

AFFILIATE AGREEMENT

AGREEMENT, effective the 1st day of 1st day of April 2009 by and between Lakes Region Water Company, Inc. (“Water Company”) and LRW Water Services, Inc. (“Contractor”);

WHEREAS, Contractor, from time to time, utilizes the employees and equipment of the Water Company for Contractor’s own purposes;

WHEREAS, Water Company, from time to time, utilizes the employees and equipment of the Contractor for Water Company’s own purposes;

WHEREAS, there is an economic benefit to be derived by the Water Company in sharing its personnel and equipment with Contractor;

WHEREAS, there is an economic benefit to be derived by the Contractor in sharing its personnel and equipment with the Water Company;

NOW, THEREFORE, in consideration of the mutual agreements herein contained,

1. Contractor shall pay the Water Company upon the terms and conditions hereinafter set forth in APPENDIX A – Contractor Utilization of Water Company Personnel and Equipment
2. Water Company shall pay the Contractor upon the terms and conditions herein after set forth in APPENDIX B – Water Company Utilization of Contractor Personnel and Equipment

IN WITNESS WHEREOF, Water Company and Contractor have caused this Agreement to be signed.

By: Thomas Albert Mason Jr. Date: 2-15-10
Thomas Albert Mason (“Jr.”), President
Lakes Region Water Co., Inc.

By: Thomas Albert Mason Jr. Date: 2-15-10
Thomas Albert Mason (“Jr.”), President
LRW Water Services, Inc.

APPENDIX A
Contractor Utilization of Water Company Personnel and Equipment

Utilization of Personnel: Contractor, from time to time, utilizes employees of the Water Company to provide assistance to the Contractor

Utilization of Equipment: Contractor, from time to time, utilizes equipment of the Water Company to provide assistance to the Contractor

Compensation:

Personnel including a pick-up (vehicle) (cost includes employee's hourly rate, payroll taxes, employee benefits, vehicle costs including fuel, maintenance, insurance and depreciation.)	\$19.00 Per Hour
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Water sample pickup and pumpstation inspection	\$250.00 monthly
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Equipment (without operator)

Excavator (Mustang)	\$ 65.00 Per Hour
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Dump Truck (2003 GMC)	\$ 50.00 Per Hour
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Power Mole (PD6 Plus)	\$100.00 Per Hour
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<u>Office Services:</u>	\$50.00 Per Month
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This covers office personnel taking phone messages, receiving faxes, and other simple sundry tasks.

Conditions:

The Water Company shall maintain worker compensation insurance on its employees, Liability and property damage on all of its equipment and will furnish certificates of insurance to the Contractor of these coverage's.

The Water Company shall be responsible for all costs associated with pick-up vehicles including but not limited to fuel, insurance and depreciation.

The Contractor shall be responsible for fuel cost when using equipment listed.

The Water Company shall be responsible for all maintenance and insurance on equipment listed.

APPENDIX B

Water Company Utilization of Contractor Personnel and Equipment

Utilization of Personnel: Water Company, from time to time, utilizes employees of the Contractor to provide assistance to the Water Company

Utilization of Equipment: Water Company, from time to time, utilizes equipment of the Contractor to provide assistance to the Water Company.

Compensation:

Personnel including a pick-up (vehicle)	\$50.00 Per Hour
Personnel including a pick-up (vehicle)/overtime fee	\$75.00 Per Hour

Tom Mason Jr. Salary includes compensation for managerial services only
Non Managerial Services (example: leak repairs, weekend service calls, etc. will be charged in accordance with "Contractor Personnel Fee Schedule"

(cost includes employee's hourly rate, payroll taxes, employee benefits, vehicle costs including fuel, maintenance, insurance and depreciation.

Exception to above rate will be for plowing services which will be at **\$70.00** per hour
(this will apply only when pick up is used for plowing

APPENDIX B
Water Company Utilization of Contractor Personnel and Equipment

Equipment: (hourly costs include - operator/overtime rates apply):

Roller	\$ 80.00 Per Hour
Dozer	\$ 95.00 Per Hour
Large Excavator	\$125.00 Per Hour
Small Excavator	\$115.00 Per Hour
Grader	\$100.00 Per Hour
10 Wheeler	\$ 90.00 Per Hour
Loader	\$100.00 Per Hour
Peterbuilt	\$120.00 Per Hour
Trackloader	\$300.00 monthly

Conditions:

The Contractor shall maintain worker compensation insurance on its employees, liability and property damage on all of its equipment and will furnish certificates of insurance to the Water Company of these coverages.

The Contractor shall be responsible for all costs associated with pick-up vehicles including but not limited to fuel, maintenance, insurance and depreciation.

The Water Company shall be responsible for fuel cost when using equipment listed.

The Contractor shall be responsible for all maintenance and insurance on equipment listed.