



ROSEMONT COPPER RESIDENTIAL WATER WELL WARRANTY SERVICE AGREEMENT

This agreement is made and becomes effective this 1st day of JUNE, 2010, by and between **AMERICAN HOME GUARDIAN, INC.** an Arizona Corporation (hereinafter referred to as AHG). AHG's principal place of business is: 1839 S. Alma School Rd, #350, Mesa, Arizona 85210, and **ROSEMONT COPPER COMPANY** (referred to herein as Rosemont), also an Arizona Corporation receiving correspondence at: PO BOX 35130, Tucson, Arizona 85740 or 4500 Cherry Creek South Drive, #1040, Denver, Colorado 80246.

RECITALS

- A. AHG is, among other things, engaged in the business of issuing home warranty contracts (a.k.a. residential service contracts) in the states of Arizona, Nevada and Texas which provide for the repair or replacement of residential heating, cooling, plumbing, electrical, water delivery systems and appliances pursuant to applications and contracts submitted by or on behalf of buyers or owners of residential properties, as well as providing services pursuant thereto.
- B. Rosemont is, among other things, engaged in the business of exploration and mineral production. Rosemont owns the fee land and mineral rights associated with the Rosemont Mine in the Santa Rita Mountains, and plans to develop the ore deposits located there with water withdrawn from the Upper Santa Cruz Sub-basin of the Tucson active Management area.
- C. The intent of this agreement is for Rosemont to engage and contract AHG to provide residential water well warranty coverage that provides repair or replacement services when failure occurs as outlined in section 5 of the Well Protection Program Master Agreement executed on December 1, 2009.
- D. The beneficiaries of this Residential Water Warranty Service Agreement are the owners of the water wells that own a qualified well and properly register for the protection before the deadline of December 31, 2010 as outlined in section 2 of the Well Protection Program Master Agreement executed on December 1, 2009 (the "Well Owners").

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AGREEMENT

1. **Contract Award:**
Rosemont hereby awards AHG this contract to provide residential water well warranty coverage. AHG accepts the contract award and agrees to the following services for a term of 3 years from the start date of this agreement:

2. **Services To Be Performed Or Provided By AHG:**
 - A. AHG will provide residential water well mechanical and electrical system warranty coverage with a **\$10,000.00 per well annual limit** with no (zero) deductible or service fee.
 - B. This contract has a **\$500,000.00 annual aggregate limit** across all covered wells.
 - C. **In the event the cost of individual well repairs or related service exceeds \$10,000.00 annually, or if the \$500,000.00 annual aggregate limit is exceeded, AHG will deliver all invoices to Rosemont for payment. Payment in full will be due within 20 days of the delivery of the invoice.**
 - D. **Warranty Coverage Includes:** Diagnostic, repair or replacement of all mechanical parts or components between the well's seal and the bottom of the pump and motor, all electronic controls, pressure switches, valves and piping required to operate the submersible pump and motor, as well as the bladder or hydro-pneumatic tank as illustrated in the attached drawings labeled Rosemont Well Protection Program Potential Existing Configuration 1, 2 or 3 dated April 9, 2010.
 - E. **Warranty Coverage Excludes:** Any item not shown or labeled in the attached drawings referenced in (D) above. All wells not on the approved list provided by Rosemont when this contract starts and updated by Rosemont from time to time. All windmill-type wells, solar powered wells, and all wells that do not provide water to a residence. The cost associated with replacing or extending an existing well for any reason, or establishing a new well is not included in this warranty contract. Repetitive abuse, gross neglect or willful damage is also not included. In addition, all failures that are a result of a natural disaster including, but not limited to: earthquake, fire, lightning strikes or flood are not included.
 - F. This contract will assume "AS IS" status. Meaning there will be no exclusions based on pre-existing conditions, lack of maintenance, part obsolescent or fault of operator.
 - G. In the event of pump failure requiring replacement, AHG is to replace pumps with a **NEW** stainless steel pump that is equal to or more suitable than the size and capacity of the failed pump.
 - H. AHG will deliver via first class mail a copy of the Well Owners' policy and literature that provides a brief overview of the services (**to be drafted jointly with Rosemont and AHG**) along with a fridge magnet to serve as a reminder of the service.

◆ 1839 South Alma School Road, Suite #350, Mesa, Arizona 85210 ◆ Tel (480) 649-8199 ◆ Fax (480) 649-0961
◆ Toll Free (866) 710-3700 ◆ www.americanhomeguardian.com

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- I. Well owners can call AHG's toll free service number: 1-866-710-3700 to ask general questions or to request a service dispatch 24-hours per day, 7 days per week, 365 days per year.
- J. All service requests will be dispatched between the hours of 8:00 AM to 6:00 PM Monday- Friday and 9:00 AM to 4:00 PM Saturday Arizona Standard Time.
- K. AHG will contact a preferred vendor(s) to have them schedule the diagnostic and repair appointment directly with the well owner. The vendor(s) must contact the well owner within 4 hours (as indicated in J above) from the time a service request is dispatched.
- L. All service requests received after service hours (as indicated in J above) will be dispatched the following day. If service is requested on Sundays or holidays, a 24-hour response time granted.
- M. AHG will maintain record keeping of all service requests including: the time the call was received, what was discussed and the company/preferred vendor the repair service request was dispatched to.
- N. AHG is to provide clear documentation of the offer to the well owner for water delivery if the well owner is without water for 24 consecutive hours. In this event, AHG will arrange for a temporary water tank to be installed as described in section 9 of the Well Protection Program Master Agreement executed on December 1, 2009.
- O. AHG will follow up with the well owner to ensure the appointment was scheduled and will document all steps.
- P. Customer satisfaction surveys will be provided by AHG to Rosemont after each service request has been completed to ensure service was satisfactory.
- Q. In the event any home covered by this contract is sold, AHG will provide copies of this agreement and a fridge magnet to the new homeowner within 10 days of the new homeowner notifying AHG of the change of ownership.
- R. AHG will maintain copies of all telephone records, service history and other documentation for as long as is deemed necessary by Rosemont.
- S. AHG will implement and maintain a service, repair or replacement readiness program that includes:
 - 1. A minimum of 3 preferred vendors will be required to stock reasonable inventory levels of common parts and components.
 - 2. AHG will establish contacts at key component suppliers to provide technical support, as well as establish a notification process if key components become obsolete and will no longer be available.
 - 3. All preferred vendors will also be required to provide an adequate Technician Staffing Plan to ensure prompt repair service.



3. Cost & Terms of Residential Water Well Warranty Contract For 45 To 65 Wells:

- A. Rosemont is to pay to AHG, subject to the terms and conditions of this Agreement as follows:
Years 1-3 Warranty Contract Cost = \$548,889.60
- B. \$50,500.00 of this amount is a non-refundable deposit and is due 30 days before the start date of the warranty coverage. These funds will be used to implement the program and will be applied towards training AHG staff and service providers/contractors, literature printing and distribution, call center and database programming, as well as providing errors and omissions insurance for 3 years.
- C. \$120,230 (\$170,730.00 less the \$50,500 non-refundable deposit) is due 5 days before the start date of the warranty coverage.
- D. The balance of \$378,159.60 will be paid over 24 months in monthly installments of \$15,756.65 due on the 20th of each month starting in June 2010.
- E. After one year of payments, AHG will review actual repair and service related costs versus payments. In the event actual repair and service related costs exceed the amount of payments received, AHG will have the option to shorten the term of payments from 24 to 16 months. If the finance term does get shortened, the monthly payment would be \$30,750.00 for the last 6 months of payments.

4. Cost Structure To Add Additional Wells:

Total # Of Covered Wells	Incremental Cost To Add Wells
45 to 65	See # 3 above
66 to 75	\$65,000.00
76 to 85	\$60,000.00
86 to 95	\$50,000.00
96 to 105	\$40,000.00
106 to 115	\$30,000.00
116+	\$25,000 for each additional 10 wells here after

5. Termination:

Notwithstanding the provisions contained herein, Rosemont shall have the right to terminate this agreement at any time by giving written notice to AHG at least 30 days prior to the desired termination date. In the event of contract termination within the 24 (or 16) months payments are being made, payments cease and there will be no refund of amounts paid to date. In the event of contract termination after 24 months but before expiration, a prorated refund will be issued within 45 days of receiving a written cancellation notice. The refund amount will be based on the term of the contract less days of coverage used. A 10% cancellation fee based on the contract cost less the non-refundable deposit will also be assessed to the refund amount.

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6. **Indemnification of Parties:**

Both AHG and ROSEMONT mutually agree to indemnify and hold harmless the other party, its directors, officers, employees and agents against any and all losses, damages, costs, claims, lawsuits, judgments, settlements, and expenses including, without limitation, attorneys' fees and court costs, arising or alleging to have arisen out of injury to any persons or animals, death or loss or damage to any property in connection with the work herein contemplated; provided, however, this provision shall not be construed so as to have the effect of indemnifying and holding harmless either party from and against such losses, damages, costs, claims, lawsuits, judgments, settlements, and expenses which shall arise out of the acts or omissions of the other party in connection with the work herein contemplated.

7. **No Partnership Created:**

Neither this agreement nor the relationship between the parties hereto constitutes a partnership or joint venture.

8. **Confidential Information:**

A. In connection with this agreement, both AHG and ROSEMONT may furnish information that is non-public, confidential or proprietary in nature. Confidential information includes, but not be limited to, the following: contracts; products, methods of administration and distribution of marketing plans, financial data, computer programs, systems formats materials and verbal information. This information is not to be shared with the public, unless a public announcement that is documented in writing has been made.

B. The provisions of this section shall survive the termination of this agreement for any reason.

9. **Entire Agreement; Amendments in Writing:**

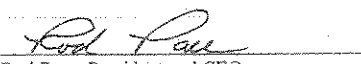
This agreement constitutes the entire agreement between the parties concerning the subject matter hereof. This agreement may be amended only in writing executed by authorized officers of the parties.

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

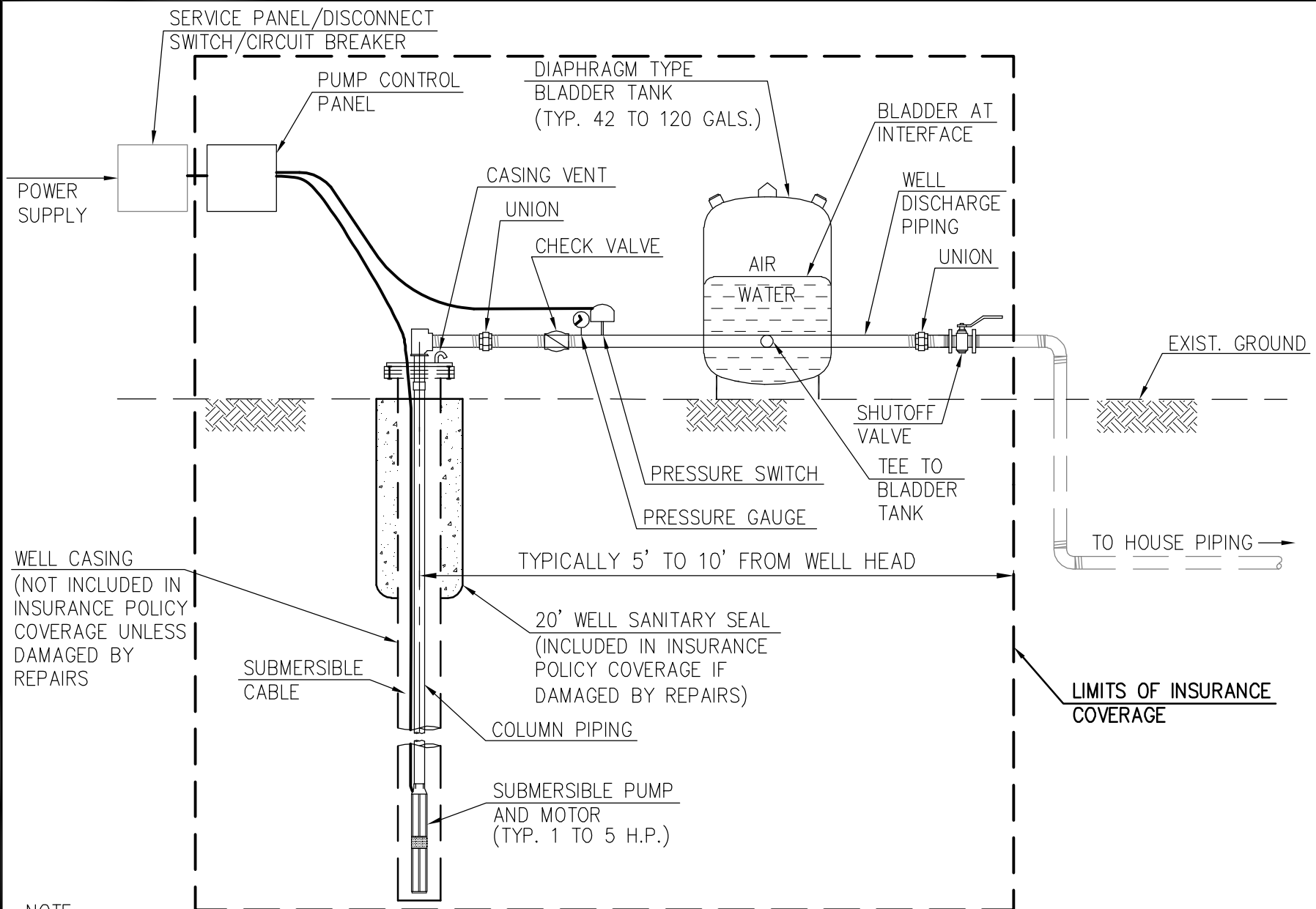
AMERICAN HOME GUARDIAN, INC.

By: 
Chad Forbush, President

ROSEMONT COPPER COMPANY

By: 
Rod Pace, President and CEO

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WELL CASING
(NOT INCLUDED IN
INSURANCE POLICY
COVERAGE UNLESS
DAMAGED BY
REPAIRS

SUBMERSIBLE
CABLE

COLUMN PIPING

SUBMERSIBLE PUMP
AND MOTOR
(TYP. 1 TO 5 H.P.)

TYPICALLY 5' TO 10' FROM WELL HEAD

20' WELL SANITARY SEAL
(INCLUDED IN INSURANCE
POLICY COVERAGE IF
DAMAGED BY REPAIRS)

SERVICE PANEL/DISCONNECT
SWITCH/CIRCUIT BREAKER

PUMP CONTROL
PANEL

DIAPHRAGM TYPE
BLADDER TANK
(TYP. 42 TO 120 GALS.)

BLADDER AT
INTERFACE

POWER
SUPPLY

CASING VENT

UNION

CHECK VALVE

WELL
DISCHARGE
PIPING

UNION

AIR

WATER

EXIST. GROUND

SHUTOFF
VALVE

PRESSURE SWITCH

PRESSURE GAUGE

TEE TO
BLADDER
TANK

TO HOUSE PIPING

LIMITS OF INSURANCE
COVERAGE

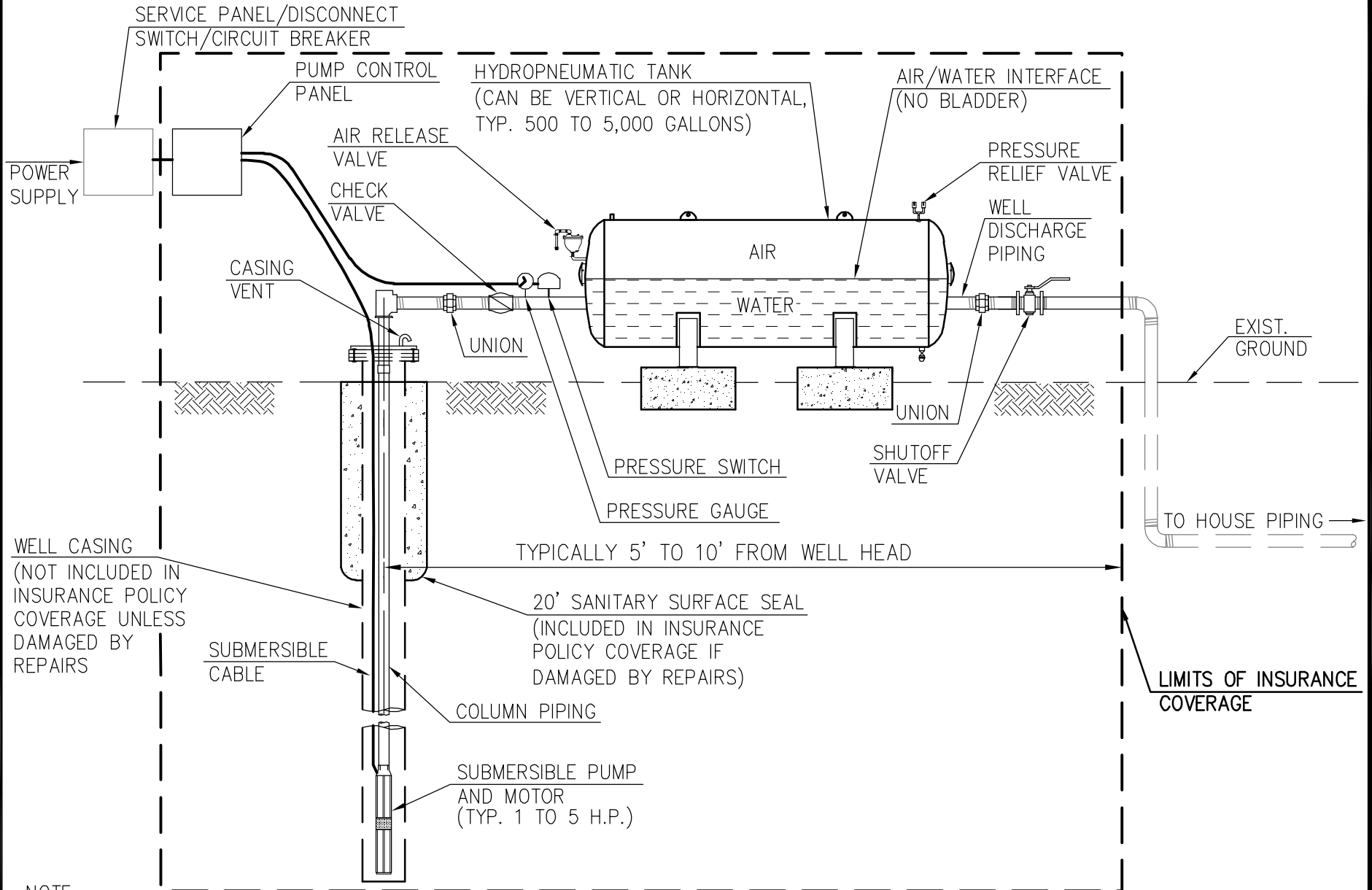
NOTE:

CONFIGURATION OF PIPING AND EQUIPMENT IS SCHEMATIC.
ABOVE GROUND PIPING MAY INCLUDE VARIOUS BENDS,
TEES, UNIONS, HOSE BIBS, DRAIN VALVES, SHUT-OFF
VALVES, AIR RELEASE VALVES, PRESSURE RELIEF VALVES,
PRESSURE GAUGES AND OTHER MISCELLANEOUS FITTINGS.
MATERIALS OF CONSTRUCTION MAY BE GALVANIZED IRON,
PVC, CAST IRON, COPPER OR OTHER.

**ROSEMONT
WELL PROTECTION PROGRAM
POTENTIAL EXISTING CONFIGURATION 1**

APRIL 09, 2010

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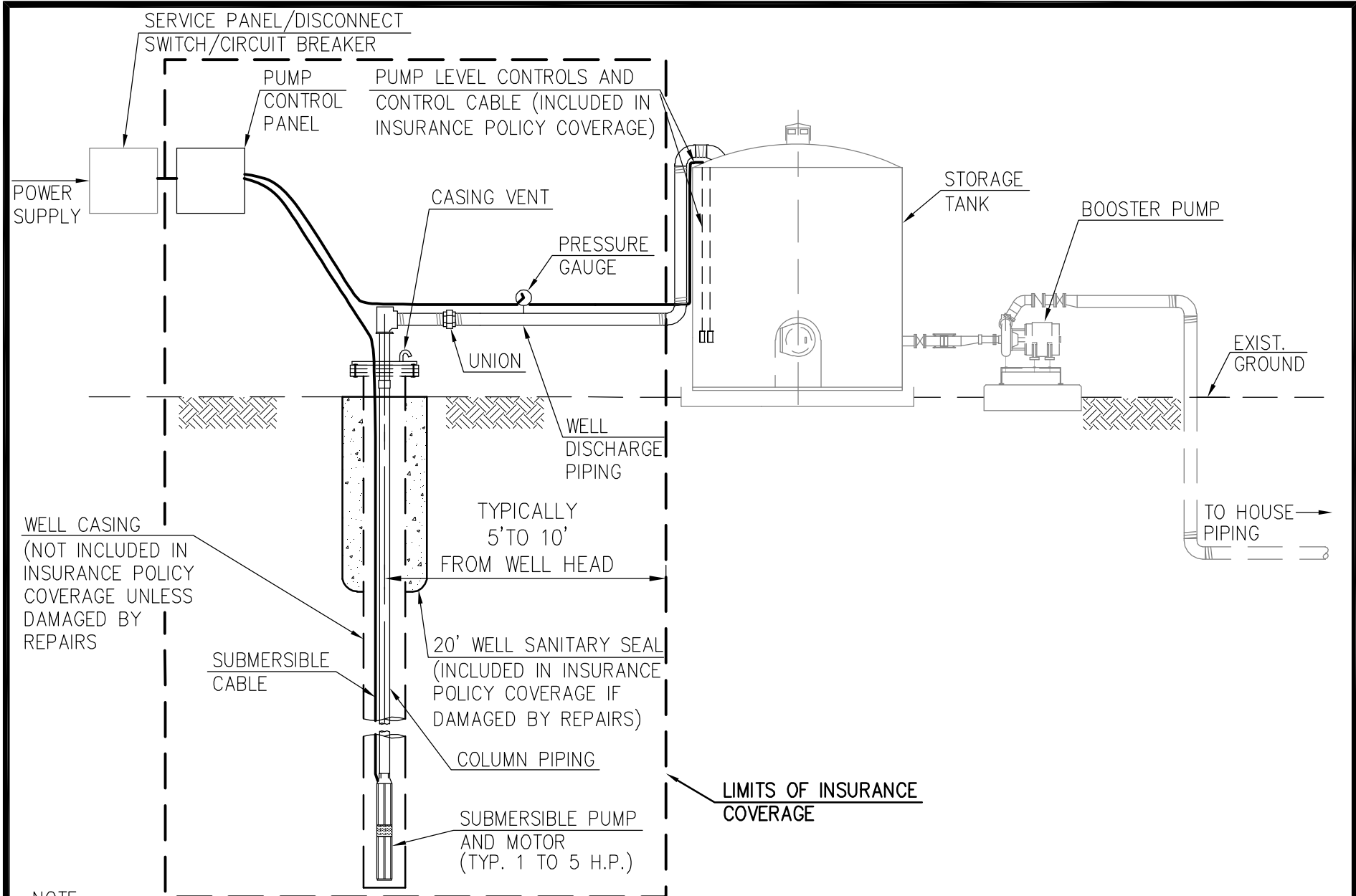


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**ROSEMONT
 WELL PROTECTION PROGRAM
 POTENTIAL EXISTING CONFIGURATION 2**

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NOTE:

CONFIGURATION OF PIPING AND EQUIPMENT IS SCHEMATIC. ABOVE GROUND PIPING MAY INCLUDE VARIOUS BENDS, TEES, UNIONS, HOSE BIBS, DRAIN VALVES, SHUT-OFF VALVES, AIR RELEASE VALVES, PRESSURE RELIEF VALVES, PRESSURE GAUGES AND OTHER MISCELLANEOUS FITTINGS. MATERIALS OF CONSTRUCTION MAY BE GALVANIZED IRON, PVC, CAST IRON, COPPER OR OTHER.

**ROSEMONT
WELL PROTECTION PROGRAM
POTENTIAL EXISTING CONFIGURATION 3**

APRIL 09, 2010