

Exhibit H

WATER PURCHASE AGREEMENT

This water purchase agreement (the "Agreement") is entered into this 22nd day of June, 1998, by and among Trilogy Limited, L.P., a Georgia limited partnership, and Leon H. Saunders, collectively doing business as S-K Water Resources ("Seller") and Larry Franciose, manager of Bear Hollow Village, LLC, a Utah limited liability company ("Purchaser").

RECITALS

A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit Water Distribution Company ("Summit") ultimately to be converted to class B shares which will permit Summit to provide culinary and irrigation water for use at the Seller's proposed development project.

B. The Purchaser is in the process of purchasing two parcels of real property located along both sides of Utah State Highway 224, the first parcel is known as the "Wallin Property" and the second parcel is known as the "Gurr-McFarlane Property," consisting of an aggregate of 175+/- acres of currently undeveloped property as more particularly described on the attached Exhibit A (the "Property").

C. The terms of the purchase of the Property are set forth in the Real Estate Purchase Agreements, with addenda, for the Wallin Property (+/-145 acres) dated August, 1997 and Gurr-McFarlane Property (+/-20.5 acres) dated February 1997, which agreements provide for at least two coordinated closings, with the first closing to be completed on approximately May, 1998, as such date may be extended (the "Phase I Closing"), and the second closing to occur on approximately May, 1999 as such date may be extended (the "Phase II Closing").

D. Upon completion of the purchase of the Property, Purchaser intends to develop the property with approximately 223 single family residences, 77 multi-family units and a lodge/hotel of approximately 100 rooms.

E. Seller is the holder of class A shares of the common stock of Summit and is willing to sell two hundred sixty (260) shares to Purchaser on the terms and conditions set forth in this Agreement and the Purchaser desires to purchase the shares on such terms and conditions.

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell an aggregate of two hundred sixty (260) shares of the Class A common stock of Summit (the "Shares"). The Shares purchased pursuant to the terms of this agreement shall be free and clear of liens and encumbrances of Seller, except those that applied to all shares of the same class by Summit pursuant to its Charter Documents.

2. **Purchase Price.** The purchase price for the Shares is \$8,000.00 per share for an aggregate purchase price of \$2,080,000 (the "Purchase Price"). The Purchase price shall be payable in two installments as follows:

- a) One-third of the Purchase Price, \$693,333.33, shall be paid concurrently with the Phase I Closing of the Property (the "First Closing"). From the portion of the Purchase Price paid at the First Closing, the sum of \$100,800.00 shall be paid to Ranch Place Associates and the remainder of \$592,533.33 shall be paid jointly to Trilogy Limited, L.P. and Hy Saunders.
- b) The remaining two-thirds of the Purchase Price, \$1,386,666.67, shall be paid at the earlier of (i) the date of the Phase II Closing of the Property, or (ii) twelve months following the Phase I Closing of the Property, regardless of the status of the Phase II Closing (the "Second Closing"). From the portion of the Purchase Price paid at the Second Closing, the full amount shall be paid jointly to Trilogy Limited, L.P. and Hy Saunders.

The purchase price shall be paid by cashiers or certified bank check.

3. **Additional Consideration.** In addition to payment of the Purchase Price, the Purchaser shall provide the additional consideration to or for the benefit of the Seller set forth in this Section 3. As a part of the purchase of the Property, the Purchaser is acquiring (either as a separate conveyance or as a part of the real estate conveyed to Purchaser) 169 +/- acre feet of water rights, which are a part of Awards 35-8411 and 35-8418 of the Weber River Decree. The Purchaser shall convey to Seller, or as Seller shall otherwise instruct Purchaser, all of the water rights that are purchased or conveyed to Purchaser by the seller of the Property under the following terms: one-third of the water rights conveyed to Purchaser at the First Closing ($1/3 \times 169$ acre feet = +/- 56.33 acre feet) and the remainder of 112.67 acre feet shall be conveyed at the Second Closing. Conveyance of the water rights shall be free and clear of any lien or encumbrance of any kind and shall be made by quit claim deed in the form attached as Exhibit B.

4. **Delivery of Shares.** Shares purchased pursuant to this Agreement will be delivered to Purchaser upon payment of the Purchase Price of the Shares, as follows:

- a) At the First Closing, the Seller shall deliver to Purchaser 86.67 of the Shares; and
- b) At the Second Closing, the Seller shall deliver to Purchaser to remaining 173.33 Shares.

Concurrently with the payment of the Purchase Price at each of the closings, the Shares shall be delivered by Seller to Purchaser by delivery of either a duly endorsed share certificate for the proper number of shares or written instructions to Summit to transfer the appropriate number of shares to the Purchaser.

5. **Water Line Relocation.** Summit currently has an underground water line installed across the Gurr-McFarlane Property. During the course of development of the Property the existing water line will need to be relocated. Purchaser agrees to relocate the water line to a location and in a manner mutually acceptable to both Summit and Purchaser at the sole cost and expense of Purchaser. In connection with the relocation of the water line, Purchaser shall grant

to Summit, at no cost to Summit, an easement for the water line at the ultimate location of the water line.

6. **Reimbursement to Third Parties.** Except as otherwise may be set forth in this Agreement and the Development Agreement with Summit, Purchaser shall have no obligation of reimbursement to Summit or other shareholders of Summit for existing infrastructure required for the delivery to the Project of water represented by the Shares.

7. **Compliance with Summit Requirements.** Purchaser agrees to comply with the requirements of Summit with respect to the transfer, conversion and assessment of the Shares and the delivery of water to the Project. These requirements include, but are not limited to:

a) **Charter Documents.** Purchaser agrees to be bound by the terms and conditions of the Articles of Incorporation, Bylaws, and Rules and Regulations of Summit (the "Charter Documents"), as they may be amended from time to time by action of the board of directors and shareholders of Summit.

b) **Conversion of Shares.** Conversion of the Shares is subject to compliance with the terms of the Charter Documents and restrictions imposed by Summit. Purchaser understands the restrictions on conversion and acknowledges that the Shares cannot be converted until such conditions are satisfied and that until the Shares are converted to Class B, no water delivery service will be provided to the Project or on account of the Shares.

c) **Connection Fees.** Prior to delivery of water to the Project, the user must pay a connection fee to Summit. The connection fee is payment for the costs of equipment and services required to establish the physical connection to the system, payments required to be made by Summit in connection with the connection and payment to a capital replacement fund. The amount of the connection fee will be established by the Charter Documents of Summit or in the development agreement.

d) **Development Agreement.** Summit requires that each of the shareholders acquiring shares of Summit stock and anticipating water delivery service to a project enter into a development agreement with Summit. Purchaser agrees to enter into a Development Agreement in a form acceptable to Summit.

e) **Infrastructure.** Purchaser shall be responsible for providing the required infrastructure in compliance with the requirements of Summit to provide delivery of water from the existing water main to the Project. Purchaser shall be entitled to reimbursement for infrastructure conveyed to Summit in accordance with the Charter Documents of Summit and the terms of the Development Agreement.

8. **Place of Use.**

a) **Appurtenant to the Project.** The Shares transferred to Purchaser shall be for use solely at the Project and shall be appurtenant to the land, which is a part of the Project. The Development Agreement by and between Purchaser and Summit may provide for specific appurtenancy requirements.

b) **Restrictions on Transfer.** Transfer restrictions apply to the transfer of the Shares, limiting the transfer of the shares to owners of the Project and their successors and assigns. In the event that the Project is not completed or the number of shares purchased is greater than is needed for the Project, Purchaser may not transfer the Shares for use elsewhere without the advance written permission of Seller.

9. **Easements.** Purchaser will grant Summit all easements that reasonably are necessary to permit the installation of infrastructure on the property which is a part of the Project, without additional cost to Seller or Summit. The easement will be in a form typically used for such infrastructure easements and acceptable to Summit.

10. **Representations.** Seller has made no representations to Purchaser with respect to the purchase of the Shares or delivery of water to the Project except as specifically set forth in this Agreement. Purchaser has relied upon its own investigation of all matters related to the Shares and has relied upon the advice of its independent advisors with respect to the purchase and use of the Shares and to the quantities of water that may be required for the Project.

11. **Miscellaneous.**

a) **Successors and Assigns.** The Seller may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Seller. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Purchaser and the heirs, executors, administrators, successors and assigns of it or any of its partners.

b) **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

c) **Governing Law; Severability.** This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

d) **Notices.** All notices, requests and communications required or permitted hereunder shall be in writing and shall be sufficiently given and deemed to have been received upon personal delivery or, if mailed, upon the first to occur of actual receipt or forty-eight (48) hours after being placed in the United States mail, postage prepaid, registered or certified mail, with return receipt requested, or if sent by overnight courier, the day following delivery of the notice to the courier service in a prepaid envelope, addressed to the above parties as follows:

If to the Seller:

Trilogy Limited, L.P.
2133 Alameda Diablo
Post Office Box 19
Diablo, California 94528-0019
Attention: Stuart A. Knowles

And

Leon H. Saunders
1899 Longview Drive
Salt Lake City, Utah 84124

If to the Purchaser:

Larry Franciose, Manager
Bear Hollow Village, LLC
3695 Juno Court
Salt Lake City, UT 84124

e) **Entire Agreement.** This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

Executed this 22 day of June, 1998.

Bear Hollow Village, LLC, a Utah limited liability company

By: _____
Its: _____

Leon H. Saunders
Leon H. Saunders

Trilogy Limited, L.P.

By: _____
Its: K.P., Trilogy Asset Management, Inc., G.P.

ENVIRONMENTAL WATER TRANSACTIONS BEAR HOLLOW VILLAGE LLC WATER PURCHASE AGREEMENT (44) DEC

Exhibit I

S K RESOURCES
44 WEST BROADWAY, SUITE 2003S
SALT LAKE CITY, UTAH 84101
TELEPHONE (801) 359-3210 TELECOPIER (801) 359-3270

June 21, 1999

Mr. James Fogg
Red Barn L.L.C.
3647 Brighton Point Drive
Salt Lake City, Utah 84121

Re: Share Purchase Agreement

Dear Mr. Fogg:

We are writing in connection with the proposed purchase by Red Barn, L.L.C., a Utah limited liability company ("Purchaser"), of twenty three (23) shares of the Class A common stock of Summit Water Distribution Company (the "Shares") from Trilogy Limited, L.P. and Leon H. Saunders d/b/a S-K Resources (collectively, the "Seller"). We understand that the Shares are being purchased by Purchaser to provide water delivery by Summit Water Distribution Company ("Summit") for use at the development project located near the University of Utah medical center in Summit County, Utah (the "Project"). We have discussed the terms and conditions to a sale of the Shares and each of us desire to set forth our understandings in an agreement (the "Agreement").

Our agreements are:

1. **Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell an aggregate of twenty three (23) shares of the Class A common stock of Summit Water Distribution Company. The Shares purchased pursuant to the terms of this agreement shall be free and clear of liens and encumbrances.
2. **Purchase Price.** The purchase price for the Shares is \$15,000.00 per share for an aggregate purchase price of \$345,000 (the "Purchase Price"). The Purchase Price shall be in cash upon closing of a development or construction loan for the project, but in no event later than June 30, 1999. All checks shall be payable jointly to "Trilogy Limited, LP and Hy Saunders."
3. **Delivery of Shares.** Shares purchased pursuant to this agreement will be delivered to Purchaser upon payment of the Purchase Price of the Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer the appropriate number of shares to the Purchaser.
4. **Place of Use.**
 - a) **Appurtenant to the Project.** The Shares transferred to Purchaser shall be for use solely at the Project and shall be appurtenant to the land which is a part of the Project. The Development Agreement by and between Purchaser and Summit may provide for specific appurtenancy requirements.
 - b) **Restrictions on Transfer.** Transfer restrictions apply to the transfer of the Shares, limiting the transfer of the shares to owners of the Project. In the event that the Project is not completed or the number of shares purchased is greater than is needed for the Project, Purchaser may not transfer the Shares for use elsewhere without the advance written permission of Seller.

Purchaser (or any other participant). Any third party that connects to a line which extends beyond the Project Extension shall be subject to the terms of agreements governing reimbursement for the Project Extension.

10. Miscellaneous.

a) Successors And Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Purchaser and the heirs, executors, administrators, successors and assigns of it or any of its partners.

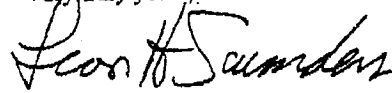
b) Governing Law; Severability. This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

c) Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

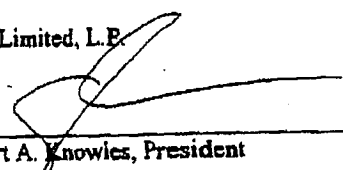
d) Entire Agreement. This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

If the foregoing is consistent with your understanding of our agreements, please sign both of the enclosed originals and return one to me. Upon receipt by me, this letter will serve as our agreement regarding the purchase of the Shares. In the event that this letter agreement is not returned to John Anderson, fully executed by the representatives of Purchaser by no later than June 15, 1999, then the offer to sell water set forth above shall be withdrawn without further action by Seller.

Very truly yours,

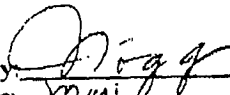
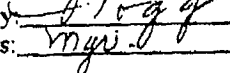

Leon H. Saunders

Trilogy Limited, L.P.

By: 
Stuart A. Knowles, President

Accepted and agreed this ____ day of June,
1999;

Red Barn, LLC

By: 
Its: 

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Exhibit J

S K RESOURCES
44 WEST BROADWAY, SUITE 2003S
SALT LAKE CITY, UTAH 84101
TELEPHONE (801) 359-3210 TELECOPIER (801) 359-3270

June 22, 1999

Mike Stewart
Fieldstone Partners, LLC
6465 Union Park, Suite 310
Midvale, Utah 84097

Re: Share Purchase Agreement

Dear Mr. Stewart:

We are writing in connection with the proposed purchase by Fieldstone Partners, LLC, a Utah limited liability company ("Purchaser"), of thirty and one-half (30.5) shares of the Class A common stock of Summit Water Distribution Company (the "Shares") from Trilogy Limited, L.P. and Leon H. Saunders d/b/a S-K Resources (collectively, the "Seller"). We understand that the shares are being purchased by Purchaser to provide water delivery by Summit Water Distribution Company ("Summit") for use at the development project you are undertaking in Summit County, Utah (the "Project"). We have discussed the terms and conditions to a sale of the Shares and each of us desire to set forth our understandings in an agreement (the "Agreement").

Our agreements are:

1. **Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell an aggregate of thirty and one-half (30.5) shares of the Class A common stock of Summit Water Distribution Company. The Shares purchased pursuant to the terms of this agreement shall be free and clear of liens and encumbrances.

2. **Purchase Price.** The purchase price for the Shares is \$15,000.00 per share for an aggregate purchase price of \$457,500.00 (the "Purchase Price"). The Purchase Price shall be paid by check jointly payable to "Trilogy Limited, LP and Hy Saunders" by no later than June 23, 1999.

3. **Delivery of Shares.** Shares purchased pursuant to this agreement will be delivered to Purchaser upon payment of the Purchase Price of the Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer the appropriate number of shares to the Purchaser.

4. **Place of Use.**

a) **Appurtenant to the Project.** The Shares transferred to Purchaser shall be for use solely at the Project and shall be appurtenant to the land which is a part of the Project. The Development Agreement by and between Purchaser and Summit may provide for specific appurtenancy requirements.

b) **Restrictions on Transfer.** Transfer restrictions apply to the transfer of the Shares, limiting the transfer of the shares to owners of the Project. In the event that the Project is not completed or the number of shares purchased is greater than is needed for the Project, Purchaser may not transfer the Shares for use elsewhere without the advance written permission of Seller.

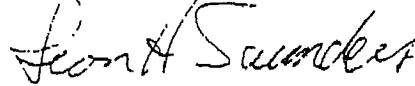
5. **Easements.** Purchaser will grant Summit all easements that reasonably are necessary to permit the installation of Infrastructure on the property which is a part of the Project, without additional cost

c) Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

d) Entire Agreement. This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

If the foregoing is consistent with your understanding of our agreements, please sign both of the enclosed originals and return one to me. Upon receipt by me, this letter will serve as our agreement regarding the purchase of the Shares. In the event that this letter agreement is not returned to John Anderson, fully executed by the representatives of Purchaser by no later than June 22, 1999, then the offer to sell water set forth above shall be withdrawn without further action by Seller.

Very truly yours,



Leon H. Saunders

Trilogy Limited, L.P.

By: 

Stuart A. Knowles, President

Accepted and agreed this 22nd day of June,
1999:


John Anderson, LLC

By: Mike Stewart, President
Its: FIELDSTONE HOMES, INC.
MEMPHIS, TENNESSEE

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Exhibit K

WATER PURCHASE AGREEMENT

This water purchase agreement (the "Agreement") is entered into this 19th day of July, 2000 by and among Trilogy Limited, L.P., a Georgia limited partnership, and Leon H. Saunders, collectively doing business as S-K Water Resources ("Seller") and Westgate Development, Ltd., a Florida limited partnership ("Purchaser").

RECITALS

A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit Water Distribution Company ("Summit") to be used to provide culinary and irrigation water for use at the Seller's proposed development project.

B. The Purchaser is in the process of purchasing a parcel of real property located within The Canyons Specially Planned Area (the "Canyons SPA") that consists of approximately 4.8 acres as more particularly described on the attached Exhibit A (the "Property").

C. Upon completion of the purchase of the Property, Purchaser intends to develop the property into a total of 270 fractionalized ownership residential resort units and 49,700 square feet of commercial space (the "Development").

D. Seller is the holder of Class A shares of the common stock of Summit and is willing to sell up to one hundred (100) of shares to Purchaser on the terms and conditions set forth in this Agreement.

AGREEMENT

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell an aggregate of not less than sixty two (62), but not more than one hundred (100) shares of the Class A common stock of Summit (the "Shares"). The Shares purchased pursuant to the terms of this agreement shall be free and clear of liens and encumbrances, except for normal assessments imposed under the Charter Documents (as defined in Section 7(a) below) of Summit.

2. **Purchase Price.**

a) The base purchase price for the Shares is \$15,000.00 per share, subject to escalation as set forth below (the "Purchase Price");

i) Two hundred thirty two thousand five hundred dollars (\$232,500.00) upon Purchaser's purchase of the Property from the escrow established for such purpose;

- ii) One hundred eighty six thousand dollars (\$186,000.00) not later than June 1, 2001;
- iii) Two hundred four thousand six hundred dollars (\$204,600.00) not later than June 1, 2002;
- iv) Two hundred four thousand six hundred dollars (\$204,600.00) not later than June 1, 2003; and
- v) A final installment of one hundred sixty eight thousand seven hundred ninety five dollars (\$168,795 not later than June 1, 2004.

b) Pursuant to the terms of the Development Agreement, Purchaser has the obligation to submit to Summit actual and projected water use information for all portions of the Project for which certificates of occupancy have been issued for the express purpose of Summit determining the adequacy of the quantity of water held by Purchaser for use at the Project. In the event that Summit determines under the provisions of the Development Agreement that the number of Shares held by the Purchaser is either in excess of, or insufficient for, the reasonably anticipated needs of the Project, then Purchaser shall have the right to reduce the number of shares to be purchased to an aggregate of not less than fifty four (54) and not more than one hundred (100). If Summit makes such determination and Purchaser elects to exercise the adjustment right under this Section 2(b) Purchaser shall provide written notice to Seller within fifteen (15) days of such determination by Summit as to the aggregate number of shares required and setting forth the number of shares to be purchased and the dates of such purchase, consistent with the provisions of this Section 2. The rights granted under this Section 2(b) shall expire on June 1, 2004.

c) Buyer may at any time accelerate all or a portion of the purchase of the shares by payment in full of the Purchase Price.

d) In the event of an acceleration of purchase under Section 2(c) or a change in the number of shares to be purchased under Section 2(b), the purchase price for the Shares so purchased shall be determined as follows:

- i) For any purchase for which payment is made prior to June 1, 2001, the per share purchase price shall be \$15,000.00 per share purchased;
- ii) For any purchase for which payment is made after June 1, 2001, but prior to June 1, 2003, the per share purchase price shall be \$16,500.00 per share purchased; and
- iii) For any purchase for which payment is made after June 1, 2003, but prior to June 1, 2004, the per share purchase price shall be \$18,150.00 per share purchased.

e) Payment shall be made by bank or cashier's check jointly payable to "Trilogy Limited, LP and Hy Saunders" or as otherwise may be agreed to by Seller, delivered to Seller at the offices of Pruitt, Gushee and Bachtell.

3. **Delivery of Shares.** Shares purchased pursuant to this agreement will be delivered to Purchaser upon payment of the Purchase Price of the Shares. Shares shall be delivered concurrently with payment of the Purchase Price as follows:

- a) Upon payment of the installment under Section 2(a)(i), 15.5 shares shall be delivered;
- b) Upon payment of the installment under Section 2(a)(ii), 12.4 shares shall be delivered;
- c) Upon payment of the installment under Section 2(a)(iii), 12.4 shares shall be delivered;
- d) Upon payment of the installment under Section 2(a)(iv), 12.4 shares shall be delivered; and
- e) Upon payment of the installment under Section 2(a)(v), 9.3 shares shall be delivered.

In the event the purchase is accelerated, the number of shares to be delivered shall be determined by dividing the payment made by the Purchase Price determined in accordance with Section 2(d). Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer in the corporate records of Summit the appropriate number of shares to the Purchaser.

4. **Place of Use.**

a) **Appurtenant to the Project.** The Shares transferred to Purchaser shall be for use solely at the Project and shall be appurtenant to the land that is a part of the Project. The Development Agreement by and between Purchaser and Summit may provide for specific appurtenancy requirements.

b) **Restrictions on Transfer.** Transfer restrictions apply to the transfer of the Shares, limiting the transfer of the shares to owners of the Project or portions thereof. In the event that the Project is not completed or the number of shares purchased is greater than is needed for the Project, Purchaser may not transfer the Shares for use elsewhere without the advance written permission of Seller, which consent may be withheld in the sole discretion of Seller.

5. **Easements.** Purchaser will grant Summit all easements that reasonably are necessary to permit the installation of Infrastructure on the Property that is a part of the Project, without additional cost to Seller or Summit. The easement, if any, will be in a form typically used for such infrastructure easements and acceptable to Summit.

6. **Representations.** Seller represents and warrants to Buyer that all assessments with respect to the Shares shall be paid in full as to the date such Shares are transferred to Purchaser hereunder. Seller has made no representations to Purchaser with respect to the purchase of the Shares or delivery of water to the Project except as specifically set forth in this Agreement. Purchaser has relied upon its own investigation of all matters related to the Shares and has relied upon the advice of its independent advisors and counsel with respect to the purchase and use of the Shares.

7. **Compliance with Summit Requirements.** Purchaser agrees to comply with the requirements of Summit with respect to the transfer, conversion and assessment of the Shares and the delivery of water to the Project. These requirements include, but are not limited to:

a) **Charter Documents.** Purchaser agrees to be bound by the terms and conditions of the Articles of Incorporation, Bylaws, and Rules and Regulations of Summit (the "Charter Documents"), as they may be amended from time to time by action of the board of directors and shareholders of Summit.

b) **Conversion of Shares.** Conversion of the Shares is subject to compliance with the terms of the Charter Documents and restrictions imposed by Summit. Purchaser understands the restrictions on conversion and acknowledges that the Shares cannot be converted until such conditions are satisfied and that until the Shares are converted to Class B, no water delivery service will be provided to the Project or on account of the Shares.

c) **Connection Fees.** Prior to delivery of water to the Project, the user must pay a connection fee to Summit. The connection fee is payment for the costs of equipment and services required to establish the physical connection to the system, payments required to be made by Summit in connection with the connection and payment to a capital replacement fund. The amount of the connection fee will be established by the Charter Documents of Summit or in the Development Agreement.

d) **Development Agreement.** Summit requires that each of the shareholders acquiring shares of Summit stock and anticipating water delivery service to a project enter into a development agreement with Summit (the "Development Agreement"). Purchaser agrees to enter into a Development Agreement in a form acceptable to Summit.

e) **Infrastructure.** Purchaser shall be responsible for providing the required infrastructure in compliance with the requirements of Summit to provide delivery of water from the existing water main to the Project (the "Infrastructure"). Purchaser shall be entitled to reimbursement for infrastructure conveyed to Summit in accordance with the Charter Documents of Summit and the terms of the Development Agreement.

8. **Reimbursement to Third Parties.** Except as otherwise may be set forth in this Agreement, Purchaser shall have no obligation of reimbursement to Summit or other shareholders of Summit for existing infrastructure required for the delivery to the Project of water represented by the Shares. Purchaser is responsible for securing the right of use of any

infrastructure installed with the Canyons SPA from the party or parties who control the use thereof.

9. **Line Extension.** If under the terms of the Development Agreement with Summit and in order to obtain delivery of the water represented by the Shares, Purchaser is required to construct an extension of the Summit main transmission line from the existing main transmission line (the "Project Extension"), then Seller shall have the right, but not the obligation, to participate in the construction of the Project Extension on a pro-rata basis with Purchaser (and any other participants in construction of the Project Extension). Pro rata participation shall include the payment of a pro-rata share of the construction costs of such extension. Upon such participation by Seller, Seller shall be entitled to share in all of the benefits of the Project Extension, including all rights of reimbursement on the same terms as Purchaser. In the event that Seller elects not to participate in the construction of the Project Extension, Seller shall have the right to connect to the Project Extension for the purpose of further extending the line without payment of reimbursement to Purchaser (or any other participant). Any third party that connects to a line that extends beyond the Project Extension shall be subject to the terms of agreements governing reimbursement for the Project Extension.

10. **Miscellaneous.**

a) **Notices.** Notices required under this Agreement shall be in writing and shall be deemed delivered the day following dispatch if sent by overnight delivery or courier service (including Federal Express or other service guaranteeing next day delivery) or by facsimile, with a confirmation copy is sent via first class mail, five days following dispatch if sent via first class mail or the day of receipt if sent via certified or registered mail, with a return receipt requested. Notices shall be addressed as follows:

If to Seller:

Stuart A. Knowles
Trilogy Asset Management, Inc.
550 Hartz Avenue, Suite 200
Danville, CA 94526
Facsimile: 925-855-9429

And

Leon H. Saunders
2505 West White Pine Lane
Park City, UT 84060
Facsimile: 435-649-5146

If to Purchaser

Mark Waltrip
And
Harry Stecher
Westgate Resorts, Ltd.
5601 Windhover Drive
Orlando, Florida 32819

Facsimile: 407-952-8935

With a copy to:

Michael Marder, Esq.
Greenspoon Marder Hirschfeld Rafkin Ross & Berger
SouthTrust Bank Building, Suite 1100
135 West Central Boulevard
Orlando, Florida 32801

Facsimile: 407-422-6583

The address for giving of notice may be changed at any time by delivery of a notice to the other party in accordance with the terms of this Section 10(a).

b) **Successors And Assigns.** The Seller may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Seller. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Purchaser and the heirs, executors, administrators, successors and assigns of it or any of its partners. Notwithstanding the foregoing, this Agreement and rights hereunder may be assigned to a homeowners association or other entity formed for the express and sole purpose of maintaining, operating and managing the ongoing operations of the Project.

c) **Governing Law; Severability.** This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

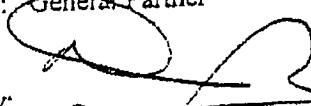
d) **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

e) **Entire Agreement.** This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

Executed this 19th day of July, 2000.

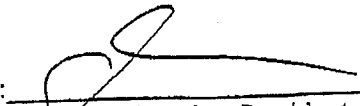
Westgate Resorts, Ltd., a Florida limited partnership

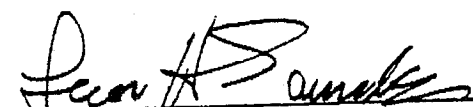
By: Westgate Resorts, Inc.
Its: General Partner

By: 
Its: President

Trilogy Limited, L.P.

By: Trilogy Asset Management, Inc.
Its: General Partner

By: 
Stuart A. Knowles, President


Leon H. Saunders

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Exhibit L

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (this "Agreement") is entered into this 10 day of August, 2000 by and among Trilogy Limited, L.P., a Georgia limited partnership, and Leon H. Saunders, collectively doing business as S-K Water Resources ("Seller"), and Private Residence Club Associates, LLC, a Utah limited liability company, and its successors and assigns ("Purchaser"), and is acknowledged, consented and agreed to by Summit Water Distribution Company, a Utah non-profit mutual water company ("Summit").

RECITALS

A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit to be used to provide culinary and irrigation water for use at the Seller's proposed development project.

B. The Purchaser has entered into a contract to purchase a parcel of real property (the "Property") located within The Canyons Specially Planned Area (the "Canyons SPA"), consisting of approximately 4 acres and generally referred to as "Parcel F-1" of the "Frostwood Property" located within the Canyons SPA.

C. Upon purchase of the Property, Purchaser intends to subdivide the Property into two parcels (the "Phase I Parcel" and the "Future Phase Parcel"), upon which a timeshare/fractional resort will be developed (the "Project"), consisting of approximately 100 condominium units, subject to fractionalization or timesharing. The Future Phase Parcel will eventually be subdivided into two parcels, consisting of the "Phase II Parcel" and the "Phase III Parcel." Phase I of the Project will consist of 30 fractionalized condominium units, and it is intended that Phases II and III of the Project will consist, collectively, of approximately 70 condominium units, subject to fractionalization or timesharing.

D. Seller is the holder of Class A shares of the common stock (development stock) of Summit, and is willing to sell up to sixty-three (63) of such shares to Purchaser, with an initial purchase of twenty-three (23) shares, and the remaining forty (40) shares pursuant to an option on the terms and conditions set forth in this Agreement.

E. Seller is concurrently entering into an agreement for the purchase of water with Parkwest Associates, LLC which contains substantially similar terms and conditions to this Agreement (the "Parkwest Agreement") and Summit is entering into an agreement with Parkwest Associates, LLC requiring it to construct a new water line from the existing main transmission line to the Property (the "Line Extension Agreement").

F. Holders of Class A shares of common stock (development stock) have the right to convert such shares to Class B shares of common stock (use stock) on the terms and conditions set forth in the Development Agreement to be executed between Summit and Purchaser in the form attached hereto as Exhibit A (the "Development Agreement"). The holders of Class B shares of common stock (use stock) have the right to delivery of water to be used for culinary and irrigation purposes in accordance with the terms of the Development Agreement.

AGREEMENT

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Initial Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell an aggregate of twenty-three (23) shares of the Class A common stock (development stock) of Summit (the "Purchased Shares"), which Purchased Shares are subject to conversion to Class B common stock (use stock) of Summit under the terms of the Development Agreement, which will give Purchaser, as the holder of the Purchased Shares, the right to purchase water for culinary and irrigation purposes on the terms set forth in the Development Agreement. The Purchased Shares purchased pursuant to the terms of this Agreement shall be free and clear of liens and encumbrances, except for normal assessments imposed under the Charter Documents (as defined in Section 8(a) below) of Summit. All assessments prior to the date of this Agreement shall be the responsibility of Seller.

2. **Purchase Price.** The purchase price for the Purchased Shares is \$15,000.00 per share for an aggregate purchase price of \$345,000.00 (the "Purchase Price"). Payment of the entire Purchase Price shall be made no later than September 15, 2000.

Payments shall be made by bank or cashier's check jointly payable to "Trilogy Limited, LP and Hy Saunders," or as otherwise may be agreed to by Seller, delivered to Seller at the offices of Pruitt, Gushee and Bachtell in Salt Lake City, Utah.

3. **Delivery of Shares.** Purchased Shares purchased pursuant to this Agreement will be delivered to Purchaser upon payment of the Purchase Price of the Purchased Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer in the corporate records of Summit the appropriate number of shares to the Purchaser or, at the election of Purchaser, to an owners' association comprised solely of owners of units of the Project (the "Owners' Association").

4. **Option to Purchase Shares.**

a) **Grant of Option.** Seller grants Purchaser an option to purchase an additional forty (40) shares of the Class A common stock (development stock) of Summit (the "Option Shares") on the terms and conditions set forth in this Section 4, which Option Shares are subject to conversion to Class B common stock (use stock) of Summit under the terms of the Development Agreement, which will give Purchaser, as the holder of the Option Shares, the right to delivery of water for culinary and irrigation purposes on the terms set forth therein. This Option shall become effective upon execution of this Agreement (the "Option Effective Date").

b) **Term of Option.** The term of this Option is from the Option Effective Date until and including June 15, 2002 (the "Option Term") subject to extension by an additional one year period to June 15, 2003. The extension of the Option Term shall be by written notice provided prior to June 15, 2002, together with a bank or cashier's check payable to Sellers in the amount of ten percent (10%) of the Option Price for that portion of the Option Shares which have not been purchased as of the date of extension of the Option Term (the

"Extension Fee"). The Extension Fee shall not be applied to the Option Price of the Option Shares.

c) **Option Price.** The purchase price for the Option Shares is \$15,000.00 per share for an aggregate purchase price of \$600,000.00 (the "Option Price"), payable in whole or in part, depending on the amount of shares with respect to which the Option is exercised, as provided in subsection (d) below. The Option Price shall be payable on the Exercise Date(s) determined in accordance with Section 4(d) of this Agreement. Payment of the Option Price shall be made by bank or cashier's check jointly payable to "Trilogy Limited, LP and Hy Saunders" or as otherwise may be agreed to by Seller, delivered to Seller at the offices of Pruitt, Gushee and Bachtell located in Salt Lake City, Utah.

d) **Exercise of Option.** The Option may be exercised, in whole or in part, at any time during the Option Term by delivery of a written notice to Seller in the form attached as Exhibit B (the "Exercise Notice"), with a copy delivered to Summit, specifying that the Purchaser is electing to exercise the Option, and identifying the parcel and the number of shares with respect to which the Option is being exercised. The effective date of exercise of the Option shall be ninety days following the date of delivery of the Exercise Notice (the "Exercise Date"). The Exercise Date must fall on a date within the Option Term to be effective. The Option may be exercised with respect to less than the full number of Option Shares, provided that any exercise with respect to less than all of the Option Shares shall identify the parcel to which the exercise relates (the Phase II Parcel and/or the Phase III Parcel) and shall be for the full number of shares allocated to the subject parcel based on anticipated usage. In the event the Option is exercised for less than all of the Option Shares, then the Option shall continue to remain in effect for the remaining Option Shares for the remainder of the Option Term, subject to earlier termination as provided in subsection (f) below.

e) **Delivery of Option Shares.** Option Shares purchased pursuant to this Agreement will be delivered to Purchaser upon payment of the Option Price of the Option Shares (or portion thereof). Upon payment of the Option Price (or portion thereof), Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer in the corporate records of Summit the appropriate number of shares to the Purchaser or, at the election of Purchaser, to the Owners' Association.

f) **Termination of Option.** The Option shall terminate automatically with respect to any unexercised portion thereof and without notice or further action by Seller upon occurrence of any of the following:

- i) Failure of Parkwest Associates to deliver the Project Line Extension in accordance with the terms of the Parkwest Agreement (provided however, if Parkwest Associates fails to construct the line extension in accordance with the terms of the Line Extension Agreement, Purchaser shall have the right to cure the default by construction of the line extension in accordance with the conditions established by Summit within one year of the date of default by Parkwest Associates);

- ii) Failure of the Purchaser to exercise the Option in accordance with Section 4(d) during the Option Term;
- iii) Summit (or its successors and assigns) is no longer the exclusive provider of water to the Property with respect to the 63 shares of culinary and irrigation water which is the subject of this Agreement, except in the event of a failure by Seller to sell and deliver shares or otherwise perform its obligations in accordance with the terms of this Agreement;
- iv) Failure of Purchaser to make any payment due under the terms of this Agreement;
- v) Failure of Parkwest Associates, or any assignee thereof, to make any payment under the terms of the Parkwest Agreement; or
- vi) Any other breach of any term of this Agreement by Purchaser.

5. Place of Use.

a) **Appurtenant to the Project.** Except as set forth in subsection b) below, the Purchased Shares and Option Shares (collectively, the "Shares") transferred to Purchaser shall be for use solely with respect to, and shall be appurtenant to the Property.

b) **Restrictions on Transfer.** Except as otherwise set forth in this subsection b), the transfer of Shares shall be limited to transfer to owners of the Property or the Project, or portions thereof, their lenders, and the Owners' Association if established. In the event that the Project is not completed or the number of Shares purchased is greater than is needed for the Project, Purchaser may elect to sell surplus or unused Shares (including the Option Shares). In such event, Seller shall have the first option to repurchase such Shares (including the Option Shares) at a purchase price which is the lesser of (i) \$15,000 per Share, or (ii) the price per Share for which Purchaser has a bonafide offer of purchase. Seller shall have ten (10) days to notify Purchaser of its exercise of first option after delivery by Purchaser to Seller of a copy of such offer and shall have thirty (30) days from the date of delivery of such notice to pay Purchaser the full purchase price for such Shares (including any Option Shares), by bank or cashiers check. In the event Purchaser shall elect to sell surplus or unused Shares, and Seller shall not exercise its first option right to purchase such Shares as set forth hereunder, Purchaser shall have the right to sell such Shares. In the event of any sale of the Shares, any use of the water other than at the Property shall require the purchaser of the Shares to acquire the right to use of infrastructure for delivery of the water to the proposed site of use in accordance with the Charter Documents of Summit, which may include the payment of reimbursement to third parties, including the Seller.

c) **Pledge of Rights Under this Agreement.** Seller hereby agrees to the collateral assignment of all of Purchaser's rights under this Agreement to the lender(s) providing financing for the development of the Property and construction of the Project, as

security for the Purchaser's obligations to such lenders under their loan documents, which collateral assignment Seller and Summit shall acknowledge in writing to such lender(s). In no event will Seller or Summit incur any obligation or liability as a result of the acknowledgement of the collateral assignment of Purchaser's rights under this Agreement.

6. **Easements.** Purchaser will grant Summit such easements as are reasonably necessary to permit and facilitate the provision of water to the Project as provided herein, in such areas as shall be reasonably designated by Purchaser so as to not interfere with the development of the Property, without additional cost to Seller or Summit. The easement, if any, will be in a form typically used for such infrastructure easements and acceptable to Summit and Purchaser.

7. **Representations.** Seller has made no representations to Purchaser with respect to the purchase of the Shares or delivery of water to the Project except as specifically set forth in this Agreement. Purchaser has relied upon its own investigation of all matters related to the Shares and has relied upon the advice of its independent advisors and counsel with respect to the purchase and use of the Shares; provided, however, that Purchaser may rely on (i) the Development Agreement with respect to the subject matter set forth therein, the letter notifying Summit shall be providing water delivery to the Project (the "Water Letter") issued by Summit to Summit County with respect to the Project, and that Summit will fully comply in all respects with Ordinance No. 385 adopted by the Summit County Board of Commissioners on May 15, 2000, a copy of which is attached hereto as Exhibit C (the "Water Ordinance"), and shall provide evidence of such compliance to Purchaser when and as available to Seller.

8. **Compliance with Summit Requirements.** Purchaser agrees to comply with the requirements of Summit with respect to the transfer, conversion and assessment of the Shares and the delivery of water to the Project, as set forth in the Development Agreement, in the Charter Documents and below:

a) **Charter Documents.** Purchaser agrees to be bound by the terms and conditions of the Articles of Incorporation, Bylaws, and Rules and Regulations of Summit (the "Charter Documents"), as they may be amended from time to time by action of the board of directors and shareholders of Summit. A copy of the Charter Documents as they are in effective as of the date of this Agreement are attached as Exhibit D.

b) **Conversion of Shares.** Conversion of the Shares is subject to compliance with the terms of the Charter Documents and conditions imposed by Summit in the Development Agreement. Purchaser understands the conditions on conversion and acknowledges that the Shares cannot be converted until such conditions are satisfied and that until the Shares are converted to Class B, no water delivery service will be provided to the Project or on account of the Shares.

c) **Connection Fees.** Prior to delivery of water to the Project, the user must pay a connection fee to Summit. The connection fee is payment for the costs of equipment and services required to establish the physical connection to the system, payments required to be made by Summit in connection with the connection and payment to a capital replacement fund.

The connection fees shall be the published fees of Summit and as set forth in the Development Agreement.

d) **Development Agreements.** Summit requires that each of the shareholders acquiring shares of Summit stock and anticipating water delivery service to a project enter into a development agreement with Summit (the "Development Agreement"). Purchaser agrees to enter into the Development Agreement in the form attached hereto as Exhibit A, with respect to each parcel that is a part of the Project. The Development Agreement for each parcel shall be duly executed by Summit and Purchaser prior to or concurrently with the delivery of Shares in accordance with the provisions of Sections 3 and 4(e) of this Agreement. Unless otherwise agreed to by Purchaser, the form of Development Agreement attached hereto as Exhibit A shall be utilized for all phases of the Project, without changing the terms thereof, other than to reference the appropriate number of shares purchased and converted and the legal description of the parcel to which the Development Agreement pertains.

e) **Infrastructure.** Purchaser shall be responsible for providing any required infrastructure in compliance with the requirements of Summit to provide delivery of water from the existing water main to the Project, except that the obligation for construction of the line extension as set forth in the Line Extension Agreement shall be the responsibility of Parkwest Associates. Purchaser shall be entitled to reimbursement for infrastructure conveyed to Summit in accordance with the Charter Documents of Summit and the terms of the Development Agreement.

f) **Reimbursement to Third Parties.** Purchaser shall have no obligation of reimbursement to Summit or other shareholders of Summit for existing infrastructure required for the delivery to the Project of water represented by the Shares. Purchaser is responsible for securing the right of use of any infrastructure installed within the Canyons SPA from the party or parties who control the use thereof. Seller, and Summit by execution of the acknowledgement below, represent that they have not entered any agreements with the County or any party within or outside of the Canyons SPA which will require Purchaser to pay anyone for the use of infrastructure required to supply water to the Project and the Property.

9. **Miscellaneous.**

a) **Notices.** Notices required under this Agreement shall be in writing and shall be deemed delivered the day following dispatch if sent by overnight delivery or courier service (including Federal Express or other service guaranteeing next day delivery) or by facsimile, with a confirmation copy is sent via first class mail, five days following dispatch if sent via first class mail or the day of receipt if sent via certified or registered mail, with a return receipt requested. Notices shall be addressed as follows:

If to Seller:

Stuart A. Knowles
Trilogy Asset Management, Inc.
550 Hartz Avenue, Suite 200

Danville, CA 94526
Facsimile: 925-855-9429

and

Leon H. Saunders
2505 West White Pine Lane
Park City, UT 84060
Facsimile: 435-649-5146

If to Purchaser:
David M. Disick
Private Residence Club Associates, LLC
2052 Prospector Avenue, #200
Park City, Utah 84060
Facsimile: (435) 658-5701

with a copy to:

Lynn K. Cadwalader, Esq.
Holland & Knight, LLP
44 Montgomery Street, Suite 4050
San Francisco, CA 94104
Facsimile: (415) 743-6985

The address for giving of notice may be changed at any time by delivery of a notice to the other party in accordance with the terms of this Section 11(a).

b) **Successors And Assigns.** The Seller may assign any of its rights and obligations under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of and be binding upon Seller, its heirs, executors, administrators, successors and assigns. Subject to the restrictions on transfer set forth in Section 5(b) hereof, this Agreement may be assigned by Purchaser, and shall be binding upon and inure to the benefit of Purchaser, its heirs, executors, administrators, successors and assigns.

c) **Governing Law; Severability.** This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

d) **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

e) **Entire Agreement.** This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

10. **Ordinance No. 385.** In the event Summit is unable to timely deliver wet water to the Property consistent with this Agreement and the Development Agreement due to its failure to obtain the necessary Summit County approvals as required by the Water Ordinance prior to the expiration of the Water Ordinance then Purchaser shall have the option, in its sole discretion, to require Seller to repurchase the appropriate number of Shares from Purchaser in return for the full Purchase Price paid for such Shares, such repurchase of Shares and return of Purchase Price to occur no later than 30 days after receipt by Seller of notice from Purchaser of its election to require Seller to repurchase such Shares and Summit concurrently shall rescind the Water Letter. The exercise of the option of Purchaser for Seller to repurchase the shares in accordance with this Section 10 shall be exercised, if at all, within thirty days following expiration of the Water Ordinance. Failure of Purchaser to exercise within such period shall be an irrevocable waiver of the option granted in this Section 10.

11. **Default:** In the event of default by any party to this Agreement, the non-defaulting party shall be entitled to pursue all remedies allowed by law in connection therewith, including without limitation, the immediate resort to extraordinary equitable relief through court action. In the event of any suit hereunder, the prevailing party shall be entitled to an award of reasonable attorneys fees and costs.

Executed this 10 day of August, 2000.

Private Residence Club Associates, LLC, a
Utah limited liability company

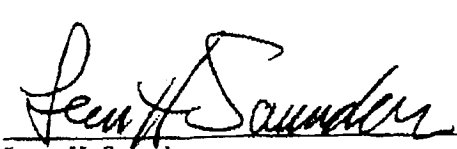
Trilogy Limited, L.P., a Georgia limited
partnership

By: Resort Capital Partners-D, LLC, a
Colorado limited liability company

By: Trilogy Asset Management, Inc.,
Its: General Partner

By: 
David M. Disick, Manager

By: 
Stuart A. Knowles, President


Leon H. Saunders

ACKNOWLEDGED, CONSENTED AND
AGREED TO AS OF THE DATE FIRST SET
FORTH ABOVE:

Summit Water Distribution Company, a Utah
non-profit mutual water company

By: Scott H. Saunders
Its: President

List of Exhibits

Exhibit A: Form of Development Agreement

Exhibit B: Exercise Notice

Exhibit C: Water Ordinance

Exhibit D: Charter Documents

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Exhibit M

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (this "Agreement") is entered into this 15th day of August, 2000 by and among Trilogy Limited, L.P., a Georgia limited partnership, and Leon H. Saunders, collectively doing business as S-K Water Resources ("Seller"), and Eagles Dance Development Co., L.L.C., a Utah limited liability company, formerly Aspens Cabin Club, L.L.C., and its successors and assigns ("Purchaser"), and is acknowledged, consented and agreed to by Summit Water Distribution Company, a Utah non-profit mutual water company ("Summit").

RECITALS

- A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit to be used to provide culinary and irrigation water for use at the Seller's proposed development project.
- B. The Purchaser owns a parcel of real property (the "Property") located within The Canyons Specially Planned Area (the "Canyons SPA"), upon which the Purchaser desires to locate a development consisting of 25 cabins, a lodge and an employee unit.
- C. Seller is the holder of Class A shares of the common stock (development stock) of Summit, and is willing to sell seventeen (17) of such shares to Purchaser on the terms and conditions set forth in this Agreement.
- D. Holders of Class A shares of common stock (development stock) have the right to convert such shares to Class B shares of common stock (use stock) on the terms and conditions set forth in the Development Agreement to be executed between Summit and Purchaser in the form attached hereto as Exhibit A (the "Development Agreement"). The holders of Class B shares of common stock (use stock) have the right to delivery of water to be used for culinary and irrigation purposes in accordance with the terms of the Development Agreement.

AGREEMENT

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. **Shares to be Purchased.** Purchaser agrees to purchase and Seller agrees to sell seventeen (17) shares of the Class A common stock (development stock) of Summit (the "Purchased Shares"), which Purchased Shares are subject to conversion to Class B common stock (use stock) of Summit under the terms of the Development Agreement, which will give Purchaser, as the holder of the Purchased Shares, the right to purchase water for culinary and irrigation purposes on the terms set forth in the Development Agreement. The Purchased Shares purchased pursuant to the terms of this Agreement shall be free and clear of liens and encumbrances, except for normal assessments imposed under the Charter Documents (as defined in Section 8(a) below) of Summit. All assessments prior to the date of this Agreement shall be the responsibility of Seller.

2. **Purchase Price.** The purchase price for the Purchased Shares is \$15,000.00 per share for an aggregate purchase price of \$255,000.00 (the "Purchase Price"). Payment of the entire Purchase Price shall be made no later than September 1, 2000.

Payments shall be made by bank or cashier's check jointly payable to "Trilogy Limited, LP and Hy Saunders," or as otherwise may be agreed to by Seller, delivered to Seller at the offices of Pruitt, Gushee and Bachtell in Salt Lake City, Utah.

3. **Delivery of Shares.** Purchased Shares purchased pursuant to this Agreement will be delivered to Purchaser upon payment of the Purchase Price of the Purchased Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer in the corporate records of Summit the appropriate number of shares to the Purchaser.

4. **Place of Use.**

a) **Appurtenant to the Project.** Except as set forth in subsection b) below, the Purchased Shares and Option Shares (collectively, the "Shares") transferred to Purchaser shall be for use solely with respect to, and shall be appurtenant to the Property.

b) **Restrictions on Transfer.** Except as otherwise set forth in this subsection b), the transfer of Shares shall be limited to transfer to owners of the Property or the Project, or portions thereof, and their lenders. In the event that the Project is not completed or the number of Shares purchased is greater than is needed for the Project, Purchaser may elect to sell surplus or unused Shares (including the Option Shares). In such event, Seller shall have the first option to repurchase such Shares (including the Option Shares) at a purchase price which is the lesser of (i) \$15,000 per Share, or (ii) the price per Share for which Purchaser has a bona fide offer of purchase. Seller shall have ten (10) days to notify Purchaser of its exercise of first option after delivery by Purchaser to Seller of a copy of such offer and shall have thirty (30) days from the date of delivery of such notice to pay Purchaser the full purchase price for such Shares (including any Option Shares), by bank or cashier's check. In the event Purchaser shall elect to sell surplus or unused Shares, and Seller shall not exercise its first option right to purchase such Shares as set forth hereunder, Purchaser shall have the right to sell such Shares. In the event of any sale of the Shares, any use of the water other than at the Property shall require the purchaser of the Shares to acquire the right to use of infrastructure for delivery of the water to the proposed site of use in accordance with the Charter Documents of Summit, which may include the payment of reimbursement to third parties, including the Seller.

c) **Pledge of Rights Under this Agreement.** Seller hereby agrees to the collateral assignment of all of Purchaser's rights under this Agreement to the lender(s) providing financing for the development of the Property and construction of the Project, as security for the Purchaser's obligations to such lenders under their loan documents, which collateral assignment Seller and Summit shall acknowledge in writing to such lender(s). In no event will Seller or Summit incur any obligation or liability as a result of the acknowledgement of the collateral assignment of Purchaser's rights under this Agreement.

Purchaser entered into such Development Agreement, dated February 18, 2000, attached hereto as Exhibit A, with respect to each parcel that is a part of the Project. The Development Agreement for each parcel shall be duly executed by Summit and Purchaser prior to or concurrently with the delivery of Shares in accordance with the provisions of Sections 3 and 4(e) of this Agreement. Unless otherwise agreed to by Purchaser, the form of Development Agreement attached hereto as Exhibit A shall be utilized for all phases of the Project, without changing the terms thereof, other than to reference the appropriate number of shares purchased and converted and the legal description of the parcel to which the Development Agreement pertains.

e) **Infrastructure.** Purchaser shall be responsible for providing any required infrastructure in compliance with the requirements of Summit to provide delivery of water from the existing water main to the Project. Purchaser shall be entitled to reimbursement for infrastructure conveyed to Summit in accordance with the Charter Documents of Summit and the terms of the Development Agreement.

f) **Reimbursement to Third Parties.** Purchaser shall have no obligation of reimbursement to Summit or other shareholders of Summit for existing infrastructure required for the delivery to the Project of water represented by the Shares. Purchaser is responsible for securing the right of use of any infrastructure installed within the Canyons SPA from the party or parties who control the use thereof. Seller, and Summit by execution of the acknowledgement below, represent that they have not entered any agreements with the County or any party within or outside of the Canyons SPA which will require Purchaser to pay anyone for the use of infrastructure required to supply water to the Project and the Property.

8. **Miscellaneous.**

a) **Notices.** Notices required under this Agreement shall be in writing and shall be deemed delivered the day following dispatch if sent by overnight delivery or courier service (including Federal Express or other service guaranteeing next day delivery) or by facsimile, with a confirmation copy is sent via first class mail, five days following dispatch if sent via first class mail or the day of receipt if sent via certified or registered mail, with a return receipt requested. Notices shall be addressed as follows:

If to Seller:

Stuart A. Knowles
Trilogy Asset Management, Inc.
550 Hartz Avenue, Suite 200
Danville, CA 94526
Facsimile: 925-855-9429

and

Leon H. Saunders
2505 West White Pine Lane
Park City, UT 84060
Facsimile: 435-649-5146

If to Purchaser:
Attn: Joan Edwards
Aspens Cabin Club, LLC
175 Mountain Top Drive
Park City, Utah 84060
Facsimile: (435) 647-3924

The address for giving of notice may be changed at any time by delivery of a notice to the other party in accordance with the terms of this Section 11(a).

b) **Successors And Assigns.** The Seller may assign any of its rights and obligations under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of and be binding upon Seller, its heirs, executors, administrators, successors and assigns. Subject to the restrictions on transfer set forth in Section 5(b) hereof, this Agreement may be assigned by Purchaser, and shall be binding upon and inure to the benefit of Purchaser, its heirs, executors, administrators, successors and assigns.

c) **Governing Law; Severability.** This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.

d) **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.

e) **Entire Agreement.** This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

9. **Ordinance No. 385.** In the event Summit is unable to timely deliver wet water to the Property consistent with this Agreement and the Development Agreement due to its failure to obtain the necessary Summit County approvals as required by the Water Ordinance prior to the expiration of the Water Ordinance then Purchaser shall have the option, in its sole discretion, to require Seller to repurchase the appropriate number of Shares from Purchaser in return for the full Purchase Price paid for such Shares, such repurchase of Shares and return of Purchase Price to occur no later than 30 days after receipt by Seller of notice from Purchaser of its election to require Seller to repurchase such Shares and Summit

concurrently shall rescind the Water Letter. The exercise of the option of Purchaser for Seller to repurchase the shares in accordance with this Section 9 shall be exercised, if at all, within thirty days following expiration of the Water Ordinance. Failure of Purchaser to exercise within such period shall be an irrevocable waiver of the option granted in this Section 9.

10. **Default:** In the event of default by any party to this Agreement, the non-defaulting party shall be entitled to pursue all remedies allowed by law in connection therewith, including without limitation, the immediate resort to extraordinary equitable relief through court action. In the event of any suit hereunder, the prevailing party shall be entitled to an award of reasonable attorneys fees and costs.

Executed this 15th day of August, 2000.

Eagles Dance Development Co., L.L.C., a Utah limited liability company Trilogy Limited, L.P., a Georgia limited partnership

By: [Signature]
Joan Edwards, Manager

By: Trilogy Asset Management, Inc.,
Its: General Partner

By: [Signature]
Stuart A. Knowles, President

[Signature]
Leon H. Saunders

ACKNOWLEDGED, CONSENTED AND
AGREED TO AS OF THE DATE FIRST SET
FORTH ABOVE:

Summit Water Distribution Company, a Utah
non-profit mutual water company

By: [Signature]
Its: President

List of Exhibits

Exhibit A: Development Agreement

Exhibit B: Exercise Notice

Exhibit C: Water Ordinance

Exhibit D: Charter Documents

jenniferb/eaglesdance/waterpurchaseagreement

Exhibit N

WATER PURCHASE AGREEMENT

This water purchase agreement (the "Agreement") is entered into this 30th day of August, 2001, by and among TRILOGY LIMITED, L.P., a Georgia limited partnership, and LEON H. SAUNDERS, collectively doing business as S-K WATER RESOURCES ("Seller") and CANYONS ESTATES HOMEOWNERS ASSOCIATION, INC., for itself and each of its members (collectively, "Purchaser").

RECITALS

A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit Water Distribution Company ("Summit") to be used to provide culinary and irrigation water for use at Timberwolf Subdivision ("the Property").

B. The Purchaser is the homeowners' association representing the owners of twenty residential lots located at Timberwolf Subdivision Area as more particularly described on the attached Exhibit "A".

C. American Skiing Corporation, as the prime developer of the Canyons Specially Planned Area (the "SPA"), and Community Water Co. have had a dispute regarding the provision of water to the Property and the related use of infrastructure.

D. Seller is the holder of Class A shares of the common stock of Summit and is willing to sell up to 17.88 of the shares to Purchaser on the terms and conditions set forth in this Agreement.

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Shares to be Purchased.

a) Purchaser agrees to purchase and Seller agrees to sell an aggregate of seven and fifty-six one-hundredths (7.56) shares of the Class A common stock of Summit as shown on Exhibit "B" attached hereto. Payment of the full Purchase Price shall be made concurrently with execution of this Agreement and the additional agreements set forth in Section 3.

b) Seller grants Purchaser an option to purchase an additional ten and thirty-two one-hundredths (10.32) shares as shown on Exhibit "C" attached hereto and subject to the following terms and conditions:

i) The option shall have a term of one year from the date of execution of this Agreement;

ii) The price of the option shall be \$2,000.00 per lot. Payment of the Option Price shall be made concurrently with execution of this Agreement and the additional

agreements set forth in Section 3. If exercised, the Option Price shall be a credit against the Purchase Price.

- iii) The option shall be exercised by delivery of a notice of exercise together with payment of the purchase price of the shares together with interest at a fixed rate of nine percent (9.0%) on the Adjusted Purchase Price from the date of execution of this Agreement until the date of payment of the purchase price, all within the term of the option. There shall be a grace period of thirty days immediately following execution of this agreement, during which time the purchase option can be exercised without interest charge.
- iv) In the event the option is not exercised during its term, the option shall expire without action by any party.

The Shares purchased pursuant to the terms of this agreement shall be free and clear of liens and encumbrances, except assessments charged to shareholders in accordance with the governing documents of Summit.

2. **Purchase Price.** The Purchase Price for the Shares is \$15,000.00 per share. The aggregate Purchase Price of shares purchased pursuant to Section 1(a) is \$113,400.00. The aggregate Purchase Price of Shares purchased pursuant to Section 1(b) is \$154,800.00 less \$24,000.00 in Option Price paid at execution of this agreement, for a net aggregate Adjusted Purchase Price of \$130,800.00, plus applicable interest. Payment of the Purchase Price and Option Price shall be made in the form of bank or cashiers checks payable as follows:

- i) One-half of the payment shall be made to "Summit Water Distribution Company";
- ii) One-fourth of the payment shall be made to "Trilogy Limited, L.P."; and
- iii) One-fourth of the payment shall be made payable to "Leon H. Saunders."

3. **Additional Agreements.** Sale of the Shares under this Agreement is expressly conditioned upon Purchaser, American Skiing Corporation, and Community Water Co. entering into mutually satisfactory agreements which address the issues among the parties and that provide for adequate water storage and wheeling provisions permitting the delivery of the water by Summit through existing infrastructure. This Agreement is also conditioned upon Purchaser entering into a development agreement with Summit in which, among other things, Purchaser shall hold Summit harmless from any liability of Community Water Company. Seller is not a party to the agreements, but retains the right to review the agreements to satisfy Seller that the conditions of this Section 3 are met.

4. **Delivery of Shares.** Shares purchased pursuant to this agreement will be delivered to Purchaser upon payment of the Purchase Price of the Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer the appropriate number of shares to the Purchaser.

5. **Place of Use.**

a) Appurtenant to the Project. The Shares transferred to Purchaser shall be for use solely at the Project and shall be appurtenant to the land that is a part of the Project. The Development Agreement by and between Purchaser and Summit may provide for specific appurtenancy requirements.

b) Restrictions on Transfer. Transfer restrictions apply to the transfer of the Shares, limiting the transfer of the shares to owners of the Project. In the event that the Project is not completed or the number of shares purchased is greater than is needed for the Project, Purchaser may not transfer the Shares for use elsewhere without the advance written permission of Seller.

6. **Easements.** Purchaser will grant Summit all easements that reasonably are necessary to permit the installation of Infrastructure on the property that is a part of the Project, without additional cost to Seller or Summit. The easement will be in a form typically used for such infrastructure easements and acceptable to Summit.

7. **Representations.** Seller has made no representations to Purchaser with respect to the purchase of the Shares or delivery of water to the Project except as specifically set forth in this Agreement. Purchaser has relied upon its own investigation of all matters related to the Shares and has relied upon the advice of its independent advisors with respect to the purchase and use of the Shares. Purchaser represents and warrants to Seller as follows:

- a) Purchaser is aware that the Shares do not include the right to use of storage facilities necessary to permit the delivery of water to the Property and that the acquisition of the right to use the storage is a condition to delivery of water to the Property by Summit;
- b) Purchaser is aware that the Shares do not include the right to use of delivery infrastructure necessary to permit delivery of water to the Property and that acquisition of the right to use of delivery infrastructure is a condition to delivery of the water to the Property by Summit; and
- c) Summit County has implemented various ordinances and resolutions related to the ability of water companies and agencies to deliver water within western Summit County, generally known as the "Concurrency Ordinance," and that Seller does not guarantee that the limitations imposed by such ordinances and resolutions will

participation shall include the payment of a pro-rata share of the construction costs of such extension. Upon such participation by Seller, Seller shall be entitled to share in all of the benefits of the Project Extension, including all rights of reimbursement on the same terms as Seller. In the event that Seller elects not to participate in the construction of the Project Extension, Seller shall have the right to connect to the Project Extension for the purpose of further extending the line without payment of reimbursement to Purchaser (or any other participant). Any third party that connects to a line that extends beyond the Project Extension shall be subject to the terms of agreements governing reimbursement for the Project Extension.

11. **Miscellaneous.**

a) Successors and Assigns. The Company may assign any of its rights under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Agreement shall be binding upon Purchaser and the heirs, executors, administrators, successors and assigns of it or any of its partners.


b) Governing Law; Severability. This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.


c) Further Instruments. The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purpose and intent of this Agreement.

d) Entire Agreement. This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.

Executed this 30TH day of August, 2001.

CANYONS ESTATES HOMEOWNERS ASSOCIATION


By: James Pumphrey
Its: President


Leon H. Saunders

TRILOGY LIMITED, L.P.

By: Trilogy Asset Management, Inc., General Partner

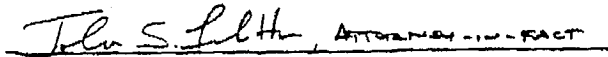

Leon H. Saunders, ATTORNEY-IN-FACT

EXHIBIT "A"

The Timberwolf Subdivision, as shown on the Plat recorded in the records of the Summit County Recorder as Entry No. 484068 on August 8, 1997.

<u>Lot No.</u>	<u>Lot Owner</u>
1	James E. Pumphrey 1573 W. Silver Springs Road Park City, UT 84098
2	Zamir Tarmu 2633 Ohio Court Las Vegas, NV 89128
3	Private Funding Lenders c/o Robert Sachs 3028 Fairway Hills Court Park City, UT 84060
4	Gary and Jan McGrath 5 North 100 Dover Hill Rd. St. Charles, IL 60175
5	Halbert L. White 2214 El Amigo Road Del Mar, CA 92014
6	Robert & Beth Rosenthal 5856 Faringdon Place, Suite 200 Raleigh, NC 27609
7	Robert Sawyer 370 Glendale Avenue Cincinnati, OH 45246
8	Jeff Rose 4402 N. East Sawmill Road Park City, UT 84068
9	Ashley Chan 23 Leonard Street, Apt. #2 New York, NY 10013
10	David & Kathleen DiCesaris 7655 Tall Oaks Drive Park City, UT 84098

- 11 Lloyd & Sonia Levitin
9617 Oak Pass Road
Beverly Hills, CA 90210
- 12 Michael J. Kermizis
Timberwolf Investments, LLC.
P.O. Box 980391
Park City, UT 84098
- 13 World Class Properties, LC
c/o Todd & Trinka Wasik
1618 Park Place
Park City, UT 84098
- 14 Robert & Linda Brady
6908 S. W. Maury Park Road
Vashon Island, WA 98070
- 15 Stephen and Maureen Goldware
302 Oakleaf Dr.
Lafayette, LA 70503
- 16 Private Funding Lenders c/o Robert Sachs
3028 Fairway Hills Court
Park City, Utah 84060
- 17 Venture West Investments, LLC
c/o James Pumphrey
1573 W. Silver Springs Road
Park City, UT 84098
- 18 James E. Pumphrey
1573 W. Silver Springs Road
Park City, UT 84098
- 19 Robert W. Brady
6908 S. Maury Park Road
Vashon Island, WA 98070
- 20 Statewide Funding II
c/o Steven V. Williams
P.O. Box 4285
Park City, UT 84098
- Common Areas Canyons Estates Homeowners Assn., Inc.

EXHIBIT "B"

<u>Lot No.</u>	<u>Owner</u>	<u>Shares</u>	<u>Cost</u>
3	Private Funding Lenders c/o Robert Sachs 3028 Fairway Hills Court Park City, UT 84060	0.76	\$11,400.00
4	Gary and Jan McGrath 5 North 100 Dover Hill Rd. St. Charles, IL 60175	0.76	\$11,400.00
10	David & Kathleen DiCesaris 7655 Tall Oaks Drive Park City, UT 84098	1	\$15,000.00
12	Michael J. Kermizis Timberwolf Investments LLC PO Box 980391 Park City, UT 84098	1	\$15,000.00
13	World Class Properties LC c/o Todd and Trinko Wasik 1618 Park Place Park City, UT 84098	0.76	\$11,400.00
14	Robert & Linda Brady 6908 S. W. Maury Park Road Vashon Island, WA 98070	0.76	\$11,400.00
15	Stephen and Maureen Goldware 302 Oakleaf Dr. Lafayette, LA 70503	1	\$15,000.00
16	Private Funding Lenders c/o Robert Sachs 3028 Fairway Hills Court Park City, UT 84060	0.76	\$11,400.00
19	Pineridge 109, Inc. P.O. Box 2332 Vashon Island, WA 98070	0.76	\$11,400.00
	TOTAL:	7.56	\$113,400.00

EXHIBIT "C"

<u>Lot No.</u>	<u>Owner</u>	<u>Shares</u>	<u>Purchase Price</u>	<u>Option Price</u>	<u>Adjusted Purchase Price</u>
1	James E. Pumphrey 1573 W. Silver Springs Rd. Park City, UT 84098	0.76	\$11,400.00	\$2,000.00	\$9,400.00
2	Zamir Tarmu 2633 Ohio Court Las Vegas, NV 89128	0.76	\$11,400.00	\$2,000.00	\$9,400.00
5	Halbert L. White 2214 El Amigo Road Del Mar, CA 92014	1	\$15,000.00	\$2,000.00	\$13,000.00
6	Robert & Beth Rosenthal 5856 Faringdon Place, #200 Raleigh, NC 27609	0.76	\$11,400.00	\$2,000.00	\$9,400.00
7	Robert Sawyer 370 Glendale Avenue Cincinnati, OH 45246	0.76	\$11,400.00	\$2,000.00	\$9,400.00
8	Jeff Rose 4402 N. East Sawmill Road Park City, UT 84068	0.76	\$11,400.00	\$2,000.00	\$9,400.00
9	Ashley Chan 23 Leonard Street Apt. 2 New York, NY 10013	1	\$15,000.00	\$2,000.00	\$13,000.00
11	Lloyd & Sonia Levitin 9617 Oak Pass Road Beverly Hills, CA 90210	1	\$15,000.00	\$2,000.00	\$13,000.00
17	Venture West Investments c/o James Pumphrey 1573 W. Silver Springs Road Park City, Utah 84098	0.76	\$11,400.00	\$2,000.00	\$9,400.00
18	James E. Pumphrey 1573 W. Silver Springs Rd. Park City, UT 84098	1	\$15,000.00	\$2,000.00	\$13,000.00

20	Statewide Funding II c/o Steven V. Williams P.O. Box 4284 Park City, UT 84098	0.76	\$11,400.00	\$2,000.00	\$9,400.00
Common Areas	Canyons Estates Homeowners 1 Assn., Inc. c/o FPG Business Services Inc. 1881 Prospector Avenue Park City, UT 84060		\$15,000.00	\$2,000.00	\$13,000.00
	TOTAL	10.32	\$154,800.00	\$24,000.00	\$130,800.00

Exhibit O

WATER PURCHASE AGREEMENT

This Water Purchase Agreement (this "Agreement") is entered into this 8th day of August, 2002 by and among Trilogy Limited, L.P., a Georgia limited partnership, and Leon H. Saunders, collectively doing business as S-K Water Resources ("Seller") and Park City Presbyterian Church, Inc. ("Purchaser").

RECITALS

A. The Purchaser has expressed an interest in acquiring shares of the common stock of Summit Water Distribution Company ("Summit") to be used to provide culinary and irrigation water for use at the Seller's proposed development project.

B. The Purchaser is the owner of a parcel of land located adjacent to Highway U-224, Summit County, Utah as more particularly described on the attached Exhibit A (the "Property")

C. The Purchaser intends to develop the Property with a church building and five single-family residences (the "Project") and desires to have sufficient water to meet the needs of the proposed improvements.

D. Seller is the holder of Class A shares of the common stock (development stock) of Summit, and is willing to donate without cost to the Purchaser, for use at its church facilities, one and thirty two hundredths (1.32) of a share and to sell to Purchaser an additional four (4) shares on the terms and conditions set forth in this Agreement.

AGREEMENT

Now, therefore, for valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Shares to be Acquired.

a) Donated Shares. Concurrently with the purchase of shares pursuant to Section 1(b) of this Agreement, Seller will donate to the Purchaser one and thirty-two hundredths (1.32) shares of the Class A common stock (development stock) of Summit Water Distribution Company (the "Donated Shares"). Purchaser will provide Seller with a receipt for the Donated Shares, establishing the non-profit and tax exempt status of the Purchaser and confirming the ability of the Sellers, if the Sellers so desire, to claim the fair market value of the Donated Shares as a charitable contribution for Federal and state income tax purposes.

b) Purchased Shares. Purchaser agrees to purchase and Seller agrees to sell an aggregate of four (4) shares of the Class A common stock (development stock) of Summit (the "Purchased Shares").

The Seller represents and warrants that the Purchased Shares and Donated Shares acquired pursuant to the terms of this Agreement shall be free and clear of liens and encumbrances, except for normal requirements, charges and assessments imposed under the Charter Documents (as defined in Section 7(a) below) of Summit. All assessments prior to the date of this Agreement shall be the responsibility of Seller.

2. Purchase Price. The purchase price for the Purchased Shares is \$15,000.00 per share for an aggregate purchase price of \$60,000.00 (the "Purchase Price"). Payment of the entire Purchase Price shall be made within 7 days of recording of the approved Plat for the Project. Payments shall be made by bank or cashier's check jointly payable to "Trilogy Limited, LP and Hy Saunders," or as otherwise may be agreed to by Seller, delivered to Seller at the offices of Summit Water Distribution Company in Park City, Utah.

3. Delivery of Shares. Purchased Shares purchased pursuant to this Agreement will be delivered to Purchaser upon payment of the Purchase Price of the Purchased Shares and the Donated Shares shall be conveyed concurrently with the Purchased Shares. Upon payment of the Purchase Price, Seller shall deliver to Purchaser a duly endorsed share certificate or instruction to Summit to transfer in the corporate records of Summit the appropriate number of shares to the Purchaser.

4. Place of Use.

- a) Appurtenant to the Project. Except as set forth in subsection b) below, the Purchased Shares and Donated Shares (collectively, the "Shares") transferred to Purchaser shall be for use solely with respect to, and shall be appurtenant to the Property.
- b) Restrictions on Transfer. Except as otherwise set forth in this subsection b), the transfer of Shares shall be limited to transfer to owners of the Property or the Project, or portions thereof.

5. Easements. Purchaser will grant Summit such easements as are reasonably are necessary to permit and facilitate the provision of water to the Project as provided herein, in such areas as shall be reasonably designated by Purchaser so as to not interfere with the development of the Property, without additional cost to Seller or Summit. The easement, if any, will be in a form typically used for such infrastructure easements and acceptable to Summit and Purchaser.

6. Representations. The Donated Shares and Purchased Shares under this agreement are Class A Summit shares convertible to Class B shares upon construction of the infrastructure necessary to deliver water from Summit's main distribution line to the Project in accordance with the Development Agreement and Summit's Rules and Regulations for Expansion of the Water System. Seller has made no representations to Purchaser with respect to the purchase of the Shares or delivery of water to the Project except as specifically set forth in this Agreement. Purchaser has relied upon its own investigation of all matters related to the Shares and has relied upon the advice of its independent advisors and counsel with respect to the purchase and use of the Shares.

7. Compliance with Summit Requirements. Purchaser agrees to comply with the requirements of Summit with respect to the transfer, conversion and assessment of the Shares and the delivery of water to the Project, as set forth in the Development Agreement, in the Charter Documents and below:

- a) Charter Documents. Purchaser agrees to be bound by the terms and conditions of the Articles of Incorporation, Bylaws, and Rules and Regulations of Summit (the "Charter Documents"), as they may be amended from time to time by action of the board of directors and shareholders of Summit. A copy of the Charter Documents as they are in effect as of the date of this Agreement is attached as Exhibit B.
- b) Conversion of Shares. Conversion of the Shares is subject to compliance with the terms of the Charter Documents and conditions imposed by Summit in the Development Agreement. Purchaser understands the conditions on conversion and acknowledges that the Shares cannot be converted until such conditions are satisfied and that until the Shares are converted to Class B, no water delivery service will be provided to the Project or on account of the Shares.
- c) Connection Fees. Prior to delivery of water to the Project, the user must pay a connection fee to Summit. The connection fee is payment for the costs of equipment and services required to establish the physical connection to the system, payments required to be made by Summit in connection with the connection and payment to a capital replacement fund. The connection fees shall be the published fees of Summit and as set forth in the Development Agreement.
- d) Development Agreements. Summit requires that each of the shareholders acquiring shares of Summit stock and anticipating water delivery service to a project enter into a development agreement with Summit (the "Development Agreement"). Purchaser agrees to enter into the Development Agreement in the form acceptable to Summit. The Development Agreement for shall be duly executed by Summit and Purchaser prior to or concurrently with the delivery of Shares in accordance with the provisions of Section 3 of this Agreement.
- e) Infrastructure. Purchaser shall be responsible for providing any required infrastructure in compliance with the requirements of Summit to provide delivery of water from the existing water main to the Project.
- f) Reimbursement to Third Parties. Purchaser shall have no obligation of reimbursement to Summit or other shareholders of Summit for existing infrastructure required for the delivery to the Project of water represented by the Shares.

8. Miscellaneous.

- a) Notices. Notices required under this Agreement shall be in writing and shall be deemed delivered the day following dispatch if sent by overnight delivery or courier service (including Federal Express or other service guaranteeing next day delivery) or by facsimile, with a confirmation copy is sent via first class mail, five days following dispatch if sent via first class mail or the day of receipt if sent via certified or registered mail, with a return receipt requested. Notices shall be addressed as follows:

If to Seller:

Stuart A. Knowles
Trilogy Asset Management, Inc.
550 Hartz Avenue, Suite 200
Danville, CA 94526
Facsimile: 925-855-9429

and

Leon H. Saunders
2505 West White Pine Lane
Park City, UT 84060
Facsimile: 435-649-5146

If to Purchaser:

Phillip Stogner
Park City Presbyterian Church, Inc.
P.O. Box 981598
Park City, Utah 84098
Facsimile: (435) 655-2711

The address for giving of notice may be changed at any time by delivery of a notice to the other party in accordance with the terms of this Section 8(a).

- b) Successors And Assigns. The Seller may assign any of its rights and obligations under this Agreement to single or multiple assignees, and this Agreement shall inure to the benefit of and be binding upon Seller, its heirs, executors, administrators, successors and assigns. Subject to the restrictions on transfer set forth in Section 4(b) hereof, this Agreement may be assigned by Purchaser, and shall be binding upon and inure to the benefit of Purchaser, its heirs, executors, administrators, successors and assigns.

- c) **Governing Law; Severability.** This Agreement is governed by and construed in accordance with Utah law, excluding that body of laws pertaining to conflicts of law. Should any provision of this Agreement be determined by a court of law to be illegal or unenforceable, the other provisions shall nevertheless remain effective and shall remain enforceable.
- d) **Further Instruments.** The parties agree to execute such further instruments and to take such further action as may be reasonably necessary to carry out the purposes and intent of this Agreement.
- e) **Entire Agreement.** This constitutes the entire agreement of the parties and supersedes all prior discussions, understandings and agreements with respect to the subject matter hereof.
- f) **Joint and Several Obligation.** Each of Trilogy and Saunders agrees that the duties and obligations of Seller hereunder is its joint and several duty and obligation.

9. **Default:** In the event of default by any party to this Agreement, the non-defaulting party shall be entitled to pursue all remedies allowed by law in connection therewith, including without limitation, the immediate resort to extraordinary equitable relief through court action. In the event of any suit hereunder, the prevailing party shall be entitled to an award of reasonable attorneys fees and costs.

Executed this 8th day of August, 2002.

Park City Presbyterian Church, Inc.

By: PHL Stogner
Phillip Stogner, Pastor

Trilogy Limited, L.P., a Georgia limited partnership
By: Trilogy Asset Management, Inc.,
Its: General Partner

By: [Signature]
Stuart A. Knowles, President

Leon H. Saunders

List of Exhibits

Exhibit A: Property and Project Description

Exhibit B: Charter Documents

Exhibit P



Georgia Secretary of State

Karen C. Handel

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View Filed Documents

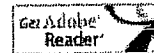
Date: 6/17/2009 (Annual Registration History etc.)

File Annual Registration Online

or

Print A Paper Annual Registration Form

PLEASE NOTE: To download your Annual Registration forms you will need Adobe Reader to view and/or print. If you do not have Adobe Reader installed on your computer, click the "Get Adobe Reader" button on the right to download the reader free of charge from the Adobe website.



Annual Registrations

The Georgia Code only requires the Office of Secretary of State to retain annual registrations for a period of five years from the date in which it was filed. Annual registrations older than five years may no longer be available for certification or viewing on the web.

Business Name History

Name	Name Type
TRILOGY ASSET MANAGEMENT, INC.	Current Name

Profit Corporation - Domestic - Information

Control No.:	K321545
Status:	Active/Compliance
Entity Creation Date:	9/14/1993
Jurisdiction:	GA
Principal Office Address:	550 Hartz Avenue Suite 200 Danville CA 94526
Last Annual Registration Filed Date:	3/19/2009
Last Annual Registration Filed:	2009

Registered Agent

Agent Name:	WILLIAM B. SHEARER, JR., P.C.
Office Address:	1201 W. PEACHTREE ST. NW 14 FL ATLANTA GA 30309
Agent County:	FULTON

Officers

Title:	CEO
Name:	STUART A KNOWLES
Address:	550 HARTZ AVE STE 200 DANVILLE CA 94526

Title: CFO
Name: STUART A KNOWLES
Address: 550 HARTZ AVE STE 200
DANVILLE CA 94526

Title: Secretary
Name: STUART A. KNOWLES
Address: 550 HARTZ AVE STE 200
DANVILLE CA 94526



STATE OF GEORGIA
2009 Corporation Annual Registration

Control No: K321545
Date Filed: 03/19/2009 04:48 PM
Karen C Handel
Secretary of State

OFFICE OF SECRETARY OF STATE
Annual Registration Filings
P.O. Box 23038
Columbus, Georgia 31902-3038

Karen C Handel
Secretary of State

Chauncey Newsome
Director

Entity Control No. K321545

Information on record as of: 3/19/2009

TRILOGY ASSET MANAGEMENT, INC.
550 Hartz Avenue
Suite 200
Danville CA, 94526

Amount due from this entity is indicated below. Annual fee is \$30. If amount is more than \$30, total reflects amount(s) due from previous year(s). **Renew by April 1, 2009**

Renew at www.georgiacorporations.org or by submitting bottom portion with check payable to "Secretary of State".

Officer, address and agent information currently of record is listed below. Please verify "county of registered office." If correct and complete, detach bottom portion, sign, and return with payment. Or, enter changes as needed and submit. Complete each line, even if the same individual serves as Chief Executive Officer, Chief Financial Officer and Secretary of the corporation. Please PRINT LEGIBLY.

Note: Agent address must be a street address in Georgia where the agent may be served personally. A mail drop or P.O. Box does not comply with Georgia law for registered office. P.O. Box may be used for principal office and officers.

Any person authorized by the entity to do so may sign and file registration (including online filing).

Please return ONLY the original form below and fee. Other filings and correspondence should be sent to our Atlanta address: Corporations Division, 315 West Tower, #2 Martin Luther King Jr. Drive, Atlanta, GA 30334.

Visit www.georgiacorporations.org to file online or for more information on annual registration. Or, call 404-656-2817.

Current information printed below. Review and update as needed. Detach original coupon and return with payment.

CORPORATION NAME	ADDRESS	CITY	STATE	ZIP
TRILOGY ASSET MANAGEMENT, INC.	550 Hartz Avenue	Danville	CA	94526
CEO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
CFO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
SEC: STUART A. KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
AGT: WILLIAM B. SHEARER, JR., P.C.	1201 W. PEACHTREE ST. NW 14 FL	ATLANTA	GA	30309
IF ABOVE INFORMATION HAS CHANGED, TYPE OR PRINT CORRECTIONS BELOW:				
Corporation Addr:				
CEO:				
CFO:				
SEC:				
P.O. BOX NOT ACCEPTABLE			GA	
I CERTIFY THAT I AM AUTHORIZED TO SIGN THIS FORM AND THAT THE INFORMATION IS TRUE AND CORRECT.		COUNTY OF REGISTERED OFFICE:	COUNTY CHANGE OR CORRECTION:	
AUTHORIZED SIGNATURE: STUART A KNOWLES		FULTON		
DATE: 3/19/2009				
TITLE: Filer				

BR203 2009 Corporation Annual Registration

Amount Due: \$30.00

091 K32154527 0030004 TRILOGYASSETMANAGEMENT4



Karen C Handel
Secretary of State

STATE OF GEORGIA
2008 Corporation Annual Registration

OFFICE OF SECRETARY OF STATE
Annual Registration Filings
P.O. Box 23038
Columbus, Georgia 31902-3038

Control No: K321545
Date Filed: 03/17/2008 07:34 PM
Karen C Handel
Secretary of State

Entity Control No. K321545

Information on record as of: 3/17/2008

TRILOGY ASSET MANAGEMENT, INC.
550 Hartz Avenue
Suite 200
Danville CA, 94526

Amount due from this entity is indicated below. Annual fee is \$30. If amount is more than \$30, total reflects amount(s) due from previous year(s). **Renew by April 1, 2008**

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CFO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
SEC: STUART A. KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
AGT: WILLIAM B. SHEARER, JR., P.C.	1201 W. PEACHTREE ST. NW 14 FL	ATLANTA	GA	30309
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CEO:				
CFO:				
SEC:				
P.O. BOX NOT ACCEPTABLE			GA	
I CERTIFY THAT I AM AUTHORIZED TO SIGN THIS FORM AND THAT THE INFORMATION IS TRUE AND CORRECT.		COUNTY OF REGISTERED OFFICE:	COUNTY CHANGE OR CORRECTION:	
AUTHORIZED SIGNATURE: STUART A KNOWLES		FULTON		
DATE: 3/17/2008				
TITLE: Filer				
BR203 2008 Corporation Annual Registration		Amount Due: \$30.00		

082 K32154527 0030004 TRILOGYASSETMANAGEMENT4



STATE OF GEORGIA
2007 Corporation Annual Registration

Control No: K321545
Date Filed: 11/07/2007 10:49 AM
Karen C Handel
Secretary of State

OFFICE OF SECRETARY OF STATE
Annual Registration Filings
P.O. Box 23038
Columbus, Georgia 31902-3038

Karen C Handel
Secretary of State

Entity Control No. K321545

Information on record as of: 11/7/2007

TRILOGY ASSET MANAGEMENT, INC.
550 Hartz Avenue, Suite 200
Danville CA, 94526

Amount due from this entity is indicated below. Annual fee is \$30. If amount is more than \$30, total reflects amount(s) due from previous year(s). **Renew by April 1, 2007**

Renew at www.georgiacorporations.org or by submitting bottom portion with check payable to "Secretary of State".

Officer, address and agent information currently of record is listed below. Please verify "county of registered office." If correct and complete, detach bottom portion, sign, and return with payment. Or, enter changes as needed and submit. Complete each line, even if the same individual serves as Chief Executive Officer, Chief Financial Officer and Secretary of the corporation. Please PRINT LEGIBLY.

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Visit www.georgiacorporations.org to file online or for more information on annual registration. Or, call 404-656-2817.

Current information printed below. Review and update as needed. Detach original coupon and return with payment.

CORPORATION NAME	ADDRESS	CITY	STATE	ZIP
TRILOGY ASSET MANAGEMENT, INC.	191 PEACHTREE ST NE FL 16	ATLANTA	GA	30303
CEO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	GA	94526
CFO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	GA	94526
SEC: STUART A. KNOWLES	550 HARTZ AVE STE 200	DANVILLE	GA	94526
AGT: WILLIAM B. SHEARER, JR., P.C.	1201 W. PEACHTREE ST. NW 14 FL	ATLANTA	GA	30309
IF ABOVE INFORMATION HAS CHANGED, TYPE OR PRINT CORRECTIONS BELOW:				
Corporation Addr:	550 Hartz Avenue, Suite 200	Danville	CA	94526
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CFO: STUART A KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
SEC: STUART A. KNOWLES	550 HARTZ AVE STE 200	DANVILLE	CA	94526
		P.O. BOX NOT ACCEPTABLE		GA
I CERTIFY THAT I AM AUTHORIZED TO SIGN THIS FORM AND THAT THE INFORMATION IS TRUE AND CORRECT.		COUNTY OF REGISTERED OFFICE: FULTON		COUNTY CHANGE OR CORRECTION:
AUTHORIZED SIGNATURE: Donna J. Hunter		DATE: 11/7/2007		
TITLE: Filer				
BR203 2007 Corporation Annual Registration				Amount Due: \$90.00

073 K321545%7 0090001 TRILOGYASSETMANAGEMENT4

Exhibit Q

Trilogy Asset Management, Inc.

Home

Welcome to the home page for Trilogy Asset Management, Inc. For further information, please go to About Us. For complete contact information, please go to Contact Us.

About Us

Contact Us

Authorized Users Login Here: [Bye](#)

Trilogy Asset Management, Inc.

Contact Us

Home

About Us

Contact Us

For general inquiries, e-mail: info@trilogyasset.com

Stuart A. Knowles

Trilogy Asset Management, Inc.
550 Hartz Avenue
Suite 200
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Telephone: 925-855-9408
Telecopier: 925-855-9429

E-mail: sknowles@trilogyasset.com

Marianne B. Cleveland

Trilogy Asset Management, Inc.
Post Office Box 25667
Fresno, California 93729-5667

Telephone: 559-447-8949
Telecopier: 559-447-8989

E-mail: mcleveland@trilogyasset.com

Exhibit R



State of Utah

DEPARTMENT OF COMMERCE

Michael O. Leavitt
Governor

Ted Boyer
Executive Director

Lowell E. Alt Jr.
Division Director

DIVISION OF PUBLIC UTILITIES
www.publicutilities.utah.gov
Heber M. Wells Building 4th Floor
160 East 300 South / S.M. Box 146751
Salt Lake City, Utah 84114-6751
Telephone: (801) 530-6651
Fax (801) 530-6612 or (801) 530-6650

Date: August 2, 2002

To: Utah Public Service Commission

From: Division of Public Utilities
Lowell Alt
Wes Huntsman
Bary M. Golding

Subject: Summit Water Distribution Company
Docket No. 02-015-01

INTRODUCTION

In a memorandum dated April 19, 2002 the Commission requested that the Division determine whether Summit Water Distribution Company "continues to meet the criteria for exemption from regulation." The Division of Public Utilities (Division) has completed its investigation in this matter and now submits its findings and recommendation to the Commission.

CONCLUSIONS AND RECOMMENDATION

The Division has determined that there have been no material changes in Summit Water Distribution Company's (SWDC) operations or in its voting practices since September 15, 1994, when the Division issued a letter reaffirming SWDC's status as an exempt mutual water company. The Division is satisfied that SWDC's culinary water users (shareholders) rights and interests are not adversely effected by the company's current operations. The Division did not find anything during its investigation which would justify recommending a change in SWDC's exempt status at this time.

The Division feels that regulation of SWDC would be superfluous and recommends that the Commission take no action at this time regarding SWDC's exemption as a mutual water company.

DISCUSSION

The Division conducted a review of the information provided to the Commission by SWDC, along with other information contained in the Division's files from previous investigations of SWDC. The Division also met with representatives of SWDC to discuss questions regarding SWDC's operations.

Mission Statement

"To promote the public interest in utility regulation and work to assure that all utility customers have access to safe, reliable service at reasonable prices."

SWDC was granted a letter of exemption from Commission regulation on March 31, 1989. In 1994 the Division conducted an investigation to determine whether SWDC continued to meet the criteria for continuation of its exemption as a mutual water company. That investigation was initiated at the request of the Summit County Planning Office. In a letter dated September 15, 1994, addressed to Corvin M. Snyder, Associate Planner, Summit County, the Division stated that "the Division of Public Utilities is satisfied that the company presently meets the Public Service Commission criteria in providing for a 'commonality of interest' relative to the operation of Summit Water Distribution. Therefore, Summit's letter of exemption from the Public Service Commission remains in full force and effect."

After reviewing SWDC's current by-laws and operating rules the Division is satisfied that there have been no material changes to SWDC operations or changes in voting rights since the 1994 letter was issued.

Corporate Structure

SWDC is organized as a non-profit corporation with four classes of stock. Class A shares are owned by developers who wish to have SWDC provide water service to their subdivision or commercial developments. Class B shares are owned by individual water users and entitle the shareholder to .76 acre feet of culinary water per year. Class C shares are owned by irrigation users. Class D shares are owned by snow-making users.

SWDC is governed by a board of directors consisting of six board members. The board members are elected at the company's annual shareholder meetings by a vote of Class A and B shareholders. At these annual shareholders meetings the board reports on the company's operations for the past year and on plans for the coming year. All shareholders are notified of the annual meetings and are permitted to vote and raise any questions or concerns regarding SWDC's operations. The board members serve without compensation. All board meetings are open to any shareholders who wish to attend.

The president, vice-president, secretary and treasurer of SWDC are appointed by the board and serve without compensation for services provided as officers.

Division personnel have attended two of SWDC's annual meetings within the past five years and have found that the meetings are conducted in the manner represented by company officials and that voting is done according to SWDC's by-laws. The Division did not see any evidence of control by Class A shareholders.

Voting Rights

Class A and B shares are allowed one vote per share in the election of the board of directors and in voting on other matters as set forth in the company's articles of incorporation and by-laws. Class C and D shares do not have voting rights.

Mission Statement

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Prior to 1991 only Class B shares were given voting rights. On March 10, 1991 SWDC filed Amended and Restated Articles of Incorporation with the Utah Division of Corporations which stated that "...Class B (use) stock shall have equal voting rights with Class A (development) stock, with each share being entitled to one vote."

This change in the voting rights was filed in settlement of a lawsuit entitled *Virginia Beach Federal Savings Bank v. Summit Water Distribution Company, Leon H. Saunders, Lawrence R. Knowles, American Savings & Loan Association, and The Corporation of the Presiding Bishop of the Church of Jesus Christ of Latter-Day Saints*. All parties to the lawsuit, with the exception of SWDC were either shareholders, or anticipated becoming shareholders, in the company by virtue of holding ownership interests in water rights, water wells, storage facilities, etc. on the SWDC distribution system. The terms of the settlement of the lawsuit were presented to the shareholders for approval, along with the proposed Amended Articles of Incorporation and the proposed by-laws, prior to implementation of the terms of the settlement.

At the present time there are approximately 2,800 Class B shares issued and about 5,000 Class A shares issued. Unlike most mutual water companies within Utah, the developers' shares in SWDC are not held by a single developer. They are held in varying numbers by several different individuals and entities. The largest single Class A shareholder has only 1,300 shares, meaning that it would require collusion of the part of three or more Class A shareholders to pass any resolution against the wishes of the Class B shareholders.

Class A and B shareholders have an equal interest in ensuring that SWDC maintains a safe and adequate water system which will provide culinary water service at reasonable rates. Class A shareholders depend on the water system to make their developments attractive to potential lot buyers.

SWDC's by-laws 2. B. (ii) state that "Class B shares will bear a general assessment for the operation, maintenance, repair and replacement of the water distribution system." This provision limits the basis on which Class B shares can be charged and prevents development or expansion costs from being passed on to water users.

The Division feels that SWDC's rules and by-laws provide sufficient limitations on the actions which can be taken by the company effecting rates or service to Class B shareholders that the potential for Class B shareholders to be harmed by the voting rights of Class A shareholders is minimized and there is currently no evidence of such harm.

Rates

Although SWDC's rates were not a factor in the Division's recommendation in this matter, it is worth noting in SWDC currently charges \$474 per share per year to each Class B shareholder for .76 acre feet of water per share. These charges are billed quarterly. SWDC has not changed its rates since before its Letter of Exemption was granted in 1989. SWDC had never made a special assessment on its Class B shareholders.

Mission Statement

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Expansion of Facilities

There has been some question expressed concerning the manner in which SWDC pays for the cost of expanding its facilities. Questions have also been raised specifically regarding the construction of SWDC's water treatment plant and the proposed East Canyon Pipeline. The *Rules and Regulations for the Expansion of Summit Water Distribution Company's Water Delivery System* (7.3) states that "all costs and necessary actions associated with expansion of the SWDC system shall be the responsibility of the shareholder proposing the expansion..." The rules further state (7.8) "...all new facilities, water rights, water sources, easements, etc. shall be transferred and conveyed to SWDC free and clear of all liens and encumbrances..."

These rules assure that no expansion costs are passed on to the Class B shareholders and that all facilities and water rights used in providing culinary water are owned and controlled by SWDC.

SUMMARY

SWDC does not fit the typical model of a mutual water company wherein a developer builds a water system to serve a single development and issues shares to water users as lots are sold with the remaining shares being held by the developer, along with the associated, voting rights. In such cases the Commission usually regulates the company until such time as the majority of the shares are owned by individual water users.

SWDC's Class A shareholders are made up of several developers and other entities or individuals, each of whom have contributed water rights and distribution or other facilities to the company in order to be able to obtain the Class A shares with the sole purpose of obtaining culinary service from SWDC at some point in the future for their development. Because SWDC's Class A shares are not held by a single individual or entity the Class B shareholders rights are not compromised by the voting rights granted to Class A shares. Furthermore, the company's rules and by-laws provide definitions of and restrictions on the rights and responsibilities of each class of stock to prevent the Class B shareholders from being harmed by the Class A voting rights.

The Division feels that there are substantial controls in place to prevent the Class B shareholders from being harmed by the actions of the Class A shareholders. Furthermore, SWDC's record of operations over the past 20+ years have demonstrated a history of providing safe and adequate culinary water service to its water users at a fair price.

The Division has not received any complaints from Class B shareholders, or any other shareholders for that matter, which would indicate that there is a need for a change in SWDC's status as an exempt mutual water company. The Division feels that regulation of SDWC at this time would be superfluous. In the event that there are substantial changes in the future the Commission can assert its right to rescind SWDC's exemption.

cc: Hy Saunders, President, Summit Water Distribution
John Flitton, Attorney

Mission Statement

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