

# UTILITY SOLUTIONS

May 15, 2007

Rachel Clark  
MDEQ  
Public Water Section  
PO Box 200901  
Helena, MT 59620-0901

RE: Buckland Siding Project  
wastewater treatment and disposal

Dear Rachel,

This is to confirm that the lots in the proposed Buckland Siding Project Subdivision in Gallatin County to be constructed in the platted Rainbow Subdivision will be served by extension and connection to the Utility Solutions, LLC Public Wastewater Treatment System, and,

That, the extensions and additions to the Utility Solutions, LLC Public Wastewater Treatment System, shall be constructed in accordance with plans and specifications submitted to, and approved by, the Montana Department of Environmental Quality under the seal of a professional engineer licensed by the State of Montana, and

That, plans and specifications for the proposed extensions and service connections to the Utility Solutions, LLC Public Wastewater Treatment System will be reviewed and approved by the Gallatin City-County Health Department and will comply with local regulations and ARM, Title 17, Chapter 36, Subchapter 3 and 9, before construction is started.

Sincerely,

  
Barbara Campbell

cc: Tim Roarke, Gallatin City-County Health Department

# UTILITY SOLUTIONS

May 15, 2007

Rachel Clark  
MDEQ  
Public Water Section  
PO Box 200901  
Helena, MT 59620-0901

RE: Buckland Siding Project  
public water supply system

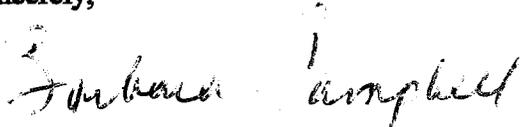
Dear Rachel,

This is to confirm that the lots in the proposed Buckland Siding Project in Gallatin County to be constructed in the platted Rainbow Subdivision will be served by extension and connection to the Utility Solutions, LLC Public Water System, and,

That, the extensions and additions to the Utility Solutions, LLC Public Water System, shall be constructed in accordance with plans and specifications submitted to, and approved by, the Montana Department of Environmental Quality under the seal of a professional engineer licensed by the State of Montana, and

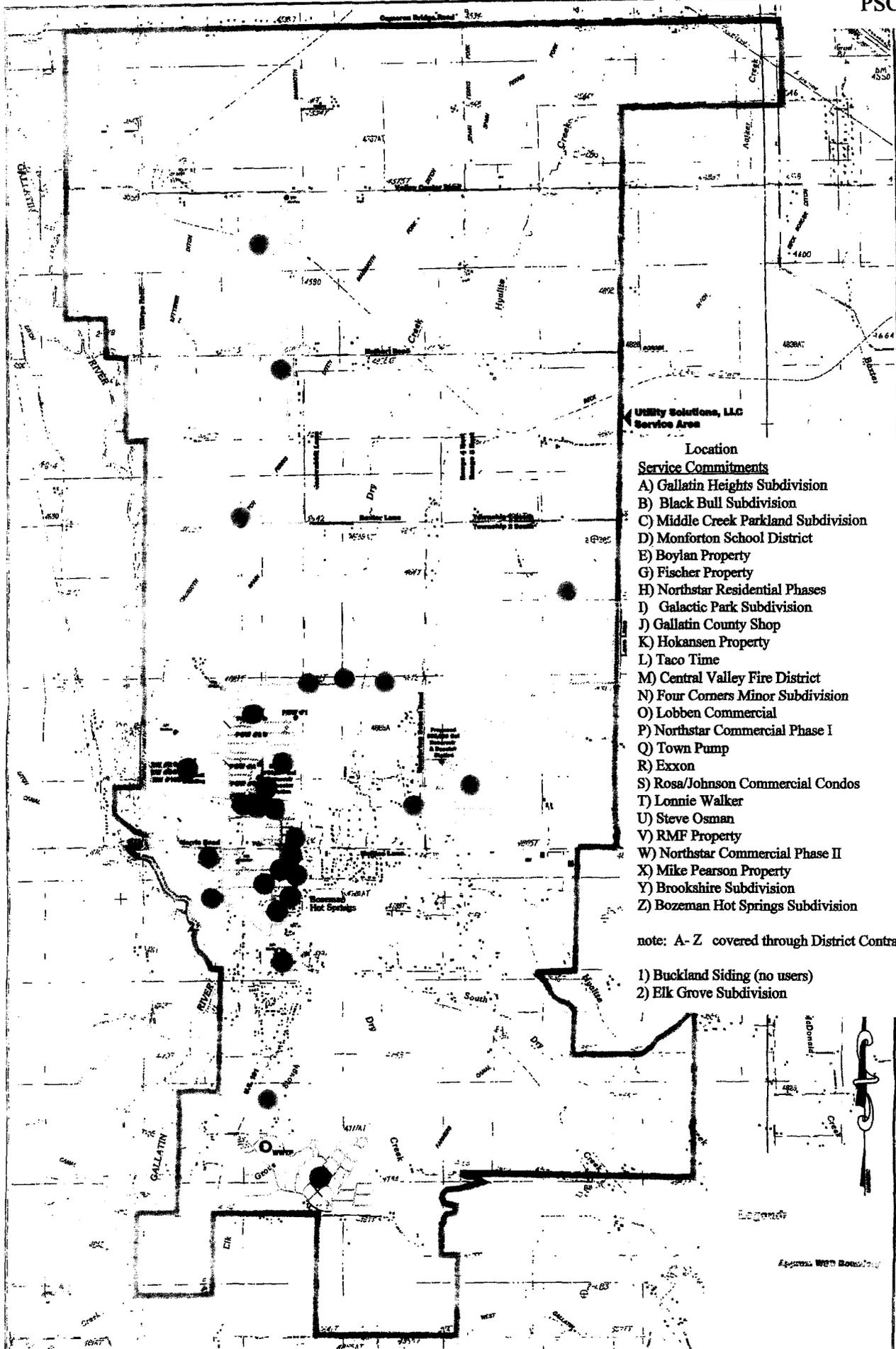
That, within 90 days after construction is completed on the extensions and additions to the Utility Solutions, LLC Public Water System the professional engineer shall certify to the Montana Department of Environmental Quality that the construction was completed in accordance with plans and specifications approved by the Department.

Sincerely,



Barbara Campbell

cc: Tim Roarke, Gallatin City-County Health Department



Utility Solutions, LLC  
Service Area

- Location**  
**Service Commitments**
- A) Gallatin Heights Subdivision
  - B) Black Bull Subdivision
  - C) Middle Creek Parkland Subdivision
  - D) Monforton School District
  - E) Boylan Property
  - G) Fischer Property
  - H) Northstar Residential Phases
  - I) Galactic Park Subdivision
  - J) Gallatin County Shop
  - K) Hokansen Property
  - L) Taco Time
  - M) Central Valley Fire District
  - N) Four Corners Minor Subdivision
  - O) Lobben Commercial
  - P) Northstar Commercial Phase I
  - Q) Town Pump
  - R) Exxon
  - S) Rosa/Johnson Commercial Condos
  - T) Lonnie Walker
  - U) Steve Osman
  - V) RMF Property
  - W) Northstar Commercial Phase II
  - X) Mike Pearson Property
  - Y) Brookshire Subdivision
  - Z) Bozeman Hot Springs Subdivision

note: A- Z covered through District Contract

- 1) Buckland Siding (no users)
- 2) Elk Grove Subdivision

<p><b>MORRISON MAIERLE, INC.</b> An Employee-Owned Company</p> <p>Engineer: 801 Technology Blvd., Bozeman MT 59718 Phone: (406) 852-0721 Fax: (406) 852-1178</p>	<p>DRAWN BY: GSB CHKD. BY: EJB APPR. BY: MEQ DATE: 8/2005</p>	<p>UTILITY SOLUTIONS, LLC PUBLIC WATER SUPPLY SYSTEM</p>	<p>PROJECT NO. 3706/018</p>
		<p>BOZEMAN MONTANA</p>	<p>FIGURE NUMBER <b>EXH. A</b></p>

Service Date: January 13, 2006

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER OF the Application of	)	UTILITY DIVISION
Utility Solutions, LLC to Implement Initial	)	
Rates and Charges for Water Service in its Elk	)	DOCKET NO. D2005.11.163
Grove Subdivision, Gallatin County, Montana	)	ORDER NO. 6707
Service Area	)	

**INTERIM ORDER**  
**History**

On November 1, 2005, Utility Solutions, LLC (USLLC), P.O. Box 10098, Bozeman Montana 59719, filed before the Public Service Commission (PSC) an application for approval to implement initial rates and charges for metered water service and monthly flat rate water service in USLLC's Elk Grove service area. USLLC has also requested approval of special rules of service. The proposed metered rate consists of a customer charge of \$14.68 per month plus \$1.644 per 1000 gallons or fraction thereof. The proposed monthly flat rate tariffs are \$34.97 per month for residential customers, \$44.09 for daycare customers, \$86.65 for commercial customers and an irrigation charge of \$1.517 per hundred square feet. This would generate revenues of \$163,978 at the full build out of the subdivision given the usage estimates in the filing.

In its application, USLLC requested initial interim rates based on its proposed flat monthly rate tariff. In discussions with PSC staff, USLLC stated that it had made an error in its request for interim relief and that the interim relief is requested to be granted on the metered rates rather than the flat rate requested in its filing.

On November 30, 2005, the Montana Consumer Counsel filed a Petition to Intervene and on December 6, Anthony Kolnik filed a Petition to Intervene in the docket.

On December 9, 2005, USLLC objected to the intervention by Anthony Kolnik and on December 20, 2005, the PSC upheld the objection and denied intervention by Kolnik.

### **Conclusions of Law**

1. USLLC is a public utility furnishing water service to customers in the Gallatin County, Montana area. As such, it is subject to the supervision, regulation and control of the Commission pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

2. Section 69-3-304, MCA, provides that the Commission may temporarily approve increases pending a hearing or final decision.

3. The Commission concludes that the granting of an interim rate increase of \$163,978 at full build out as set forth is just, reasonable and within the discretion granted by § 69-3-304, MCA.

### **ORDER**

NOW THEREFORE, IT IS ORDERED THAT:

4. USLLC is hereby granted authority to implement on an interim basis increased rates for its Gallatin County, Montana customers, designed to generate additional annual revenues in the amount of \$163,978 at full build out. The metered rate shall consist of a customer charge of \$14.68 per month plus \$1.644 per 1000 gallons or fraction thereof.

5. USLLC is ordered to file with the Commission, tariffs reflecting the interim rate relief.

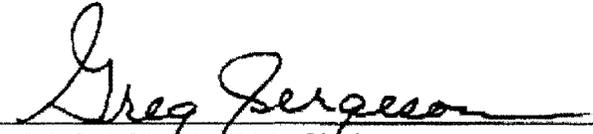
6. USLLC is ordered to file, by July 1, 2007, an application for final order and permanent rates based on a test year of income and expenses ending not later than January 9, 2007.

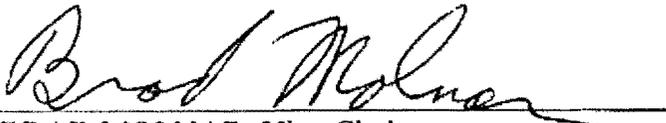
7. The increase granted is subject to rebate if the Commission determines that a lesser increase is warranted. Interest on any rebate will be calculated at the rate of return authorized by the Commission.

8. The interim relief granted in this Order is to be effective for services rendered on and after January 10, 2006.

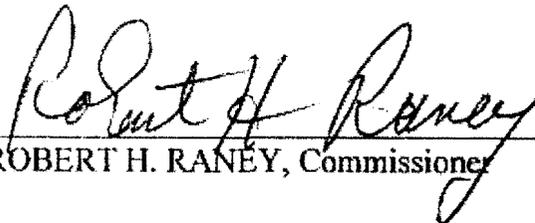
DONE IN OPEN SESSION at Helena, Montana this 10<sup>th</sup> day of January, 2006, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

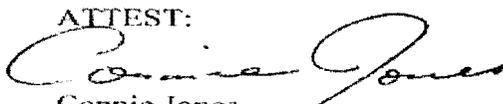
  
GREG JERGESON, Chairman

  
BRAD MOLNAR, Vice Chairman

  
DOUG MOOD, Commissioner

  
ROBERT H. RANEY, Commissioner

  
THOMAS J. SCHNEIDER, Commissioner

ATTEST:  
  
Connie Jones  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.

Service Date: January 13, 2006

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

\* \* \* \* \*

IN THE MATTER OF the Application of	)	UTILITY DIVISION
Utility Solutions, LLC to Implement Initial	)	
Rates and Charges for Wastewater Service in	)	DOCKET NO. D2005.11.164
its Elk Grove Subdivision, Gallatin County,	)	ORDER NO. 6708
Montana Service Area	)	

**INTERIM ORDER**

**History**

On November 1, 2005, Utility Solutions, LLC (USLLC), P.O. Box 10098, Bozeman Montana 59719, filed before the Public Service Commission (PSC) an application for approval to implement initial rates and charges for metered wastewater service and monthly flat rate wastewater service in USLLC's Elk Grove service area. USLLC has also requested approval of special rules of service. The proposed metered rate consists of a customer charge of \$14.06 per month plus \$4.449 per 1000 gallons or fraction thereof. The proposed monthly flat rate tariffs are \$53.79 per month for residential customers, \$80.10 for daycare customers and \$108.76 for commercial customers. This would generate revenues of \$199,188 at the full build out of the subdivision.

In its application, USLLC requested initial interim rates based on its proposed flat monthly rate tariff.

On November 30, 2005, the Montana Consumer Counsel filed a Petition to Intervene in the docket and was granted intervention.

**Conclusions of Law**

1. USLLC is a public utility furnishing wastewater service to customers in the Gallatin County, Montana area. As such, it is subject to the supervision, regulation and control of the Commission pursuant to Title 69, Chapter 3, Montana Code Annotated (MCA).

2. Section 69-3-304, MCA, provides that the Commission may temporarily approve increases pending a hearing or final decision.

3. The Commission concludes that the granting of an interim rate increase of \$199,188 at full build out as set forth is just, reasonable and within the discretion granted by § 69-3-304, MCA.

**ORDER**

NOW THEREFORE, IT IS ORDERED THAT:

4. USLLC is hereby granted authority to implement on an interim basis increased rates for its Gallatin County, Montana customers, designed to generate additional annual revenues in the amount of \$199,188 at full build out. Those rates per month are \$53.79 for residential customers, \$80.10 for daycare customers and \$108.76 for commercial customers.

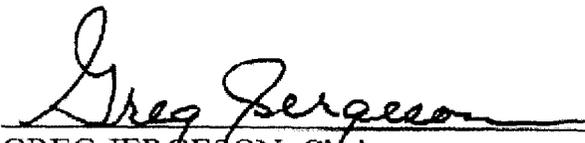
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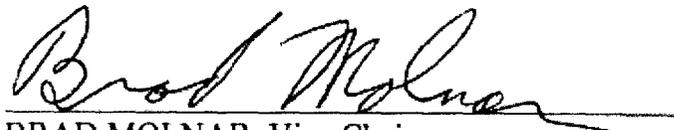
6. The increase granted is subject to rebate if the Commission determines that a lesser increase is warranted. Interest on any rebate will be calculated at the rate of return authorized by the Commission.

7. The interim relief granted in this Order is to be effective for services rendered on and after January 10, 2006.

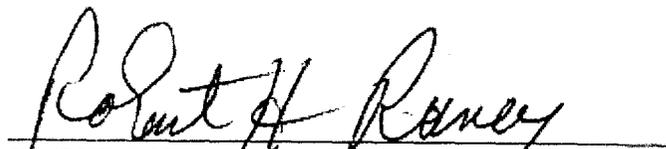
DONE IN OPEN SESSION at Helena, Montana this 10<sup>th</sup> day of January, 2006, by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

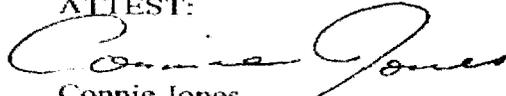
  
GREG JERGESON, Chairman

  
BRAD MOLNAR, Vice Chairman

  
DOUG MOOD, Commissioner

  
ROBERT H. RANEY, Commissioner

  
THOMAS J. SCHNEIDER, Commissioner

ATTEST:  
  
Connie Jones  
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See ARM 38.2.4806.

**AGREEMENT TO SELL AND PURCHASE**

THIS AGREEMENT is made and entered into this 8 day of August 2003,  
by and between Concinnity, LLC, a Montana limited liability company (herein "Seller"),  
(Elk Grove Development Company, a Montana corporation ("Elk Grove")) and Utility  
Solutions, LLC, a Montana limited liability company (herein "Purchaser").

**RECITALS**

A. WHEREAS, Seller owns certain real property in Gallatin County, Montana consisting of Utility Lot 1, Utility Lot 2, and Utility Lot 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE $\frac{1}{4}$  of Section 23, the SW $\frac{1}{4}$  of Section 24, the NW $\frac{1}{4}$  of Section 25, and the NE $\frac{1}{4}$  of Section 26, all in Township 2 South, Range 4 East, P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana, together with improvements thereto that are used and useful for the diversion and distribution of groundwater for residential and commercial purposes, and the collection and treatment of residential and commercial sewage wastes and other wastewater, together with various easements and rights that are appurtenant to and used in connection with such Lots and improvements thereto, as those easements appear on said official plat or as these easements are further described herein;

B. WHEREAS, Seller owns various personal property that is used and useful in connection with the treatment of residential and commercial sewage and sewage wastes;

C. WHEREAS, Seller holds a discharge permit from the Department of Environmental Quality of the State of Montana for the discharge of effluent into the waters of the State of Montana according to the terms thereof and a water use permit from the Department of Natural Resources and Conservation of the State of Montana for the appropriation and use of water according to the terms thereof;

D. WHEREAS, all of the property owned by Seller that is used and useful for the diversion and distribution of water for residential and commercial purposes has been used for the public purpose of providing a water supply for various lands in Section 23,

Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana;

E. WHEREAS, a discrete portion of the property owned by Seller and used and useful for the collection and treatment of residential and commercial sewage wastes and other wastewater has been used for the public purpose of providing wastewater treatment for various lands in Section 23, Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana;

F. Whereas, Seller desires to sell the various real and personal properties it owns that are used and useful for the diversion and distribution of water and the treatment of residential and commercial sewage wastes and other wastewater, provided that such property is used for (1) the diversion and distribution of water for residential and commercial purposes in Section 23, Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana; and (2) sewage and other wastewater treatment from residential and commercial sources on, *inter alia*, various lands in Section 23, Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, all according to the terms and conditions set forth herein;

G. Whereas, Purchaser desires to purchase the various properties owned by Seller that are used and useful for the diversion and distribution of water and for the treatment of residential and commercial sewage wastes and other wastewater, and to use and maintain such properties, for (1) the diversion and distribution of water for residential and commercial purposes in Section 23, Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana; and (2) sewage and other wastewater treatment from residential and commercial sources on, *inter alia*, various lands in Section 23, Section 24, Section 25, and Section 26; Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, all according to the terms and conditions set forth herein;

H. Whereas, the parties to this agreement understand and agree that it is Purchaser's intent to provide residential and commercial sewer and wastewater treatment services to persons who purchase property outside the Elk Grove Subdivision Phases I, II, III or IV from and with the real and personal properties it purchases herein and Seller agrees to assist Purchaser with such efforts by providing certain additional easements as discussed herein; and

I. Whereas, it is both the intent and desire of Seller to convey to Purchaser all properties, real or personal, tangible or intangible, that are used and useful for the

diversion and distribution of water and for the collection, treatment, and discharge of residential and commercial sewage wastes and other wastewater;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, Seller and agrees to sell the Real Property and Improvements, Personal Property, and Intangible Property for the price and upon the terms set forth herein, and Purchaser agrees to Purchase the Real Property and Improvements, Personal Property, and Intangible Property for the price and upon the terms set forth herein.

## AGREEMENT

1. **RECITALS INCORPORATED:**

The foregoing recitals are incorporated herein, and made a part of this Agreement, as if set forth in full herein.

2. **DESCRIPTION OF PROPERTY:**

The Property shall consist of the Real Property, the Improvements, the Personal Property, and the Intangible Property (hereinafter referred to collectively as "The Property").

2.1 **Real Property and Improvements.** The premises shall consist of the following property, comprised of the Water Distribution Facilities and the Sewer and Wastewater Facilities. For purposes of this Agreement, the term "Real Property" shall refer to the land being conveyed herein and all easements that appurtenant to such lands, and the term "Improvements" shall refer to all improvements made on or to the Real Property or used in connection with the improvements on the Real Property, including but not limited to any structures, facilities, lift stations, pipes, wells, pumps, water tanks, I/P Cells or equipment. The Real Property and Improvements shall be conveyed subject to and burdened by those real covenants set forth on Exhibit A hereto, and excepting and reserving to Seller and its lessees, licensees, successors, and assigns an easement for ingress and egress to and from Utility Lot 4 across Utility Lot 3 adjacent to the western boundary thereof, as said Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with the

right to use the roadway granted Purchaser as an easement to and from Utility Lot 3 to Elk Grove Lane, as that Lane, roadway, and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development. The Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities as burdened by these real covenants and with said exception and reservation shall be hereinafter referred to as "The Real Property and Improvements."

**2.2 The Sewer and Wastewater Facilities.** The Sewer and Wastewater Facilities shall be comprised of the following premises:

(a) Utility Lot (UL) 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE $\frac{1}{4}$  of Section 23, the SW $\frac{1}{4}$  of Section 24, the NW $\frac{1}{4}$  of Section 25, and the NE $\frac{1}{4}$  of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: (1) all sewage and wastewater treatment facilities, and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 3, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, (2) an easement of fifty (50) feet by fifty (50) feet for the use, maintenance, and repair of the Lift Station Plant, as that easement is depicted on the east boundary of Utility Lot 3 on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, and, (3) the Lift Station Plant and all other improvements that have been constructed upon or otherwise affixed to the fifty (50) foot by fifty (50) foot boundaries of that easement, as that easement is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and (4) a non-exclusive easement for ingress and egress from Elk Grove Lane to and from Utility Lot 3, as that Lane, roadway, and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, (5) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of sewer and wastewater pipelines as the centerline of such easements are depicted on Exhibit B hereto; and, (6) such other easements of a twenty-foot (20) width, and thirty-foot (30) width where such easements abut property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other sewer and wastewater pipelines that are hereafter installed to provide sewer and wastewater services to any residential and/or commercial development of all or any part of those lands set forth and described on Exhibit C hereto, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana by the recordation of a Final Plat for Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a

Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development; and, (7) all pipelines, couplings and associated equipment constructed or installed within those easements described in (5) and (6) hereof; and, (8) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline or pipelines for sewage and wastewater to and from the eastern boundary of Utility Lot 3 in a northerly direction to Violet Lane, as such Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, (9) a thirty (30) foot wide easement along the west boundary of all that land set forth on Exhibit C hereto, together with an additional thirty (30) foot wide easement from this western boundary running easterly at a distance of 150 feet south of the south line of Lots E, F, and G, as those lots are depicted in the Preliminary Plat for Elk Grove Subdivision Phase IV, a Planned Unit Development, to a point directly south of the southwestern corner of Utility Lot 3, as that Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, and then north to said Utility Lot 3, all said easements to be used for the installation and maintenance of a pipeline for the transportation of sewage, sewage wastes, and other wastewater to said Utility Lot 3; together with,

(b) Utility Lot 2 (UL) of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE $\frac{1}{4}$  of Section 23, the SW $\frac{1}{4}$  of Section 24, the NW $\frac{1}{4}$  of Section 25, and the NE $\frac{1}{4}$  of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: (1) all I/P cells and any other improvements of every kind and character that have been constructed under or that are otherwise affixed to Utility Lot 2, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and (2) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from Utility Lot 3 south to Elk Grove Lane underneath that roadway between Utility Lot 3 and Elk Grove Lane as that said pipeline is depicted on Exhibit D hereto; and, (3) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from and along Elk Grove Lane from the intersection of the Pipeline from Utility Lot 3 and Elk Grove Lane to Utility Lot 2 or any portion of the Lot, as that said pipeline is depicted on Exhibit D hereto; and, (4) all pipelines, couplings and associated equipment constructed or installed within those easements described in (2) and (3) hereof; and, (5) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline to convey effluent from the southern boundary of Utility Lot 3 in a southerly direction to Remainder Tract (RT) 1 on the south side of Elk Grove Lane, as that Utility Lot, Remainder Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, (6) an easement for the use of Remainder Tract (RT) 1 for the disposal of effluent from

Utility Lot 3 by the irrigation of lands comprising Remainder Tract (RT) 1, to the greatest extent authorized by the Montana Department of Environmental Quality, as amended from time to time, as that Remainder Tract and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development.

**2.3 Water Distribution Facilities.** The Water Distribution Facilities shall be comprised of the following premises:

(a) Utility Lot (UL) 1 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE $\frac{1}{4}$  of Section 23, the SW $\frac{1}{4}$  of Section 24, the NW $\frac{1}{4}$  of Section 25, and the NE $\frac{1}{4}$  of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: (1) all pumps, wells, water tanks and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 1, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and (2) a two hundred (200) foot by seven hundred (700) foot Access and Maintenance Easement for Public Water Wells and Transmission Line System, as said easement is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and (3) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of water supply pipelines as the centerline of such easements are depicted on Exhibit E hereto; and, (4) such other easements of a twenty-foot (20) width, and thirty-foot (30) width where such easements abut property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other water delivery pipelines that are hereafter installed to provide a water supply to any residential and/or commercial development of all or any part of those lands set forth on described on Exhibit C hereto, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana by the recordation of a Final Plat for Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development and, 4) all pipelines, couplings and associated equipment constructed or installed within those easements described in (2) and (3) hereof.; together with

(b) All water and water rights related to or arising out of Water Use Permit No. 41H-P110168-00; which represent all of the recorded water rights owned by Seller and used or useful in connection with the operation and maintenance of the water and sewer systems discussed herein.

**2.5 Personal Property.** The Personal Property shall consist of all supplies, tools, or other equipment located upon Utility Lot 1, Utility Lot 2, and/or Utility Lot 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE¼ of Section 23, the SW¼ of Section 24, the NW¼ of Section 25, and the NE¼ of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, Montana, on the effective date of this Agreement, less all those supplies and/or other equipment used in the operation of the wastewater facility or the operation of the water wells prior to Closing. The Personal Property shall also include all stock or shares in Valley Water Works, Inc., a Montana corporation.

**2.6 Intangible Property.** The Intangible Property shall consist of (1) all intellectual property created or used in connection with the design, construction, maintenance and/or operation of the Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities discussed herein including, but not limited to, all plans, drawings, manuals provided to Purchaser at Closing; provided that Seller shall retain the right to sell or use any such intellectual property without any requirement to obtain permission or licenses from Purchaser, or otherwise pay Purchaser any fee or other consideration for any such sale or use of the intellectual property; (2) all applications, permits, licenses, governmental authorizations related to the Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities, including, but not limited to, the "Facilities Plan" filed with the Department of Environmental Quality; (3) Discharge Permit No. MGWPCS-0110 issued by the Department of Environmental Quality of the State of Montana; (4) all rights the Elk Grove Development Company has to charge property owners in the Elk Grove Subdivision for water and/or sewer services; and (5) all warranties, express or implied, made or undertaken by any third party in the provision of services or sale of any equipment or other tangible property installed upon any part of the Real Property or used in connection with the operation or maintenance of the Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities, including, but not limited to, those warranties set forth on Exhibit F hereto, provided that such any warranties can be assigned to Purchaser. Seller makes no representation or warranty that any such warranties can be assigned or are otherwise enforceable.

**3. PURCHASE PRICE:**

**3.1. Amount and Allocation.** The Purchase Price of the Property is TWO MILLION NINE HUNDRED THOUSAND DOLLARS (\$2,900,000.00). The parties agree that the Purchase shall be allocated between Real Property, Improvements, Personal Property and Intangible Property as set forth on Exhibit G hereto. Seller and Purchaser agree that the allocation of the purchase price set

forth on Exhibit G hereto reasonably identifies the fair market value of each of these assets, and Seller and Purchaser agree to use such an allocation for the purposes of reporting the incidents of the sale of the Property to any regulatory or revenue authority of the United States or the State of Montana.

**3.2. Manner of Payment.**

**3.2.1 Cash at Closing.** Purchaser shall pay by certified funds the amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00) at Closing.

**3.2.2 Promissory Notes.** The balance of the Purchase Price in the amount of ONE MILLION FOUR HUNDRED THOUSAND DOLLARS (\$1,400,000.00) shall be evidenced by and paid pursuant to the terms of three (3) Promissory Notes executed at Closing in the form and substance set forth as Exhibit H, Exhibit I, and Exhibit J hereto.

**3.2.3 Letter of Credit.** As a material part of the consideration for the Property, Purchaser shall provide Seller at Closing with irrevocable, standby letters of credit from a financial institution, obligating the issuer to pay the full amount of each Promissory Note provided for in subparagraph 3.2.2 hereof. The Letters of Credit shall be in the form and substance set forth as Exhibit K, Exhibit L, and Exhibit M hereto, or in such other form and substance as Seller in its absolute discretion may accept.

**4. ACKNOWLEDGMENT OF INSPECTION AND TESTING:**

Purchaser acknowledges that it has had a full and complete opportunity to inspect, test, and evaluate The Property and any part thereof, and that Purchaser, except for the express representations and warranties given by the Seller to the Buyer contained in paragraph 11 of this Agreement, relies exclusively on its inspection, tests, and evaluation of The Property to determine the suitability of The Property or any part thereof to Purchaser. Purchaser further acknowledges that it has confirmed the authenticity of any document provided to Purchaser by Seller and the substance of any matter set forth therein that relates in whole or in part to the engineering, and/or construction of any improvement to any part of The Real Property to the satisfaction of Purchaser.

**5. CONDITION OF TITLE TO REAL PROPERTY:**

**5.1. Preliminary Commitment and Purchaser's Right to Object.** Within two (2) days of execution of this Agreement, Seller shall order, at Seller's expense, a standard form ALTA commitment for title insurance, for delivery to the Purchaser, proposing to insure title to all The Real Property except that

property set forth in paragraph 2.3(b) hereof, in the amount of the purchase price free and clear of all liens and encumbrances as follows:

(a). For all that Real Property other than the easements described in paragraph 2.2(a)(6) and paragraph 2.3(a)(3), with a description of the property as set forth in paragraphs 2.2 and 2.3 hereof; and,

(b). For that property described in paragraph 2.2(a)(6) and paragraph 2.3(a)(3), with a description of all that real property set forth on Exhibit C hereto, less any lands contained therein that are set forth as Elk Grove Subdivision Phase I, a Planned Unit Development, according to the official plat thereof of record in Gallatin County, Montana, with such releases or the power to issue releases of existing encumbrances under power of attorneys issued to Allied Land Title and/or Elk Grove Development Co. as are required to convey as of the date of the title commitment the easements set forth by those paragraphs free and clear of all liens except those permitted by the terms of this paragraph.

The title commitment shall be issued subject to and excepting the following:

(A) The general exceptions contained in the policy;

(B) All zoning ordinances, building use restrictions, reservations in federal patents, and utility easements apparent or of record;

(C) Title exceptions which may be removed by the payment of money at the time of closing and which the Seller may so remove at the time by using the funds to be paid upon the delivery of the deed;

(D) All water rights;

(E) Title exception which may be removed under powers of attorney naming Allied Land Title, Inc. or Elk Grove Development Co. as an attorney-in-fact;

(F) All those real covenants set forth on Exhibit A hereto;

(G) All those real covenants arising out or related to that certain agreement of June 12, 2001 between Concinnity, LLC and John and Barbara Cok. A copy of this agreement and an abstract of agreement is set forth as Exhibit N hereto;

(H) Any right, title or interest to all minerals in or under any property including, but not limited to metals, oil, gas, coal, stone, mineral rights, mining rights and easement rights, or other matters related thereto, whether expressed or implied;

(I) Right of Way Easements and the terms and conditions therein granted to Montana Power Company, by instrument recorded April 23, 1979 in Film 49, Page 1816, by instrument recorded July 11, 1986 in Film 92, Page 4393, and/or by instrument recorded November 18, 1988, in Film 103, Page 3932; and

- (J) All those terms and conditions noted on or reflected by the official plat for Elk Grove Subdivision Phase I, a Planned Unit Development, as said plat appears in the records of Gallatin County, Montana;
- (K) The Declaration of Restrictive Covenants and the conditions and provisions contained therein as recorded on July 6, 2000 as Document No. 2015892 in the Records of Gallatin County, Montana;
- (L) The Declaration of Protective Covenants and Restrictions for Elk Grove Planned Unit Development Phases, 1, 2, and 3, and the terms, conditions and provisions therein as recorded on June 19, 2001 as Document No. 2040235 in the Records of Gallatin County, Montana, as amended by the First Amendment of Restrictive Covenants executed on August 6, 2003, and recorded as Document No. \_\_\_\_\_ in the records of Gallatin County, Montana;
- (M) The Bylaws of the Elk Grove Community Homeowner's Association, as disclosed by Protective Covenants recorded as Document No. 2040235, as those Bylaws are amended by the First Amendment of Bylaws executed on August 6, 2003.

Purchaser may purchase such other additional or extended title coverage that it desires at its sole cost and expense.

Purchaser shall have ten (10) days after receipt of the preliminary title insurance commitment provided by Seller to advise Seller, in writing, of any defects or objections to the condition of Seller's title. If Seller's title is not satisfactory to Purchaser for reasons other than those set forth in this Paragraph and such defects cannot be remedied by the time of closing, then this Agreement shall be terminated, unless Purchaser waives the defects and elects to proceed with the purchase.

**5.2. Title Insurance Policy.** At the Closing, as set forth in paragraph 9 below, Seller shall, at its expense, furnish Purchaser with a final policy of title insurance insuring title to the Real Property set forth in the title commitment, in the manner provided for in this paragraph, vested in Purchaser in the amount of the purchase price free and clear of all liens and encumbrances except taxes and assessments accruing after the date of closing, the exceptions permitted under paragraph 5.1, and all special exceptions shown on Schedule B, Section 2 of the Commitment for Title Insurance to which Purchaser does not timely object.

**6. DOCUMENTS AND MANNER OF CONVEYANCE:**

**6.1. Conveyance of Real Property and Personal Property.** The Real Property and Improvements will be conveyed at closing by Warranty Deed in the form and substance set forth on Exhibit O hereto, and the Personal Property shall

be conveyed at closing by a Bill of Sale and Assignment in the form and substance set forth on Exhibit P hereto.

**6.2. Conveyance of Intangible Property.** The Intangible Property shall be conveyed at Closing by Assignment, in the form and substance set forth on Exhibit Q hereto. To facilitate the transfer of the Intangible Property, Seller and Purchaser shall execute no later than 10 days after the effective date of this Agreement that further agreement set forth as Exhibit R hereto. Seller shall within two (2) business days thereafter file an application with the Department of Environmental Quality ("DEQ") of the State of Montana for the transfer of Discharge Permit No. MGWPCS-0110 to Purchaser. In the event that the DEQ notifies Seller and Purchaser of DEQ's intent to modify or revoke and reissue the discharge permit pursuant to ARM 17.30.1360, Seller shall have up to 120 days after the date of any such notice to secure such modifications or further discharge permits that provide for discharge of the same amount of effluent at the same effluent limits or standards that are currently incorporated into Discharge Permit No. MGWPCS-0110. In the event that Seller is unable to secure such modifications or further discharge permits within said 120 days, Purchaser may within five (5) business days after the termination of this 120 day period elect to terminate this Agreement.

**6.3 Other Documents.** Seller shall execute any and all other documents Purchaser shall reasonably request to transfer the Property set forth in paragraph 2 hereof.

**7. TAXES AND ASSESSMENTS:**

Seller and Purchaser agree to prorate taxes as of the date of closing. Seller shall pay all taxes or assessments for all prior years, in full, and its share of the prorated taxes and assessments for the current year. Purchaser shall pay all taxes and assessments for all subsequent years, and its share of the prorated taxes and assessments for the current year.

**8. CLOSING COSTS:**

Seller shall be responsible for one-half of the closing agent's fee, its share of prorated taxes and assessments; all costs of clearing any liens, encumbrances or objections to title that are not permitted by the terms of Paragraph 6 hereof, the title insurance policy premium; and its own attorney's fee. Purchaser shall be responsible for one-half of the closing agent's fee; its share of prorated taxes and assessments, and its own attorney's fee.

**9. CLOSING:**

This Agreement shall be closed three (3) business days after the later of: (1) thirty (30) days after the execution of the return receipt from the mailing of Exhibit R to

the Department of Environmental Quality of the State of Montana in accordance with paragraph 6.2 hereof, or (2) that date at which Seller secures the modification to the discharge permit or such other discharge permits as are provided for in paragraph 6.2 hereof, unless Purchaser elects to waive these time periods, and in that event, three (3) business days after Purchaser's written notification of such waiver to Seller. Closing shall take place at Allied Land Title Inc., (Title Company), 108 W. Babcock, Bozeman, Montana. At closing, the following shall be done:

- 9.1. Purchaser shall pay all those funds required by paragraph 3.2.1 hereof, together with its share of the closing costs;
- 9.2. Seller shall pay its share of the closing costs;
- 9.3. Seller shall discharge encumbrances against the Property, if any, out of the purchase money, and/or Seller shall otherwise cause encumbrances to be released under powers of attorney that name Allied Land Title, Inc. or Elk Grove Development Co. as attorneys in fact;
- 9.4. Purchaser shall execute those Promissory Notes set forth as Exhibit H, Exhibit I, and Exhibit J hereto;
- 9.5. Purchaser shall provide the letters of credit provided for in paragraph 3.2.3 hereof and Exhibit K, Exhibit L and Exhibit M hereto;
- 9.6. Seller shall execute the Warranty Deed set forth as Exhibit O hereto, the Bill of Sale set forth as Exhibit P hereto, and the Assignment set forth as Exhibit Q hereto;
- 9.7. Seller and Purchaser shall execute a water right transfer certificate for that water and water right provided for in paragraph 2.3(b) hereof.
- 9.8. Seller and Purchaser shall execute that assignment of contract set forth as Exhibit S hereto;
- 9.9. Seller and Purchaser shall execute that agreement set forth as Exhibit T hereto;
- 9.10 Seller and Purchaser shall execute such other documents as may be reasonably required to effectuate, evidence, authorize, or approve the transactions contemplated in this Agreement;

10. **SELLER'S REPRESENTATIONS AND WARRANTIES:**

The representations and warranties of the Seller set forth in this paragraph 10 shall become effective upon the execution of this Agreement and shall survive the execution of this Agreement for a period of three (3) years unless otherwise specified. The Seller represent and warrant each of the following to the Purchaser.

10.1. The execution and delivery of this Agreement by Seller has been duly authorized and all requisite action has been taken by Seller to make the Agreement valid and binding upon Seller.

10.2. To the best of Seller's knowledge there is not, and has never been, any hazardous waste stored on the Real Property or Improvements. Seller has no knowledge of and has received no notification of any investigation, inspection, suit, demand, cause of action or claim arising out of or due to any storage, use, transport, handling, disposal or release of hazardous waste on the Property. Further, the Seller has received no notification of any kind from any agencies suggesting that the Property or Seller is or may be investigated for federal or state hazardous waste cleanup or may be contaminated with any hazardous waste. For the purpose of this Agreement, "hazardous waste" means any pollutants, contaminants or other dangerous, toxic or hazardous chemicals, waste, materials or substances as defined in or governed by presently-existing federal, state or local statute, law or regulation pertaining to human health or safety or to the environment or any other waste or other substance which might subject the owner or operator of the Property to any claim, demand, damage, costs or other liability under any applicable law, statute, regulation or other requirement.

10.3. To the best of Seller's knowledge and belief, there are no underground storage tanks for storage of oil or other petroleum-based products or chemicals on the Property.

10.4. Seller has good and marketable title to all the Property and shall convey the same to Purchaser subject to only those encumbrances, obligations, or matters which Purchaser specifically agrees herein to accept or assume.

10.5. Exhibit U hereto represents a true and accurate copy of the Discharge Permit held by Seller for the operation of the Sewage and Wastewater Facilities, and all reports submitted or otherwise prepared according to the terms and requirements of the Permit, together with compliance reports prepared by the Department of Environmental Quality of the State of Montana.

10.6. Within two (2) business days of the effective date of this Agreement, Seller shall provide such accounting and accounting reports prepared in accordance with generally accepted accounting principles that confirm that at least one million five hundred thousand dollars has been paid or otherwise expended in the construction and installation of those improvements set forth in paragraph 2.2(a)(1), paragraph 2.2(a)(3), paragraph 2.2(a)(7), paragraph 2.2(b)(1) paragraph 2.3(a)(1), and/or paragraph 2.3(b)(4) hereof. Purchaser agrees to not disclose such accounting and accounting reports, or the substance thereof, to any third party, and shall otherwise treat such accounting and accounting reports, and the substance thereof, as confidential and a trade secret of Seller until Closing.

10.7. Seller will provide Purchaser with reasonable assistance in the Purchaser's preparation and prosecution of any application or submittal to the Public Service

Commission of the State of Montana for the approval of charges or fees for the Water Distribution Facilities and/or the Sewer and Wastewater Treatment Facilities, provided that nothing herein shall obligate Seller to incur any cost for lawyers, accountants, or other consulting firms or professionals.

10.8. Seller will not encumber or cause to be encumbered any of the Real Property.

10.9. Exhibit N represents a true and accurate copy of that certain agreement of June 12, 2001 between Concinnity, LLC and John and Barbara Cok, and the abstract of agreement therefor, and there are no oral or written modification or amendments to this agreement. *JTK BC*

10.10. Exhibit V (Bates Stamp Nos. 000000 to 000199 inclusive) represents true and accurate copies of those acknowledgments in the possession and custody of Seller that have been executed by purchasers of residential lots within Elk Grove Subdivision Phase I, a Planned Unit Development, according to the official plat thereof on file in the records of Gallatin County, Montana.

10.11. To the best of Seller's knowledge, there are no material defects in the design of the Water Distribution Facilities or the Sewer and Wastewater Treatment Facilities, and to the best of Seller's knowledge, the Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities have been constructed in substantial conformity with all applicable governmental requirements and Seller has been operating the same in substantial conformity with all applicable governmental requirements, including all those requirements attendant to the approval of any plans for the Water Distribution Facilities and the Sewer and Wastewater Treatment Facilities by the Montana Department of Environmental Quality.

10.12. Seller nor any of its agents or employees, have received notice, whether written or oral, from any third party or governmental entity, that the Water Distribution Facilities or the Sewer and Wastewater Treatment Facilities have not been built, maintained or operated in accord with applicable governmental requirements.

10.13. Seller has the authority to convey the easements set forth in paragraph 2.2 (a)(6) and 2.3 (a)(3).

10.14. The only recorded water rights used or useful for the Water Distribution Facilities or the Sewer and Wastewater Treatment Facilities described in Paragraph 2 above are those described as Water Use Permit No. 41H-P110168-00.

10.15. No purchaser of lots or property in Elk Grove Subdivision Phases I, II, III, and IV, Planned Unit Developments, as these Phases may appear in the records of Gallatin County, Montana, has been charged, or will be charged by Seller or

Elk Grove Development Company for water or sewer service or the capital costs associated with making such services available to them.

10.16. Seller will be able to file with Gallatin County the application for final plat approval for Elk Grove Subdivision Phases II, III, and IV, Planned Unit Developments, in accordance with the time frames provided under Gallatin County's approval of the preliminary plats for the same Phases. Seller has no knowledge of any condition or circumstance that would prevent Gallatin County from approving any application for final plat approval for Elk Grove Subdivision Phases II, III, and IV, Planned Unit Developments. Seller shall provide Purchaser with written notice of its intent to file the application for final plat approval for Phase III and Phase IV of the Elk Grove Subdivision at least ten (10) days prior to filing the same with the Gallatin County.

10.17. To the best of Seller's knowledge, all of the equipment it purchased from third parties and which make up the Improvements, is functioning as designed and without any material defect.

10.18. Valley Water Works, Inc. owes no debt or other obligation of any kind or character.

10.19. The execution, delivery and performance by the Seller of this Agreement will not, and the consummation of the transactions contemplated hereby and thereby will not, constitute or result in, whether at present or with the giving of notice or the passage of time, a material violation, breach or default under: (1) any agreement, contract, covenant, lease, mortgage, or other instrument to which the Seller is bound; (2) to the best knowledge of the Seller, any constitution, statute or regulation to which the Seller is subject; (3) any judgment, order, decree to which the Seller is a party, or, to the best knowledge of the Seller any other requirement of law by which the Seller is bound; or (4) the Seller's Articles of Organization or Operating Agreement.

10.19. To the best of Seller's knowledge, there is nothing that would prohibit or prevent Purchaser from charging, and collecting from, the existing owners of lots within the Elk Grove Subdivision Phases I, II, III, and IV, a Planned Unit Development for water and/or sewer services, other than those real covenants set forth as Exhibit A hereto.

10.20. The Seller, nor any of its members or agents, has employed or retained in connection with the transactions contemplated by this Agreement, any broker, finder or similar intermediary who is entitled to a broker's or finder's fee or commission upon the execution of this Agreement or upon completion of the transactions contemplated herein.

10.21. The Seller has not received notice, whether written or oral, of any complaint, claim, prosecution, indictment, action, suit, arbitration, investigation, inquiry or proceeding (an "Action") by or before any federal, state, local, foreign, supranational or supranational court or tribunal, governmental, regulatory or

administrative agency, department, bureau, authority or commission or arbitral panel pending, nor, to the best knowledge of the undersigned representatives of Seller, is there any Action threatened against or affecting the Seller or any of its members as such, whether at law or in equity and whether civil or criminal in nature, before any federal, state, municipal or other court, arbitrator, governmental department, commission, agency or instrumentality, domestic or foreign, nor are there any judgments, decrees or orders of any such court, arbitrator, governmental department, commission, agency or instrumentality outstanding against the Seller.

10.22. None of the representations and warranties in this paragraph 10 contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used in this Agreement, the term "knowledge" with respect to the Seller means the actual knowledge of knowledge in fact or any member of Seller.

10.23. Except as set forth in the terms of this paragraph or in the terms of Exhibit O, Exhibit P, or Exhibit Q hereto, Seller, and all its agents and employees, make no representation and/or warranty relating to the Real Property and Improvements, the Personal Property, and/or the Intangible Property.

#### 11. PURCHASER'S REPRESENTATIONS AND WARRANTIES:

The representations and warranties of the Purchaser set forth in this paragraph 12 shall become effective upon the execution of this Agreement and shall survive the execution of this Agreement for a period of three (3) years unless otherwise specified. The Purchaser represents and warrants each of the following to the Seller.

11.1. This Agreement has been authorized by all necessary action, and Purchaser has full power and authority to enter into and perform the obligations of this Agreement in accordance with its terms.

11.2. Purchaser represents that it has sufficient funds for the purchase price and closing costs to close this sale in accordance with this Agreement and is not relying upon any lender or contingent source for such funds.

11.3. Purchaser, and its agents and employees, shall take no action or encourage others to take any action the necessary consequence of which is to delay, hinder, frustrate, or otherwise impede the approval of Gallatin County of any application for approval of a final plat for Elk Grove Subdivision Phase II, a Planned Unit Development, Elk Grove Subdivision Phase III, a Planned Unit Development, and/or Elk Grove Development Phase IV, a Planned Unit Development.

#### 12. REMEDIES:

All rights and remedies available at law, in equity or under the terms of this Agreement or any other agreement or instrument executed in connection herewith shall

be cumulative, and no waiver thereof shall be (a) implied from the prior acts or omissions, or based solely upon the oral representations, of a party hereto; or (b) effective or binding unless, and then only to the extent that, such waiver is set forth in this Agreement, or a party hereto signs an express written waiver of rights or remedies and causes such written waiver to be delivered to the party for whose benefit it was made.

**12.1 Purchaser's Remedies.** If the Seller refuses or neglects to consummate the transaction within the time period allowed herein or in the event of a default of one of the representations or warranties in paragraph 11 before Closing, the Purchaser may:

12.1.1 Demand that Seller specifically perform Seller's obligations under this Agreement; OR

12.1.2 Demand monetary damages from Seller for Seller's failure to perform the terms of this Agreement; OR

12.1.3 Demand such equitable and legal relief as is just and equitable in the circumstances;

**12.2 Seller's Remedies.** If Purchaser refuses or neglects to consummate the transaction within the time period allowed herein, the Seller may:

12.2.1 Demand that Purchaser, specifically perform Purchaser's obligations under this Agreement; OR

12.2.2 Demand monetary damages from Purchaser for Purchaser's failure to perform the terms of this Agreement; OR

12.2.3 Demand such equitable and legal relief as is just and equitable in the circumstances:

**13. NOTICES:**

Any notice, consent or approval required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given upon (1) hand-delivery, or (2) three (3) business days after being deposited prepaid with Federal Express, United States Postal Service, Express Mail, UPS, or any other reliable overnight courier service or transmitted by facsimile telecopy with confirmation of receipt, and addressed as follows:

If to Seller:

Mr. Justin Buchanan

Mr. Tom Kallenbach

533 Blackwood Road  
Bozeman, Montana 59718      PH: 586-2289  
FAX: 586-2335

With a copy to:

Matthew W. Williams, Esq.  
506 E. Babcock      PH: 586-1373  
Bozeman, Montana 59715      FAX: 586-4548

If to Purchaser:

Ms. Barbara Campbell  
Utility Solutions, LLC  
4080 South 3<sup>rd</sup> Rd.      PH: —585-4166  
Bozeman, MT, 59715      FAX: 585-4169

with a copy to:

Mr. John Kauffman, Esq.  
Kastings, Kauffman & Mersen, P.C.  
716 S. 20<sup>th</sup> Ave., Suite 101  
Bozeman, Montana 59718  
PH: (406) 586-4383  
FAX: (406) 587-7871

14. **POSSESSION:**

Purchaser shall have possession and the right to the use of the Property as of the date of Closing.

15. **CLOSING AGENT:**

Allied Land Title, Inc. is hereby designated as the Closing Agent for receipt and disbursement of payments hereunder, the fee of which shall be equally split between Seller and Purchaser. The Closing Agent shall conduct the closing, and receive, account for and disburse funds for the payments required to be made under Paragraph 9, above.

**23. OPERATION OF FACILITIES AFTER CLOSING:**

Seller agrees to operate the Water Delivery Facilities and the Wastewater and Sewage Treatment Facilities, all according to the terms and conditions of that agreement set forth as Exhibit T hereto.

**24. NO MERGER:**

Those covenants set forth in paragraph 10 and paragraph 11 hereof shall not merge in the Warranty Deed, the Bill of Sale, or the Assignment hereunder, and each such covenant shall otherwise survive Closing and be enforceable according to its terms.

**25. ASSIGNMENT AND DELEGATION OF CONTRACTUAL DUTIES:**

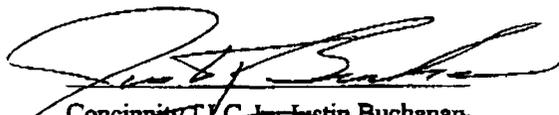
Neither party may assign the rights, obligations or duties discussed herein without the prior written consent of the other party, provided that such consent shall not be unreasonably withheld.

**26. DELEGATION OF DUTIES:**

Seller shall delegate, and Purchaser shall accept, at Closing, a delegation of all of Seller's duties and obligations under Paragraph 2 of that certain agreement of June 12, 2001 between Concinnity LLC and Barbara and John Cok, in the form and substance set forth as Exhibit S hereto.

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

SELLER

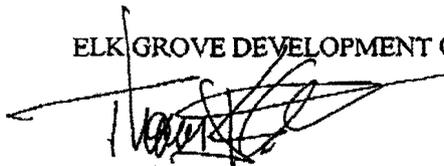
  
Concinnity LLC, by Justin Buchanan,  
Member

\_\_\_\_\_  
Concinnity LLC, by Tom Kallenbach,  
Member

PURCHASER:

  
Utility Solutions, LLC, by Barbara Campbell,  
Member

ELK GROVE DEVELOPMENT COMPANY:

  
\_\_\_\_\_, its President

**"EXHIBIT A"**

**Parcel 1**

Utility Lot (UL) 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE¼ of Section 23, the SW¼ of Section 24, the NW¼ of Section 25, and the NE¼ of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, (Plat Ref. J-316), together with: 1) all sewage and wastewater treatment facilities, and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 3, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 2) an easement of fifty (50) feet by fifty (50) feet for the use, maintenance, and repair of the Lift Station plant, as that easement is depicted on the east boundary of Utility Lot 3 on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, and, 3) the Lift Station Plant and all other improvements that have been constructed upon or otherwise affixed to the fifty (50) foot by fifty (50) foot boundaries of that easement, as that easement is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 4) a non-exclusive easement for ingress and egress from Elk Grove Lane to and from Utility Lot 3, as that Lane, roadway, and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 5) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of sewer and wastewater pipelines as the centerline of such easements are **depicted on Exhibit A hereto**; and, 6) such other easements of a twenty-foot (20) width, and thirty-foot (30) width where such easements abut

(Continued)

property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other sewer and wastewater pipelines that are hereafter installed to provide sewer and wastewater services to any residential and/or commercial development of all or any part of those lands set forth and **described on Exhibit B hereto**, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana by the recordation of a Final Plat for Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development; and, 7) all pipelines, couplings and associated equipment constructed or installed within those easements described in 5) and 6) hereof; and, 8) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline or pipelines for sewage and wastewater to and from the eastern boundary of Utility Lot 3 in a northerly direction to Violet Lane, as such Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 9) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline to convey effluent from the southern boundary of Utility Lot 3 in a southerly direction to Remainder Tract (RT) 1 on the south side of Elk Grove Lane, as that Utility Lot, Remainder Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 10) an easement for the use of Remainder Tract (RT) 1 for the application of effluent from Utility Lot 3 by the irrigation of lands comprising Remainder Tract (RT) 1, as that Remainder Tract and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 11) a thirty (30) foot wide easement along the west boundary of all that land **set forth on Exhibit B**

**(Continued)**

hereto, together with an additional thirty (30) foot wide easement from western boundary running easterly to a point directly south of the southwestern corner of Utility Lot 3, as that Lot

is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, at a distance of 150 feet south of the south line of Lots E, F, and G, as those lots are depicted in the Preliminary Plat for Elk Grove Subdivision Phase IV, a Planned Unit Development, and then north to said Utility Lot 3, all said easements to be used for the installation and maintenance of a pipeline for the transportation of sewage and sewage wastes to said Utility Lot 3, together with,

**Parcel 2**

Utility Lot 2 (UL) of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE¼ of Section 23, the SW¼ of Section 24, the NW¼ of Section 25, and the NE¼ of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, (Plat Ref. J-316), together with: 1) all I/P cells and any other improvements of every kind and character that have been constructed under or that are otherwise affixed to Utility Lot 2, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 2) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from Utility Lot 3 south to Elk Grove Lane underneath that roadway between Utility Lot 3 and Elk Grove Lane as that said pipeline is **depicted on Exhibit C hereto**; and, 3) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from and along

(Continued)

Elk Grove Lane from the intersection of the Pipeline from Utility Lot 3 and Elk Grove Lane to Utility Lot 2 or any portion of the Lot, as that said pipeline is depicted on Exhibit C hereto; 4) all pipelines, couplings and associated equipment constructed or installed within those easements described in 2) and 3) hereof, excepting and reserving to Seller an easement for ingress and

egress to and from Utility Lot 4 across Utility Lot 3 adjacent to the western boundary thereof, as said Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, on file and of record in the office of the County Clerk and Recorder of Gallatin County, (Plat Reference J-316), together with the right to use the roadway granted Purchaser as an easement to and from Utility Lot 3 to Elk Grove Lane, as that Lane, roadway, and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development;

**Parcel 3**

The Water Distribution Facilities shall be comprised of the following premises:

Utility Lot (UL) 1 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE¼ of Section 23, the SW¼ of Section 24, the NW¼ of Section 25, and the NE¼ of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, (Plat Ref. J-316), together with: 1) all pumps, wells, water tanks and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 1, as said Utility Lot is depicted on the official plat of

**(Continued)**

Elk Grove Subdivision Phase I, a Planned Unit Development; and 2) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of water supply pipelines as the centerline of such easements are **depicted on Exhibit D hereto**; and, 3) such other easements of a twenty-foot (30) width, and thirty-foot (30) width where such

easements abut property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other water delivery pipelines that are hereafter installed to provide a water supply to any residential and/or commercial development of all or any part of those lands set forth on **described on Exhibit B hereto**, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana by the recordation of a Final Plat for Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development and, 4) all pipelines, couplings and associated equipment constructed or installed within those easements described in 2) and 3) hereof.; together with

All water and water rights related to or arising out of Water Use Permit No. 41H-P110168-00.

**(End)**

**“Exhibit B”**

A tract of land being a portion of the S1/2SE1/4 of Section 23, a portion of the S1/2SW1/4 of Section 24, the N1/2NW1/4 of Section 25 and a portion of the N1/2NE1/4 of Section 26, located in Township 2 South, Range 4 East, P.M.M., Gallatin County, Montana; being more particularly described as follows:

Beginning at a point on the east line of the Northwest One-Quarter of said Section 25, which bears South 01°03'54"West a distance of 185.46 feet from the One-Quarter Corner common to said Sections 24 and 25; thence, on said east line, South 01°03'54"West a distance of 1142.67 feet to the C-N 1/16 Corner of said Section 25; thence, North 89°15'03" West a distance of 2658.04 feet to the N1/6 Corner common to said Sections 25 and 26; thence, on the south line of the N1/2NE1/4 of said Section 26, North 89°26'05"West a distance of 2602.69 feet to a point on the east right-of-way line of US Highway 191; thence, on said right-of-way line through the following three courses: North 01°46'00"East a distance of 799.09 feet, on a non-tangent curve to the right, having a radius of 3757.22 feet, through a central angle of 17°42'04" on arc distance of 1160.75 feet, North 24°42'24" East a distance of 812.02 feet to a point on the north line of the S1/2SE1/4 of said Section 23; thence, leaving said right-of-way line on said north line, South 89°28'47" East a distance of 1970.76 feet to the S1/16 Corner common to said Sections 23 and 24; thence, on the north line of the S1/2SW1/4 of said Section 24, South 89°14'43" East a distance of 2544.26 feet to the northwest corner of Tract 1, COS 2179; thence, on the westerly line of said Tract 1 through the following two courses: South 00°56'01"West a distance of 540.40 feet; South 29°59'26" West a distance of 1109.65 feet; thence, South 88°47'37" East a distance of 650.59 feet to the Point of Beginning.

## AGREEMENT

Whereas, Utility Solutions, LLC, a Montana limited liability company at 4080 South 3<sup>rd</sup> Rd., Bozeman, Montana 59715, is the owner of various properties used to deliver water for domestic and residential purposes in Elk Grove Subdivision in Gallatin County, Montana, and to collect and treat sewage, sewage wastes, and other wastewater from said Subdivision and from other properties in Gallatin County, Montana (the "Facilities");

Whereas, Utility Solutions, LLC wishes to retain Concinnity LLC, a Montana limited liability company at 533 Blackwood Rd., Bozeman, Montana, 59718, to operate the Facilities, all according to the terms set forth herein;

Whereas, Concinnity LLC desires to operate the Facilities, all according to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual covenants set forth herein, Utility Solutions, LLC and Concinnity LLC agree as follows:

1. **Operation of Facility.** Concinnity LLC shall operate the Facilities and use reasonable efforts to at all times provide water for residential and commercial purposes in Elk Grove Subdivision and to treat all sewage, sewage wastes, and other wastewater that is collected and transported to the wastewater treatment plant. Concinnity LLC shall further arrange for those water quality tests and otherwise generate those records that are required by Utility Solutions, LLC to prepare and file those reports required by the Montana Department of Environmental Quality. Nothing herein shall be construed to obligate Concinnity LLC to purchase any materials required for the use of the Facilities, or to provide for or conduct any repairs to the Facilities, or to otherwise incur any out-of-pocket expenses for the maintenance of the Facilities.
2. **Independent Contractor.** For all purposes hereunder, Concinnity LLC shall be deemed an independent contractor and not an employee of Utility Solutions, LLC. Concinnity LLC may retain and discharge such other subcontractors as it deems appropriate in the discharge of the duties set forth herein.
3. **Compensation.** Utility Solutions, LLC shall pay Concinnity LLC the sum of One Thousand Five Hundred Dollars (\$1,500.00) per month for each month of this Agreement, or a prorata amount for any period that is less than one month. The first such payment shall be due on the day of the execution of this Agreement in the next ensuing month, and then likewise on the same day in the ensuing months for every month in which this Agreement remains effective.
3. **Duration.** This Agreement may be terminated at any time by thirty (30) days notice by one party to the other party. Such notice shall be deemed effective if deposited in the

U.S. Mail, postage prepaid, to Utility Solutions, LLC, at 4080 South 3<sup>rd</sup> Rd., Bozeman, Montana 59715 or to Concinnity, LLC, at 533 Blackwood Rd., Bozeman, Montana 59718, or at such other address as may be provided in writing by one party to the other party.

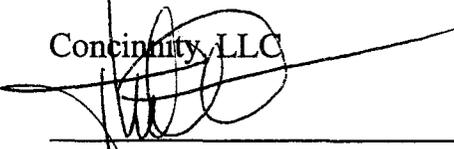
4. **Insurance.** Each party shall maintain comprehensive liability coverage in amounts not less than one million dollars for the death of or personal injury to any one person, and not less than two million dollars for injuries and damages resulting from any one accident. Each party shall provide proof of such insurance to the other party upon request. Each party shall also maintain that Worker's Compensation Insurance as may be required by law.

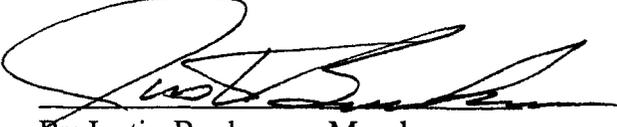
5. **Indemnity.** Concinnity LLC shall indemnify and hold harmless Utility Solutions, LLC and all its members and agents for any loss, damage, or expense (including attorneys' fees, expert witness fees and other professional fees) incurred by Utility Solutions, LLC or its members and agents in connection with any claims or proceedings arising from damages or injuries received or sustained by any person or property by reason of any actions or omissions of Concinnity LLC or its contractors, agents, members or employees that arise under this Agreement, other than any claims or proceedings that arise from any negligent or unlawful acts or omissions of Utility Solutions, LLC or its members, agents and employees. Utility Solutions, LLC shall indemnify and hold harmless Concinnity LLC and all its members and agents for any loss, damage, or expense (including attorneys' fees, expert witness fees and other professional fees) incurred by Concinnity LLC or its members and agents in connection with any claims or proceedings arising from damages or injuries received or sustained by any person or property by reason of any actions or omissions of Utility Solutions, LLC or its contractors, agents, members or employees that arise attendant to the ownership, repair, or replacement of the Facilities or parts thereof, other than any claims or proceedings that arise from any negligent or unlawful acts or omissions of Concinnity LLC or its members, agents and employees.

6. **Entire Agreement.** This Agreement contains the entire agreement between the parties relating to the subject matter hereof and no statement, promise, or inducement made by either party, or their agents or employees, that is not contained in this written Agreement shall be valid or binding between the parties. This Agreement may not be enlarged, modified or altered except by written addenda, amendment or change order signed by all parties hereto.

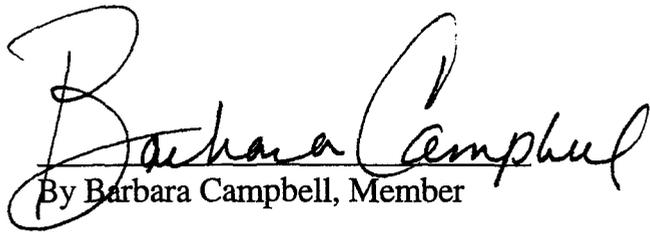
Done this 11<sup>TH</sup> day of SEPTEMBER, 2003.

Concinnity, LLC

  
By Thomas Kallenbach, Member

  
By Justin Buchanan, Member

Utility Solutions, LLC

A handwritten signature in cursive script that reads "Barbara Campbell". The signature is written in black ink and is positioned above the printed name.

By Barbara Campbell, Member

ASSIGNMENT OF AGREEMENT

Whereas, Concinnity LLC, a Montana limited liability company, at 533 Blackwood Rd., Bozeman, Montana 59718, entered into an agreement (the "Agreement") dated June 12, 2001 with John and Barbara Cok;

Whereas, the Agreement provides for the treatment of sewage and sewage wastes up to specified amounts from designated lands on Utility Lot (UL) 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, according to the official plat thereof on file and of record in the office of the Clerk and Recorder of Gallatin County, Montana ("Utility Lot 3");

Whereas, Concinnity LLC desires to sell and transfer Utility Lot 3 to Utility Solutions, LLC, a Montana limited liability company, at 4080 South 3<sup>rd</sup> Rd., Bozeman, Montana 59715;

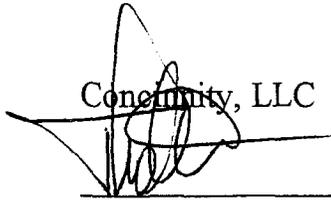
Whereas, Concinnity LLC desires to assign the benefits and burdens of the Agreement to Utility Solutions, LLC;

Whereas, Utility Solutions, LLC desires to accept the benefits and discharge the burdens under the Agreement;

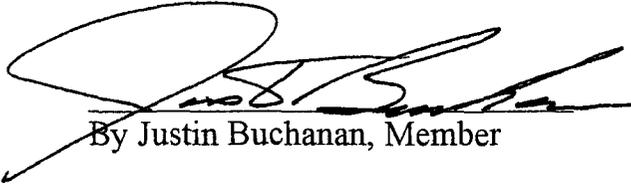
NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Concinnity LLC assigns all the rights and delegates all the duties under the Agreement to Utility Solutions, LLC, and Utility Solutions, LLC accepts all the rights and duties under the Agreement from Concinnity LLC. Without limiting this assignment, Utility Solutions, LLC promises to Concinnity, LLC to faithfully discharge all the duties set forth in the Agreement. Utility Solutions, LLC shall indemnify and hold harmless Concinnity LLC and all its members and agents for any loss, damage, or expense (including attorneys' fees, expert witness fees and other professional fees) incurred by Concinnity LLC or its members and agents in connection with any claims or proceedings arising from damages or injuries received or sustained by any person or property by reason of any actions or omissions of Utility Solutions, LLC or its contractors, agents, members or employees that result in any default or breach of the Agreement.

Done this 11<sup>th</sup> day of September, 2003.

Conformity, LLC

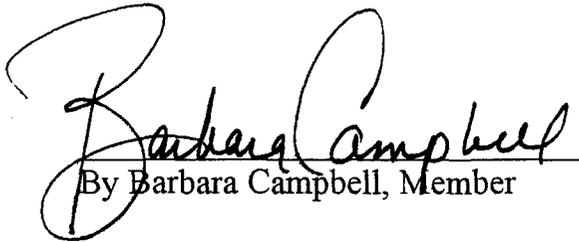


By Thomas Kallenbach, Member



By Justin Buchanan, Member

Utility Solutions, LLC



By Barbara Campbell, Member

<p>A. Allied Land Title, Inc. 108 W. Babcock, Ste A Bozeman, MT 59715</p>	<p style="text-align: center;">B. TYPE OF LOAN</p> <p>1. <input type="checkbox"/> FHA    2. <input type="checkbox"/> FMHA    3. <input type="checkbox"/> CONV          4. <input type="checkbox"/> VA    5. <input type="checkbox"/> CONV. INS.</p> <p>6. FILE NUMBER:    7. LOAN NUMBER:                            03-0958</p> <p>8. MORTGAGE INSURANCE CASE NUMBER:</p>
<p>SETTLEMENT STATEMENT U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</p>	

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in totals.

<p>D. NAME &amp; ADDRESS OF BORROWER Utility Solutions, LLC</p> <p>4080 S. 3rd Rd Bozeman, MT 59715 PH:</p>	<p>E. NAME &amp; ADDRESS OF SELLER Concinnity, L.L.C.</p> <p>533 Blackwood Road Bozeman, MT 59718 PH: TIN # :</p>	<p>F. NAME &amp; ADDRESS OF LENDER</p> <p>PH:</p>
<p>G. PROPERTY LOCATION (UL)1, 2 &amp; 3 Elk Grove Subdivision Phase 1</p>	<p>H. SETTLEMENT AGENT ALLIED LAND TITLE, INC.</p> <p>I. SETTLEMENT DATE 11 September, 2003 DISBURSMENT DATE 17 September, 2003</p>	<p>PLACE OF SETTLEMENT ALLIED LAND TITLE, INC.</p> <p>108 West Babcock, #A Bozeman, MT 59715 PH:406-586-1978 FAX:406-587-7804</p>

J. SUMMARY OF BORROWER'S TRANSACTION		K. SUMMARY OF SELLER'S TRANSACTION	
100. GROSS AMOUNT DUE FROM BORROWER:		400. GROSS AMOUNT DUE TO SELLER:	
101. Contract Sales Price	2,900,000.00	401. Contract Sales Price	
102. Personal Property		402. Personal Property	
103. Settlement Charges to Borrower (L 1400)	275.00	403.	
104.		404.	
105.		405.	
Adjustments for items paid by seller in advance		Adjustments for items paid by seller in advance	
106. City taxes		406. City taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. GROSS AMOUNT DUE FROM BORROWER	2,900,275.00	420. GROSS AMOUNT DUE TO SELLER	
200. AMOUNTS PAID BY OR IN BEHALF OF BORROWER:		500. REDUCTION IN AMOUNT DUE TO SELLER:	
201. Deposit	1,500,000.00	501. Excess Deposit	
202. Promissory Note	470,000.00	502. Settlement charges to seller (L 1400)	
203. Promissory Note	470,000.00	503. Existing Loans taken	
204. Promissory Note	460,000.00	504. Payoff of 1st mtg loan	
205.		505. Payoff of 2nd mtg loan	
206.		506.	
207.		507.	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller		Adjustments for items unpaid by seller	
210. City taxes		510. City taxes	
211. County taxes 01/01/03-09/11/03	902.65	511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. TOTAL PAID BY/FOR BORROWER	2,900,902.65	520. TOTAL REDUCTION AMOUNT DUE SELLER	
300. CASH AT SETTLEMENT FROM/TO BORROWER		600. CASH AT SETTLEMENT TO/FROM SELLER	
301. Gross amount due frm borrower (L 120)	2,900,275.00	601. Gross amount due to seller (L 420)	
302. Less amts pd by/for borrower (L 220)	( 2,900,902.65	602. Less reductions due seller (L 520)	
303. CASH ( FROM) <input checked="" type="checkbox"/> TO) BORROWER	627.65	603. CASH ( TO) ( FROM) SELLER	



Real Covenants

Whereas, Concinnity, LLC, a Montana limited liability company, at 533 Blackwood Road, Bozeman, Montana, owns various property in Gallatin County, Montana, that is used and useful for the diversion and distribution of water for residential and commercial purposes, and for the collection and treatment of residential and commercial sewage, sewage wastes, and other wastewater;

Whereas, Concinnity, LLC uses the property it owns that is used and useful for the diversion and distribution of water to provide water and a water supply to residential and commercial uses and associated open space uses within that real property set forth and described on Exhibit 1 hereto;

Whereas, Concinnity, LLC has dedicated the property it owns that is used and useful for the diversion and distribution of water to the public use of supplying a water and water supply to all the residential and commercial uses and associated open space uses within those lands set forth and described on Exhibit 1 hereto, as development of those lands may be permitted, approved, or otherwise authorized by Gallatin County, Montana as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase I, a Planned Unit Development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; Elk Grove Subdivision Phase IV, and /or as such lands may otherwise be developed for such residential and commercial purposes;

Whereas, Concinnity, LLC uses the property it owns that is used and useful for the collection and treatment of sewage, sewage wastes, and other wastewater to collect and treat residential and commercial sewage, sewage wastes, and other wastewater generated by land uses within that real property set forth and described on Exhibit 1 hereto;

Whereas, Concinnity, LLC has dedicated a discrete portion of the property it owns that is used and useful for the collection and treatment of sewage, sewage wastes, and other wastewater to the public use of collecting and treating residential and commercial sewage, sewage wastes, and other wastewater generated by uses within that real property set forth and described on Exhibit 1 hereto; as development of those lands may be permitted, approved, or otherwise authorized by Gallatin County, Montana, as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase I, a Planned Unit Development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; Elk Grove Subdivision Phase IV, and /or as such lands may otherwise be developed for such residential and commercial purposes;

Exhibit 1 hereto A 1 1

Whereas, Concinnity, LLC wishes to preserve the use of its property that is used and useful for the diversion and distribution of water to the public use of supplying a water and water supply to all the residential and commercial uses and associated open space uses within those lands set forth and described on Exhibit 1 hereto, as development of those lands may be permitted, approved, or otherwise authorized by Gallatin County, Montana, as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase I, a Planned Unit Development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; Elk Grove Subdivision Phase IV, and /or as such lands may otherwise by developed for such residential and commercial purposes, at rates and costs therefore as provided herein;

Whereas, Concinnity LLC wishes to preserve the use of so much of its property that is used and useful for the collection and treatment of sewage, sewage wastes, and other wastewater to the public use of collecting and treating residential and commercial sewage, sewage wastes, and other wastewater generated by uses within that real property set forth and described on Exhibit 1 hereto; as development of those lands may be permitted, approved, or otherwise authorized by Gallatin County, Montana, as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase I, a Planned Unit Development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; Elk Grove Subdivision Phase IV, and /or as such lands may otherwise by developed for such residential and commercial purposes, at rates and costs therefore as provided herein;

NOW THEREFORE, Concinnity LLC adopts the following Covenants, Conditions and Restrictions to regulate the use and occupancy of the Property as hereinafter defined for the benefit of all owners of the premises or any part thereof described herein, and declares that all and each part of the Property shall be owned, held, sold, conveyed, encumbered, leased, used, occupied, transferred and developed subject to the following restrictions, covenants, and conditions.

**1. Burdened Property.** The Property burdened by these Covenants, Conditions, and Restrictions shall be comprised of the Water Distribution Properties and the Sewage and Wastewater Treatment Properties.

- a.) The Water Distribution Properties shall be comprised of the following premises:

(1) Utility Lot (UL) 1 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE<sup>1</sup>/<sub>4</sub> of Section 23, the SW<sup>1</sup>/<sub>4</sub> of Section 24, the NW<sup>1</sup>/<sub>4</sub> of Section 25, and the NE<sup>1</sup>/<sub>4</sub> of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: 1) all pumps, wells, water tanks and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 1, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 2) a two hundred (200) foot by seven hundred (700) foot Access and Maintenance Easement for Public Water Wells and Transmission Line System, as said easement is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 3) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of water supply pipelines as the centerline of such easements are depicted on Exhibit 2 hereto; and, 4) such other easements of a twenty-foot (20) width, and thirty-foot (30) width where such easements abut property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other water delivery pipelines that are hereafter installed to provide a water supply to any residential and/or commercial development of all or any part of those lands set forth on described on Exhibit 1 hereto, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana, as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase I, a planned unit development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development and, 4) all pipelines, couplings and associated equipment constructed or installed within those easements described in 2) and 3) hereof.; together with

(2) All water and water rights related to or arising out of Water Use Permit No. . 41H-P110168-00.

b.) The Sewage and Wastewater Treatment Properties shall be comprised of the following premises:

(1) Utility Lot (UL) 3 of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE<sup>1</sup>/<sub>4</sub> of Section 23, the SW<sup>1</sup>/<sub>4</sub> of Section 24, the NW<sup>1</sup>/<sub>4</sub> of Section 25, and the NE<sup>1</sup>/<sub>4</sub> of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: 1) all sewage and wastewater

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Page: 13 of 26  
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Shelley Vance-Gallatin Co MT DEED 150.00

treatment facilities, and any other improvements of every kind and character that have been constructed on or under or that are otherwise affixed to Utility Lot 3, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 2) an easement of fifty (50) feet by fifty (50) feet for the use, maintenance, and repair of the Lift Station plant, as that easement is depicted on the east boundary of Utility Lot 3 on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, and, 3) the Lift Station Plant and all other improvements that have been constructed upon or otherwise affixed to the fifty (50) foot by fifty (50) foot boundaries of that easement, as that easement is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 4) a non-exclusive easement for ingress and egress from Elk Grove Lane to and from Utility Lot 3, as that Lane, roadway, and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 5) twenty-foot (20) wide easements, and thirty-foot (30) wide easements where such easements abut property not devoted to residential or commercial uses, for the use, maintenance, repair, and/or replacement of sewer and wastewater pipelines as the centerline of such easements are depicted on Exhibit 3 hereto; and, 6) such other easements of a twenty-foot (20) width, and thirty-foot (30) width where such easements abut property not devoted to residential or commercial uses, as are required to use, maintain, repair, and replace such other sewer and wastewater pipelines that are hereafter installed to provide sewer and wastewater services to any residential and/or commercial development of all or any part of those lands set forth and described on Exhibit 1 hereto, as such residential and/or commercial development may be permitted, approved, or otherwise authorized by Gallatin County, Montana, as evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development; and, 7) all pipelines, couplings and associated equipment constructed or installed within those easements described in 5) and 6) hereof; and, 8) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline or pipelines for sewage and wastewater to and from the eastern boundary of Utility Lot 3 in a northerly direction to Violet Lane, as such Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, and, (9) a thirty (30) foot wide easement along the west boundary of all that land set forth on Exhibit C hereto, together with an additional thirty (30) foot wide easement from this western boundary running easterly at a distance of 150 feet south of the south line of Lots E, F, and G, as those lots are depicted in the Preliminary Plat for Elk Grove Subdivision Phase IV, a Planned Unit Development, to a point directly south of the southwestern corner of Utility Lot 3, as that Lot is depicted on the official plat of Elk

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Grove Subdivision Phase I, a Planned Unit Development, and then north to said Utility Lot 3, all said easements to be used for the installation and maintenance of a pipeline for the transportation of sewage, sewage wastes, and other wastewater to said Utility Lot; together with,

(2) Utility Lot 2 (UL) of Elk Grove Subdivision Phase I, a Planned Unit Development, being a portion of the SE $\frac{1}{4}$  of Section 23, the SW $\frac{1}{4}$  of Section 24, the NW $\frac{1}{4}$  of Section 25, and the NE $\frac{1}{4}$  of Section 26, all in Township 2 South, Range 4 East., P.M.M., Gallatin County, Montana, according to the official plat thereof on file and of record in the office of the County Clerk and Recorder of Gallatin County, together with: 1) all I/P cells and any other improvements of every kind and character that have been constructed under or that are otherwise affixed to Utility Lot 2, as said Utility Lot is depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and 2) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from Utility Lot 3 south to Elk Grove Lane underneath that roadway between Utility Lot 3 and Elk Grove Lane as that said pipeline is depicted on Exhibit 4 hereto; and, 3) a thirty-foot (30) wide easement for the use, maintenance, repair, and/or replacement of a pipeline to convey effluent from and along Elk Grove Lane from the intersection of the Pipeline from Utility Lot 3 and Elk Grove Lane to Utility Lot 2 or any portion of the Lot, as that said pipeline is depicted on Exhibit 4 hereto; 4) all pipelines, couplings and associated equipment constructed or installed within those easements described in 2) and 3) hereof; and 4) a thirty-foot (30) wide easement for the installation, use, maintenance, repair and replacement of a buried pipeline to convey effluent from the southern boundary of Utility Lot 3 in a southerly direction to Remainder Tract (RT) 1 on the south side of Elk Grove Lane, as that Utility Lot, Remainder Lot and Lane are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development; and, 5) an easement for the use of Remainder Tract (RT) 1 for the application of effluent from Utility Lot 3 by the irrigation of lands comprising Remainder Tract (RT) 1, as that Remainder Tract and Utility Lot are depicted on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development

The Water Distribution Properties and the Sewage and Wastewater Treatment Properties shall be hereinafter referred to as the "Property."

**2. Benefited Premises.** The property to be benefited by these Covenants, Conditions, and Restrictions shall be comprised of that property set forth and described on Exhibit 1 hereto, less any of the premises described in Paragraph 1 hereof. Without in any way limiting this paragraph, each lot owner of any lot permitted, approved, or otherwise authorized by Gallatin County, Montana as

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evidenced by the recordation of a Final Plat for Elk Grove Subdivision Phase 1, a Planned Unit Development, Elk Grove Subdivision Phase II, a Planned Unit Development; Elk Grove Subdivision Phase III, a Planned Unit Development; and/or Elk Grove Subdivision Phase IV, a Planned Unit Development, shall be deemed an owner of premises benefited by these covenants, and the Elk Grove Homeowners' Association, as a representative of such lot owners or as an owner of land, shall also be deemed an owner of premises benefited by these covenants.

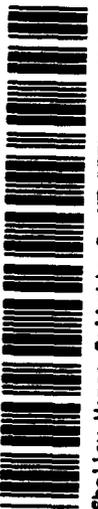
**3. Conditions, Covenants, and Restrictions.** The ownership, possession, and use of all or any part of the Property shall be regulated and otherwise controlled by the following Condition, Covenants, and Restrictions.

a.) The Water Distribution Properties shall be possessed and used exclusively for the diversion and distribution of a water and water supply for residential, commercial and open space use (including, but not by way of limitation, the irrigation of parks) of all the Benefited Property and each part thereof, and all of the Water Distribution Properties shall be deemed dedicated to such a public use.

b.) The Sewage and Wastewater Treatment Properties shall be possessed and used, for the collection, treatment, and discharge of all sewage and other wastewater from all residential and/or commercial use of, *inter alia*, all the Benefited Property and each part thereof, in amounts that do not exceed ONE HUNDRED THOUSAND (100,000) gallons of average daily flow, as the term "average daily flow" is defined in the Department of Environmental Quality Circular 2, Design Standards for Wastewater Facilities, Chp. 10. The Sewage and Wastewater Treatment Properties shall be deemed dedicated to the public use of collecting, treating and discharging sewage and other wastewater from all residential and/or commercial uses of all the Benefited Property and each part thereof to the extent required to collect, treat, and discharge such a 100,000 gallons of average daily flow, provided that Gallatin County approves the recordation of a final plat for Elk Grove Subdivision Phase II, a Planned Unit Development, a final plat for Elk Grove Subdivision Phase III, a Planned Unit Development, and a final plat for Elk Grove Subdivision Phase IV, a Planned Unit Development. In the event that applications for approval of a final plat for Elk Grove Subdivision Phase III and Elk Grove Subdivision Phase IV are not filed with Gallatin County by June 27, 2004, or in the event a Final Order is issued denying the recordation of a final plat for Elk Grove Subdivision Phase III and/or Elk Grove Subdivision Phase IV, then and in that event the lands set forth and described as Elk Grove Subdivision Phase III and/or Elk Grove Subdivision Phase IV in the Preliminary Plats for such Planned Unit Developments shall no longer be

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deemed benefited properties hereunder, and the requirement to collect and treat up to one hundred thousand (100,000) gallons of average daily flow shall be reduced by twenty five thousand (25,000) gallons of average daily flow in the event that a Final Order is issued denying the recordation of a final plat for Elk Grove Subdivision Phase IV, and/or be reduced by seventeen thousand two hundred and fifty (17,250) gallons of average daily flow in the event that a Final Order is issued denying the recordation of a final plat for Elk Grove Subdivision Phase III. "Final Order" for the purposes of this paragraph means a determination or judgment by Gallatin County and/or any Court reviewing the determinations of Gallatin County from which there is no appeal or for which the time for appeal has expired.

c.) No charge, fee, or other expense shall be assessed to or charged against any of the Benefited Property, or any owner thereof, for the use of any of the Burdened Property except: (1) as provided for in tariffs or other approvals adopted or granted by the Public Service Commission of the State of Montana pursuant to MCA §69-3-101 et seq, and the regulations enacted thereunder, as those statutes and regulations exist on the effective date of these Covenants, Conditions, and Restrictions, or as such statutes and regulations are hereafter amended; or, (2) as provided for in the adoption of any rates by any person or entity excepted from regulation by the Public Service Commission by the provisions of MCA §69-3-101(2), as that statute exists today or as the statute may hereafter be amended.

d.) Notwithstanding any other term of these Covenants, Conditions, and Restrictions, no charge, fee, or other expense shall be assessed to or charged against any of the Benefited Property, or any owner thereof, that is predicated in any part on a capital cost of the Water Distribution Properties and the Sewage and Wastewater Properties, collectively, in any amount in excess of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000.00), except for further capital improvements and replacements the cost of which are incurred by the owner of the burdened premises. It is the intent of this provision to limit the amounts that may otherwise be lawfully charged for water and/or sewer service to any owner of the Benefited Property, and accordingly, the owner of the Burdened Properties or any part thereof shall not seek or accept any rates or tariffs from the Public Service Commission of the State of Montana that are predicated in any part on capital costs in excess of the named amount, nor shall any lessee or other successor-in-interest to the owner of the Burdened Property seek to charge or assess the Benefited Property or any owner thereof for lease payments or any other financial arrangement that are in any part premised upon capital costs in excess of the named amounts. Nothing in this paragraph shall affect the

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entitlements of any owner of the Burdened Property to returns on equity, the recovery of operation and maintenance expenses, the recovery of depreciation reserves, or any other charge or expense that such an owner may charge or assess for water and sewer service under the laws of the State of Montana.

e.) The owner of the Burdened Property shall use and possess the Burdened property to provide that adequacy of service of water supply and sewage and wastewater treatment as may be required by (1) the Public Service Commission of the State of Montana pursuant to MCA §69-3-101 et seq, and the regulations enacted thereunder, as those statutes and regulations exist on the effective date of these Covenants, Conditions, and Restrictions, or as such statutes and regulations are hereafter amended; or, (2) as may be required by any person or entity excepted from regulation by the Public Service Commission by the provisions of MCA §69-3-101(2), as that statute exists today or as the statute may hereafter be amended.

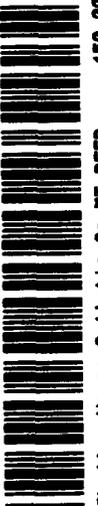
f.) The owner of the Burdened Property shall not pipe, transmit, or otherwise convey, or cause to be piped, transmitted, or otherwise conveyed, effluent to Utility Lot 2, as said Lot appears on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, Montana, in amounts greater than 77,000 gallons of average daily flow, nor more than 100,000 gallons of peak daily flow, as the terms "average daily flow" and "peak daily flow" are defined in the Department of Environmental Quality Circular 2, Design Standards for Wastewater Facilities, Chp. 10, or such lesser amounts as may be required by the terms of any discharge permit issued by the State of Montana.

g.) The Burdened Property shall not be possessed or used to treat any sewage or other wastewater by or through any anaerobic process, nor shall any other process or method be utilized that creates putrescent, smells or odors

h.) The Burdened Property shall be maintained in a good and prudent manner. Without limiting this provision, the fencing on Utility Lot 3, as that Lot appears on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, Montana, shall be oiled, stained, or otherwise maintained to preserve the natural wood character of the fencing materials, and such fencing materials shall be replaced as necessary to preserve the integrity of the fence with materials of the same size and type as the existing fence. Any fencing hereafter constructed on Utility Lot 1 or Utility Lot 2, as those Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, shall be constructed of cedar in an alternating board style, and not

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more than four (4) feet high. Materials and equipment used on or in connection with the operation of the Water Service Properties and/or the Sewage and Wastewater Treatment Properties shall be stored in any orderly and presentable manner on Utility Lot 3, as that Lot appears on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, Montana. No storage of any equipment or materials shall occur on Utility Lot 1 or Utility Lot 2, as those Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County. The Burdened Property shall be landscaped and the landscaping shall be mowed, trimmed, pruned and otherwise maintained in an attractive and suitable manner.

i.) The Burdened Property shall not be possessed or used in any way that creates noises in excess of 20 decibels as measured at any residence or commercial building, except during times of construction or repair of improvements on or under the Burdened Property. No construction shall occur on any of the Burdened Property before the hour of 6:30 am nor after 6:30 pm on other than weekends and holidays, and not before the hour of 8:30 am nor after 6:30 pm on weekends and holidays.

j.) The Burdened Property shall not display any lights visible from any residence or commercial building.

k.) No pipeline shall be constructed, installed, replaced, or repaired within any easement of the Burdened Property without two weeks notice thereof to residences and businesses adjacent to the affected portion of the Easement, unless circumstances require immediate repair and/or replacement of a pipeline or a segment of pipeline. In all cases of the construction, installation, replacement or repair of a pipeline that constitutes any part of the Burdened Property, all roads, streets and other affected lands shall be restored to substantially the same condition that existed prior to such construction, installation, replacement or repair. Any installation or construction of a pipeline across any street or road shall be conducted by boring under such street or road.

l.) There shall be no buildings or structures on Utility Lot 1 or Utility Lot 2, as those Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, other than those buildings and/or structures that exist on said Lots on the effective date of these Covenants, Conditions, and Restrictions, and any replacements of those structures or buildings.

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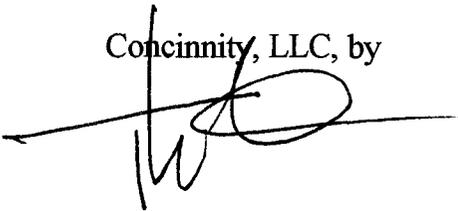
m.) Any buildings or other structures constructed upon Utility Lot 3, as that Lot appears on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, Montana, shall not exceed twenty (20) feet in height, and all buildings hereafter constructed on said Lot shall be designed and constructed in a manner consistent with the architecture and style of existing buildings in Elk Grove Subdivision Phase I, a Planned Unit Development,

n.) Any tracking of soil on any road or roadway within Elk Grove Subdivision or any Phase thereof from or attendant to construction on Utility Lot 1, Utility Lot 2, and/or Utility Lot 3, as those Lots appear on the official plat of Elk Grove Subdivision Phase I, a Planned Unit Development, in the records of Gallatin County, shall be removed as expeditiously as practicable, but no less often than once each day during the course of any construction creating such soil tracking.

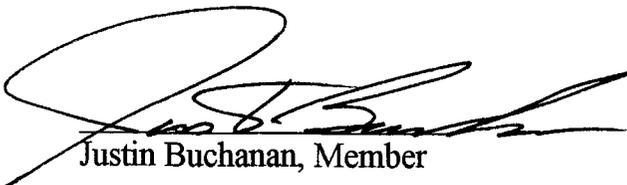
**4. Binding Effect.** The Covenants, Conditions, and Restrictions set forth herein shall run with the land and bind each and all of the owners of all or any part of the Burdened Property, and these Covenants, Conditions, and Restrictions shall likewise run with the land and benefit each and all of the owners of all or any part of the Benefited Premises. If for any reason any of the provisions herein cannot be given effect as a real covenant, then and in that event they shall be construed in such a way that they operate as an equitable servitude upon the affected lands. If for any reason any of the provisions herein cannot be so construed as an equitable servitude, then and in that event each owner of all or any part of the Benefited Property shall be deemed a creditor third party beneficiary of the covenants set forth herein that create any duty for each owner of all or any part of the Burdened Property.

Done this 11<sup>TH</sup> day of SEPTEMBER, 2003.

Concinnity, LLC, by



Thomas Kallenbach, Member

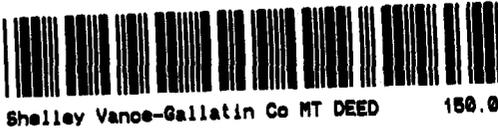


Justin Buchanan, Member



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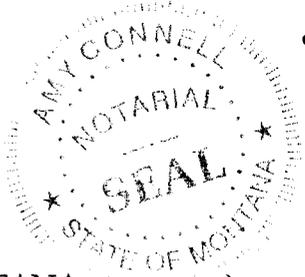


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STATE OF MONTANA )  
 )  
 ) : ss.  
 )  
County of Gallatin )

On this 11<sup>TH</sup> day of SEPTEMBER, 2003, before me, a Notary Public in and for the State of Montana, personally appeared Thomas Kallenbach, known to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same on behalf of Concinnity, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above-written.



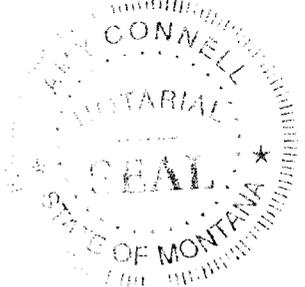
Amy Connell  
Notary Public for the State of Montana  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

Amy Connell  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires March 19, 2007

STATE OF MONTANA )  
 )  
 ) : ss.  
 )  
County of Gallatin )

On this 11<sup>TH</sup> day of SEPTEMBER, 2003, before me, a Notary Public in and for the State of Montana, personally appeared Justin Buchanan, known to me to be the person whose name is subscribed to the within and foregoing instrument, and acknowledged to me that he executed the same on behalf of Concinnity, LLC.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal as of the day and year first above-written.



Amy Connell  
Notary Public for the State of Montana  
Residing at \_\_\_\_\_  
My Commission expires \_\_\_\_\_

Amy Connell  
Notary Public for the State of Montana  
Residing at Bozeman, Montana  
My Commission Expires March 19, 2007



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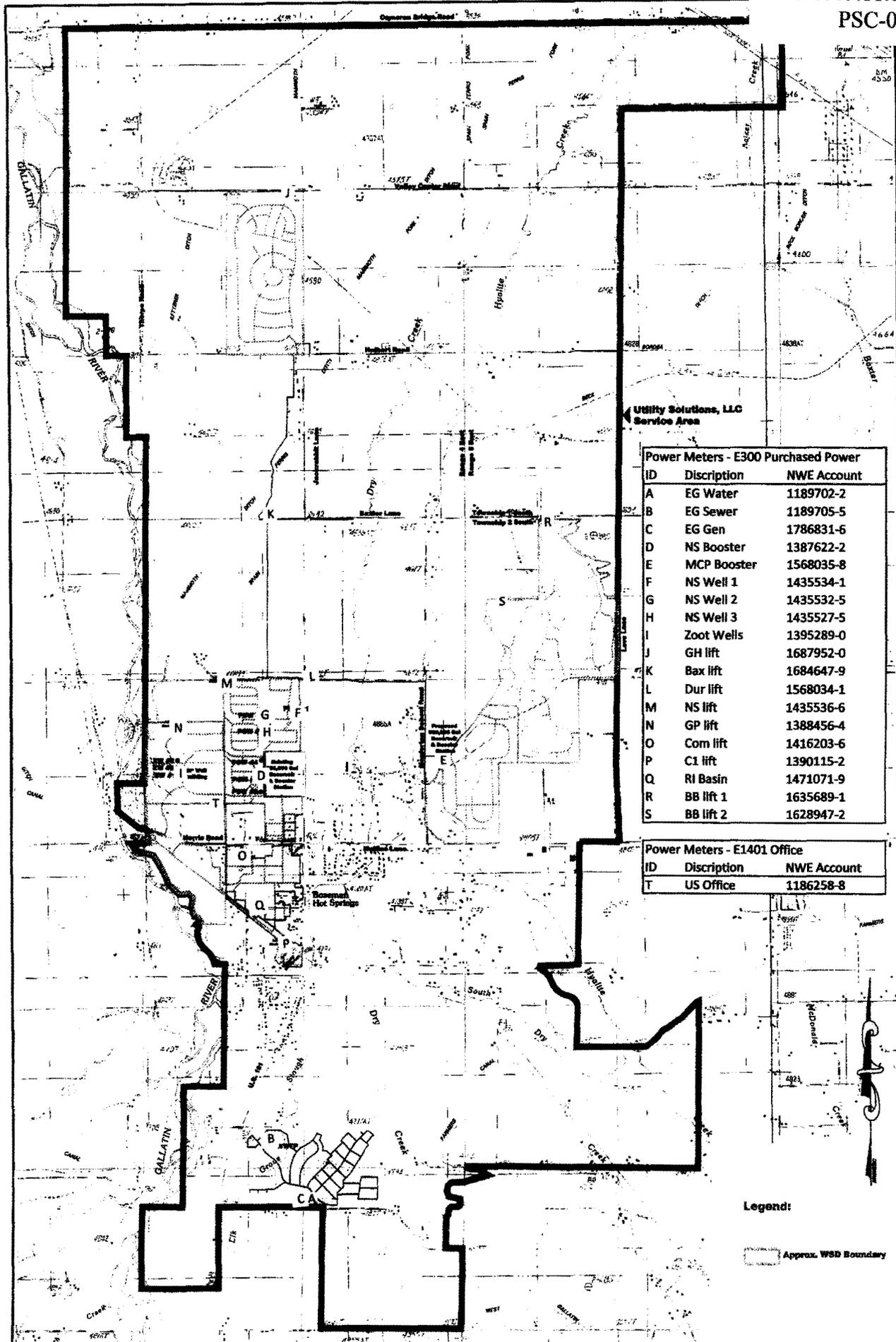
Shelley Vance-Gallatin Co MT DEED

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A tract of land being a portion of the S1/2SE1/4 of Section 23, a portion of the S1/2SW1/4 of Section 24, the N1/2NW1/4 of Section 25 and a portion of the N1/2NE1/4 of Section 26, located in Township 2 South, Range 4 East, P.M.M., Gallatin County, Montana; being more particularly described as follows:

Beginning at a point on the east line of the Northwest One-Quarter of said Section 25, which bears South 01°03'54"West a distance of 185.46 feet from the One-Quarter Corner common to said Sections 24 and 25; thence, on said east line, South 01°03'54"West a distance of 1142.67 feet to the C-N 1/16 Corner of said Section 25; thence, North 89°15'03" West a distance of 2658.04 feet to the N1/6 Corner common to said Sections 25 and 26; thence, on the south line of the N1/2NE1/4 of said Section 26, North 89°26'05"West a distance of 2602.69 feet to a point on the east right-of-way line of US Highway 191; thence, on said right-of-way line through the following three courses: North 01°46'00"East a distance of 799.09 feet, on a non-tangent curve to the right, having a radius of 3757.22 feet, through a central angle of 17°42'04" on arc distance of 1160.75 feet, North 24°42'24" East a distance of 812.02 feet to a point on the north line of the S1/2SE1/4 of said Section 23; thence, leaving said right-of-way line on said north line, South 89°28'47" East a distance of 1970.76 feet to the S1/16 Corner common to said Sections 23 and 24; thence, on the north line of the S1/2SW1/4 of said Section 24, South 89°14'43" East a distance of 2544.26 feet to the northwest corner of Tract 1, COS 2179; thence, on the westerly line of said Tract 1 through the following two courses: South 00°56'01"West a distance of 540.40 feet; South 29°59'26" West a distance of 1109.65 feet; thence, South 88°47'37" East a distance of 650.59 feet to the Point of Beginning.

Exhibit 1 to Pool Covenants



Utility Solutions, LLC  
Service Area

Power Meters - E300 Purchased Power		
ID	Discription	NWE Account
A	EG Water	1189702-2
B	EG Sewer	1189705-5
C	EG Gen	1786831-6
D	NS Booster	1387622-2
E	MCP Booster	1568035-8
F	NS Well 1	1435534-1
G	NS Well 2	1435532-5
H	NS Well 3	1435527-5
I	Zoot Wells	1395289-0
J	GH lift	1687952-0
K	Bax lift	1684647-9
L	Dur lift	1568034-1
M	NS lift	1435536-6
N	GP lift	1388456-4
O	Com lift	1416203-6
P	C1 lift	1390115-2
Q	RI Basin	1471071-9
R	BB lift 1	1635689-1
S	BB lift 2	1628947-2

Power Meters - E1401 Office		
ID	Discription	NWE Account
T	US Office	1186258-8

Legend:  
 Approx. WSD Boundary

143570/Chen/MADAN/FORMED Boundary WSD-04.dwg Plotted by marlin pagon on Jun 24/2009

D2005.11.163/164  
PSC-036

Path Account #1189702-2 UTILITY SOLUTIONS

1189702

Customer # Display Budget \$

Premises # Bill Date

Bill Date	Type	Amount	Balance	Transaction #
Customer UTILITY SOLUTIONS				
Service Address BLACKWOOD RD 1/2M OFF HWY 191 WATER SYSTEM BOZEMAN, MT				
10/05/2009	CHG	1,350.64	1,350.64	183194521
9/03/2009	CHG	1,463.06	1,463.06	181649663
8/04/2009	CHG	1,420.73	1,420.73	180060122
7/06/2009	CHG	1,336.30	1,336.30	178445463
6/03/2009	CHG	1,196.69	1,196.69	176706282
5/05/2009	CHG	552.37	552.37	175170849
4/03/2009	CHG	416.49	416.49	173534276
3/04/2009	CHG	436.59	436.59	171980586
2/03/2009	CHG	459.78	459.78	170337774
1/05/2009	CHG	442.14	442.14	168769191
12/04/2008	CHG	624.59	1,492.46	167293723
11/04/2008	CHG	867.87	2,135.93	165829016
10/03/2008	CHG	1,268.06	1,268.06	164290708
9/04/2008	CHG	1,710.63	1,710.63	162841209
8/05/2008	CHG	1,892.06	1,892.06	161448830
7/01/2008	CHG	890.38	1,427.95	159819457
5/29/2008	CHG	537.57	967.63	158154564
4/28/2008	CHG	430.06	430.06	156398952
3/26/2008	CHG	388.96	773.53	154436395
2/26/2008	CHG	384.57	384.57	152721925
1/28/2008	CHG	373.61	373.61	151022298
12/31/2007	CHG	433.17	433.17	149568865
11/29/2007	CHG	404.24	404.24	148099111
10/29/2007	CHG	529.25	529.25	146586557
9/28/2007	CHG	1,193.47	1,193.47	145154591
8/29/2007	CHG	1,795.30	1,795.30	143742701
7/31/2007	CHG	1,817.68	1,817.68	142357654
6/29/2007	CHG	1,245.23	1,245.23	140950413
5/31/2007	CHG	797.34	797.34	139603938
5/01/2007	CHG	376.71	376.70	138166100
4/02/2007	CHG	448.78	448.78	136695777
3/02/2007	CHG	613.63	613.63	135314950
2/02/2007	CHG	391.80	391.80	133978370
1/04/2007	CHG	391.09	391.09	132666379

Path Account #1189705-5 UTILITY SOLUTIONS

Customer # Display Budget \$

Premises # Bill Date

Bill Date	Type	Amount	Balance	Transaction #
Customer UTILITY SOLUTIONS				
Service Address 195 ELK GROVE LN BOZEMAN, MT				
10/05/2009	CHG	831.75	831.75	183194522
9/03/2009	CHG	883.67	883.67	181649664
8/04/2009	CHG	861.26	861.26	180060123
7/06/2009	CHG	871.99	871.99	178445464
6/03/2009	CHG	905.51	905.51	176706283
5/05/2009	CHG	979.25	979.25	175170850
4/03/2009	CHG	1,148.10	1,148.10	173534277
3/04/2009	CHG	1,079.11	1,079.11	171980587
2/03/2009	CHG	1,070.12	1,070.12	170337775
1/05/2009	CHG	1,211.89	1,211.89	168769192
12/04/2008	CHG	973.59	1,835.74	167293724
11/04/2008	CHG	862.15	1,785.99	165829017
10/03/2008	CHG	923.84	923.84	164290709
9/04/2008	CHG	990.76	990.76	162841210
8/05/2008	CHG	1,164.82	153.70	161448831
7/01/2008	CHG	1,055.73	2,066.85	159819458
5/29/2008	CHG	1,011.12	2,013.87	158154565
4/28/2008	CHG	1,002.75	1,002.75	156398953
3/26/2008	CHG	948.69	2,058.04	154436396
2/26/2008	CHG	1,109.35	1,109.35	152721926
1/28/2008	CHG	1,087.23	1,087.23	151022299
12/31/2007	CHG	1,059.85	1,059.85	149568866
11/29/2007	CHG	831.75	831.75	148099112
10/29/2007	CHG	737.99	737.99	146586558
9/28/2007	CHG	545.90	545.90	145154592
8/29/2007	CHG	757.98	757.98	143742702
7/31/2007	CHG	693.54	693.54	142357655
6/29/2007	CHG	814.52	814.52	140950414
5/31/2007	CHG	804.29	804.29	139603939
5/01/2007	CHG	721.62	721.62	138166101
4/02/2007	CHG	753.96	753.96	136695778
3/02/2007	CHG	1,026.14	1,026.14	135314951
2/02/2007	CHG	1,049.82	1,049.82	133978371
1/04/2007	CHG	837.97	837.97	132666380

Utility Solutions  
Expense Distribution With Accounts Payable  
2008

Expense Account 1401 Office

Month	Check/ Date	Amount	Entity	Method	Regulated		Non-Regulated	
					Water	Sewer	Water	Sewer
Jan	4609	\$ 800.00	Zoot	split	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Jan	4632	\$ 800.00	Zoot	split	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Jan	4630	\$ 178.62	Qwest	split	\$ 44.66	\$ 44.64	\$ 44.66	\$ 44.66
Jan	4645	\$ 66.20	Qwest	split	\$ 16.55	\$ 16.55	\$ 16.55	\$ 16.55
Jan	4649	\$ 367.23	Qwest	split	\$ 91.81	\$ 91.81	\$ 91.81	\$ 91.80
Jan	4651	\$ 30.00	Culligan	split	\$ 7.50	\$ 7.50	\$ 7.50	\$ 7.50
Jan	4655	\$ 441.16	Verizon	split	\$ 110.29	\$ 110.29	\$ 110.29	\$ 110.29
Jan	4654	\$ 72.22	Allied Waste	split	\$ 18.04	\$ 18.06	\$ 18.06	\$ 18.06
Jan	4625	\$ 174.07	Practitioners Publishing	split	\$ 43.52	\$ 43.52	\$ 43.52	\$ 43.51
Jan	4631	\$ 3.12	Dell Financial	split	\$ 0.78	\$ 0.78	\$ 0.78	\$ 0.78
Jan	4646	\$ 600.97	AmEx	split	\$ 150.24	\$ 150.25	\$ 150.24	\$ 150.24
Jan	4659	\$ 252.92	NW Energy - Office	split	\$ 63.23	\$ 63.23	\$ 63.23	\$ 63.23
Jan	4660	\$ 16.58	NW Energy - Office	split	\$ 4.15	\$ 4.15	\$ 4.15	\$ 4.13
Feb	4714	\$ 508.57	Verizon	split	\$ 127.14	\$ 127.14	\$ 127.15	\$ 127.14
Feb	4699	\$ 360.57	Qwest	split	\$ 90.14	\$ 90.15	\$ 90.14	\$ 90.14
Feb	4715	\$ 367.35	Qwest	split	\$ 91.84	\$ 91.84	\$ 91.83	\$ 91.84
Feb	4716	\$ 66.13	Qwest	split	\$ 16.53	\$ 16.53	\$ 16.53	\$ 16.54
Feb	4698	\$ 320.51	Bozeman Office Express	split	\$ 80.13	\$ 80.13	\$ 80.12	\$ 80.13
Feb	4711	\$ 25.00	Culligan	split	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
Feb	4712	\$ 72.22	Allied Waste	split	\$ 18.04	\$ 18.06	\$ 18.06	\$ 18.06
Feb	4697	\$ 36.00	Pager People	split	\$ 9.00	\$ 9.00	\$ 9.00	\$ 9.00
Feb	4696	\$ 11.33	Dell Financial	split	\$ 2.83	\$ 2.83	\$ 2.84	\$ 2.83
Feb	4709	\$ 666.32	AmEx	split	\$ 166.58	\$ 166.58	\$ 166.58	\$ 166.58
Feb	4683	\$ 425.00	Diane Taylor	split	\$ 106.25	\$ 106.25	\$ 106.25	\$ 106.25
Feb	4721	\$ 431.37	Diane Taylor	split	\$ 107.84	\$ 107.84	\$ 107.84	\$ 107.85
Feb	4722	\$ 17.10	NW Energy - Office	split	\$ 4.28	\$ 4.28	\$ 4.26	\$ 4.28
Feb	4724	\$ 331.94	NW Energy - Office	split	\$ 82.99	\$ 82.97	\$ 82.99	\$ 82.99
Mar	4741	\$ 66.00	Davis Business Machines	split	\$ 16.50	\$ 16.50	\$ 16.50	\$ 16.50
Mar	4744	\$ 67.00	Davis Business Machines	split	\$ 16.75	\$ 16.75	\$ 16.75	\$ 16.75
Mar	4818	\$ 18.00	Pager People	split	\$ 4.50	\$ 4.50	\$ 4.50	\$ 4.50
Mar	4756	\$ 16.42	Dell Financial	split	\$ 4.11	\$ 4.09	\$ 4.11	\$ 4.11
Mar	4774	\$ 357.01	AmEx	split	\$ 89.26	\$ 89.25	\$ 89.25	\$ 89.25
Mar	4780	\$ 340.00	Diane Taylor	split	\$ 85.00	\$ 85.00	\$ 85.00	\$ 85.00
Apr	4753	\$ 1,600.00	Zoot	split	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
Apr	4817	\$ 800.00	Zoot	split	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Apr	4854	\$ 800.00	Zoot	split	\$ 200.00	\$ 200.00	\$ 200.00	\$ 200.00
Apr	4783	\$ 360.41	Qwest	split	\$ 90.10	\$ 90.10	\$ 90.10	\$ 90.11
Apr	4786	\$ 66.33	Qwest	split	\$ 16.58	\$ 16.58	\$ 16.59	\$ 16.58
Apr	4787	\$ 367.25	Qwest	split	\$ 91.81	\$ 91.82	\$ 91.81	\$ 91.81
Apr	4853	\$ 32.05	Qwest	split	\$ 8.02	\$ 8.01	\$ 8.01	\$ 8.01
Apr	4861	\$ 368.65	Qwest	split	\$ 92.16	\$ 92.16	\$ 92.16	\$ 92.17
Apr	4852	\$ 520.15	Verizon	split	\$ 130.04	\$ 130.04	\$ 130.03	\$ 130.04
Apr	4779	\$ 25.00	Culligan	split	\$ 6.25	\$ 6.25	\$ 6.25	\$ 6.25
Apr	4855	\$ 30.38	Culligan	split	\$ 7.58	\$ 7.60	\$ 7.60	\$ 7.60
Apr	4772	\$ 95.65	Simply Office Supplies	split	\$ 23.91	\$ 23.91	\$ 23.91	\$ 23.92
Apr	4862	\$ 39.75	Simply Office Supplies	split	\$ 9.94	\$ 9.94	\$ 9.93	\$ 9.94
Apr	4823	\$ 215.85	Speedy Print	split	\$ 53.96	\$ 53.97	\$ 53.96	\$ 53.96
Apr	4858	\$ 72.22	Allied Waste	split	\$ 18.04	\$ 18.06	\$ 18.06	\$ 18.06

Apr	4864	\$	18.00	Pager People	split	\$	4.50	\$	4.50	\$	4.50	\$	4.50
Apr	4775	\$	394.37	IDCSERVCO	split	\$	98.59	\$	98.59	\$	98.60	\$	98.59
Apr	4821	\$	13.67	Dell Financial	split	\$	3.42	\$	3.41	\$	3.42	\$	3.42
Apr	4866	\$	5.46	Dell Financial	split	\$	1.35	\$	1.37	\$	1.37	\$	1.37
Apr	4863	\$	270.51	AmEx	split	\$	67.63	\$	67.63	\$	67.63	\$	67.62
Apr	4856	\$	425.00	Diane Taylor	split	\$	106.25	\$	106.25	\$	106.25	\$	106.25
Apr	4801	\$	291.92	NW Energy - Office	split	\$	72.98	\$	72.98	\$	72.98	\$	72.98
Apr	4815	\$	17.25	NW Energy - Office	split	\$	4.32	\$	4.31	\$	4.31	\$	4.31
Apr	4844	\$	238.81	NW Energy - Office	split	\$	59.70	\$	59.70	\$	59.70	\$	59.71
Apr	4847	\$	17.25	NW Energy - Office	split	\$	4.31	\$	4.31	\$	4.32	\$	4.31
May	4910	\$	25.00	Culligan	split	\$	6.25	\$	6.25	\$	6.25	\$	6.25
May	4911	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Jun	4923	\$	17.25	NW Energy - Office	split	\$	4.31	\$	4.31	\$	4.31	\$	4.32
Jun	4924	\$	277.06	NW Energy - Office	split	\$	69.27	\$	69.27	\$	69.25	\$	69.27
Jun	4889	\$	95.79	Allied Waste	split	\$	23.95	\$	23.94	\$	23.95	\$	23.95
Jun	4891	\$	145.21	Simply Office Supplies	split	\$	36.31	\$	36.30	\$	36.30	\$	36.30
Jun	4912	\$	18.00	Pager People	split	\$	4.50	\$	4.50	\$	4.50	\$	4.50
Jun	4914	\$	373.18	Qwest	split	\$	93.30	\$	93.30	\$	93.28	\$	93.30
Jun	4915	\$	72.22	Allied Waste	split	\$	18.06	\$	18.04	\$	18.06	\$	18.06
Jun	4916	\$	761.40	Verizon	split	\$	190.35	\$	190.35	\$	190.35	\$	190.35
Jun	4917	\$	355.00	Diane Taylor	split	\$	88.75	\$	88.75	\$	88.75	\$	88.75
Jun	4975	\$	515.10	Diane Taylor	split	\$	128.78	\$	128.78	\$	128.76	\$	128.78
Jun	4977	\$	1,047.00	IDCSERVCO	split	\$	261.75	\$	261.75	\$	261.75	\$	261.75
Jun	4919	\$	621.52	AmEx	split	\$	155.38	\$	155.38	\$	155.38	\$	155.38
Jul	4987	\$	34.50	NW Energy - Office	split	\$	8.63	\$	8.63	\$	8.63	\$	8.61
Jul	4989	\$	210.66	NW Energy - Office	split	\$	52.67	\$	52.67	\$	52.65	\$	52.67
Jul	5002	\$	583.16	Verizon	split	\$	145.79	\$	145.79	\$	145.79	\$	145.79
Jul	5003	\$	370.86	Qwest	split	\$	92.70	\$	92.72	\$	92.72	\$	92.72
Jul	5004	\$	169.77	Qwest	split	\$	42.44	\$	42.44	\$	42.44	\$	42.45
Jul	5013	\$	578.65	AmEx	split	\$	144.66	\$	144.66	\$	144.67	\$	144.66
Jul	5014	\$	81.76	Culligan	split	\$	20.44	\$	20.44	\$	20.44	\$	20.44
Jul	5015	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Jul	5018	\$	10.96	Dell Financial	split	\$	2.74	\$	2.74	\$	2.74	\$	2.74
Jul	5023	\$	370.00	Qwest	split	\$	92.50	\$	92.50	\$	92.50	\$	92.50
Jul	5024	\$	72.22	Allied Waste	split	\$	18.06	\$	18.04	\$	18.06	\$	18.06
Jul	5025	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Jul	5026	\$	348.39	Qwest	split	\$	87.10	\$	87.10	\$	87.10	\$	87.09
Jul	5028	\$	428.61	Verizon	split	\$	107.15	\$	107.15	\$	107.16	\$	107.15
Aug	5045	\$	685.10	Diane Taylor	split	\$	171.28	\$	171.26	\$	171.28	\$	171.28
Aug	5060	\$	34.50	NW Energy - Office	split	\$	8.61	\$	8.63	\$	8.63	\$	8.63
Aug	5061	\$	233.22	NW Energy - Office	split	\$	58.31	\$	58.31	\$	58.31	\$	58.29
Aug	5062	\$	54.00	Pager People	split	\$	13.50	\$	13.50	\$	13.50	\$	13.50
Aug	5063	\$	1,085.00	Saunders Landscaping	split	\$	271.25	\$	271.25	\$	271.25	\$	271.25
Aug	5072	\$	62.85	Sweet Pea Landscaping	split	\$	15.72	\$	15.71	\$	15.71	\$	15.71
Aug	5077	\$	140.00	Davis Business Machines	split	\$	35.00	\$	35.00	\$	35.00	\$	35.00
Aug	5079	\$	781.76	IDCERVCO	split	\$	195.44	\$	195.44	\$	195.44	\$	195.44
Aug	5102	\$	556.61	Simply Office Supplies	split	\$	139.15	\$	139.16	\$	139.15	\$	139.15
Aug	5110	\$	371.35	Qwest	split	\$	92.84	\$	92.83	\$	92.84	\$	92.84
Aug	5111	\$	72.95	Allied Waste	split	\$	18.24	\$	18.24	\$	18.24	\$	18.23
Aug	5118	\$	242.45	AmEx	split	\$	60.61	\$	60.61	\$	60.62	\$	60.61
Aug	5119	\$	511.18	Verizon	split	\$	127.80	\$	127.78	\$	127.80	\$	127.80
Aug	5124	\$	35.00	Culligan	split	\$	8.75	\$	8.75	\$	8.75	\$	8.75
Aug	5127	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00

Aug	5137	\$	135.00	Carole Freier	split	\$	33.75	\$	33.75	\$	33.75	\$	33.75
Aug	5141	\$	212.88	NW Energy - Office	split	\$	53.22	\$	53.22	\$	53.22	\$	53.22
Sep	5132	\$	29.50	Kris Vandersloot	split	\$	7.36	\$	7.38	\$	7.38	\$	7.38
Sep	5138	\$	142.50	Trevor Campbell	split	\$	35.63	\$	35.63	\$	35.63	\$	35.61
Sep	5159	\$	30.00	Big Sky Publishing	split	\$	7.50	\$	7.50	\$	7.50	\$	7.50
Sep	5160	\$	184.13	Qwest	split	\$	46.03	\$	46.04	\$	46.03	\$	46.03
Sep	5162	\$	50.00	NFIB Safe Trust	split	\$	12.50	\$	12.50	\$	12.50	\$	12.50
Sep	5165	\$	315.00	Boz. Cham. Of Comm.	split	\$	78.75	\$	78.75	\$	78.75	\$	78.75
Sep	5175	\$	366.61	Qwest	split	\$	91.65	\$	91.65	\$	91.66	\$	91.65
Sep	5176	\$	445.26	AmEx	split	\$	111.32	\$	111.30	\$	111.32	\$	111.32
Sep	5177	\$	442.64	Verizon	split	\$	110.66	\$	110.66	\$	110.66	\$	110.66
Sep	5178	\$	1,036.00	NAWC	split	\$	259.00	\$	259.00	\$	259.00	\$	259.00
Sep	5184	\$	194.54	NW Energy - Office	split	\$	48.64	\$	48.64	\$	48.62	\$	48.64
Sep	5199	\$	16.48	Dell Financial	split	\$	4.12	\$	4.12	\$	4.12	\$	4.12
Sep	5200	\$	18.00	Pager People	split	\$	4.50	\$	4.50	\$	4.50	\$	4.50
Sep	5202	\$	25.00	Culligan	split	\$	6.25	\$	6.25	\$	6.25	\$	6.25
Sep	5211	\$	425.00	Diane Taylor	split	\$	106.25	\$	106.25	\$	106.25	\$	106.25
Sep	5212	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Sep	5214	\$	142.50	MSU Conference Services	split	\$	35.61	\$	35.63	\$	35.63	\$	35.63
Sep	5218	\$	182.78	Qwest	split	\$	45.70	\$	45.70	\$	45.70	\$	45.68
Sep	5221	\$	67.50	Granite Enterprises	split	\$	16.88	\$	16.88	\$	16.86	\$	16.88
Sep	5230	\$	200.00	AmEx	split	\$	50.00	\$	50.00	\$	50.00	\$	50.00
Sep	5232	\$	308.91	Simply Office Supplies	split	\$	77.23	\$	77.23	\$	77.23	\$	77.22
Oct	5233	\$	1,238.06	Davis Business Machines	split	\$	309.52	\$	309.52	\$	309.52	\$	309.50
Oct	5249	\$	1,975.00	NAWC	split	\$	493.75	\$	493.75	\$	493.75	\$	493.75
Oct	5254	\$	71.95	Amy Ellingston	split	\$	17.99	\$	17.98	\$	17.99	\$	17.99
Oct	5261	\$	613.93	Air Controls	split	\$	153.49	\$	153.48	\$	153.48	\$	153.48
Nov	4267	\$	680.00	Diane Taylor	split	\$	170.00	\$	170.00	\$	170.00	\$	170.00
Nov	5265	\$	735.33	Qwest	split	\$	183.83	\$	183.83	\$	183.84	\$	183.83
Nov	5266	\$	337.53	Speedy Print	split	\$	84.38	\$	84.39	\$	84.38	\$	84.38
Nov	5268	\$	708.24	AmEx	split	\$	177.06	\$	177.06	\$	177.06	\$	177.06
Nov	5271	\$	74.39	Allied Waste	split	\$	18.60	\$	18.60	\$	18.60	\$	18.59
Nov	5272	\$	77.33	Allied Waste	split	\$	19.33	\$	19.33	\$	19.34	\$	19.33
Nov	5273	\$	180.84	Qwest	split	\$	45.21	\$	45.21	\$	45.21	\$	45.21
Nov	5274	\$	36.00	Pager People	split	\$	9.00	\$	9.00	\$	9.00	\$	9.00
Nov	5275	\$	30.00	Culligan	split	\$	7.50	\$	7.50	\$	7.50	\$	7.50
Nov	5283	\$	17.25	NW Energy - Office	split	\$	4.31	\$	4.31	\$	4.32	\$	4.31
Nov	5288	\$	160.38	NW Energy - Office	split	\$	40.10	\$	40.08	\$	40.10	\$	40.10
Nov	5299	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Nov	5300	\$	270.00	Granite Enterprises	split	\$	67.50	\$	67.50	\$	67.50	\$	67.50
Nov	5302	\$	307.07	Simply Office Supplies	split	\$	76.77	\$	76.77	\$	76.76	\$	76.77
Dec	5321	\$	72.52	Simply Office Supplies	split	\$	18.13	\$	18.13	\$	18.13	\$	18.13
Dec	5325	\$	371.43	NW Energy - office	split	\$	92.86	\$	92.86	\$	92.85	\$	92.86
Dec	5329	\$	17.25	NW Energy - office	split	\$	4.31	\$	4.31	\$	4.31	\$	4.32
Dec	5342	\$	424.50	Allied Waste	split	\$	106.13	\$	106.13	\$	106.11	\$	106.13
Dec	5343	\$	35.45	Culligan	split	\$	8.86	\$	8.87	\$	8.86	\$	8.86
Dec	5345	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Dec	5350	\$	180.83	Qwest	split	\$	45.21	\$	45.21	\$	45.21	\$	45.20
Dec	5361	\$	365.28	Qwest	split	\$	91.32	\$	91.32	\$	91.32	\$	91.32
Dec	5364	\$	510.00	Diane Taylor	split	\$	127.50	\$	127.50	\$	127.50	\$	127.50
Dec	5365	\$	53.58	Simply Office Supplies	split	\$	13.40	\$	13.40	\$	13.38	\$	13.40
Dec	5367	\$	444.63	Verizon	split	\$	111.16	\$	111.16	\$	111.16	\$	111.15
Dec	5372	\$	17.25	NW Energy - office	split	\$	4.31	\$	4.31	\$	4.32	\$	4.31
Dec	5376	\$	238.17	NW Energy - office	split	\$	59.54	\$	59.55	\$	59.54	\$	59.54
Dec	5389	\$	138.00	Davis Business Machines	split	\$	34.50	\$	34.50	\$	34.50	\$	34.50
Dec	5392	\$	800.00	Zoot	split	\$	200.00	\$	200.00	\$	200.00	\$	200.00
Dec	5399	\$	180.83	Qwest	split	\$	45.21	\$	45.21	\$	45.20	\$	45.21
Dec	5402	\$	18.00	Pager People	split	\$	4.50	\$	4.50	\$	4.50	\$	4.50
Dec	5403	\$	35.43	Culligan	split	\$	8.85	\$	8.86	\$	8.86	\$	8.86

Dec	5320	\$	225.00	Saunders Landscaping	split	\$	56.25	\$	56.25	\$	56.25	\$	56.25
Dec	5346	\$	75.00	Sweet Pea Landscaping	split	\$	18.75	\$	18.75	\$	18.75	\$	18.75
Dec	5319	\$	664.81	AmEx	split	\$	166.20	\$	166.21	\$	166.20	\$	166.20
Dec	5366	\$	753.81	AmEx	split	\$	188.46	\$	188.45	\$	188.45	\$	188.45
Dec	0	\$	59.97	JClose	split	\$	14.99	\$	14.99	\$	14.99	\$	15.00
AP	0	\$	67.50	Granite	a-all	\$	19.84	\$	19.84	\$	13.68	\$	14.14

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\$ 51,674.87

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\$ 12,921.68 \$ 12,921.68 \$ 12,915.52 \$ 12,915.99

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Utility Solutions  
Expense Distribution With Accounts Payable  
2008

Expense Account 1700 Accounting

Month	Check/ Date	Amount	Entity	Method	Regulated		Non-Regulated	
					Water	Sewer	Water	Sewer
Jun	4953	\$ 7,687.52	GHG	c-all	\$ 312.57	\$ 282.21	\$ 3,133.74	\$ 3,959.00
Aug	5103	\$ 125.52	GHG	c-all	\$ 5.10	\$ 4.61	\$ 51.17	\$ 64.64
AP		\$ 20,332.00	GHG	a-all	\$ 5,975.98	\$ 5,975.98	\$ 4,121.30	\$ 4,258.74

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\$ 28,145.04	\$ 6,293.65	\$ 6,262.80	\$ 7,306.21	\$ 8,282.38
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Utility Solutions  
Expense Distribution  
2008

Expense Account 900 Insurance

Month	Check/ Date	Amount	Entity	Method	Regulated		Non-Regulated	
					Water	Sewer	Water	Sewer
Jan	4617	\$ 7,288.43	Payne Financial	i-all	\$ 376.59	\$ 2,027.93	\$ 3,025.35	\$ 1,858.56
Jan	4648	\$ 1,716.11	Safeco Insurance	i-all	\$ 88.67	\$ 477.49	\$ 712.34	\$ 437.61
Feb	4717	\$ 918.42	Safeco Insurance	i-all	\$ 47.45	\$ 255.54	\$ 381.23	\$ 234.20
Mar	4752	\$ 259.37	Payne Financial	i-all	\$ 13.40	\$ 72.17	\$ 107.66	\$ 66.14
Mar	4785	\$ 1,422.42	Safeco Insurance	i-all	\$ 73.50	\$ 395.77	\$ 590.43	\$ 362.72
Apr	4860	\$ 2,864.84	Safeco Insurance	i-all	\$ 148.03	\$ 797.11	\$ 1,189.17	\$ 730.53
Apr	4867	\$ 6,375.00	Pheonix Life Ins	i-all	\$ 329.40	\$ 1,773.78	\$ 2,646.20	\$ 1,625.62
Jun	4976	\$ 1,415.42	Safeco Insurance	i-all	\$ 73.13	\$ 393.83	\$ 587.53	\$ 360.93
Aug	5076	\$ 1,422.42	Safeco Insurance	i-all	\$ 73.50	\$ 395.77	\$ 590.43	\$ 362.72
Aug	5116	\$ 2,864.84	Safeco Insurance	i-all	\$ 148.03	\$ 797.11	\$ 1,189.17	\$ 730.53
Dec	5318	\$ 3,293.00	Safeco Insurance	i-all	\$ 170.15	\$ 916.24	\$ 1,366.89	\$ 839.72
Dec	5363	\$ 4,963.00	Safeco Insurance	i-all	\$ 256.44	\$ 1,380.91	\$ 2,060.09	\$ 1,265.56
Dec	5357	\$ 9,111.32	Payne Financial	i-all	\$ 470.78	\$ 2,535.13	\$ 3,782.02	\$ 2,323.39

\$ 43,914.59

\$ 2,269.07 \$ 12,218.78 \$ 18,228.51 \$ 11,198.23