

RED BARN WASTE MANAGEMENT, LLC  
P.O. BOX 1047  
LEXINGTON, KY 40588

January 19, 2006

Kentucky Public Service Commission  
211 Sower Boulevard  
Frankfort, KY 40601

RECEIVED

FEB 03 2006

PUBLIC SERVICE  
COMMISSION

Transfer  
Application \_\_\_\_\_

Case 2006-00051

Dear Commissioners:

Pursuant to KRS 278.020(5) Red Barn Waste Management, LLC, ("Red Barn") a limited liability company duly organized and existing pursuant to the laws of the Commonwealth of Kentucky, does hereby apply for authority to transfer the ownership and operating interests, including the approvals of the Kentucky Public Service Commission, of Chimney Rock Waste Management, LLC to itself.

In support of this application for transfer the applicant, Red Barn, states that it is its intent to acquire all of the assets owned by Chimney Rock Waste Management, LLC and to engage in the business of providing sewer services to the customers of Chimney Rock Waste Management, LLC, subject to the approved tariff and authorizations previously granted to Chimney Rock Waste Management, LLC by the Kentucky Public Service Commission.

This application is verified by the managing member of Red Barn. Red Barn further submits the following information in support of its application, including those documents attached hereto and identified as Exhibits in support of this application.

1. The full name and post office address of the applicant is Red Barn Waste Management, LLC, whose mailing address is 111 Cheapside Street, Lexington, Kentucky 40507. The provisions of law requiring commission approval for the transfer and ownership of this utility are KRS 278.020(5) and 807 KAR 5:011(11).

2. Red Barn states that it is retaining the services of Chimney Rock Waste Management, LLC ("Chimney Rock") as its operator of the facility after the date of the transfer of assets to Red Barn. As part of its agreement with Chimney Rock, Red Barn will utilize the services of Charles Melvin Price, Class II certified waste water treatment plant operator, Certification Number 00159 (the "Operator") as the waste water treatment plant operator of the facility. Further, Red Barn will continue to utilize the services of

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Fouser Environmental Services (the "Laboratory") to provide testing services and to analyze and prepare monthly discharge monitoring report pursuant to its KPDES permit. Attached as Exhibit No. 1 is additional information concerning the financial, technical and managerial abilities of the new owner and its ability to operate the facility.

3. Red Barn is currently applying for a transfer of the existing KPDES Permit covering this facility, which has been previously issued to Chimney Rock by the Kentucky Environmental and Public Protection Cabinet, Division of Water.

4. Attached as Exhibit No. 2, and incorporated hereby reference, are the documents establishing Red Barn as a limited liability company within the Commonwealth of Kentucky and the Certification of the Kentucky Secretary of State of its existence.

5. Attached as Exhibit No. 3 is a copy of the draft purchase agreement to be executed upon closing of the transaction. This document is incorporated herein by reference as if fully set forth.

6. Exhibit No. 4 is the Commission's adoption notice as required pursuant to 807 KAR 5:011, section 11.

7. Attached as Exhibit No. 5 is the Third Party Beneficiary Agreement as required by 807 KAR 5:071, section 3 (1)(a).

Should you have any questions or require additional information, please do not hesitate to contact me at 859-229-2468.

Sincerely,

  
RED BARN WASTE MANAGEMENT, LLC

Jeffrey C. Ruttenberg, Member

VERIFICATION

After review of this application in its entirety and after being duly sworn, I Jeffrey C. Ruttenberg, as Sole Member of Red Barn Waste Management, LLC, do hereby verify and affirm that the information contained in the foregoing application to transfer the authority to conduct business as a utility as set forth herein is true and correct to the best of my knowledge.


RED BARN WASTE MANAGEMENT, LLC

By:   
JEFFREY C. RUTTENBERG, Member

COMMONWEALTH OF )  
KENTUCKY ) :SS  
COUNTY OF )

The foregoing instrument was subscribed, sworn to and acknowledged before me this 19 day of January, 2006, by Jeffrey C. Ruttenberg, as Member of Red Barn Waste Management, LLC, a Kentucky limited liability company, on behalf of the company.

My commission expires: 6-3-2006

  
NOTARY PUBLIC



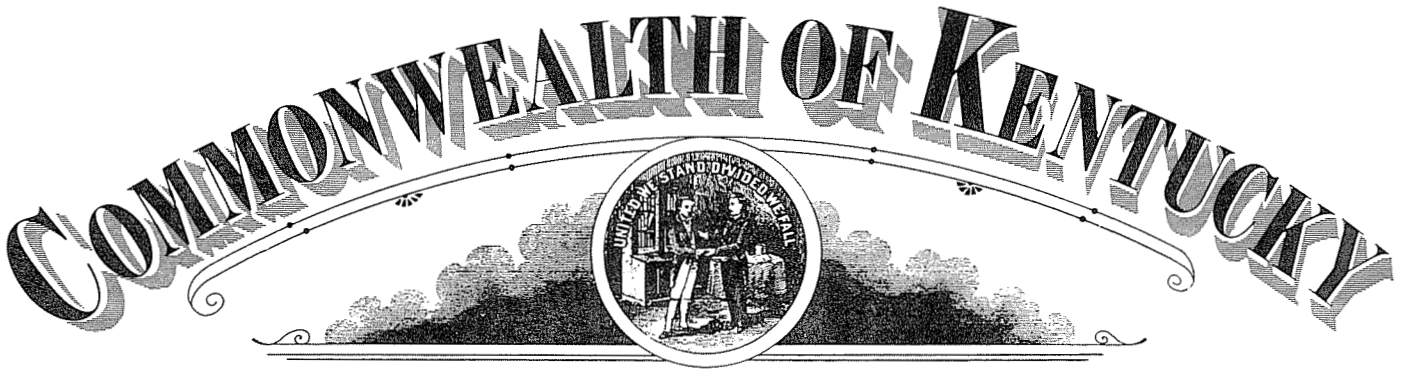
## FINANCIAL DISCLOSURE

Red Barn Waste Management, LLC, a Kentucky limited liability company, (the "Company") will be buying all of the assets of Chimney Rock Waste Management, L.L.C., a Kentucky limited liability company.

Jeffrey C. Ruttenberg is the sole member of the Company. Mr. Ruttenberg is a sophisticated property developer and investor, having been active in that capacity for over twenty (20) years. He has owned hundreds of properties, and currently he and his companies own well over \$10,000,000.00 in real property assets, including apartments, a marina, shopping centers, etc.

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**Trey Grayson**  
**Secretary of State**

**Certificate**

I, Trey Grayson, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

ARTICLES OF ORGANIZATION OF

RED BARN WASTE MANAGEMENT, LLC FILED DECEMBER 21, 2005.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 21st day of December, 2005.



*Trey Grayson*

Trey Grayson  
Secretary of State  
Commonwealth of Kentucky  
Tmorgan/0628205 - Certificate ID: 24641

0628205.06 mstratton  
LAOO  
Trey Grayson  
Secretary of State  
Received and Filed  
12/21/2005 4:03:54 PM  
Fee Receipt: \$40.00

**ARTICLES OF ORGANIZATION  
OF**

**RED BARN WASTE MANAGEMENT, LLC**

The undersigned, acting as the organizer, hereby forms a limited liability company under the laws of the Commonwealth of Kentucky, namely the Kentucky Limited Liability Company Act, Kentucky Revised Statutes Chapter 275 (the "Act").

**ARTICLE I**

**NAME**

The name of this limited liability company is RED BARN WASTE MANAGEMENT, LLC (the "Company").

**ARTICLE II**

**REGISTERED OFFICE AND AGENT**

The street address of the initial registered office of the Company is 111 Cheapside, Lexington, Kentucky 40507. The Company's initial registered agent at that initial registered office is Jeffrey C. Ruttenberg.

**ARTICLE III**

**MAILING ADDRESS**

The mailing address of the initial principal office of the Company is P.O. Box 1047, Lexington, Kentucky 40588.

**ARTICLE IV**

**MANAGEMENT**

The Company is to be a member managed limited liability company.

**ARTICLE V**

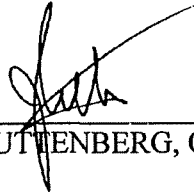
**DURATION**

The Company does not have a specific date of dissolution. The Company shall dissolve as provided in the Act and the Company's operating agreement, as either of which shall be amended from time-to-time.


Mail To:  
Wyatt, Tarrant & Combs, LLP  
250 W. Main Street  
Lexington, KY 40507  
Attn: pbs



IN WITNESS WHEREOF, the undersigned has executed these Articles of Organization  
this \_\_\_\_ day of December, 2005.

  
\_\_\_\_\_  
JEFFREY C. RUTTENBERG, ORGANIZER

The undersigned having been named in the Articles of Organization of Red Barn Waste  
Management, LLC (the "Company") as the registered agent of the Company, hereby consents to  
serve in that capacity.

  
\_\_\_\_\_  
JEFFREY C. RUTTENBERG

THIS INSTRUMENT PREPARED BY:

  
\_\_\_\_\_  
Phillip Braden Gross  
WYATT, TARRANT & COMBS, LLP  
250 West Main Street, Suite 1600  
Lexington, Kentucky 40507-1746  
859.233.2012

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RED BARN WASTE MANAGEMENT, LLC  
P. O. BOX 1047  
LEXINGTON, KY 40588

December 20, 2005

VIA HAND DELIVERY

Harold and Kathy Williams  
Chimney Rock Waste Management, L.L.C.  
220 Chimney Rock Road  
Harrodsburg, Kentucky 40330

Re: Purchase of Chimney Rock Waste Management, L.L.C.

Dear Harold and Kathy:

This letter acknowledges that Chimney Rock Waste Management, L.L.C. has agreed, pursuant to that Purchase and Sale Agreement (the "Agreement") dated December \_\_, 2005, to sell and Red Barn Waste Management, LLC has agreed to purchase the sanitary sewer facility that furnishes sewer service at Chimney Rock Village (Permit No. KY009261), and other related property and interests as more particularly set forth in Exhibit A attached hereto, in exchange for \$10,000.00.

The contemplated transaction is subject to certain conditions as more particularly set forth in the Agreement, including without limitation approval by the Public Service Commission ("PSC") of the contemplated transaction.

Please execute the acknowledgement at the bottom of this letter and return this letter to me, to forward to the PSC for approval of the contemplated transaction.

Sincerely,

RED BARN WASTE MANAGEMENT, LLC



Jeffrey C. Ruttenberg, Member

Harold and Kathy Williams  
December 20, 2005  
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ACKNOWLEDGEMENT

Katherine H. Williams and Harold L. Williams, on behalf of Chimney Rock Waste Management, L.L.C. ("Chimney Rock"), a Kentucky limited liability company, hereby acknowledge that they have reviewed the information in this letter and acknowledge that this letter sets forth the main terms of the Agreement.

CHIMNEY ROCK WASTE  
MANAGEMENT, L.L.C.

By: Katherine H. Williams  
Katherine H. Williams, Member

Date: 01-23-06

By: Harold L. Williams  
Harold L. Williams, Member

Date: 1-23-06

PBG/pbg  
cc: Bill Barnett, Esq.  
J. Mark Burton, Esq.

EXHIBIT A

Sanitary sewer facility situated in Mercer County, Kentucky, and known as Chimney Rock Waste Management, together with all buildings and other improvements and fixtures (including, without limitation, all water pipes and sanitary sewer lines (the "Sewer Lines") owned by Seller but located on, in and under real property owned by others, including its customers (the "Customers") of the sanitary sewer facility) (the "Improvements") (the "Facility"), all easements (including, without limitation, easements for use and access to sanitary sewer plant, Sewer Lines or septic field, and easement rights over any access roads, common areas or parking areas which are not located in their entirety within real property owned or possessed by Seller but are related to the sanitary sewer facility), all leases, licenses, contracts and other agreements, privileges, tenements, hereditaments, appurtenances, passages, water rights, and other rights thereto, all licenses, permits, governmental approvals and authorizations associated therewith, all rents and income therefrom arising from and after the date of Closing (as hereinafter defined), all security deposits, all other customer deposits, all personal property owned by Seller and used in connection with the operation of the Facility, including, without limitation, all drawings and plans and specifications with respect to the improvements located upon the Property (as hereinafter defined), all equipment used in connection with the operation of the Facility, all telephone numbers, all air rights, water rights, sewer rights, including without limitation, the sewage system, including all septic tanks and equipment and all sanitary sewer plants and related equipment, all sanitary sewer discharge capacity allocated to the Facility, all drainage rights incidental to the Facility, all warranties issued to the Seller (or any predecessor of the Seller) by any manufacturer or contractor in connection with construction or installation of equipment at the Facility or used in operation of the Facility, all equipment leases, service, supply and maintenance contracts held by Seller with respect to the Property, all trade names and general tangibles relating to all or any part of the Property including the names "Chimney Rock Waste Management" and all other rights, privileges and appurtenances to which Purchaser may be entitled under this Agreement (the "Personal Property") (the Facility, the Improvements, and the Personal Property are collectively referred to herein as the "Property").

ADOPTION NOTICE

The undersigned Red Barn Waste Management, LLC of 111 Cheapside, Lexington, Kentucky hereby adopts, ratifies, and makes its own, in every respect as if the same had been originally filed and posted by it, all tariffs and supplements containing rates, rules and regulations for furnishing sewer service at Chimney Rock Village, Mercer County in the Commonwealth of Kentucky, filed with the Public Service Commission of Kentucky by Chimney Rock Waste Management, LLC of 220 Chimney Rock Road, Harrodsburg, Kentucky and in effect on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, the date on which the public service business of the said Chimney Rock Waste Management, LLC was taken over by it.

This notice is issued on the \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_, in conformity with 807 KAR 5:011, Section 11, of the Regulations for the filing of Tariffs of Public Utilities with the Public Service Commission of Kentucky.

By \_\_\_\_\_

Authorized by Ky.P.S.C. Order No. \_\_\_\_\_

### **THIRD PARTY BENEFICIARY AGREEMENT**

At this time, Red Barn Waste Management, LLC, a Kentucky limited liability company, (the "Company") is willing to enter into an agreement for \$10,000.00, which it estimates will cover the operation of the sanitary sewer facility for several months.

However, the Company is not sure of the structure and language of the form that needs to be submitted to the Public Service Commission, including without limitation to whom the agreement should benefit.

The Company would like to supplement this page with a form approved by the staff of the Public Service Commission at a later date.

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December 20, 2005

VIA HAND DELIVERY

Harold and Kathy Williams  
220 Chimney Rock Road  
Harrodsburg, Kentucky 40330

Re: Management of Red Barn Waste Management, LLC  
Sanitary Sewer Facility

Dear Harold and Kathy:

This letter acknowledges that: (i) Red Barn Waste Management, LLC and Chimney Rock Waste Management, L.L.C. ("Chimney Rock") have entered into that certain Purchase and Sale Agreement, dated December \_\_, 2005, for the purchase and sale of the sanitary sewer facility that furnishes sewer service at Chimney Rock Village (Permit No. KY009261) (the "Facility"), (ii) on behalf of Chimney Rock, you have managed the operation of the Facility since 2001, and (iii) as part of your management duties, you retained Charles Melvin Price (Class II, Certification No. 00159) (the "Operator") as the Wastewater Treatment Plant Operator of the Facility and Fouser Environmental Services (the "Laboratory") to analyze and prepare the monthly Discharge Monitoring Reports.

Further, upon completion of the contemplated transaction, you have agreed to (i) enter into that Management Agreement for Chimney Rock RV Park (a copy of which is attached hereto), and (ii) continue to retain the Operator and Laboratory to operate and maintain the Facility.

Please execute the acknowledgement at the bottom of this letter and return this letter to me.

Sincerely,

WYATT, TARRANT & COMBS, LLP

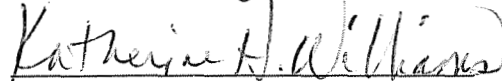
  
Phillip Branden Gross



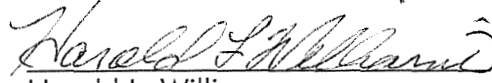
Harold and Kathy Williams  
December 20, 2005  
Page 2

ACKNOWLEDGEMENT

We hereby acknowledge that we have reviewed the information in this letter and acknowledge that it is factually true and sets forth our agreement.

  
Katherine H. Williams

Date: 1-23-06

  
Harold L. Williams

Date: 1-23-06

PBG/pbg  
cc: Bill Barnett, Esq.  
J. Mark Burton, Esq.

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