

CARL J. KUNASEK
CHAIRMAN
JIM IRVIN
COMMISSIONER
RENZ D. JENNINGS
COMMISSIONER



NEW APPLICATION



0000034993

EXECUTIVE SECRETARY

ARIZONA CORPORATION COMMISSION

March 12, 1997

David R. Moss & R. Lyn Sol-Moss
Ho-Tye Water Co.
1285 Bates Rd.
Cottonwood AZ 86326

RE: HO-TYE WATER CO.

This letter will acknowledge receipt of your application for approval for the sale of assets and/or the transfer of certificate of convenience and necessity. We have assigned Docket No. U-2054-97-127 & U-3340-97-127 to your application. Please refer to these numbers when filing any additional information.

After the Utilities Division Staff has completed their review of your application, you will be notified of the date, time and place of hearing, if a hearing is required.

If you have any questions, you may contact me at (602) 542-3477.

Sincerely,

A handwritten signature in cursive script, appearing to read "Connie L. Northrop".

Connie L. Northrop
Examiner Technician II
Docket Control Center

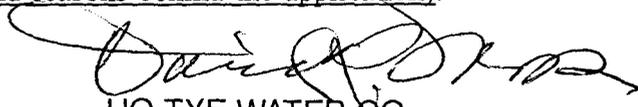
Attachment A

(Company Name)
(Mailing Address)
(City or Town and Zip Code)

(Date)

Docket Control
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, Arizona

Attached is an application by Ho-Tye Water Co for (indicate the type of application this is for). The purpose of this application is to (Explain the purpose for and reasons behind the application).



HO-TYE WATER CO

DAVID R. MOSS

(Type Name Here and Sign)

Type - TRANSFER OF WATER CO.

DOCKET NO. U - 2054-97-127

DOCKETED

DOCKET NO. U - 3340-97-127
ARIZONA CORPORATION COMMISSION

MAR 12 1997

DOCKETED BY [initials]

APPLICATION FOR APPROVAL OF THE SALE OF ASSETS AND/OR FOR TRANSFER
OF THE CERTIFICATE OF CONVENIENCE AND NECESSITY

WATER OR SEWER

RECEIVED
AZ CORP COMMISSION
MAR 12 10 02 AM '97
DOCUMENT CONTROL

A. The name, address and telephone number of the Transferor (Company) is:

Holtz WATER Co. % David R. Moss,
1785 BATES Rd, COTTONWOOD, AZ 86326.
DAYTIME: (520) 624-7678, Evening: 629-4480.

B. If doing business under a name other than the Transferor (Company) name,

specify: N/A.

C. The Transferor is a:

- Corporation: Partnership Sole Proprietorship
- 1. "C", "S", 1. limited, General Limited Liability Company (LLC)
- Non-profit 2. Arizona, Foreign
- 2. Arizona, Foreign
- Other (specify) _____

D. List the name, address and telephone number of the attorney for the Transferor.

MR. RICHARD WALRAVEN OF WALRAVEN and ROBERTS
739 SOUTH CORTEN ST.
PRESCOTT, AZ 86303
RICHARD WALRAVEN. TEL. (520) 445-8874

E. List the name, address and telephone number of management contact:

David R. Moss,
1285 GATES Rd, Cottonwood, Az.
Day (520) 634-7678 - (Nite Eve. 1 (520) 639-4480

F. The name, address and telephone number of the Transferee (Company) is:

Woody's Enterprises, Ltd. - Arizona Corporation
Jack Lowe, Pres. & Atty.
Richard Walraven - 739 South Cortez St. Prescott Az. 86303
(Tel: (520) 445-8874) (Fax (520) 445-6231

G. If doing business under a name other than the Transferee (Company) name, specify:

N/A.

H. List the name, address and telephone number of the attorney for the Transferee.

Richard Walraven, OF "Walraven and Roberts"
739 South Cortez St. Prescott, Az. 86303
Tel: (520) 445-8874 Fax (520) 445-6231.

I. List the name, address and telephone number of management contact:

Temporarily - The Atty.: - See Above "H"

J. (Transferee) List the name, address and telephone number of the on-site manager of the utility:

Lyn Moss - Winkup Av. (2 to 3 weeks.)
(520) 765-2223
Box 121, 85360

K. (Transferee) List the name, address and telephone number of the certified operator as authorized by the Arizona Department of Environmental Quality:

will NOTIFY within 14 days.

MAY KEEP THE CERTIFIED OPERATOR NOW CERTIFYING

L. The Transferee is a:

- Corporation: ___ Partnership ___ Sole Proprietorship
1. ___ "C", ___ "S", ___ 1. ___ limited, ___ General ___ Limited Liability Company (LLC)
- ___ Non-profit 2. ___ Arizona, ___ Foreign
2. ___ Arizona, ___ Foreign
- ___ Other (specify) _____

M. If Transferee is a corporation:

1. List the names of the Officers and Directors:

Officers	Directors
<u>JACK LOWE Pres.</u>	} <u>HERMAN H. WOODFIN</u>
<u>FRANKLIN D. VAUGHN</u>	

_____	} <u>JACK D. LOWE</u>

_____	} <u>FRANKLIN D. VAUGHN</u>

1. Indicate the number of shares of stock authorized to issue:

1 million, - 1,000,000

2. If stock has been issued, indicate the number of shares issued and the date of issue:

FRANKLIN & LOIS VAUGHN 11000 6/4/75 / FRANKLIN & LOIS VAUGHN
1941 share 11/24/82 - JACK LOWE AS TRUSTEE OF ONE LOWE FAMILY
TRUST - 16,088, June 3 - 1996. / JACK LOWE AS TRUSTEE 204 shares
JUNE 3RD 1996 / HERMAN A WOODFIN AS TRUSTEE OF HERMAN H

N. If Transferee is a partnership:

1. List the names of general partners:

N/A.

2. List name, address and telephone number of managing partner:

N/A.

If Applicant is a foreign limited partnership, provide a copy of the Partnership's "Certificate of Registration" with the Arizona Secretary of State

O. If Transferee is a sole proprietor, list name, address and telephone number of individual:

N/A.

P. Have all customer security deposits been refunded? Yes No . If no, mark the block below which describes the proposed disposition of security deposits.

All security deposits will be refunded at time of closing.

All security deposits will be transferred to the Transferee.

Other (explain).

N/A.

Q. Are there any refunds due on Main Extension Agreements? Yes ___ No ___ . If Yes, mark the block below which describes the proposed disposition of the refunds.

N/A

- Transferor will continue to refund after the transfer.
- Transferee will assume the refunding obligations.
- A full refund will be made at closing by Transferor.
- Other (explain).

R. (WATER ONLY) Are there any refunds due on meter and service line installations? Yes ___ No . If Yes, mark the block below which describes the proposed disposition of refunds.

N/A

- Transferor will continue to refund after the transfer.
- Transferee will assume the refunding obligations.
- A full refund will be made at closing by Transferor.
- Other (explain).

S. (Transferee) Attach the following exhibit(s):

- ✓1. Copy of bill of sale, purchase contract or other instrument which conveys the assets to the transferee
- ✓2. Articles of Incorporation (if corporation)
- ✓3. By-Laws (if corporation)
- ✓4. Certificate of Good Standing (if corporation)
- 5. Articles of Partnership (if partnership)
- 6. Articles of Organization (if limited liability company)
- ✓7. Corporate Resolution if required by Articles of Incorporation
- 8. Attach a copy of the transfer of City or County Franchise from the Transferor to Transferee.

T. List names and addresses of any other public utility interest Transferee has:

1. N/A

2. _____

U. Indicate the date that notice of the application was sent, or will be sent to the customers.

3/20, 19 97

BYLAWS
OF
WOODY'S ENTERPRISES, LTD.

ARTICLE I
STOCKHOLDERS MEETINGS

Section 1. Annual Meetings - The annual meeting of the stockholders shall be held at 10:00 o'clock a.m. on the first Tuesday in November of each year at the principal office of this corporation (hereinafter called the "company") or at such place as shall be stated in the notice of meeting or in a duly executed waiver of notice; provided, however, that whenever such date falls upon a legal holiday the meeting shall be held on the next succeeding business day, and further provided that the board of directors may by resolution fix the date of the annual meeting at such other date as the board may deem appropriate. At such meeting the stockholders shall elect directors to serve until their successors shall be elected.

Section 2. Special Meetings - Special Meetings of the stockholders may be held at the principal office of the company whenever called in writing by the president, the vice-president, a majority of the board of directors, or the holders of twenty-five percent (25%) of the issued and outstanding stock.

Section 3. The calls and notices of all meetings of the stockholders shall conform to the provisions of Article VIII of these bylaws.

Section 4. The president, and in his absence a vice-president, shall preside at all such meetings.

Section 5. The cumulative system of voting as required by the laws of Arizona shall be followed in the election of directors. On all other matters, each stockholder shall be entitled to cast one vote for each share of stock held in his name. All votes may be cast by the stockholders either in person or by proxy. All proxies

shall be in writing and shall be filed with the secretary. If instructed, the secretary shall enter a record of such proxies in the minutes of the meeting.

Section 6. Registered Stockholders - At any meeting of the stockholders only such persons shall be entitled to vote in person or by proxy as appear as stockholders upon the transfer books of the company at the time of such meeting unless the board of directors, by resolution, shall fix a date in advance of the date of the stockholders meeting, but not more than twenty days in advance thereof, as the date upon which a person must appear as a stockholder on the company's transfer books in order to be entitled to vote at the stockholders meeting, in which case only those so appearing as stockholders on the date so fixed shall be entitled to vote.

Section 7. Quorum - At any meeting of the stockholders, the holders of a majority of the issued and outstanding shares of the company present in person or by proxy shall constitute a quorum of the stockholders for all purposes. In the absence of a quorum the chairman of the meeting may adjourn the meeting from time to time, without notice other than by announcement at the meeting, until the holders of the amount of stock requisite to constitute a quorum shall attend. At any such adjourned meeting at which a quorum shall be present any business may be transacted which might have been transacted at the meeting as originally notified.

Section 8. All informalities and/or irregularities in calls, notices of meeting and in the matter of voting, form of proxies, credentials, and method of ascertaining those present, shall be deemed waived if no objection is made at the meeting.

ARTICLE II

BOARD OF DIRECTORS

Section 1. The business and property of the company shall be managed by its board of directors.

Section 2. Vacancies - In case of any vacancy in the board of directors, the remaining members of the board may elect a successor director or directors to hold office until the next meeting of the stockholders.

Section 3. Regular Meetings - A regular annual meeting of the directors shall be held immediately after the adjournment of each annual stockholders meeting at the place

at which such stockholders meeting was held. Regular meetings, other than the annual meeting, shall be held at regular intervals at such places and at such times as the board of directors may from time to time by resolution provide.

Section 4. Special Meetings - Special meetings of the board of directors shall be held at such place as is permitted for regular meetings whenever called by the president, the vice-president, or by a majority of the board. By unanimous consent of the directors special meetings of the board may be held without call or notice at any time or place. Notice of all calls and meetings of the board of directors shall be as provided in Article VIII of these bylaws.

Section 5. Quorum - A quorum for the transaction of business at any meeting of the directors shall consist of a majority of the board then in office.

ARTICLE III

OFFICERS

Section 1. Directors shall elect or appoint the officers of the company. Such election or appointment shall regularly take place at the first meeting of the directors immediately following the annual meeting of the stockholders; provided, however, that elections of officers may be held at any other meeting of the board of directors.

Section 2. The board of directors may appoint such other officers, in addition to the officers hereinbelow expressly named, as they shall deem necessary, who shall have such authority to perform such duties as may be prescribed from time to time by the board of directors or by the president.

JACK D. LOWE	-	President
HERMAN H. WOODFIN	-	Vice-President
FRANKLIN D. VAUGHN	-	Secretary-Treasurer

Section 3. All officers and agents shall be subject to removal at any time by the affirmative vote of the majority of the members of the board of directors.

ARTICLE IV

PRESIDENT

The President shall be the chief executive of the company, and shall exercise general supervision over its

property and affairs. He shall sign on behalf of the company all certificates of stock, conveyances, mortgages, and contracts of material importance to the company's business, and shall do and perform all acts and things which the board of directors may require of him. He shall receive such compensation for his services as may be fixed or approved by the board of directors.

ARTICLE V

VICE-PRESIDENT

In the event of the president's absence or inability to act, the vice-president shall have the powers of the president. He shall perform such other duties as the board of directors may impose upon him, and shall receive such compensation as may be fixed or approved by the board of directors.

ARTICLE VI

SECRETARY

The secretary shall keep the minutes of the company, its stock books and such books and records as these bylaws or any resolution of the directors may require him to keep. He shall be the custodian of the seal of the company, and shall affix the seal to all papers and instruments requiring it. He shall perform such other services as the board of directors may impose upon him, and shall receive such compensation as the board of directors may fix or approve. An assistant secretary may, at the discretion of the board of directors, be elected, such assistant secretary, in the event of the secretary's absence or inability to act, to perform the duties and functions of the secretary.

ARTICLE VII

TREASURER

The treasurer shall have the custody and control of the funds of the company, subject to the action of the board of directors, and shall, when requested by the president so to do, report the state of the finances of the company at each annual meeting of the stockholders and at any meeting of the directors. He shall perform such other services as the board of directors may require of him and shall receive such compensation as the board of directors may fix or approve.

ARTICLE VIII

CALLS AND NOTICES OF MEETINGS

Section 1. At least ten days (inclusive of the date of meetings) before the date of any meeting of the stockholders, the secretary shall cause a written notice setting forth the time, place and general purpose of the meetings, to be delivered personally or deposited in the mail, with postage prepaid, addressed to each stockholder of record at his last post office address as it then appears on the books of the company.

Section 2. Special meetings of the board of directors may be called by the president (or in his absence the vice-president), or by a majority of the board of directors, and notice of such meeting shall be given to each director, orally or in writing, at least twenty-four hours before the time fixed for the meeting, and such notice shall advise each director as to the time, place and general purpose of the meeting, and shall be delivered personally, or by telephone or telegram, or mailed, postage prepaid to each director at his last post office address as it appears on the books of the company. No notice need be given of regular meetings of the board of directors.

Section 3. Whenever all of the stockholders shall meet in person or by proxy such meetings shall be valid for all purposes without call or notice or waiver of call and notice, and at such meetings any corporate action may be taken. Whenever all of the directors meet such meetings shall be valid for all purposes without call or notice, or waiver of call and notice. No call or notice of any meeting of stockholders or directors shall be necessary if waiver of call and notice be signed by all of the stockholders or directors, whichever the case may be.

ARTICLE IX

SEAL

The seal of the company shall be impressed as follows:

ARTICLE X

STOCK CERTIFICATES

Section 1. Form of Certificate - Each certificate of stock shall express on its face the par value, if any, of the shares, and shall indicate that the shares are fully paid and non-assessable.

Section 2. Issuance - All certificates of stock shall be signed by the president or vice-president and by the secretary or an assistant secretary, and the seal of the company shall be impressed thereon. The name of the initial owner of each certificate and the number of shares represented by it shall be entered on its stub.

Section 3. Transfer - Certificates of stock shall be transferred on the books of the company by assignment made by the owner, his attorney in fact or legal representative, and by delivery of the certificate to the secretary of the company for transfer, together with such further supporting documents as the company may reasonably require. Each certificate surrendered for transfer shall be marked "Cancelled" by the secretary and an incision on the certificate shall be made through the name of the subscribing officers, and the cancelled certificate shall be affixed to its stub.

Section 4. Lost Certificates - Should the owner of any certificate of stock made application to the company for the issuance of a duplicate certificate by reason of the loss or destruction of his certificate, he shall accompany his application by an affidavit setting forth the time, place and circumstances of such loss or destruction, together with a bond in such amount and with such surety or sureties acceptable to the secretary of the company, indemnifying the company against such loss as it may suffer by reason of the issuance of a duplicate certificate or the refusal to recognize the certificate that was allegedly lost or destroyed. Upon satisfaction of the foregoing a duplicate certificate may be issued. The duplicate certificate shall be marked "Duplicate", and the stub of the certificate lost or destroyed shall indicate the issuance of the duplicate. The board of directors may, in its discretion, waive the requirement of a surety or sureties on the bond.

ARTICLE XI

DIVIDENDS

Dividends on the issued and outstanding stock from the surplus or net profits of the company may be declared

by the board of directors from time to time, payable to the owners of record of the stock of the company outstanding at such date as the board of directors may specify.

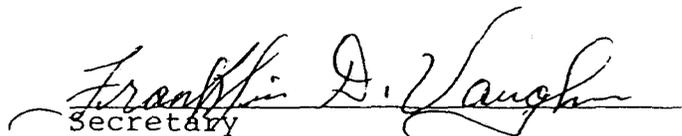
ARTICLE XII

AMENDMENT AND REPEAL

These bylaws may be amended or repealed, or new bylaws may be adopted, at any meeting of the stockholders, by a resolution adopted by the holders of a majority of the issued and outstanding stock. These bylaws may also be amended or repealed, or new bylaws may be adopted, at any meeting of the board of directors. No notice need be given of any action concerning these bylaws previous to any such meeting, if the proposed amendment, repeal or adoption of new bylaws is one of necessity arising at such meeting, and is in furtherance of the legitimate aims of the company.

KNOW ALL MEN BY THESE PRESENTS:

That I, Franklin D. Vaughn, Secretary of WOODY'S ENTERPRISES, LTD., an Arizona corporation, do hereby certify that the above and foregoing Bylaws were duly adopted as the Bylaws of said corporation at an Organization Meeting hereof, on the 4 day of June, 1975; and that the same do constitute the Bylaws of said corporation.


Secretary

ARTICLES OF INCORPORATION
OF
WOODY'S ENTERPRISES, LTD.

KNOW ALL MEN BY THESE PRESENTS:

That we, who's hands are here unto affixed, desiring to form a corporation under the laws of the State of Arizona, do hereby associate ourselves together for that purpose and adopt the following articles of incorporation.

ARTICLE I

The names and addresses of the incorporators are:

Herman H. Woodfin
Post Office Box 36
Aguila, Arizona

Jack D. Lowe
Post Office Box 36
Aguila, Arizona

Franklin D. Vaughn
Post Office Box 36
Aguila, Arizona

ARTICLE II

The name of the corporation shall be WOODY'S ENTERPRISES, LTD.

ARTICLE III

The place of business at which the business of the corporation is to be transacted is Aguila, Maricopa County, Arizona, with branch offices at such other places either within or without the state of Arizona as may be established by the Board of Directors.

ARTICLE IV

The time of the commencement of this corporation shall be when the Articles have been filed in the office

of the Corporation Commission, in the State of Arizona, and a certified copy thereof recorded in the office of the Maricopa County Recorder, and its termination shall be Twenty-five (25) years thereafter, with privilege of renewal as provided by law.

ARTICLE V

The general nature of the business proposed to be transacted by the corporation, at any place within the United States, is as follows:

To engage in wholesale and retain distribution and sale of all petroleum products, tires, and automobile accessories. To carry on any other lawful business whatsoever and to do all and every thing necessary and advantageous in connection with and for the accomplishment of the foregoing, or which is calculated, directly or indirectly to promote the things hereinbefore set forth to the same extent as natural persons can do, all upon such terms and conditions as the Board of Directors may determine. In furtherance of preservation and acquisition of capital assets, and in conducting its ordinary business, the corporation shall have the following powers:

To acquire, take, make contracts, buy, hold, own, maintain, or work, develop, sell, convey, pledge, lease, bond, locate, rent, mortgage, exchange, improve, insure, and otherwise deal in and dispose of improved and unimproved real and personal property; to buy and sell commercial paper and other evidence of indebtedness; to loan, invest, and borrow monies; to issue shares of stock, debentures, bonds, notes, conditional sales, contracts and other obligations and evidences of indebtedness and to secure the same by real or chattel mortgages or otherwise, or upon such other security or terms as may be arranged; to own, handle, control, issue, cancel, retire, and reissue shares of its own capital stock; to own, hold, buy, handle, control, vote, sell, guarantee, deliver,

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and otherwise deal in stocks, bonds, debentures and securities of any other corporation or person.

ARTICLE VI

The authorized capital stock of this corporation shall be ONE MILLION DOLLARS (\$1,000,000.00), divided into ONE MILLION (1,000,000) shares, at ONE DOLLAR (\$1.00) per share. Said capital stock shall be paid in at such times and upon such conditions as the Board of Directors may by resolution direct, either in cash, or by services rendered to the corporation, or by real or personal property transferred to it. Shares of stock when issued in exchange for services or property pursuant to a resolution of the Board of Directors shall thereupon become and shall be non-assessable forever, and the determination of the Board of Directors as to the value of any property or services received by the corporation in exchange for stock shall be conclusive.

ARTICLE VII

The highest amount of indebtedness or liability to which the corporation may at any time subject itself is the sum of SIX HUNDRED SIXTY SIX THOUSAND DOLLARS, (\$666,000.00).

ARTICLE VIII

JAMES L. CORBET, of Wickenburg, Arizona, who has been a bona fide resident of the State of Arizona, for at least three (3) years, is hereby appointed the lawful agent of this corporation to accept and acknowledge service and upon whom may be served all necessary process or processes in any action, suit, or proceedings that may be brought against this corporation and any of the Courts of the State of Arizona, and for all purposes required by law. The Board of Directors of this corporation may revoke this appointment of agent at any time and shall have the power to fill any vacancy in such position.

ARTICLE IX

The affairs of the corporation shall be conducted by a Board of Directors of not less than Two (2) not more than Seven (7), Directors who need not be Stockholders; the Directors shall be elected at the annual meeting of the Stockholders and shall hold office until the next annual meeting of the Stockholders and until their successors shall have been elected and qualified. The first Board of Directors shall be elected at the Organization Meeting of the Incorporators, and shall hold office until the first (1) annual meeting of the Stockholders and

DXI 11050751397

The foregoing was acknowledged before me this
10 day of September, 1974.

Jane C. Cockett
Notary Public

My Commission Expires:

Jan 3, 1978

DKT 11050751398

99830

ARIZONA CORPORATION COMMISSION
INCORPORATING DIVISION

FILED

FEB 25 1975

At 9:00 a.m. at request of
James L. Corbet, Att'y.
Address 78 N. Frontier St., P.O. Box 146
Wickenburg, Arizona 85358
By Yolanda Mansfield
SECRETARY

George M. Dempsey

STATE OF ARIZONA }
County of Maricopa } SS.

I hereby certify that the
within instrument was filed and
recorded at request of

James L. Corbet, Att'y.

FEB 27 1975 - 12 10

in Docket 11050
on page 1392-1398

With my hand and official
seal this 27th day of February, 1975.

TOM FREESTONE

Raymond Lake
By Raymond Lake

\$ 3.00

AGREEMENT OF SALE

DATED August 4th, 1997

BY AND BETWEEN

DAVID R. MOSS, a single man

and

R. LYN SOL-MOSS, a single woman

AS SELLERS

AND

**WOODY'S ENTERPRISES, LTD,
an Arizona Corporation**

AS BUYER

TABLE OF CONTENTS

PROPERTY INCLUDED IN SALE	1
CONSIDERATION FOR SALE	2
CONTINGENCIES	2
ALLOCATION OF PURCHASE PRICE	3
ADJUSTMENTS TO PURCHASE PRICE	3
PAYMENT OF FUNDS	3
INSTRUMENTS OF CONVEYANCE	3
COST OF SALE AND ATTORNEYS' FEES	4
TITLE INSURANCE POLICY	4
PROPERTY TAXES	4
NAME OF BUSINESS	4
WARRANTIES OF BUYER	5
WARRANTIES OF SELLERS	5
SELLERS TO MAINTAIN BUSINESS IN USUAL COURSE	5
CLOSE OF SALE	6
FAILURE TO CLOSE SALE	6
ASSISTANCE WITH BUSINESS	6
INDEMNIFICATION	6
NOTICES	7
REAL ESTATE COMMISSION	7

ATTORNEYS' FEES AND COSTS OF ENFORCEMENT	7
ENTIRE AGREEMENT	8
TIME OF ESSENCE	8
PARTIES IN INTEREST	8
ARIZONA LAW	8
TITLES	8

AGREEMENT OF SALE

THIS AGREEMENT made this 4th day of April, 1997, by and between **DAVID R. MOSS, a single man, and R. LYN SOL-MOSS, a single woman**, hereinafter termed "Sellers," and **WOODY'S ENTERPRISES, LTD.**, an Arizona corporation, hereinafter termed "Buyer".

WHEREAS, Sellers are the owners of that certain land and business known as "**HO-TYE WATER COMPANY**," located in Wikieup, Arizona, and Sellers desire to sell and Buyer desires to purchase all of Sellers' right, title and interest therein on the terms and conditions hereinafter provided;

NOW, THEREFORE, for the considerations and covenants set forth herein, IT IS HEREBY AGREED AS FOLLOWS:

1. **PROPERTY INCLUDED IN SALE**. Sellers shall sell and Buyer shall purchase, free from all liabilities and encumbrances, except any specifically set forth herein, the following described real and personal property:

Real Property which is owned by Seller:

See Exhibit "A" attached hereto.

TOGETHER WITH all improvements thereon and appurtenances thereto.

SUBJECT TO current taxes and assessments, patent reservations and exceptions, and all easements, rights of way, covenants, and conditions of record

Personal Property which is owned by Seller

All of the equipment, furnishings, fixtures, and other personal property belonging to the business known as **Ho-Tye Water Company**.

The unregistered trade name **Ho-Tye Water Company**.

All other assets of the business known as **Ho-Tye Water Company, Wikieup, Arizona** excluding cash on hand and in banks, but including historical accounting records, telephone number, existing advertising, the good will of the business, and the keys and all other indicia of possession.

2. CONSIDERATION FOR SALE. The sale and purchase price shall be NINETY-FIVE THOUSAND AND NO/100 DOLLARS (\$95,000.00).

A. The sum of ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) earnest money deposit with WesTitle Agency, Inc., Prescott, Arizona, in legal tender of the United States of America, receipt of which is hereby acknowledged.

B. The sum of FIFTY-FOUR THOUSAND AND NO/100 DOLLARS (\$54,000.00), in legal tender of the United States of America, shall be paid by Buyer to Sellers on close of sale.

C. The sum of FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00) by assumption of existing first encumbrance on the property.

3. CONTINGENCIES. This sale and purchase is contingent upon the following:

A. Approval by Buyer of a preliminary title report. Notice of approval or disapproval shall be given to Sellers by Buyer in writing within one (1) day after Buyer's receipt of the title report.

B. Confirmation that zoning is proper for the business conducted on the real property and for a convenience store and gas station.

C. Approval by Buyer of Survey of property.

D. Approval by Buyer of records pertaining to Ho-Tye Water Company and condition of water distribution system

E. Approval by Buyer of terms of first encumbrance to be assumed by Buyer.

4. **ALLOCATION OF PURCHASE PRICE**. The total purchase price of NINETY-FIVE AND NO/100 DOLLARS (\$95,000.00) shall be allocated as follows:

Real Estate	\$ 40,000.00
Improvements on Real Estate	35,000.00
Assets of and going concern value of business	20,000.00

ADJUSTMENTS TO PURCHASE PRICE. The balance of the purchase price at the time of closing shall be adjusted for:

- A. Any insurance premiums.
- B. Utilities.
- C. Loss, destruction or damage due to fire or other casualty which is not of such nature as to curtail or interrupt the business.

The net amount of these adjustments shall be added to or subtracted from (as the case may be) the balance due on the purchase price at the time of closing.

The down payment shall be adjusted up or down depending upon exact amount of encumbrance assumed by Buyer.

5. **PAYMENT OF FUNDS** All funds due from Buyer to Sellers shall be paid to Sellers at close of sale.

6. **INSTRUMENTS OF CONVEYANCE**. Sellers, David R. Moss and R. Lyn Sol-Moss, shall execute a Deed warranting title to the real property hereinabove described, subject only to the exceptions shown on the preliminary title report approved by Buyer. Sellers shall execute a

Sale warranting title to the personal property being sold. The parties hereto shall execute any and all additional instruments which may be necessary to fully effectuate the terms of this Agreement. All such instruments shall be delivered, filed and recorded, as necessary, at close of sale.

7. **COST OF SALE AND ATTORNEYS' FEES.** Buyer and Sellers shall each pay their own attorneys' fees incurred regarding this transaction. Buyer will pay for title insurance, survey, recording costs and escrow expense.

8. **TITLE INSURANCE POLICY.** Buyer, at its expense, shall obtain an owner's form of title insurance policy in the face amount of SEVENTY- FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00) covering the real property hereinabove described, issued by WesTitle Agency, Inc., or some other reputable title insurance company doing business in the State of Arizona.

9. **PROPERTY TAXES.** Sellers warrant that any and all real and personal property taxes for the years 1996 and prior have been paid by Sellers. Any such taxes for the year 1997 shall be prorated between Sellers and Buyer to the date of close of sale. Buyer shall pay all taxes subsequent to the year 1996. Sellers shall further provide Buyer with proof that all transaction privilege taxes are paid to the date of close of sale.

10. **NAME OF BUSINESS.** It is agreed that Buyer is purchasing the trade name "**Ho-Tye Water Company,**" (an unregistered trade name), and Buyer shall be entitled to the exclusive use of that name. Buyer may file such documents as necessary to perfect the trade name status, if that trade name is available in the State of Arizona.

11 **WARRANTIES OF BUYER** It is specifically stated that Buyer, individually or by agent, prior to the execution of this Agreement, personally inspected the property and business and is familiar with all property being purchased by Buyer, and relies upon its judgment and its own information and investigation of such property and business, and has placed no reliance upon any representations of any kind by Sellers, or any agent of Sellers, other than the representations specifically contained in this Agreement.

12 **WARRANTIES OF SELLERS** Sellers warrant and represent the following:

A. Sellers, respectively, are the owners of and have good and marketable title to the real property and all of the assets agreed to be sold, free from all encumbrances except those agreed to.

B. Sellers have, to Sellers' knowledge and recollection, complied with all laws, rules and regulations of the town, county, state and federal governments.

C. Sellers have paid, or will pay in full to the date of close of sale, all withholding, sales, social security and unemployment insurance taxes to the town, state and federal governments, and all expenses of the business or costs of improvements or repairs thereon.

D. There are no judgments, actions, liens or proceedings outstanding against or pending against the business or property of Sellers in any court at the time of closing.

E. All equipment will be in good working order at the time of close of sale.

13 **SELLERS TO MAINTAIN BUSINESS IN USUAL COURSE** Sellers agree to conduct the business up to close of sale in accordance with all laws, rules and regulations of the town,

county, state and federal governments and in general to maintain business in the usual course.

14. **CLOSE OF SALE**. Close of sale shall take place at WesTitle Agency, Inc., 126 N. Marina Street, Prescott, Arizona 86301 on March 3, 1997 at 10:00 a.m. unless mutually extended by the parties. At the time of closing, all keys to the premises, deeds, bills of sale and other instruments of transfer and security devices regarding the business and property shall be exchanged by the parties, and monies in escrow shall be paid over to Sellers. Upon completion of the payment and transfer, the sale shall be effective, and Buyer shall take possession of the business and premises, however, Seller R. LYN SOL-MOSS shall have thirty (30) days from the close of sale to vacate the premises.

15. **FAILURE TO CLOSE SALE**. In the event Buyer fails to complete this sale, through no fault of Sellers, the earnest money deposit shall be forfeited to Sellers as liquidated damages, and Sellers will not be entitled to bring suit for specific performance. If Sellers fail to close this sale, through no fault of Buyer, Buyer shall have the right of specific performance along with other remedies at law or in equity.

16. **ASSISTANCE WITH BUSINESS**. R. Lyn Sol-Moss agrees to be reasonably available for consultation for one month after the close of sale.

17. **INDEMNIFICATION**. Sellers shall indemnify and defend Buyer against, and hold Buyer harmless from, any claims, demands, causes of action, and suits arising out of, or which accrued during, Sellers' ownership and/or operation of **Ho-Tye Water Company**. This covenant shall indemnify and hold harmless Buyer, or Buyer's employees and agents, from and against any and all loss, damage, and expense, including but not limited to any claim or action for injury, liability, or damage to persons or property in any and all claims or actions brought by any person, firm,

governmental body, or other entity, alleging or resulting from or arising from or in connection with the contamination of or adverse effects on the environment, or violation of any environmental or other statutes, ordinance, rule, regulation, judgment, or order of any government or judicial entity and from any against any damages, liabilities, costs, and penalties assessed as a result of any matter or circumstances on the real property described herein which might arise under A.R.S. §§ 49-281, et seq., or the Comprehensive and Environmental Response, Compensation and Liability Act, 42 U.S.C. §§ 9601, et seq., or an action under A.R.S. § 36-601, or any other regulation, statute, ordinance, or rule which may govern the same.

18. **NOTICES**. All notices required or permitted to be given pursuant to this Agreement shall be in writing and shall be hand-delivered or sent by certified mail, and if intended for Sellers shall be addressed to P.O. Box 121, Wickiup, Arizona 85360, and if intended for Buyer shall be addressed to P.O. Box 2090, Wickenburg, AZ 85358. Notice shall be considered delivered on the date hand-delivered or deposited in the mail, as the case may be. Either party hereto, by written notice to the other party, may change the address for notices to be sent to him, her, or them.

19. **REAL ESTATE COMMISSION**. Buyer and Sellers warrant each to the other that they have not contacted any real estate broker or salesperson in regard to this transaction.

20. **ATTORNEYS' FEES AND COSTS OF ENFORCEMENT**. Should either party be required to consult or engage attorneys to represent them in regard to the enforcement of any material part of this Agreement, the prevailing party shall be entitled to, and the defaulting party shall be responsible for, the payment of all costs and expenses incurred by the prevailing party, including reasonable attorneys' fees.

21. **ENTIRE AGREEMENT** This Agreement, together with the accompanying security documents as mentioned herein, constitutes the sole and only agreement between Sellers and Buyer as to each other as of its date. Any agreement or representations not expressly set forth in this Agreement and the security documents mentioned herein are null and void. All warranties, covenants and representations made by the parties to this Agreement shall survive the closing.

22. **TIME OF ESSENCE**. Time is of the essence of this Agreement.

23. **PARTIES IN INTEREST**. This Agreement shall inure to the benefit of and be binding upon the heirs, personal representatives, successors and survivors of the respective parties hereto.

24. **ARIZONA LAW**. Should any dispute arise concerning the terms of this Agreement, these terms shall be construed and governed by the laws of the State of Arizona.

25. **TITLES**. The titles which are used following the number of each paragraph are so used only for convenience in locating various provisions of this Agreement and shall not be deemed to affect the interpretation or construction of such provisions.

IN WITNESS WHEREOF, the parties hereto have executed this instrument effective on the day and year first above written.

SELLERS:

By 
David R. Moss

By 
R. Lyn Sol-Moss

BUYER:

WOODY'S ENTERPRISES, LTD., an Arizona corporation

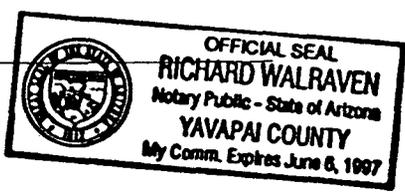
Its President

STATE OF ARIZONA)
) ss.
County of AVILA)

On this 4 day of April, 1997, before me, the undersigned Notary Public, personally appeared DAVID R. MOSS, a single man, known to me, or satisfactorily proven, to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he executed the same for the purpose therein contained.

Notary Public

My Commission Expires:



STATE OF ARIZONA)
) ss.
County of Mohave)

On this 3rd day of March, 1997, before me, the undersigned Notary Public, personally appeared LYNN. MOSS, a single woman, known to me, or satisfactorily proven, to be the person whose name is subscribed to the foregoing instrument, and acknowledged that she executed the same for the purpose therein contained.

Notary Public

My Commission Expires

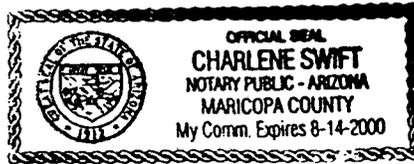
5-7-1997

STATE OF ARIZONA)
) ss.
County of Yavapai)

On this 7th day of February, 1997, before me, the undersigned Notary Public, personally appeared **JACK LOWE**, who acknowledged himself to be the President of **WOODY'S ENTERPRISES, LTD.**, an Arizona corporation, and that he, as such officer, being authorized so to do, executed the foregoing instrument for the purpose therein contained.

Charlene Swift
Notary Public

My Commission Expires



DATED the 4th day of March, 1997

David R. Moss
(Signature of Authorized Representative of Transferor)

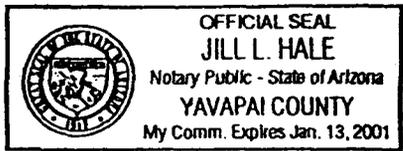
David R. Moss

(Type Name Here)

Owner

(Title)

SUBSCRIBED AND SWORN to before me on this 4 day of March, 1997



Jill L. Hale
NOTARY PUBLIC

My Commission Expires 1-13-2001

Richard Walraven
(Signature of Authorized Representative of Transferee)

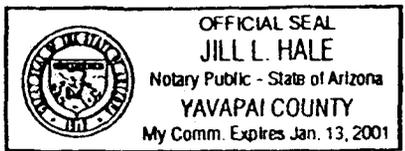
Richard Walraven

(Type Name Here)

Attorney

(Title)

SUBSCRIBED AND SWORN to before me on this 4 day of March, 1997



Jill L. Hale
NOTARY PUBLIC

My Commission Expires 1-13-2001