

**AGREEMENT FOR SALE AND TRANSFER
OF WATER DISTRIBUTION SYSTEM AND
WASTEWATER SYSTEM**

This AGREEMENT entered on this ____ day of January, 2007 by and between **FOLSOM RIDGE, L.L.C. (“FOLSOM”)**, a limited liability company organized under the laws of the state of Colorado, Missouri, **BIG ISLAND HOMEOWNERS WATER AND SEWER ASSOCIATION, INC. (“ASSOCIATION”)**, a Missouri nonprofit corporation (hereinafter referred to collectively as **“Seller”**), **BIG ISLAND SEWER COMPANY**, a Missouri nonprofit sewer corporation (**“BI SEWER”**), and **BIG ISLAND WATER COMPANY**, a Missouri nonprofit water corporation (**“BI WATER”**), (hereinafter collectively referred to as **ABuyer”**);

WITNESSETH:

WHEREAS, **FOLSOM** and the **ASSOCIATION** are collectively the owner of installed and operational wastewater collection and transmission lines, associated pumping stations and treatment plant(s) (the Big Island Wastewater System) and a potable water production and distribution system (the Big Island Water System) located in, within, on or proximate to that geographic feature of the Lake of the Ozarks popularly known as Big Island, Camden County, Missouri; and

WHEREAS, **FOLSOM** is the owner of the real property on which the wastewater collection plant has been constructed and the water well and holding tanks have been constructed; and

WHEREAS, **Buyer(s)** are Missouri corporations formed for the purposes of offering water and sewer service to the residents of Big Island and specifically within a specified Service Area described in the Bylaws of each and attached hereto as Exhibit A; and

WHEREAS, **SELLER** desires to sell and transfer all of its business, right, title and interest in the Big Island Wastewater System and Big Island Water System Assets as described herein; and

WHEREAS, **Buyers** desire to purchase the Big Island Wastewater System and Big Island Water System Assets and any other assets of Seller associated with the those assets, and assume total operation, maintenance and control thereof as part of provision of safe and adequate services to the residents of Big Island;

NOW, THEREFORE, it is mutually agreed that:

1. Sale of the Big Island Wastewater System and Big Island Water System Assets.

The Seller agrees that on the closing date, the Seller shall sell, transfer, assign and deliver to Buyers, in the manner provided below, for the consideration hereinafter provided, all of Seller's right, title and interest in the existing assets accounts, warranties and business, including real estate and easements, pertaining to the provision of wastewater collection and treatment, and water production and distribution respectively located in, within, on or proximate to Big Island and related properties, as a going concern, including, without limitation, the following:

A. *Wastewater Assets.* The Wastewater Assets shall include any and all of Sellers trunk or wastewater collection lines, as built drawings, metering devices, pumps of any kind or description, lift stations, pipes or lines (buried or otherwise), treatment plants or basins and any appurtenant equipment and material, which are used or useful in the collection, transportation, delivery and treatment of wastewater in or for the Big Island Service Area;

B. *Water Distribution Assets.* The Water Distribution Assets shall include Seller's water wells, water treatment facilities, metering devices, pumps of any kind or description, storage or retention basins, pipes or lines (buried or otherwise), as built drawings and any appurtenant equipment and material, which are located in, or are used or useful in the provision, delivery and distribution of water in, to or for the Big Island Service Area;

C. *Accounts.* Accounts shall include all accounts payable, accounts receivable,

tap or connection fees or accounts created for such fees, reserve accounts, equipment, material, supplies, inventory or other property, used or useful in Sellers' collection, transportation and treatment of wastewater or delivery and distribution of potable water. An itemization of said accounts and equipment is attached to this agreement and identified as Exhibit B. Prior to the execution of this Agreement, Seller agrees to provide Buyer with an itemization of Seller's expenses for the last 3 years with regard to the annual operating and maintenance expenses of the water and wastewater systems, including but not limited to: electrical bills, insurance premiums, testing, manager fees, maintenance calls, repairs, troubleshooting, etc.;

D. *Real Estate and Easements.* The real estate described in the warranty deed attached as Exhibit C on which the wastewater collection plant has been constructed and the water well and holding tanks have been constructed, in addition to easements, right-of-ways, and other present interests in real property acquired by Seller and used or useful in Sellers' collection, transportation and treatment of wastewater or delivery and distribution of potable water (sometimes collectively referred to hereinafter as "the Assets");

E. *Guarantees and Warranties.* For any Asset erected or installed within sixty (60) days of the Closing Date, Seller agrees to utilize its best efforts to persuade Seller's general contractor, who installed the water and sewer systems, to provide Buyers with a written guarantee or warranty of contractor's work for a period of one year from the date of installation. Furthermore, Seller agrees that Seller shall to the best of its ability name Buyers as third-party beneficiary on any and all guarantees or warranties which Seller may later obtain from the contractors and suppliers retained or used by Seller to install and equip the Assets. Neither the final payment by the Buyer nor the final acceptance by the Buyer shall

relieve Seller's retained independent contractors or suppliers from responsibility for correcting any defect covered by the guarantees and warranties assigned or obtained pursuant to this paragraph.

F. With the exception of any real estate transferred under this Agreement, Seller **MAKES NO WARRANTIES, EXPRESS OR IMPLIED**, with respect to the assets sold under this Agreement. The assets sold under this agreement are sold "AS IS" and "WITH ALL FAULTS."

2. Conveyances of Real Estate

The real estate to be conveyed by Seller will include the real property on which the wastewater treatment plant and the water well and holding tanks are located. **FOLSOM** shall retain an easement to said real property. In addition, Seller shall convey to Buyers an easement upon all real property owned by **FOLSOM** and upon which water and wastewater mains have been constructed. Said easement shall encompass enough land to allow for access and necessary repairs and maintenance. The real estate will be conveyed by general warranty deed(s), the specimen for which is attached as Exhibit C, and will vest marketable title in fact in the Buyers as their interests are divided. Easements shall be assigned by a written assignment, the specimen for which is attached as Exhibit D.

A. *Title Insurance*

Seller shall within fifteen (15) days hereof deliver to Buyer a commitment to issue an owner's policy of title insurance naming Buyer as the insured, written by a title insurance company licensed in Missouri under the provisions of Chapter 381, Missouri Revised Statutes, which policy shall insure the Seller's title to be in the condition called for by this contract, and which commitment shall provide that said policy shall be issued forthwith after

the Seller's General Warranty deed shall be recorded. After delivery of said title insurance commitment, Buyer shall have fifteen (15) days to examine said title insurance commitment and notify Seller in writing of any objections thereto. If there be any objections, Seller shall within a reasonable time furnish to Buyer a new or amended title insurance commitment satisfying any such objections, but if such commitment shall not be furnished within ten (10) days after said notice, Buyer at its election may avoid this contract by written notice to Seller prior to the furnishing of such commitment. If the failure to furnish a title insurance commitment is due to the fact that title defects cannot be corrected, then this contract shall be void, unless Buyer gives notice to Seller in writing of its election to waive such defects, and if Seller was in actual good faith Seller shall not be liable to Buyer for any damages. Seller shall pay all costs for the issuance of the title insurance commitment. Buyer shall pay for the issuance of the policy.

3. Consideration.

In exchange for the Assets and Seller's promises and covenants herein:

A. *Tap Fees.* Buyers agree to remit to **FOLSOM** a tap fee when the persons identified on Exhibit E attached hereto or their successors in title connect to either or both of the systems. **BI SEWER** shall pay to **FOLSOM** a tap fee charge of \$4,800.00 for sewer service and **BI WATER** shall pay to **FOLSOM** a tap fee charge of \$2,000.00 for water service.

It shall be Buyer's responsibility to collect a tap fee from the customer identified on Exhibit E in an amount sufficient to include the fee payable to **FOLSOM**. **FOLSOM** acknowledges that the Bylaws of BI Water provide for the return of a \$2,000.00 tap fee to eligible customers who exercise a refund option. **FOLSOM** agrees to pay the tap fee refund to any person who exercises that option and who was not connected to the water distribution system on the

Closing Date. However, should that property owner or his successor in interest, re-purchase a water tap at a later date, Seller **FOLSOM** shall be entitled to a \$2,000.00 tap fee charge. Buyer's obligation to pay the indicated tap fees to **FOLSOM** shall expire ten (10) years after the Closing Date.

B. *Cooperation in Continued Development of Big Island.* Buyers acknowledge that **FOLSOM** is the title owner of the property described on Exhibit F (the “**FOLSOM** Parcels”). Buyers further acknowledge that **FOLSOM** is continuing active development of the **FOLSOM** Parcels. As those Parcels are developed, **FOLSOM** anticipates that it will be required by law to appear before local planning and zoning authorities, file requests and seek approvals from agencies of the state or federal government having jurisdiction over the permitting of wells, water distribution lines, wastewater transmission and collection lines, and wastewater treatment facilities; or appear before local governmental authorities in connection with construction and completion of dwelling units and related appurtenant facilities of the development. In exchange for the Assets transferred pursuant to this agreement, and **FOLSOM**'s promises and agreements herein, Buyers, for themselves their officers, directors, agents and employees, do hereby covenant and agree that they shall remain neutral with regard to any requests or applications **FOLSOM** may file for authority, permits, local zoning approval or any other form of federal, state, county, municipal or local authority or approval in connection with the development of the **FOLSOM** Parcels. Nothing in this section shall be construed to prohibit Buyers from 1) providing information about the Assets at the request of any governmental entity; or 2) cooperating with **FOLSOM** in supplying any governmental entity with information about the Assets; their condition, capacity or maintenance, in connection with the development of the **FOLSOM** Parcels. Notwithstanding the foregoing,

nothing in this agreement shall prevent any resident within the Big Island Service Area (Exhibit A) from voicing their objections, beliefs or opinions before any governmental entity on any issue that may affect that person in his or her capacity as a resident or property owner on Big Island

C. *Extensions of the Big Island Wastewater System and Big Island Water System.*

For purposes of **FOLSOM**'s continued development of the **FOLSOM** Parcels, improvements and extensions to both the Big Island Wastewater System and Big Island Water System will be required. The parties agree that mutual benefits would accrue from **FOLSOM**'s direct participation in the improvement and extension of the respective systems as the **FOLSOM** Parcels are progressively developed. For future improvements and extensions of the Big Island Wastewater System and Big Island Water System the parties have adopted a form of extension or improvement agreement the specimen for which (the specimen has been designed for a water main extension) is attached as Exhibit G. Until the **FOLSOM** Parcels are fully developed, Buyers agree that extensions or improvements to the respective systems on Big Island shall be constructed by **FOLSOM**, or its authorized contractors, pursuant to the Buyers' Bylaws, to the extent they may apply to the construction of the extensions or improvements, and the terms of Exhibit G, or pursuant to an agreement substantially similar to Exhibit G. For purposes of this section, the terms "fully developed" shall mean when all residences or other structures are erected in accordance with **FOLSOM**'s development plans for Big Island as they exist now or as they may be approved in the future by local land use authorities.

D. *Provisions to Survive Closing.* It is the parties' intention and agreement that their promises and agreements in Subparagraphs A. B. and C. of this section shall survive the closing.

E. *No Other Compensation.* Except as set forth in the preceding subsections, Seller shall be entitled to no other compensation for the Assets

F. *Buyers to Provide Service.* As of the Closing Date, Buyers shall offer and provide sewer service and water service respectively to persons or entities then and subsequently connected to the Big Island Wastewater System and Big Island Water System, and any extensions or improvements thereto in accordance with this Agreement, Buyers' duly enacted bylaws, rules, regulations and rates for service, as amended from time to time.

G. *Buyers to Assume Ownership.* On the date of closing, Buyer shall accept and assume ownership and title to the conveyed Assets and Buyer shall assume full liability, and become responsible, for all obligations in connection with such Assets, except for those liabilities and obligations which Seller has hereinunder agreed to retain, if any.

4. Regulatory and Other Approvals.

A. *State and Federal Approvals.* The parties acknowledge and agree that the duties and responsibilities set forth herein are conditioned upon approval of the United States Environmental Protection Agency (EPA) and Missouri Department of Natural Resources (DNR) respecting the transfer of, or Buyer's procurement of, any discharge or other permits necessary to operate the business.

B. *Membership Approval.* The parties acknowledge and agree that if required by the ASSOCIATION's Articles of Incorporation, bylaws or otherwise, the duties and responsibilities set forth herein are conditioned upon the ASSOCIATION's acquisition of the approval of the required majority of the Association's membership

C. *Missouri Public Service Commission Approval.* The parties acknowledge and agree that should the Missouri Public Service Commission assert authority over the transfer,

the duties and responsibilities set forth herein are conditioned upon Commission approval of the transfer.

C. *Failure To Obtain Approvals.* In the event the parties do not acquire the approvals and authority described in this section, this agreement shall be null and void and have absolutely no force or effect. The parties agree to that they shall act diligently and cooperate with each other in connection with any authority or approvals each may require for purposes of closing; particularly in connection with any efforts by Buyers to obtain proper EPA or DNR permits, either by application or by transfer from Seller, for lawful operation of the Assets. Seller and Buyers further agree to execute any and all other documents or applications necessary to effect said transfer of permits or other authority.

5. Closing.

A. Date of Closing.

Closing on the sale of the Assets sold under this agreement shall take place within thirty (30) days after all approvals and authority referred to in Section 4 of this Agreement have been obtained but no later than March 31, 2007 (the Closing Date). Closing shall be held at the offices of Central Bank of the Lake of the Ozarks, Osage Beach, Missouri at 10:00 a.m. or at such other time and place as the parties hereto may mutually agree.

B. Responsibilities Prior to Closing.

- i) **FOLSOM** and Seller's Contractor shall perform a walk through with Buyer's Directors for the purpose of providing information and answering questions about the assets being conveyed.
- ii) Seller shall remove all trash and debris, including any styrofoam, encapsulated foam and discarded piping from the real estate to be transferred herein on

which the wastewater treatment plant, water well and storage tanks are located.

- iii) Prior to Closing, Seller shall inspect and insure all underground valves and valve covers are properly labeled. Any obsolete valves shall be removed or, at Seller's option, shall be covered in a manner that will identify which valves are obsolete and which are active.

C. Responsibilities at Closing.

At the closing, the Seller shall deliver to the Buyers such deeds, bills of sale, endorsements, as built drawings, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in the Buyers such title to the Assets to be sold as provided in this agreement. From time to time, at Buyer's request, whether at or after the closing and without further consideration, the Seller will execute and deliver such other instruments of conveyance and transfer and take such other action as the affected Buyer reasonably may require consistent with the terms of this Agreement to more effectively convey and transfer to the Buyer any of the assets to be sold hereunder, and will assist the Buyer in the collection or reduction to possession of such Assets. The Seller will pay all sales, transfer and documentary fees and taxes, if any, payable in connection with the sale, transfers and deliveries to be made to the Buyer hereunder.

6. Seller's Representations and Warranties.

The Seller represents and warrants as follows:

A. Seller Has Standing to Sell.

FOLSOM is an existing Colorado limited liability company, and the **ASSOCIATION** is an existing Missouri nonprofit corporation and both have the requisite power to sell and transfer the Assets pursuant to the terms of this agreement.¹

B. Seller Has No Outstanding Liabilities Affecting the Transfer

Except for liabilities expressly assumed by Buyer in other sections of this Agreement, all liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out of the operation of the Assets are paid in full or adequate reserves have been provided for the payment thereof, including:

- i. Local, state and federal tax liabilities due or to become due for any period prior to or ending on the date of closing or arising out of the transactions entered into, or any state of facts existing, prior thereto;
- ii. Liabilities or obligations which result from or are attributable, directly or indirectly, to the breach or failure to perform or the alleged breach or alleged failure to perform by the Seller of any agreement, contract, easement, lease, franchise agreement or understanding of any nature, whether oral or in writing, or arising, directly or indirectly, out of any state of facts existing prior to the date of closing;

C. Seller Has Marketable Title.

Seller has good and marketable title to all of the pipes, pumping equipment, storage towers/tanks, or retention basins, lift stations, treatment plants, equipment, fixtures and improvements making up the Big Island Wastewater System and Water Distribution System, and, to the best of Seller's knowledge, without active inquiry, good and merchantable title by conveyance, prescription or otherwise to its easements. Seller also owns all other assets to be sold under this agreement, in all cases free and clear of all liens, mortgages, pledges, leases, conditional sales agreements, encumbrances or other charges except liens for taxes not yet due or payable, easements or right of ways, streets, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate, have a materially adverse effect on the value or utility of the Assets to be sold hereunder. Seller makes no warranty concerning the merchantability or status of the title of any real estate upon which the easements are located.

D. No Encumbrances on Assets being Conveyed.

Seller has entered into agreements, as more fully identified on the attached Exhibit H, which pertain to the Assets being conveyed. Seller expects said Agreements to be completed or concluded prior to closing. Seller agrees no financial liability inherent in said Agreements shall be transferred to Buyers at closing and agrees to transfer the Assets free of liens, leases, contracts or commitments with the exception of any guarantees or warranties of benefit to Buyers.

E. No Violation or Breach.

The performance of this agreement by the Seller, including any preconditions or

¹ With respect to the Association's authority however, see also section 4.B of this Agreement.

surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured

7. Buyers' Representations and Warranties.

Buyer represents and warrants as follows:

A. Buyers Have Standing to Purchase.

Buyers are Missouri corporations, organized and existing under Chapter 393, RSMo and have authority and have all the requisite power to enter this agreement and purchase the Big Island Wastewater System and Water Distribution System and related assets pursuant to the terms of this agreement.

B. Authority.

The execution and delivery of this agreement by Buyers and the purchase of the Assets as contemplated hereby have been duly authorized by the Buyers, and all necessary action on the part of the Buyers has been taken to authorize the execution and delivery of this agreement and to consummate the sale contemplated hereby.

8. Conditions Precedent.

A. Buyers are Obligated to Close If Following Conditions are Satisfied.

Buyers' are obligated to Close on or before March 31, 2007 provided each of the following conditions have been fulfilled:

i. Regulatory Approval.

All EPA and DNR permits necessary for operation of the Assets as an ongoing business shall have been obtained by Buyers.

ii. Representations and Warranties Remain True at Closing.

The Seller's representations and warranties contained in this agreement shall be true at the time of closing as though such representations and warranties were made at such time.

iii. Performance

The Seller shall have performed and complied with all agreements and conditions required by this agreement to be performed or complied with by Seller prior to or at the closing.

iv. No Casualty.

The Big Island Wastewater System and Water Distribution System shall not have been adversely affected in any material way as a result of any accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

B. Sellers are Obligated to Close If Following Conditions are Satisfied:

Sellers are obligated to Close on or before March 31, 2007 provided each of the following conditions have been fulfilled:

i. Regulatory Approval.

All EPA and DNR permits necessary for operation of the Assets as an ongoing business shall have been obtained by Buyers.

ii. Representations and Warranties Remain True at Closing.

Buyers' representations and warranties contained in this Agreement shall be true at the time of closing as though such representations and warranties were made at such time.

iii. Association Membership Approval. If required by the ASSOCIATION's

Articles of Incorporation, bylaws or otherwise, acquisition of the approval of the required majority of the membership thereof.

9. Indemnification of Buyer by Seller.

The Seller shall, and hereby agrees to indemnify and hold harmless the Buyers, at any time after the closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to the Buyer under this agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or hazardous materials prior to the date of closing;

D. Any loss, liability, damage or expense including reasonable fees and disbursements of counsel, which Buyers may suffer, sustain or become subject to as a

consequence of any breach of any provision of this Agreement by Sellers.

E. Any loss, liability, damages or expense, including any reasonable fees and disbursements of counsel, which the Buyers may suffer, sustain or become subject to with respect to the enforcement of any provision of this Agreement against Sellers.

F. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing;

G. Seller may defend and control the defense of any liability to any third person, which the Seller must indemnify and hold the Buyer harmless against, at its sole expense through its legal counsel, reasonably acceptable to the Buyer, provided that the Buyer shall also be entitled to be represented in connection therewith by its legal counsel at its sole expense. The Buyer will not voluntarily pay or consent to the payment of any such liability or obligation without the consent of the Seller which consent shall not be unreasonably withheld. The Buyer shall notify the Seller with respect to any claim, demand, action or suit with respect to any of the foregoing; however, the failure by the Buyer to notify the Seller of any such liability or obligation shall not vitiate the obligation of Seller to indemnify except to the extent that such failure materially and adversely prejudices the defense of such liability or obligation.

10. Indemnification of Seller by Buyers

The Buyers shall, and hereby agree to indemnify and hold harmless the Seller, at any time after the closing against and in respect of:

A. Any loss, liability, damage or expense including reasonable fees and disbursements of counsel, which Seller may suffer, sustain or become subject to as a consequence of any breach of any provision of this Agreement by Buyers.

B. Any loss, liability, damage or expense, including any reasonable fees and disbursements of counsel, which Seller may suffer, sustain or become subject to arising out of the Buyers' use of the acquired Assets subsequent to the Closing.

C. Any loss, liability, damages or expense, including any reasonable fees and disbursements of counsel, which the Seller may suffer, sustain or become subject to with respect to the enforcement of any provision of this Agreement against the Buyers

D. Buyer(s) may defend and control the defense of any liability to any third person, which the Buyer(s) must indemnify and hold the Seller harmless against, at its sole expense through its legal counsel, reasonably acceptable to the Seller, provided that the Seller shall also be entitled to be represented in connection therewith by its legal counsel at its sole expense. The Seller will not voluntarily pay or consent to the payment of any such liability or obligation without the consent of the Buyer(s) which consent shall not be unreasonably withheld. The Seller shall notify the Buyer(s) with respect to any claim, demand, action or suit with respect to any of the foregoing; however, the failure by the Seller to notify the Buyer(s) of any such liability or obligation shall not vitiate the obligation of Buyer(s) to indemnify except to the extent that such failure materially and adversely prejudices the defense of such liability or obligation.

11. Fees and Commissions.

Each party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee in connection with the transactions contemplated by this agreement. Each party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this agreement and in closing and completing the transactions hereunder provided.

12. Survival of Representations.

All statements contained in any certificate or other instrument delivered Buyers on behalf of Seller pursuant hereto, or in connection with the transactions contemplated hereby, shall be deemed representations and warranties by the Seller. All representations, warranties and agreements made by the Seller in this agreement, or pursuant hereto, shall survive the closing.

13. Benefit.

All of the terms of this agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives, and the successors and assigns of the Seller and Buyer.

14. Construction.

This agreement is being delivered and is intended to be performed in the State of Missouri, and shall be construed and enforced in accordance with the laws of such state.

15. Use of the Singular and Plural.

For the purposes of this Agreement, use of the plural form of a word includes the singular and use of the singular form of a word includes the plural unless the context indicates otherwise.

16. Entire Agreement.

This Agreement, together with the Exhibits hereto is the full and complete understanding between all of the parties and supersedes any and all prior or contemporaneous oral or written understandings or agreements. Any modification of this Agreement or additional obligation assumed by any party in connection with this Agreement shall be binding only if evidenced in a writing signed by each party or an authorized representative of each party

17. Counterparts.

This agreement may be executed simultaneously in one or more counterparts, each of which

shall be deemed an original, but all of which shall constitute one and the same instrument. This agreement shall not be binding until executed by all parties.

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

FOLSOM RIDGE, L.L.C..

By: _____

**BIG ISLAND HOMEOWNERS WATER AND
SEWER ASSOCIATION, INC.**

By: _____

SELLER

BIG ISLAND SEWER COMPANY

By: _____

BIG ISLAND WATER COMPANY

By: _____

BUYERS