

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

The Proposed Acquisition by Bluegrass Water)	
Utility Operating Company, LLC <u>and</u> the)	
Transfer of Ownership and Control of Assets)	
by: P.R. Wastewater Management, Inc.;)	No. 2019-00104
Marshall County Environmental Services LLC;)	
LH Treatment Company, LLC; Kingswood)	
Development, Inc.; Airview Utilities, LLC;)	
Brocklyn Utilities, LLC; Fox Run Utilities,)	
LLC; and, Lake Columbia Utilities, Inc.)	

**Verified Joint Application for Approval of Acquisition and
Transfer of Ownership and Control of Utility Assets**

The Applicants, the acquirer and the eight (8) transferring utilities named in the above caption, jointly submit this Application pursuant to KRS 278.020(6), (7), and (10), requesting that the Commission approve the acquisition and transfer of control of utility assets used in providing wastewater services to more than 1300 customers in areas of Bullitt, Franklin, Hardin, Madison, Marshall, McCracken, Scott, and Shelby Counties, Kentucky. Upon completion of the proposed transactions, after Commission approval therefor is granted, (1) Bluegrass Water Utility Operating Company, LLC will become a utility subject to the jurisdiction of this Commission and will adopt each transferring utility's tariff for the provision of wastewater services to that utility's customers, and (2) each transferring utility will cease to have any ownership or control of utility facilities and will no longer be a utility subject to the jurisdiction of the Commission. This Application has been verified on behalf of each Applicant; the Verifications are gathered in Exhibit A hereto. To establish compliance of the proposed acquisition/transfer with KRS 278.020 standards, Applicants submit the attached exhibits A-N and further state as follows:

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I. Applicants

A. Acquirer: Bluegrass Water Utility Operating Company, LLC

1. Bluegrass Water Utility Operating Company, LLC (“Bluegrass UOC” or “Acquirer”) is a limited liability company organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business at 500 Northwest Plaza Drive, Suite 500, Saint Ann, MO 63074. Bluegrass UOC was organized on March 21, 2019, and is currently in good standing in Kentucky. Bluegrass UOC’s mailing address and electronic mail address to be used for service in this case are as set out on Exhibit B to this Application.

2. Bluegrass UOC’s member is Bluegrass Water Utility Holding Company, LLC. Bluegrass UOC is a manager-managed company; its manager is Central States Water Resources, Inc.

3. Bluegrass Water Utility Holding Company, LLC (“Holding Company”) is a limited liability company organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business at 500 Northwest Plaza Drive, Suite 500, Saint Ann, MO 63074. Holding Company was organized on March 21, 2019, and is currently in good standing in Kentucky. It is the member-owner of Bluegrass UOC.

4. Kentucky Central States Water Resources, LLC (“Ky. CSWR”) is a limited liability company organized and existing under the laws of the Commonwealth of Kentucky with its principal office and place of business at 500 Northwest Plaza Drive, Suite 500, Saint Ann, MO 63074. Ky. CSWR was organized on December 5, 2018, and is currently in good standing in Kentucky. It is the member-owner of Holding Company.

5. First Round CSWR, LLC (“First Round”) is a limited liability company organized on January 23, 2014, and existing under the laws of the State of Missouri. Central States Water

Resources, Inc. (“CSWR”) is a corporation organized on January 27, 2014, and existing under the laws of the State of Missouri. Each has its principal office and place of business at 500 Northwest Plaza Drive, Suite 500, Saint Ann, MO 63074 and is currently in good standing in Missouri; neither is authorized to do business in the Commonwealth of Kentucky. These two Missouri entities are affiliates of each other.

6. A corporate organization chart illustrating the relationship between Bluegrass UOC, Holding Company, Ky. CSWR, First Round, and CSWR is attached as Exhibit C to this Application. These entities and their affiliates are referred to collectively herein as “CSWR Group” or “the Group.”

7. CSWR Group was created to acquire and recapitalize failing systems as investor-owned regulated water and wastewater utility companies. The Group has acquired — and is operating through affiliates — nine (9) small water systems and 16 small wastewater systems in Missouri and Arkansas.¹ In 2018, CSWR Group attracted an additional, large institutional private equity investor, enabling the expansion of its business beyond Missouri and Arkansas, and allowing the Group to form affiliates for the purpose of acquiring and professionalizing distressed water or wastewater systems in other states, including Tennessee² and Kentucky.

8. CSWR Group strives to effectively address the challenges of providing proper water and wastewater management facilities for underserved communities. It leverages extensive regulatory expertise and financial resources to facilitate cost-effective solutions to upgrade

¹ The Missouri systems are all regulated by the Missouri Public Service Commission; the Arkansas systems are below the annual-revenue thresholds and so fall outside the jurisdiction of the Arkansas Public Service Commission.

² CSWR affiliate Limestone Water Utility Operating Company, LLC, has applied to the Tennessee Public Utility Commission for authority to acquire and operate the water-utility assets of Cartwright Creek, LLC, Tenn. PUC dkt. # 19-00035.

facilities to meet the ever more stringent state and federal standards. The staff of CSWR Group lends its technical expertise to the affiliates, handling everything from evaluation to design and construction of facilities.

9. Bluegrass UOC has been organized/established by CSWR Group with the purpose that it will acquire the utility assets from the transferring utilities and will thereafter own, control, operate, and manage those facilities to provide collection, transmission, and treatment of sewage for the public for compensation, subject to the jurisdiction of the Commission.

B. Transferring Utilities

10. Each of the eight (8) transferring utilities is organized under the laws of the Commonwealth of Kentucky; with the exceptions noted in paragraphs 15 and 35 below, each is currently in good standing in Kentucky. Each is also a wastewater or sewer utility as defined by KRS 278.010(3)(f) and subject to the jurisdiction of the Commission. The mailing address and electronic mail address for each transferring utility to be used for service in this case are as set out on Exhibit B to this Application.

11. As typical among systems acquired and then operated by CSWR Group, many of the transferring utilities are out of compliance with Commission rules and with federal or state pollution laws and regulations. Many do not have the permits required to lawfully operate the systems; most have not adjusted their rates for a decade or more and do not have the financial resources necessary to build, maintain, and replace facilities used to provide service or to bring operations into compliance with rapidly-changing environmental and water-quality regulations.

1. P.R. Wastewater Management, Inc.

12. P.R. Wastewater Management, Inc. (“P.R. Wastewater”) is a class C sewer utility, PSC ID# 900500. P.R. Wastewater was incorporated in Kentucky on March 9, 1989; it began

sewer operations in 1990. Its most recently-filed annual report is for 2018, and states that as of year-end 2018, it had 358 residential and 3 commercial customers.

13. P.R. Wastewater's current tariff, for Persimmon Ridge Development, located in western Shelby County, Kentucky, is PSC Ky. No. 1999-331. P.R. Wastewater has a currently-pending application for an alternative rate adjustment, filed November 5, 2018, and designated Case No. 2018-00339. A Commission decision on the application is anticipated around the beginning of May 2019.

14. The P.R. Wastewater treatment facilities consist of a two-cell aerated lagoon system with chlorine disinfection. The first cell is fully aerated while the second cell is partially aerated. The second cell also has a baffle spanning the lagoon cell to create a non-aerated or anaerobic zone that can help reduce solids in the effluent. From the anaerobic zone, the lagoon effluent has liquid chlorine added for disinfection prior to the contact chamber. Historically, the plant has struggled to meet disinfection requirements due to the chlorine dosage levels not being sufficient for disinfection; in addition, the facility may not be capable of meeting ammonia limits on a consistent basis. Collection is by a gravity sewer system that includes five pump stations.

2. Marshall County Environmental Services LLC

15. Marshall County Environmental Services LLC ("MCES") is a class C sewer utility, PSC ID# 903800. MCES is a member-managed limited-liability company that was organized in Kentucky on May 5, 2012. It is currently in bad standing with the Kentucky Secretary of State, and has been administratively dissolved. In 2013, it acquired wastewater collection, transmission, and treatment assets of the Great Oaks Subdivision in McCracken County and the Golden Acres Subdivision in Marshall County pursuant to the 11/19/12 final order (as amended by the 1/2/13 and 2/12/13 orders) in Case No. 2012-00436. Its most recently-filed annual report

is for 2016, and states that as of year-end 2016, it had 126 single-family and 4 apartment/condominium residential customers.

16. MCES's current tariff is PSC Ky. No.1, and contains separate and distinct rates and charges for the Great Oaks Subdivision in McCracken County and the Golden Acres Subdivision in Marshall County. The tariff became effective March 26, 2013.

17. MCES has been fined by the Commission for failure to file timely annual reports for 2017 and 2018. *See* Cases Nos. 2017-00032 and 2018-00264. The Kentucky Secretary of State administratively dissolved MCES on September 28, 2013, for failure to file its 2013 annual report in a timely manner.

18. MCES owns and operates systems in two Kentucky counties. The Golden Acres wastewater system (Marshall County) consists of a standard extended aeration activated sludge facility. This system did not have an active permit to operate at the time MCES agreed to sell the system; the permit appears to have expired on February 1, 2015. The treatment plant consists of an aeration tank, clarifier, and chlorine. The facility structure, air piping, and sludge returns are functional. The facility's operating permit states it has capacity of 25,000 gpd, but based on calculations, the actual capacity is closer to around 18,000 gpd. There are about 31 houses that are served by the Golden Acres facility. Since the first quarter of 2018, the plant has been exceeding limits for ammonia, *e. coli*, and other contaminants, probably due to equipment failure. There are significant issues with inflow and infiltration for both the treatment and collection systems.

19. The Great Oaks treatment system (McCracken County) is made up of a standard extended aeration activated sludge facility. This system did not have an active permit to operate at the time MCES agreed to sell the system; the permit appears to have expired on May 1, 2012.

The plant consists of an aeration tank, clarifier, and chlorine equipment, and appears to have the basic capacity to treat for normal flows from the approximately 161 houses that are connected to it. However, the facility has not had any preventive maintenance and has been generally unmaintained for a number of years. Only portions of the plant process are actually operating, while other sections of the aeration-activated facility are stagnant. During 2018, the plant exceeded multiple contaminant limits, including but not limited to ammonia, total residual chlorine (TRC), and *e. coli*, indicating abandonment or equipment malfunction. The influent pump station has also not been maintained, and the blowers are in disrepair. In addition, the sludge returns and air header system require repair. It is not known whether the collection system is all gravity, pressure, or has any pump stations.

3. LH Treatment Company, LLC

20. LH Treatment Company, LLC (“LH”) is a class C sewer utility in Scott County Kentucky, PSC ID# 901300. LH is a member-managed limited-liability company organized in Kentucky on July 12, 2016; it began sewer operations in July 2017 after acquiring Longview Land Company LLC. Its most recently-filed annual report is for 2017, and states that as of year-end 2017, LH had 261 single-family and 16 condominium/apartment residential customers.

21. LH’s current tariff is Longview Land Company LLC, P.S.C. KY. No. 1,³ for serving Longview Estates and Homestead subdivisions in Scott County, Kentucky. This tariff was initially effective August 28, 2003, and was most recently updated with a rate adjustment pursuant to Case No. 2009-00075, on July 20, 2009.

³ Through internal transactions, apparently, the former Longview Land Company, LLC is now LH Treatment Company, LLC.

22. The initial wastewater treatment plant was constructed from 1971 to 1975 and expanded in 1990 to serve the neighboring Longview and Homestead subdivisions in Scott County. LH treats wastewater with a standard extended aeration activated sludge facility. The permit appears to have expired on December 31, 2018. The plant consists of an aeration tank, clarifier, and chlorine disinfection with de-chlorination. The facility occasionally exceeds limits for environmental contaminants. In 2018, the facility violated limits for ammonia, *e. coli*, and other contaminants.

4. Kingswood Development, Inc.

23. Kingswood Development, Inc. (“Kingswood”) is a class C sewer utility in Bullitt County, Kentucky, PSC ID# 9000700. Kingswood was incorporated in Kentucky on May 3, 1996. It is currently in good standing with the Kentucky Secretary of State. Its most recently submitted annual report was for 2018; the filed report for 2016 documents that Kingswood served 124 residential customers at year end.

24. Kingswood serves Kingswood Development in east Mount Washington, Bullitt County, under the original tariff, which was effective on February 27, 1998.

25. Kingswood’s sewer plant was originally constructed in 1998, and appears to have sufficient capacity to serve 124 residential properties. The treatment plant includes an aeration tank, comminutors at the influent point, aerobic sludge digestion, a clarifier, and ultraviolet disinfection followed by post-aeration. There have been sporadic violations of limits, including for ammonia, total suspended solids, and biochemical oxygen demand.

5. Airview Utilities, LLC

26. Airview Utilities LLC (“Airview”) is a class C sewer utility in Hardin County, Kentucky, PSC ID# 9002400. Airview is a member-managed limited-liability company that was

organized in Kentucky on January 7, 2005. It is currently in good standing with the Kentucky Secretary of State. Its most recently-filed annual report was in 2017, which states it served 203 residential customers at year end.

27. Airview's tariff, for Airview Estates Subdivision in Hardin County, Kentucky, is P.S.C. KY. No. 1 and was originally effective October 5, 2010, as authorized in Case No. 2010-0064. The last rate revision was made effective through Case No. 2014-00215, on December 22, 2014. As of July 11, 2016, Airview filed for Commission approval to abandon and surrender its utility facilities; although there were significant proceedings through September 2018 in Commission Case No. 2016-00207, there have been no subsequent steps taken in that case and this Commission has not approved abandonment.

28. Airview's wastewater treatment facility is made up of a standard extended aeration activated sludge facility. The permit to operate has expired; however, Airview has submitted an application to renew the permit. The facilities include an aeration tank, mechanical clarifier, and chlorine disinfection; the system also has a remote lift station containing two rebuilt pumps. The plant is in serious disrepair with extensive contamination concerns as the various portions of the plant continue to fail. Major renovations are needed to reboot this plant to allow it to provide appropriate utility services.

6. Brocklyn Utilities, LLC

29. Brocklyn Utilities, LLC ("Brocklyn") is a class C sewer utility in Madison County, Kentucky, PSC ID# 9002200. Brocklyn is a member-managed limited-liability company organized in Kentucky on July 16, 2004. It is currently in good standing with the Kentucky Secretary of State. Its most recently-filed annual report was for 2017, which states it served 168 residential customers (70 single family homes and 98 apartment/condominiums) at year end.

30. Brocklyn's current tariff for Brocklyn Subdivision in Madison County, Kentucky is P.S.C. KY. No. 1 and was effective October 5, 2010, pursuant to Case No. 2010-0063.

31. Brocklyn's wastewater treatment facility is made up of a standard extended aeration activated sludge facility. The plant, initially constructed in 1969, consists of an aeration tank, clarifier, polishing earthen cell, and chlorine disinfection. The facility is in an overall state of disrepair and has had exceedances of permit limits for contaminants, with a tank that is borderline for meeting the needs of its number of dependent residents. The permit to operate has expired; however, Brocklyn has submitted an application to renew the permit.

7. Fox Run Utilities, LLC

32. Fox Run Utilities, LLC ("Fox Run") is a class D sewer utility in Franklin County, Kentucky, PSC ID# 9003100. Fox Run is a member-managed limited-liability company organized in Kentucky on November 13, 2007. It is currently in good standing with the Kentucky Secretary of State. Fox Run's most recently-filed annual report was for 2017, which stated that it served 34 residential customers at year's end.

33. Fox Run serves Fox Run Estates, located in Franklin County, Kentucky, under its tariff P.S.C. KY. No. 1, effective July 27, 2010, per Case No. 2010-0060. Fox Run began service to Fox Run Estates by adopting the tariff of Downstream, Inc., from which it purchased the wastewater treatment and collection system pursuant to Commission approval granted in the Order dated April 11, 2008, in Case No. 2008-00024.

34. Fox Run's wastewater treatment facility is made up of a standard extended aeration activated sludge facility. The permit to operate has expired; however, Fox Run has submitted an application to renew the permit. The facilities include an influent pump station, aeration tank, clarifier, polishing filter, and chlorine disinfection; the system also has two remote lift

stations. The plant is in general disrepair and has had exceedances of permit limits. An independent engineer has identified necessary updates to this facility, including but not limited to extensive mechanical equipment investments and an overhaul of the pump station to ensure reliability.

8. Lake Columbia Utilities, Inc.

35. Lake Columbia Utilities, Inc. (“Lake Columbia”) is a class D sewer utility in Bullitt County, Kentucky, PSC ID# 45875. Lake Columbia was incorporated in Kentucky on June 22, 1995. It is currently in bad standing with the Kentucky Secretary of State and has been administratively dissolved. Its most recently-filed annual report was for 2017, which states that at year’s end it served 33 residential customers.

36. Lake Columbia’s current tariff, P.S.C. KY. No. 3, is for Lake Columbia Estates in northern Bullitt County, Kentucky, and is based on a tariff adopted by Lake Columbia that was initially issued and effective on March 9, 1993. A rate adjustment was made pursuant to Case No. 2000-458, effective August 24, 2001. Lake Columbia has failed to file required reports on time, as addressed in Case No. 2011-00346.

37. Lake Columbia’s wastewater treatment facility is made up of a standard extended aeration activated sludge facility. The system has an active operating permit that is set to expire on November 30, 2019. The facilities include an influent splitter/bar screen box, aeration tank, clarifier, and chlorine disinfection. The plant is in disarray and has not been maintained, and the system has had exceedances of permit limits. The independent engineer who examined this facility opined that this facility had seen its useful life and needs a complete overhaul and/or replacement. As a result, required improvements will necessitate major reconstruction — perhaps an entire new treatment facility, with possible reuse of the existing facility for flow equalization.

II. Proposed Acquisition/Transfer

A. Agreements

38. CSWR has entered into an Agreement for Sale of Utility System with each transferring utility, attached as a redacted Exhibit hereto,⁴ as follows:

<u>Seller</u>	<u>Date</u>	<u>Exhibit</u>
P.R. Wastewater	11/9/18	D
MCES	3/14/19	E
LH Treatment	1/29/19	F
Kingswood	3/19/19	G
Airview	2/27/19	H
Brocklyn	2/27/19	I
Fox Run	2/27/19	J
Lake Columbia	2/27/19	K

39. Each Agreement designates the buyer as CSWR or its affiliate and provides that, at the Closing, the transferring utility shall sell, transfer, assign, and deliver its assets to CSWR or CSWR's designated affiliate. CSWR has designated Bluegrass UOC, its affiliate, as the buyer for each Agreement attached hereto (Exhibits D-K).

40. Each Agreement provides for the sale of all of the assets owned by the transferring utility pertaining to its operation of a regulated sewer system. The sale includes all assets used or useful to operate the system, including real property interests, sewer service machinery and equipment, other tangible fixtures or personalty, franchises, contract rights, customer deposits, accounts receivable, and other intangibles.

⁴ Joint Applicants are requesting confidential treatment of the redacted material in a Joint Motion for Confidential Treatment submitted concurrently with this Joint Application.

41. Except as otherwise specified in a particular Agreement, the Agreements also provide for the buyer (Bluegrass UOC) to assume liability and become responsible at the Closing “for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.” Airview Utilities will remain responsible for fines that may be imposed in Commission Case No. 2016-00207 or in Cabinet v. Airview, No. DOW-34206-052.

42. The sale of assets under terms specified in the Agreement promotes the interests of the public generally and of transferring utilities’ customers more specifically. Numerous deficiencies exist in the wastewater systems to be acquired, and the current owner/operator of those systems is unwilling or unable to expend the capital necessary to remedy those deficiencies. Bluegrass UOC has worked with an engineer to address the shortcomings of each system and has outlined a plan to bring each into full operating compliance to ensure that after closing full operation of the systems can continue, with even greater provision of service to the customers of each.

43. To alleviate these and other problems, existing facilities and processes must be extensively modified and/or constructed. Additional capital investment is required to bring these systems up to standard and into compliance.

44. A 50/50 capital structure has been developed for Bluegrass UOC. After Commission approval has been given and before the Closing, Bluegrass UOC will be funded by CSWR Group affiliates, with equity capital from First Round and debt financing from US Water Capital,

LLC. First Round's consolidated balance sheet and income statement for 2018 are attached to this Joint Application as redacted Exhibit L.⁵

45. First Round has been funding and will continue to fund pre-Closing costs for Bluegrass UOC, including due diligence work relating to the transferring utilities' assets and compliance efforts.

B. Closing

46. The Closing of each sale is to take place no later than 45 days "after the effective date of any necessary regulatory approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, ... or at such other time as the parties hereto may mutually agree." Agreement ¶5. The 45-day period and the possibility that the triggers will be met for transferring utilities at different times allows for the respective Closings to take place on different days.

47. During the interim period between satisfaction of one or more triggers and the Closing, the transferring utility is to obtain the legal right to transfer all of the assets, identify property boundaries, easement locations, and all interests in land in connection with its operation and maintenance of the system (¶6D), and will work to bring the conduct of the utility system into full compliance with regulatory requirements (¶6E). Facility-specific needs and identified steps have been set out in the reports prepared by an independent engineer. While most of the identified diagnostic tests, repairs, and improvements will take place post-Closing, Bluegrass UOC and each of the utilities have begun the process of working through these issues to move the facilities in the right direction prior to Closing.

⁵ Joint Applicants are requesting confidential treatment of the material redacted from Exhibit L in a Joint Motion for Confidential Treatment submitted concurrently with this Joint Application.

C. Post-Closing

48. From and after the Closing of the acquisition from each transferring utility, Bluegrass UOC will assume responsibility for the operation of the respective wastewater systems.

49. Following the Closing on each system, Bluegrass UOC will adopt, and provide service in accordance with, the respective transferring utility's then-existing and -effective tariff on file with the Commission.

50. The systems acquired will be operated by a qualified, experienced, third-party operations and maintenance ("O&M") firm engaged by Bluegrass UOC. That firm is Midwest Water Operations, LLC. This O&M firm has knowledgeable and experienced personnel, who carry the necessary state licenses, and has insurance coverage necessary to manage the daily wastewater operations of the systems. In addition to service obligations during normal business hours, the O&M firm is required to have a 24-hour emergency service line on which customers may report any service disruption. In addition, notice of service disruption calls would be forwarded to Josiah Cox, the president of CSWR, Bluegrass UOC's manager.

51. A qualified, experienced, third-party firm engaged by Bluegrass UOC will send out bills and handle service-related billing questions for the acquired systems. That firm is Nitor Billing Services, LLC. This firm has in place or can quickly establish an online billing system to receive credit cards and e-checks from customers and a Bluegrass UOC specific customer service email account to handle customer inquiries and other interactions. The customer service representatives are to be available during normal business hours, and to take messages 24 hours a day. In addition, all electronic or paper correspondence is recorded and logged to the respective customer's account to ensure the highest level of service.

52. While day-to-day operations, billing, and customer service functions would be provided by third-party contractors, all management, financial reporting, underground utility safety and locations services, Commission and environmental regulatory reporting and management, record keeping, and final customer dispute management would be performed by personnel at CSWR's corporate office. Proportional costs for those services will be allocated to Bluegrass UOC. Professional narratives of CSWR personnel who will be responsible for providing oversight of the acquired systems' operation are attached as Exhibit M.

53. The 50-50 capital structure described in paragraph 44 above will provide Bluegrass UOC with post-Closing access to working capital and financing resources.

54. Bluegrass UOC will make any necessary improvements over time to ensure that the existing and future customers of a system are provided with a quality of service equal to or better than that currently being provided by the respective transferring utility. This includes 24-hour emergency phone lines for potential service issues, on-call emergency service contractor personnel, implementation of a computerized maintenance management system for utility assets, on-line bill-pay options, up-to-date website bulletins about current service status and service initiation/discontinuance procedures.

55. In addition, detailed plans have been developed to improve the physical facilities and operations overall. CSWR engaged an independent engineer to make site inspections and thoroughly evaluate each facility from top to bottom. While the engineer identified multiple shortcomings for each system, the areas for improvement and required modifications were also identified. Bluegrass UOC has secured necessary funding and plans to address each system's shortcomings to bring each into compliance within the year following closing.

56. Bluegrass UOC anticipates spending \$2.9 million to address the problems identified by the engineer. Each transferring utility's system (and the two systems currently owned and operated by MCES) will have its collection facilities smoke tested and video inspected for diagnostic purposes, and the system will be mapped (or the existing mapping will be reviewed for accuracy). Several of the systems require major renovations, replacements of significant portions of the equipment, or other overhauls. Other examples of planned repairs and improvements are given in the following paragraphs.

57. The improvements being planned for the PR Wastewater treatment system are to: (1) replace surface aerators with a more efficient system; (2) evaluate sludge levels within the lagoon; (3) evaluate electrical service for any aeration modifications; (4) modify programming and electrical to either install an ultraviolet unit or auto-adjusting chlorine pump; and, (5) install rip-rap protection at the effluent point into creek.

58. The improvements being planned for the MCES Golden Acres treatment system are to: (1) provide flow equalization; (2) replace diffusers; (3) regrade around the treatment plant (to reduce inflow and infiltration) and install new fencing; and (4) install equipment for mission monitoring and de-chlorination. For the collection system, the work required includes installing a flow meter.

59. The improvements contemplated for the MCES Great Oaks treatment system are to: (1) provide flow equalization; (2) replace diffusers, return lines, and blowers; and (3) sand blast and repaint tankage and metal components.

60. In the near term, Bluegrass UOC will track expenses, revenues, and assets on a per-system basis. Each acquired utility will be treated as one system — except MCES, for which the facilities and operations for Great Oaks Subdivision (McCracken County) and Golden Acres

Subdivision (Marshall County) will each be treated as a separate system. Bluegrass UOC's plan is to report or cause each acquired utility to report its gross operating revenues derived from Kentucky business for calendar year 2019 through the date of closing, and then to report gross operating revenues on a combined basis for Bluegrass UOC from the date of closing through year-end 2019. However, Bluegrass UOC will follow any directives of the Commission requiring reporting for 2019 on a full-year basis for the systems, individually or in combination.

61. Over time, Bluegrass UOC will integrate the systems so that regulatory and technical standards are met on a uniform basis, and customers will be served under one tariff with uniform terms and conditions (including rates).

III. KRS 278.020(6), (7), and (10) standards

A. Bluegrass UOC has the financial, technical, and managerial abilities to provide reasonable service.

62. Bluegrass UOC, through its affiliation with and support from CSWR has the necessary abilities to provide services to the communities associated with the nine identified systems. CSWR's business plan is to pursue the purchase and recapitalization of failing water and wastewater systems and to operate those systems as investor-owned regulated utilities. Many of those systems are not currently regulated, and of those that are regulated by state utility commissions many, if not most, are not in full compliance with commission rules and with federal or state pollution laws and regulations. Many of those companies do not even have the federal or state permits required to lawfully operate those systems. Furthermore, many of the regulated companies do not have the financial resources necessary to build, maintain, and replace assets used to provide service or to bring their operations into full compliance with environmental and water quality regulations.

63. Because it has made the effort to find investment capital and investors who are willing to make investments and take the risks necessary to bring small water and wastewater systems into compliance with current statutes, rules, and regulations, CSWR, through its affiliates, has been able to acquire distressed systems, invest capital necessary to construct or repair physical facilities, and operate those systems in a way that satisfies customers, regulators, and investors alike. CSWR's business plan and the expertise its personnel provide to affiliates have proven successful in multiple states, and there is every reason to believe that record of success would continue if Bluegrass UOC is authorized to acquire the assets of these eight utilities and proceeds to operate those assets in the nine areas where these systems currently provide service.

64. The level of experience and expertise that CSWR currently provides to its affiliated systems in Missouri and Arkansas and that it would bring to the acquired systems is not usually available to small systems like those for which transfer approval is sought in this case. Furthermore, through economies of scale that CSWR's centralized management structures can achieve, this experience and expertise is available at a lower cost than would be the case if Bluegrass UOC or the individual acquired systems had to provide such expertise and support on its own. Where additional or supplemental expertise is required (*e.g.*, personnel holding licenses or certifications required by Kentucky law), Bluegrass UOC or CSWR will engage qualified independent contractors to satisfy those needs.

1. Financial ability

65. Bluegrass UOC has the financial capability necessary to acquire, own, and operate the transferring utilities' assets. US Water Capital, LLC will provide debt financing; First Round, equity financing. First Round's consolidated balance sheet and income statement for 2018 is attached to this Joint Application as redacted Exhibit L. A *pro forma* income statement

and balance sheet for Bluegrass UOC for the first year of its proposed operation of these systems are attached as redacted Exhibit N.⁶ The *pro forma* statements for Bluegrass UOC reflect the acquisition costs, the costs of the planned improvements, and the most-recent publicly-available reported annual operating expenses and revenues of the individual transferring utilities.

66. Bluegrass UOC has secured the commitment of equity capital and long-term loans to finance the acquisitions, the planned repairs and improvements, and operation of the systems.

2. Technical ability

67. As demonstrated by the success of CSWR's operating affiliates in Missouri and Arkansas, access to CSWR's technical resources has greatly improved the quality of service to its customers. If this Joint Application grants approval of the proposed acquisition and transfers, the same benefits would be brought to these systems and the customers they serve.

68. In addition, technical ability has been demonstrated by the pre-Closing work undertaken to identify system deficiencies and plan concrete steps to address them, bring the systems into compliance, and update and improve their operation.

3. Managerial ability

69. CSWR currently manages water and wastewater systems in Missouri and Arkansas that provide services to approximately 4,000 customers. Again, CSWR's actions in taking these previously failing systems and providing skilled management allowed these systems to reverse course from failing to complying with state and federal regulation while providing better service to a broader customer base. CSWR's experienced management team has extensive knowledge of how to address the issues that arise in small failing systems and resolve these

⁶ Joint Applicants are requesting confidential treatment of the redacted material in Exhibits L and N in a Joint Motion for Confidential Treatment submitted concurrently with this Joint Application.

issues to enable the systems to provide competent services, which would better serve the communities currently dependent on each of the nine systems (eight utilities) which this Joint Application addresses.

70. Managerial ability is also shown by the engagement of qualified third-party firms to provide operation and maintenance of the systems and customer service and billing, as well as in the oversight of these firms and functions by CSWR.

B. The proposed acquisition is to be made in accordance with the law, for a proper purpose, and is consistent with the public interest.

71. Bluegrass UOC's proposed acquisition of the nine identified systems, from the eight transferring utilities, is in accordance with the law, for a proper purpose, and is consistent with the public interest. The proposed acquisition thus meets the standards of KRS 278.020(7).

1. Made in accordance with the law

72. The proposed acquisitions and transfers will not occur before or without the Commission's approval therefor.

73. In addition to this application to the Commission, Applicants will make all required regulatory filings for the proposed transactions and expect to receive all required approvals. In particular, the Applicants will apply for the transfer of any KPDES permits for each system to Bluegrass UOC.

74. Each proposed transaction has been approved by Bluegrass UOC's member and by the board or member(s) of each transferring utility.

2. For a proper purpose

75. Bluegrass UOC is acquiring the utility assets to operate them for the purpose of providing reasonable, effective, and efficient wastewater service to existing and future customers.

76. The acquisitions will result in the transfer of assets to an entity that will have sufficient capital and operating funds to operate, maintain, and expand the systems. Aggregation of the assets and operations of the transferring utility in one operating company affiliated with entities that have substantial experience and expertise in operating wastewater systems is also likely to create economies of scale and scope that can sustain and improve existing service.

3. Consistent with the public interest

77. All the transferring utilities are struggling to comply with applicable state and federal regulations as well as provide services to customers. Full compliance with both state and federal regulations is imperative for purposes of health and safety, and the customers would receive better service. CSWR has researched the state of the existing systems and has concrete plans and the financial commitment to bring these systems in compliance to serve the customers and community as a whole.

78. The acquired sewer systems are all troubled or marginal as they exist now. It is in the public interest that these sewer utility systems be acquired by an entity that will professionalize the operations and has a focus on long-term ownership, substantial resources, and affiliation with experienced sewer-system owner-operators.

C. Bluegrass UOC has provided evidence of financial integrity to ensure the continuity of sewer service in the event that Bluegrass UOC cannot continue to provide service.

79. Bluegrass UOC has provided herewith evidence of its financial integrity to ensure the continuity of wastewater service in paragraphs 44-45 and 65-66 above and in attached redacted Exhibits L and N.

80. To the extent that the Commission requires further evidence of financial integrity not found in the cited paragraphs and Exhibits, Bluegrass UOC will provide such information upon Commission request in this matter.

IV. Conclusion

WHEREFORE, the Applicants request that the Commission grant expedited consideration and relief as follows:

- (1) Issue a final order regarding this Joint Application within the 60-day period provided in KRS 278.020(7);
- (2) Grant this Joint Application as submitted or, in the alternative, with appropriate terms and conditions prescribed;
- (3) Permit Bluegrass UOC after the proposed acquisition/transfer to operate the transferred utility assets in accordance with the respective tariffs, adopted by Bluegrass UOC; and
- (4) Relieve each transferring utility of any further utility obligations after it has transferred its assets.

Respectfully submitted,

/s/ Katherine K. Yunker _____

Katherine K. Yunker

kyunker@mcbayerfirm.com

Kathryn A. Eckert

keckert@mcbayerfirm.com

MCBRAYER PLLC

201 East Main Street; Suite 900

Lexington, KY 40507-1310

859-231-8780

fax: 859-231-1175

Attorneys for Joint Applicants

EXHIBITS

- A Verifications
- B Mailing and E-Mailing Addresses for Joint Applicants
- C CSWR Group Organizational Chart
- D Agreement for Sale of Utility System (P.R. Wastewater), dated November 9, 2018
(redacted)
- E Restated & Amended Agreement for Sale of Utility System (MCES), dated March 14, 2019 *(redacted)*
- F Agreement for Sale of Utility System (LH Treatment), dated January 29, 2019
(redacted)
- G Agreement for Sale of Utility System (Kingswood), dated March 19, 2019 *(redacted)*
- H Agreement for Sale of Utility System (Airview), dated February 27, 2019 *(redacted)*
- I Agreement for Sale of Utility System (Brocklyn), dated February 27, 2019 *(redacted)*
- J Agreement for Sale of Utility System (Fox Run), dated February 27, 2019 *(redacted)*
- K Agreement for Sale of Utility System (Lake Columbia), dated February 27, 2019
(redacted)
- L Year End 2018 Consolidated Balance Sheet and 2018 Consolidated Statement of Loss and Retained Deficit – First Round CSWR, LLC and Subsidiaries *(redacted)*
- M Professional narratives of Josiah Cox, Phil Macias, and Todd Thomas
- N Pro Forma Balance Sheet and Income Statement (full year post-Closing) – Bluegrass Water Utility Operating Company, LLC *(redacted)*

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

The Proposed Acquisition by Bluegrass Water)
Utility Operating Company, LLC and the)
Transfer of Ownership and Control of Assets)
by: P.R. Wastewater Management, Inc.;)
Marshall County Environmental Services LLC;)
Kingswood Development, Inc.; LH Treatment)
Company, LLC; Airview Utilities, LLC;)
Brocklyn Utilities, LLC; Fox Run Utilities,)
LLC; and Lake Columbia Utilities, Inc.)

No. 2019-00104

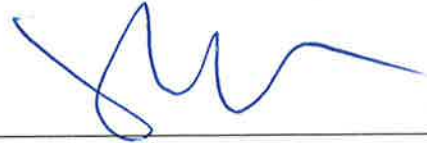
Verified Joint Application
Exhibit A — Verifications

1. Bluegrass Water Utility Operating Company, LLC (by Josiah Cox, President of its manager)
2. P.R. Wastewater Management, Inc. (by its President, Lawren A. Just)
3. Marshall County Environmental Services LLC (by member/owner William A. Artis)
4. LH Treatment Company, LLC (by member Kevin D. Hammond)
5. Kingswood Development, Inc. (by its President, Gail Williams)
6. Airview Utilities, LLC (counterparts by members Martin G. Cogan and Lawrence W. Smither)
7. Brocklyn Utilities, LLC (counterparts by members Martin G. Cogan and Lawrence W. Smither)
8. Fox Run Utilities, LLC (counterparts by members Martin G. Cogan and Lawrence W. Smither)
9. Lake Columbia Utilities, Inc. (counterparts by members Martin G. Cogan and Lawrence W. Smither)

Bluegrass Water Utility Operating Company, LLC

Verification

I, **Josiah Cox**, President of Central States Water Resources, Inc., the manager of **Bluegrass Water Utility Operating Company, LLC** ("Bluegrass"), do hereby verify on behalf of Bluegrass that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Josiah Cox

STATE OF MISSOURI)
COUNTY OF St. Louis)

Subscribed, sworn to, and acknowledged this 9th day of April, 2019, before me, a Notary Public in and before said County and State.

My Commission expires: 01-31-2021



NOTARY PUBLIC

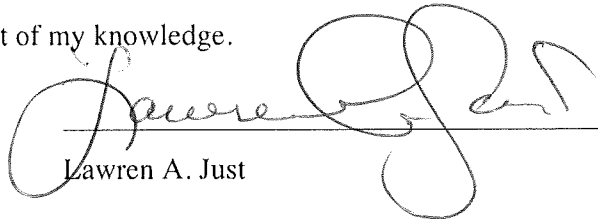
{seal}



P. R. Wastewater Management, Inc.

Verification

I, **Lawren A. Just**, President of **P. R. Wastewater Management, Inc.**, do hereby verify on behalf of P. R. Wastewater Management, Inc. that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Lawren A. Just

Commonwealth of KENTUCKY)

County of XX Shelby)

Subscribed, sworn to, and acknowledged this 9th day of April, 2019, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 4-18-2021



NOTARY PUBLIC

{seal}

Marshall County Environmental Services LLC

Verification

I, **William A. Artis**, a member/owner of **Marshall County Environmental Services LLC**, do hereby verify on behalf of Marshall County Environmental Services LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.

William A. Artis

William A. Artis

Commonwealth of KENTUCKY)

County of XX)

Subscribed, sworn to, and acknowledged this 9th day of April ~~March~~, 2019, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 5-5-21

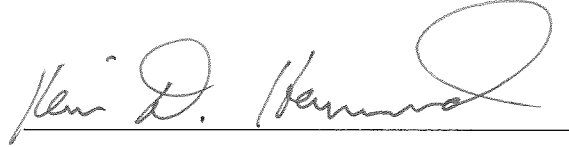
Brandy Johnson
NOTARY PUBLIC



LH Treatment Company, LLC

Verification

I, **Kevin D. Hammond**, a member of **LH Treatment Company, LLC**, do hereby verify on behalf of LH Treatment Company, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Kevin D. Hammond

Commonwealth of KENTUCKY)

County of XX Franklin)

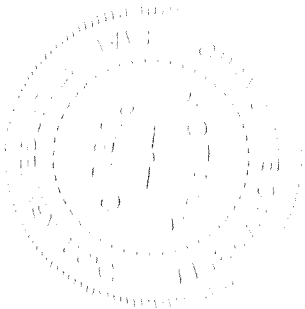
Subscribed, sworn to, and acknowledged this 9 day of ^{April}~~March~~, 2019, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 9/12/20



NOTARY PUBLIC

{seal}



Kingswood Development, Inc.

Verification

I, **Gail Williams**, President of **Kingswood Development, Inc.**, do hereby verify on behalf of Kingswood Development, Inc. that the statements made in this Joint Application are true and accurate to the best of my knowledge.

Gail Williams Pres.

Gail Williams

Commonwealth of KENTUCKY)

County of XX Bullitt)

Subscribed, sworn to, and acknowledged this 11th day of April, 2019, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 02/16/2020

Klerise E Gayle

NOTARY PUBLIC

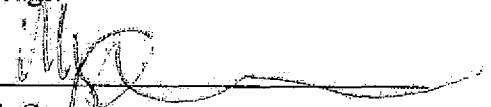
548903

{seal}

Airview Utilities, LLC

Verification

Martin G. Cogan and **Lawrence W. Smither**, members of **Airview Utilities, LLC**, each do hereby verify on behalf of Airview Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.



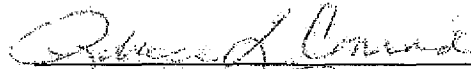
Martin G. Cogan

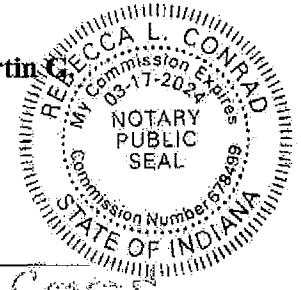
Lawrence W. Smither

State of Indiana
Commonwealth of KENTUCKY)
County of Clark)

Subscribed, sworn to, and acknowledged this 10th day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said ^{State} Commonwealth and County.

My Commission expires: 3/17/2024


NOTARY PUBLIC *Rebecca L. Conrad*
My Commission Expires 3/17/2024



{seal}

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

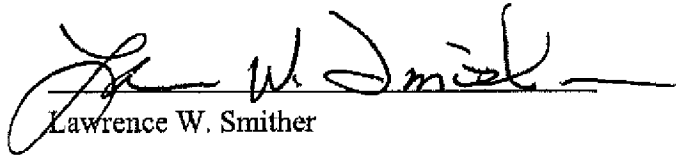
{seal}

Airview Utilities, LLC

Verification

Martin G. Cogan and Lawrence W. Smither, members of **Airview Utilities, LLC**, each do hereby verify on behalf of Airview Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.

Martin G. Cogan


Lawrence W. Smither

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

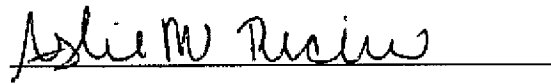
NOTARY PUBLIC

{seal}

Commonwealth of KENTUCKY)
County of Oldham)

Subscribed, sworn to, and acknowledged this 12 day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 11-30-2021



NOTARY PUBLIC

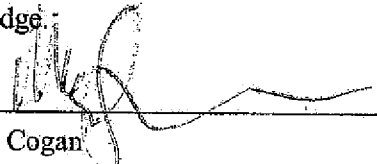
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ASHLIE M. RICHEYSON
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30 2021

Brocklyn Utilities, LLC

Verification

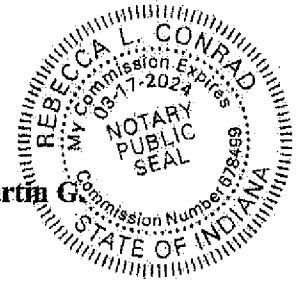
Martin G. Cogan and **Lawrence W. Smither**, members of **Brocklyn Utilities, LLC**, each do hereby verify on behalf of Brocklyn Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Martin G. Cogan

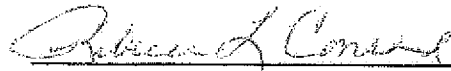
Lawrence W. Smither

State Indiana
Commonwealth of KENTUCKY)
County of Clark)



Subscribed, sworn to, and acknowledged this 12th day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 3/17/2024



NOTARY PUBLIC *Rebecca L. Conrad*

{seal}

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

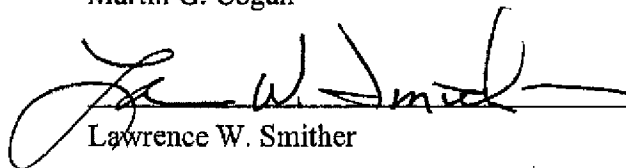
{seal}

Brocklyn Utilities, LLC

Verification

Martin G. Cogan and Lawrence W. Smither, members of **Brocklyn Utilities, LLC**, each do hereby verify on behalf of Brocklyn Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.

Martin G. Cogan


Lawrence W. Smither

Commonwealth of KENTUCKY)

County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

{seal}

Commonwealth of KENTUCKY)

County of Oldham)

Subscribed, sworn to, and acknowledged this 12 day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 11:30 2021


NOTARY PUBLIC

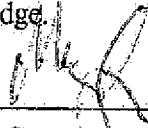
{seal}

ASHLIE M. RICHERSON
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30 2021

Fox Run Utilities, LLC

Verification

Martin G. Cogan and **Lawrence W. Smither**, members of **Fox Run Utilities, LLC**, each do hereby verify on behalf of Fox Run Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.



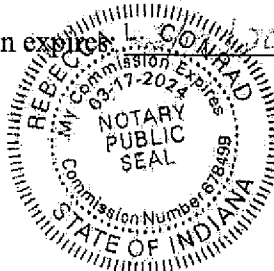
Martin G. Cogan

Lawrence W. Smither

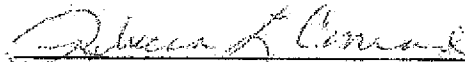
State Indiana
Commonwealth of KENTUCKY)
County of Clare)

Subscribed, sworn to, and acknowledged this 12th day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 03-17-2024



{seal}



NOTARY PUBLIC Rebecca L. Conrad

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

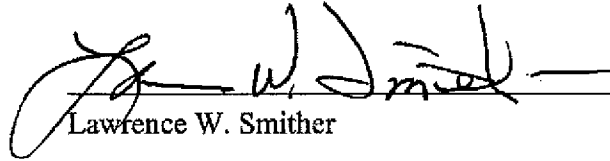
{seal}

Fox Run Utilities, LLC

Verification

Martin G. Cogan and Lawrence W. Smither, members of Fox Run Utilities, LLC, each do hereby verify on behalf of Fox Run Utilities, LLC that the statements made in this Joint Application are true and accurate to the best of my knowledge.

Martin G. Cogan



Lawrence W. Smither

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

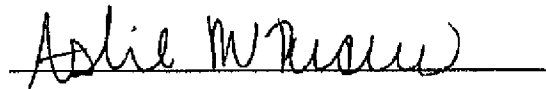
NOTARY PUBLIC

{seal}

Commonwealth of KENTUCKY)
County of Oldham)

Subscribed, sworn to, and acknowledged this 17 day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 11-30-2021



NOTARY PUBLIC


{seal}



Lake Columbia Utilities, Inc.

Verification

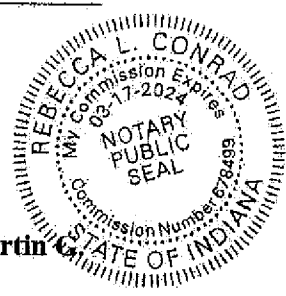
Martin G. Cogan and Lawrence W. Smither, members of Lake Columbia Utilities, Inc., each do hereby verify on behalf of Lake Columbia Utilities, Inc. that the statements made in this Joint Application are true and accurate to the best of my knowledge.



Martin G. Cogan

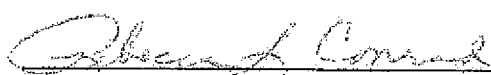
Lawrence W. Smither

State Indiana
Commonwealth of KENTUCKY)
County of Clark)



Subscribed, sworn to, and acknowledged this 12th day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said State Commonwealth and County.

My Commission expires: 3/17/2024



NOTARY PUBLIC Rebecca L. Conrad

{seal}

Commonwealth of KENTUCKY)
County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

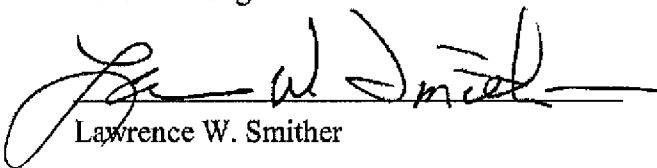
{seal}

Lake Columbia Utilities, Inc.

Verification

Martin G. Cogan and **Lawrence W. Smither**, members of **Lake Columbia Utilities, Inc.**, each do hereby verify on behalf of Lake Columbia Utilities, Inc. that the statements made in this Joint Application are true and accurate to the best of my knowledge.

Martin G. Cogan


Lawrence W. Smither

Commonwealth of KENTUCKY)

County of _____)

Subscribed, sworn to, and acknowledged this ____ day of April, 2019, by **Martin G. Cogan**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: _____

NOTARY PUBLIC

{seal}

Commonwealth of KENTUCKY)

County of Oldham)

Subscribed, sworn to, and acknowledged this 12 day of April, 2019, by **Lawrence W. Smither**, before me, a Notary Public in and before said Commonwealth and County.

My Commission expires: 11-30-2021



NOTARY PUBLIC

{seal}

ASHLIE M. RICHERSON
Notary Public
State at Large
Kentucky
My Commission Expires Nov 30 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

The Proposed Acquisition by Bluegrass Water)
Utility Operating Company, LLC and the)
Transfer of Ownership and Control of Assets)
by: P.R. Wastewater Management, Inc.;)
Marshall County Environmental Services LLC;)
Kingswood Development, Inc.; LH Treatment)
Company, LLC; Airview Utilities, LLC;)
Brocklyn Utilities, LLC; Fox Run Utilities,)
LLC; and Lake Columbia Utilities, Inc.)

No. 2019-00104

Verified Joint Application
Exhibit B — Mailing and E-mail Addresses

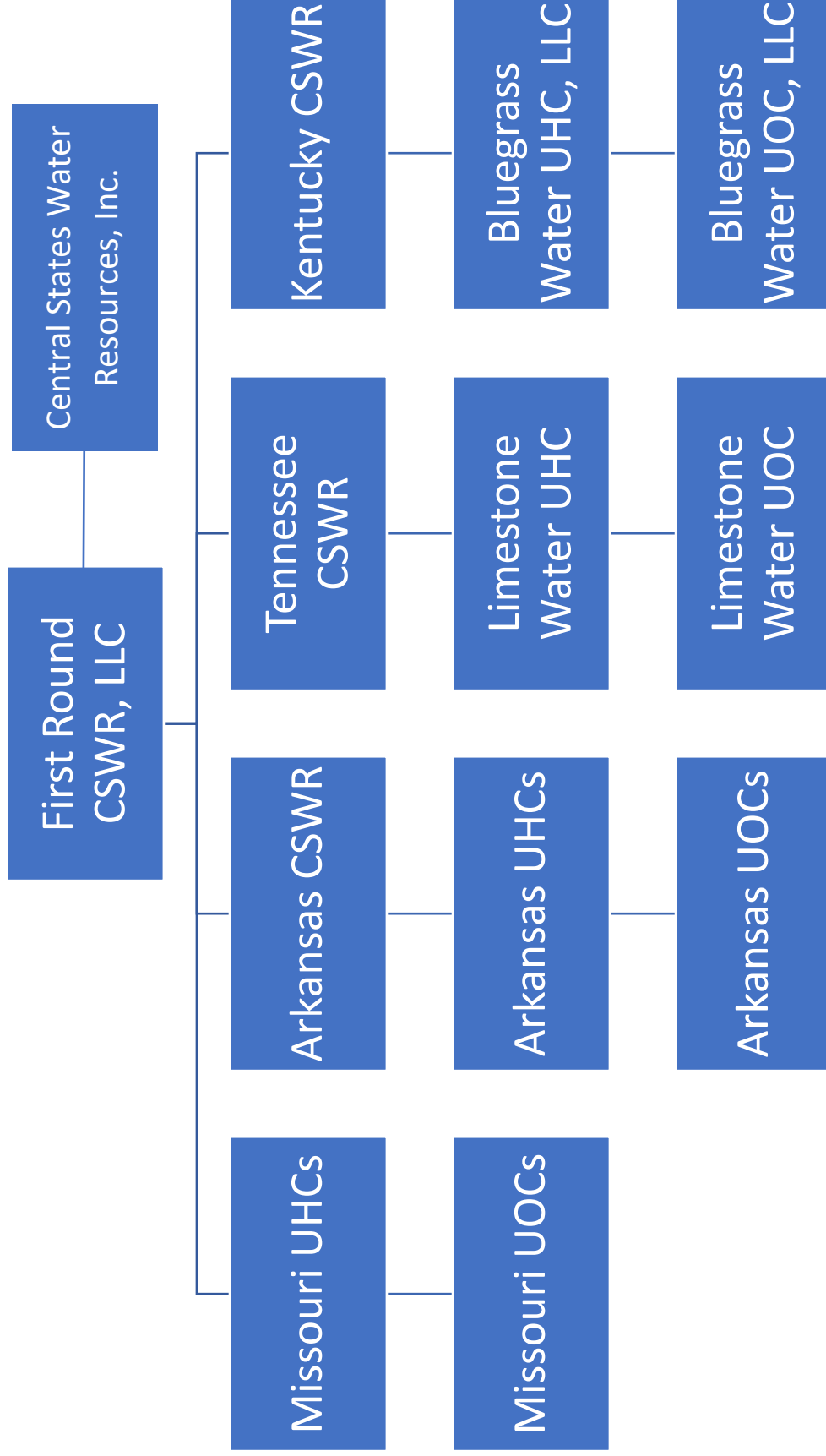
All service in this case should include service on the Joint Applicants' counsel at the following mailing and e-mail addresses:

Katherine K. Yunker; kyunker@mcbayerfirm.com
Kathryn A. Eckert; keckert@mcbayerfirm.com
MCBRAYER PLLC
201 E. Main Street; Suite 900
Lexington, KY 40507-1310

The individual mailing address and e-mail address for each Applicant are as follows:

<u>Applicant</u>	<u>Mailing Address/ E-mailing Address</u>
Bluegrass Water Utility Operation Company, LLC	500 Northwest Plaza Dr., Ste. 500; Saint Ann, MO 63074 rmitten@brydonlaw.com and regulatory@cswrgroup.com
P. R. Wastewater Manage- ment, Inc.	72 Persimmon Ridge Drive; Louisville, KY 40245 lajust@persimmonridgedev.com
Marshall County Environ- mental Services, LLC	8571 Scale Road; Benton, KY 42025 mcguy555@gmail.com
Kingswood Development, Inc.	9201 Lena Lane; Louisville, KY 40299-5400 gwilliams@peoplesbankmtw.com
LH Treatment Company, LLC	131 Saratoga Drive; Frankfort, KY 40601 rickpulliam@aol.com
Airview Utilities, LLC	Robert Moore, Esq. STITES & HARBISON PLLC 421 W. Main Street; P.O. Box 634 Frankfort, KY 40602-0634 rmoore@stites.com
Brocklyn Utilities, LLC	
Fox Run Utilities, LLC	
Lake Columbia Utilities, Inc.	

Central States Water Resources Corporate Organizational Chart



AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT (“Agreement”), is made and entered into this 9th day of November, 2018, by and between Central States Water Resources, Inc., a Missouri corporation, (“Buyer”), and P. R. Wastewater Management, Inc. (“Seller”), collectively (“Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates as a regulated sewer corporation sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Shelby County, Kentucky (herein after the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a corporation, organized and existing under the constitution and the laws of the Commonwealth of Kentucky with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the closing date, Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s assigned affiliate as set forth in Section 17 herein, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Shelby County, in the State of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit “A”* and/or generally described in *Exhibit “B”*, attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Shelby County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Shelby County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the closing of this sale; and

F. All assets not described which are located in Shelby County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the closing of the sale contemplated under this Agreement.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the State of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title

Standards”). After delivery of said title insurance commitment and Buyer’s completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing within sixty (60) business days, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have ten (10) business days to correct the title and Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer’s option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void. If Buyer elects to terminate this Agreement due to said defects, the deposit set forth below shall be fully refunded to Buyer.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain required regulatory approvals, if any, from the Kentucky Public Service Commission (“PSC”), Kentucky Pollutant Discharge Elimination System (“KPDES”), and any other regulatory agency in the State of Kentucky, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED]

[REDACTED] for purchase of the Assets (“Purchase Price”). Buyer to deliver a deposit in the amount of [REDACTED] [REDACTED] within three (3) business days of execution of this Agreement to be held in the escrow account of the title company issuing the Title Commitment to Buyer.

5. **CLOSING.**

The closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller’s Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing, or at such other time as the parties hereto may mutually agree. At the closing, Seller shall have delivered to Buyer such deeds, bills of sale,

endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder.

On the date of closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation organized, existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller prior to the closing shall remain the obligations of Seller after the date of closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to Closing and with Buyer's assistance, Seller shall have obtained good and marketable title to all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Shelby County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 2) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect

satisfactorily cured or remedied, and 3) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the closing date, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a body corporate organized, existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this

Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion, and any deposit shall be forfeited and remain with the Seller.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the closing date, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes;

to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to closing upon written notice to Seller, and shall forfeit deposit to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing, including but not limited to the deposit set forth in Section 4 herein.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of

Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

13. **GOVERNING LAW.**

This Agreement is being delivered and is intended to be performed in the Commonwealth of Kentucky and shall be construed and enforced in accordance with the laws of such state.

14. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

15. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

16. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

17. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

18. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

19. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to

the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Lawren A. Just, President
P. R. Wastewater Management, Inc.
72 Persimmon Ridge Drive
Louisville, KY 40245
Phone: (502) 419-4797
Email: lajust@persimmonridgedevlopment.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

20. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

21. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

22. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for Closing.

23. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

24. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

25. **DEFAULT; ATTORNEY’S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys’ fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys’ fees and costs in addition to any other damages that

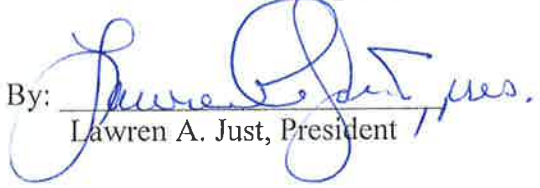
the Party is entitled to recover at law or in equity.

26. **AUTHORITY TO EXECUTE**. Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

P. R. Wastewater Management, Inc.

By:  pres. 11/9/18
Lauren A. Just, President

BUYER:

Central States Water Resources, Inc.

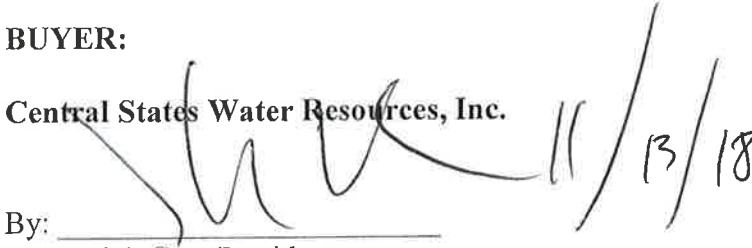
By:  11/13/18
Josiah Cox, President

EXHIBIT "A"

Service Area Description

The homes and businesses located within the Persimmon Ridge Development.

Plat of sewer lines attached. Some property service connections have been added since the attached plat was completed.

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to Closing).

P.R. Wastewater Management's Lagoon system is located on Lot 119 in the Persimmon Ridge Development. Plat is attached. This plat is currently being amended to remove the golf course irrigation lake from the ownership of P.R. Wastewater Management, and to add additional acreage to Lot 119 for future growth of the sewer system. The amended plat will include access easements as well as electric, sewer and water easements.

See attached for understanding of current and amended areas.

This plat indicates the majority of the psc's.
 There may be one-five not shown.

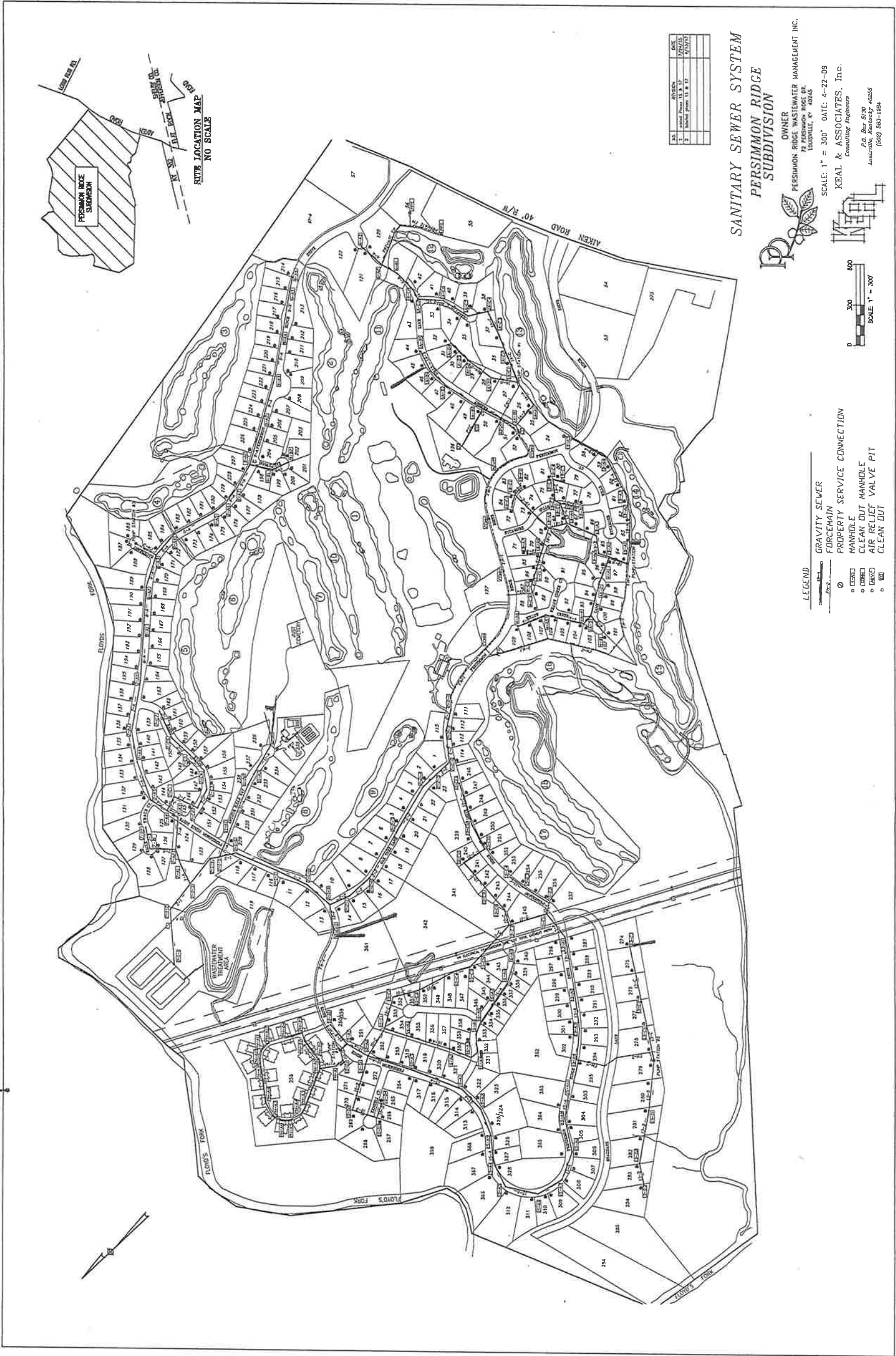
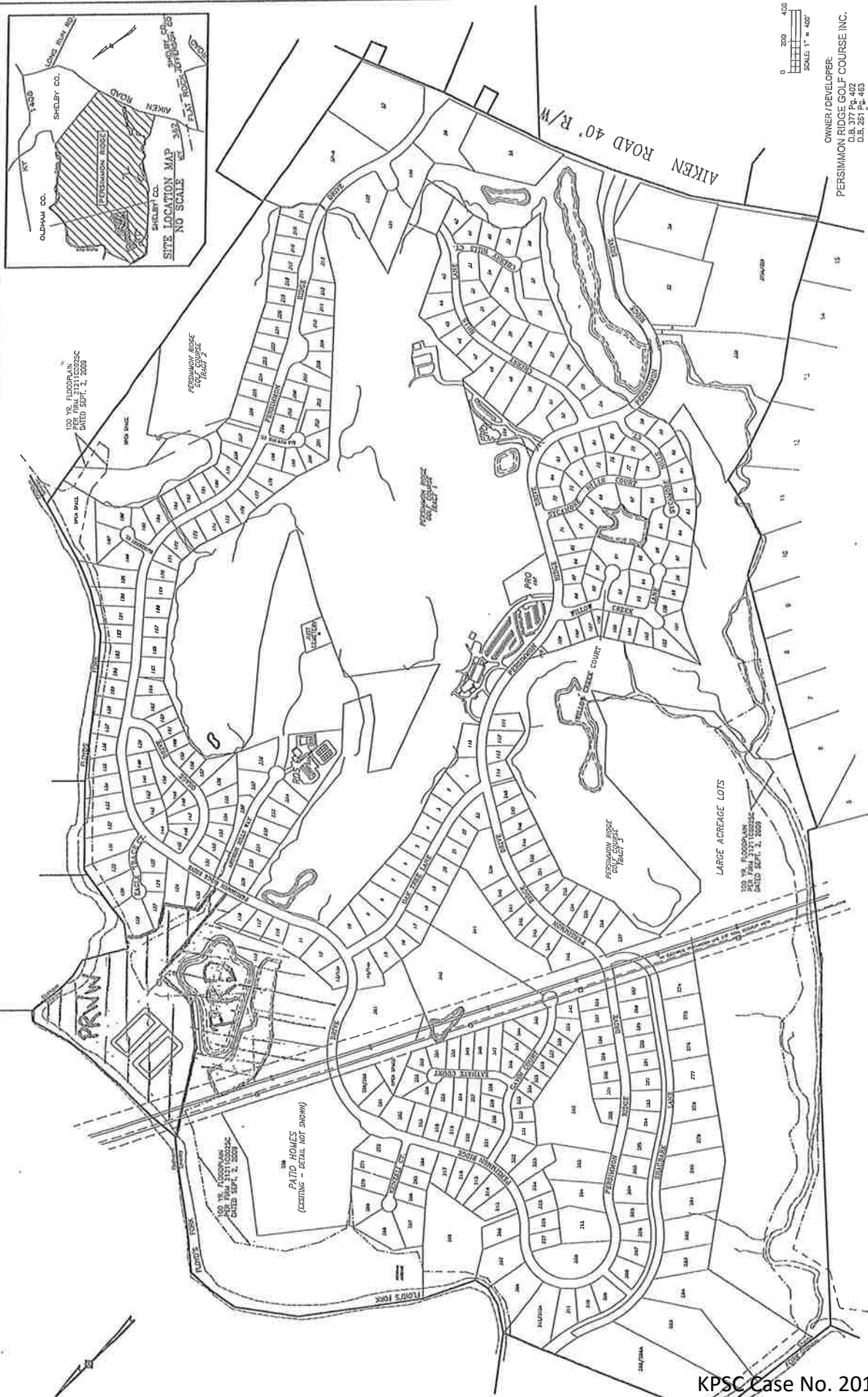


Exhibit "A"

Suggested Areas for Amended Plat



PERSIMMON RIDGE DEVELOPMENT
REVISED DEVELOPMENT PLAN
 MAY 2015

LAND USE ZONING: RESIDENTIAL SINGLE-FAMILY (RS) AND RESIDENTIAL SINGLE-FAMILY (RS) WITH COMMERCIAL CORNER (RS-C) PER KY REV. STATUTES AND LOCAL ORDINANCES. THE DEVELOPER SHALL OBTAIN ALL NECESSARY PERMITS AND APPROVALS FROM THE LOCAL GOVERNMENT AND STATE AGENCIES. CONTACT: K&A ASSOCIATES, INC. 405 S. 5TH ST. LOUISVILLE, KY 40202 (502) 261-4531

OWNER / DEVELOPER:
 PERSIMMON RIDGE GOLF COURSE INC.
 DE. 377 PG. 402
 DE. 251 PG. 453

PERSIMMON RIDGE DEVELOPMENT CO.
 72 PERSIMMON RIDGE DR.
 LOUISVILLE, KY 40245



Exhibit "B"
 see additional plat and comments

This is a copy of a recorded plat from 1946.
 Lot 119 is currently being amended,

CONTOURS FROM
 AERIAL PHOTOGRAPH
 AND FIELD SURVEY

NOTE:
 Based on review of the FIA FLOOD HAZARD BOUNDARY MAP # 210209 0001 A
 Dated July 15, 1977, portions of Lot 119 fall within a flood hazard area.
 Lots 116, 117, & 118, are not located within the Flood Hazard Area.
 Based on review of adjoining FIA MAP # 210185 0175 B Dated August 19, 1987,
 the original revision of the Flood Hazard map may include portions of Lots
 116, 117, & 118, in 100 year Flood Hazard Area.

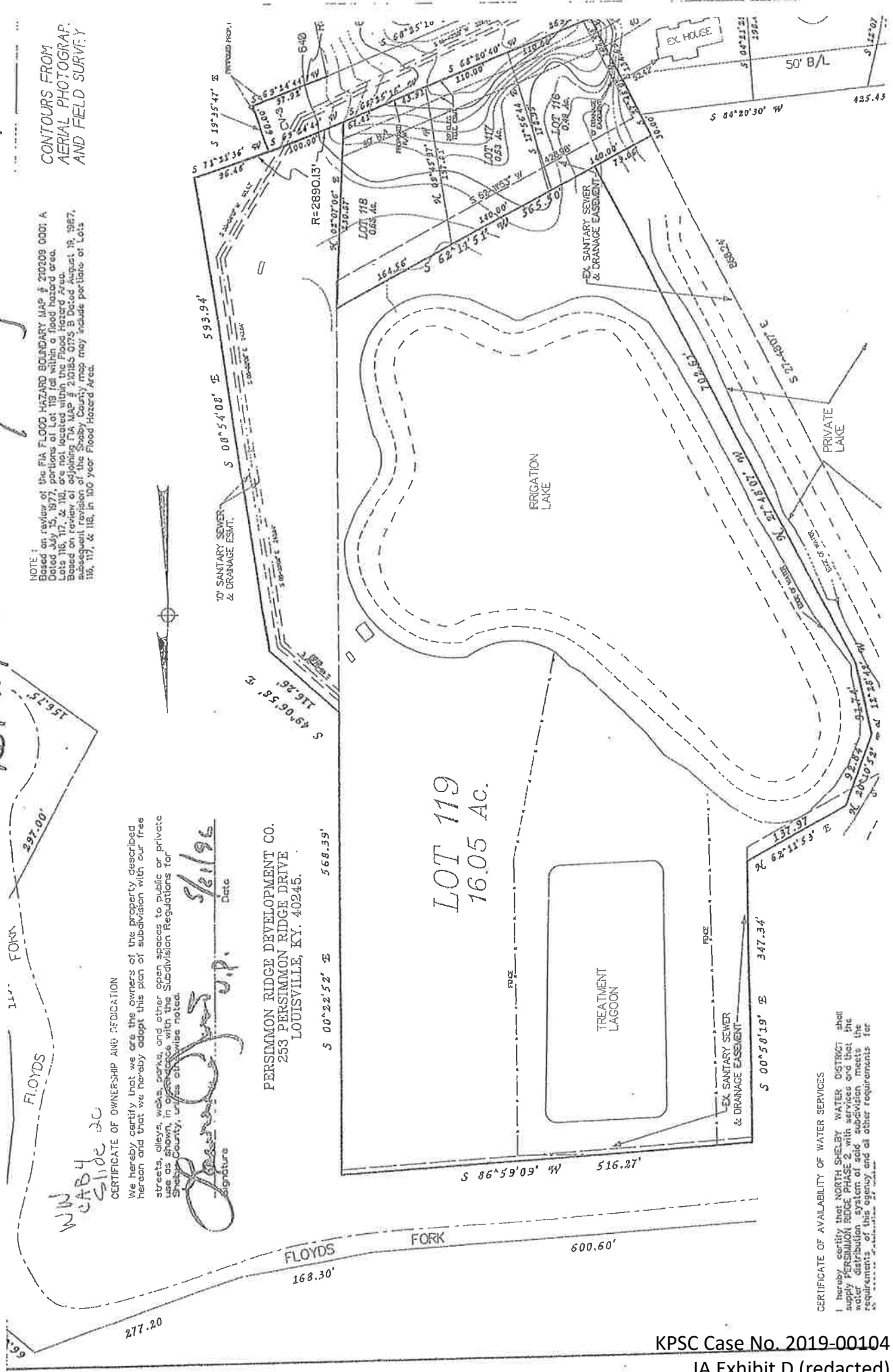
CERTIFICATE OF OWNERSHIP AND AFFIDAVIT

We hereby certify that we are the owners of the property described hereon and that we hereby adopt this plan of subdivision with our free streets, alleys, walks, parks, and other open spaces to public or private use as shown in the plat, with the Subdivision Regulations for this County, unless otherwise noted.

David J. P. Skelton
 Signature Date

PERSIMMON RIDGE DEVELOPMENT CO.
 253 PERSIMMON RIDGE DRIVE
 LOUISVILLE, KY. 40245.

LOT 119
 16.05 Ac.



CERTIFICATE OF AVAILABILITY OF WATER SERVICES

I hereby certify that NORTH SHELBY WATER DISTRICT shall supply PERSIMMON RIDGE PHASE 2, with services and that the requirements of this agency and all other requirements for

Exhibit "B"
 To be Amended

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

These items are in inventory as of the date of this purchase agreement. It is understood the amounts could be reduced or increased according to normal operational usage from date of agreement through date of closing.

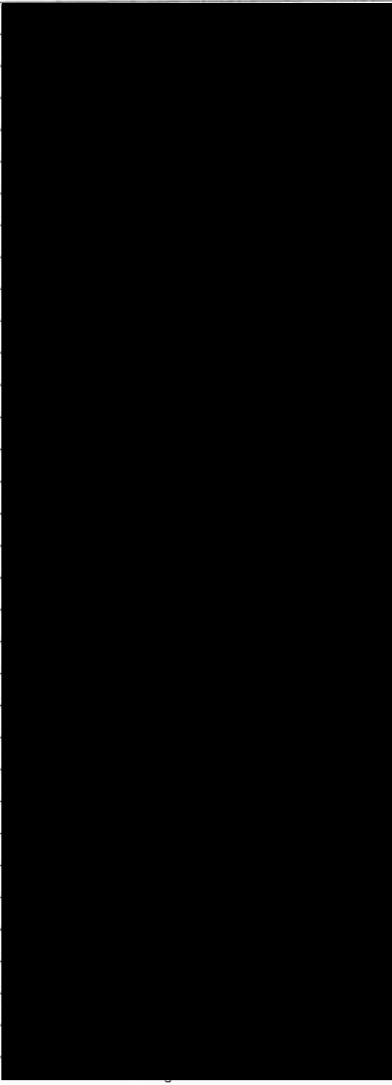
Description	Balance of Associated Debt & Lender Information
2 sets of 7/8" Hold Down Brackets	
6 pieces of fire hose	
2 fire hose nozzles	
3 five-gallon buckets of calcium hypochlorite	
4 fish baskets	
1 bucket of string	
2 new 24-hour timers	
2 new light bulbs	
Approximately 40' of 4-wire water submersible cable	
2 capacitors	
1 relay	
1 pole and net	
Approximately 50' of 1/8" stainless steel cable	
1 Extech chlorine meter	
1 stenner pump for liquid chlorine distribution	
1 stenner pump for liquid de-chlor	
1 stenner pump (used-repair parts only)	
1 stenner pump (new-back up)	
1 bag bentonite clay	
5 pump replacement tubes	
2 1-quart oil for blower	
2 55-gallon barrels	
2 220-gallons spill containment	
4 Pump Station Pilots	
2 4-drawer file cabinets with customer/vendor info	
Approximately 800 PR Wastewater envelopes	
Sewer construction drawings for Sections 1-8	
Sewer construction drawings for Section 9-17	
Master Plan of sewer lines/manholes	
Quickbooks files for wastewater billing	
2 4-drawer file cabinets with customer/vendor info	
Approximately 800 PR Wastewater envelopes	

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, and customer deposits)

There are no franchise agreements.

TnT Technologies has the agreement to monitor the pump station pilots for 4 lift stations. There is no time-frame associated with the agreement.

Chlor and de-chlor are purchased through Chemical Resources, Louisville, KY.

McCoy and McCoy Labs do the testing for PRWW. There is no long-term agreement or contract for their services.

Customers are billed monthly, however some do pay in advance. The AR report will be reviewed for pre-payments the week prior to closing to determine the amount of pre-payments held.

RESTATED & AMENDED AGREEMENT
FOR SALE OF UTILITY SYSTEM

THIS RESTATED & AMENDED AGREEMENT (“Agreement”), is made and entered into this 14th day of March, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and MARSHALL COUNTY ENVIRONMENTAL SERVICES LLC (“Seller”), collectively (“Parties”).

WITNESSETH:

WHEREAS, on January 8, 2019, the Parties entered into an Agreement for Sale of Utility System (“Original Agreement”); and

WHEREAS, the Parties desire to amend and restate the Original Agreement and replace the Original Agreement with this Agreement; and

WHEREAS, Seller has developed and operates regulated sewer facilities in the areas more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Marshall County and McCracken County, Kentucky (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated

affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Marshall County and McCracken County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit "B"*, attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Marshall County and McCracken County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Marshall County and McCracken County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing; and

F. All assets not described which are located in Marshall County and McCracken County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory

to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED] [REDACTED] for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer

having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the Commonwealth of Kentucky in bad standing with the Kentucky Secretary of State; however, Seller has all the requisite power and authority to sell the Assets pursuant to the terms of this Agreement.

B. Liabilities.

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. Absence of Certain Changes.

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. Title to Properties.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System

and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Marshall County or McCracken County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at

the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire

agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel

Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Phone: _____
Facsimile: _____
Email: _____

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent

such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY’S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys’ fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys’ fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

Marshall County Environmental
Services LLC

By: _____

Name: _____

Title: _____

BUYER:

Central States Water Resources, Inc.

By: _____
Josiah Cox, President

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

Marshall County Environmental
Services LLC

By: William D. Curtis

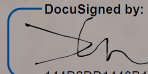
Name: William D. Curtis

Title: Owner

BUYER:

Central States Water Resources, Inc.

DocuSigned by:



By: Jeniah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other financial assurances and customer deposits)

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT ("Agreement"), is made and entered into this 29th day of January, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and LH TREATMENT COMPANY, LLC ("Seller"), collectively ("Parties").

WITNESSETH:

WHEREAS, Seller has developed and operates regulated sewer facilities in the area more particularly described and depicted in the documents attached hereto as *Exhibit "A"*, situated in Scott County, Kentucky (hereinafter the "System"); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as "Assets"); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer's designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Scott County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit "B"*, attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Scott County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Scott County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing; and

F. All assets not described which are located in Scott County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets" and shall be sold "as is," without express or implied warranty.

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the

Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED] [REDACTED] for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval,

satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. Liabilities.

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. Absence of Certain Changes.

After Buyer's inspection and acceptance of the Assets, there shall not be:

i. Any material change in the use of the Assets in connection with the business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. Title to Properties.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the

System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Scott County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as

otherwise disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such

time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required

by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FUTURE TAP FEES.**

Subsequent to and contingent on successful Closing of this Agreement, PH ENTERPRISES, LLC (“PH Enterprises”) shall facilitate the process between Buyer and the developer(s) who are currently developing real property within the Longview and Homestead development, which is located within the outlined area depicted on *Exhibit “E”*, attached hereto and incorporated herein (“Development”), for all System tap ins located within the Development. PH Enterprises shall install each “tap in” in accordance with the standards and specifications required by Buyer and/or any regulatory authority. In return for PH Enterprises’ services, PH Enterprises shall be entitled to receive and retain as full payment for its services, the entire “tap in fee” for new “tap ins” in the Development charged to the developer(s) by Buyer. The Buyer will invoice and collect the tap in fee from the developer(s) within the Development who tap into the System, and within fifteen (15) days of receipt of the payment to the Buyer by the respective developer for the “tap in” fee, Buyer will tender payment to PH Enterprises.

12. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder’s fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

13. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which

option it elects within five (5) days prior to the Closing.

14. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

15. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

16. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

17. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

18. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

19. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

20. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and

shall not affect in any way the meaning or interpretation of this Agreement.

21. NOTICES.

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC

13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

LH Treatment Company, LLC
William R. Pulliam III
134 Prater Drive
Georgetown, KY 40324
Phone: (865) 619-7855
Facsimile: _____
Email: WRPulliam@gmail.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

22. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

23. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

24. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

25. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word “including” shall mean including without limitation.

26. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

27. **DEFAULT; ATTORNEY’S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys’ fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys’ fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

28. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

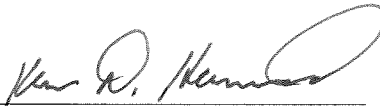
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:


LH TREATMENT COMPANY, LLC

By: 
William R. Pulliam III, Member


By: 
Kevin D. Hammond, Member

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: 
Josiah Cox, President

PH ENTERPRISES, LLC

By: 
William R. Pulliam III, Member


By: 
Kevin D. Hammond, Member

EXHIBIT "A"

Service Area Description

TO BE FINALIZED DURING DUE DILIGENCE

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

TO BE FINALIZED DURING DUE DILIGENCE

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information
Hand tools, chemicals, water hoses, and canisters	N/A

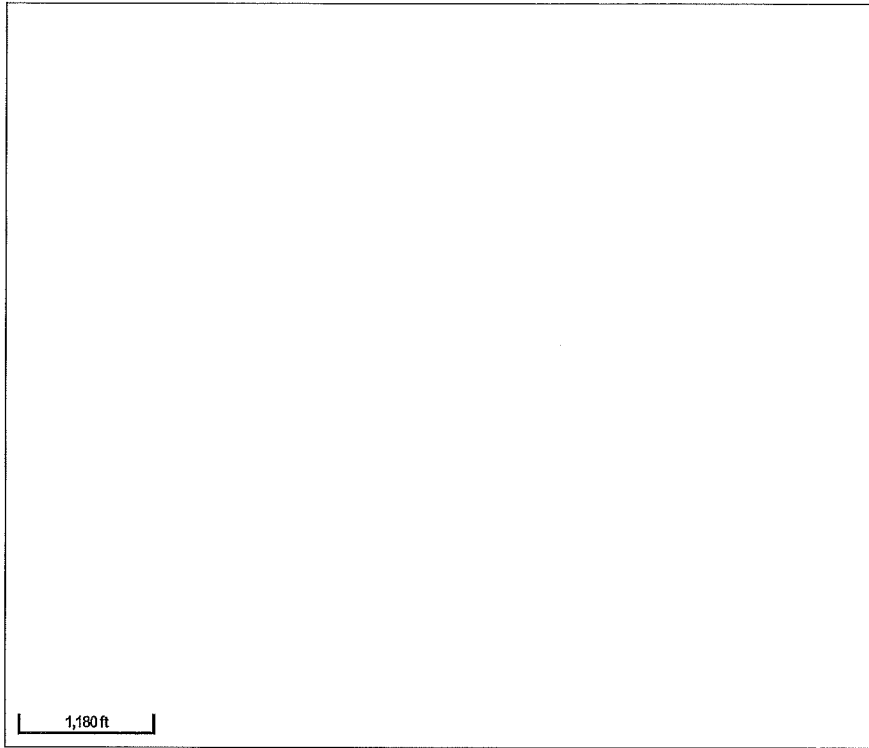
TO BE FINALIZED DURING DUE DILIGENCE

EXHIBIT "D"

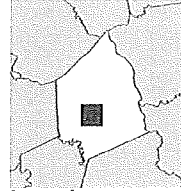
Rights Via Agreements, Contracts, Misc.
(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other
financial assurances and customer deposits)

Collection Agreement with Georgetown Municipal Water & Sewer (Month-to-Month)

EXHIBIT E
Scott County, KY PVA



Overview



Legend

- Parcels
- Roads

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT ("Agreement"), is made and entered into this 19th day of March, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and KINGSWOOD DEVELOPMENT, INC. ("Seller"), collectively ("Parties").

WITNESSETH:

WHEREAS, Seller has developed and operates as a regulated sewer corporation sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit "A"*, situated in Bullitt County, Kentucky (hereinafter the "System"); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a corporation, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as "Assets"); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer's designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Bullitt County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Bullitt County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Bullitt County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing and any accounts paid in advance of Closing shall be prorated between Seller and Buyer at Closing; and

F. All assets not described which are located in Bullitt County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing, which shall remain the property of Seller.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. **CONVEYANCES OF REAL ESTATE.**

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth

of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED] [REDACTED] for purchase of the Assets ("Purchase Price"). Buyer shall make an earnest money deposit to the title company in the amount of [REDACTED] [REDACTED] within five (5) days of the execution of this Agreement. If the Buyer does not terminate this Agreement based upon its rights of termination set forth herein, or if the Closing does not occur within one year of the full execution of this Agreement, then the earnest money shall become non-refundable and shall be disbursed to the Seller. The Purchase Price shall be allocated as follows: Real Property [REDACTED] Plant Equipment [REDACTED] Building/Improvements [REDACTED]. In addition to the Purchase Price, Buyer hereby agrees that after the Closing occurs it will not charge Seller any tap fees for connection to the sewer system

for certain lots owned by Seller that consist of Lots 43, 57, 58 and 60 in Deed Book 447, Page 64 and Plat Cabinet 2, Slide 219 of record in the Office of the Buillitt County, Kentucky Court Clerk.

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller

agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Bullitt County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. To the best of Seller's knowledge, the System is being conducted, and as of the date of the Closing, will be conducted in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise

disclosed to Buyer.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION BY SELLER.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials prior to the date of the Closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. INDEMNIFICATION BY BUYER.

Buyer shall, and hereby does agree to indemnify and hold harmless Seller, at any time after the Closing against and in respect of:

A. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Buyer under this Agreement or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Seller under this Agreement;

B. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the storage or disposal of hazardous waste or materials after the date of the Closing;

C. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Buyer shall reimburse Seller, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Buyer made by Seller at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Buyer contained in this section relates.

12. FEES AND COMMISSIONS.

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

13. HAZARD INSURANCE & CASUALTY LOSS.

Seller shall maintain current hazard insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

14. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

15. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

16. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

17. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

18. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

19. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

20. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

21. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 21, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127

Email: jim@beckemeierlaw.com

If to Seller:

Gail Williams, President
Kingswood Development, Inc.
9201 Lena Lane
Louisville, KY 40299
Phone: 502-494-8453
Facsimile: _____
Email:GWilliams@peoplesbankmtw.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

22. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

23. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

24. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

25. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise

favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

26. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

27. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

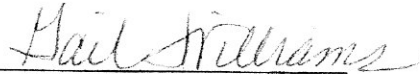
28. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

KINGSWOOD DEVELOPMENT, INC.

By: 
Gail Williams, President

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.


By: 
144D2DB1440B4DC...
Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment
(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information
	N/A

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.
(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other
financial assurances and customer deposits)

Agreement for Sale of Utility System

-19-

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT (“Agreement”), is made and entered into this 27th day of February, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate (“Buyer”), and AIRVIEW UTILITIES, LLC (“Seller”), collectively (“Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Hardin County, Kentucky (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Hardin County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit “A”* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Hardin County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Hardin County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing. Buyer shall deliver to Seller, within ten (10) days of receipt, any accounts receivable received by Buyer for sewer treatment services provided by Seller prior to closing; and

F. All assets not described which are located in Hardin County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing, which cash, cash equivalents and banking deposits shall remain Sellers after the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. **CONVEYANCES OF REAL ESTATE.**

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the

Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED], for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such

other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing, which liabilities and/or obligations of Seller are listed on Exhibit E. Buyer shall be fully responsible for the operation and maintenance of the System after the Closing.

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller listed on Exhibit E hereto, whether accrued,

absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder. Seller has disclosed to Buyer that the Airview WWTP is located on property leased from Fred and Ruby Schlatter.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the

book and page number of the records of the Hardin County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. Seller works, and will continue to work until Closing, to conduct and/or operate the System in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer on Exhibit E.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or

surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the

Closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such

time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof. All such liabilities and/or obligations of Seller for which Seller shall have an indemnification liability and/or obligation shall be listed on Exhibit E;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement and of which Seller had knowledge prior to Closing or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement and of which Seller had knowledge prior to Closing;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the improper storage or disposal of hazardous waste or materials prior to the date of the Closing and of which Seller had knowledge prior to closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is

not obligated to pay, any finder's fee, commission or other transactional fee in connection with the transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current general liability insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way

to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the

parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Airview Utilities, LLC
c/o Robert C. Moore, Attorney
Stites & Harbison, PLLC
421 West Main Street P.O.Box 634
Frankfort, KY 40602-0634
Phone: (502) 209-1218
Facsimile: (502) 560-5377
Email: Rmoore@stites.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

AIRVIEW UTILITIES, LLC

By:  member
Lawrence W. Smither, Member

By: _____
Martin G. Cogan, Member

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: _____
Josiah Cox, President

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

AIRVIEW UTILITIES, LLC

By: _____
Lawrence W. Smither, Member

By: _____
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BUYER:

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RESOURCES, INC.

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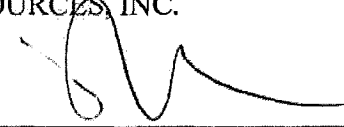
SELLER:

~~AIRVIEW UTILITIES, LLC~~

By: _____
~~Lawrence W. Smither, President~~

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

By: 

Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other financial assurances and customer deposits)

EXHIBIT "E"

List of all liabilities or obligations that will remain Seller's responsibility after the Closing:

Any fine imposed upon Airview Utilities, LLC in the administrative action titled Energy and Environment Cabinet ("Cabinet") v. Airview Utilities, LLC ("Airview"), Administrative Action No. DOW-34206-052

Any fine imposed upon Airview Utilities, LLC by the Kentucky Public Service Commission in Airview Utilities, LLC's Notice of Surrender and Abandonment of Utility Property, Public Service Commission, Case No. 2016-00207

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT (“Agreement”), is made and entered into this ___27th___ day of February, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate (“Buyer”), and BROCKLYN UTILITIES, LLC (“Seller”), collectively (“Parties”).

WITNESSETH:

WHEREAS, Seller has developed and operates sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit “A”*, situated in Madison County, Kentucky (hereinafter the “System”); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as “Assets”); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer’s designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Madison County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit “A”* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Madison County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Madison County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing. Buyer shall deliver to Seller, within ten (10) days of receipt, any accounts receivable received by Buyer for sewer treatment services provided by Seller prior to closing; and

F. All assets not described which are located in Madison County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing, which cash, cash equivalents and banking deposits shall remain Sellers after the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. **CONVEYANCES OF REAL ESTATE.**

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the

Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED], for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such

other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing, which liabilities and/or obligations of Seller are listed on Exhibit E. Buyer shall be fully responsible for the operation and maintenance of the System after the Closing

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller listed on Exhibit E hereto, whether accrued,

absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

- i. Any material change in the use of the Assets in connection with the business or operations of the System;
- ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Madison County Recorder's Office where such

easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. Seller works, and will continue to work until Closing, to conduct and/or operate the System in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer on Exhibit E.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local

ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof,

attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. Performance.

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. INDEMNIFICATION.

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof. All such liabilities and/or obligations of Seller for which Seller shall have an indemnification liability and/or obligation shall be listed on Exhibit E;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement and of which Seller had knowledge prior to Closing or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement and of which Seller had knowledge prior to Closing;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the improper storage or disposal of hazardous waste or materials prior to the date of the Closing and of which Seller had knowledge prior to closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. FEES AND COMMISSIONS.

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the

transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current general liability insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Brocklyn Utilities, LLC
c/o Robert C. Moore, Attorney
Stites & Harbison, PLLC
421 West Main Street, P.O. Box 634
Frankfort, KY 40602-0634
Phone: (502) 209-1218
Facsimile: (502) 560-5377
Email: Rmoore@stites.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

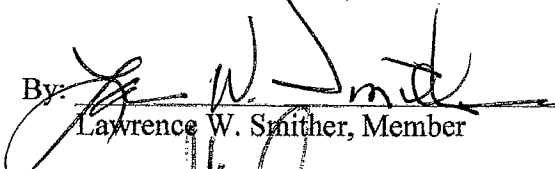
27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

BROCKLYN UTILITIES, LLC

By: 
Lawrence W. Smither, Member

By: 
Martin G. Cogan, Member

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

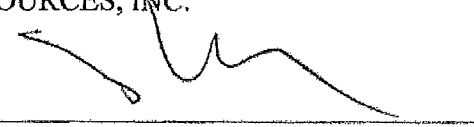
By: 
Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other financial assurances and customer deposits)

EXHIBIT "E"

List of all liabilities or obligations that will remain Seller's responsibility after the Closing:

None.

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT ("Agreement"), is made and entered into this ___27th___ day of February, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and FOX RUN UTILITIES, LLC ("Seller"), collectively ("Parties").

WITNESSETH:

WHEREAS, Seller has developed and operates sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit "A"*, situated in Franklin County, Kentucky (hereinafter the "System"); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as "Assets"); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer's designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Franklin County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Franklin County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Franklin County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing. Buyer shall deliver to Seller, within ten (10) days of receipt, any accounts receivable received by Buyer for sewer treatment services provided by Seller prior to closing; and

F. All assets not described which are located in Franklin County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing, which cash, cash equivalents and banking deposits shall remain Sellers after the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the

Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED], for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such

other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing, which liabilities and/or obligations of Seller are listed on Exhibit E. Buyer shall be fully responsible for the operation and maintenance of the System after the Closing

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a limited liability company organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller listed on Exhibit E hereto, whether accrued,

absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

i. Any material change in the use of the Assets in connection with the business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Franklin County Recorder's Office where such

easements are recorded. The cost of such identification and any related search being the sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. Seller works, and will continue to work until Closing, to conduct and/or operate the System in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer on Exhibit E.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local

ordinances, state or federal regulations, court orders or administrative order or ruling, nor is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof,

attributable to periods prior to or ending on the day of the Closing, to include PSC assessments.

D. **Inspections.**

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. **No Casualty.**

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. **Buyer's Right to Terminate.** If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. **CONDITIONS PRECEDENT FOR SELLER TO CLOSE**

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Representations and Warranties True at Closing.**

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof. All such liabilities and/or obligations of Seller for which Seller shall have an indemnification liability and/or obligation shall be listed on Exhibit E;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement and of which Seller had knowledge prior to Closing or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement and of which Seller had knowledge prior to Closing;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the improper storage or disposal of hazardous waste or materials prior to the date of the Closing and of which Seller had knowledge prior to closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the

transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current general liability insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Fox Run Utilities, LLC
c/o Robert C. Moore, Attorney
Stites & Harbison, PLLC
421 West Main Street, P.O. Box 634
Frankfort, KY 40602-0634
Phone: (502) 209-1218
Facsimile: (502) 560-5377
Email: Rmoore@stites.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation

in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

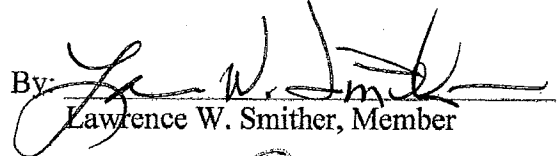
27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

FOX RUN UTILITIES, LLC

By: 
Lawrence W. Smither, Member

By: 
Martin G. Cogan, Member

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

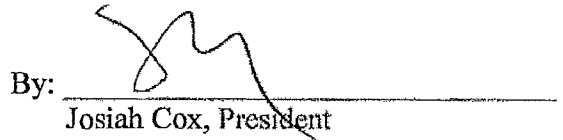
By: 
Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other financial assurances and customer deposits)

EXHIBIT "E"

List of all liabilities or obligations that will remain Seller's responsibility after the Closing:

None.

AGREEMENT FOR SALE OF UTILITY SYSTEM

THIS AGREEMENT ("Agreement"), is made and entered into this __27th__ day of February, 2019, by and between CENTRAL STATES WATER RESOURCES, INC., a Missouri corporation, or its affiliate ("Buyer"), and LAKE COLUMBIA UTILITIES, INC. ("Seller"), collectively ("Parties").

WITNESSETH:

WHEREAS, Seller has developed and operates sewer facilities, in the area more particularly described and depicted in the documents attached hereto as *Exhibit "A"*, situated in Bullitt County, Kentucky (hereinafter the "System"); and

WHEREAS, Buyer is a corporation, organized and existing under the constitution and the laws of the State of Missouri, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller is a limited liability company, organized and existing under the constitution and the laws of the Commonwealth of Kentucky, with all the requisite power necessary to enter into the transaction described hereinafter; and

WHEREAS, Seller desires to sell, and Buyer desires to purchase, all the assets, property and real estate connected with the System including, but not limited to, all associated improvements for the conveyance of sewer to each of the customers connected to the service area (defined further below as "Assets"); and

WHEREAS, the parties have reached an understanding with respect to the sale by Seller and the purchase by Buyer of all of the Assets (as hereinafter defined) of the System.

NOW, THEREFORE, it is mutually agreed that:

1. **SALE OF ASSETS.**

For and in consideration of the receipt of the Purchase Price, as set forth below, and the covenants and promises hereinafter set forth, Seller agrees that on the date of the Closing (as hereinafter defined), Seller shall sell, transfer, assign and deliver to Buyer, or Buyer's designated affiliate, all of Seller's then existing assets pertaining to the provision of sewer service in the System located in Bullitt County, in the Commonwealth of Kentucky, and related properties, including, without limitation, the following:

A. The land, improvements thereon, easements, rights of way, permits and leases related to the System area depicted in *Exhibit "A"* and/or generally described in *Exhibit*

"B", attached hereto;

B. All of Seller's sewer service facilities, equipment, lines, plant, pipes, manholes and appurtenances;

C. Any machinery and equipment such as meters, tools, devices, mobile work equipment, and all furniture, fixtures, machinery, supplies and other tangible items, if any, located in Bullitt County, Kentucky, and used or held for use in connection with the System as generally described in *Exhibit "C"*, attached hereto;

D. All of Seller's rights, title and interest in and to any franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds or other financial assurances or guaranties, and customer deposits, if any, pertaining to, allocable to or arising out of the provision of sewer service in Bullitt County, Kentucky as generally described in *Exhibit "D"*, attached hereto;

E. All of Seller's inventory, merchandise, contract rights, supplies, goodwill, and general intangibles including accounts receivable pertaining to the sewer service, except accounts receivable accrued prior to the Closing. Buyer shall deliver to Seller, within ten (10) days of receipt, any accounts receivable received by Buyer for sewer treatment services provided by Seller prior to closing; and

F. All assets not described which are located in Bullitt County, Kentucky, and used or useful to operate the System, excepting therefrom, and from any other assets described in the paragraphs above of this Section 1, any and all cash, cash equivalents and banking deposits in existence prior to the Closing, which cash, cash equivalents and banking deposits shall remain Sellers after the Closing.

The assets to be sold and delivered, as above described, are hereinafter collectively described as the "Assets."

2. CONVEYANCES OF REAL ESTATE.

The real estate to be conveyed by Seller will include all facilities described herein and all interest of Seller in any sewer and other utility easements. The real estate will be conveyed by general warranty deed, in a form satisfactory to Buyer, and will vest marketable title in fact in the Buyer. Easements shall be assigned by written assignment or other means, in a form satisfactory to Buyer.

At Buyer's expense, Buyer shall obtain, at least thirty (30) calendar days prior to the

Closing, a Commitment to issue an Owner's Policy of Title Insurance to Buyer in the amount of the Purchase Price issued by a company authorized to issue title insurance in the Commonwealth of Kentucky, which policy shall insure the owner's title to be marketable as the same is described and defined in the American Land Title Association ("ALTA") title examination standards ("Title Standards"). After delivery of said title insurance commitment and Buyer's completion of the examination and/or review of the commitment and other relevant title information, Buyer shall notify Seller, in writing, of any objections thereto (the Parties agreeing that any objection falling within the said Title Standards shall not constitute a valid objection so long as Seller furnishes affidavits or other papers as described in such standards in order for the title company to delete the same). If there shall be no such notice of objection, then any exceptions in such Commitment or deficiencies in the title to the property noted on such Commitment shall be deemed waived and delivery of a deed in compliance with the terms of the Commitment shall be deemed compliance with the terms of this Agreement. If notice of any objections to defects in the title, as defined above, shall be delivered to Seller, then Seller shall have five (5) business days to correct the title and the Closing shall be postponed until such time, if necessary. If Seller elects not to, or cannot, correct such defects, then Buyer, at Buyer's option, may waive such defects and proceed to close or may cancel the contract and all obligations hereunder shall be null and void.

3. **REGULATORY APPROVAL.**

Buyer and Seller shall act diligently and cooperate with each other to obtain any regulatory approvals required from the Kentucky Public Service Commission ("PSC"), Kentucky Pollutant Discharge Elimination System ("KPDES"), or any other regulatory agency in the State of Kentucky, as determined by Buyer in its sole discretion, and to obtain transfer of Seller's permits, if any.

4. **PURCHASE PRICE.** Buyer agrees to pay to Seller at the Closing [REDACTED], for purchase of the Assets ("Purchase Price").

5. **CLOSING.**

The Closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller's Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained financing under terms acceptable to Buyer in Buyer's sole discretion, or at such

other time as the parties hereto may mutually agree (the "Closing"). At the Closing, Seller shall have delivered to Buyer such deeds, bills of sale, endorsements, assignments and other sufficient instruments of transfer and conveyance as shall be effective to vest in Buyer such title to the Assets to be sold as provided in this Agreement and as set forth in Section 6.D, and Buyer will deliver to Seller the Purchase Price. From time to time, at Buyer's request and expense, whether at or after the Closing and without further consideration, Seller shall execute and deliver such other instruments of conveyance and transfer and take such other action as Buyer reasonably may require to more effectively convey and transfer to Buyer any of the Assets to be sold hereunder, and will assist Buyer in the collection or reduction to possession of such Assets. Buyer will pay all sales, transfer and documentary taxes, if any, payable in connection with the sale, transfers and deliveries to be made to Buyer hereunder. All ad valorem real estate taxes and assessments levied or assessed against the Assets shall be prorated according to the calendar year as of the Closing based on the most recent tax bill and assessments levied for the same, and Buyer shall receive a credit against the Purchase Price for the amount of taxes owed by Seller at the time of the Closing. Buyer shall pay the costs of recording all instruments required for the Closing to occur, the fees charged by the title company, and Buyer's attorneys' fees. Seller shall pay for all attorneys' fees incurred by Seller.

On the date of the Closing, Buyer shall accept and assume ownership and title to the Assets to be conveyed hereunder and Buyer shall assume liability, and become responsible, for all obligations in connection with the Assets going forward, excepting responsibility for any liabilities and/or obligations of Seller in connection with the Assets that existed prior to the date of the Closing, which liabilities and/or obligations of Seller are listed on Exhibit E. Buyer shall be fully responsible for the operation and maintenance of the System after the Closing

6. **SELLER'S REPRESENTATIONS AND WARRANTIES.**

The Seller represents and warrants as follows:

A. **Organization and Standing of Seller.**

Seller is a corporation organized and existing under the constitution and laws of the Commonwealth of Kentucky in good standing with the Kentucky Secretary of State.

B. **Liabilities.**

All liabilities or obligations of Seller listed on Exhibit E hereto, whether accrued, absolute, contingent or otherwise pertaining to or arising out from the Assets are liabilities

and obligations of the Seller and shall remain the obligations of Seller after the date of the Closing.

C. **Absence of Certain Changes.**

After Buyer's inspection and acceptance of the Assets, there shall not be:

i. Any material change in the use of the Assets in connection with the business or operations of the System;

ii. Any damage, destruction or loss whether or not covered by insurance, materially and adversely affecting the Assets.

D. **Title to Properties.**

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller shall have obtained legal right to transfer all of the Assets. To the best of Seller's knowledge, unless Seller has disclosed any information in writing to the Buyer to the contrary, Seller owns the Assets to be sold under this Agreement, in all cases, free and clear of all liens, mortgages, pledges, leases, options, rights of first refusal, conditional sales agreements, encumbrances or other charges, except liens for taxes not yet due or payable, easements or right of ways, streets, railways, pipelines, electric transmission and distribution lines, telephone lines, drainage rights and other similar rights or restrictions of record which do not, either individually or in the aggregate have a materially adverse effect on the value or utility of the Assets to be sold hereunder.

Notwithstanding, but not in limitation of, the foregoing, Seller agrees to work with Buyer's surveyor during the asset transfer process to establish, at Buyer's expense, the property boundaries and easement locations and to create a written plat of the distribution and collection lines showing the location of said lines with respect to lot lines, platted utility easements, if any, to the extent the same can be shown with reference to such lot lines and platted utility easements.

Within twenty (20) days prior to the Closing and with Buyer's assistance, Seller agrees to have identified any and all interests in land (including easements or license agreements) it has obtained in connection with its operation and maintenance of the System and will provide Buyer or Buyer's representatives copies of the same or a reference to the book and page number of the records of the Bullitt County Recorder's Office where such easements are recorded. The cost of such identification and any related search being the

sole responsibility of the Buyer.

Buyer shall have until twenty (20) calendar days prior to the Closing to determine: 1) if Seller lacks an easement or other interest necessary for operation of the System or 2) an easement is defective in title or interest conveyed. If it appears that Seller lacks a valid easement for any portion of the System, or any easement identified suffers from a defect in title or interest conveyed, Buyer at its option and in its sole discretion may: 1) cancel this Agreement, 2) independently negotiate with the owner of the affected property toward acquisition of the treatment plant and collection lines easements or other easements, 3) notify Seller that Buyer will cancel the Agreement unless a necessary easement is acquired or a defect satisfactorily cured or remedied, and 4) undertake any action, which in Buyer's sole and absolute discretion, would correct an easement or remedy the situation caused by a lack of an easement or proper land interest. Buyer's failure to cancel this Agreement, however, shall not relieve Seller from any of its duties of indemnification set forth in subsequent paragraphs herein, nor shall such failure be construed as Buyer's waiver of any such provisions.

E. **Authority to Operate.**

The Assets, as described at Section 1 of this Agreement, constitute all of the assets presently owned by the Seller pertaining to the System. Seller works, and will continue to work until Closing, to conduct and/or operate the System in full compliance with requirements of all regulatory bodies exercising jurisdiction with regard to rates and conditions of service, and with local building and zoning codes.

F. **Litigation.**

There is no litigation or proceeding pending, or to the knowledge of Seller threatened, against or relating to Seller, the Assets, or the System, nor does Seller know, or have reasonable grounds to know, of any basis for any such action, or of any governmental investigation relative to Seller, the Assets, or the System, except as otherwise disclosed to Buyer on Exhibit E.

G. **No Violation or Breach.**

The performance of this Agreement by Seller, including any preconditions or surviving warranties or representations, is not in violation of any laws, statutes, local ordinances, state or federal regulations, court orders or administrative order or ruling, nor

is such performance in violation of any loan documents, conditions or restrictions in effect for financing, whether secured or unsecured.

7. **BUYER'S REPRESENTATIONS AND WARRANTIES.**

Buyer represents and warrants as follows:

A. **Organization and Standing of Buyer.**

Buyer is a corporation, organized and existing under the constitution and laws of the State of Missouri in good standing, and has the requisite power to purchase the Assets which are to be sold pursuant to the terms of this Agreement.

B. **Authority.**

The execution and delivery of this Agreement by Buyer and the purchase of the Assets as contemplated hereby have been duly authorized by Buyer, and all necessary action on the part of Buyer has been taken to authorize the execution and delivery of this Agreement and to consummate the sale contemplated hereby.

8. **CONDITIONS PRECEDENT FOR BUYER TO CLOSE.**

All obligations of Buyer under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. **Regulatory Approval.**

Both Parties shall diligently pursue the required approvals and authorizations contemplated herein. In the event the Parties are unable to obtain the required regulatory approval or authorization to complete the transactions contemplated herein, Buyer may terminate this Agreement by providing written notice to Seller at Buyer's sole and absolute discretion.

B. **Representations and Warranties True at Closing.**

Seller's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

C. **Performance.**

Seller shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Seller prior to or at the Closing, including the payment of all taxes and assessments, or portions thereof, attributable to periods prior to or ending on the day of the Closing, to include PSC

assessments.

D. Inspections.

Completion of Buyer's examination, testing and inspection of the Assets and the securing of any and all licenses, permits or governmental approvals Buyer deems necessary for Buyer's proposed uses of the Assets, the results thereof to be satisfactory to Buyer, in its sole discretion. For purposes of this Agreement, the period from the date this Agreement is fully executed by both parties to the date that is twenty (20) days prior to the Closing, shall be referred to herein as the "Inspection Period." During the Inspection Period, Buyer, its employees, agents and contractors, shall have the right to enter onto any property owned by Seller that is related to the operation of the System, as it deems necessary or desirable, on reasonable prior notice to Seller to perform and complete architectural, environmental, engineering and/or other surveys, studies, inspections and tests on the Assets; to review zoning laws and applicable building codes; to obtain all necessary city, county, and state zoning approval, site plan or subdivision approvals, licenses and permits to authorize the uses of the Assets as intended by Buyer.

E. No Casualty.

The Assets shall not have been adversely affected in any material way as a result of any strike, lockout, accident or other casualty or act of God or the public enemy, or any judicial, administrative or governmental proceeding.

F. Buyer's Right to Terminate. If Buyer determines, in its sole and absolute discretion, that any of the aforementioned conditions have not been met, Buyer shall have the right to terminate this Agreement at any time prior to the Closing upon written notice to Seller.

9. CONDITIONS PRECEDENT FOR SELLER TO CLOSE

All obligations of Seller under this Agreement are subject to the fulfillment, prior to or at the Closing, of each of the following conditions:

A. Representations and Warranties True at Closing.

Buyer's representations and warranties contained in this Agreement shall be true at the time of the Closing as though such representations and warranties were made at such time.

B. **Performance.**

Buyer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by Buyer prior to or at the Closing.

10. **INDEMNIFICATION.**

Seller shall, and hereby does agree to indemnify and hold harmless Buyer, at any time after the Closing against and in respect of:

A. All liabilities or obligations of Seller, whether accrued, absolute, contingent or otherwise, and including all liabilities or obligations arising out of the transactions entered into, or any state of facts existing, prior to the date of the Closing, including, without limitation, such liabilities or obligations as are described in paragraph B of Section 6 hereof. All such liabilities and/or obligations of Seller for which Seller shall have an indemnification liability and/or obligation shall be listed on Exhibit E;

B. Any claim, damage or deficiency resulting from any misrepresentation, untrue warranty, breach of warranty, or nonfulfillment of any agreement on the part of Seller under this Agreement and of which Seller had knowledge prior to Closing or from any misrepresentation in or omission from any certificate or other instrument furnished or to be furnished to Buyer under this Agreement and of which Seller had knowledge prior to Closing;

C. Any claim, liability, damage or obligation arising out of or attributable to, directly or indirectly, the improper storage or disposal of hazardous waste or materials prior to the date of the Closing and of which Seller had knowledge prior to closing;

D. All actions, suits, proceedings, demands, assessments, judgments, costs (including attorney's fees) and expenses incident to any of the foregoing.

Seller shall reimburse Buyer, on demand, for any payment involuntarily made, required by law to be made, or with the consent of Seller made by Buyer at any time after the date of the Closing in respect of any liability, obligation or claim to which the indemnity and hold harmless by Seller contained in this section relates.

11. **FEES AND COMMISSIONS.**

Each Party represents that it has not retained any broker or finder and is not paying, and is not obligated to pay, any finder's fee, commission or other transactional fee in connection with the

transactions contemplated by this Agreement. Each Party shall pay its own fees for attorneys, accountants, appraisers or others engaged by it in the course of negotiating or executing this Agreement and in closing and completing the transactions hereunder provided. Fees for professional advisors retained jointly by the Parties for their mutual benefit shall be equally divided.

12. **HAZARD INSURANCE & CASUALTY LOSS.**

Seller shall maintain current general liability insurance in force on the Assets until the Closing. The risk of loss to the Assets shall pass to Buyer upon delivery of possession of the Assets to Buyer. If an event of casualty occurs to the Assets prior to the Closing, the Buyer may elect to either move to the Closing and accept any insurance proceeds as full satisfaction for the damage to the Assets or the Buyer may terminate this Agreement. Buyer shall notify Seller as to which option it elects within five (5) days prior to the Closing.

13. **BENEFIT.**

All of the terms of this Agreement shall be binding upon, and inure to the benefit of, and be enforceable by, the respective legal representatives of Seller, its successors and assigns, and the successors and assigns of Buyer.

14. **GOVERNING LAW.**

This Agreement shall be construed and enforced in accordance with the laws of the State of Missouri.

15. **COUNTERPARTS.**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. This Agreement shall not be binding until executed by all Parties.

16. **NO THIRD PARTY BENEFICIARIES.**

This Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

17. **ENTIRE AGREEMENT.**

This Agreement (including the documents referred to herein) constitutes the entire agreement among the Parties and supersedes any prior understandings, agreements or representations by or among the Parties, written or oral, to the extent they have related in any way to the subject matter hereof.

18. **SUCCESSION AND ASSIGNMENT.**

This Agreement shall be binding upon and inure to the benefit of the Parties named herein and their respective successors and permitted assigns. Buyer shall be permitted to assign its rights in this Agreement to an affiliated entity that the Buyer controls without need of consent by the Seller by providing written notice to the Seller of such assignment. Other than the foregoing permitted assignment, no Party may assign either this Agreement or any of its rights, interests or obligations hereunder without the prior written approval of Buyer and Seller, said approval not to be unreasonably withheld.

19. **HEADINGS.**

The section headings contained in this Agreement are inserted for convenience only and shall not affect in any way the meaning or interpretation of this Agreement.

20. **NOTICES.**

All notices, demands, consents, requests or other communications required to or permitted to be given pursuant to this Agreement shall be in writing, shall be given only in accordance with the provisions of this Section 19, shall be addressed to the parties in the manner set forth below, and shall be conclusively deemed to have been properly delivered: (a) upon receipt when hand delivered during normal business hours (provided that, notices which are hand delivered shall not be effective unless the sending party obtains a signature of a person at such address that the notice has been received); (b) upon receipt when sent by facsimile if sent between the hours of 8:00 a.m. and 5:00 p.m. (the recipient's time) on a business day to the number set forth below with written confirmation of a successful transmission by the sender's facsimile machine; (c) when sent by electronic mail if (1) identified in the subject line as a notice under this Agreement, (2) sent between the hours of 8:00 a.m. and 5:00 p.m. on a business day to the email address set forth below, and (3) acknowledged as received by the recipient, by reply or separate email, (d) upon the day of delivery if the notice has been deposited in an authorized receptacle of the United States Postal Service as first-class, registered or certified mail, postage prepaid, with a return receipt requested (provided that, the sender has in its possession the return receipt to prove actual delivery); or (e) one (1) business day after the notice has been deposited with FedEx, United Parcel Service or other reliable overnight courier to be delivered by overnight delivery (provided that, the sending party receives a confirmation of actual delivery from the courier). The addresses of the parties to receive notices are as follows:

If to Buyer:

Josiah Cox, President
Central States Water Resources, Inc.
500 Northwest Plaza Drive #500
St. Ann, MO 63074
Facsimile: (314) 238-7201
Email: jcox@cswrgroup.com

With a Copy to:

James A. Beckemeier
The Beckemeier Law Firm, LC
13421 Manchester Road, Suite 103
St. Louis, MO 63131
Facsimile: (314) 965-0127
Email: jim@beckemeierlaw.com

If to Seller:

Lake Columbia Utilities, Inc.
c/o Robert C. Moore, Attorney
Stites & Harbison, PLLC
421 West Main Street, P.O. Box 634
Frankfort, KY 40602-0634
Phone: (502) 209-1218
Facsimile: (502) 560-5377
Email: Rmoore@stites.com

Any Party may change the address to which notices, requests, demands, claims and other communications hereunder are to be delivered by giving the other Party notice in the manner herein set forth.

21. **AMENDMENTS AND WAIVERS.**

No amendment of any provision of this Agreement shall be valid unless the same shall be in writing and signed by Buyer and Seller. No waiver by any party of any default, misrepresentation or breach of warranty or covenant hereunder, whether intentional or not, shall be deemed to extend to any prior or subsequent default, misrepresentation or breach of warranty or covenant hereunder or affect in any way any rights arising by virtue of any prior or subsequent such occurrence.

22. **SEVERABILITY.**

Any term or provision of this Agreement that is invalid or unenforceable in any situation

in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

23. **EXPENSES.**

Buyer and Seller shall each bear its own costs and expenses (including legal and accounting fees and expenses) incurred in connection with the preparation of this Agreement and activities necessary for the Closing.

24. **CONSTRUCTION.**

The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

25. **INCORPORATION OF EXHIBITS.**

The Exhibits identified in this Agreement are incorporated herein by reference and made a part hereof.

26. **DEFAULT; ATTORNEY'S FEES.**

If either Party shall default in their performance under this Agreement, which default results in the expenditure of attorneys' fees to enforce the terms of this Agreement or to recover damages for breach of this contract, then the prevailing party shall be entitled to receive their reasonable and actually incurred attorneys' fees and costs in addition to any other damages that the Party is entitled to recover at law or in equity.

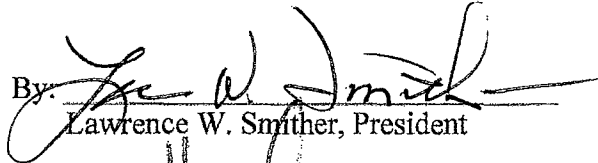
27. **AUTHORITY TO EXECUTE.** Each person whose signature appears hereon represents, warrants and guarantees that he or she has been duly authorized and has full authority to execute this Agreement on behalf of the party on whose behalf this Agreement is executed.

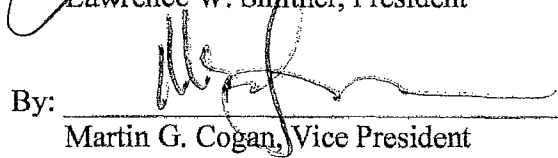
[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the day and year first above written.

SELLER:

LAKE COLUMBIA UTILITIES, INC.

By: 
Lawrence W. Smither, President

By: 
Martin G. Cogan, Vice President

BUYER:

CENTRAL STATES WATER
RESOURCES, INC.

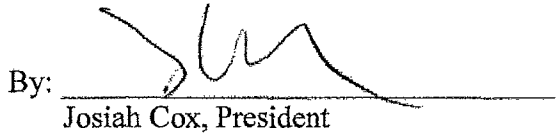
By: 
Josiah Cox, President

EXHIBIT "A"

Service Area Description

EXHIBIT "B"

Description of Land, Improvements thereon, Easements, Rights of Way, Permits and Leases
(The legal description(s) of the Land, Improvements thereon, Easements, Rights of Way shall be determined by
survey and title commitments, which shall be inserted prior to the Closing).

EXHIBIT "C"

Personal Property and Equipment

(meters, tools, devices, mobile work equipment, furniture, fixtures, machinery, supplies, and other tangible items)

Description	Balance of Associated Debt & Lender Information

EXHIBIT "D"

Rights Via Agreements, Contracts, Misc.

(franchise agreements, franchise rights, warranties, contracts, supply contracts, agreements, bonds and/or other financial assurances and customer deposits)

EXHIBIT "E"

List of all liabilities or obligations that will remain Seller's responsibility after the Closing:

None.

First Round CSWR, LLC and Subsidiaries

Consolidated Balance Sheet

December 31, 2018

Consolidated

Assets

Current Assets

Cash
Receivables
Unbilled receivables
Prepaid expenses and other current assets
Due FM associated parties
Deferred Tax Asset
Total Current Assets

Plant, Property & Equipment (Net)

Deferred Financing Cost

Preliminary Survey and Investigation Charges

Investment in Subsidiaries

Total Assets

Liabilities and Equity

Current Liabilities

Accounts Payable
Due to associated parties
Notes Payable - ST
Misc. Accrued Liabilities
Operating Reserves

Total Current Liabilities

Long Term Liabilities

Notes Payable - LT
Deferred Tax Liability
Total Long Term Liabilities

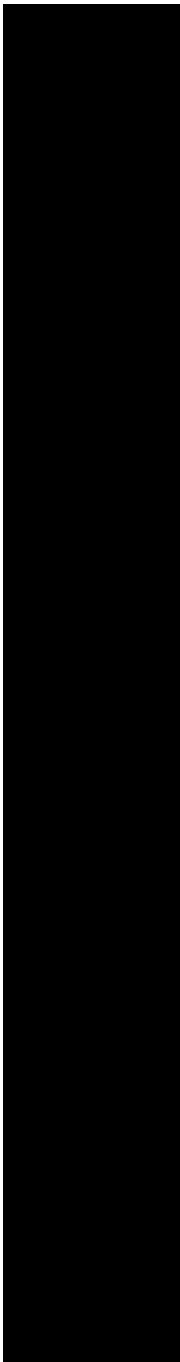
Total Liabilities

Contributions in Aid of Construction - (Net)

Shareholder's Equity

APIC
Retained deficit
Total Equity

Total Liabilities and Equity



First Round CSWR, LLC and Subsidiaries
Consolidated Statement of Loss and Retained Deficit
For the Period Ended December 31, 2018

Consolidated

Revenues

Operating Revenues
Total Revenue

Operating Income (Expenses)

Operations and Maintenance
Depreciation and Amortization
Total Expenses

Income from Operations

Other Income (Expenses)

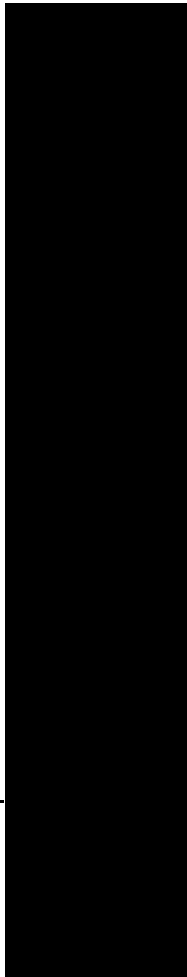
Gain (Loss) - Other
Interest
Total Other Income (Expenses)

Net Loss Before Income tax

Provision for Income Tax
Net Loss

Retained Earning - Beginning
Net Loss

Retained Earning - Ending



JOSIAH COX

500 Northwest Plaza Drive, Suite 500 • St. Ann MO 63074

Josiah Cox is the President of Central States Water Resources, Inc., which is the manager for First Round CSWR, LLC (First Round) and Bluegrass UOC, among other members of the CSWR Group, and has held this position for approximately five years. He received a Bachelor of Science with a major in Environmental Science from the University of Kansas. After graduation and a brief tenure at the Kansas Biological Survey, he was employed by Fribis Engineering, a Civil Engineering Firm in Arnold, MO. He spent approximately two and a half years working with Fribis Engineering during which he was involved in various facets of the land development process to include permitting, entitlement, civil design, project management, and construction management, with a focus on the water and wastewater side of the civil engineering business; he participated in every part of the civil business, from wasteload allocation studies (now known as the anti-degradation processes), design, permitting, project management, and construction management. He also ran the environmental consulting division and was the second private consultant to submit a water quality impact study in the state of Missouri in 2003.

In 2005, Mr. Cox formed Trumpet LLC with a group of investors. Trumpet LLC was a full-service civil engineering, environmental consulting, general contracting, and construction management firm. He graduated with a Master of Business Administration degree from Washington University in the 2007. At Trumpet LLC, as the Chief Operating Officer and finally Chief Executive Officer, Mr. Cox obtained extensive experience with rural communities in every facet of the water and wastewater compliance process including environmental assessment, permitting, design, construction, operation and community administration of the actual water and

wastewater (sewerage) systems. At Trumpet, he oversaw the performance of stream sampling and built waste-load allocation models to determine receiving water-body protective permit-able effluent pollutant loads. While at Trumpet, Mr. Cox also oversaw full engineering design of multiple whole community wastewater and water infrastructure systems including wells, water distribution, water treatment, water storage, wastewater conveyance, and wastewater treatment plants and taken these designs through federal and state administered permitting processes in Missouri. Trumpet also administered the construction of these water and wastewater systems from green field site selection all the way through system startup and final engineering sign off.

PHIL MACIAS

500 Northwest Plaza Drive, Suite 500 • St. Ann MO 63074

Phil Macias currently holds the position of Chief Financial Officer of First Round CSWR, LLC, an affiliate in the family of companies managed by Central States Water Resources, Inc. (CSWR Group). Mr. Macias has held this position since March 2017.

Mr. Macias spent the first 14 years of his career with the U.S. Coast Guard. He then joined The Anheuser-Busch Eye Institute (Saint Louis University) as the Purchasing Manager in the Financial Services department. Mr. Macias then graduated from Saint Louis University with a Bachelor of Science in Business Administration (Accounting). Mr. Macias joined Ernst & Young, LLP (a public accounting firm), in assurance and advisory services. From E&Y, Mr. Macias joined Washington University in St. Louis as the Accounting Operations Project Manager in its Accounting Services Department. Mr. Macias next joined CoreExpress, Inc, as the Senior Financial Project Manager. While at CoreExpress he managed the finance and accounting process related to approximately \$475 million in fiber optics related capital acquisitions. He also managed the operational relationships with finance and credit partners involving the credit facilities and vendor financing agreements.

Mr. Macias then joined GKN Aerospace Services (GKN) as a Senior Financial Planning Analyst and Controller of the Engineering Development Corporation (EDC), a subsidiary of GKN. He directed the finance and accounting functions as the EDC transitioned from an integrated business unit with all accounting duties executed offsite at the corporate level to a legally separate, stand-alone business entity with all finance and accounting operations performed internally, on-site.

In 2002, Mr. Macias began working full time in private practice. In 2006, he was asked to join adjunct faculty at Columbia College where he taught introductory accounting. In 2011, he also joined the U.S. Soybean Export Council (USSEC) as the Controller; he ended his tenure as the Chief Financial Officer (CFO). USSEC is a \$37MM international not for profit organization led by, and working on behalf of, America's soybean farmers. As CFO, Mr. Macias partnered with the CEO and fellow members of the senior leadership team on all strategic and operational issues and provided support, guidance and recommendations to the Board of Directors and CEO on a wide range of financial and operational matters. He has extensive experience with financial matters across a broad spectrum and now applies this experience in his position with CSWR.

TODD THOMAS

500 Northwest Plaza Drive, Suite 500 • St. Ann MO 63074

Todd Thomas holds the office of Senior Vice President of First Round CSWR, LLC (First Round). Mr. Thomas received his Bachelor of Science in Civil Engineering from The Missouri University of Science and Technology, and a Master of Business Administration from Washington University in St. Louis.

Before joining CSWR, Mr. Thomas was President of Brotcke Well and Pump, Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, and General Manager of Midwest Operations for Environmental Management Corporation. Mr. Thomas currently serves on the Technical Advisory Team for the Public Water Supply District 2 of St. Charles County, MO.

Mr. Thomas's previous employment provided him extensive experienced in water and sewer utilities. Brotcke Well and Pump served municipal potable, regulated potable, and industrial ground water suppliers in the states of Missouri, Illinois, Kansas, Tennessee, Kentucky, and Arkansas. As President at Brotcke Well and Pump (2011-16), he was involved in the design, maintenance, and repair of all the client's well systems. He has extensive firsthand experience with how much damage can be done by lack of maintenance on a well system and how much money and effort is required to restore a well system after neglect. As Vice President of Operations and Business Development of the Midwest for American Water Contract Operations, he was responsible for the water and wastewater operations and maintenance contracts for municipal and industrial clients. These responsibilities included the direction and management of annual budgeting for each plant's operations and maintenance, design and planning of plant

upgrades and maintenance projects, regulatory reporting, plant operations, and regulatory compliance of these systems. An earlier position as General Manager of Midwest Operations for Environmental Management Corporation (EMC, where he worked from 2002 to 2010) was similar to that of the position with American Water Contract Operations with regard to the size and scope of the systems managed.

Now, in his position as Senior Vice President at CSWR, Mr. Thomas's main responsibilities include utility operations along with the acquisition, development, and rate stabilization of CSWR utilities. These duties include operations, maintenance, capital planning, and regulatory compliance for all CSWR facilities. He is responsible for the management of all operations and maintenance service providers, customer service and billing service providers, and engineering firms.

Pro-Forma Balance Sheet - Bluegrass Water Utility Operating Company, LLC

	Bluegrass Water UOC	Persimmon Ridge Sewer Acquisition	LH Treatment Company, LLC Sewer Acquisition	Marshall County Env. Services Sewer Acquisition	Airview Utilities, LLC Sewer Acquisition	Brooklyn Utilities, LLC Sewer Acquisition	Fox Run Utilities, LLC Sewer Acquisition	Lake Columbia Utilities, Inc. Sewer Acquisition	Kingswood Sewer Acquisition	Pro Forma Bluegrass Water UOC Sewer Acquisition
ASSETS										
Utility Plant in Service:										
Total Plant in Service*	\$ -									\$ 455,600.00
Construction Work in Progress**	\$ -									\$ 2,929,039.00
Utility Plant Acquisition Adjustment	\$ -									\$ -
Less: Depreciation Reserve	\$ -									\$ -
Net Plant in Service	\$ -									\$ 3,384,639.00
Non-Utility Property										
Current Assets:										
Cash and Cash Equivalents	\$ 100,000.00									\$ 100,000.00
Other	\$ -									\$ -
Current Assets	\$ 100,000.00									\$ 100,000.00
Deferred Debits:										
Deferred Debits	\$ -									\$ -
Other Investments and Long-Term Assets										
Total Assets	\$ 100,000.00									\$ 3,484,639.00
LIABILITIES AND CAPITALIZATION										
Company Capitalization:										
Common Stock Equity, Net	\$ 100,000.00									\$ 1,742,319.50
Long-term Debt (including current maturities)	\$ -									\$ 1,742,319.50
Company Capitalization	\$ 100,000.00									\$ 3,484,639.00
Current Liabilities:										
Current Liabilities	\$ -									\$ -
Deferred Credits:										
Deferred Credits	\$ -									\$ -
Contributions in Aid of Construction	\$ -									\$ -
Total Capitalization and Liabilities	\$ 100,000.00									\$ 3,484,639.00

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— Redacted —

— Redacted —

Pro-Forma Income Statement - Bluegrass Water Utility Operating Company, LLC

	Bluegrass Water UOC	Persimmon Ridge Sewer Acquisition	LH Treatment Company, LLC Sewer Acquisition	Marshall County Env. Services Sewer Acquisition	Airview Utilities, LLC Sewer Acquisition	Brocklyn Utilities, LLC Sewer Acquisition	Fox Run Utilities, LLC Sewer Acquisition	Lake Columbia Utilities, Inc. Sewer Acquisition	Kingswood Sewer Acquisition	Bluegrass Water UOC Sewer Acquisition	Pro Forma
Operating Revenues	\$ -	\$ 109,480.00	\$ 125,249.00	\$ 200,423.34	\$ 94,834.00	\$ 64,417.00	\$ 21,189.51	\$ 20,499.08	\$ 96,796.00	\$ 732,887.93	
Operating Expenses:											
Operating and Maintenance Expenses	\$ -	\$ 104,108.00	\$ 103,946.00	\$ 160,000.00	\$ 58,492.29	\$ 68,933.45	\$ 19,128.40	\$ 37,565.20	\$ 90,374.12	\$ 642,547.46	
Depreciation and Amortization Expenses	\$ -	\$ 5,155.00	\$ 15,000.00	\$ -	\$ 1,037.00	\$ 323.00	\$ -	\$ -	\$ -	\$ 21,515.00	
Taxes, Other than Income Taxes	\$ -	\$ 8,358.00	\$ 6,317.00	\$ 5,000.00	\$ 363.81	\$ 1,378.06	\$ 598.29	\$ 273.63	\$ -	\$ 8,358.00	
Operating Expenses	\$ -	\$ 117,621.00	\$ 125,263.00	\$ 165,000.00	\$ 59,893.10	\$ 70,634.51	\$ 19,726.69	\$ 37,838.83	\$ 90,374.12	\$ 686,351.25	
Net Operating Income	\$ -	\$ (8,141.00)	\$ (14.00)	\$ 35,423.34	\$ 34,940.90	\$ (6,217.51)	\$ 1,462.82	\$ (17,339.75)	\$ 6,421.88	\$ 46,536.68	
Other Income and Deductions:											
Total Other Income and Deductions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Income (Loss) Before Income Taxes	\$ -	\$ (8,141.00)	\$ (14.00)	\$ 35,423.34	\$ 34,940.90	\$ (6,217.51)	\$ 1,462.82	\$ (17,339.75)	\$ 6,421.88	\$ 46,536.68	
State Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Federal Income Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Net Income	\$ -	\$ (8,141.00)	\$ (14.00)	\$ 35,423.34	\$ 34,940.90	\$ (6,217.51)	\$ 1,462.82	\$ (17,339.75)	\$ 6,421.88	\$ 46,536.68	

*Reflects Purchase Price or Depreciated Original Cost Engineering Value

**Estimated total of Engineering & Permitting Costs at Time of Acquisition