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04-15-11

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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

A1104013

Application of James L. and Marianne S. Orvis to sell, and Aspen Forest, LLC, to buy, Five Thousand (5,000) Shares of the Common Stock of the water system known as Lake Alpine Water Company, Inc. (U148WTD) Located in Alpine County, California

A.

APPLICATION TO SELL & BUY COMMON STOCK

TRANSFEROR	TRANSFeree
James L. Orvis Marianne S. Orvis 9006 W. Highway 4 Farmington CA 95230 (209) 899-2461	Aspen Forest, LLC Attn: Charles J. Toeniskoetter 1960 The Alameda San Jose CA 95126 (408) 246-7500

1 BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

2
3 Application No.

4
5 (For Commission use only)

6 Application of James and Marianne
7 Orvis to sell 5000 shares and
8 Aspen Forest, LLC to buy 5000 shares
9 Of the water system, Lake Alpine
10 Water Company, Inc in
11 Alpine County.

12
13 APPLICATION

14 This application of James L. and Marianne S. Orvis
15 whose address and telephone number is 9006 E. Highway 4
16 Farmington, CA 95230, (209)899-2461 owner(s)
17 of 5000 shares of stock in the water system known as Lake Alpine
18 Water Company and Aspen Forest, LLC whose address and telephone
19 number is 1960 The Alameda San Jose, CA 95126, 408-246-7500
20 respectfully shows:

21 I

22 That communications in regard to this application are to be
23 addressed to Charles J. Toeniskoetter whose address is 1960 The
24 Alameda, San Jose, CA 95126 and telephone number 408-246-7500

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26 II

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28 That the application is made pursuant to Sections 851
29 through 854 of the California Public Utilities Code and Rules 1
30 through 7, 15 through 17, 35, 36, 45 through 48 and 88 of the
31 Commission's Rules of Practice and Procedure for authority to
32 transfer shares of the water system operating in the area
33 described as Bear Valley serving 496 customers.

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IV

The water system consists of (brief description):

- Land: 22.13 acres of which 13 acres is reservoir.
- Pumping Equipment: Number: 2 HP: 40 capacity--GPM: 416 Water
- Treatment Equipment: 2 Memcor 48CMF-L microfiltration membrane skids by US Filter with SCADA interface; onsite chlorine generation and limestone contact tanks.
- Reservoirs and Tanks: Number: 3 Capacity: 600,000
- Water Mains: 70600 feet. Metered Service Connections: 329
- Fire hydrants: 49 Buildings: 3
- Office furniture and equipment: computers and files in office at 148 Bear Valley Road.
- Transportation equipment: 1 truck and 2 snowmobiles

V

The original cost of property being transferred is \$1,270,384, and the depreciation reserve as of 12/31/2002 is \$426,454, resulting in a net book cost of \$843,930. The selling price is \$275,000 with these terms for payment: Purchase price paid in cash at the closing for 50% of stock (i.e. 5000 shares) in the Lake Alpine Water Company.

A copy of the transfer agreement is attached hereto as Exhibit A.

VI

Seller(s) disposed of their stock because of a need to pay mortgage on personal property, and buyer(s) desired to acquire a 50% interest in the system because of buyer's interest in the company and its operations, buyer's management and financial expertise, buyer's interest in Bear Valley and the experience of the Managing Member of Aspen Forest, LLC in the water business.

1 Buyer(s) has/have had the following experience which qualifies
2 him/them to operate the system: Management of a number of
3 successful businesses in Bear Valley, over 15 years of experience
4 working within the Bear Valley area, a homeowner and condominium
5 owner since 1985 and 1987 respectively, and buyer's Managing
6 Member of Aspen Forest, LLC being a member of the Board of
7 Directors of SJW Corp and the San Jose Water Company since 1991,
8 in San Jose, California.

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10 VII

11 Seller's(s') most recent annual report, for year ending
12 12/31/2002, is attached hereto as Exhibit C.

13 Buyer's(s') financial net worth statement is attached hereto
14 as Exhibit D.

15 Buyer's(s') occupation is an investor in Bear Valley over
16 many years and Buyer's present employment as an LLC is not
17 applicable. Buyer's(s') business address and telephone number is
18 1960 The Alameda, San Jose, CA 95126, (408)246-7500. Buyer's(s')
19 residential address and telephone number is same as its business
20 address.

21
22 VIII

23 Buyer(s) propose(s) to adopt the presently filed tariffs of
24 the seller(s), a copy of which seller(s) has available to furnish
25 to buyer(s). Buyer(s) agree(s) to be bound by any outstanding
26 Commission decisions and/or directives involving the water system
27 being transferred. Buyer(s) will be furnished the utility's
28 copies of the following or informed of their availability at the
29 Commission's headquarters, 505 Van Ness Avenue, San Francisco,
30 California 94102:

- 31 (a) General Order 96-A, Filing and Posting of
32 Tariff Schedules
33 (b) General Order 103, Rules Governing Water

1 Service, Including Minimum Standards for Design
2 and Construction

- 3 (c) Uniform System of Accounts for Class D Water Utilities
4 (d) Rules of Practice and Procedure
5 (e) Public Utilities Code of the State of California

6 IX

7 Seller(s) and buyer(s) warrant that:

- 8 (a) There are no customer deposits to establish credit.
9 (b) There are no main extension advances
10 (c) On main extension advances which will fall due in the
11 future, buyer(s) agree(s) to pay the refunds when due.
12 (d) The condition of the system is good.

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14 X

15 Seller(s) and buyer(s) accept joint responsibility for
16 informing the community of customers about this application after
17 filing.

18 WHEREFORE, applicants request an ex parte order authorizing
19 seller(s) to transfer and buyer(s) to acquire the water system
20 described and under conditions stated herein and that seller(s),
21 upon compliance with such an order, be relieved of any public
22 utility responsibilities related to the system being transferred.

23 I and each one of us whose names are shown as application
24 seller(s) and buyer(s) in the above-entitled matter hereby
25 declare and say:

26 That I and each one of us have read the foregoing
27 application and know the contents thereof; that the statements
28 are true of my own knowledge, except as to the matters which are
29 stated on information or belief, and as to those matters which I
30 believe them to be true.

31 I and each one of us declare under penalty of perjury that
32 the foregoing is true and correct. This has been executed at the

1 place and on the date shown on the signature line. (Each named
2 applicant must sign.)

	<u>Signatures</u>	<u>City and State</u>	<u>Date</u>
4			
5	Seller: <u>See attached Page 5a</u>	_____	_____
6	Seller: _____	_____	_____
7	Buyer: _____	_____	_____
8	Buyer: _____	_____	_____

9 NOTE:

10 The following exhibits must be attached to all applications
11 for transfer:

12
13 Exhibit A - Copy of the sale agreement. If there is no
14 written agreement, it should be so stated in
15 the application and other documentation of
16 sale attached, such as bill of sale, escrow
17 agreement or note.

18
19 Exhibit B - Copy of the proposed deed to the real property
20 transferred.

21
22 Exhibit C - Copy of the last annual report of seller(s)
23 or a copy of the latest available balance
24 sheet and income statement of seller(s).

25
26 Exhibit D - Copy of buyer's(s') financial net worth
27 statement, or, if operating as a utility,
28 the latest available balance sheet and
29 income statement.

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31 Exhibit E - March 10, 2004 letter from Roma P. Orvis,
32 Treasurer - Lake Alpine Water Company, to
33 Ramon Go, Public Utilities Commission,

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- 1 (b) There are no main extension advances
- 2 (c) On main extension advances which will fall due in the
- 3 future, buyer(s) agree(s) to pay the refunds when due.
- 4 (d) The condition of the system is good.

6 X

7 Seller(s) and buyer(s) accept joint responsibility for
 8 informing the community of customers about this application after
 9 filing.

10 WHEREFORE, applicants request an ex parte order authorizing
 11 seller(s) to transfer and buyer(s) to acquire the water system
 12 described and under conditions stated herein and that seller(s),
 13 upon compliance with such an order, be relieved of any public
 14 utility responsibilities related to the system being transferred.

15 I and each one of us whose names are shown as application
 16 seller(s) and buyer(s) in the above-entitled matter hereby
 17 declare and say:

18 That I and each one of us have read the foregoing
 19 application and know the contents thereof; that the statements
 20 are true of my own knowledge, except as to the matters which are
 21 stated on information or belief, and as to those matters which I
 22 believe them to be true.

23 I and each one of us declare under penalty of perjury that
 24 the foregoing is true and correct. This has been executed at the
 25 place and on the date shown on the signature line. (Each named
 26 applicant must sign.)

	Signatures	City and State	Date
28 Seller:	<u>James L. Qui ^{deceased}</u>	<u>Farmington, CA 95230</u>	<u>1-21-11</u>
29 Seller:	<u>Maryanne P. Qui</u>	<u>" "</u>	<u>" "</u>
30 Buyer:	<u>Cheryl [Signature]</u>	<u>SAN JOSE, CA 95126</u>	<u>2-25-11</u>
31 Buyer:	<u>ASPEN FOREST, LLC</u>	<u>_____</u>	<u>_____</u>

7

1 detailing the sale of corporate stock.

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3 If the purchase price is more than the net book cost, the
4 following statement must be included in the application,
5 preferably as a letter exhibit signed by the purchaser.

6
7 Purchaser is paying \$ NOT APPLICABLE more than the
8 original cost of net depreciation and contributions.
9 He understands that rates will be based upon the
10 depreciated original cost of the plant, excluding
11 contributed plant, and not on the purchase price. __

12
13 A check for \$75 must accompany the applications for transfer
14 of the Certificate of Public Convenience and Necessity, when sold
15 to an individual, as contrasted to a public entity.

16
17 Following review of the application by Commission staff the
18 applicant will be notified regarding the adequacy of the
19 information contained in application. The applicant will be
20 provided the text of a notification to be sent each customer.
21 Customers will be given 30 days to make any objections to the
22 Commission, at 505 Van Ness Avenue, San Francisco, CA 94102.

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Scoping Memo Information for (New) Applications
(Rule 2.1(c) and Article 7)

A. Category ¹ (Check the category that is most appropriate)

Adjudicatory - “Adjudicatory” proceedings are: (1) enforcement investigations into possible violations of any provision of statutory law or order or rule of the Commission; and (2) complaints against regulated entities, including those complaints that challenge the accuracy of a bill, but excluding those complaints that challenge the reasonableness of rates or charges, past, present, or future.

Ratesetting – “Ratesetting” proceedings are proceedings in which the Commission sets or investigates rates for a specifically named utility (or utilities), or establishes a mechanism that in turn sets the rates for a specifically named utility (or utilities). “Ratesetting” proceedings include complaints that challenge the reasonableness of rates or charges, past, present, or future. Other proceedings may also be categorized as ratesetting when they do not clearly fit into one category.

Quasi-Legislative – “Quasi-Legislative” proceedings are proceedings that establish policy or rules (including generic ratemaking policy or rules) affecting a class of regulated entities, including those proceedings in which the Commission investigates rates or practices for an entire regulated industry or class of entities within the industry.

B. Are Hearings Necessary? Yes No

If “yes,” identify the material disputed factual issues on which hearings should be held, and the general nature of the evidence to be introduced.

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¹ See, California Public Utilities Commission Rules of Practice and Procedure, Rule 2.1(c) and Article 7, http://docs.cpuc.ca.gov/published/RULES_PRAC_PROC/105138.htm Doc 344905 Access

Are Public Witness Hearings Necessary? Yes No

Public witness hearings are set up for the purpose of getting input from the general public and any entity that will not be a party to the proceeding. Such input usually involves presenting written or oral statements to the presiding officer, not sworn testimony. Public witness statements are not subject to cross-examination.

C. **Issues**—List here the specific issues that need to be addressed in the proceeding.

D. **Schedule** (Even if you checked “No” in B., above) Should the Commission decide to hold hearings, indicate here the proposed schedule for completing the proceeding within 12 months (if categorized as “Adjudicatory”) or 18 months (if categorized as “Ratesetting” or “Quasi-Legislative”).

The schedule should include proposed dates for the following events as needed:

- _____ Prehearing Conference
- _____ Hearings
- _____ Briefs due
- _____ Submission
- _____ Proposed decision (90 days after submission)
- _____ Final decision (60 days after proposed decision is mailed)

Docket Office Note: *The above information should be set forth either in the text of the application or, if this form is used, it should be inserted into the application packet after the signature(s) of the filer, but immediately prior to the commencement of any exhibits.*

End of Scoping Memo Information for (New) Applications Doc 344905 Access

EXHIBITS

EXHIBITS

EXHIBITS

**AGREEMENT FOR THE SALE AND PURCHASE OF SHARES OF
THE CAPITAL STOCK OF LAKE ALPINE WATER COMPANY, INC.**

This Agreement For The Sale And Purchase Of Shares Of The Capital Stock Of Lake Alpine Water Company, Inc. (this "Agreement") was made and entered into as of the 11th day of February of 2003 (the "Execution Date") and is by and between James Leroy Orvis and Marianne Stadler Orvis (the "Seller") and TBH Partners (a California general partnership) (the "Buyer"). The Seller and the Buyer are collectively but nonspecifically referred to in this Agreement in the singular as a "Party" and in the plural as the "Parties."

RECITALS OF FACTS

The Seller warrants that the Seller has the legal capacity to enter into this Agreement.

The Buyer warrants that the Buyer has the legal capacity to enter into this Agreement and that the Buyer is validly constituted under the laws of the State of California.

The Seller is the record and beneficial owner of Five Thousand (5,000) of the issued and outstanding shares of Ten Dollar (\$10) par value single class voting common stock of Lake Alpine Water Company, Inc. (the "Shares").

Subject to and in accordance with the terms, conditions, covenants, provisions, and restrictions of this Agreement, the Seller desires to forever sell, transfer, and assign the Shares to the Buyer.

Subject to and in accordance with the terms, conditions, covenants, provisions, and restrictions of this Agreement, the Buyer desires to purchase the Shares from the Seller.

The ownership of the Shares by the Seller appears in the Stock Ledger of the Company and is evidenced by two stock certificates issued by Lake Alpine Water Company, Inc. (the "Company") to the Seller (the "Stock Certificates").

The Seller and the Buyer are parties to a separate agreement entitled Real Property Purchase And Sale Agreement dated as of the Execution Date (the "Property Agreement") whereby the Seller has agreed to sell, transfer, and assign to the Buyer and the Buyer has agreed to purchase the interest of the Seller in the real property located in Alpine County, State of California more particularly described in the Property Agreement, which transaction is being effected through that certain escrow with First American Title located at 1737 North First Street in the City of San Jose, State of California, 95112 (Attention, Carol Weir) that bears Escrow Number, NCS 11535 (the "Escrow").

The closing of the sale and the purchase of the Shares is to be simultaneous with and contingent upon the close of the Escrow.

Now, therefore, each of the Parties agrees to each and all of the terms, conditions, covenants, provisions, and restrictions of this Agreement even if in a given instance one of the Parties is not specifically mentioned with respect to a particular term, condition, covenant, provision or restriction of this Agreement.

AGREEMENT FOR THE SALE AND PURCHASE OF THE SHARES

1. Upon the payment to the Seller of the purchase price provided for in Section 3 at the time and in the manner provided for in Section 4 and the delivery to the Seller of such other and further writings as are required by the terms, conditions, covenants, provisions, and restrictions of this

Agreement, the Seller agrees to sell, transfer, and assign to the Buyer the Shares free and clear of any and all liens, encumbrances, security agreements, equities, options, claims, charges, restrictions, and rights of others.

At the "Closing" (as defined in Section 5) on the "Closing Date" (as defined in Section 5) and upon the delivery to the Buyer of the Stock Certificates and such other and further writings as are required by the terms, conditions, covenants, provisions, and restrictions of this Agreement, the Buyer agrees to purchase the Shares from the Seller pursuant to the terms, conditions, covenants, provisions, and restrictions of this Agreement.

PURCHASE PRICE

2. The agreed consideration to be paid by the Buyer and received by the Seller for the Shares is the sum of Two Hundred Seventy-Five Thousand Dollars (\$275,000) (the "Purchase Price").

MANNER OF PAYMENT

3. The Purchase Price is to be paid by the Buyer to the Seller at the Closing in immediately available funds by certified check or in the form of bank wire transfer.

THE CLOSING

4. A. **The Closing And The Closing Date.** The "Closing" means the meeting of the Parties at which the Parties effect such deliveries and take such actions as are necessary under and in accordance with the terms, conditions, covenants, provisions, and restrictions of this Agreement to consummate the sale, transfer, and assignment of the Shares by the Seller to the Buyer and the purchase of the Shares by the Buyer from the Seller. The date of the Closing is referred to in this Agreement as the "Closing Date".

B. **Time And Place.** The Closing shall take place at First American Title located at 1737 North First Street in the City of San Jose, State of California, 95112 simultaneously with the closing of the Escrow or at such other place and / or date and / or time as are mutually agreeable to the Seller and the Buyer, but in no event later than Friday, the 14th day of February of 2003 at 8:00 a.m. P.S.T.

C. **Documents To Be Delivered And Actions To Be Taken At Closing.** At the Closing, each of the Parties agrees that the following documents will be delivered and the following actions will be taken (such deliveries and actions shall be deemed to have occurred simultaneously).

- (a) The Seller shall deliver to the Buyer the Stock Certificates (i) duly endorsed for transfer in the Stock Ledger and on the books of the Company and (ii) a duly executed "Assignment Of Shares Of The Capital Stock Of A Corporation Separate From Certificate" in the form attached to this Agreement as Exhibit A.
- (b) The Seller and the Buyer shall deliver to each other fully executed the "Shareholder Voting Agreement" that is in the form attached to this Agreement as Exhibit B.
- (c) The Buyer shall deliver to the Seller the Purchase Price.
- (d) Each of the Parties agrees that such Party shall execute certificates, opinions of counsel, written assurances, and other writings and effect delivery thereof to the other Party and take such actions as may be required to effect the transaction contemplated by this Agreement and evidence the meeting of each of the conditions precedent to the Closing appearing in Section 7.

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REPRESENTATIONS AND WARRANTIES AND COVENANT OF THE SELLER

5. A. **Representations And Warranties Of The Seller.** As of the Execution Date and on the Closing Date, the Seller makes to the Buyer the representations and warranties appearing in this Subsection.

- (a) **Authority For This Agreement.** The execution, delivery, and performance of this Agreement by the Seller have been duly authorized by all necessary action and this Agreement has been duly executed by the Seller and delivered to the Buyer. Upon execution of this Agreement by the Seller and the delivery thereof to the Buyer, this Agreement will constitute the legal, valid, and binding obligation of the Seller enforceable against the Seller in accordance with its terms, conditions, covenants, provisions, and restrictions *save and except* as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the rights of creditors generally. The execution, delivery, and performance of this Agreement by the Seller and the offer, sale, and delivery by the Seller of the Shares will not to the best knowledge of the Seller violate any of the material terms, conditions, covenants, provisions, and restrictions of, or constitute a default under, any indenture, lease, contract, agreement or other instrument to which the Seller is a party or by which the Seller or any of the properties of the Seller is bound, or any statute, law, ordinance, rule or regulation or decree, injunction, judgment, order or writ applicable to the Seller or the properties of the Seller.
- (b) **Governmental Consent.** No consent, approval, order or authorization of any governmental authority or registration, qualification, designation, declaration or filing by the Seller with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the sale by the Seller and the purchase by the Buyer of the Shares as contemplated by and provided for in this Agreement, except such filing as may be required under the Corporate Securities Law of 1968 (as amended) of the State of California.
- (c) **Title To The Shares.** The Seller represents, covenants, and warrants that the Seller is the owner, beneficially and of record, of the Shares free and clear of all liens, encumbrances, security agreements, equities, options, claims, charges, restrictions, and rights of others. The Seller represents, covenants, and warrants that the Seller will defend the title of the Seller to the Shares against any and all claims and demands of all persons and protect, indemnify, and defend and hold the Buyer and the personal representatives, successors, and assigns of the Buyer harmless from and against any and all claims, demands, proceedings, actions, causes of action, damages, liabilities, losses, costs, and expenses, including, without limitation, reasonable attorneys' and consultants' costs, expenses, and fees incurred in defending the title claimed by the Seller or fending off any claim of a third party to the Shares, whether such claim is warranted, unwarranted or baseless.
- (d) **Number of Outstanding Shares.** The Seller represents that its five thousand (5,000) Shares are one-half of the issued and outstanding stock in the Company.

REPRESENTATIONS, COVENANTS, AND WARRANTIES OF THE BUYER

6. The Buyer makes to the Seller as of the Execution Date and on the Closing Date the representations, covenants, and warranties appearing in this Section.

- (a) **Authority For This Agreement.** The execution, delivery, and performance of this Agreement by the Buyer have been duly authorized by all necessary action and this

Agreement has been duly executed by the Buyer and delivered to the Seller. Upon execution of this Agreement by the Buyer and the delivery thereof to the Seller, this Agreement shall constitute the legal, valid, and binding obligation of the Buyer enforceable against the Buyer in accordance with its terms, conditions, covenants, provisions, and restrictions *save and except* as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws now or hereafter in effect relating to or affecting the rights of creditors generally. The execution, delivery, and performance of this Agreement by the Buyer and the purchase of the Shares by the Buyer will not to the best knowledge of the Buyer violate any of the material terms, conditions, covenants, provisions, and restrictions of, or constitute a default under, any indenture, lease, contract, agreement or other instrument to which the Buyer is a party or by which the Buyer or any of the properties of the Buyer is bound, or any statute, law, ordinance, rule or regulation or decree, injunction, judgment, order or writ applicable to the Buyer or the properties of the Buyer.

- (b) **Consents And Approvals.** No consent, approval, order or authorization of any governmental authority, or registration, qualification, designation, declaration or filing by the Buyer with any governmental authority is required in connection with the execution and delivery of this Agreement or the consummation of the transaction contemplated by and provided for in this Agreement.
- (c) **No Violation.** Neither the execution, delivery or performance of this Agreement by the Buyer in purchasing the Shares or compliance by the Buyer with the terms, conditions, covenants, provisions, and restrictions of this Agreement will (I) result in a violation or breach of or constitute (with or without due notice or lapse of time or both) a default (or give rise to any right of termination, cancellation or acceleration) under any of the material terms, conditions or provisions of any bond, indenture, mortgage, note, lease, license, contract, agreement or other instrument to which the Buyer is a party or by which the Buyer or any of the properties of the Buyer may be bound or (ii) any statute, law, ordinance, rule or regulation or decree, injunction, judgment, order or writ applicable to the Buyer or any of the properties of the Buyer.
- (d) **Bases Of The Decision Made By The Buyer To Purchase The Shares.** The Buyer represents and warrants that the Buyer has made the decision to enter into this Agreement and to purchase the Shares from the Seller based upon (a) (I) the personal knowledge of the Buyer of the Company and its prospects and an evaluation of the Company by the Buyer and / or the personal advisors of the Buyer and (ii) an examination of the books and records of the Company by the Buyer and / or the personal advisors of the Buyer and (b) *NOT* as a result of any representation, statement or assertion made by or on behalf of the Seller by any agent of the Seller.

CONDITIONS PRECEDENT TO THE CLOSING

7. A. **Conditions Precedent To The Obligation Of The Seller.** The obligation of the Seller at the Closing to sell, transfer, and assign the Shares to the Buyer is subject to the fulfillment to the satisfaction of the Seller, except to the extent waived or modified under Subsection (j) of this Section, at or before the Closing, of each of the conditions precedent appearing in this Section.

- (a) **Payment Of The Purchase Price.** On the Closing Date, the Buyer paying to the Seller the Purchase Price.
- (b) **Accuracy Of Representations And Warranties.** The representations and warranties made by the Buyer in this Agreement shall be true and correct when

made on the Execution Date and on the Closing Date.

- (c) **Performance.** The Buyer having performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Buyer prior to or at the Closing.
- (d) **Consents And Waivers.** The Buyer having obtained all approvals, consents, and waivers necessary or appropriate for the purchase of the Shares, the consummation of the transaction contemplated by this Agreement, and the performance by the Buyer of the obligations of the Buyer under this Agreement and, if requested by the Seller, provided proof thereof to the Seller.
- (e) **Compliance With Covenants.** On the Closing Date, the Buyer being in material compliance with each of the material covenants of the Buyer set forth in this Agreement.
- (f) **Litigation.** No litigation or claim shall be pending or threatened against the Seller with respect to any material element of the transaction contemplated by this Agreement.
- (g) **Closing Of The Property Agreement Transaction.** The closing of the Escrow on the Closing Date of the Property Agreement transaction.
- (h) **Other Matters.** All proceedings in connection with the transaction contemplated by this Agreement and all documents and instruments incident to such transaction shall be reasonably satisfactory in substance and form to the Seller, and the Seller has received all such counterpart originals or certified or other copies of such documents as the Seller may reasonably request.
- (i) **Waiver By The Seller Of Conditions Precedent To The Obligations Of The Seller.** The Seller, without prior notice, may waive or modify in whole or in part any or all of the foregoing conditions precedent to the obligation of the Seller to sell, transfer, and assign the Shares to the Buyer; *provided*, however, that if the Buyer is in default of any of the material representations, warranties or covenants of the Buyer under this Agreement, then no such waiver of a condition precedent shall constitute a waiver by the Seller of any of the other rights or remedies of the Seller under this Agreement, at law or in equity.
- (j) **Delivery of Shareholder Voting Agreement.** The delivery by the Buyer of the fully executed Shareholder Voting Agreement.

B. Conditions Precedent To The Obligation Of The Buyer. The obligation of the Buyer at the Closing to purchase the Shares from the Seller is subject to the fulfillment to the satisfaction of the Buyer, except to the extent waived or modified under Subsection (j) of this Section, at or before the Closing, of each of the conditions precedent appearing in this Section.

- (a) **Delivery Of The Stock Certificates.** On the Closing Date, the Seller delivering to the Buyer (i) the Stock Certificates duly endorsed for transfer in the Stock Ledger and on the records of the Company and (ii) the Assignment Of Shares Of The Capital Stock Of A Corporation Separate From Certificate duly executed by the Seller.
- (b) **Blue Sky Approvals.** In connection with the offer, sale, and delivery to the Buyer of the Shares any filing required to be made by the Seller under the Corporate Securities Law of 1968 (as amended) of the State of California and the rules and regulations adopted by the Commissioner of Corporations of the State of California

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thereunder having been made in accordance with law and being in full force and effect on the Closing Date.

- (c) **Accuracy Of Representations And Warranties.** The representations and warranties made by the Seller in this Agreement shall be true and correct when made on the Execution Date and on the Closing Date.
- (d) **Performance.** The Seller having performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by the Seller prior to or at the Closing.
- (e) **Consents And Waivers.** The Buyer having obtained all approvals, consents, and waivers necessary or appropriate for the purchase of the Shares, the consummation of the transaction contemplated by this Agreement, and the performance by the Buyer of the obligations of the Buyer under this Agreement.
- (f) **Compliance With Covenants.** On the Closing Date, the Seller being in material compliance with each of the material covenants of the Seller set forth in this Agreement.
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- (h) **Closing Of The Property Agreement Transaction.** The closing of the Escrow on the Closing Date of the Property Agreement transaction.
- (i) **Other Matters.** All proceedings in connection with the transaction contemplated by this Agreement and all documents and instruments incident to such transaction shall be reasonably satisfactory in substance and form to the Buyer, and the Buyer has received all such counterpart originals or certified or other copies of such documents as the Buyer may reasonably request.
- (j) **Waiver By The Buyer Of Conditions Precedent To The Obligations Of The Buyer.** The Buyer, without prior notice, may waive or modify in whole or in part any or all of the foregoing conditions precedent to the obligation of the Buyer to purchase the Shares; *provided*, however, that if the Seller is in default of any of the representations, warranties or covenants of the Seller under this Agreement, then no such waiver of a condition precedent shall constitute a waiver by the Buyer of any of the other rights or remedies of the Buyer under this Agreement, at law or in equity.
- (k) **Delivery of Shareholder Voting Agreement.** The delivery by the Seller of the fully executed Shareholder Voting Agreement.

SUCCESSORS AND ASSIGNS

8. The terms, conditions, covenants, provisions, and restrictions of this Agreement shall inure to the benefit of, and be binding upon, the successors and assigns of the Parties.

Except as otherwise expressly provided in this Agreement, each of the Parties agrees that nothing in, under or by reason of this Agreement, express or implied, is intended (a) to confer upon any person or entity, other than the entity and the person that are the Parties any right, remedy, obligation or liability under or by reason of this Agreement, (b) to relieve or discharge the obligation or liability of any third person or entity to either of the Parties, or (c) to give any third person or entity any right of subrogation or action over or against either of the Parties.

SURVIVAL OF AGREEMENTS, REPRESENTATIONS, AND WARRANTIES

9. The agreements, representations, indemnities, covenants, and warranties of each of the Parties set forth in or made pursuant to this Agreement shall remain in full force and effect and survive the Closing.

COVENANT TO SIGN DOCUMENTS AND DO FURTHER ACTS

10. From time to time prior to and after the Closing, each of the Parties agrees that upon the reasonable request of the other Party or legal counsel to the other Party such Party shall (i) execute with acknowledgment or affidavit and deliver to the requesting Party or requesting legal counsel to a Party or a third party any and all documents and writings that in each instance is necessary, expedient or appropriate to effectuate and carry out the spirit, letter, and intent of this Agreement and (ii) perform any and all acts that in each instance is necessary, expedient or appropriate to effectuate and carry out the spirit, letter, and intent of this Agreement.

NO WAIVER AND REMEDIES CUMULATIVE

11. No delay or omission to exercise any right, power or remedy accruing to a Party upon a breach by the other Party of any term, condition, covenant, provision or restriction of this Agreement or a default by the other Party under this Agreement shall impair any such right, power or remedy of the non-breaching or non-defaulting Party nor shall such be construed as a waiver of or acquiescence to (a) such breach or default or (b) any similar breach or default occurring later. The waiver by either of the Parties of (a) the breach by the other Party of any term, condition, covenant, provision or restriction contained in this Agreement or (b) default by the other Party under this Agreement shall not be deemed to be a waiver of or acquiescence to any preceding or subsequent breach of the same or any other term, condition, covenant, provision or restriction contained in this Agreement or default under this Agreement.

Each of the Parties acknowledges, understands, and agrees that the exercise by the non-breaching or non-defaulting Party of any one remedy of the non-breaching or non-defaulting Party under this Agreement, at law or in equity shall not be to the exclusion of any other remedy available to the non-breaching or non-defaulting Party, each and all of which shall be cumulative and shall continue unabated and available to the non-breaching or non-defaulting Party.

NOTICES

12. A. **Manner Of Notice.** Each notice or other communication permitted or required to be given under this Agreement (a "Notice") shall be in writing and executed by the Party giving such Notice. Every Notice shall be: Served personally; *or*, Delivered by postage prepaid first class, certified United States of America Mail that provides a receipt; *or*, Delivered by charges prepaid reputable overnight carrier that provides a receipt (such as FedEx® or UPS® or Express Mail® or DHL®); *or*, Sent by telefax with a copy by first class United States of America Mail.

B. **Delivery Of Notices; Addresses.** Any Notice shall be deemed received: In the case of personal delivery, the date of actual receipt or rejection as noted on the delivery ticket; *or*, In the case of mailing, the date of receipt or rejection as noted on the official receipt provided by the United States Postal Service; *or*, In the case of overnight delivery, two (2) business days if timely deposited with the overnight carrier; *or*, In the case of telefax, with telefax receipt of completed transmission six (6) hours after dispatch if sent during business hours, otherwise commencement of the next business day.

Any Notice that a Party desires or is required to give to the other Party shall, until further Notice, be addressed to the other Party and persons at the address / telefax number for such Party and persons appearing *infra*.

The Seller: James Leroy Orvis and Marianne Stadler Orvis
 9006 East State Highway 4
 Farmington, California 95230-9606
 Telefax 209- 899- 24 50

With A Copy To James F. Lewis
 Attorney-at-Law
 Damrell Nelson Schrimp Pallios Pacher & Silva, PLC
 1601 "I" Street, Fifth Floor
 Modesto, California 95354-1135
 Telefax 209 - 526 - 3534

The Buyer: TBH Partners
 Attention: Charles J. Toeniskoetter
 1960 The Alameda, Suite 20
 San Jose, California 95126
 Telefax 408 - 241 - 9983

With A Copy To Steven L. Hallgrimson
 Attorney-at-Law
 Berliner Cohen
 Ten Almaden Boulevard, Suite 1100
 San Jose, California 95113
 Telefax 408 - 998 - 5388

Each of the Parties and the persons may change any of the particulars of such Party or person for purpose of receipt of Notice at any time and from time to time by the sending of a Notice to the other Party(ies) and person(s) in conformance with this Section.

CROSS-REFERENCES

13. All cross-references in this Agreement, unless specifically directed to another agreement or document, refer to the terms, conditions, covenants, provisions, and restrictions in this Agreement and shall not be deemed to be references to the overall transaction or to any other agreement or document.

INTERPRETATION

14. In the event of a dispute under this Agreement, this Agreement shall be interpreted in accordance with its fair meaning and shall not be interpreted for or against either of the Parties on the ground that such Party drafted or caused to be drafted this Agreement or any part of this Agreement.

ENTIRE AGREEMENT

15. This Agreement (to include the other documents expressly referred to in this Agreement) constitutes the full and entire understanding and agreement between the Parties with regard to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements and understandings of the Parties whether written or oral that conflict with any of the terms, conditions, covenants, provisions, and restrictions contained in this Agreement and the other documents expressly referred to in this Agreement. Neither of the Parties shall be liable for or bound to the other Party in any manner by any representation, warranty, covenant or agreement respecting the matters set forth in this Agreement that is not expressly set forth in this Agreement and the other documents expressly referred to in this Agreement. Each of the Parties agrees that all earlier representations, warranties, covenants, and agreements respecting the matters set forth in this Agreement are null and void. Each of the Parties acknowledges and agrees that neither the other Party nor any one acting on behalf of the other Party has induced such Party to enter into this Agreement and / or any of the other documents expressly referred to in this Agreement based upon any fact, statement or assertion that is not contained within the terms,

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conditions, covenants, provisions, and restrictions of this Agreement and whether related to the subject of this Agreement or a related transaction or a wholly unrelated transaction.

EXHIBITS

16. All Exhibits referred to in this Agreement as being attached to this Agreement are a part of this Agreement and by this reference are incorporated into this Agreement in their entirety as if set forth in full in this Agreement.

AMENDMENTS AND WAIVERS

17. No term, condition, covenant, provision or restriction of this Agreement may be amended, altered, modified or waived orally or by a course of conduct. The terms, conditions, covenants, provisions, and restrictions of this Agreement may only be amended, altered, modified or waived by an instrument in writing signed by a duly authorized officer or representative of the Party against whom / which enforcement of such amendment, alteration, modification or waiver is sought. Any amendment, alteration, modification or waiver shall be for such period and subject to such conditions as shall be specified in the written instrument effecting the same. Any waiver shall be effective only in the specific instance and for the purpose for which given.

SEVERABILITY OF PROVISIONS

18. If any section, subsection, term, condition, covenant, provision or restriction of this Agreement is determined by a court or other judicial or administrative tribunal to be invalid, illegal or unenforceable or otherwise ineffective or against public policy either in whole or in part, then this Agreement shall be deemed amended to delete or modify, as necessary, the invalid, illegal or unenforceable section, subsection, term, condition, covenant, provision or restriction or portion thereof only to the extent necessary to make such section, subsection, term, condition, covenant, provision or restriction or the portion thereof valid, legal or enforceable, and shall not affect the validity, legality or enforceability of the remainder of this Agreement and so far as is reasonable and possible and allowable at law (i) the remainder of this Agreement shall be considered valid, legal, and enforceable in accordance with its terms, conditions, covenants, provisions, and restrictions and (ii) effect shall be given to the intent manifested by the section, subsection, term, condition, covenant, provision or restriction or portion thereof determined to be invalid, illegal or unenforceable.

COSTS, EXPENSES, AND FEES - DISPUTES AND LITIGATION AND ENFORCEMENT

19. A. **Costs, Expenses, And Fees - Disputes And Litigation.** If any dispute arises between the Parties concerning the enforcement of or declaration of any right or obligation under this Agreement or if any litigation is commenced between the Parties for the enforcement of or declaration of any right or obligation under this Agreement, then the prevailing Party shall be entitled to receive from the non-prevailing Party any and all of the costs, expenses, and fees incurred by the prevailing Party in connection with such dispute or litigation between the Parties, including, without limitation, attorneys' and consultants' costs, expenses, and fees.

This provision for costs, expenses, and fees incurred in any litigation between the Parties (including, without limitation, attorneys' and consultants' costs, expenses, and fees) shall be read and understood to mean that the prevailing Party on any appeal is to receive from the non-prevailing Party any and all of the costs, expenses, and fees incurred by the prevailing Party in connection with such appeal, including, without limitation, attorneys' and consultants' costs, expenses, and fees.

Absent litigation, the prevailing Party shall be deemed to be the Party whose position was most nearly adopted in the settlement of the dispute. In the event of litigation, the court hearing the trial or appeal of the matter (or any court of competent jurisdiction in a separate action brought for the purpose of recovery of costs, expenses, and fees under this Section) shall order the non-prevailing Party to pay to the prevailing Party the costs, expenses, and fees of the prevailing Party incurred in relation to the

litigation or appeal, including, without limitation, attorneys' and consultants' costs, expenses, and fees.

B. Costs, Expenses, And Fees - Enforcement. In addition to any right afforded by Sections 685.040 and 685.070 of the Code of Civil Procedure of the State of California, costs, expenses, and fees incurred in enforcing any judgment, to include, without limitation, attorneys' and consultants' costs, expenses, and fees, are recoverable as a separate item. In no case shall the right under this Section to post-judgment costs, expenses, and fees incurred to enforce a judgment be merged into any judgment obtained.

C. Survival. This Section and the rights conferred by this Section shall be deemed severable from the other terms, conditions, covenants, provisions, and restrictions of this Agreement and survive the Closing.

GOVERNING LAW AND FORUM

20. Each of the Parties agrees that the laws of the State of California applicable to contracts, transactions, and obligations entered into and to be performed in the State of California are chosen (choice of law) to govern, enforce, determine, and construe this Agreement and the legality, validity, and performance of the terms, conditions, covenants, provisions, and restrictions of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of California as if both of the Parties to this Agreement were resident in California and this Agreement was made and performed in California.

Each of the Parties agrees that the jurisdiction over any action, claim, suit or proceeding brought to enforce or interpret this Agreement or any action, claim, suit or proceeding brought by one of the Parties against the other Party shall be brought either in the Courts of the State of California or the Federal District Court for the State of California. Each of the Parties agrees that the jurisdiction of the aforementioned courts is proper in the premises. Each of the Parties consents to the personal jurisdiction of the aforementioned courts.

DUE CONSIDERATION AND INDEPENDENT COUNSEL

21. **A. Due Consideration.** Each of the Parties represents, acknowledges, and agrees that such Party (i) has carefully read this Agreement, understands the terms, conditions, covenants, provisions, and restrictions of this Agreement and (ii) enters into this Agreement on a voluntary basis after due consideration.

B. Independent Counsel. The Buyer acknowledges, understands, and agrees that the Buyer (i) has been advised to seek and (ii) has had an adequate opportunity to obtain independent legal, tax, and / or other counsel regarding the meaning and effect of this Agreement. The Buyer acknowledges, understands, and agrees that there are inherent conflicts of interest as between parties to any agreement and that it is in the best interests of the Buyer to seek professional legal, tax, and / or other counsel to aid the Buyer in the preparation and negotiation of this Agreement. The Buyer warrants and represents that the Buyer has been represented by independent counsel solely chosen by the Buyer or has had an adequate opportunity to obtain and utilize the services of independent counsel solely chosen by the Buyer and freely chosen not to do so.

The Buyer acknowledges, understands, and agrees that Damrell Nelson Schrimp Pallios Pacher & Silva, a Professional Law Corporation has solely represented the Seller in the preparation and negotiation of this Agreement.

COUNTERPARTS

22. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which when taken together shall constitute collectively a single document. In making proof of this Agreement, it shall not be necessary to produce or account for more

than one such counterpart.

EXECUTION

Each of the Parties executed this Agreement on the Execution Date in the City of Modesto, County of Stanislaus, State of California.

The Seller: **James Leroy Orvis and Marianne Stadler Orvis**

James Leroy Orvis
James Leroy Orvis

Marianne Stadler Orvis
Marianne Stadler Orvis

The Buyer: **TBH Partners**

By: _____, General Partner
[Printed Name]

The Buyer: **TBH Partners**

By:



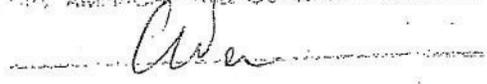
General Partner

[Printed Name]

Charles J. Toeniskoeffer

G:\J-Lewis\Orvis\Orvis, Jim- 14448\StockAgr\Final01.frm

I hereby certify that this is a true and correct copy of the original document.
THE AMERICAN TITLE GUARANTEE COMPANY



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BERLINER COHEN

ATTORNEYS AT LAW

SANFORD A. BERLINER*
ANDREW L. FABER
RALPH J. SWANSON
PEGGY L. SPRINGGAY
JOSEPH E. DWORAK
SAMUEL L. FARB
ALAN J. PINNER
FRANK R. UBHAUS
LINDA A. CALLON
JAMES P. CASHMAN
STEVEN J. CASAD
NANCY J. JOHNSON
JEROLD A. REITON

ROBERT L. CHORTEK
JONATHAN D. WOLF
KATHLEEN K. SIPLE
KEVIN F. KELLEY
MARK MAKIEWICZ
ROBERTA S. HAYASHI
JEFFREY S. KAUFMAN
JOLIE HOUSTON
BRIAN L. SHETLER
JOHN F. DOMINGUE
HARRY A. LOPEZ
CHARLES W. VOLPE
MICHAEL VIOLANTI

A PARTNERSHIP INCLUDING
PROFESSIONAL CORPORATIONS

TEN ALMADEN BOULEVARD
ELEVENTH FLOOR
SAN JOSE, CALIFORNIA 95113-2233

TELEPHONE: (408) 286-5800
FACSIMILE: (408) 998-5388

www.berliner.com

THOMAS P. MURPHY
H. ANN LIROFF
VICTOR A. PAPPALARDO
MILES J. DOLINGER
CHRISTIAN E. PICONE
THOMAS D. MORELL
BRADLEY G. HEBERT
SETH J. COHEN
CHRISTINE H. LONG
THOMAS E. EBERSOLE
LAURA PALAZZOLO
SHANNON N. COGAN
AARON M. VALENTI

KARA L. ERDODI
ANDREW J. GIORGIANNI
MATTHEW A. TAYLOR
HEATHER H. MUNOZ
FORREST W. HANSEN
MELINDA B. BARKER
SANDRA G. SEPULVEDA
MARCO M. CAMPAGNA
ERIC J. BERQUIST
DEBBIE Y. BAE
MARY KATHARINE WILSON
NICHOLAS RABY
STEPHANIE B. WERSEL

*A Professional Corporation

RETIRED
SAMUEL J. COHEN
ROBERT W. HUMPHREYS

Branch Office - Merced, CA

IN ASSOCIATION WITH
MCGRANE GREENFIELD LLP
SAN JOSE • SAN FRANCISCO

OF COUNSEL
HUGH L. ISOLA
STEVEN L. HALLGRIMSON
ERIC WONG
LINDA J. LEZOTTE
PHILIP GOLDEN
NANCY L. BRANDT

June 9, 2008

Mr. Charles J. Toeniskoetter
Toeniskoetter & Breeding, Inc.
1960 The Alameda, Suite 20
San Jose, CA 95126

Re: Lake Alpine Water Company, Inc./Transfer of 5,000 Shares of Stock from TBH
Partners, LLC to Aspen Forest Investment Co., LLC
Our File No.: 10225-248

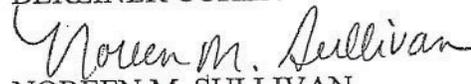
Dear Chuck:

You will find enclosed the original Lake Alpine Water Company, Inc. Stock Certificate #32 for 5,000 shares issued in the name of TBH Partners, LLC. These shares will be transferred to Aspen Forest Investment Co., LLC. Please date and sign the transfer information on the back of the certificate, have someone in your office witness your signature, and return the signed certificate to me in the envelope provided. When we receive the signed certificate, we will proceed with the transfer.

If you have any questions, please give me a call at (408) 938-2473.

Very truly yours,

BERLINER COHEN



NOREEN M. SULLIVAN

Paralegal

E-Mail: noreen.sullivan@berliner.com

NMS:ns

Enclosures

cc: Charles W. Volpe, Esq.



SHARES
5000

NUMBER
32

INCORPORATED UNDER THE LAWS OF THE STATE OF CALIFORNIA

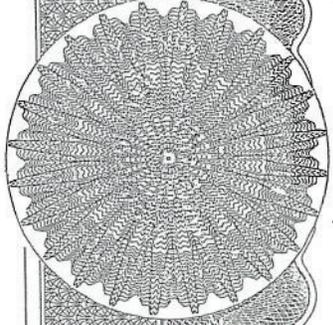
LAKE APLINE WATER COMPANY, INC.

The Corporation is authorized to issue 10,000 Common Shares Par Value \$10.00 each

This Certificate shall _____ is the owner of
FIVE THOUSAND _____ fully paid and
non-assessable Shares of the above Corporation transferable only on the
books of the Corporation by the holder hereof in person or by duly authorized
Attorney upon surrender of this Certificate properly endorsed.

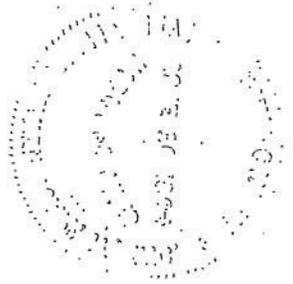
In Witness Whereof, the said Corporation has caused this Certificate to be signed
by its duly authorized officers and to be sealed with the Seal of the Corporation.

Dated APRIL 06, 2004



SECRETARY/TREASURER

PRESIDENT



The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations. Additional abbreviations may also be used though not in the list.

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____ (Minor) under Uniform Gifts to Minors Act _____ (State)
UNIF TRF MIN ACT - _____ Custodian _____ (Minor) under _____ (State) Uniform Transfer to Minors Act

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

For value received, the undersigned hereby sells, assigns and transfers unto Aspen Forest Investment Co., LLC, a California limited

[Redacted box for Social Security or other identifying number of assignee]

PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS OF ASSIGNEE

liability company

Five Thousand (5,000)

Shares

represented by the within Certificate, and hereby irrevocably constitutes and appoints

Roma Orvis

Attorney to transfer the said

shares on the books of the within-named Corporation with full power of substitution in the premises.

Dated, 6-11-08

In presence of

[Signature of Lisa Jensen]

[Signature of Charles J. Toeniskoetter]

Charles J. Toeniskoetter, Manager of TBH Partners, LLC

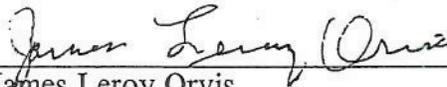
NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular without alteration or enlargement, or any change whatever.

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**ASSIGNMENT OF SHARES OF THE CAPITAL STOCK
OF A CORPORATION SEPARATE FROM CERTIFICATE**

Subject to the express terms, conditions, covenants, provisions, and restrictions of that certain agreement in writing entitled "Agreement For The Sale And Purchase Of Shares Of The Capital Stock Of Lake Alpine Water Company, Inc." that is dated the 11th day of February of 2003, by this Assignment Of Shares Of The Capital Stock Of A Corporation Separate From Certificate (this "Assignment"), for value received, **James Leroy Orvis** and **Marianne Stadler Orvis** (the "Seller") sells, assigns, and transfers to **TBH Partners** (the "Buyer") Five Thousand (5,000) shares of the Ten Dollar (\$10) par value single class voting common stock of Lake Alpine Water Company, Inc. (the "Company") standing in the name of the Seller in the Stock Ledger and on the books of the Company, represented by one or more stock certificates issued to the Seller (which certificate(s) is(are) delivered with this Assignment) (the "Shares"), and by this Assignment the Seller irrevocably constitutes and appoints the Secretary of the Company as the attorney-in-fact of the Seller with full power of substitution to transfer or cause to be transferred the Shares to the Buyer in the Stock Ledger and on the books of the Company.

DATED: February 11, 2003


James Leroy Orvis


Marianne Stadler Orvis

CLASS D WATER UTILITIES
(HAVING LESS THAN 500 SERVICE CONNECTIONS)

LAKE ALPINE WATER COMPANY

(Name under which corporation, partnership or individual is doing business)

9601 State Route #4, Farmington, CA 95230

(Official mailing address)

Bear Valley - Alpine County

(Service area-town and county)

GENERAL INFORMATION

RETURN ORIGINAL
TO COMMISSION
NO PHOTOCOPIES

- 1 If a corporation show:
 - (A) Date of organization 06-30-64 incorporated in the State of California
 - (B) Names, titles and addresses of principal officers: C. Bruce Orvis, President
Roma P. Orvis, Secretary-Treasurer -9601 State Route 4, Farmington, CA 95230
- 2 If unincorporated give the name and address of owner or of each partner:
- 3 Name and telephone number of:
 - (A) One person listed above to receive correspondence: Roma P. Orvis, 209-899-2460
 - (B) Person responsible for operations and services: C. Bruce Orvis, III, 209-795-2580
or 209-753-6241
- 4 Were any contracts or agreements in effect with any organization or person covering service, supervision and/or management of your business affairs during the year? (Yes or No) No
If so, what was the nature and the amount of each payment made under the agreement, to whom were payments made, and to what account was each payment charged?
- 5 State the names of associated companies or persons which, directly or indirectly, or through one or more intermediaries, control, or are controlled by, or are under common control with respondent:

PUBLIC HEALTH STATUS

- 6 Has state or local health department inspection been made during the year?
- 7 Are routine laboratory tests of water being made?
- 8 Has state health department water supply permit been obtained? (Indicate date)
- 9 If no permit has been obtained, state whether application has been made and when.
- 10 Show expiration date if state permit is temporary.

Yes	No	Latest Date
x		08-23-02
x		03-11-03
x		1971

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SPECIAL INSTRUCTIONS (over)

**Summary of Earnings
Test Year 2002**

Account Number	Operating Revenue	
470	Metered	17298
460	Unmetered	259827
462	Private Fire Protection	2006
480	Other Income	2925
	Total Revenue	282056
	Operating Expenses	
610	Purchased Water	0
615	Purchased Power	9512
	Pump Taxes	0
	Purchased Chemicals	10148
618	Other Vol. Related Exp.	0
630	Employee Labor	19753
640	Materials	2660
650	Contract Work	1763
	Water Testing	2389
660	Transportation Expense	4095
664	Other Plant Maintenance	688
670	Office Salaries	16152
671	Management Salaries	48960
674	Employee Pensions & Benefits	9865
676	Uncollectables	0
678	Office Service and Rentals	3600
681	Office Supplies and Expense	7138
682	Professional Services	11157
684	Insurance	15117
688	Regulatory Expense	225
689	General Expense	74
	Subtotal	163296
403	Depreciation Expense	22802
	Ad Valorem Taxes	0
	Payroll Taxes	7160
408	Taxes other than Income	7532
409	State Income Tax	1600
410	Federal Income Tax	190
	Total Deductions	202580
	Net Revenue	79476
	Rate Base	
	Average Plant	1266478
	Average Depreciation Reserve	422453
	Net Plant	844025
	Less: Advances	
	Less: Contributions	-312142
	Plus: Construction Work in Pro	69359
	Plus: Working Cash	1858
	Plus: Material & supplies	3573
	Rate Base	606673
	ROR=Net Rev/Rate Base	13.10%

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SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES
2002

NAME OF UTILITY Lake Alpine Water Company PHONE 209-899-2460

PERSON RESPONSIBLE FOR THIS REPORT Roma P. Orvis
 (Prepared from information in the 2001 Annual Report)

	01/01/02	12/31/02	Average
BALANCE SHEET DATA			
1 Intangible Plant	0	0	0
2 Land and Land rights	28433	28433	28433
3 Depreciation Plant	1234139	1241951	1238045
4 Gross Plant in Service	1262572	1270384	1266478
5 Less: Accumulated Depreciation	418452	426454	422453
6 Net Water Plant in Service	844120	843930	844025
7 Water Plant Held for Future Use	0	0	0
8 Construction Work in Progress	45504	69359	57432
9 Materials & Supplies	3173	3573	3373
10 Less: Advances for Construction	0	0	0
11 Less: Contribution in Aid of Construction	(312142)	(312142)	(312142)
12 Less: Accumulated Deferred Income & Investment Tax Credits	0	0	0
13 Net Plant Investment	580655	604720	592688

CAPITALIZATION			
14 Common Stock	100000	100000	100000
15 Proprietary Cap. (Ind. or Part.)	0	0	0
16 Paid-In Capital	156467	156467	156467
17 Retained Earnings	259787	329153	294470
18 Common Stock and Equity (Lines 14 through 17)	516254	585620	550937
19 Preferred Stock	0	0	0
20 Long-Term Debt	126321	76052	101187
21 Notes Payable	0	36602	18301
22 Total Capitalization (Lines 18 through 21)	642575	698274	670425

(Revised 02/01)

SELECTED FINANCIAL DATA - CLASS A, B, C AND D WATER COMPANIES

2002

NAME OF UTILITY

Lake Alpine Water Company

209-899-2460

INCOME STATEMENT

	Annual Amount
23 Unmetered Water Revenue	259827
24 Fire Protection Revenue	2006
25 Irrigation Revenue	0
26 Metered Water Revenue	17298
27 Total Operating Revenue	279131
28 Operating Expenses	163296
29 Depreciation Expenses (Composite Rate 2.72)	22802
30 Amortization and Property Losses	0
31 Property Taxes	5682
32 Taxes Other Than Income Taxes	9009
33 Total Operating Revenue Deductions Before Taxes	200789
34 California Corp. Franchise Tax	1600
35 Federal Corporate Income Tax	190
36 Total Operating Revenue Deduction After Taxes	202579
37 Net Operating Income (Loss) - California Water Operations	76552
38 Other Operating & Nonoper. Income and Exp. - Net (Exclude Interest Exp.)	-3328
39 Income Available for Fixed Charges	73224
40 Interest Expense	8201
41 Net Income (Loss) Before Dividends	65023
42 Preferred Stock Dividends	-20000
43 Net Income (Loss) Available for Common Stock	45023

OTHER DATA

44 Refunds of Advances for Construction	0
45 Total Payroll Charged to Operating Expenses	84866
46 Purchased Water	0
47 Power	9512

Active Service Connections

(Exc. Fire Protect.) 459

- 48 Metered Service Connections
 49 Flat Rate Service Connections
 50 Total Active Service Connections

	Jan. 1	Dec. 31	Annual Average
	19	19	19
	440	441	441
	459	460	460

31

SCHEDULE A - BALANCE SHEET (DECEMBER 31, 2002)

Line	Acct.	Assets	Balance	Acct.	Equity and Liabilities	Balance
1	101	Water plant in service	1270384	201	Common Stock (Corporations only)	100000
2	103	Water plant held for future use		211	Other paid-in capital (Corporations only)	156467
3	104	Water plant purchased or sold		215	Retained earnings	329153
4	105	Water plant construction work in progress	69359	218	Proprietary Capital	
5	106	Accumulated depreciation of water plant	-426454	224	Long term debt	76052
6	114	Water plant acquisition adjustments			Current liabilities	49848
7	124	Other investments		252	Advances for construction	
8	131	Cash	1858	253	Other deferred credits	
9	141	Accounts receivable - customers	1997	255	Accumulated deferred investment tax credits	
10	142	Receivables from associated companies	0	282	Accumulated deferred income taxes - Acrs	
11	151	Materials and supplies	3573		depreciation	
12	174	Other current assets	21287	283	Accumulated deferred income taxes - other	
13	180	Deferred charges	6562	271	Contributions in aid of construction	312142
14				272	Accumulated amortization of contributions	-75096
15		Total Assets	948566		Total Equity and Liabilities	948566

SCHEDULE B - WATER PLANT IN SERVICE

Line	Acct.	Title of Account	Balance Beg of year	Plt. Additions During year	Plt. Retirements During year	Other Debits or (Credits)	Balance End of year
16	301	Intangible plant					0
17	303	Land	28433				28433
18	304	Structures	120169	0			120169
19	307	Wells					0
20	317	Other water source plant	13850			0	13850
21	311	Pumping equipment	58784	1580	18486		41878
22	320	Water treatment plant	228760	711	33		229438
23	330	Reservoirs, tanks and standpipes	264989	268			265257
24	331	Water mains	253893	0			253893
25	333	Services and meter installations	16182	0	0		16182
26	334	Meters	15916	0			15916
27	335	Hydrants	186910	2074	0		188984
28	339	Other equipment	35205	9101	324		43982
29	340	Office furniture and equipment	4947	0	0		4947
30	341	Transportation equipment	34534	34161	21240		47455
31		Total water plant in service	1262572	47895	40083		1270384

*Debit or credit entries should be explained by footnotes or supplementary schedules

C17 SCHEDULE C - RESERVE FOR DEPRECIATION OF UTILITY PLANT

Line	Item	Acct 108 Water Plant	Acct 108.1 SDWBA Loans	
32	Balances in reserves at beginning of year	418452		A. Method used to compute depreciation expense (Acct. 403) and rate.
33	Add: Credits to reserves during year			2.72 Composite
34	(a) Charged to Account No. 403	22802		
35	(b) Charged to Account No. 272	2388		
36	(c) Charged to clearing accounts	0		B. Amount of depreciation expense claimed or to be claimed on utility property in your federal income tax return for the year covered by this report.
37	(d) Salvage recovered	2595		\$71,247
38	(e) All other credits (1)			F. Y. Ending 06/30/02+130
39	Total Credits	27785		
40	Deduct: Debits to reserve at end of year			C. State method used to compute tax depreciation.
41	(a) Book cost of property retired	19783		5 - 30 Year Life
42	(b) Cost of removal			
43	(c) All other debits (2)			
44	Total Debits	19783		
45	Balance in reserve at end of year	426454		
46	(1) Explanation of all other credits			
47	(2) Explanation of all other debits:			

32

SCHEDULE D - PITAL STOCK OUTSTANDING (DECEMBER 31, 2003)

Line				
1	Common - (Shares	100 \$	100000	List persons owning more than 5% of outstanding stock
2	Preferred - (Shares	\$ par)		and number of shares owned by each: J.L.Orvis 2500/M.S.Orvis
3	Dividends - Common	Rate - \$	2	2500/C.B.Orvis 520/R.P.Orvis 520/C.B.Orvis III 2180
4	- Preferred	Rate - \$		P.D.Orvis 1780

SCHEDULE E - LONG TERM DEBT

	Class	Date of Issue	Date of Maturity	Principal Amount Authorized	Outstanding Per Balance Sheet	Rate of Interest	Interest Accrued During Year	Interest Paid During Year
5		06/23/97	02/01/03	186680	65056	Prm +1%		5592
6		08/25/02	08/25/07	11460	10996	8.19%		231
7								
8	Totals			198140	76052			5823

SCHEDULE F - INCOME STATEMENT

9	Operating revenues		XXXXXXXXXX
10	460 Unmetered water revenue		259827
11	462 Fire protection revenue		2006
12	465 Irrigation revenue		0
13	470 Metered water revenue		17298
14	480 Other water revenue		2925
15	Total Operating Revenue		282056
16	Operating revenue deductions		XXXXXXXXXX
17	Operating expenses		XXXXXXXXXX
18	610 Purchased water		
19	615 Power		9512
20	618 Other volume related expenses		10148
21	630 Employee labor		19754
22	640 Materials		2660
23	650 Contract work		4152
24	660 Transportation expenses		4095
25	664 Other plant maintenance expense		687
26	670 Office salaries		16152
27	671 Management salaries		48960
28	674 Employee pensions and benefits		9864
29	676 Uncollectible accounts expense		
30	678 Office services and rentals		3600
31	681 Office supplies and expense		7138
32	682 Professional services		11157
33	684 Insurance		15117
34	688 Regulatory commission expense		221
35	689 General expenses		79
36	Total Operating Expenses		163296
37	403 Depreciation expense		22802
38	407 SDWBA loan amortization expense		
39	408 Taxes other than income taxes		14691
40	409 State corporate income tax expense		1600
41	410 Federal corporate income tax expense		190
42	Total Operating Revenue Deductions		39283
43	Utility Operating Income		79477
44	421 Non-utility income		16
45	426 Miscellaneous non-utility expense		6269
46	427 Interest expense		8201
47	Net Income		65023

SCHEDULE G - SOURCES OF SUPPLY AND WATER DEVELOPED WELLS

Location	No.	Diam. Inch	Depth to water feet	Pumping capacity (g.p.m.)	Annual quantities pumped
N.A.					

OTHER

Streams or springs location of diversion point	Flow in (Unit)		Annual quantities diverted (Unit)		
	Priority right	Diversions			
	Claim	Capacity	Max	Min	
Bloods Creek Tributary		.075 CFS			6-8 MG
Purchased water (unit)					Annual quantity
Supplier:					

SCHEDULE H - OPTIONAL WATER DELIVERED TO METERED CUSTOMERS (If figures are available) (specify unit)

Classification of service	Max. mo. Mo. of	Min. mo. Mo. of	Total for year
Residential & business			
Industrial			
Public authorities			
Irrigation			
Other (specify)			
Total			

SCHEDULE I - EMPLOYEES AND THEIR COMPENSATION

Line	Acct	Account	Number at end of year	Salaries Charged to Expense	Salaries Charged to Plant Accounts	Total Salaries and Wages Paid
48	630	Employee Labor	3	19754		19754
49	670	Office salaries	1	16152		16152
50	671	Management salaries	1	48960		48960
51		Total	5	84866		84866

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SCHEDULE J - ADVANCES FOR CONSTRUCTION

Balance beginning of year				
Additions during year				
Subtotal - Beginning balance plus additions during year				
Refunds				
Transfers to Acct. 271, Contributions in aid of construction				
Balance end of year				

SCHEDULE K - TOTAL METERS AND SERVICES (Active & inactive)

Size	Meters	Services
3/4 In	8	443
1 In	4	
1 1/2 In	1	
2 In	4	1
3 In		1
4 In	1	3
Hydrants		46
Totals	18	494

SCHEDULE L - METER TESTING DATA

Number of meters tested during year	
1. Used, before repair	0
2. Used, after repair	0
3. Fast, requiring refund	
Number of meters in service requiring test per General Order No. 103	

SCHEDULE M - SERVICE CONNECTIONS AT END OF YEAR

Classification	Active			Inactive			Total Connections	
	Metered	Flat	Total	Metered	Flat	Total	Metered	Flat
Residences		441	441		2	2	0	443
Commercial	14		14	1		1	15	0
County	5		5			0	5	0
Private Firelines		5	5			0	0	5
Subtotal	19	446	465	1	2	3	20	448
Fire Protection (Hydrants)		46	46			0	0	46
Total	19	492	511	1	2	3	20	494

Note: Total connexions(metered plus flat) should agree with total services in Schedule K

SCHEDULE N - STORAGE FACILITIES

SCHEDULE O - FOOTAGES OF PIPE (EXCLUDING SERVICE PIPES)

Description	No.	Combined capacity in gallons	Description	2" & under					Totals	
				2 1/4" to 3 1/4"	4"	6"	8"	12"		
Concrete			Cast Iron							
Earth			Welded Steel							
Wood	4	440,000	Standard							
Steel			Cement-asbestos	10345	2100	22100	14222	280	4105	
Other			Plastic	280	6302	7577	2395		16554	
			Other (specify)							
			More of the above is plastic and some lead-ins are steel. I do not have exact figures.							
Totals	4	440000	Totals	10625	8402	29677	16617	280	4105	69706

DECLARATION

(Before signing please check to see that all schedules have been completed)

I, the undersigned (officer, partner or owner) of LAKE ALPINE WATER COMPANY (Name of utility) under penalty of perjury do declare that this report has been prepared by me, or under my direction, from the books, papers and records of the respondent; that I have carefully examined the same, and declare the same to be a complete and correct statement of the business and affairs of the above-named respondent and the operations of its property for the period.

From and including A28 January 01, 2002 to and including December 31, 2002

Signed Roman P. Davis

Secretary - Treasurer

Title

March 20, 2003

Date

34

Aspen Forest, LLC Financial Net Worth Statement.

The financial net worth of Aspen Forest, LLC is in excess of \$1,000,000. Aspen Forest, LLC has cash and real estate assets with no debt.

NOTE: The ownership by the members of Aspen Forest, LLC and their respective interests are exactly the same as their ownership interests in TBH Partners.

XXXXXXXXXXXX
9601 State Route #4

March 10, 2004

Mr. Ramon Go
Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Sale of Corporate Stock

Dear Mr. Go:

On February 11, 2003, two of our stockholders, James L. Orvis and Marianne S. Orvis, sold their combined 50% interest in Lake Alpine Water Company to TBH Partners. Since none of the shareholders hold a controlling interest in the Company, we felt it prudent to increase our board from three members to five. TBH Partners chose two members to be on the board and the Orvis family chose two. The fifth board member was selected by unanimous agreement of the stockholders.

The attached enclosure shows the list of stockholders, directors, and officers of Lake Alpine Water Company.

Yours truly,

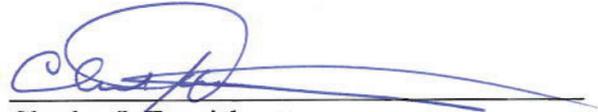
Roma P. Orvis
Treasurer

DECLARATION UNDER PENALTY OF PERJURY

I, CHARLES J. TOENISKOETTER, of legal age, hereby declare, under penalty of perjury, that:

1. I was formerly the managing general partner of TBH Partners, a California general partnership ("TBH Partners").
2. On February 11, 2003, TBH Partners entered into an Agreement for the Sale and Purchase of Shares of The Capital Stock of Lake Alpine Water Company, Inc. with James Leroy Orvis and Marianne Stadler Orvis, wherein TBH Partners purchased Five Thousand (5,000) of the issued and outstanding shares of Ten Dollar (\$10) par value single class voting common stock of Lake Alpine Water Company, Inc. for a purchase price of \$275,000.00 ("Stock Purchase"). The closing took place shortly thereafter, and 5,000 shares of stock were issued in the name of TBH Partners, a California general partnership.
3. I was unaware of a requirement that the California Public Utilities Commission be notified and consent to the Stock Purchase.
4. I am currently the manager of TBH Partners, LLC, a California limited liability company ("TBH Partners, LLC"). The members of TBH Partners, LLC are the partners of TBH Partners in the same percentages. On April 6, 2004, TBH Partners transferred its 5,000 shares of stock in Lake Alpine Water Company, Inc. to TBH Partners, LLC for asset protection purposes.
5. The transfer from TBH Partners, LLC, to Aspen Forest Investment Co., LLC, a California limited liability company ("Aspen Forest, LLC"), occurred on June 11, 2008. The purpose again was asset protection. The transfer segregated ownership in Lake Alpine Water Company, Inc. and the other real estate from TBH Partners, LLC's ownership interest in the ski area and potential development property. The ownership and ownership percentages in TBH Partners, LLC, and Aspen Forest, LLC, are the same; therefore, ownership did not change.

I declare under penalty of perjury under the laws of the State of California that the matters set forth herein are true and correct of my own knowledge and that this Declaration was executed on March 23, 2011, in San Jose, California.


Charles J. Toeniskoetter

DOCKET OFFICE (MAIL)
2011 MAR 25 AM 10:53
STATE OF CALIFORNIA
PUBLIC UTILITIES
DIVISION



Lake Alpine Water Company

9601 E. Hwy 4, Farmington, CA 95230 / (209) 899-2460

March 30, 2011

Mr. Martin M. Nakahara
Senior Legal Analyst
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

HN
~~CORRESPONDENCE~~

Re: Application of Approval of Transfer of Shares

Dear Mr. Nakahara:

In reference to your letter of March 11, 2011, to Mr. Charles J. Toeniskoetter, I declare, under penalty of perjury, that the following transactions are true:

In 2003, James and Marianne Orvis sold their 5000 shares of Lake Alpine Water Company stock to TBH Partners. These shares equaled one-half of the outstanding stock in Lake Alpine Water Company.

At that time neither James and Marianne Orvis, I, nor any other officer of Lake Alpine Water Company, was aware that this sort of transaction must have the approval of the Public Utilities Commission.

In September of 2004 I received a 22 page form from Kenneth Louie to fill out regarding the sale of shares by the Lake Alpine Water Company. Since Lake Alpine Water Company did not sell any of its shares, I contacted Ramon Go, who had been the main person in the PUC who had been working with us, and asked if he could send me a form that was more relevant to what had actually happened...that shareholders had sold their shares, not the Company. I did not receive any other correspondence from the PUC, I, therefore felt that everything was all right, and that I did not have to fill out the form that was sent.

In 2004 TBH Partners changed their partnership to TBH Partners LLC, and then in 2008 they changed their name to Aspen Forest Investment Company, LLC. The members of the partnership did not change.

Regards,

Roma P. Orvis
Secretary-Treasurer

2011 APR -6 11:03
RECEIVED
PUBLIC UTILITIES
STATE OF CALIFORNIA
CHECK OFFICE (MAIL)

30