

**MEMORANDUM OF AGREEMENT
BETWEEN
SOMERSET WATER DISTRICT
AND
OXBOW MINING, LLC**

The Memorandum of Agreement (this "Agreement"), is made this ___ day of April, 2019, by and between Somerset Water District (the "District") and Oxbow Mining, LLC, a Delaware limited liability company ("Oxbow"), provides that:

WHEREAS, Oxbow provides a treated water supply to the District, which in turn is the domestic water supplier to properties within the District, largely consisting of the town site of Somerset, Colorado; and

WHEREAS, the facilities that provided the treated water supply to the District include a 140,000 gallon steel storage tank, located at a property whose address is 3737 Highway 133, Somerset, Colorado 81434 (the "Oxbow 1 Tank"); and

WHEREAS, the District has determined it to be in the public interest to assist Oxbow in the installation of bromide ("THM") removal equipment in the Oxbow 1 Tank; and

WHEREAS, the District will share the cost of the THM removal equipment by paying for all permitting, engineering and sampling costs associated with that equipment.

NOW, THEREFORE, the District and Oxbow in consideration for the mutual covenants contained herein agree as follows:

1. Oxbow's Obligations: Oxbow agrees to install THM removal equipment in the Oxbow 1 Tank to reduce the THM in the water within 60 days following final approvals as follows:
 - a. The THM removal equipment will consist of a GridBee SN1 THM/VOC removal system, that includes a SN1 Floating Unit with 40' of intake hose, a blower unit, placement kit, and a 240v control panel(s) for the SN1 Floating Unit and the blower unit (the "THM Removal System"), as more particularly described in Exhibit A, Medora quotation dated April 4, 2019;
 - b. The THM Removal System shall have a designed capacity to treat up to 75,000 gallons per day ("GPD") with a THM/VOC removal rate of 40% and a design capacity to treat up to 150,000 GPD with a THM/VOC removal rate of 20%; provided, however, that Oxbow does not guarantee the performance of the THM Removal System.
 - c. Oxbow, and or its agents and contractors, shall install the THM Removal System in accordance with the manufacturer's installation instructions and recommendations, and such work shall be completed in a good and workmanlike manner, and in compliance with any permits issued by governmental entities whose approval is required for its installation and use;

- d. Oxbow shall verify that the THM Removal System is functional and operating in accordance with its design performance standards after completion of installation, and shall remedy any failure of the THM Removal System due to installation, within one year of installation.

2. The District's Obligations:

- a. The District agrees to pay for all costs associated with the permitting, engineering and sampling of the THM Removal System;
 - b. So long as the THM Removal System is installed by Oxbow in accordance with paragraph 1 above, the District shall be responsible for all subsequent maintenance, repair, and replacement one year after the date of installation; and
 - c. Oxbow grants to the District a non-exclusive license on, over, across and through Oxbow's real property at 3737 Highway 133, Somerset, Colorado 81434 for purposes of performing the District's obligations relating to the Oxbow 1 Tank under this Agreement.
3. Assignment. Neither party may, without the other party's prior written approval, voluntarily or involuntarily assign, convey, transfer, pledge, or encumber all or any portion of its interests in this Agreement.
4. Waiver. No waiver by any party of any right or remedy under this Agreement shall be deemed to be a waiver of any other or subsequent right or remedy under this Agreement. No waiver of any term, covenant or condition of this Agreement shall be valid unless affirmed in writing.
5. Specific Enforcement. The provisions of this Agreement may be enforced by specific performance in addition to any other remedy available at law or in equity.
6. Default; Attorney Fees. If any party defaults on any obligation under this Agreement, the non-defaulting party(ies) shall be entitled to all reasonable attorneys' fees and costs incurred in the enforcement of this Agreement, whether or not litigation is initiated.
7. No Admission of Liability. Nothing in this Agreement is intended to nor shall be considered as an admission of liability, wrongdoing or anything improper by either party.
8. Counterpart Signatures. This Agreement may be executed in one or more counterparts, including by facsimile, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.
9. Dispute Resolution. Subject to each party's right to seek equitable relief in the District Court of Gunnison County, Colorado, the parties agree to attempt to resolve all disputes under this Agreement by good faith negotiations between the parties. If a dispute arises relating to this Agreement and is not resolved within 30 calendar

days after notice of the dispute was provided, the parties consent to exclusive jurisdiction and venue in the District Court of Gunnison County, Colorado.

10. Remedies. In the event of litigation allowed by paragraph 9, the parties will have all rights and remedies provided by law or equity, except as limited by paragraph 9. Either party may pursue claims for breach, by the other. If the default or breach is capable of cure, the non-defaulting party shall give the other party written notice and thirty (30) days opportunity to cure.
11. Governing Law. This Agreement shall be governed and construed in accordance with the laws of the State of Colorado without regard to choice of law rules.
12. No Joint Venture. The parties are not partners nor are they in any joint venture. The parties do not and will not participate in the profits, losses or management of any partnership, and they are not and will not be liable for each other's debts or liabilities.
13. Severability. If any term or provision of this Agreement, the deletion of which would not adversely affect the receipt of any material benefit by either party hereunder, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby and each other term and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
14. Entire Agreement. This Agreement, including all Exhibits hereto, constitutes the entire and exclusive agreement between the parties relating to the specific matters covered in this Agreement. This Agreement may be altered, amended or revoked only by an instrument in writing signed by each party hereto and specifically referring to this section.

SOMERSET WATER DISTRICT

By: Michael Byers
Name: Michael Byers
Title: president

OXBOW MINING, LLC

By: Michael W. Ludlow
Name: Michael W. Ludlow
Title: President

STATE OF CO

COUNTY OF Delta

The foregoing instrument was acknowledged before me this 7th day of May, 2019 by **Oxbow Mining LLC, a Delaware limited liability company and Somerset Water District.**

Witness my hand and official seal. *Amber Voight-Byers*

My Commission Expires: 10/25/2022

Notary Public

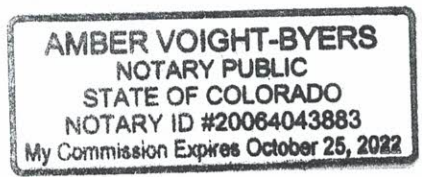


Exhibit A

Medora Corporation April 4, 2019



Quotation for *GridBee*[™] Trihalomethane (THM) Removal Equipment for the Oxbow 1 Tank

Date: April 4, 2019

Project #: 9513

To: Charles Shelden
Oxbow Mining LLC
3737 Hwy 133
Somerset, CO 81434
charles.shelden@oxbow.com • 970-929-5812

From: Dave Summerfield, Medora Corporation Regional Manager, Denver, CO
dave.s@medoraco.com • 951-265-2321

Amy Dinius, Medora Corporation Engineered Sales Dept., Denver, CO
amy.d@medoraco.com • 866-437-8076

1. Location Information

Tank Name: Oxbow 1

Address: 3737 Hwy 133 in Somerset, CO

GPS: 38.924922, -107.450649

Tank Style: Steel, ground storage

Inlet/Outlet Pipe: Separate

Tank Volume: 140,000 Gallons

Height (ft): 24'

Diameter (ft): 32'

Hatch (in): 24' Square

Power Available: 3PH, all vAC's

2. SN1 THM System Design

Designed to treat up to 75,000 GPD with a THM / VOC removal rate of 40%
Designed to treat up to 150,000 GPD with a THM / VOC removal rate of 20%

Please request a new quotation if any other design parameters are desired.

THM Removal Efficiency: THM removal efficiency is impacted by the following: the starting THM levels, the water temperature and the flows through the system. THM removal efficiency can be increased by lower flows, higher starting THM levels, and higher temperatures then were used as design parameters. THM removal efficiency can drop with higher flows, lower starting THM levels, and lower temperatures then were used as design parameters.

3. Equipment Cost - See Section 4 below for Equipment Details.

Quantity	Equipment Description	Purchase Cost Each	Purchase Cost Total
1	GridBee SN1 THM / VOC Removal System Includes: SN1 Floating Unit with 40' of intake hose, blower unit and placement kit.	\$18,610	\$18,610
2	240v Control Panels for SN1 and blower.	\$1,500	\$3,000
Equipment Subtotal:			\$21,610
Applicable Taxes:			-to be determined -
FOB Destination. Shipping Cost Prepaid & Add:			\$1,200
Equipment and Shipping Cost Prepaid & Add Total Cost:			\$22,810

Scope of Supply for Customer/Contractor Placement

Medora Scope of Supply: Furnish, crate and ship the above equipment.

Customer/Contractor Scope of Supply: Placement of the SN1 System is well within the scope of work most cities or contractors can perform. An O&M manual is provided with all machines. Anything not supplied or listed in Medora Corporation's Scope to be supplied by others.

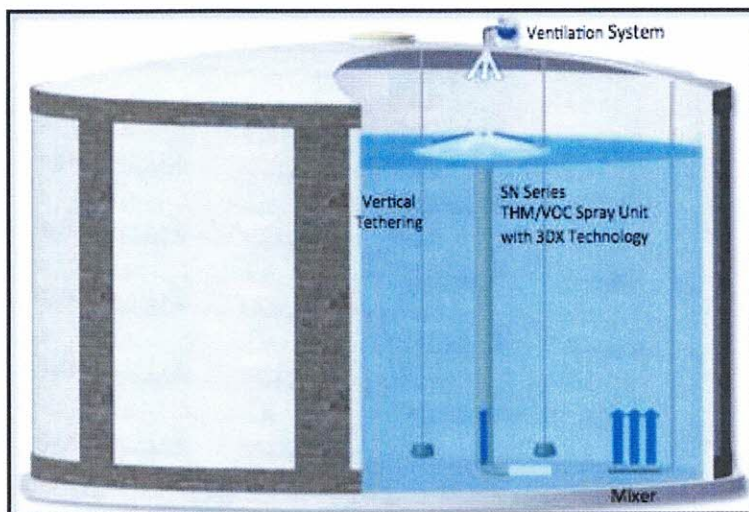
4. Equipment Description



SN1: 1.5-hp floating, grid powered, circulation and Trihalomethane (THM) removal equipment for potable water tanks and reservoirs. 316 stainless construction. Designed for continuous operation and placed into the tank through an 18-inch minimum clear roof opening. Blower Motor - 0.5HP TEFC motor, designed for continuous operation, low power requirement, direct drive, no gearbox and no lubrication schedule required. Sealed Penetration Fitting - T316 stainless steel tank fitting with a 3/4" NPT female connection. Not designed as a submersible penetration. Requires 230vAC, 1-PH, 60Hz power. Medora recommends secondary disconnect to be located near equipment access hatch. Operating footprint: 80 inches diameter and a minimum 18 inches headspace required.. Shipping crate size: 72 inches length x 48 inches width x 48 inches height. Shipping weight: 400 lbs.

Medora can offer the City the following motor control panels and motor protectors for this project. This equipment has a standardized design that meets the basic needs of most industrial users. Because of the standardized design, requests for modifications cannot be accommodated by Medora, though Medora will refer the City to other electrical supply vendors that could possibly accommodate any special requests by the City.

240v GS Series Control Panel with SCADA Monitoring: Completely assembled, Carlon NEMA 4X enclosure, Hand-Off-Auto switch, contactor for mixer or blower control, run indicator light on exterior of door, grounding lug, and locking latch for security. SCADA: 4-20 mA current transducer provides analog output for motor current which allows for monitoring proper operation, and a 24 VDC relay for remote on/off control of the mixer or blower. Complete panel as shipped is UL508A certified. Dimensions: 10"H x 8"W x 4"D



Note: To the left, for illustrative purposes only, is a schematic diagram of a THM Removal System. This quotation is only the in-tank water-handling equipment, namely the Floating Spray Nozzle equipment, any Tank Mixing equipment required and the Ventilation System.

Sales Terms.

The below sales terms apply to this quotation in its entirety:

A. Material Supplier only. This quotation is to supply materials only. No contracting or construction work of any type is being offered or will be performed by Medora Corporation (Medora) at the jobsite or at any Medora location or factory.

1) To order the materials in this quotation, the purchaser should use the same type of purchase order as would be used to order other materials; for example, a desk or a forklift. Please do not attempt to order the equipment quoted here with a "contractor" or "subcontractor" agreement of any sort, because Medora is strictly a material supplier, not a contractor, and would have to reject that type of agreement.

2) The US Department of Labor clearly defines a Material Supplier, such as Medora, and its allowable activities. All activities by Medora factory personnel to transport, place and start up the Medora equipment are incidental to Medora being a Material Supplier, and Medora will not perform contracting or construction work of any type for any project. Also, no local, state, or federal laws regarding contractors or construction projects, or Davis Bacon or similar reporting requirements, are applicable to this quotation because Medora is not a contractor and does not perform any construction activities.

3) It is the responsibility of the purchaser of Medora's equipment to determine in advance whether there are any contracting or construction activities required in order for Medora's equipment to be made operational. Usually there aren't any such activities; but if there are, it is the purchaser's sole responsibility, at its sole cost, to perform all of those activities in advance of Medora's equipment arriving at the jobsite.

B. Assumptions: This quotation may be based on worksheets, calculations or other information that has been provided by the City. The City should bring to Medora's attention any discrepancies, errors in data, or false assumption that Medora may have made while preparing this quotation.

C. Expiration: This quotation expires in 90 days, or on the date of any new quotation for this project, whichever is sooner.

D. Delivery Time: Delivery is scheduled at time of order, and is usually between 6 to 12 weeks.

E. Payment Terms: For a federal, state, or local government purchaser with a good credit rating, full payment is due in US dollars 30 days after invoice date, which is generally the date when the goods leave the Medora factory. For a non-government purchaser, full payment must be made by credit card or cashier's check before the goods leave the Medora factory though, in some cases, based on availability of a payment bonding or a bank Letter of Credit, 30 day credit terms may be extended upon special request by the purchaser. If there are any issues with these payment terms, please do not rely on this quotation until the issues have been resolved with Medora.

F. Add for Taxes and Any Governmental Fees: Except as indicated above, no taxes, tariffs or other governmental fees are included in the quote shown above, nor are there any costs added for special insurance coverage the customer may require. It is the customer's responsibility to pay all local, state, and federal taxes, including, sales and use taxes, business privilege taxes, and fees of all types relating to this sale, whether they are imposed on either Medora or the customer, or whether these taxes and fees are learned about after the customer orders the equipment. The customer's purchase order should indicate any taxes or fees due on equipment and/or services, and whether the customer will pay them directly to the governing body or include the tax payment with the purchase for Medora to submit them to the governing body.

G. Add for Special Insurance Requirements: Medora Corporation maintains adequate liability and workman's compensation insurance to generally comply with its requirements for doing business in all fifty U.S. states, and will provide at no charge certificates of insurance when requested. However, if additional insurance or endorsements beyond the company's standard policy are required by the customer, then the costs of those additional provisions and/or endorsements will be invoiced to the customer after the costs become known.

H. Add for Special Training, Safety, Signage, or Other Requirements: Medora has a very strong safety training program for its employees. If any special training classes for Medora personnel are required by the customer, please notify Medora well in advance. The cost of this training will be added to this quotation or invoiced to the customer separately. The same applies to any other special requirements the customer may have, including providing of project signage or any other requirement.

I. Safe and Accessible Tank Condition Required. This quotation is based on the best information made available to us by the above date. If this equipment is ordered, Medora's engineering team will need detail information and photographs to plan the equipment placement. If the detail information changes the scope significantly, Medora reserves the right to withdraw or alter this quotation, even if the equipment has already been ordered. To avoid surprises, the City should supply detailed tank information and photos as soon as possible. To ensure the safety of Medora's crews, it is the City's responsibility to make sure that all antennas (radio, cell phone, other) located at or near the tank site are inactivated during the placement of this equipment.

J. Customer to Follow Medora's Maintenance and Safety Guidelines: The customer agrees to follow proper maintenance, operating, and safety instructions regarding the equipment as contained in the safety manual that accompanies the equipment or is sent to the customer's address.

K. Regulatory Compliance. The customer must comply with all applicable Federal and State governmental regulations. It is the customer's sole responsibility to inquire about governmental regulations and ensure that GridBee and SolarBee equipment is deployed and maintained so as to remain in compliance with these regulations and guidelines, and to hold Medora harmless from any liability caused by non-compliance with these regulations and guidelines.

L. Medora Corporation's Limited Replacement Warranty: Medora Corporation has the best parts and labor warranties that we are aware of in the industry. The details of the Warranty which applies to this project are either attached to this document or are available at: <https://www.medoraco.com/resources/warranty-information>.

5. To Accept This Quotation

To order the equipment, please issue a purchase order to Medora Corporation, 3225 Hwy. 22, Dickinson, ND 58601. The purchase order can be mailed to the address above, faxed to 866-662-5052, or emailed to the home office at orderprocessing@medoraco.com.

This Medora Corp. quotation should be attached to the purchase order, and the purchase order should refer to the Medora Corp. quotation by date, and should accept the quotation in its entirety. Acceptable language on the purchase order would be "Quantity: 1. Description: "Equipment per the attached quotation from Medora Corp dated _____, including all terms shown on that quotation. " If there is any language missing, or extra language in the purchase order such as a referral to specifications, then Medora Corp. will not be able to accept the purchase order.

If a purchase orders is not utilized, please sign and date below, provide billing information, and fax to 866-662-5052 or email to orderprocessing@medoraco.com.

Signing below acknowledges acceptance of this quotation.

Proposal Date: April 4, 2019

Project #: 9513

Signature

Date

Printed Name

Title