


**Escrow Instructions, Acknowledgment and Indemnity**

To: Southern Utah Title Company (the "Company")  
20 North Main Street, #300  
St. George, Utah 84770

RE: File No. 169897

Recitals:

1. Big Plains Water and Sewer Special Service District, a Utah special service district (the "District") has entered into an Agreement for Purchase and Sale of Assets, dated April 5, 2013 (the "Agreement") with Cedar Point Water Company, Inc., a Utah corporation. ("CPWC").
2. Under the terms of the Agreement, the District will acquire certain real property, including easements, as more fully identified on Southern Utah Title Company (the 'company'), commitment no. 169897 - 3rd Amended, dated May 22, 2013.
3. Prior to closing, CPWC has acquired the assets of Apple Valley Water Company, Inc ("AVWC"), of which the District is fully aware. Additionally, the District is also aware of the terms and conditions of the sale from Utah Federal Community Credit Union, also known as Utah Community Credit Union which was completed prior to the closing between CPWC and the District.
5. CPWC has authorized the Company to pay the Promissory Note in the amount of \$1,411,535.00, payable to Clarence L. Gubler, Personal Representative for the Estate of Ted L. Gubler and Stephen L. Gubler (collectively "Gublers"), from the sales proceeds under file no. 169897, as further evidenced by a line items on the Settlement Statement.
6. The District and CPWC each individually and collectively acknowledge that each party was represented by legal counsel, and that all documents were prepared by and approved by legal counsel for each party.
7. The District and CPWC each individually and collectively acknowledge that all documents, including Warranty Deeds and Water Right Deeds have been prepared by legal counsel and that the Company has not prepared any documents other than its own Escrow Instructions for this transaction.
8. The District and CPWC have reviewed all of the documents delivered to the Company for execution and desire to complete the complete the closing. The list of delivered documents include.
  - a. First Amendment to Agreement for Purchase and Sale of Assets. To be delivered to the District.
  - b. Special Warranty Deed from CPWC to the District. To be recorded in the Office of the Washington County Recorder.
  - c. Assignment of Easements. To be recorded in the Office of the Washington County

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Recorder, as an accommodation for the District.


- d. Water Deed conveying 294 acre feet of water from CPWC to the District. To be recorded in the Office of the Washington County Recorder, as an accommodation for the District
  - e. Water Deed conveying 822.60 acre feet of water from CPWC to the District. To be recorded in the Office of the Washington County Recorder, as an accommodation for the District.
  - f. Bill of Sale from CPWC to the District. To be delivered to the District.
  - g. Water Rights Agreement between CPWC and the District (2 copies). To be delivered to the District.
  - h. Check in the amount of \$100,000.00 payable to Ensign Engineering. To be delivered to Ensign Engineering.
9. The Company is instructed to prepare a Settlement Statement to evidence the distribution and receipt of funds.

NOW THEREFORE, after signing of all documents and receipt of good funds, CPWC and the District authorize and instruct the Company to complete the following:

- 1) Record the Warranty Deeds conveying title from CPWC to the District.
- 2) Record the Assignment of Easements as an accommodation for the District, immediately following the Warranty Deeds.
- 3) Record the Water Right Deeds as an accommodation for the District, immediately following the Warranty Deeds.
- 4) Issue an Owner's Policy of Title Insurance to the District, in the amount of \$1,864,070.00 under commitment no. 169897- 3rd Amended, dated May 22, 2013 @ 2:16 p.m., subject to items 1 - 7, and 9 - 11, 15 - 37, 39 - 41 and 46 - 55. Exception No. 54 shall be amended to read as follows:

Subject to an Easement and Assignment of Lease Agreement, dated December 31, 2012, executed by and between Curtis Grant Gubler and Terry R. Gubler, Husband and Wife, as Joint Tenants, as GRANTORS and LD Holdings LLC, a Delaware Limited Liability Company, as GRANTEES, recorded March 8, 2013, as Doc. No. 20130008630, Official Washington County Records. (Affects Parcel 3 and 4 only, and the easements rights granted therein are non-exclusive)

Assignment of Easement and Lease Agreement, dated December 19, 2012, executed by and between LD Holdings LLC, a Delaware Limited Liability Company, as ASSIGNOR to LD Acquisition Company 10 LLC, a Delaware Limited Liability Company, as ASSIGNEE, recorded March 8, 2013, as Doc. No. 20130008817, Official Washington County Records.

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Assignment of Easement and Lease Agreement, dated January 1, 2013, executed by and between LD Holdings LLC, a Delaware Limited Liability Company, as ASSIGNOR to LD Acquisition Company 10 LLC, a Delaware Limited Liability Company, as ASSIGNEE, recorded May 1, 2013, as Doc. No. 20130016642, Official Washington County Records.

- 5) Release the check in the amount of \$100,000.00 payable to Ensign Engineering from the District.
- 6) Disburse funds per the Settlement Statement.

The District acknowledges that the District has made its own examination of the documents delivered to the Company and is that it has not relied on any representation from the Company, and has approved all documents.

Furthermore, the District acknowledges that all transfer of Water Rights, Reports of Conveyances, transfer of CPWC assets other than the real property will be handled by the District, and that the Company has no liability concerning these items. The Company is only closing on the Real Estate.

Furthermore, The Company is authorized to accept instructions from legal counsel for Gublers as to the distribution of the \$1,411,535.00.

Furthermore, the undersigned parties acknowledge that the value of the land is \$1,864,070.00, and that the difference between \$2,823,070.00 and \$1,864,070.00 represents the value of the water and other personal property.

Furthermore, the undersigned parties acknowledge that the Company and its employees have not given legal advice or counsel to any party herein. The undersigned agrees to hold the Company and its employees and underwriters harmless from any and all claims resulting from a failure of the parties to obtain competent legal counsel.

Dated this 23rd day of May, 2013.

**Cedar Point Water Company, Inc**

**Big Plains Water and Sewer Special  
Service District.**

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Roger Sanders, Authorized Agent

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Harold Merritt, Chairman

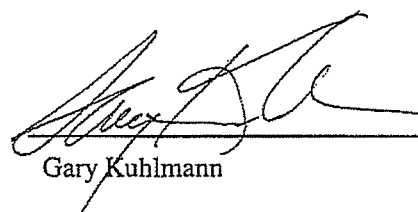
**Attorney for Cedar Point Water Company,  
Inc**

**Attorney for Big Plains Water and  
Sewer Special Service District.**

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Roger J. Sanders



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Gary Kuhlmann