

MEMORANDUM OF UNDERSTANDING

WHEREAS, Jeremiah Nixon, Kurt Mayer and Norville McClain hereinafter referred to as Grantors have heretofore sold, assigned, and transferred to the Summerset Property Owners Association, Inc., hereinafter described as P.O.A. all of the outstanding stock of South Jefferson County Utility Company, hereinafter sometimes designated "Utility" and transferred certain property belonging to Klondike, Inc., formerly owned by Grantors to said P.O.A., and

WHEREAS, full and complete Releases were executed by the P.O.A. to the above named Grantors, Klondike, Inc. & Essex Contracting as a part of the sale and transaction so that at no time in the future could any claim be made against Klondike, Inc., Grantors individually, or Essex Contracting for any work or facilities or improvements of any type that might have been made at the development known as Summerset including any and all facilities and installations belonging to South Jefferson County Utilities Company and

WHEREAS, parties hereto agree that said releases entered into were intended to be all encompassing and cover all items known or unknown concerning any relationship whatsoever that may have existed between Grantors, Klondike, Inc., the Utility, or the P.O.A. so that from and after the time of the execution of said Releases there could be no claims, demands, or rights of any type asserted against said Grantors and Klondike, Inc., and Essex Contracting and

WHEREAS, the P.O.A., now the owner of all of the outstanding stock of South Jefferson County Utility Company has determined that they desire to put additional and new treatment facilities to handle the sewage from the development known as Summerset, and that they have requested that the Grantors make contribution to said new facilities to be constructed and

WHEREAS, it is understood that Grantors, Klondike, Inc., or Essex Contracting have no liability whatsoever to make any such contribution, however said Grantors hold Promissory Notes of the P.O.A. pledging the assets of the Utility among other items as security for said notes, and the failure to install additional

treatment facility may in some way increase the liability of the Utility or make it subject to governmental action, and

WHEREAS, the parties hereto desire to somehow fund the additional installation sought by South Jefferson County Utility and P.O.A. and have requested Grantors to make a voluntary contribution in aid of said construction, said contribution being in the form of a one-year ~~one~~ one-time payment to the P.O.A. by the individual Grantors of a return of a portion of the interest paid for the year 1981 on the Promissory Notes between the P.O.A. and the individual Grantors.

NOW THEREFORE, in consideration of all of the above it is agreed as follows:

P.O.A., in carrying out the terms of its contract and Promissory Notes with Grantors will on or prior to the 28th of August, 1981 deliver to Grantors each individually a check made out in their individual names in the sum of \$10,000.00 representing the payment on said note called for to be paid by said August 28, 1981. Upon receipt of said \$10,000.00 check each individual Grantor will deliver to the P.O.A. their check in the amount of \$1,000.00 which shall represent a reduction of interest charged and collected on said Note for the year ending August 28, 1981.

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The P.O.A. by executing this agreement acknowledges that they have no legal claim against Grantors, Klondike, Inc., or Essex Contracting and that the amount received is a gift being made by said Grantors to be of assistance to the P.O.A.; and to enhance the security Grantors have to insure payment of the notes and obligation owed to them by the P.O.A. It is further acknowledged that Grantor does not by these presents acknowledge any liability of any type to said P.O.A. It is further understood and agreed as set forth above that the P.O.A. hereby releases again ~~the~~ Jeremiah Nixon, Kurt Mayer, Norville McClain, Klondike, Inc., and Essex Contracting from any claims, demands, liabilities, or rights known or unknown that they may have against the said Grantors, Klondike, Inc., or Essex Contracting for any facilities, structure, item or thing located in the development known as Summerset and that no further additional claims of any type will be made by said P.O.A. against said Grantors, so that upon the

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execution of these presents and the carrying out of the transfer of the funds herein set forth it is agreed that from that date forward and henceforth said P.O.A. acknowledges that they had no rights or claims of any type against the said Grantors, Klondike, Inc., or Essex Contracting.

IN WITNESS WHEREOF, the parties have hereunto set their hands this _____ day of _____, 19_____.

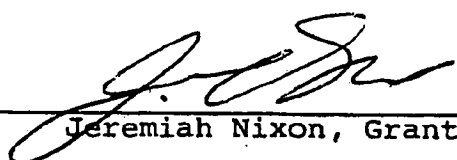
SUMMERSET PROPERTY OWNERS ASSOCIATION

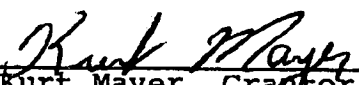
By: _____
President

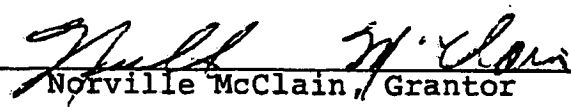
ATTEST:

Secretary

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Jeremiah Nixon, Grantor


Kurt Mayer, Grantor


Norville McClain, Grantor

KLONDIKE, INC., A DISSOLVED CORPORATION


Kurt Mayer


Norville McClain


Jeremiah Nixon

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RESOLUTION

In accordance with the by-laws of the Summerset Property Owners Association, Inc., a meeting of the Board of Directors was held on the _____ day of _____, 1981, and there being a quorum of directors present and voting at said meeting the following action was taken:

RESOLVED, that the officers and directors of Summerset Property Owners Association are hereby authorized and directed to execute certain agreement and release between Summerset Property Owners Association, Inc., and Jeremiah Nixon, Norville McClain, and Kurt Mayer as Grantors, as representatives of Klondike Inc., a corporation that has been dissolved, and Norville McClain as president of Essex Contracting, Inc.

SUMMERSET PROPERTY OWNERS ASSOCIATION

By: _____
President

ATTEST:

Secretary

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**ACKNOWLEDGMENT OF PAYMENT IN FULL
OF PROMISSORY NOTES AND RELEASE OF COLLATERAL
STOCK PLEDGE AND DEED OF TRUST**

WHEREAS, by agreement dated August 28, 1980, the parties hereto, specifically the SUMMER SET PROPERTY OWNERS ASSOCIATION, INC., referred to as "ASSOCIATION", SOUTH JEFFERSON COUNTY UTILITY, INC., referred to as "UTILITY", and KLONDIKE, INC. and Messrs. KURT MAYER, NORVILLE MCCLAIN, and JEREMIAH NIXON, individually and as owners of KLONDIKE, INC., did agree to the transfer by KLONDIKE, INC. of certain real estate and stock in exchange for the execution by ASSOCIATION of certain promissory notes; and,

WHEREAS, contemporaneous with the execution of said agreement, the property transfers called for therein occurred and the execution of the called for promissory notes occurred; and,

WHEREAS, a general pledge of all outstanding stock of SOUTH JEFFERSON COUNTY UTILITY COMPANY, INC. and a second Deed of Trust on certain real estate were delivered by the ASSOCIATION to Messrs. MAYER, MCCLAIN, and NIXON as security for the full and faithful payment of said notes; and,

WHEREAS, contemporaneous with the execution hereof, tender of payment in full of said Notes has occurred,

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NOW, THEREFORE, in consideration of the full and complete performance by the ASSOCIATION of the terms and conditions contained in the agreement of August 28, 1980, the undersigned KURT MAYER, NORVILLE MCCLAIN and JEREMIAH NIXON do hereby acknowledge payment in full of the promissory notes hereinbefore mentioned and by these premises do hereby RELEASE from security the collateral security pledge of all outstanding stock of SOUTH JEFFERSON COUNTY UTILITY COMPANY, INC. and do further remise, release and quit-claim to the ASSOCIATION any and all real estate and any Deed of Trust described in said Agreement, said land to hereafter be free and clear and discharged from encumbrances of any said Deed of Trust.

Each party agrees to perform any further acts and execute any documents which may be reasonably necessary to carry out the provisions of this release.

Each of the parties acknowledges that he has not assigned nor does any other person have any interest in the matters alleged or specifically released and discharged by this release.

The parties acknowledge that an original of this release may be recorded in the land records of Jefferson County, Missouri at the discretion of the ASSOCIATION as may be necessary to fully effectuate the terms hereof.

The undersigned do further warrant that they execute this agreement by and on behalf of KLONDIKE, INC., and that as sole

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shareholders of said corporation, they execute this release on behalf of said corporation and do further acknowledge that there is no residual or outstanding liability or claim which may exist arising out of the original agreement between the parties as hereinbefore mentioned.

IN WITNESS WHEREOF, the undersigned have executed this agreement and release on this 13th day of September, 1996.

KLONDIKE, INC.

By:

Kurt Mayer
Kurt Mayer

Kurt Mayer
Kurt Mayer

Norville McClain
Norville McClain

Jeremiah Nixon
Jeremiah Nixon

STATE OF MISSOURI)
COUNTY OF) SS.

On this _____ day of _____, 1996, before me _____, a Notary Public in and for said State, personally appeared _____, to me personally known, who, being by me duly sworn, did say that he is the _____ President of KLONDIKE, INC., a corporation of the State of Missouri, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation, by authority of its Board of Directors; and said _____, acknowledged said instrument to be the free act and deed of said corporation.

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~~IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.~~

~~Notary Public~~

~~My Commission Expires:~~

STATE OF MISSOURI)
COUNTY OF JEFFERSON) SS.

On this 13th day of September, 1996, before me Linda L. Dennis, a Notary Public in and for said State, personally appeared KURT MAYER, known to me to be the person who executed the foregoing document and acknowledged to me he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Linda L. Dennis
Notary Public

My Commission Expires:

11/22/97

LINDA L. DENNIS
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Nov. 22, 1997

STATE OF MISSOURI)
COUNTY OF JEFFERSON) SS.

On this 13th day of September, 1996, before me Linda L. Dennis, a Notary Public in and for said State, personally appeared NORVILLE MCCLAIN, known to me to be the person who executed the foregoing document and acknowledged to me he executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Linda L. Dennis
Notary Public

My Commission Expires:

11/22/97

LINDA L. DENNIS
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Nov. 22, 1997

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STATE OF MISSOURI)
COUNTY OF JEFFERSON) SS.

On this 13th day of September, 1996, before me
Linda L. Dennis, a Notary Public in and for said State,
personally appeared JEREMIAH NIXON, known to me to be the person
who executed the foregoing document and acknowledged to me he
executed the same as his free act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed
my official seal in the County and State aforesaid, the day and
year first above written.

Linda L. Dennis
Notary Public

My Commission Expires:

11/22/97

LINDA L. DENNIS
Notary Public - Notary Seal
STATE OF MISSOURI
Jefferson County
My Commission Expires: Nov. 22, 1997

I:\WPDOCS\SSET.AGR

FILED FOR RECORD

96 OCT -8 AM 10:55

BARLENE CASTLE RECORDER
JEFFERSON COUNTY, MO.

* Kurt Breeze
P.O. Box 848
Hillboro MO 63050
RECORDING FEE \$17.00
STATE USER FEE \$30.00
TOTAL \$47.00
Rct CK 10/27/96

1. C

ASSURANCE AND RELEASE

This Assurance and Release is made and entered into this 28th day of AUGUST, 1979, by and between Summer Set Property Owners Association, Inc., hereinafter "First Party" and Norville McClain, Kurt Mayer, and Jeremiah Nixon, hereinafter "Second Parties";

WHEREAS, Second Parties have conveyed to First Party all their right, title and interest in and to stock owned by them in South Jefferson County Utility Company;

NOW, THEREFORE, in consideration of said conveyance the following assurances and releases are given:

1. Second Parties do hereby warrant that at the time of the transfer of their stock in South Jefferson County Utility Company, said stock conveyed represented 100% of the outstanding stock of said South Jefferson County Utility Company; that at the time of conveyance of their stock in South Jefferson County Utility Company, said company had no outstanding debts and that all bills of said corporation were paid and current; and, that at the time of conveyance of their stock in South Jefferson County Utility Company, South Jefferson County Utility Company owned full title to all water lines, sewer lines, all water wells, water pumping equipment, water storage facilities and all other items of equipment used in the delivery of water through the system, all sewage treatment facilities and all easements for all water lines and sewer lines, sewage treatment facilities and other appurtenances engaged in the provision of water or the treatment of sewage, and that same were completed in good operating condition as of the date of transfer.

2. First Party hereby fully releases Second Parties, Klondike, Inc., and Essex Contracting, Inc., from any and all claims, demands, obligations and

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responsibilities which First Party may have at any time against Second Parties, Klondike, Inc., and Essex Contracting, Inc., arising out of the construction, maintenance, operation, development, design, or installation of the water and sewer system or any appurtenants thereto owned by South Jefferson County Utility Company and transferred pursuant to the transfer of said stock.

SUMMER SET PROPERTY OWNERS
ASSOCIATION, INC.

By Ralph Bowers
President
First Party

ATTEST:

Warren P. Bright III
Secretary

Kurt Mayer
Kurt Mayer

Jeremiah Nixon
Jeremiah Nixon

Norville McClain
Norville McClain