



It's not where you bank. It's where you belong.

January 14, 2010

Mr. Kirk A. Rathbun
Summit View Water Works, LLC
8428 W. Gage Blvd, Suite E
Kennewick, WA 99336

Dear Kirk:

Gesa Credit Union has approved the commercial term loan for Summit View Water Works, LLC. The terms and conditions of this commitment are as follows:

Borrower: Summit View Water Works, LLC

Guarantors: Kirk A. Rathbun Unlimited
Geoffrey T. Clark Unlimited

Loan Amount: \$115,000.00

Purpose: Cover part of the hard and soft costs associated with drilling a new domestic well in the Summit View subdivision located in Kennewick, WA.

Advance Rate: Maximum advance rate is 50% of total project costs.

Loan Maturity: 15 Years

Loan Amortization: 15 Years

Loan Interest Rate: The rate will be fixed for the first five years at 6.25%.

The rate shall adjust every five years based on the five – year Federal Home Loan Bank of Seattle bullet interest rate + 2.50%. Loan shall carry an interest rate floor of 6.25%.

Loan Payments: Monthly principal and interest payments of approximately \$986.04; all unpaid principal and unpaid accrued interest will be due at maturity.

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Loan Fees: Loan origination fee shall be \$1,150. Borrowers shall reimburse Gesa Credit Union for all out of pocket expenses.

Collateral: Summit View Water Works, LLC:

1. First lien position (UCC 1 filing) on accounts receivable, inventory, furniture, equipment, and general intangibles of Summit View Water Works, LLC.
2. First deed of trust on property that will contain the new pumping station.
3. First lien position (UCC 1 filing) on all domestic and irrigation delivery systems including, but not limited to the well, well and water distribution equipment and apparatus, valves, delivery piping, and filtration equipment associated any and all Summit View Phases now developed or to be developed in the future.

Candy Mountain, LLC:

A third party pledge of the following collateral shall be provided by Candy Mountain, LLC.

1. First deed of trust on property containing the existing 25 x 25 square foot pumping station and 160,000 gallon water storage tank.
2. First deed of trust on property containing existing irrigation pond.
3. Security agreement / assignment for collateral purposes in groundwater rights permit #G4-302279 and permit #G4-30508.
4. First lien position (UCC 1 filing) on all domestic and irrigation delivery systems including, but not limited to the well, well and water distribution equipment and apparatus, valves, delivery piping, and filtration equipment associated any and all Summit View Phases now developed or to be developed in the future.

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Loan Covenants:

Borrower shall maintain a debt service coverage ratio of not less than 1:1 during the calendar year 2011 and not less than 1.20:1 for each calendar year thereafter. Covenant will be measured annually based on company prepared financial statements supported by CPA prepared federal income tax returns. Debt service coverage ratio shall be defined as follows:

$$\frac{\text{EBITDA} + \text{Contributions} - \text{Cash Taxes} - \text{Withdrawals}}{\text{Total Principal and Interest Payments}}$$

EBITDA is equal to net income, plus interest expense, plus income tax expense, plus depreciation expense, and plus amortization expense.

Reporting Requirements:

Summit View Water Works, LLC:

- Company prepared balance sheet and income statement will be due annually within 120 days of year-end.
- Federal income tax return will be due annually within 45 days from date of filing.

Guarantors:

- Personal balance sheet will be due within 120 days of year end.
- Personal income tax return will be due annually within 45 days from the date of filing.

Conditions to Close:

- Copy of approval from the Washington Utilities and Transportation Commission outlining a monthly surcharge assessment adequate to service new loan request.
- Execution of all loan documents required by Gesa Credit Union detailing the terms and conditions of the financing, all to be in form and substance satisfactory to Gesa Credit Union and its internal and external counsel.

This commitment from Gesa Credit Union will terminate 60 calendar days from the date of this letter. The termination date is 5:00PM PST on March 14, 2011. Please acknowledge your acceptance by signing this commitment letter on or before the termination date.

If the Borrower does not fulfill its commitment to close and fund this transaction or the conditions set forth above are not fulfilled to the complete satisfaction of Gesa Credit Union on or before April 15, 2011 Gesa Credit Union may elect not to proceed with this transaction upon notice to the Borrower.

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ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND OR MODIFY CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON STATE LAW.

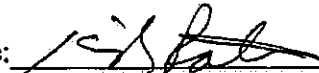
Gesa Credit Union appreciates the opportunity to provide the financing for your commercial real estate project. If you have any questions or concerns regarding this commitment, please do not hesitate to call my office at (509) 942-6152 or cell phone (509) 430-3322.

Sincerely,


Brad A. Wright
Commercial Loan Officer

THIS COMMITMENT IS ACCEPTED BY THE FOLLOWING:

Borrower: Summit View Water Works, LLC

Signature: 

DATE: 1-18-2011

Title: Managing Member

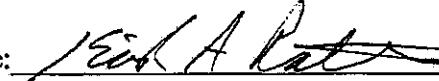
Third Party Collateral Pledge: Candy Mountain, LLC

Signature: _____

DATE: _____

Title: _____

Guarantor: Kirk A. Rathbun

Signature: 
Guarantor

DATE: 1-18-2011

Guarantor: Geoffrey T. Clark

Signature: _____
Guarantor

DATE: _____