the applicable date. At Closing, Seller shall deliver title to such Real Property free and clear of all Encumbrances whatsoever, other than Permitted Encumbrances.

4.6 Tangible Personal Property. Seller has exclusive ownership, possession, control, and good and marketable title to all Tangible Personal Property (except for leased and licensed items, if any, disclosed in Schedule 4.6), and, at the Closing, will have such ownership, possession, control and good and marketable title except to the extent any of the Tangible Personal Property has been sold, or otherwise disposed of, by Seller in the ordinary course of business after the date of this Agreement and in accordance with its terms and conditions. The Tangible Personal Property includes all personal property of Seller included in the determination of the December 31, 2012 Rate Base. The Tangible Personal Property is subject to no Encumbrance except Permitted Encumbrances and Seller Encumbrances. At Closing, Seller shall deliver title to the Tangible Personal Property free and clear of all Encumbrances whatsoever, other than Permitted Encumbrances.

4.7 Rate Base and Depreciation. The December 31, 2012 Rate Base, as described in Section 3.2, above, is true, accurate and supportable as the regulatory rate base of Seller for the Utility System as of December 31, 2012. The depreciation expense reflected on Seller's financial statements and in its filings with the Commission is consistent with Seller's Commission-approved depreciation schedule applicable to the Utility System.

4.8 Zoning. Seller has received no written notice of any threatened action or proceeding under any building or zoning ordinance, regulation or law with respect to the Utility System, any of the Real Property or any Easement, and, to Seller's Knowledge, there is no basis for Seller to receive or deliver any such notice.

4.9 Assumed Contracts. Seller is not in default under any Assumed Contract and, to Seller's Knowledge, (i) no other party to any Assumed Contract is in default under any Assumed Contract, and (ii) there exist no facts that, with the passage of time or otherwise, might result in a default by Seller or another party under any Assumed Contract. Schedule 4.9 sets forth the relevant details of all of Seller's refund obligations under A.A.C. R14-2-406 arising out of the Assumed Contracts and lists all third-party consents required to assign any of the Assumed Contracts to Buyer. The Transferred Deposits collectively represent all outstanding refund obligations, or potential refund obligations, of Seller relating to customer deposits, developer deposits or prepayments under any line extension agreements during Seller's ownership of the Utility System.

4.10. Environmental Law Compliance.

(a) Definitions.

(i) "Environmental Law" means any federal, state, or local statute, order, regulation, or ordinance, or common law or equitable doctrine relating to the protection of human health or the environment in effect as of the applicable date and includes but is not limited to the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") (42 U.S.C. § 9601 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), and the Safe Drinking Water Act (42 U.S.C. § 300f et

seq.), as such have been amended or supplemented as of the applicable date, and the regulations promulgated pursuant thereto and in effect as of the applicable date.

(ii) "Hazardous Material" means petroleum or any substance, material, or waste which is regulated under any Environmental Law in the jurisdictions in which Seller conducts the Business including, without limitation, any material or substance that is defined as or considered to be a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," "restricted hazardous waste," "pollutant," "toxic waste," or "toxic substance" under any provision of Environmental Law.

(iii) "Release" means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, or dispersal into the environment, at or from any property owned or operated by Seller with respect to the Utility System or related to Hazardous Materials generated by Seller with respect to the Utility System.

(iv) "Remedial Action" means all actions required to (1) clean up, remove, or treat any Hazardous Material; (2) prevent the Release or threat of Release, or minimize the further Release of any Hazardous Material so it does not endanger or threaten to endanger public health or welfare or the environment; or (3) perform pre-remedial studies and investigations or post-remedial monitoring and care directly related to or in connection with any such remedial action.

(b) Representations. Except as set forth in Schedule 4.10:

(i) Seller is in compliance with all applicable Environmental Laws with respect to the Utility System and has no liability under any Environmental Law, and there is no reasonable basis for any such liability.

(ii) Seller has obtained all permits required, or has submitted applications for such permits in a timely manner, under applicable Environmental Laws necessary for the operation of the Business as presently conducted.

(iii) Seller has not received within the last 12 months any communication from, and is not aware of any pending communication from, any governmental authority or other party with respect to the Utility System and (1) any actual or alleged violation of any Environmental Laws; (2) any actual or proposed Remedial Action; or (3) any Release or threatened Release of a Hazardous Material.

(iv) No polychlorinated biphenyl or asbestos-containing materials, in violation of Environmental Law, are, or have been, present at any property when owned, operated, or leased by Seller with respect to the Utility System, nor are there any underground storage tanks, active or abandoned, at any property owned, operated, or leased by Seller with respect to the Utility System.

(v) There is no Hazardous Material located, in violation of any Environmental Law, at any site that is owned, leased, operated or managed by Seller with respect

to the Utility System; no site that is owned, leased, operated, or managed by Seller with respect to the Utility System is listed or formally proposed for listing under CERCLA, the Comprehensive Environmental Response, Compensation Liability Information System ("CERCLIS") or on any similar state list that is the subject of federal, state, or local enforcement actions or other investigations that may lead to claims against Seller for clean-up costs, remedial work, damages to natural resources, or for personal injury claims, including, but not limited to, claims under CERCLA; and there is no reasonable basis for Seller to be named in such claims or for any similar action to be brought against Seller with respect to the Utility System.

(vi) No written notification of a Release of a Hazardous Material has been filed by or on behalf of Seller with respect to the Utility System or with respect to any property when owned, operated, or leased by Seller with respect to the Utility System. No such property is listed or proposed for listing in the National Priority List promulgated pursuant to CERCLA, or CERCLIS, or any similar state list of sites requiring investigation or clean up.

(vii) No Hazardous Material has been released in violation of any Environmental Law at, on, or under any property now or when formerly owned, operated, or leased by Seller with respect to the Utility System.

4.11. Permits. Seller has valid Permits authorizing it to conduct its operations with respect to the Utility System in the manner in which such operations are being conducted as of the applicable date and in all of the territory in which it renders service as of the applicable date, and to maintain its mains and pipes in the streets and highways of such territories, including without limitation any required CC&Ns required by the Commission and any franchises required by any governmental entity.

4.12 Brokers. Seller has not dealt with a broker, salesman, finder or similar person or entity in connection with any part of the transactions contemplated by this Agreement, and no broker, salesman, finder or similar person or entity is entitled to any commission or fee with respect to such transactions as a result of Seller's actions. John L. McCormick, III, a shareholder in Seller discloses pursuant to Arizona Department of Real Estate Commissioner's Rule R4-28 1101(E) he is a licensed real estate broker.

5. REPRESENTATIONS AND WARRANTIES OF PURCHASER. As a material inducement to Seller to execute this Agreement and to perform its obligations under this Agreement, Buyer represents and warrants to Seller as follows:

5.1 Organization; Authority; Enforceability. Buyer is duly organized, validly existing and in good standing under the laws of the State of Arizona. Buyer has all requisite corporate power and authority to carry on its business as now being conducted, to enter into this Agreement, and to carry out and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by Buyer and is the valid and binding obligation of Buyer, enforceable against it in accordance with its terms.

5.2 Conflicts: Consents. Except as set forth in Schedule 5.2, Buyer is not (i) in violation of, or in default under, any term or provision of its Articles of Incorporation or by-laws or any lien, mortgage, lease, agreement, instrument, order, judgment, or decree, or subject to any restriction of any kind or character contained in the foregoing, which would prohibit Buyer from entering into this Agreement or prevent consummation of the transactions contemplated by this Agreement and such entering into or consummation will not cause such violation or default, and (ii) required to obtain the consent of any person or entity as a condition to its entering into this Agreement or consummating the transactions contemplated by this Agreement.

5.3 Brokers. Buyer has not dealt with a broker, salesman, finder or similar person or entity in connection with any part of the transactions contemplated by this Agreement, and no broker, salesman, finder or similar person or entity is entitled to any commission or fee with respect to such transactions as a result of Buyer's actions.

5.4 Financial Capacity. Buyer has sufficient funds available to satisfy in full its obligation to pay the Purchase Price at the Closing as provided in Section 3.1.

## 6. TITLE INSURANCE AND DEFECTS IN TITLE.

6.1 Surveys and Title Insurance. Seller shall obtain and deliver to Buyer, at or prior to Closing and at Seller's sole cost and expense, such customary surveys and owner's title insurance policies with respect to the Real Property as Buyer reasonably deems necessary, all of which must be satisfactory to Buyer, in the reasonable exercise of its discretion.

6.2 Defects in Title. Seller shall deliver to Buyer, for Buyer's review, title insurance commitments with respect to the Real Property within 45 days after the date of this Agreement. Buyer shall notify Seller in writing, within two weeks after receipt of any such title insurance commitment, of any alleged defect in Seller's title to the Real Property, other than the Permitted Encumbrances. Any objections to title to the extent the matter is identified in the commitments delivered by Seller and is not included on the notice furnished by Buyer in accordance with the provisions of this Section 6.2 shall be deemed to have been waived by Buyer. Seller shall have 45 days, after receipt of Buyer's notice, to eliminate all of the objections to title set forth in Buyer's notice. In the event Seller fails to cure any title defects contained in Buyer's notice to Buyer's reasonable satisfaction, then Buyer may:

(a) Accept whatever title Seller is able to convey with an equitable adjustment to the Purchase Price; or

(b) Reject title and terminate this Agreement.

If Buyer rejects title and terminates this Agreement as provided above, neither party shall have any further liability under this Agreement. Buyer shall not object to title by reason of the existence of any mortgage, lien, encumbrance, covenant, restriction or other matter that (a) may be satisfied with a payment of money and Seller elects to do so, and then does do so, by paying the same at or prior to the Closing; (b) any mechanic's lien or other encumbrance which can be

released of record, bonded or transferred of record to substitute security unrelated to the Utility System so as to relieve the real estate from the burden thereof and Seller elects to do so, and then does do so, at or prior to Closing; or (c) the title insurance company issuing the title insurance commitments affirmatively insures over the lien or other matter.

**7. CONDITIONS PRECEDENT TO CLOSING.**

**7.1 Conditions to Buyer's Obligations.** The obligation of Buyer to close the transactions contemplated by this Agreement is subject to the conditions that, at or before the Closing and unless waived by Buyer:

(a) There shall not be commenced or pending on the Closing Date any legal action or proceeding that prohibits Seller from closing the transactions contemplated by this Agreement or the outcome of which may have an adverse effect upon the value of the Utility System or the Business.

(b) Seller shall have performed all of the undertakings required to be performed by it under the terms of this Agreement prior to or at Closing.

(c) All representations and warranties of Seller shall be true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.

(d) All required government approvals have been received, including, without limitation, the approval of the Commission on terms acceptable to Buyer.

(e) There has been no material adverse change to the value or condition of the Utility System or the conduct of the Business since the date of this Agreement and no condition exists which, with the passage of time or otherwise, may have a material adverse change to the value or condition of the Utility System or the conduct of the Business since the date of this Agreement.

**7.2 Conditions to Seller's Obligations.** The obligation of Seller to close the transactions contemplated by this Agreement is subject to the conditions that, at or before the Closing Date and unless waived by Seller:

(a) There shall not be commenced or pending on the Closing Date any legal action or proceeding that prohibits Buyer from closing the transactions contemplated by this Agreement.

(b) Buyer shall have performed all of the undertakings required to be performed by it under the terms of this Agreement prior to or at Closing.

(c) All representations and warranties of Buyer shall be true in all material respects as of the Closing Date, except to the extent they specifically refer to another date.

(d) All required government approvals have been received, including, without limitation, the approval of the Commission.

8. PRE-CLOSING CONDUCT; COVENANTS. Prior to the Closing, the parties covenant to each other, and shall conduct themselves, as follows:

8.1 Regulatory Compliance, Consents, etc.

(a) From and after the date of this Agreement, each of Buyer and Seller shall use commercially reasonable efforts to (i) take, or cause to be taken, all appropriate action, and do, or cause to be done, all things necessary, proper or advisable under applicable law or otherwise to satisfy the conditions to the Closing to be satisfied by it and to consummate and make effective the transactions contemplated by this Agreement, (ii) obtain from any governmental authorities with jurisdiction over this Agreement or the transactions contemplated by this Agreement (including, without limitation, the Commission), and from any other applicable governmental authority, person or entity any consents, licenses, permits, waivers, approvals, authorizations or orders required to be obtained by it in connection with the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement, (iii) execute and deliver any additional instruments necessary to consummate the transactions contemplated by, and to fully carry out the purposes of, this Agreement, (iv) make and diligently prosecute all necessary filings, and thereafter make any other required submissions, with respect to this Agreement required under any applicable federal, state or local law, ordinance, rule or regulation; provided, that each of Buyer and Seller shall cooperate with the other in connection with the making and prosecution of all such filings, including providing copies of all such documents to the non-filing party and its respective advisors prior to filing and, if requested, accepting all reasonable additions, deletions or changes suggested in connection with such documents, and (v) keep the other party informed of any material communication received by such party from, or given by such party to, the Commission or any other governmental authority, person or entity in connection with any such filing. Without limiting the generality of the foregoing, Seller shall be responsible for obtaining, at its own cost and expense, but with the reasonable cooperation of Buyer, any third-party consents required for the conveyance, assignment or assumption of the Easements, Permits, Assumed Contracts or other Purchased Assets at the Closing.

(b) The parties acknowledge that the transactions contemplated by this Agreement are subject to the jurisdiction of the Commission. Each of Buyer and Seller shall fully cooperate with the other with respect to, and shall keep the other apprised of, matters relating to the regulatory approval of the Commission of the transactions contemplated in this Agreement, and shall use commercially reasonable efforts to obtain, as soon as possible after the date of this Agreement, such approval. Without limiting the generality of the foregoing, Buyer shall prepare and file with the Commission, within 30 days after the date of this Agreement, an application seeking such approval. At least three business days prior to filing such application, Buyer shall deliver a copy of it to Seller. Buyer shall bear the cost of such filing (if any), but each party shall pay the fees of its attorneys and other advisors in connection with such filing.

**8.2 Customer Data and Final Meter Reads.** From and after the execution of this Agreement, Seller shall provide to Buyer, at Buyer's request and at no additional cost or expense to Buyer, reasonable assistance to establish the Utility System customers as Buyer's customers as of the Closing Date and to enable Buyer's customer billing system to accept Utility System customer water usage and billing data. On the Closing Date and prior to the Closing, Seller will conduct a final read of the customer meters on the Utility System. Seller will be responsible for preparing and distributing final bills for the Utility System customers under Seller's ownership of the Utility System and will retain the related accounts receivable and all amounts collected from the Utility System customers in payment of those bills. Seller will make its final meter read data available to Buyer on the Closing Date for Buyer to use as the initial meter reads for its new customers on the Utility System. From and after the Closing, each party will remit to the other any customer payments received by that party that represent payment for utility services provided by the other party.

**8.3 Further Information.** Seller shall furnish to Buyer prior to the Closing such existing financial, legal and other information with respect to the Utility System and the Business as Buyer or its authorized representatives may from time to time reasonably request. Further, commencing on the date of this Agreement, Seller shall give Buyer, its agents and representatives access to all property, equipment, documents, materials, books and records related in any way to the Utility System or the Business which either are in Seller's possession or under Seller's control. At Buyer's request, Seller will provide Buyer with hardcopy customer information, including usage and billing history, to the extent available from Seller's customer billing system.

**8.4 Conduct of Business Prior to Closing.** From the date of this Agreement until the Closing, Seller shall carry on the operation of the Utility System and the conduct of the Business in the ordinary course of business and in substantially the same manner as has been the case prior to the date of this Agreement and shall use all reasonable efforts to preserve intact the present financial status and value of the Utility System and the Business, maintain the Tangible Personal Property and the Real Property in good repair, keep in full force and effect the Permits and adequate insurance coverage for damage or casualty to the Tangible Personal Property and the Real Property, discharge and perform all of its duties and obligations as required, and preserve all of its business records. Without limiting the generality of the foregoing, Seller shall promptly inform Buyer of any circumstance requiring a capital investment in the Utility System estimated to exceed \$25,000 and shall obtain Buyer's prior written consent, not to be unreasonably withheld, to any such capital investment; provided, however, that Buyer's prior consent shall not be a condition to any capital investment required by any governmental authority with jurisdiction over the Utility System.

**8.5 Inspection and Remedies.** Without limiting the effect of the representations set forth in Section 4, above, Buyer may, at its option and expense, engage an Arizona licensed engineer to perform a Phase I environmental survey (and a subsequent Phase II, if desired by Buyer) of any or all of the Real Property. Should contamination be found on the Real Property prior to the Closing Date, Seller shall have the right, but not the obligation, to perform such clean-up and remediation as is necessary under the Environmental Laws. Upon Seller's failure to perform such clean-up and remediation, prior to the Closing Date, Buyer may

terminate this Agreement, and neither party shall have any liability to the other, or Buyer may proceed to Closing with an equitable adjustment of the Purchase Price.

8.6 Assignment. Neither Buyer nor Seller shall transfer or assign this Agreement or the duties or obligations created in or under this Agreement.

## 9. TERMINATION OF AGREEMENT.

9.1 General. This Agreement may be terminated (a) by mutual written consent of the parties, or (b) as provided in Sections 9.2 and 9.3.

9.2 Termination by Buyer. Buyer may terminate this Agreement upon the occurrence of any of the following:

(a) The failure of Seller to satisfy its conditions precedent to closing set forth in Section 7.1, or failure of the conditions described in Section 7.1 (except to the extent such failure is caused by Buyer);

(b) Any breach of this Agreement by Seller, including, but not limited to, a breach of any representation or warranty, if Seller has not cured such breach within 10 days after notice from Buyer; provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Buyer; or

(c) Any other basis for termination on behalf of Buyer otherwise set forth in this Agreement.

9.3 Termination by Seller. Seller may terminate this Agreement upon the occurrence of any of the following:

(a) The failure of Buyer to satisfy its conditions precedent to closing set forth in Section 7.2, or failure of the conditions described in Section 7.2 (except to the extent such failure is caused by Seller);

(b) Any breach of this Agreement by Buyer, including, but not limited to, a breach of any representation or warranty, if Buyer has not cured such breach within 10 days after notice from Seller; provided, however, such breach must in any event be cured prior to the Closing Date unless the date for cure has been extended by Seller; or

(c) Any other basis for termination on behalf of Seller otherwise set forth in this Agreement.

9.4 Notice of Termination. Following the occurrence of any of the foregoing events giving rise to a right of for termination of this Agreement, the party electing to terminate this Agreement shall provide written notice of its termination of this Agreement to the other party.

9.5 Effect of Termination. Upon the termination of this Agreement, the following shall occur:

(a) Each party shall return to the other party, or destroy, all documents delivered to it pursuant to this Agreement, including copies in its possession or in the possession of its agents and consultants; provided, however, that legal counsel to the receiving party may retain one copy of all such materials for use in connection with any post-termination issues arising out of or relating to this Agreement or the transactions contemplated by this Agreement. The return or destruction of such information shall be certified in writing by the returning or destroying party. Each party, its agents and consultants, shall treat any information previously received as confidential, and shall not disclose or use such information, except as may be required by law.

(b) Except as otherwise set forth in this Agreement, each party shall be responsible for payment of its own attorneys and other professional fees and other costs of any nature whatsoever incurred prior to the termination of this Agreement.

(c) In the event of termination of this Agreement, there shall be no liability on the part of Buyer or Seller, or their respective officers or directors except in the event that termination resulted from fraud or a breach of a representation, warranty, covenant or agreement.

9.6 Specific Performance. The parties recognize and agree that each of Buyer and Seller has relied on this Agreement and expended considerable effort and resources related to the transactions contemplated in this Agreement, that the rights and benefits conferred upon Buyer and Seller in this Agreement are unique, and that damages may not be adequate to compensate a party to this Agreement in the event the other party improperly refuses to consummate those transactions. Each of Buyer and Seller therefore agree that the aggrieved party shall be entitled, at its option and in lieu of terminating this Agreement pursuant to Section 9.2 or 9.3, as the case may be, to have this Agreement specifically enforced by a court of competent jurisdiction.

9.7 No Limitation of Remedies. Except as expressly provided in Section 9.5(c), the remedies set forth in this Section 9 are in addition to, and not in limitation of, any other remedies that may then be available to the aggrieved party under this Agreement, at law or in equity.

## 10. CLOSING DATE AND CLOSING.

10.1 Closing Date. The transactions contemplated by this Agreement shall be closed (the "Closing") within thirty (30) days after the date upon which the last of the conditions set forth in Section 7 is fulfilled or waived, or at such other time, date and place as Seller and Buyer shall mutually agree (the "Closing Date"), at Seller's office, or at a location mutually acceptable to both parties. For purposes of this Section 10.1, the "approval of the Commission" referenced in Section 7 will be deemed to occur when the Commission has issued its final,

signed order, no request for rehearing or reconsideration has been filed by any party, and the applicable period for making any such request has expired.

**10.2 Closing Deliveries. At the Closing:**

(a) Title to the Real Property shall be conveyed to Buyer by special warranty deed free of all Encumbrances, other than Permitted Encumbrances.

(b) Title to the Tangible Personal Property shall be conveyed to Buyer by bill of sale free of all Encumbrances, other than Permitted Encumbrances.

(c) Seller's right, title and interest in and to the Easements, Permits and other Purchased Assets shall be assigned to Buyer, together with any required third-party consents to such assignment.

(d) The Assumed Contracts shall be assigned to and assumed by Buyer, together with any required third-party consents to such assignment and assumption. The assignment of any rights to utilize Colorado River water for the Utility System shall be accompanied by a consent and estoppel executed by the third party granting such rights to Seller consenting to the assignment of such rights to Buyer and confirming Seller's compliance with the terms of its agreement with such third party.

(e) Certificates of Title to the Vehicles (or for non-certificated Vehicles, bills of sale) shall be executed for transfer to Buyer and delivered to Buyer;

(f) Seller shall deliver to Buyer the then-current passwords and other access devices necessary for Buyer to utilize any software rights transferred or assigned to Buyer at the Closing, including without limitation, those items necessary for Buyer to make use of Seller's meter reading, customer billing and SCADA equipment and software;

(g) All taxes and other governmental fees on the transfer of the Real Property or the Easements to Buyer, if any, shall be paid by Seller;

(h) Real property and personal property taxes on the Purchased Assets and the Utility System, and any other applicable taxes, shall be prorated as of the Closing Date and Seller shall be required to pay its share at or prior to Closing. All other taxes and assessments accrued or owed by Seller as of the Closing Date or applicable to periods or events prior to the Closing Date with respect to the Purchased Assets shall be and remain the obligation of Seller. All other taxes and assessments imposed or attempted to be imposed for periods or events from and after the Closing Date with respect to the Purchased Assets shall be the obligation of Buyer; and

(i) Each party shall deliver to the other party a certificate stating that the conditions set forth in Section 7.1 or 7.2, as applicable, have been satisfied.

**10.3 Adjustments/Prorations/Allocations.**

(a) Connection, plant capacity, main extension, capital or other charges paid for the availability of utility services ("Connection Charges") received by Seller prior to, on or after the date of this Agreement shall be assigned to Buyer.

(b) All bills for services, materials and supplies rendered in connection with the operation of the Utility System prior to Closing, including but not limited to electricity for a period up to and including the Closing Date, shall be paid by Seller.

(c) Buyer shall assume Seller's liability for customer deposits, developer deposits and prepayments under any line extension agreements represented by the Transferred Deposits, and credit shall be given to Buyer for that assumption in the calculation of the Purchase Price.

(d) Buyer and Seller agree that the Purchase Price (and other relevant items) will be allocated to the Purchased Assets for the purposes and in a manner consistent with the fair market value of such assets and applicable provisions of federal and state law. Buyer, at its cost and expense, shall prepare and deliver to Seller a schedule setting forth its proposed allocation of the Purchase Price for Seller's approval, which approval shall not be unreasonably withheld, delayed or conditioned. If Buyer and Seller are unable to agree on the appropriate allocation of the Purchase Price, Buyer and Seller agree that the allocation of the Purchase Price shall be determined by a mutually agreed upon accounting firm, the cost of which shall be shared equally by Buyer and Seller. Any such determination shall be final and binding upon both Buyer and Seller. Each of Buyer and Seller agrees to file all tax returns and information returns in a manner consistent with the allocations approved or determined in accordance with the foregoing.

## 11. POST-CLOSING COOPERATION.

11.1 Further Assurances. Seller and Buyer shall, at any time and from time to time after the Closing, upon reasonable request of the other party, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, all such further documents, acts, deeds, assignments, transfers, powers of attorney and assurances as may be required in order to implement and perform any of the obligations, covenants and agreements of the parties under this Agreement. Seller acknowledges and agrees that Buyer will not be permitted under Arizona law to discontinue utility service to any Utility System customer for failure to pay amounts due to Seller. Following the Closing, and to the extent transferred to Buyer, Buyer shall retain the books and records of Seller for the benefit of Seller and, unless otherwise consented to in writing by Seller, Buyer shall not destroy or otherwise dispose of such books and records of Seller for a period of three (3) years.

11.2 Post-Closing Assistance. Prior to the Closing, Buyer may request specific transition services to be provided by Seller for a period of up to six months following the Closing. To the extent the provision of any such requested services does not pose undue hardship upon Seller, Seller will provide the requested services at reasonable rates no greater than Seller's actual cost to provide such services and in accordance with the terms and conditions to be set forth in a definitive agreement between Buyer and Seller. Without limiting the

generality of the foregoing, the applicable transition services may include Seller making available to Buyer information technology and data processing services for customer service and customer billing and operation of the SCADA system controlling the Utility System. In addition, Buyer shall be entitled, at its option, to request the services of certain of Seller's principals after the Closing on terms and conditions mutually agreeable to Buyer and the applicable principal(s).

## 12. INDEMNIFICATION.

12.1 Indemnification by Buyer. Buyer shall indemnify and hold harmless Seller, its directors, officers, employees and affiliates, and their respective successors and permitted assigns (collectively, "Seller Indemnified Parties"), from and against any claim, liability, loss, cost, damage, or expenses (including, without limitation, court costs and reasonable attorney's fees and expenses) (a "Claim") to the extent arising out of or resulting from (i) the breach of, or the failure to perform or satisfy any of, the representations, warranties and covenants made by Buyer in this Agreement, (ii) the Assumed Liabilities, or (iii) the ownership and operation of the Utility System or the conduct of the Business after the Closing.

12.2 Indemnification by Seller. Seller shall indemnify and hold harmless Buyer, its directors, officers, employees, affiliates, and its successors and permitted assigns (collectively, "Buyer Indemnified Parties"), from and against any Claim to the extent arising out of or resulting from (i) the breach of, or the failure to perform or satisfy any of, the representations, warranties and covenants made by Seller in this Agreement, (ii) the Excluded Liabilities, or (iii) the ownership and operation of the Utility System or the conduct of the Business prior to the Closing.

12.3 Survival. The representations, warranties and covenants of the parties contained in this Agreement shall survive the Closing, and the provisions of Sections 9.5, 9.7, 13 and this Section 12 shall survive any termination of this Agreement.

## 13. MISCELLANEOUS PROVISIONS.

13.1 Entire Agreement. This Agreement, including the Schedules, embodies the entire agreement and understandings between the parties regarding its subject matter and there are no other agreements or understandings, oral or written, with reference to this Agreement that are not merged into and superseded by this Agreement.

13.2 Notice. Any notice or other document required or allowed to be given pursuant to this Agreement by either party to the other shall be in writing and shall be delivered personally, or by recognized overnight courier or sent by certified mail, postage prepaid, return receipt requested.

If to Seller, such notice shall be addressed to Seller at:

North Mohave Valley Corporation  
3640 Highway 95  
Bullhead City, AZ 86442-4335

with a copy to:

Kelley Moss PLLC  
2031 Highway 95  
Bullhead City, AZ 86442  
Attn: Jamie Kelley, Esq.

If to Buyer, such notice shall be addressed to Buyer at:

EPCOR Water Arizona Inc.  
2355 W Pinnacle Peak Road; Suite 300  
Phoenix, AZ 85027  
Attn: Vice President - Business Development

with a copy to:

EPCOR Water Arizona Inc.  
2355 W Pinnacle Peak Road; Suite 300  
Phoenix, AZ 85027  
Attn: Corporate Counsel

13.3 Interpretation. The headings set forth in this Agreement used are for convenience only, and they shall be disregarded in the construction of this Agreement. The drafting of this Agreement constituted a joint effort of the parties, and in the interpretation of this Agreement, it shall be assumed that no party had any more input or influence than the other. All words, terms, and conditions herein contained are to be read in concert, each with the other, and a provision contained under one heading may be considered to be equally applicable under another heading in the interpretation of this Agreement.

13.4 Confidentiality. Other than with respect to filings with the Commission and other communications reasonably necessary in order to consummate the transactions contemplated in this Agreement, each of Buyer and Seller shall maintain in strict confidence, and shall not disclose to anyone other than its employees, attorneys and consultants who have a need to know in order to consummate the transactions contemplated by this Agreement (and who shall be bound by a similar obligation of confidentiality), any information regarding the other party, the Business, this Agreement or the transactions contemplated by this Agreement, unless and until the Closing shall have occurred. Each party shall remain liable for any breaches of this Section 13.4 by its employees, attorneys and consultants.

13.5 Public Announcements. Buyer and Seller shall consult with each other before issuing any press release with respect to this Agreement and the transactions contemplated by this Agreement and shall not issue any such press release or make any such written public statement without the prior written consent of the other party, which shall not be unreasonably withheld, delayed or conditioned; provided, however, that either Buyer or Seller may, without the prior written consent of the other, issue such press release or make such written

public statement as that party may determine, in good faith after consultation with legal counsel, is required by law or by any securities exchange.

13.6 No Third Party Beneficiaries. This Agreement is solely for the benefit of Buyer and Seller, and no causes of action shall accrue upon, out of or by reason of this Agreement to or for the benefit of any third party.

13.7 Severability. In the event any term or provision of this Agreement is determined by appropriate judicial authority to be illegal or otherwise invalid, such provision shall be given its nearest legal meaning or be construed as deleted, as such authority determines, and the remainder of this Agreement shall be construed to be in full force and effect.

13.8 Attorneys' Fees. In the event of any litigation that arises between the parties with respect to this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and court costs at all trial and appellate levels.

13.9 Amendment. This Agreement may be amended, modified or rescinded only if executed in writing and in the same manner as the original.

13.10 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the laws of the State of Arizona, without giving effect to its choice of laws provisions.

13.11 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties' successors and permitted assigns.

13.12 Counterpart Signatures. This Agreement may be executed in one or more counterparts each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Signatures on this Agreement transmitted by electronic means shall be deemed to be original signatures for all purposes of this Agreement.

13.13 Transaction Expenses. Each of the parties shall pay the fees of its own attorneys, bankers, engineers, accountants, and other professional advisers or consultants in connection with the negotiation, preparation and execution of this Agreement and any documents associated with the Closing.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

[REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

**SELLER:**

**NORTH MOHAVE VALLEY CORPORATION**

By: Frank J. Jordan PE  
Title: President  
Date: 18 April 2013

By: \_\_\_\_\_  
Title: Secretary-Treasurer  
Date: \_\_\_\_\_

**BUYER:**

**EPCOR WATER ARIZONA INC.**

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

SELLER:

NORTH MOHAVE VALLEY CORPORATION

By: \_\_\_\_\_  
Title: President  
Date: \_\_\_\_\_

By: Jula Mc Cormick  
Title: Secretary-Treasurer  
Date: \_\_\_\_\_

BUYER:

EPCOR WATER ARIZONA INC.

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**SELLER:**

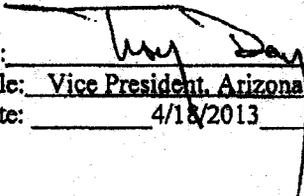
**NORTH MOHAVE VALLEY CORPORATION**

By: \_\_\_\_\_  
Title: President  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Title: Secretary-Treasurer  
Date: \_\_\_\_\_

**BUYER:**

**EPCOR WATER ARIZONA INC.**

By:  \_\_\_\_\_  
Title: Vice President, Arizona Operations  
Date: 4/18/2013

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OF  
SCHEDULES**

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- Schedule 2.2(b) - Easements
- Schedule 2.2(c) - Tangible Personal Property
- Schedule 2.2(d) - Permits
- Schedule 2.2(g) - Vehicles  
[Include any equipment with a certificate of title]
- Schedule 2.2(i) - Assumed Contracts  
[Among other things, include franchise agreements, software licenses (customer billing and SCADA, among others), line extension agreements and source water agreements.]
- Schedule 2.2(j) - Transferred Deposits  
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- Schedule 5.2 - Buyer Conflicts and Consents

**Schedule 2.2(a)**  
**Real Property Owned**

| Assessor Parcel Number | Legal Description  | NMVC I.D.   |
|------------------------|--|---|
| 347-07-364             | <b>Parcel F, Sun Ridge Estates Tract 4042-B, according to the plat thereof, recorded August 29, 1984, at Fee No. 84-32523, in the office of the County Recorder of Mohave County, Arizona.</b>                               | <b>Well No. 4 and 5<br/>Tank Site 1<br/>(1 - 300,000 tank and<br/>1 - 500,000 tank)</b>               |
| 347-08-176             | <b>Parcel C, Sun Ridge Estates, Tract 4042-D, according to the plat thereof, recorded November 4, 1988, at Fee No. 88-46520, in the office of the County Recorder of Mohave County, Arizona.</b>                             | <b>Well No. 1</b>   |
| 347-08-177A            | <b>Parcel F, Sun Ridge Estates Tract 4042-D, according to the Parcel Plat recorded April 4, 1997 at Fee No. 97-17213 in Book 12 of Parcel Plats, page 78 in the office of the County Recorder of Mohave County, Arizona.</b> | <b>Well No. 2</b>   |
| 347-13-007A            | <b>Parcel A, Block 1, Sun Ridge Estates, Tract 4042-H, according to the plat of record in the office of the County Recorder of Mohave County, Arizona, recorded February 7, 1996, at Fee No. 96-6911.</b>                    |   |
| 347-13-008             | <b>Parcel I, Sun Ridge Estates, Tract 4042-H, according to the plat of record in the office of the County Recorder of Mohave County, Arizona, recorded February 7, 1996, at Fee No. 96-6911.</b>                             | <b>Well No. 3 is in<br/>Parcel G, Parcels G,<br/>H &amp; I are included in<br/>this County Parcel</b> |
| 348-03-219B            | <b>Parcel O, First Revised Plat of Sun Ridge Estates, Tract 4042-A, according to the plat thereof, recorded December 20, 1995, at Fee No. 95-44045, in the office of the County Recorder of Mohave County, Arizona.</b>      | <b>Tank Site 2<br/>(2 - 300,000 tanks)</b>  |
| 348-04-377             | <b>Parcel D, Sun Ridge Estates, Tract 4042-C, according to the plat thereof, recorded October 14, 1986, at Fee No. 86-42187, in the office of the County Recorder of Mohave County, Arizona.</b>                             | <b>Tank Site 3<br/>(2 - 300,000 tanks)</b>  |

| Assessor Parcel Number | Legal Description  | NMVC ID.                             |
|------------------------|--|--------------------------------------|
| 348-16-142             | Parcel A, Desert Canyon at Sun Ridge, Tract 5156, according to the plat thereof, recorded May 22, 2006, at Fee No. 2006-052562 in the office of the County Recorder of Mohave County, Arizona.   |                                      |
| 349-04-046A            | Punto De Vista Tract 1060A, Unit 1 East 100 feet, lying North of E/w mid-sec. Line Lot 9, Block C, Section 27 T21N R21W.   | old tank site                        |
| 349-05-018A            | That portion of Lot 27, Block C, Punto De Vista, Unit Two, Tract 1060-B, according to the plat thereof recorded September 3, 1968 as Fee No. 48311 in the office of the Recorder, Mohave County, Arizona. BEGINNING at the Westerly Lot corner of said Lot 27, thence North 60° 29' 42" East along the Northwesterly boundary of said Lot 27, a distance of 360.00 feet to the North corner of said lot; Thence South 64° 11' 35" East along the Northeasterly boundary of said Lot 27, a distance of 240.00 feet to the East corner of said lot; Thence South 35° 23' 23" West along the Southeasterly boundary of said Lot 27, a distance of 120.00 feet; thence Easterly along a curve to the right, tangent to the previous bearing, with a radius of 100.00 feet, a central angle of 108° 30' 12", and an arc length of 189.37 feet; thence North 85° 00' 00" West, not tangent to the previous curve, a distance of 298.70 feet to the Point of Beginning. | Well Site No. 6 (not currently used) |
| 349-06-052             | Lot 1, Block I, Punto De Vista, Unit Three, Tract 1060-C, according to the plat thereof, recorded October 8, 1968 as Fee No. 49930 in the office of the Recorder, Mohave County, Arizona.  | Well No. 7                           |

| Assessor Parcel Number | Legal Description  | NMVC I.D.   |
|------------------------|--|-------------|
| 347-14-011             | <p>All that certain parcel of land in Section 31, Township 21 North, Range 21 West of the Gila and Salt River Base and Meridian, Mohave County, Arizona, more particularly described as follows:</p> <p>Commencing at the Northeast corner of said Section 31; Thence South 09 degrees 08 minutes 55 seconds West, 1404.80 feet to the Point of Beginning, said point being on a curve concave Southeasterly and having a radius of 247.49 feet, a radial line passing through said point bears North 48 degrees 05 minutes 45 seconds West; Thence Northeasterly along the arc of said curve through a central angle of 26 degrees 43 minutes 14 seconds an arc distance of 115.42 feet to a point of CUSP, said point being on a curve concave Northeasterly and having a radius of 247.49 feet, a radial line passing through said point bears South 15 degrees 10 minutes 57 seconds; Thence Northwestery along the arc of said curve through a central angle of 26 degrees, 43 minutes 14 seconds an arc distance of 115.42 feet to a point of CUSP; Thence South 03 degrees 05 minutes 47 seconds East, 120.00 feet to the Point of Beginning.</p> | Well No. 8  |
| 347-22-002B            | <p>Parcel A, as shown on Parcel Plat recorded September 25, 2001, in Book 17 of Parcel Plats, page 59, records of Mohave County, Arizona, being portions of Lot Two (2) Desert Shores, Unit 1, Tract 5007, according to the plat of record in the Office of the County Recorder of Mohave County, Arizona, recorded March 13, 2001, at Fee No. 2001-14321. EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of gaseous nature, coal, metals, minerals, fossils, fertilizer of every name and description, and except all uranium, thorium, or any other material which is or may be determined by the laws of the State of Arizona, the United States of America, or decisions of courts to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Section 37-231, Arizona Revised Statutes, and in patent of record.</p>   | Well No. 10 |

| Assessor Parcel Number | Legal Description   | NMVC I.D.  |
|------------------------|---|------------|
| 347-22-002E            | Parcel C, as shown on Parcel Plat recorded September 25, 2001, in Book 17 of Parcel Plats, page 59, records of Mohave County, Arizona, being portions of Lot Two (2) Desert Shores, Unit 1, Tract 5007, according to the plat of record in the Office of the County Recorder of Mohave County, Arizona, recorded March 13, 2001, at Fee No. 2001-14321. EXCEPT all oil, gas, other hydrocarbon substances, helium or other substances of gaseous nature, coal, metals, minerals, fossils, fertilizer of every name and description, and except all uranium, thorium, or any other material which is or may be determined by the laws of the State of Arizona, the United States of America, or decisions of courts to be peculiarly essential to the production of fissionable materials, whether or not of commercial value, as reserved in Section 37-231, Arizona Revised Statutes, and in patent of record. | Well No. 9 |

**Schedule 2.2(b)  
Easements**

| <b>Section/Township/Range or Legal</b>                                 | <b>Type of Easement</b>                               | <b>Recording Info<br/>Date<br/>Book &amp; Page<br/>Fee No.</b>   |
|--|---|--|
| Portion of Parcel 5, Section 29, Township 21 North Range 21 West GSRBM | Water Line granted by Zerga, Woodrum & Kazama to NMVC | March 9, 1994<br>B2268 P784<br>94-14301  |
| Sections 30 and 31, Township 21 North Range 21 West GSRBM              | Water Line granted by MC Airport Authority to NMVC    | September 29, 2003<br>B4698 B553<br>2003083023   |
| Sections 30 and 31, Township 21 North, Range 21 West, GSRBM            | Water Line granted by MC Airport Authority to NMVC    | September 29, 2003<br>B4698 P557<br>2003083024   |
| Sections 30 and 31, Township 21 North, Range 21 West GSRBM             | Water Line granted by MC Airport Authority to NMVC    | September 29, 2003<br>B4698 P561<br>2003083025   |
| Section 31, Township 21 North, Range 21 West, GSRBM                    | Water Line granted by MC Airport Authority to NMVC    | September 29, 2003<br>B4698 P567<br>2003083026   |
| The West 8 feet of Lot 96, Punto De Vista, Unit 2, Tract 1119          |   | May 14, 1987<br>B1319 P254<br>Assigned to NMVC by<br>missne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288 |

| Section/Township/Range or Legal                                    | Type of Easement | Recording Info<br>Date<br>Book & Page<br>Fee No.  |
|--|------------------|---|
| The westerly 8 feet of Lot 28, Punto De Vista, Unit 2, Tract 1060B |                  | May 14, 1987<br>B1319 P252<br>Assigned to NMVC by<br>mesne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288 |
| The east eight feet of Lot 27, Punto De Vista, Unit 2, Tract 1060B |                  | May 14, 1987<br>B1319 P253<br>Assigned to NMVC by<br>mesne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288 |
| The west 8 feet of Lot 7, Punto De Vista, Unit 3, Tract 1060C      |                  | May 14, 1987<br>B1319 P255<br>Assigned to NMVC by<br>mesne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288 |
| The west 8 feet of Lot 37, Punto De Vista, Unit 2, Tract 1060B     |                  | May 14, 1987<br>B 1319 P251<br>Assigned to NMVC<br>mesne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288   |

| Section/Township/Range or Legal  | Type of Easement  | Recording Info<br>Date<br>Book & Page<br>Fee No.  |
|--|---|---|
| The east 8 feet of Lot 38, Punto De Vista, Unit 2, Tract 1060B   |   | May 14, 1987<br>B1319 P257<br>Assigned to NMVC by<br>mesne instrument<br>February 23, 1995<br>B2530 P707<br>95-9288 |
| Portion of Parcel F, Sun Ridge Estates, Tract 4042B  | ingress/egress and<br>public utility<br>easement for road<br>and gate construction<br>granted by NMVC to<br>City of BHC | May 8, 2007<br>B6788 P227<br>Fee No. 200704231  |
| Kingman Drive East of North Fork at Laughlin Ranch Unit 1, Tract 5151, Laughlin View Drive Right-of-Way East of North Fork at Laughlin Ranch Unit 1, Tract 5151 and Landon Drive Right-of-Way East of North Fork at Laughlin Ranch, Unit 1, Tract 5151 | Public Utility<br>Easement granted by<br>Bullhead City<br>Copper Bluffs, LP to<br>City of Bullhead City<br>and NMVC     | November 2, 2011<br>2011055956  |
| Easement to be acquired across APN 347-15-018 (future Landon Drive) Section 32, Township 21 North, Range 21 West   | Public Utility<br>Easement to be<br>granted by Owner to<br>City of Bullhead City<br>and NMVC                            | Not yet obtained  |
| State Land Department State of Arizona Right of Way No. 14-116492  | Right of Way  | January 11, 2013  |
| State Land Department State of Arizona Right of Way No. 14-110152  | 50 year right of way<br>for underground 8"<br>and 12" potable<br>water line   | January 13, 2006  |

## Schedule 2.2(c) Tangible Personal Property

**WELLS**  
 WELL 01  
 WELL 02  
 WELL 03  
 WELL 04  
 WELL 05  
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 WELL 98  
 WELL 99  
 WELL 100

**TOTAL WELLS**

**PUMPS**  
 PUMP 01  
 ELECTRICAL BOOM, P1  
 PUMP 02  
 PUMP 03  
 PUMP 04  
 PUMP 05  
 PUMP 06  
 PUMP 07  
 PUMP 08  
 PUMP 09  
 PUMP 10  
 PUMP 11  
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 PUMP 98  
 PUMP 99  
 PUMP 100





1 TRAILER LINE METERS  
 14 80' X 20' METERS  
 41 80' X 20' METERS  
 8 - 1 1/2" METERS  
 3 - 2" METERS  
 3 - 3" METERS  
 1 HYDRANT METER  
 1 HYDRANT METER  
 1 - 2" METER  
 1 - 1" METER  
 3 - 1" METERS  
 10 - 80' X 20' METERS  
 3 - 2" METERS  
 14 80' X 20' METERS  
 80 - 20' METERS  
 2 - 7" METERS  
 1 - 2" METER  
 1 - 1" METER  
 1 - 1 1/2" METER  
 1 - 2" P.O. METER  
 103 - 80' X 20' METERS  
 2 HYDRANT METERS  
 3 - 2" METERS  
 3 - 2" METERS  
 147 80' X 20' METERS  
 1 - 2" METER  
 30 - 80' X 20' METERS  
 HYDRANT METER  
 20 - 80' X 20' METERS  
 1 - 1 1/2" METER  
 HYDRANT METER  
 1 - 1 1/2" METER  
 21 - 80' X 20' METERS  
 13 - 80' X 20' METERS  
 1 - 7" METER  
 80 - 80' X 20' METERS  
 HYDRANT METER  
 1 - 2" METERS  
 2 - 1 1/2" METERS  
 30 - 80' METERS  
 120 - 20' METERS  
 1 - 1" METER  
 8 - 1 1/2" METERS  
 6 - 2" METERS  
 7 HYDRANT METERS  
 DROPS BY METER SYSTEM  
 1 - 2" METER  
 2 - 2" METERS  
 30 - 80' METER TRANSFORMERS  
 43 - 1" METER TRANSFORMERS  
 20 - 4" METER TRANSFORMERS  
 40 - 2" METER TRANSFORMERS  
 100 - 2" METERS  
 1400 METER & VALVE  
 21 - 80' X 20' METERS  
 2 - 1" METERS  
 2 - 1 1/2" METERS  
 22 - 2" METERS  
 2 - 60' X 20' METERS  
 1 - 1" METER  
 1 - 2" METER  
 2 - 80' INTERNAL REACTORS  
 7 - 80' METERS  
 1 - 2" METER  
 4 - 2" METERS  
 4 - 2" METERS  
 1 - 1" METER  
 1 - 2" METER  
 1 - 2" METER  
 1 - 2" METERS

**TOTALS METERS**

**TRUCKS & EQUIPMENT**  
 1997 DODGE TRUCK  
 STALITY BED & POPS RACK  
 BACKHOE  
 1997 ELDOG RAMBER  
 2000 HISSAN TRUCK  
 2000 FORD SUPERDUTY  
 2000 FORD 6-CYCLE 35  
 2000 HISSAN TRUCK  
 BACKHOE/CLADER  
 BOMBAY MODEL 136  
 TCM/ASBESTOS TLT 800  
 2010 FORD EDGE

**TOTAL TRUCKS**

**TOOL & WORK EQ.**  
 SHIMMER PROBE  
 LEAK DETECTOR  
 METER READING COMPASS  
 WIRELESS & METER TESTER  
 TAPPING/SHOCK CLAMP  
 VERBAAPROBE BRACING WA  
 METAL DETECTOR TOOL  
 TOOL BOX COVER  
 100' PROBE/CLADER  
 HURCO SPIN DR. TRAILER  
 CONCRETE SAW  
 COMPACTOR

FLOW METER TESTING EQ.

TOTAL TOOLS & WORK EQ.

OFFICE EQUIPMENT

SOFTWARE  
EPOCH PRINTER  
COMPUTER SYSTEM  
PRINTER  
GRAPH DRAWER  
NETWORK SOFTWARE  
NETWORK COMPUTER SYST.  
EPOCH PRINTER  
MINI & COMPUTERS  
CONTROL ROOM COMPUTER  
STAN RECEIPT PRINTER

TOTAL OFFICE EQUIPMENT

LABORER IMPROVEMENTS

OFFICE REPAIRS

TOTAL LABORER IMPROVEMENTS

HYDRANTS

ALABAMA  
ARIZONA  
CALIFORNIA  
AIRPORT HYDRANTS  
AIRPORT HYDRANTS  
AIRPORT HYDRANT LAMP LITE  
AIRPORT HYDRANT LAMP LITE  
AIRPORT HYDRANT LAMP LITE  
AIRPORT HYDRANT LAMP LITE  
AIRPORT HYDRANT LAMP LITE

TOTAL HYDRANTS

COMPUTER SYSTEMS

TRASSER SYSTEM COMPUTER  
T.A. COMPUTER SYSTEMS  
AIRPORT COMPUTER SYST.  
AIRPORT CONTROL SYSTEM  
CONTROL SYS. EPOCH GRAPH  
CONTROL CABLE  
CONTROL CABLE  
CONTROL SYSTEM UPGRADE  
WEATHER STATION  
CONTROL SYSTEM UPGRADE  
RADIO SYSTEMS  
RADIO SYSTEMS  
R&R COMPUTER SYSTEM

TOTAL COMPUTER SYSTEMS

INSTRUMENT ADJUSTMENT

GRAND TOTALS

NORTH MOHAVE VALLEY CORP.  
 SCHEDULE OF INVENTORY AT 12/31/12  
 FN:2012INVENTORY

| ITEM   | PURCHASED FROM     | VALUE   |
|--|--------------------|---|
| 630 - 5/8 x 3/4" Meters<br>PRICED @ \$180 EACH + 7.6% TAX = \$107.80 | MASTER METER, INC. | [REDACTED] INVOICES ATTACHED TO 2009 INVENTORY SCHEDULE |
| 1 - 1" Meter   | MASTER METER, INC. | [REDACTED] SEE ATTACHED INVOICE                         |
| TOTAL INVENTORY 12/31/12   |                    | [REDACTED]  |

METERS IN PLACE AS OF 12/31/12

|            |      |
|------------|------|
| 5/8 X 3/4" | 1895 |
| 1"         | 45   |
| 1-1/2"     | 27   |
| 2"         | 52   |
| TOTAL      | 2019 |

NEW METERS INSTALLED INTO SYSTEM DURING 2012

5 - 5/8 X 3/4" METERS  
 2 - 2" METERS

METERS REMOVED FROM SYSTEM DURING 2012

1 - 1-1/2" METER WAS REMOVED AT CUSTOMER REQUEST IN OCT. 1012  
 STONERIDGE APT. METER NOT BEING USED

2012 INVENTORY NOTES

DOUG DID A PHYSICAL INVENTORY COUNT ON 12/28/12  
 HE SHOWS 81 CASES @ 8 PER CASE PLUS 2 SINGLES OF 3/4 X 5/8" METERS WHICH TOTALS 648  
 I AM UNABLE TO RECONCILE THE DISCREPANCY SO AM USING PREVIOUS YEAR INVENTORY LESS  
 NEW METERS INSTALLED DURING 2012.  
 HE DIDNT OPEN THE CASES, SO SOME MAY CONTAIN RECONDITIONED METERS.

INVENTORY PER BOOKS @ 12/31/12

|           | BOOK INVENTORY<br>12/31/2011 | PURCHASED DURING<br>2012 | INSTALLED DURING<br>2012 | ENDING INVENTORY<br>12/31/2012 |
|-----------|------------------------------|--------------------------|--------------------------|--------------------------------|
| 5/8"x3/4" | 535                          | 0                        | 5                        | 530                            |
| 1"        | 0                            | 2                        | 1                        | 1                              |
| 1-1/2"    | 0                            | 0                        | 0                        | 0                              |
| 2"        | 0                            | 1                        | 2                        | 0                              |

2 NEW 2" METERS WERE INSTALLED INTO THE SYSTEM DURING 2012. WE PURCHASED ONE AND THE OTHER WAS FOUND IN THE SHOP. THIS MAY ACCOUNT FOR THE ONE MISSING AT THE END OF 2010

2 - 1" METERS WERE PURCHASED DURING 2012. ONE WAS USED TO REPLACE A "DAMAGED BEYOND REPAIR" METER AND THE OTHER REMAINS IN INVENTORY.



Headquarters Address:  
**MASTER METER, INC.**  
 C/O Southwest Bank  
 P.O. Box 18549  
 Fort Worth, TX 76162  
 817-843-8000

Warehouse/Return Address:  
**MASTER METER, INC.**  
 101 REGENCY PKWY  
 MANSFIELD, TX 76063

Invoice Number: 02024384N  
 Invoice Date: 8/5/2012  
 Due Date: 7/5/2012

Order Number: 0151934  
 Order Date: 8/31/2012  
 Salesperson: 0856

Customer Number: 0045922

Please visit us on the web at [WWW.MASTERMETER.COM](http://WWW.MASTERMETER.COM)

**CUSTOMER**

Sold To:  
 North Mohave Valley Corp.  
 P.O. Box 22496  
 Bullhead City, AZ 86439

Ship To: NMV  
 North Mohave Valley Water  
 752 Pegasus Ranch  
 702 528 0373  
 Bullhead City, AZ 86429

Confirm To:  
 Scott

| Customer P.O.  | Ship Date | Ship VIA   | RMA NO.                                  | FBO Shipping Point   | Terms       |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|--|-----------|--|--|--|-------------|---|--------|-------|-----------|--------|-------|--|--|--|--|-----|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| 05232012DW   | 8/4/2012  | FEDEX  |  | prepay&charge  | Net 30 Days |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Ordered  | Shipped   | Back Ord   | Item Number                              | Item Description   | Price       | Amount  |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |           |  | 075701880138017;<br>2 2 0 BL00-1TD-AAA-2 | 1" BL USG 3GDS PL - SG<br><i>2-1" Meters</i>   |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Tracking Numbers: 075701880138017;<br>2 2 0 BL00-1TD-AAA-2<br>Special pricing quote  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <table border="1"> <thead> <tr> <th>Amount</th> <th>Job #</th> <th>Cost Code</th> <th>Unit #</th> <th>BL-CT</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> <td></td> <td>334</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table> |           |  |  |  |             |   | Amount | Job # | Cost Code | Unit # | BL-CT |  |  |  |  | 334 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Amount   | Job #     | Cost Code  | Unit #                                   | BL-CT  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |           |  |  | 334  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Vendor # _____ Co. # <i>24</i> Bookkeeper <i>SK</i> Approved By _____  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <p><i>1 - Meter replaced a "damaged beyond repair" meter<br/>           For Acct # 80630180.<br/>           The other is in inventory as of 6/13/12</i></p>  |           |  |  |  |             |   |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| <small>CLAIMS FOR SHORTAGE OR DEFECTIVE MATERIAL MUST BE MADE WITHIN 30 DAYS OF RECEIPT. FURTHER APPROVAL MUST BE OBTAINED BEFORE RETURNING ANY MATERIAL.</small>  |           | <small>RETURNED ITEMS SUBJECT TO A RESTOCKING CHARGE</small> |  | <small>PLEASE REMIT ALL PAYMENTS TO<br/>           PO BOX 18849<br/>           FT WORTH, TX 76162.</small> |             | <small>Net Invoice:<br/>           S &amp; H<br/>           Sales Tax<br/>           Invoice Total:</small> |        |       |           |        |       |  |  |  |  |     |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |



**Remittance Address:**  
**MASTER METER, INC.**  
 670 Southwest Bank  
 P.O. Box 18549  
 Fort Worth, TX 76162  
 817-842-8000

**Warehouse/Return Address:**  
**MASTER METER, INC.**  
 101 REGENCY PKWY  
 MANSFIELD, TX 76063

Please visit us on the web at [WWW.MASTERMETER.COM](http://WWW.MASTERMETER.COM)

Invoice Number: 0207018-IN  
 Invoice Date: 8/14/2012  
 Due Date: 10/14/2012

Order Number: 0155455  
 Order Date: 9/11/2012  
 Salesperson: 0858

Customer Number: 0046822

**CUSTOMER**

**Sold To:**  
 North Mohave Valley Corp.  
 P.O. Box 22485  
 Bullhead City, AZ 86439

**Ship To:** NMV  
 North Mohave Valley Water  
 752 Pegasus Ranch  
 # 928.763.8666  
 Bullhead City, AZ 86429

**Confirm To:**  
 EDMUND ZARZYCKI

| Customer P.O. | Ship Date | Ship VIA | RMA NO.     | FBO Shipping Point | Terms       |        |
|---------------|-----------|----------|-------------|--------------------|-------------|--------|
| 12008         | 8/13/2012 | FEDDEX   |             | PREPAY & ADD       | Net 30 Days |        |
| Ordered       | Shipped   | Back Ord | Item Number | Item Description   | Price       | Amount |

Tracking Numbers:  
 1 1  
 UC # 39

075701630181183;  
 0 M13-1MD-AAA-2 2" USG 3G DS WPL MJ

*For Inventory for Doug*

| Amount     | Job # | Cost Code | Unit # | GL-CT |
|------------|-------|-----------|--------|-------|
| [REDACTED] |       |           |        | 334   |
|            |       |           |        |       |
|            |       |           |        |       |
|            |       |           |        |       |

Vendor # Co. # 7 Bookkeeper [Signature] Approved By

*This meter was installed into system on  
 11/6/12 For Katherine's Haight  
 Acct # 90239000*

CLAIMS FOR INCREASES OR DEFECTIVE MATERIAL  
 MUST BE MADE WITHIN 30 DAYS OF RECEIPT. PRICE  
 APPROVAL MUST BE OBTAINED BEFORE RETURNING  
 ANY MATERIAL.

RETURNED ITEMS  
 SUBJECT TO A  
 RESTOCKING CHARGE

PLEASE REMIT ALL PAYMENTS TO  
 PO BOX 18549  
 FT WORTH, TX 76162

Net Invoice:  
 S & H:  
 Sales Tax  
 Invoice Total:

**Schedule 2.2(d)**  
**Permits**

1. Arizona Corporation Commission Decision No. 46690 (Certificate of Convenience and Necessity).
2. Arizona Corporation Commission Decision No. 54285 (Certificate of Convenience and Necessity).
3. Arizona Corporation Commission Decision No. 57989 (Certificate of Convenience and Necessity).
4. Arizona Corporation Commission Decision No. 57992 (Certificate of Convenience and Necessity).
5. Franchise Agreement granted by Bullhead City to North Mohave Valley Corp. by Ordinance No. 90-326 dated April 4, 1990.
6. Franchise Agreement granted by Mohave County to North Mohave Valley Corporation, Inc., Agreement No. 37 dated June 18, 1990.
7. Sub-Contract between City of Bullhead City and North Mohave Valley Corporation for use of Colorado River water dated July 18, 1995.
8. Sub-Contract between Mohave Water Conservation District and North Mohave Valley Water Co. for use of Colorado River Waters dated October 9, 2006.
9. Line Extension Agreement with Mohave County Airport Authority dated December 31, 2003, Home Depot.
10. Line Extension Agreement with Mohave County Airport Authority dated December 31, 2003, in Section 31 at the Laughlin/Bullhead International Airport.
11. Line Extension Agreement with Parkway Airpark II dated March 1, 2004, Bullhead Airpark Unit 4, Tract 5113.
12. Line Extension Agreement with XLC McCormick dated September 7, 2005, Sunridge, Tract 4042-J.
13. Line Extension Agreement with XLC McCormick dated September 7, 2005, The Vineyard at Sunridge, Unit II, Tract 5071.

14. Line Extension Agreement with XLC McCormick dated September 7, 2005, The Vineyard at Sunridge, Unit 3.
15. Line Extension Agreement with Mohave Land, LLC dated January 1, 2006, Talon Point Units 1 and 2 and Desert Shores Unit 2.
16. Line Extension Agreement with Mohave Land, LLC dated January 1, 2006, Talon Point Units 1 and 2 and Desert Shores Unit 2.
17. Line Extension Agreement with Mohave Land, LLC dated January 1, 2006, Desert Shores Unit 2, Avalon Estates.
18. Line Extension Agreement with NF-47, LLC dated October 31, 2012, North Fork at Laughlin Ranch, Tract 5151.
19. Line Extension Agreement with Mohave County Airport Authority dated February 12, 2013 Aircraft Rescue Fire Fighting (ARFF) Station at Laughlin Bullhead Airport.
20. Line Extension Agreement with McCormick Properties II dated February 21, 2013, Desert Canyon at Sun Ridge, Tract 5156.
21. Agreement to Provide Water Service under Master Meter to Katherine Heights Community
22. Miscellaneous Agreements to provide water service to North Mohave Valley Corp. customers, including obligations relative to meter and security deposits
23. Software license for SoftWater Version 2.16.11 from InteData Systems
24. Master software license for Master Link Data Collection System by Greentree Applied Systems, Inc.
25. Software License Agreement for WonderWare
26. Program written by Skip L. Landon customizing control strategies for WonderWare software for North Mohave Valley Corp.

**Schedule 2.2(g)  
Vehicles**

| <b>Make/Year</b> | <b>Model</b> | <b>Body Style</b> | <b>VIN</b>        |
|------------------|--------------|-------------------|-------------------|
| 2010 FORD        | GAL          | 4DSW              | 2FMDK4JC3ABA85245 |
| 2007 TRAIL       | T12U         | UT                | 5UCPU21237A000271 |
| 2005 FORD        |              | CB                | 1FDSX34P85EA39910 |
| 2002 NISS        | FKX          | 12PU              | 1N6DD26S22C328965 |

**Schedule 2.2(i)**  
**Assumed Contracts**

1. Franchise Agreement granted by Bullhead City to North Mohave Valley Corp. by Ordinance No. 90-326 dated April 4, 1990
2. Franchise Agreement granted by Mohave County to North Mohave Valley Corporation, Inc., Agreement No. 37 dated June 18, 1990
3. Sub-Contract between City of Bullhead City and North Mohave Valley Corporation for use of Colorado River water dated July 18, 1995
4. Sub-Contract between Mohave Water Conservation District and North Mohave Valley Water Co. for use of Colorado River Waters dated October 9, 2006
5. Line Extension Agreement with Mohave County Airport Authority dated December 31, 2003, Home Depot.
6. Line Extension Agreement with Mohave County Airport Authority dated December 31, 2003, in Section 31 at the Laughlin/Bullhead International Airport.
7. Line Extension Agreement with Parkway Airpark II dated March 1, 2004, Bullhead Airpark Unit 4, Tract 5113.
8. Line Extension Agreement with XLC McCormick dated September 7, 2005, Sunridge, Tract 4042-J.
9. Line Extension Agreement with XLC McCormick dated September 7, 2005, The Vineyard at Sunridge, Unit II, Tract 5071.
10. Line Extension Agreement with XLC McCormick dated September 7, 2005, The Vineyard at Sunridge, Unit 3.
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17. Agreement to Provide Water Service under Master Meter to Katherine Heights Community
18. Miscellaneous Agreements to provide water service to North Mohave Valley Corp. customers, including obligations relative to meter and security deposits
19. Software license for SoftWater Version 2.16.11 from InceData Systems
20. Master software license for Master Link Data Collection System by Greentree Applied Systems, Inc.
21. Software License Agreement for WonderWare
22. Program written by Skip L. Landon customizing control strategies for WonderWare software for North Mohave Valley Corp.

**SCHEDULE 2.2(j) REDACTED**

**Schedule 2.3(d)**  
**Itemized Excluded Assets**

NONE

**SCHEDULE 2.5 REDACTED**

**Schedule 3.1**  
**Seller's Regulatory Rate Base as of December 31, 2012**

|  | <b>December 31, 2012</b> |
|--|--------------------------|
| <b>PP&amp;E</b>                        | <b>9,551,285</b>         |
| <b>Depreciation</b>                    | <b>(3,998,075)</b>       |
| <b>Gross Utility Plant</b>             | <b>5,555,210</b>         |
| <b>CWIP</b>                            | <b>28,918</b>            |
| <b>Inventory</b>                       | <b>57,340</b>            |
| <b>Meter and Service line Advances</b> | <b>(41,509)</b>          |
| <b>AIAC</b>                            | <b>(1,991,028)</b>       |
| <b>CIAC</b>                            | <b>(2,521,089)</b>       |
| <b>Amort CIAC</b>                      | <b>1,049,176</b>         |
| <b>Rate Base</b>                       | <b>2,137,020</b>         |

**Schedule 3.4**  
**Itemized Permitted Encumbrances**

**NONE**

**Schedule 4.2**  
**Seller's Conflicts and Consent**

i. None

2(ii) Consent

- (a) Arizona Corporation Commission - Approval of Transaction
- (b) City of Bullhead City - Approval of Assignment of Franchise Agreement
- (c) Mohave County - Approval of Assignment of Franchise Agreement
- (d) City of Bullhead City - Approval of Assignment of Sub-Contract for the Delivery of Water
- (e) Mohave Water Conservation District- Approval of Assignment of Sub-Contract for the Delivery of Water
- (f) IntreData Systems - Approval of Assignment of software license, only if assignable
- (g) Greentree Applied Systems, Inc. - Approval of Assignment of software license, only if assignable
- (h) WonderWare - Approval of Assignment of software license, only if assignable
- (i) State of Arizona Land Department - Approval of Assignment of Right of Way Permit Nos. 14-116492 and 14-110152

**Schedule 4.3  
Litigation**

**NONE**

**Schedule 4.4**  
**Compliance with Law**

**NONE**

**Schedule 4.5  
Seller Encumbrances**

**NONE**

**Schedule 4.6**  
**Listing of Leased Items**

**NONE**

**SCHEDULE 4.9(i) REDACTED**

**SCHEDULE 4.9(ii) REDACTED**

**SCHEDULE 4.9(iii) REDACTED**

#### **4.9(iv) - Software Licenses**

1. **Software license for SoftWater Version 2.16.11 from InteData Systems**
2. **Master software license for Master Link Data Collection System by Greentree Applied Systems, Inc.**
3. **Software License Agreement for WonderWare**
4. **Program written by Skip L. Landon customizing control strategies for WonderWare software for North Mohave Valley Corp.**

**Schedule 4.10**  
**Environmental Matters**

**NONE**

**Schedule 5.2**  
**Buyer Conflicts and Consents**

Buyer is required to obtain the approval of the Arizona Corporation Commission to the consummation of the transactions contemplated in this Agreement.