

NEW APPLICATION
New River Utility Company



0000166675

ORIGINAL

c/o City of Peoria
Office of The City Attorney
P.O. Box 4038, Peoria, Arizona 85380-4038
T Civil/Risk 623-773-7330
F Civil/Risk 623-773-7043
cityattorney@peoriaaz.gov • peoriaaz.gov

November 5, 2015

Arizona Corporation Commission
DOCKETED

NOV 6 2015

VIA HAND-DELIVERY

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007

W-01737A-15-0380

DOCKETED BY	<i>MS</i>
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Re: Application for Approval of the Sale of Stock and Cancellation of Certificate of Necessity

Arizona Corporation Commission,

Attached is an application by New River Utility Company, an Arizona corporation and public service company ("New River") for the Approval of the Sale of assets to the City of Peoria, an Arizona municipal corporation ("City"), and Cancellation of the Certificate of Necessity for New River. The purpose of this application is to obtain approval from the Commission authorizing the sale of all its assets to the City and cancellation of New River's certificate. The City will acquire, by way of an Asset Purchase Agreement, all wells, pumps, equipment and existing lines and systems necessary in providing water service to the public in New River's existing service area.

New River will send its customers the required notice and make publication at least once in a newspaper of general circulation in New River's service area within fifteen (15) days after this application is submitted. Furthermore, New River has refunded, to its customers, any and all deposits.

Sincerely,

William Mattingly

President/CEO of New River Utility Company

AZ CORP COMMISSION
DOCKET CONTROL

2015 NOV - 6 P 12: 08

SMK/blg

cc:

RECEIVED

ARIZONA CORPORATION COMMISSION

**APPLICATION FOR APPROVAL OF THE SALE OF ASSETS AND/OR
FOR CANCELLATION OF THE CERTIFICATE OF CONVENIENCE
AND NECESSITY**

WATER AND/OR SEWER

A. The name, address and telephone number of the Applicant is:

New River Utility Company, an Arizona corporation and public service company

c/o Office of the City Attorney, P.O. Box 4038 Peoria, AZ 85380-4038

Phone: 623-773-7330

B. If doing business under a name other than the Applicant name, specify.

N/A

C. The Applicant is a:

Corporation:

"C", "S", Non-Profit

Arizona Foreign

Partnership

Limited General

Arizona Foreign

Sole Proprietorship

Limited Liability Company (LLC)

Other (Specify) _____

D. List the name, address and telephone number of the attorney for the applicant:

Stephen M. Kemp, Esq.

City Attorney for the City of Peoria

8401 W. Monroe Street, Peoria, AZ 85345

Phone: 623-773-7331

E. List the name, address and telephone number of the management contact:

William Mattingly

P.O. Box 4038

Peoria, AZ 85380-4038 Phone: 623-773-7330

F. The name, address and telephone number of Purchaser is:

City of Peoria, Arizona

c/o Office of the City Attorney

8401 W. Monroe Street, Peoria, AZ 85345

Phone: 623-773-7330

G. List the name and telephone number of the purchaser's representative.

Stephen M. Kemp, Esq., City Attorney - Phone: 623-773-7330

H. The Purchaser is a:

Municipality

Improvement District

Other

I. The purpose for the sale and/or cancellation is due to:

Negotiated Sale of Asset Condemnation Other Applicant, New River Utility

Company desires to sell all its assets to the City of Peoria, an Arizona municipal corporation

pursuant to the terms of the Asset Purchase Agreement submitted concurrently herewith.

J. Provide a copy of the following documents.

1. Sales or purchase agreement
2. Court order (if condemnation)
3. Corporate Resolution authorizing the liquidation of the assets, if required by the Articles of Incorporation

K. Have all customer security deposits been refunded? Yes ___ No X

If no, mark the block below that describes the proposed disposition of security deposits.

All security deposits will be refunded prior to or at time of closing.

All security deposits will be transferred to the Purchaser for refund pursuant to the terms and conditions.

Other (explain)

L. Are there any refunds due on Main Extension Agreements? Yes ___ No X

If Yes, mark the block below which describes the proposed disposition of the refunds.

Applicant will continue to refund after the transfer. (Explain method of refunding)

Purchaser will assume the refunding obligation in accordance with the terms of the main extension agreement.

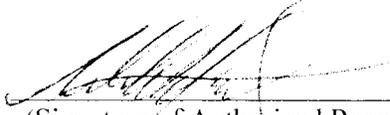
Applicant will make a full refund which will be made at closing.

Other (explain).

M. (WATER ONLY) Are there any refunds due on meter and service line installations?
Yes ___ No X If Yes, mark the block below which describes the proposed disposition of
refunds.

- Applicant will continue to refund after the transfer pursuant to Commission Rules.
- Purchaser will assume the refunding obligations in accordance with Commission Rules.
- Applicant will make a full refund at closing.
- Other (explain).

DATED the 5th day of November, 2015



(Signature of Authorized Representative of Applicant)

William Mattingly

(Type or Print Name Here)

Director and President of New River Utility Company

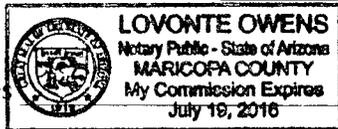
(Title)

SUBSCRIBED AND SWORN to before me on this 5th day of November, 2015



NOTARY PUBLIC

My Commission Expires



New River Utility Company

Exhibits

- A. Copy of Public Notice
- B. Asset Purchase Agreement
- C. Corporate Resolution Authorizing Sale of Assets

EXIBIT A

**PUBLIC NOTICE OF AN APPLICATION FOR THE SALE OF ASSETS AND THE
CANCELLATION OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY BY**

New River Utility Company

New River Utility Company has filed with the Arizona Corporation Commission ("Commission") an application for authority to sell its assets and cancel its Certificate of Convenience and Necessity to provide water service. New River Utility Company's system is in the process of being sold to the City of Peoria. If the application is granted, the City of Peoria would be the exclusive provider of water service to your area and will establish its own rates and charges.

If you have any claims against New River Utility Company, including claims for refunds of security deposits, service line and meter installations or main extension agreements and you have not already been contacted by the Company, you must present your claim to New River Utility Company on or before December 9, 2015. Direct your claim(s) to New River Utility Company, c/o City of Peoria City Attorney's Office, P.O. Box 4038, Peoria, AZ 85380-4038.

Approval of the application may be given without a hearing. If you have any questions or concerns about this application, have any objections to its approval or would like to request information on intervention in the proceeding, you may contact the Consumer Services Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 602-542-4251 or toll free 1-800-222-7000.

EXIBIT B

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement"), is entered into as of this 5th day of November, 2015 ("Effective Date"), by and between NEW RIVER UTILITY COMPANY, an Arizona corporation and public service company (hereinafter "Seller"), and THE CITY OF PEORIA, ARIZONA, an Arizona Municipal Corporation (hereinafter "Buyer").

RECITALS

A. Seller is a public service company engaged in the business of providing water service to the public within portions of the City of Peoria, Arizona, pursuant to authority granted by the Arizona Corporation Commission in Decision Nos. 33131 (May 24, 1961) and 33354 (August 15, 1961) (the "Business"); and

B. Seller is the legal and beneficial owner of certain assets defined in Section 1 herein, and as described in the respective Exhibits attached to this Agreement, and desires to sell the Assets upon the terms and conditions set forth in this Agreement.

C. Buyer is an Arizona municipal corporation authorized to provide water service pursuant to A.R.S. § 9-511 and desires to purchase the Seller's Assets which include the water system and associated real property upon the terms and conditions set forth herein.

D. Buyer is an Arizona Charter City and is authorized by Article XII, Section 2 of its adopted City Charter to own and operate any public utility and to purchase any existing utility properties used or useful to public service. Further that such City Charter was approved by the qualified electors of the City on March 15, 1983. On May 7, 2005 City submitted to the qualified electors of the City, Bond Question No. 1 which provided and authorized the City to acquire water rights, lands, and interests in lands and facilities by purchase and whereas the Mayor and Council adopted Resolution 05-72 on May 24, 2005 finding that a majority of the qualified electors of the City voting in the Special Election held on May 7, 2005 approved such authority to acquire in accordance with the provisions of Arizona Revised Statutes, Section 9-514.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Conveyance of Assets. Subject to the terms, conditions and limitations set forth in this Agreement, on the Closing Date, Seller shall sell, assign, transfer, convey, and deliver to Buyer, and Buyer shall purchase, acquire and accept from Seller the Assets described in this section, and as set forth in the respective Exhibits attached hereto, inclusive of all tanks, surface

water treatment equipment, pump stations, wells, water rights, water distribution systems, all real and personal property assets, inventory and equipment currently used to conduct the operation by NEW RIVER UTILITY COMPANY of its business, including without limitation, the following:

- 1.1 Deposits and Payments. The Assets include any funds held as of Closing for which a refund is not then due. All payments received by Seller after Closing shall be assigned to Buyer and shall belong to Buyer and be transmitted to Buyer in a timely manner.
- 1.2 Equipment, Inventory and Records. Seller shall provide on or before the Closing a Bill of Sale conveying all of Seller's right, title and interest in and to the Assets described in **Exhibit A**, including all Equipment, Inventory and Records, in the form attached hereto as **Exhibit B**. Buyer and Seller agree to execute and deliver such other instruments of conveyance and transfer as may be reasonably requested or necessary to convey and transfer to, and vest the Assets in Buyer.
- 1.3 Contract Rights. Buyer shall assume all Contract Rights associated with conduct of the Business. The Contract Rights shall be assigned by Seller and assumed by Buyer, and the Licenses, Certificates, Warranties and Guarantees that are transferable shall be assigned by Seller to Buyer, at Closing by the execution and delivery by Seller and Buyer of the Assignment and Assumption of Contract Rights. The Assignment and Assumption of Contract Rights shall be substantially in the form of **Exhibit C** hereto.
- 1.4 Real Property. The Real Property described in **Exhibit D** shall be conveyed at Closing by the execution and delivery by Seller of the Special Warranty Deed, in the form attached hereto as **Exhibit E**. The easements described in **Exhibit F** shall be conveyed by the Seller by an Assignment of Easements which shall be substantially in the form of **Exhibit G** hereto. The Seller's water rights associated with the respective Real Property shall be conveyed by the Seller by way of an Assignment of Water Rights which shall be substantially in the form attached hereto as **Exhibit H**. Seller shall deliver the Real Property at Closing to Buyer subject only to Permitted Encumbrances.
- 1.5 Limitations. The purchase of the Assets, as set forth herein, shall not constitute a purchase of Seller as a corporate entity by Buyer nor render Buyer a successor-in-interest to Seller as to Seller's corporate identity and status. This Agreement is limited to the purchase and sale of the Assets only and Buyer is not assuming any liabilities of Seller with respect to the Assets or the Business that may be incurred by the Buyer at any time subsequent to their transfer hereunder unless otherwise specifically set forth herein.
- 1.6 Sale Free of Liens. The Assets sold, conveyed, transferred, assigned and delivered by Seller to Buyer, as herein provided, are and shall be as of the Closing, free and clear of all Liens, other than Permitted Liens. Such acquired Assets shall be conveyed by appropriate deeds, bills of sale, endorsements, security interests, leases, pledges, assignments and other instruments of transfer and conveyance described herein.

1.7 Assumption of Liabilities. Subject to the terms and conditions set forth in this Agreement, Buyer shall assume and agree to pay, perform and discharge when due any and all liabilities and obligations of the Seller arising out of or relating to the System or the acquired Assets on or after the Closing. -

2. Purchase Price. Buyer agrees to pay Seller as the Purchase Price for Seller's interests in the Assets the sum of Ten Dollars (\$10.00) and other good and valuable consideration (the "Purchase Price"), payable in lawful money of the United States of America.

3. Regulatory and Master Water System Approvals and Conditions to Closing.

Buyer's and Seller's obligations to proceed with Closing under this Agreement are contingent upon: (i) Seller obtaining such approval of the ACC as may be necessary to complete the sale of the Assets to Buyer and cancellation of Seller's Certificate of Convenience and Necessity (the "Regulatory Approvals"); (ii) Seller's execution and delivery of the Transfer Instruments; (iii) Seller's and Buyer's payment of amounts required to be paid under this Agreement on or before Closing; and (iv) the parties' representations and warranties contained in this Agreement being true and correct in all material respects as of Closing. Buyer shall cooperate in all reasonable respects with Seller's effort to obtain the Regulatory Approvals. If (i) the Regulatory Approvals have not been obtained by December 31, 2015, the parties may agree to extend the date of Closing according to the provisions of **Section 5.3** of this Agreement, or, alternatively, this Agreement shall terminate.

4. Representations and Warranties

4.1 Seller's Representations and Warranties. Seller hereby represents and warrants to Buyer as follows:

4.1.1 Title. Seller is the owner of, and has good and marketable title to, the personal and Real Property that is a part of the Assets to be conveyed hereunder.

4.1.2 Disclosed Agreements. Except for this Agreement, Seller has entered into no agreement currently in effect to sell the Assets.

4.1.3 Sole Owner. After Closing, Buyer will be the sole owner of the water system. No other person or legal entity has any ownership interest in the water system.

4.1.4 Arizona Corporation Commission. To Seller's knowledge, New River Utility Company is in good standing with the ACC and has filed all reports and other filings required by state statutes or ACC regulations. Seller has not been notified by the ACC of any pending or contemplated investigation or other administrative action against or concerning New River Utility Company. Seller agrees to cooperate with the Buyer and with the ACC in obtaining the Regulatory Approvals.

- 4.1.5 Taxes. To Seller's knowledge, all income tax, property tax and other tax obligations of New River Utility Company are current. Seller has not been notified by any taxing authority of any pending or contemplated investigations or other administrative action against or concerning New River Utility Company.
- 4.1.6 Liabilities. To the best of Seller's knowledge, there are no liens, judgments, pending or threatened lawsuits, claims, administrative proceedings or other actions against, or that concern or affect Seller or the Assets that would adversely affect this transaction or the title that Buyer will receive, other than those that have been disclosed in writing to Buyer.
- 4.1.7 Liens. There are no liens, encumbrances, judgments, security interests, monetary obligations or other matters affecting New River Utility Company, the Assets or its operations that have not been disclosed to Buyer and will be outstanding at the time of Closing, if any, except Permitted Encumbrances and current real estate taxes which are not yet due and payable.
- 4.1.8 Proceedings. To the best of Seller's knowledge, there are no actions or proceedings by any person or governmental entity or any other facts or circumstances, including any causes of action, lawsuits or claims, whether existing or threatened, which might materially and adversely affect the Assets.
- 4.1.9 No Breach. To the best of Seller's knowledge, neither the execution and delivery of this Agreement nor the consummation of the transaction contemplated by this Agreement will result (either immediately or after the passage of time and/or the giving of notice) in any breach or default by Seller under any agreement or understanding to which Seller is a party or by which Seller may be bound or which would have an effect upon Seller's ability to fully perform its obligations under this Agreement.
- 4.1.10 No Bankruptcy. Seller has not (i) made a general assignment for the benefit of creditors, (ii) filed any voluntary petition or suffered the filing of any involuntary petition by Seller's creditors, (iii) suffered the appointment of a receiver to take all, or substantially all, of Seller's assets, (iv) suffered the attachment or other judicial seizure of all, or substantially all, of Seller's assets, or (v) admitted in writing its inability to pay its debts as they fall due, and no such action is threatened or contemplated.
- 4.1.11 Regulations. To the best of Seller's knowledge, there are currently no violations of any applicable zoning regulation or ordinance or other law, order, ordinance, rule, regulation or requirement, or of any covenant, condition or restriction affecting or relating to the use or

occupancy of the Real Property from any governmental agency having jurisdiction over the Assets or from any other person entitled to enforce the same.

- 4.1.12 Permits. To the best of Seller's knowledge, Seller has all permits, licenses, authorization and approvals required by law or any governmental agency to conduct the Business.
- 4.1.13 Condemnation. To the best of Seller's knowledge, there are no pending or threatened condemnations or eminent domain proceedings to which would affect the Business or Assets.
- 4.1.14 Organization. Seller has been duly formed and presently exists as an Arizona public service corporation, and subject to receipt of the Regulatory Approvals, has the full right and authority to enter into this Agreement, to consummate the sale of the Assets contemplated herein and to observe and perform all of its covenants and obligations hereunder. The persons executing this Agreement and any other document required here by have full authority to act on behalf of and to bind the Seller in and to the obligations imposed on it by this Agreement.
- 4.1.15 Commissions. Seller has made no agreements respecting commissions or brokerage fees in connection herewith. Seller shall indemnify Buyer for any claims of commission through Seller. This indemnification provision shall survive Closing.
- 4.1.16 Environmental Regulations. To the best of Seller's knowledge, the Assets to be conveyed hereunder are in compliance with all current applicable environmental, health and safety laws and regulations.
- 4.1.17 Hazardous Materials. Seller has not dumped, buried or released or otherwise disposed of any hazardous materials or environmental pollutants on the Real Property. Seller knows of no dumping, burial, release or other disposal of hazardous materials or other environmental pollutants on the Real Property. Seller is not aware of any environmental problems that may affect the well sites, quality of water or service or delivery of water to Seller's customers.
- 4.1.18 ACC Filings. To the best of Seller's knowledge, there are no material inaccuracies in the information contained in the latest Annual Report filed by Seller with the Utilities Division of the ACC.
- 4.1.19 Sufficiency and Adequacy. To the best of Seller's knowledge, the Real Property to be conveyed pursuant hereto is adequate and sufficient to permit Buyer to operate the Business in its usual and customary manner, and all Improvements located within the Real Property are to be conveyed to Buyer pursuant hereto.

- 4.1.20 Preservation of Assets. Seller agrees to maintain the Assets in their current condition, ordinary wear excepted, to the date of Closing.
- 4.1.21 Joint Representation. Seller is an Arizona Corporation with professional staff and management. Seller has requested that the Office of the City Attorney of the City of Peoria, Arizona represent it in proceedings before the Arizona Corporation Commission, while also representing Buyer in such proceedings. Seller acknowledges that it has the right to separate legal representation and that in the event of a conflict of interest in a litigation matter that the Office of the City Attorney will not be able to represent Seller. Seller by execution of this Agreement is giving its consent to the joint representation by the Office of the City Attorney in accordance with the Arizona Rules of Professional Conduct, Rule 1.7.
- 4.1.22 Accuracy of Representations and Warranties. None of the foregoing representations and warranties of Seller contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive Closing for a period of one (1) year and thereafter shall lapse, except for any breach of such warranties and representations with respect to which Buyer has commenced an action against Seller prior to the expiration of such one (1) year period.

4.2 Buyer's Representations and Warranties. Buyer hereby represents and warrants to Seller as follows:

- 4.2.1 Authority. Buyer has been duly formed and presently exists as a Municipal Corporation under the laws of the state of Arizona, and the entering into of this Agreement and the performance of Buyer's obligations hereunder have been duly authorized by all proper and necessary official actions, and do not violate any applicable governmental statute, rule, regulation, ordinance, contract or other restriction. All actions required by law for this Agreement to be a valid and binding obligation of Buyer have been taken or will have been taken as of Closing. The person executing this Agreement and any other documents required hereby has full authority to act on behalf of and to bind Buyer in and to the obligations imposed on it by this Agreement.
- 4.2.2 Continuing Service of Customers. Buyer agrees to provide a continuous adequate and reliable municipal water supply to all individuals and entities served by New River Utility Company, subject to all applicable laws, rules and regulations as well as the payment of all applicable fees by such individuals and entities. Any excess water capacity not needed to satisfy the foregoing service commitment may be used anywhere in Buyer's municipal water system for any lawful

purpose.

- 4.2.3 Inspection. Buyer has inspected the facility and has determined that all of the Assets are installed in a manner that will allow them to function properly and the installation is compliant with all applicable local, state and federal laws, rules and regulations.
- 4.2.4 Commissions. Buyer has made no agreements respecting commissions or brokerage fees in connection herewith. Buyer shall indemnify Seller for any claims of commission through Buyer. This indemnification provision shall survive Closing.
- 4.2.5 Joint Representation. Buyer is an Arizona Municipal Corporation with professional staff and management. Buyer has requested that the Office of the City Attorney of the City of Peoria, Arizona represent it in proceedings before the Arizona Corporation Commission, while also representing Seller in such proceedings. Buyer acknowledges that it has the right to separate legal representation and that in the event of a conflict of interest in a litigation matter that the Office of the City Attorney will not be able to represent Buyer. Buyer by execution of this Agreement is giving its consent to the joint representation by the Office of the City Attorney in accordance with the Arizona Rules of Professional Conduct, Rule 1.7.
- 4.2.6 Accuracy of Representations and Warranties. None of the representations and warranties of Buyer contain any untrue statements of a material fact, or omit or misstate a material fact necessary in order to make the statements contained herein not misleading.

The foregoing representations and warranties shall survive Closing for a period of one (1) year and thereafter shall lapse, except with respect to any breach of such warranties and representations for which Seller has commenced an action against Buyer prior to the expiration of such one (1) year period.

- 5. Closing. The Closing of this sale shall take place when all of the Conditions Precedent to Closing have been fully satisfied as set forth in Section 3 herein.

- 5.1 Closing Date. The Closing shall take place at the City of Peoria City Attorney's Office, at 8401 W. Monroe Street, Peoria, AZ 85345, on _____, 2015 (the "Closing Date").

- 5.2 Closing Documents.

- 5.2.1 Deliveries by Seller. At the Closing, Seller shall have delivered to the Buyer the following agreements, documents and other items:

- a. The Warranty Deeds conveying to the Buyer all of Seller's rights, title and interest in and to the Real Property;
- b. The Bill of Sale transferring all of the acquired Assets comprising of

personal property;

- c. A duly executed counterpart to an Assignment and Assumption Agreement and Consent for each contract, and obligations and benefits thereof, that the Seller is assigning and the Buyer is assuming;
- d. The Assignment of Water Rights and well registrations.
- e. The Assignment of Easements for the easement interests owned by the Seller;
- f. Copies or originals of all Files and Records, materials, documents and records in possession of Seller relating to the Real Property or Assigned Contracts;
- g. Any other documents or instruments required by this Agreement, including Regulatory Approvals.

5.2.2 Deliveries by Buyer. At Closing, Buyer shall deliver to Seller the following:

- a. A duly executed counterpart to an Assignment and Assumption Agreement and Consent for each contract, and obligations and benefits thereof, that the Seller is assigning and the Buyer is assuming;
- b. All related agreements, duly executed by Buyer;
- c. Any other instruments necessary to or reasonably required by Seller to effectuate the transaction contemplated herein.

5.3 Notwithstanding the foregoing, Seller and Buyer may agree to mutually extend the Closing date until such later time by executing a written instrument setting a new date for Closing.

5.4 Other.

5.4.1 Seller shall transfer its water utility operations to Buyer as of Closing; Buyer shall make its own utility deposit arrangements as to new customers acquired after Closing.

5.5 As set forth in Section 1.4 above, Seller shall assign all well registrations and all water rights claims subject to the Arizona Department of Water Resources which are associated with the Assets, if any. Assignment of water rights shall be facilitated by way of an Assignment of Water Rights. Seller agrees to cooperate in good faith, after Closing, in the execution of any additional documents necessary to accomplish the aforesaid assignment of such registrations and claims.

5.6 Seller shall provide to Buyer a full and complete list of Seller's customers with addresses and any other documentation needed to enable Buyer to continue to

operate the water system and provide ongoing adequate and reliable water service to Seller's customers.

5.7 This transaction shall be approved in writing by the ACC pursuant to A.R.S. 40-285(A) as previously set forth in Section 3 herein.

6. **Miscellaneous Provisions.**

6.1 **Indemnification.**

6.1.1 **By Buyer.** Buyer hereby agrees to indemnify Seller against, and to hold Seller harmless from and against any and all actions, suits, proceedings, demands, assessments, judgments, claims, damages, costs and expenses, including without limitation legal fees, court costs and disbursements, incurred by Seller relating to (i) the Assets or Business and arising from acts, occurrences or matters that occur from and after Closing, and (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any obligation under this Agreement on the part of Buyer.

6.1.2 **By Seller.** Seller hereby agrees to indemnify Buyer against, and to hold Buyer harmless from and against any and all actions, suits, proceedings, demands, assessments, judgments, claims, damages, costs and expenses, including without limitation legal fees, court costs and disbursements, incurred by Buyer relating to (i) the Assets or Business and arising from acts, occurrences, matters or the use and operation of the Assets occur place prior to Closing, or (ii) any material misrepresentation, breach of warranty or covenant, or nonfulfillment of any obligation under this Agreement on the part of the Seller.

6.2 **Default.** In the event that either Party hereto fails to perform their respective obligations set forth in this Amendment as and when required herein, the nondefaulting Party shall have all rights and remedies available at law or in equity to enforce the defaulting Party's obligations hereunder

6.3 **Customer Deposits.** Seller has collected no deposits from customers for the provision of Domestic Water Delivery. Buyer has collected and shall retain any deposits collected for wastewater, drainage and solid waste collection

6.4 **Notices.** Any and all notices, approvals, consents or other communications required or permitted by this Amendment shall be given by electronic mail or in the alternative by personal delivery and addressed to the Parties at the following addresses:

If to the City: City of Peoria
 City Manager's Office
 8401 West Monroe Street
 Peoria, Arizona 85345

With a copy to: City of Peoria
City Attorney's Office
8401 West Monroe Street
Peoria, Arizona 85345

If to Seller New River Utility Company
c/o Michael D. Weber, General Manager
P.O. Box 4038
Peoria, AZ 85380-4038

- 6.5 **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their respective successors, heirs and personal representatives. Neither Buyer nor Seller shall assign this Agreement without the express prior written consent of the other party.
- 6.6 **Entire Agreement.** This Agreement and the Related Agreements represent the entire agreement among the Parties with respect to the subject matter hereof, thereof and supersede all prior or contemporaneous written or oral agreements or understandings of any kind among the Parties hereto and thereto with respect to the subject matter hereof and thereof. All Exhibits and Schedules hereto are expressly made a part of this Agreement as fully as though completely set forth herein.
- 6.7 **State Law.** The validity, construction, and effect of this Agreement shall be governed by the laws of the state of Arizona without regard to conflict of law principles.
- 6.8 **Severability.** If any one or more of the provisions of this Agreement shall be held invalid or unenforceable, the validity and enforceability of all other provisions of this Agreement shall not be affected.
- 6.9 **Conflict of Interest.** Pursuant to A.R.S. Section 38-511, Buyer may cancel this Agreement within three (3) years after its execution, without penalty or further obligations, if any person significantly involved in initiating, negotiating, securing, drafting or creating the Agreement on behalf of Buyer is, at any time while the Agreement or any extension of the Agreement is in effect, an employee or agent of Seller in any capacity or a consultant to Seller with respect to the subject matter of the Agreement.
- 6.10 **Headings.** The descriptive headings of the several sections of this Agreement are inserted for convenience only and do not constitute a part of this Agreement.
- 6.11 **Modification.** This Agreement may not be changed orally, but only by an agreement in writing, signed by the parties.
- 6.12 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which shall together

constitute the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties have entered this Agreement effective as of the date first set forth above.

SELLER:

NEW RIVER UTILITY COMPANY, an
Arizona Corporation

By: [Signature]

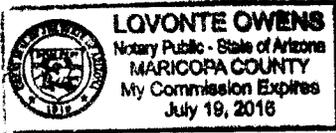
Name: William Mattingly

Its: Director and President

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 2nd day of November 2015, by William Mattingly, the Director and President of New River Utility Company, an Arizona corporation and public service company.

(Seal and Expiration Date)



[Signature]
Notary Public

BUYER:

The City of Peoria

By: *Carl Swenson*
Name: Carl Swenson, City Manager

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 22 day of October, 2015, by Carl Swenson, the City Manager for the City of Peoria, Arizona, an Arizona municipal corporation, on behalf of the City.

(Seal and Expiration Date)



Karen L. Halstead
Notary Public

ATTEST:

By: *Rhonda Geriminsky*
Name: Rhonda Geriminsky, City Clerk



APPROVED AS TO FORM:

By: *Stephen M. Kemp*
Name: Stephen M. Kemp, City Attorney

LIST OF EXHIBITS

- Exhibit A: List of Assets (Personal Property)
- Exhibit B: Bill of Sale
- Exhibit C: Assignment and Assumption of Contract Rights
- Exhibit D: Legal Descriptions of Nine (9) Parcels of Real Property
- Exhibit E: Special Warranty Deed
- Exhibit F: List of Easements
 - Exhibit F-1: Well No. 2 Jomax Easement
 - Exhibit F-2: Well No. 2 Cody Farms Easement
 - Exhibit F-3: Well No. 4 Cody Farms Easement
 - Exhibit F-4: Well No. 5 BLM Easement
- Exhibit G: Assignment of Easement
- Exhibit H: Assignment of Water Rights

EXHIBIT A

SCHEDULE 2.6
Tangible Personal Property and Equipment

Computers

Dell Studio XPS 8100 Computer number 6R8KJM1
Dell HDM Monitor
HP Laser Jet Pro 400, Model M-401 dne
HP Pavilion Tower computer
HP Pavilion 23XI Monitor

Meter Reading Equipment

Nomad hand held and Trimble laser light
Docking station
Belt clip with Neptune R900 Belt Clip Receiver
Neptune Advantage 11, handheld wand for meter reading
Neptune Technology Sharp E-Coder for R900 Belt Clip Receiver

Tools and Supplies

Three barrels of food grade drip oil
Three drip oilers
Inventory of new meters
One fire hydrant presume gauge
One hose pressure gauge and hose bib
Two street valve keys
Two water meter keys
One hand crank for 55 gallon drip oil pump
Four fire hydrant meters
Three fire hydrant valve wrenches
One meter fitting wrench
One meter open jaw wrench

Water Deliver Equipment

200 horsepower water pump associated with well 55-805437
150 horsepower water pump associated with well 55-616944
300 horsepower water pump associated with well 55-616945
150 horsepower water pump associated with well 55-616946
300 horsepower water pump associated with well 55-616948
Two 100 horsepower booster pump
Six 25 horsepower booster pumps
447 fire hydrants
Three 1,000,000 gallon storage tanks
Two 1,000 gallon pressure tanks

Three chlorine gas water treatment stations
Four arsenic treatment filters
All the water mains shown in the 2014 Annual Report of New River Utility Company
All of the customer water meters shown in the 2014 Annual Report of New River Utility Company
1,400 feet of cinder block wall
240 feet of chain link fence

Golf Carts

1999 EZGO
1991 Club Car

Other

Digital check scanner TS240
Panasonic dot matrix printer
Super scripts laser printer
OKI Microline 420 9 pin printer
Brother laser printer
NEC Superscript 1260 printer
Charrette five drawer filing cabinet with blueprints for New River Utility franchise
Twenty pieces Sensus, Upper Housing Touch Pad Disc
New River Utility Company operating manual
Wire and adapters for office equipment
Two drawer file cabinets
Back-up disk with billing history
Meter repair tool box with cable cutter and crimpers
20 meter locks
Well log books and pump information manuals

EXHIBIT B

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS:

That New River Utility Company, as seller (the "Seller"), for good and valuable consideration received by the Seller from the City of Peoria, Arizona (the "City"), receipt of which is hereby acknowledged, does by these presents, and to the extent not otherwise prohibited by applicable law with regard to any part thereof, sells, transfers and assigns to the City the property described in Exhibit A attached hereto and as described in the Stock Purchase Agreement dated October 21, 2015, by and between the Seller and the City.

Seller warrants that it is the owner of the above-described property, warrants good and marketable title to it, and warrants that the property is unencumbered as of the date of this contract.

EXECUTED this _____ day of _____, 2015.

NEW RIVER UTILITY COMPANY, an
Arizona corporation and public service
company

By: _____
Name: Bill Mattingly
Title: President

SCHEDULE 2.6
Tangible Personal Property and Equipment

Computers

Dell Studio XPS 8100 Computer number 6R8KJM1
Dell HDM Monitor
HP Laser Jet Pro 400, Model M-401dne
HP Pavilion Tower computer
HP Pavilion 23XI Monitor

Meter Reading Equipment

Nomad hand held and Trimble laser light
Docking station
Belt clip with Neptune R900 Belt Clip Receiver
Neptune Advantage 11, handheld wand for meter reading
Neptune Technology Sharp E-Coder for R900 Belt Clip Receiver

Tools and Supplies

Three barrels of food grade drip oil
Three drip oilers
Inventory of new meters
One fire hydrant presume gauge
One hose pressure gauge and hose bib
Two street valve keys
Two water meter keys
One hand crank for 55 gallon drip oil pump
Four fire hydrant meters
Three fire hydrant valve wrenches
One meter fitting wrench
One meter open jaw wrench

Water Deliver Equipment

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150 horsepower water pump associated with well 55-616944
300 horsepower water pump associated with well 55-616945
150 horsepower water pump associated with well 55-616946
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Two 100 horsepower booster pump
Six 25 horsepower booster pumps
447 fire hydrants
Three 1,000,000 gallon storage tanks
Two 1,000 gallon pressure tanks

Three chlorine gas water treatment stations
Four arsenic treatment filters
All the water mains shown in the 2014 Annual Report of New River Utility Company
All of the customer water meters shown in the 2014 Annual Report of New River Utility Company
1,400 feet of cinder block wall
240 feet of chain link fence

Golf Carts

1999 EZGO
1991 Club Car

Other

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Panasonic dot matrix printer
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Charrette five drawer filing cabinet with blueprints for New River Utility franchise
Twenty pieces Sensus, Upper Housing Touch Pad Disc
New River Utility Company operating manual
Wire and adapters for office equipment
Two drawer file cabinets
Back-up disk with billing history
Meter repair tool box with cable cutter and crimpers
20 meter locks
Well log books and pump information manuals

EXHIBIT C

ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT

THIS ASSIGNMENT AND ASSUMPTION AGREEMENT AND CONSENT (the "Assignment") is dated as of November __, 2015 (the "Effective Date"), by and between New River Utility Company, an Arizona corporation ("Assignor") and City of Peoria, Arizona, an Arizona municipal corporation ("Assignee").

RECITALS

A. Assignor and the City of Glendale, Arizona are parties to that certain Agreement, dated March 13, 1990, (the "Agreement"), as evidenced in *Exhibit "A"* attached hereto.

B. Pursuant to the terms of that certain Stock Purchase Agreement, dated on or near the Effective Date (the "Stock Purchase Agreement"), by and between Assignor and Assignee, Assignor has agreed to sell to Assignee and Assignee has agreed to purchase all the Assignor's stock interest in New River Utility Company.

C. Pursuant to the terms of that certain Asset Purchase Agreement, dated on or near the Effective Date (the "Asset Purchase Agreement"), by and between Assignor and Assignee, Assignor has agreed to sell to Assignee and Assignee has agreed to purchase all the Assignor's water utility system assets.

D. In accordance with Article III, subsection F of the Agreement, Assignor now desires to assign to Assignee, and Assignee desires to acquire and assume from Assignor, all of Assignor's right, title and interest in and to, and duties and obligations under, the Agreement on the terms and conditions set forth herein and the City desires to consent to such assignment and assumption.

NOW THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agreed as follows:

1. Assignment. Assignor hereby grants, conveys and assigns unto Assignee all of Assignor's right, title, and interest in and to, and duties and obligations under, the Agreement. Assignor shall indemnify, defend and hold Assignee harmless for, from and against any and all actions, suits, proceedings and claims, and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees), arising out of or relating to the Agreement, and which occurred or are alleged to have occurred prior to the Effective Date.
2. Assumption. Assignee hereby assumes all of Assignor's right, title, and interest in and to, and duties and obligations set forth in the Agreement and agrees to perform and observe all of Assignor's covenants, responsibilities, and conditions contained in the Agreement. Assignee further covenants and agrees to indemnify, defend and hold Assignor harmless for, from and against any and all actions, suits, proceedings and claims, and all costs and expenses incurred in connection therewith (including, without limitation, reasonable attorneys' fees), arising out of or relating to the Agreement, and which occur or are alleged to have occurred after the Effective Date.
3. Representations, Warranties and Covenants of Assignor. Assignor represents and warrants that: (a) the contract rights being transferred and assigned hereunder are free and clear of all liens, encumbrances, and third-party interests or claims; and (b) subject to satisfaction of the conditions contained in Article III, subsection F of the Agreement,

Assignor has all lawful right and authority to undertake the actions contemplated by this Assignment. If Assignor or its affiliates receives from the City of Glendale or its affiliates any treated CAP water or other benefits under the Agreement to which the Assignee is entitled as a result of the assignment contemplated hereby, Assignor shall promptly (and in all events within 5 business days of Assignor's receipt thereof) transfer and/or convey such to Assignee or its designee.

4. Consent. In accordance with the terms of Article III, subsection F of the Agreement, City of Glendale, Arizona hereby consents to the assignment by Assignor of its rights and obligations under the Agreement and the assumption by Assignee of such rights and obligations and hereby releases Assignor from all further liability or obligation under the Agreement. Hereafter, all rights and obligations of Assignor under the Agreement shall be the responsibility of, and for the benefit of the Assignee for so long as this Assignment is not in breach.

5. Binding Effect. This Assignment shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns.

6. Choice of Law. This Assignment shall be governed by and construed in accordance with the laws of the State of Arizona.

7. Counterparts. This Assignment may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

8. Final Approval. This Assignment is expressly subject to and shall not be or become effective or binding on any party until it is approved and fully executed by all signatories hereto, including all signatories of Assignee and Assignor.

9. Notices. All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed given if personally delivered or mailed, certified mail, return receipt requested; to the follow addresses:

If to the Assignee:

City of Peoria, Arizona
City Manager
8401 W. Monroe St.
Peoria, AZ 85345

With a copy to:

City of Peoria, Arizona
City Attorney's Office
8401 W. Monroe St.
Peoria, AZ 85345

If to the Assignor:

New River Utility Company

c/o City of Peoria
P.O. Box 4038
Peoria, Arizona 85380-4038
Attn: Bill Mattingly

Notice shall be deemed given and effective the day personally delivered with delivery verification, the day after being sent by overnight courier, subject to signature verification, and three business days after the deposit in the U.S. mail of a writing addressed as above and sent first class mail, certified, return receipt requested, or when actually received, if earlier. Any party may change the address for notice by notifying the other parties of such change in accordance with this Section.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

[Remainder of page intentionally left blank]

ASSIGNOR:

NEW RIVER UTILITY COMPANY,
an Arizona Corporation

By: _____
Name: Bill Mattingly
Its: President

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ___ day of
November 2015, by Bill Mattingly, the President of New River Utility Company, an
Arizona corporation and public service company.

(Seal and Expiration Date)

Notary Public

ASSIGNEE:

The City of Peoria

By: _____
Name: Carl Swenson, City Manager

Approved as to form:

By: _____
Name: Stephen M. Kemp, City
Attorney

Attestation:

By: _____
Name: Rhonda Geriminsky, City
Clerk

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____
2015, by Carl Swenson, the City Manager for the City of Peoria, Arizona, an Arizona
municipal corporation, on behalf of the City.

(Seal and Expiration Date)

Notary Public

CONSENTING TO ASSIGNMENT:

The City of Glendale, Arizona

By: _____
Name: _____, City Manager

Approved as to form:

By: _____
Name: _____, City Attorney

Attestation:

By: _____
Name: _____, City Clerk

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ___ day of _____
2015, by _____, the City Manager for the City of Glendale, Arizona, an Arizona
municipal corporation, on behalf of the City of Glendale.

(Seal and Expiration Date)

Notary Public

EXHIBIT A
AGREEMENT

EXHIBIT D

LEGAL DESCRIPTION

WELL SITE No. 1

That portion of the Northwest quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Base & Meridian, Maricopa County, Arizona, described as follows:

Commencing at a point on the North line of said Section from which the North Quarter corner thereof bears North 89 degrees 34 minute 06 seconds East 318.02 feet; thence South 00 degrees 07 minutes 51 seconds West along the northerly projection of the East line of Tract "P", FLETCHER HEIGHTS PHASE 1A, according to Book 447 of Maps, page 31, Maricopa County Recorder's Office, a distance of 40.00 feet to the POINT OF BEGINNING; thence North 89 degrees 34 minutes 06 seconds East 49.77 feet; thence South 00 degrees 35 minutes 30 seconds West along the most easterly face of an existing block fence wall, 58.98 feet to the southeasterly corner of said wall; thence South 88 degrees 39 minutes West along the southerly edge of an existing chain link fence, 49.31 feet to a point on said East line of Tract "P", thence North 00 degrees 07 minutes 51 seconds East along said East line and its northerly projection thereof, 59.76 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION

WELL SITE No. 2

That part of the Southeast quarter of the Southeast quarter of the Northeast quarter of the Southeast quarter of Section 14, Township 4 North, Range 1 East, Gila and Salt River Base & Meridian, Maricopa County, Arizona, described as follows:

BEGINNING at a point on the East line of said Southeast quarter from which a brass cap marking the centerline of Montoya Drive according to the plat of HILLCREST RANCH PARCEL "E", Book 361 of Maps, page 5 records of Maricopa County, bears South a distance of 68.03 feet; thence West 150.93 feet; thence North 66.58 feet; thence East 150.93 feet to a point on said East line; thence South along said East line, 66.58 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION

WELL SITE No. 3, RESERVOIRS 2 & 3, AND ARSENIC TREATMENT FACILITY

That portion of the Northwest quarter of the Northwest quarter of the Northwest quarter of the Southeast quarter of Section 22, Township 4 North, Range 1 East of the Gila and Salt River Base & Meridian, Maricopa County, Arizona (hereinafter referred to as the "Parcel"), described as follows:

BEGINNING at a point on the North line of said parcel from which the Northeast corner thereof bears East 92.91 feet; thence South 329.17 feet to a point on the South line of said Parcel from which the Southeast corner of said Parcel bears North 89 degrees 58 minutes 10 seconds East 96.87 feet; thence South 89 degrees 58 minutes 10 seconds West along said South line, 231.50 feet to the Southwest corner of said Parcel; thence North 00 degrees 39 minutes 49 seconds West along the West line of said Parcel, 329.31 feet to the Northwest corner of said Parcel and the Center of Section 22; thence East along the North line of said Parcel, 235.31 feet to the POINT OF BEGINNING.

LEGAL DESCRIPTION
WELL SITE No. 4 & RESERVOIR No. 1

That portion of the Southeast quarter of the Southeast quarter of the Northeast quarter of the Northwest quarter of Section 23, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona (hereinafter referred to as the Property) lying North of the following described line:

Beginning at a point on the West line of the Property from which the Northwest corner thereof bears North 00 degrees 06 minutes 17 seconds East 163.92 feet and from which the Southwest corner thereof bears South 00 degrees 06 minutes 17 seconds West 165.54 Feet; thence North 89 degrees 51 minutes 34 seconds East along the Westerly projection of the centerline of an existing chain link fence and along said centerline, 332.32 feet to a point on the East line of the Property from which the Northeast corner thereof bears North 00 degrees 07 minutes 51 seconds East 164.96 Feet and from which the Southeast corner thereof bears South 00 degrees 07 minutes 51 seconds West 164.72 feet and to the POINT OF ENDING of the above described line.

LEGAL DESCRIPTION

WELL SITE No. 5 (TRACT II), TRACT P, and TRACT HH

The following described real property situated in Maricopa County, Arizona:
Tract P, Tract HH, and Tract II of Fletcher Heights Phase 1A, according to Book 447 of Maps,
Page 31, records of Maricopa County, Arizona.

LEGAL DESCRIPTION

WELL SITE No. 5 TRACT II, TRACT P, and (TRACT HH)

The following described real property situated in Maricopa County, Arizona:

Tract P, Tract HH, and Tract II of Fletcher Heights Phase 1A, according to Book 447 of Maps, Page 31, records of Maricopa County, Arizona.

LEGAL DESCRIPTION

WELL SITE No. 5 TRACT II, (TRACT P), and TRACT HH

The following described real property situated in Maricopa County, Arizona:
Tract P, Tract HH, and Tract II of Fletcher Heights Phase 1A, according to Book 447 of Maps,
Page 31, records of Maricopa County, Arizona.

EXHIBIT A

(Well Site No. 6)

A tract of land being a part of the Southeast quarter of Section 22, Township 4, North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona being more particularly described as follows:

COMMENCING at the center said Section 22, thence South 00 degrees 07 minutes 32 seconds West along the West line of the Southeast Quarter of said Section 22, a distance of 1,388.12 feet to a point which bears North 00 degrees 07 minutes 32 seconds East, a distance of 1,246.34 feet from the South quarter corner of said Section 22;

thence, at a right angle, South 89 degrees 52 minutes 28 seconds East, a distance of 40.00 feet to a point on the Easterly right-of-way of 87th Avenue, said point being the TRUE POINT OF BEGINNING;

thence continue South 89 degrees 52 minutes 28 seconds East, a distance of 28.63 feet;

thence, North 32 degrees 21 minutes 23 seconds East a distance of 40.08 feet;

thence, North 00 degrees 07 minutes 32 seconds East, a distance of 21.22 feet;

thence, North 33 degrees 20 minutes 37 seconds West, a distance of 17.83 feet;

thence, North 89 degrees 52 minutes 28 seconds West, perpendicular to the

West line of the Southeast quarter of said Section 22; a distance 40.16 feet to the Easterly right-of-way of 87th Avenue;

thence, at a right angle South 00 degrees 07 minutes 32 seconds West along said Easterly right-of-way, and parallel to the West line of the Southeast quarter of said Section 22, a distance of 70.00 feet to the TRUE POINT OF BEGINNING.

Encompassing 0.070 acres, more or less,

and

Tracts J and K, Fletcher Heights – Phase 3A, according to Book 587 of Maps, Page 35, records of Maricopa County, Arizona.

EXHIBIT "A"

A parcel of land located in the Northeast quarter of Section 22, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, more particularly described as follows:

Commencing at the Northeast corner of said Section 22;

thence South $00^{\circ} 23' 46''$ East along the East line of said Section 22, a distance of 1306.01 feet to the TRUE POINT OF BEGINNING;

thence South $89^{\circ} 36' 14''$ West, a distance of 90.00 feet;

thence South $00^{\circ} 23' 46''$ East, a distance of 30.00 feet;

thence North $89^{\circ} 36' 14''$ West, a distance of 90.00 feet to a point on the East line of said Section 22;

thence North $00^{\circ} 23' 46''$ West along said East line, a distance of 30.00 feet back to the TRUE POINT OF BEGINNING.

EXHIBIT E

When Recorded Return to:

City of Peoria, Arizona
Office of the City Clerk
8401 West Monroe Street
Peoria, Arizona 85345

SPECIAL WARRANTY DEED
(Well Site No. _____)

For valuable consideration, the receipt of which is hereby acknowledged, NEW RIVER UTILITY COMPANY, an Arizona corporation and public service company ("COMPANY") engaged in the business of providing water service to the public within portions of the City of Peoria, Arizona, pursuant to authority granted by the Arizona Corporation Commission in Decision Nos. 33131 (May 24, 1961) and 33354 (August 15, 1961) (GRANTOR), does hereby grant, bargain, sell and convey unto the CITY OF PEORIA, an Arizona municipal corporation ("GRANTEE"), all right, title, and interest in and to the following described real property and premises situated in Maricopa County, Arizona:

See Exhibit "A" attached hereto and incorporated herein (the "Property").

together with all and singular tenements, improvements, hereditaments, and appurtenances thereon and thereunto belonging or in any wise appertaining.

TO HAVE AND TO HOLD said described premises unto the said GRANTEE, their successors and assigns forever, free and clear and discharged of and from all grants, charges, assessments, taxes, judgments, mortgages, and other liens and encumbrances of whatsoever nature and kind, and that at the time of execution and delivery of this deed GRANTOR is the rightful owner of the Property conveyed, in fee simple, and has good right, full power and lawful authority to convey the Property.

IN WITNESS WHEREOF, GRANTOR has caused this deed to be executed, and delivered this ____ day of _____, 2015.

EXEMPT FROM AFFIDAVIT AND FEES PURSUANT TO A.R.S. § 11-1134, A.3.

NEW RIVER UTILITY COMPANY, an
Arizona corporation

By _____
Name: Bill Mattingly
Title: President

STATE OF ARIZONA)
) ss
County of Maricopa)

Acknowledgment. On this _____ day of _____, 2015, before me, a notary public, personally appeared: Bill Mattingly known to me or satisfactorily proven to be the person whose name is subscribed to this instrument and acknowledged that he executed the same. If this person's name is subscribed in a representative capacity, it is for the principal named and in the capacity indicated.

Notary Public

EXHIBIT F
EASEMENTS

EXHIBIT F-1

Well No. 2

Jomax Easement

Well No 2

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20150472391 06/30/2015 04:18
ELECTRONIC RECORDING

5020355-12-1-1--
Hoyp

WHEN RECORDED, RETURN TO:

Jack N. Rudel, Esq.
c/o Jennings Strouss & Salmon, P.L.C.
One E. Washington Street, Ste. 1900
Phoenix, AZ 85004-2554

DRAINAGE PIPELINE EASEMENT

JOMAX HOLDINGS LLC, an Arizona limited liability company ("Grantor"), is the owner of the real property located in Maricopa County and described on Exhibit A attached hereto and by this reference incorporated herein ("Grantor's Property").

Grantor, for an in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to NEW RIVER UTILITY COMPANY, INC., an Arizona corporation ("Grantee"), and to its successors and assigns, a permanent, non-exclusive easement, twenty (20) feet in width, over, under and across that portion of Grantor's Property described in Exhibit B attached hereto and by this reference incorporated herein ("Easement Area"), but only to the extent that such Easement Area is within the Grantor's Property, for the benefit of certain real property legally described on Exhibit C attached hereto (the "Grantee Property") for the purpose of permitting Grantee or its designee to therein construct, install, maintain, repair, replace, use and operate a drainage pipeline or pipelines and related facilities ("Easement Facilities").

In so far as Grantee does not unreasonably interfere with Grantor's operations at Grantor's Property, Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Area for the purposes herein specified.

Grantor reserves the right to use the Easement Area for purposes that are not inconsistent with Grantee's easement rights herein conveyed, including, without limitation, using the Easement Area, including driveway and parking purposes and constructing improvements within the Easement Area such as paving, sidewalks, landscaping and curbing.

Grantee shall save and hold Grantor harmless from any and all liability for personal injury or property damage resulting from, or in any way connected with, any use or activity undertaken or permitted by the Grantee, or any of its agents, employees, contractors or assigns.

Upon completion of its installation the Easement Facilities, and any subsequent construction or maintenance activity conducted therein by the Grantee, the Grantee shall immediately repair, and restore all disturbed surface areas of Grantor's Property in a manner consistent with conditions existing prior to the disturbance, all to the reasonable satisfaction of the Grantor.

20150472391

The covenants and agreements herein set forth and the easement herein granted shall be appurtenant to, and run with Grantor's Property as covenants with the land as the burdened estate, and shall extend and inure to the benefit of Grantee, its successors and assigns and shall be appurtenant to, and run with Grantee's Property as covenants running with the land as the benefitted estate.

(Signatures appear on the following pages.)

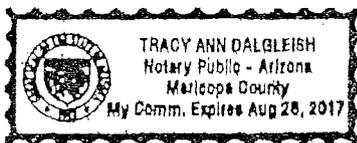
Grantor and Grantee have executed this instrument as of the Effective Date.

GRANTOR

JOMAX HOLDINGS LLC,
an Arizona limited liability company

By: C. William Nichols
C. William Nichols, Manager

State of Arizona)
) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 28th day of June, 2015, by C. William Nichols, the Manager of Jomax Holdings LLC, an Arizona limited liability company, for and on behalf of the Grantor.

Tracy A Dalgleish
Notary Public

My Commission Expires:

Aug. 28, 2017

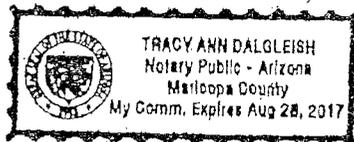
Grantor and Grantee have executed this instrument as of the Effective Date.

GRANTEE

NEW RIVER UTILITY COMPANY,
an Arizona corporation

By: [Signature]
Robert L. Fletcher, President

State of Arizona)
) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 28th day of June, 2015, by Robert L. Fletcher, President of New River Utility Company, an Arizona corporation, for and on behalf of the company.

[Signature]
Notary Public

My Commission Expires:

Aug. 28, 2017

20150472391

Exhibit A

Description of Grantor's Property

(See attached.)

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20140109067

EXHIBIT "A"

A tract of land being part of the Southeast quarter of Section 14, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, being more particularly described as follows:

Beginning at the Southeast corner of said Section 14, thence South 89 degrees 38 minutes 53 seconds West along the South line of the Southeast quarter of said Section 14, a distance of 406.23 feet;

Thence North 21 degrees 40 minutes 24 seconds West, a distance of 95.93 feet;

Thence North 24 degrees 38 minutes 12 seconds West, a distance of 176.43 feet;

Thence North 13 degrees 36 minutes 06 seconds West, a distance of 81.47 feet;

Thence North 01 degrees 07 minutes 09 seconds West, a distance of 139.58 feet;

Thence North 04 degrees 02 minutes 03 seconds East, a distance of 155.25 feet;

Thence North 05 degrees 31 minutes 04 seconds East, a distance of 482.17 feet;

Thence North 10 degrees 40 minutes 08 seconds East, a distance of 181.80 feet;

Thence North 13 degrees 56 minutes 23 seconds East, a distance of 155.70 feet;

Thence North 17 degrees 52 minutes 03 seconds East, a distance of 236.47 feet;

Thence North 22 degrees 54 minutes 01 seconds East, a distance of 248.74 feet;

Thence North 24 degrees 13 minutes 49 seconds East, a distance of 229.87 feet;

Thence North 20 degrees 39 minutes 22 seconds East, a distance of 221.43 feet;

Thence North 18 degrees 07 minutes 18 seconds East, a distance of 191.85 feet to a point on the East line of the Southeast quarter of said Section 14, which bears South 00 degrees 09 minutes 55 seconds East, a distance of 166.91 feet from the East quarter corner of said Section 14;

Thence South 00 degrees 09 minutes 55 seconds East along said East line, a distance of 2,483.70 feet to the Point of Beginning;

EXCEPT the Southeast quarter of the Southeast quarter of the Northeast quarter of the Southeast quarter of Section 14, Township 4 North, Range 1 East, of the Gila and Salt River Base and Meridian, Maricopa County, Arizona.

AND EXCEPT commencing at the southeast corner of said Section 14;

Thence south 89 degrees 38 minutes 53 seconds west along the south line of Section 14, a distance of 94.82 feet;

20150472391

20140109067

Thence north 00 degrees 21 minutes 07 seconds west, a distance of 55 feet, to a point on a line that is 55 feet north of and parallel with the south line of said Section 14, said point also being the POINT OF BEGINNING;

Thence north 89 degrees 38 minutes 53 seconds west, along said parallel line, a distance of 275.63 feet;

Thence north 24 degrees 16 minutes 13 seconds west, a distance of 178.52 feet;

Thence north 39 degrees 09 minutes 38 seconds west, a distance of 81.92 feet;

Thence north 00 degrees 21 minutes 07 seconds west, a distance of 12.81 feet;

Thence north 89 degrees 38 minutes 53 seconds east, a distance of 440.20 feet to a point on a line that is 55 feet west of and parallel with the east line of said Section 14;

Thence south 00 degrees 09 minutes 08 seconds east along said parallel line, a distance of 199.81 feet;

Thence south 44 degrees 44 minutes 34 seconds west, a distance of 56.70 feet to the point of beginning.

20150472391

Exhibit B

Description of Easement Area

(See attached.)

20150472391

DESCRIPTION OF PROPOSED DRAINAGE PIPE EASEMENT

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

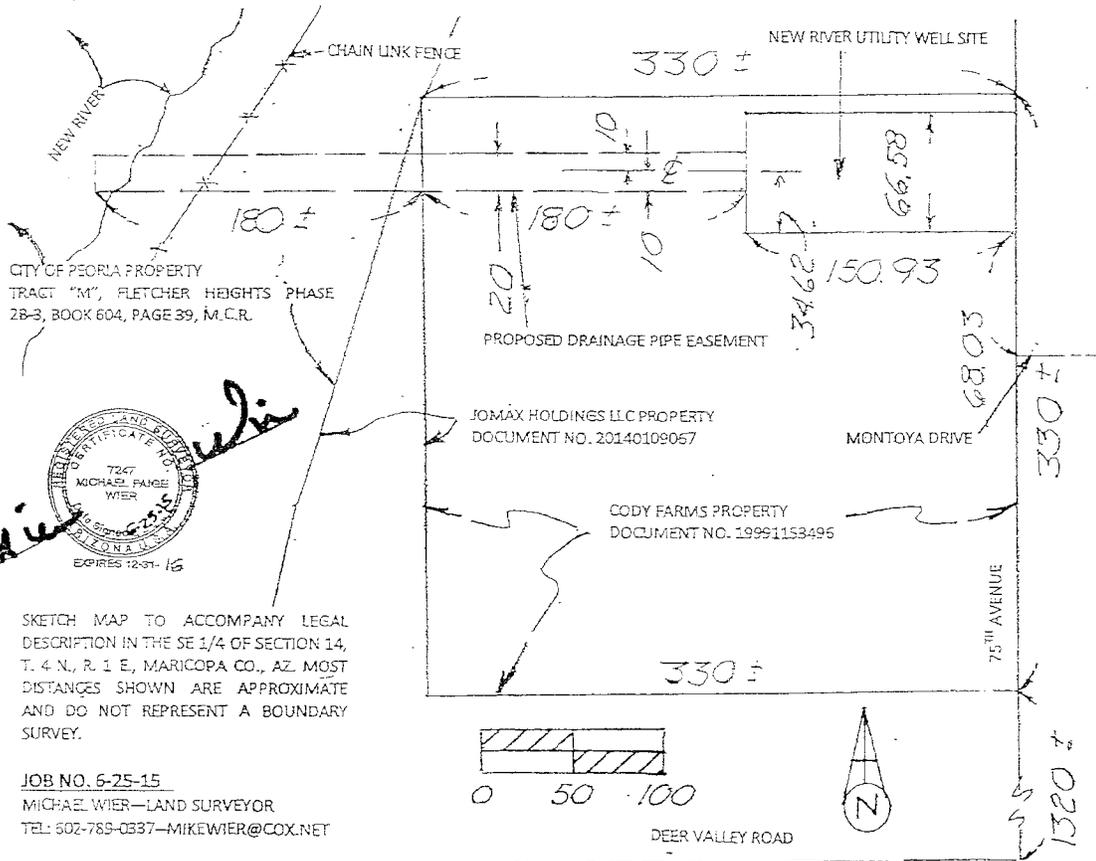
COMMENCING AT A POINT ON THE EAST LINE OF SAID SOUTHEAST QUARTER FROM WHICH A BRASS CAP MARKING THE CENTERLINE OF MONTOYA DRIVE ACCORDING TO THE PLAT OF HILLCREST RANCH PARCEL "E", BOOK 361 OF MAPS, PAGE 5, BEARS SOUTH (ASSUMED BEARING) A DISTANCE OF 68.03 FEET; THENCE WEST 150.93 FEET; THENCE NORTH 34.62 FEET TO THE POINT OF BEGINNING OF THE CENTERLINE OF THE HEREIN DESCRIBED 20 FOOT WIDE PIPELINE EASEMENT; THENCE WEST 360 FEET TO THE POINT OF ENDING.



JOB NO. 6-25-15

MICHAEL WIER—LAND SURVEYOR
TEL: 602-789-0387—MIKEWIER@COX.NET

20150472391



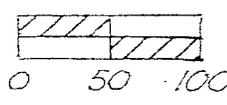
CITY OF PEORIA PROPERTY
 TRACT "M", FLETCHER HEIGHTS PHASE
 2B-3, BOOK 604, PAGE 39, M.C.R.

Michael Wier



SKETCH MAP TO ACCOMPANY LEGAL
 DESCRIPTION IN THE SE 1/4 OF SECTION 14,
 T. 4 N., R. 1 E., MARICOPA CO., AZ. MOST
 DISTANCES SHOWN ARE APPROXIMATE
 AND DO NOT REPRESENT A BOUNDARY
 SURVEY.

JOB NO. 5-25-15
 MICHAEL WIER—LAND SURVEYOR
 TEL: 502-769-0337—MIKEWIER@COX.NET



DEER VALLEY ROAD

20150472391

Exhibit C

Description of Grantee's Property

(See attached.)

84 557715

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1: SE-1/4 SE-1/4 NE-1/4 SE-1/4, Section 14, Township, 4 North, Range, 1 East, Gld & Salt River Meridian (the "Parcel"), including, without limiting the generality of the conveyance, the following:

- (i) That certain well situated within the Parcel, which is more particularly described in file no. A(4-1) 14 dad in the records of the Arizona Department of Water Resources and which has been assigned Registration No. 55-616942 by said Department (the "Well");
- (ii) The pump, casing and other personal property and fixtures used in connection with the operation ^{of} the Well; and
- (iii) Subject to the reservation to the Grantor set forth in the Warranty Deed to which this Exhibit "A" is attached, all present and future rights to withdraw and use groundwater from the Well, and all water rights appurtenant to or associated with the Parcel.

EXHIBIT F-2

Well No. 2

Cody Farms

Easement

Well No. 2

OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
20150466180 06/29/2015 04:41
ELECTRONIC RECORDING

5019956-11-1-1--
Esquivela

WHEN RECORDED, RETURN TO:

Jack N. Rudel, Esq.
c/o Jennings Strouss & Salmon, P.L.C.
One E. Washington Street, Ste. 1900
Phoenix, AZ 85004-2554

DRAINAGE PIPELINE EASEMENT

CODY FARMS, INC., a Texas corporation ("Grantor"), is the owner of the real property located in Maricopa County and described on Exhibit A attached hereto and by this reference incorporated herein ("Grantor's Property").

Grantor, for an in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to NEW RIVER UTILITY COMPANY, INC., an Arizona corporation ("Grantee"), and to its successors and assigns, a permanent, non-exclusive easement, twenty (20) feet in width, over, under and across that portion of Grantor's Property described in Exhibit B attached hereto and by this reference incorporated herein ("Easement Area"), but only to the extent that such Easement Area is within the Grantor's Property, for the benefit of certain real property legally described on Exhibit C attached hereto (the "Grantee Property") for the purpose of permitting Grantee or its designee to therein construct, install, maintain, repair, replace, use and operate a drainage pipeline or pipelines and related facilities ("Easement Facilities").

In so far as Grantee does not unreasonably interfere with Grantor's operations at Grantor's Property, Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Area for the purposes herein specified.

Grantor reserves the right to use the Easement Area for purposes that are not inconsistent with Grantee's easement rights herein conveyed, including, without limitation, using the Easement Area, including driveway and parking purposes and constructing improvements within the Easement Area such as paving, sidewalks, landscaping and curbing.

Grantee shall save and hold Grantor harmless from any and all liability for personal injury or property damage resulting from, or in any way connected with, any use or activity undertaken or permitted by the Grantee, or any of its agents, employees, contractors or assigns.

Upon completion of its installation the Easement Facilities, and any subsequent construction or maintenance activity conducted therein by the Grantee, the Grantee shall immediately repair, and restore all disturbed surface areas of Grantor's Property in a manner consistent with conditions existing prior to the disturbance, all to the reasonable satisfaction of the Grantor.

20150466180

The covenants and agreements herein set forth and the easement herein granted shall be appurtenant to, and run with Grantor's Property as covenants with the land as the burdened estate, and shall extend and inure to the benefit of Grantee, its successors and assigns and shall be appurtenant to, and run with Grantee's Property as covenants running with the land as the benefitted estate.

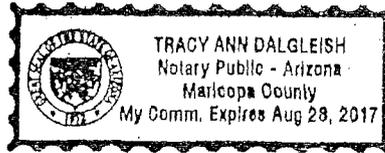
(Signatures appear on the following pages.)

Grantor and Grantee have executed this instrument as of the Effective Date.

GRANTOR

CODY FARMS, INC., a Texas corporation

By: *Robert L. Fletcher*
Robert L. Fletcher, President



State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this 21st day of June, 2015, by Robert L. Fletcher, the President of Cody Farms, Inc., a Texas corporation, for and on behalf of the corporation.

Tracy Ann Dalglish
Notary Public

My Commission Expires:

August 28, 2017

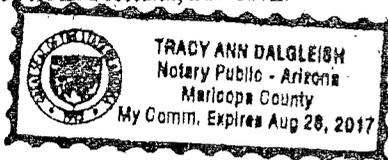
Grantor and Grantee have executed this instrument as of the Effective Date.

GRANTEE

NEW RIVER UTILITY COMPANY,
an Arizona corporation

By: *Robert L. Fletcher*
Robert L. Fletcher, President

State of Arizona)
) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 28th day of June, 2015, by Robert L. Fletcher, President of New River Utility Company, an Arizona corporation, for and on behalf of the company.

Tracy Ann Dalgleish
Notary Public

My Commission Expires:

Aug. 28, 2017

20150466180

Exhibit A

Description of Grantor's Property

(See attached.)

20150466180

19991153496

19991153496

DESCRIPTIONS

EXHIBIT 1

That part of the Southeast quarter of Section 14, Township 4 North, Range 1 East of the Gila and Salt River Base and Meridian, Maricopa County, Arizona, described as follows:

SE 1/4 of the SE 1/4 of the NE 1/4 of the SE 1/4 of Section 14, T, 4 N., R. 1 E., G&SR B&M

Except the 10,049 square feet (0.2307 acre) described as follows:

Beginning at a point on the East line of said Southeast quarter from which a brass cap marking the centerline of Montoya Drive according to the plat of HILLCREST RANCH PARCEL "E", Book 361 of Maps, page 5 records of Maricopa County, bears South a distance of 68.03 feet; thence West 150.93 feet; thence North 66.58 feet; thence East 150.93 feet to a point on said East line; thence South along said East line, 66.58 feet to the Point of Beginning.

20150466180

Exhibit B

Description of Easement Area

(See attached.)

20150466180

DESCRIPTION OF PROPOSED DRAINAGE PIPE EASEMENT

THAT PART OF THE SOUTHEAST QUARTER OF SECTION 14, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA, DESCRIBED AS FOLLOWS:

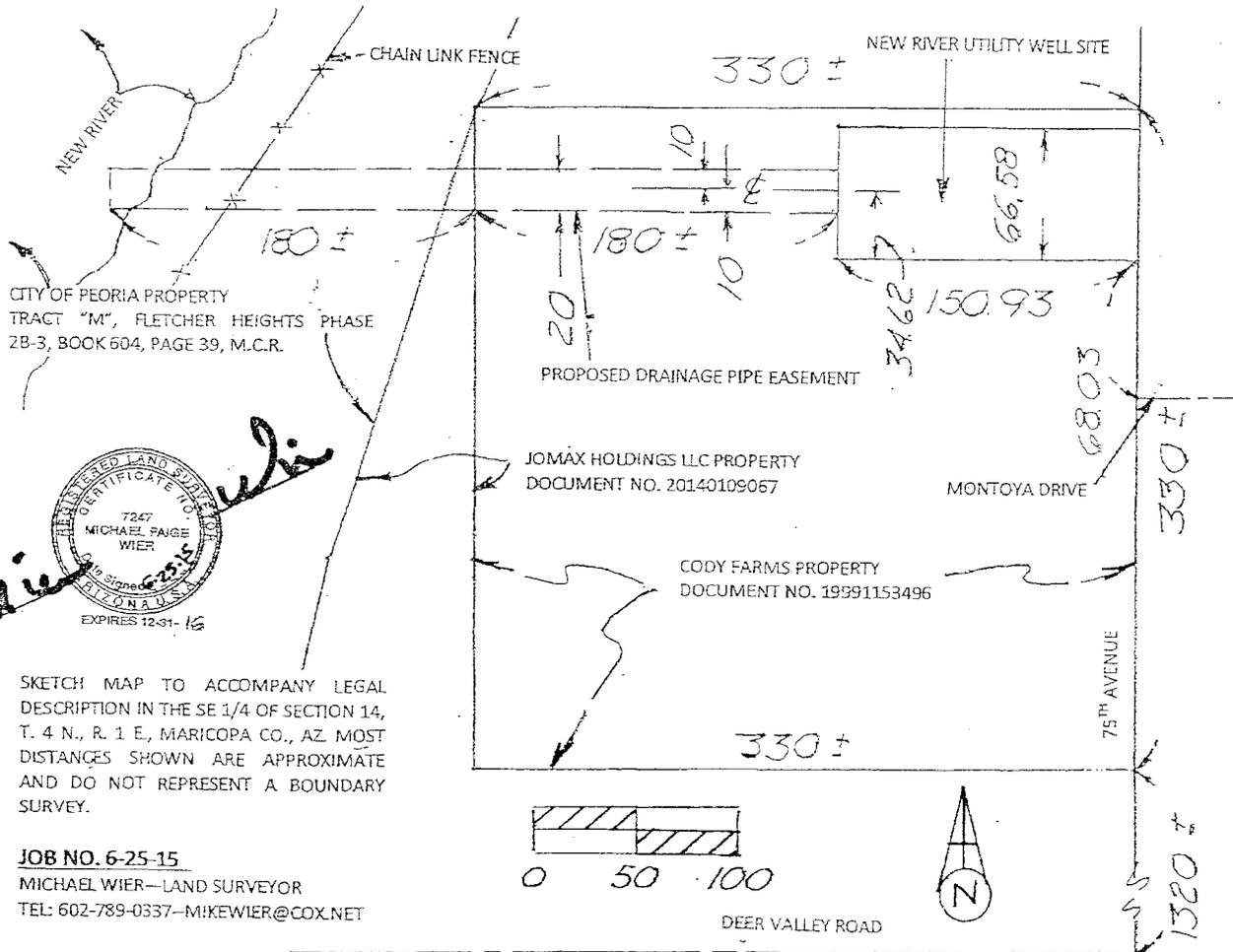
COMMENCING AT A POINT ON THE EAST LINE OF SAID SOUTHEAST QUARTER FROM WHICH A BRASS CAP MARKING THE CENTERLINE OF MONTOYA DRIVE ACCORDING TO THE PLAT OF HILLCREST RANCH PARCEL "E", BOOK 361 OF MAPS, PAGE 5, BEARS SOUTH (ASSUMED BEARING) A DISTANCE OF 68.03 FEET; THENCE WEST 150.93 FEET; THENCE NORTH 34.62 FEET TO THE POINT OF BEGINNING OF THE CENTERLINE OF THE HEREIN DESCRIBED 20 FOOT WIDE PIPELINE EASEMENT; THENCE WEST 360 FEET TO THE POINT OF ENDING.



JOB NO. 6-25-15

MICHAEL WIER—LAND SURVEYOR
TEL: 602-789-0337—MIKEWIER@COX.NET

Cody Farms Inc Grants easement to New
River Utility



CITY OF PEORIA PROPERTY
 TRACT "M", FLETCHER HEIGHTS PHASE
 ZB-3, BOOK 604, PAGE 39, M.C.R.



SKETCH MAP TO ACCOMPANY LEGAL
 DESCRIPTION IN THE SE 1/4 OF SECTION 14,
 T. 4 N., R. 1 E., MARICOPA CO., AZ. MOST
 DISTANCES SHOWN ARE APPROXIMATE
 AND DO NOT REPRESENT A BOUNDARY
 SURVEY.

JOB NO. 6-25-15
 MICHAEL WIER—LAND SURVEYOR
 TEL: 602-789-0337—MIKEWIER@COX.NET

2015046180

20150466180

Exhibit C

Description of Grantee's Property

(See attached.)

84 557715

EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1: SE-1/4 SE-1/4 NE-1/4 SE-1/4, Section 14, Township 4 North, Range 1 East, Gila & Salt River Meridian (the "Parcel"), including, without limiting the generality of the conveyance, the following:

- (i) That certain well situated within the Parcel, which is more particularly described in file no. A(4-1) 14 dad in the records of the Arizona Department of Water Resources and which has been assigned Registration No. 55-616944 by said Department (the "Well");
- (ii) The pump, casing and other personal property and fixtures used in connection with the operation ^{of the} Well; and
- (iii) Subject to the reservation to the Grantor set forth in the Warranty Deed to which this Exhibit "A" is attached, all present and future rights to withdraw and use groundwater from the Well, and all water rights appurtenant to or associated with the Parcel.

EXHIBIT F-3

Well No. 4

Cody Farms

Easement

5034480-11-1-1--
morenoa

WHEN RECORDED, RETURN TO:

Jack N. Rudel, Esq.
c/o Jennings Strouss & Salmon, P.L.C.
One E. Washington Street, Ste. 1900
Phoenix, AZ 85004-2554

PIPELINE EASEMENT

CODY FARMS, INC., a Texas corporation ("Grantor"), is the owner of the real property located in Maricopa County and described on Exhibit A attached hereto and by this reference incorporated herein ("Grantor's Property").

Grantor, for and in consideration of Ten Dollars (\$10.00) and other valuable consideration, receipt of which is hereby acknowledged, does hereby grant and convey to NEW RIVER UTILITY COMPANY, INC., an Arizona corporation ("Grantee"), and to its successors and assigns, a permanent, non-exclusive easement, fifteen (15) feet in width, over, under and across that portion of Grantor's Property described in Exhibit B attached hereto and by this reference incorporated herein ("Easement Area"), for the benefit of certain real property legally described on Exhibit C attached hereto (the "Grantee's Property") for the purpose of permitting Grantee or its designee to therein construct, install, maintain, repair, replace, use and operate a pipeline or pipelines and related facilities ("Easement Facilities").

In so far as Grantee does not unreasonably interfere with Grantor's operations at Grantor's Property, Grantee shall at all times have the right of full and free ingress and egress to and along the Easement Area for the purposes herein specified.

Grantor reserves the right to use the Easement Area for purposes that are not inconsistent with Grantee's easement rights herein conveyed, including, without limitation, using the Easement Area, including driveway and parking purposes and constructing improvements within the Easement Area such as paving, sidewalks, landscaping and curbing.

Grantee shall save and hold Grantor harmless from any and all liability for personal injury or property damage resulting from, or in any way connected with, any use or activity undertaken or permitted by the Grantee, or any of its agents, employees, contractors or assigns.

Upon completion of its installation the Easement Facilities, and any subsequent construction or maintenance activity conducted therein by the Grantee, the Grantee shall immediately repair, and restore all disturbed surface areas of Grantor's Property in a manner consistent with conditions existing prior to the disturbance, all to the reasonable satisfaction of the Grantor.

The covenants and agreements herein set forth and the easement herein granted shall be appurtenant to, and run with Grantor's Property as covenants with the land as the burdened estate, and shall extend and inure to the benefit of Grantee, its successors and assigns and shall be appurtenant to, and run with Grantee's Property as covenants running with the land as the benefitted estate.

In the event that Grantee, its successors and assigns, including any subsequent owner of the Grantee's Property, ceases to use the Easement Area for the purposes herein specified for a period of sixty (60) consecutive days, then the easement rights granted to Grantee, its successors and assigns hereunder shall terminate and Grantee, its successors and assigns, including the then owner of the Grantee's Property, shall, upon written request of Grantor, or its successors and assigns, including the then owner of the Grantor's Property, promptly execute and deliver to the then owner of the Grantor's Property, an instrument in recordable form that evidences such termination.

(Signatures appear on the following pages.)

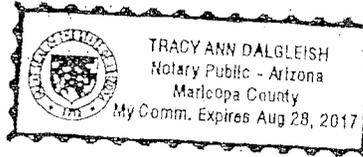
Grantor and Grantee have executed this instrument as of July 14, 2015.

GRANTOR

CODY FARMS, INC., a Texas corporation

By: [Signature]
Robert L. Fletcher, President

State of Arizona)
) SS.
County of Maricopa)



The foregoing instrument was acknowledged before me this 14th day of July, 2015, by Robert L. Fletcher, the President of Cody Farms, Inc., a Texas corporation, for and on behalf of the corporation.

[Signature]
Notary Public

My Commission Expires:
August 28, 2017

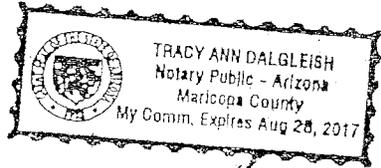
Grantor and Grantee have executed this instrument as of July 14, 2015.

GRANTEE

NEW RIVER UTILITY COMPANY,
an Arizona corporation

By: [Signature]
Robert L. Fletcher, President

State of Arizona)
) ss.
County of Maricopa)



The foregoing instrument was acknowledged before me this 14 day of July, 2015, by Robert L. Fletcher, President of New River Utility Company, an Arizona corporation, for and on behalf of the company.

[Signature]
Notary Public

My Commission Expires:
August 28, 2017

20150507790

Exhibit A

Description of Grantor's Property

(See attached.)

20150507790

DESCRIPTION OF NORTH PARCEL (CODY FARMS)

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA (HEREINAFTER REFERRED TO AS THE PROPERTY) LYING NORTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF THE PROPERTY FROM WHICH THE NORTHWEST CORNER THEREOF BEARS NORTH 00 DEGREES 06 MINUTES 17 SECONDS EAST 163.92 FEET AND FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS SOUTH 00 DEGREES 06 MINUTES 17 SECONDS WEST 165.54 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 34 SECONDS EAST ALONG THE WESTERLY PROJECTION OF THE CENTERLINE OF AN EXISTING CHAIN LINK FENCE AND ALONG SAID CENTERLINE, 332.32 FEET TO A POINT ON THE EAST LINE OF THE PROPERTY FROM WHICH THE NORTHEAST CORNER THEREOF BEARS NORTH 00 DEGREES 07 MINUTES 52 SECONDS EAST 164.96 FEET AND FROM WHICH THE SOUTHEAST CORNER THEREOF BEARS SOUTH 00 DEGREES 07 MINUTES 51 SECONDS WEST 164.72 FEET, AND TO THE POINT OF ENDING OF THE ABOVE DESCRIBED LINE.

20150507790

Exhibit B

Description of Easement Area

(See attached.)

DESCRIPTION OF 15' WIDE PIPELINE EASEMENT OVER CODY FARMS PROPERTY

THE NORTH 15 FEET OF THE WEST 153 FEET OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA (SAID SE 1/4 SE 1/4 NE 1/4 NW 1/4 HEREINAFTER REFERRED TO AS THE PROPERTY) AND THE WEST 15 FEET OF THAT PORTION OF SAID PROPERTY LYING NORTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF THE PROPERTY FROM WHICH THE NORTHWEST CORNER THEREOF BEARS NORTH 00 DEGREES 06 MINUTES 17 SECONDS EAST 163.92 FEET AND FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS SOUTH 00 DEGREES 06 MINUTES 17 SECONDS WEST 165.54 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 34 SECONDS EAST ALONG THE WESTERLY PROJECTION OF THE CENTERLINE OF AN EXISTING CHAIN LINK FENCE AND ALONG SAID CENTERLINE, 332.32 FEET TO A POINT ON THE EAST LINE OF THE PROPERTY FROM WHICH THE NORTHEAST CORNER THEREOF BEARS NORTH 00 DEGREES 07 MINUTES 51 SECONDS EAST 164.96 FEET AND FROM WHICH THE SOUTHEAST CORNER THEREOF BEARS SOUTH 00 DEGREES 07 MINUTES 51 SECONDS WEST 164.72 FEET, AND TO THE POINT OF ENDING OF THE ABOVE DESCRIBED LINE.

Mier  *Wier*

EXPIRES 12-31-16

REVISED 7/14/15

JOB NO. 7-7-15

MICHAEL WIER—LAND SURVEYOR

TEL: 602-789-0337--MIKEWIER@COX.NET

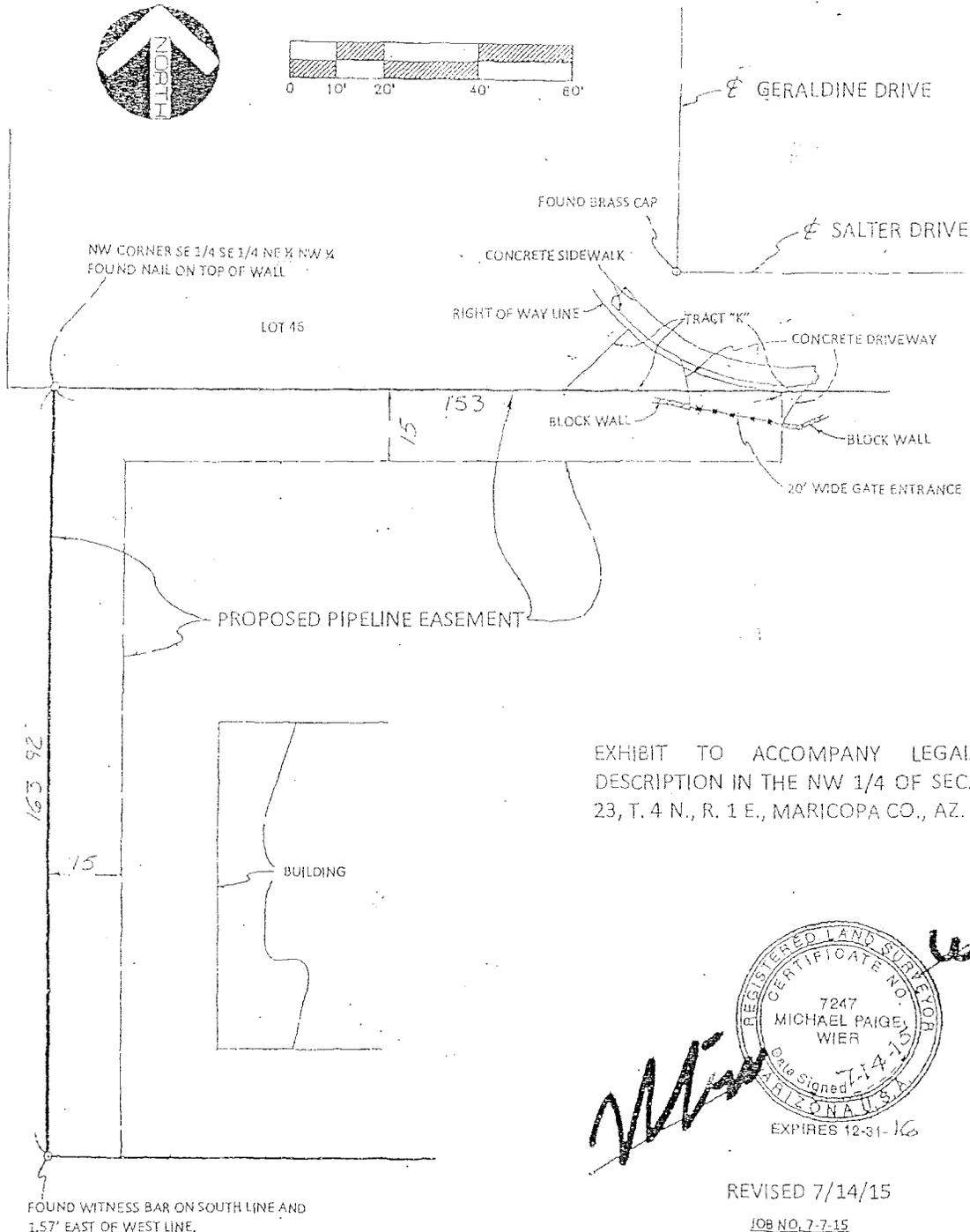


EXHIBIT TO ACCOMPANY LEGAL DESCRIPTION IN THE NW 1/4 OF SEC. 23, T. 4 N., R. 1 E., MARICOPA CO., AZ.

Michael Wier

EXPIRES 12-31-16

REVISED 7/14/15

JOB NO. 7-7-15
 MICHAEL WIER—LAND SURVEYOR
 1538 E. FRIESS DRIVE, PHOENIX, AZ 85022
 TEL: 602-789-0337---MIKEWIER@COX.NET

20150507790

Exhibit C

Description of Grantee's Property

(See attached.)

20150507790

DESCRIPTION OF SOUTH PARCEL (NEW RIVER UTILITY)

THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 4 NORTH, RANGE 1 EAST OF THE GILA AND SALT RIVER BASE AND MERIDIAN, MARICOPA COUNTY, ARIZONA (HEREINAFTER REFERRED TO AS THE PROPERTY) LYING SOUTH OF THE FOLLOWING DESCRIBED LINE:

BEGINNING AT A POINT ON THE WEST LINE OF THE PROPERTY FROM WHICH THE NORTHWEST CORNER THEREOF BEARS NORTH 00 DEGREES 06 MINUTES 17 SECONDS EAST 163.92 FEET AND FROM WHICH THE SOUTHWEST CORNER THEREOF BEARS SOUTH 00 DEGREES 06 MINUTES 17 SECONDS WEST 165.54 FEET; THENCE NORTH 89 DEGREES 51 MINUTES 34 SECONDS EAST ALONG THE WESTERLY PROJECTION OF THE CENTERLINE OF AN EXISTING CHAIN LINK FENCE AND ALONG SAID CENTERLINE, 332.32 FEET TO A POINT ON THE EAST LINE OF THE PROPERTY FROM WHICH THE NORTHEAST CORNER THEREOF BEARS NORTH 00 DEGREES 07 MINUTES 51 SECONDS EAST 164.96 FEET AND FROM WHICH THE SOUTHEAST CORNER THEREOF BEARS SOUTH 00 DEGREES 07 MINUTES 51 SECONDS WEST 164.72 FEET, AND TO THE POINT OF ENDING OF THE ABOVE DESCRIBED LINE.

EXHIBIT F-4
Well No. 5
BLM Easement

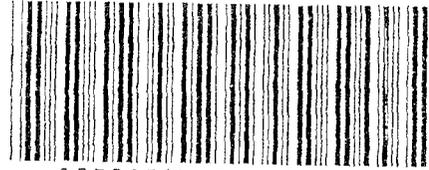
When recorded mail to:

Name: New River Utility

Address: 7839 W. Deer Valley

Peoria, Ariz

City/State/Zip: 85382



OFFICIAL RECORDS OF
MARICOPA COUNTY RECORDER
HELEN PURCELL
2004-1481009 12/16/04 15:25
1 OF 1

REITZD

this area reserved for county recorder

CAPTION HEADING:

DO NOT REMOVE

This is part of the official document.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
RIGHT-OF-WAY GRANT/TEMPORARY USE PERMIT

SERIAL NUMBER AZA-32650

1. A right-of-way is hereby granted pursuant to Title V of the Federal Land Policy and Management Act of October 21, 1976 (90 Stat. 2776; 43 U.S.C. 1761).

2. Nature of Interest:

By this instrument, the holder:

New River Utility Incorporated
7839 West Deer Valley Road
Peoria, Arizona 85382

receives a right to construct, operate, maintain, and terminate an existing 8" waterline, on the public lands described as follows:

T. 4 N., R. 1 E., G&SR Meridian, Arizona,
sec 23, W $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$.

- b. The right-of-way granted herein is 20 feet wide, 1168.31 feet long, and contains 0.54 acre more or less.
- c. This instrument shall terminate 30 years from its effective date unless prior thereto, it is relinquished, abandoned, terminated or modified pursuant to the terms and conditions of this instrument or any applicable federal law or regulation.
- d. This instrument may be renewed. If renewed, the right-of-way or permit shall be subject to the regulations existing at the time of renewal and any other terms and conditions that the authorized officer deems necessary to protect the public interest.
- e. Notwithstanding the expiration of this instrument or any renewal thereof, early relinquishment, abandonment, or termination, the provisions of this instrument, to the extent applicable, shall continue in effect and shall be binding on the holder, its successors, or assigns, until they have fully satisfied the obligations and/or liabilities accruing herein before or on account of the expiration or prior termination, of the grant.

3. Rental:

For and in consideration of the rights granted, the holder agrees to pay the Bureau of Land Management fair market value rental as determined by the authorized officer unless specifically exempted from such payment by regulation. Provided, however, that the rental may be adjusted by the authorized officer, whenever necessary, to reflect changes in the fair market rental value as determined by the application of sound business management principles, and so far as practicable and feasible, in accordance with comparable commercial practices.

4. Terms and Conditions:

- a. This grant or permit is issued subject to the holder's compliance with all applicable regulations contained in Title 43 Code of Federal Regulations part 2800.
- b. Upon grant termination by the authorized officer, all improvements shall be removed from the public lands within 90 days, or otherwise disposed of as provided in paragraph (4)(d) or as directed by the authorized officer.
- c. Each grant issued pursuant to the authority of paragraph (1)(a) for a term of 20 years or more shall, at a minimum, be reviewed by the authorized officer at the end of the 20th year and at regular intervals thereafter not to exceed 10 years. Provided, however, that a right-of-way or permit granted herein may be reviewed at any time deemed necessary by the authorized officer.
- d. The stipulations, plans, maps, or designs set forth in Exhibits A and B, dated July 30, 2004, attached hereto, are incorporated into and made a part of this grant instrument as fully and effectively as if they were set forth herein in their entirety.
- e. Failure of the holder to comply with applicable law or any provision of this right-of-way grant or permit shall constitute grounds for suspension or termination thereof.
- f. The holder shall perform all operations in a good and workmanlike manner so as to ensure protection of the environment and the health and safety of the public.

IN WITNESS WHEREOF, The undersigned agrees to the terms and conditions of this right-of-way grant or permit.

New River Utility Inc

[Signature]
(Signature of Holder)

[Signature]
(Signature of Authorized Officer)

Pres - R.L. Fletcher
(Title)

Asst Field Manager, L&M
(Title)

7-30-04
(Date)

8/3/04
(Effective Date of Grant)

EXHIBIT B
RIGHT-OF-WAY STIPULATIONS

1. All applicable regulations in accordance with 43 CFR 2800.
2. Any cultural and/or paleontological resources (historic or prehistoric site or object) discovered by the holder or any person working on the holders behalf, on public or federal land shall be immediately reported to the authorized officer. The holder shall suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the authorized officer. An evaluation of the discovery will be made the authorized officer to determine the appropriate actions to prevent the loss of significant cultural or scientific values. The holder will be responsible for the cost of the evaluation and any decision as to the proper mitigation measures will be made by the authorized officer after consulting with the holder.
3. The holder shall perform all activities associated with the right-of-way within in the authorized limits of the right-of-way. No activities associated with this right-of-way (construction, operation, maintenance, and/or termination shall occur outside of the designated right-of-way boundary without written approval from the Bureau of Land Management Authorized Officer.

EXHIBIT G

When Recorded Return to:

City of Peoria, Arizona
Office of the City Clerk
8401 West Monroe Street
Peoria, Arizona 85345

ASSIGNMENT OF EASEMENT

THIS ASSIGNMENT OF AN EASEMENT (the "Assignment") is made this ___ day of _____ 2015, by and between New River Utility Company, an Arizona corporation and public service company ("GRANTOR"), and the City of Peoria, Arizona, an Arizona municipal corporation (the "GRANTEE").

RECITALS

Whereas, the Grantor and the Grantee entered into that certain Asset Purchase Agreement dated _____ and recorded in the Maricopa County Recorder's Office on the ___ day of _____ 2015, as document number _____ (the "Asset Purchase Agreement");

Whereas, prior to the parties entering into the Asset Purchase Agreement, Grantor acquired a certain Easement (Maricopa County Recorder's office document No. _____) on or across specific tract of land granting to Assignor the right-of-way upon and across (over and under, as appropriate) the real property, as described in the attached Exhibit A and made a part hereof for all purposes;

Whereas, as part of the underlying Asset Purchase Agreement between the Grantor and Grantee, the Grantor now desires to assign the Easement to Grantee, and Grantee will accept the assignment;

ASSIGNMENT AND AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor hereby assigns to Grantee, its successors in interest and assigns, all of its right, title, and interest in and of the Easement described in the attached Exhibit A. Grantee accepts the Assignment of the Easement and agrees to perform and fulfill all of the terms, covenants, conditions, and obligations of the Assignment.

This Assignment shall be binding on and inure to the benefit of the parties, their successors-in-interest, and assigns.

IN WITNESS WHEREOF, Grantor has executed and Assigned this Easement as of the day and year first written above.

NEW RIVER UTILITY COMPANY, an
Arizona corporation and public service
company

By: _____
Name: Bill Mattingly
Title: President

GRANTEE ACCEPTANCE AND APPROVAL:

IN WITNESS WHEREOF, Grantee has caused its name to be executed by its duly authorized representatives as of the day and year first written above.

CITY:

CITY OF PEORIA, an Arizona municipal
corporation

By: _____
Carl Swenson, City Manager

ATTEST:

By: _____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

By: _____
Steve Kemp, City Attorney

[Notarizations on following page]

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____ 2015, by Carl Swenson, the City Manager for the City of Peoria, Arizona, an Arizona municipal corporation, on behalf of the City.

(Seal and Expiration Date)

Notary Public

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____ 2015, by Bill Mattingly, the President of New River Utility Company, an Arizona corporation and public service company.

(Seal and Expiration Date)

Notary Public

EXHIBIT H

When Recorded Return to:

City of Peoria, Arizona
Office of the City Clerk
8401 West Monroe Street
Peoria, Arizona 85345

ASSIGNMENT OF INTEREST IN WATER RIGHTS

NEW RIVER UTILITY COMPANY., an Arizona Corporation and public service company, (hereinafter "ASSIGNOR"), for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, hereby Assigns and Transfers to THE CITY PEORIA, an Arizona municipal corporation (hereinafter "ASSIGNEE"), all right, title and interest in and to the water rights appurtenant to the real property and leasehold estates described in Exhibit A and to the water rights used to service any customers of ASSIGNOR. ("the Water Rights").

The Water Rights include all rights, titles and interest in and to (1) all water uses associated with the real property and leasehold estates described in Exhibit A and, regardless of whether those water uses were registered with the State of Arizona, certificated in state water right filings; (2) all certificates, registrations, claims, affidavits, and notices for the water supplies and uses associated with the real property and leasehold estates described in Exhibit A; (3) all water uses used or useful in servicing any customers of ASSIGNOR; and (4) all equipment and improvements related to the water sources and uses.

ASSIGNOR has the full legal right and authority to execute this assignment and to transfer all Water Rights described herein.

ASSIGNOR agrees to execute such further documents as may be required to implement the transfer of the Water Rights.

NEW RIVER UTILITY COMPANY, an
Arizona corporation and public service

company

By: _____
Name: _____
Title: _____

GRANTEE ACCEPTANCE AND APPROVAL:

IN WITNESS WHEREOF, Grantee has caused its name to be executed by its duly authorized representatives as of the day and year first written above.

CITY:

CITY OF PEORIA, an Arizona municipal corporation

By: _____
Carl Swenson, City Manager

ATTEST:

By: _____
Rhonda Geriminsky, City Clerk

APPROVED AS TO FORM:

By: _____
Stephen M. Kemp, City Attorney

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ___ day of _____ 2015, by Carl Swenson, the City Manager for the City of Peoria, Arizona, an Arizona municipal corporation, on behalf of the City.

(Seal and Expiration Date)

Notary Public

State of Arizona)
) ss.
County of Maricopa)

The foregoing instrument was acknowledged before me this ____ day of _____
2015, by _____, the _____ of New River Utility Company, an Arizona
corporation and public service company.

(Seal and Expiration Date)

Notary Public

EXHIBIT A

EXIBIT C

**RESOLUTION OF THE BOARD OF DIRECTORS OF NEW
RIVER UTILITY COMPANY FOR THE SALE OF ALL
CORPORATE ASSETS TO THE CITY OF PEORIA**

WHEREAS, there has been presented to and discussed at this meeting a proposed Asset Purchase Agreement by which all or substantially all of the property and assets of this corporation are to be sold, conveyed, and transferred to the City of Peoria, a municipal corporation organized under the laws of Arizona, for the sum of Ten Dollars (\$10.00) and other good and valuable consideration as described in the proposed Asset Purchase Agreement; and

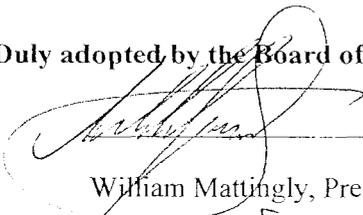
WHEREAS, the board of directors of this corporation deems it to be for the best interests of this corporation that all or substantially all the property and assets of this corporation be sold, conveyed, and transferred to the City of Peoria as stated in the proposed Asset Purchase Agreement, a true copy of which is to be inserted in the minute book of this corporation immediately following the minutes of this meeting;

NOW, THEREFORE, IT IS RESOLVED, that this corporation sell, convey, assign, set over, transfer, and deliver to The City of Peoria all or substantially all of the business, property, and assets of this corporation pursuant to the terms and provisions of, and for the consideration provided in, the Asset Purchase Agreement that has been presented to and discussed at this meeting.

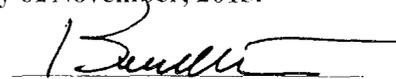
FURTHER RESOLVED, that the officers of this corporation be, and they now are, authorized, empowered, and directed to take such steps as they may deem necessary or proper to obtain the approval of the principal terms of the transaction and the nature and amount of the consideration by the vote or written consent of the stockholders entitled to exercise a majority of the voting power of the corporation.

FURTHER RESOLVED, that the president and secretary of this corporation be, and they now are, authorized, empowered, and directed to execute and deliver, on behalf of this corporation, the Asset Purchase Agreement for the sale of all or substantially all the property and assets of this corporation and, on behalf of this corporation, to execute and deliver, on consummation of the sale, all such deeds, bills of sale, assignments, and other instruments of transfer, and do all other things, on behalf of this corporation, convenient or necessary to carry out the contract of sale and to execute any and all documents, on behalf of this corporation, to that end.

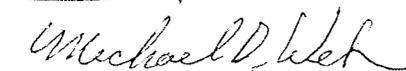
Duly adopted by the Board of Directors on the 5th day of November, 2015.



William Mattingly, President



Brent Mattingly, Treasurer



Michael D. Weber, Secretary