

for certain material in these Agreements—specifically the dollar amounts contained therein. The dollar amounts specifically identified in each Agreement have been redacted in the publicly-filed copies and are highlighted in the unredacted copy filed under seal.

<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

3. An additional document for which Applicants are seeking confidential treatment is redacted Exhibit L attached to the Joint Application. Exhibit L is First Round CSWR LLC’s 2018 Consolidated Financial Statements. This consolidated balance sheet and income statement contains confidential and proprietary information relating to the business of First Round and its CSWR Group affiliates.

4. Finally, Applicants are seeking confidential treatment for redacted Exhibit N of the Joint Application, the Bluegrass Water *pro forma* balance sheet and income statement for the first year of its proposed operation of the utility systems proposed to be acquired. The *pro forma* statements for Bluegrass Water reflect the purchase prices, costs of planned repairs and improvements, and the most-recently reported annual operating expenses and revenues of the individual transferring utilities.

5. The information in these Exhibits for which Applicants seek confidential treatment is not publicly disseminated and public disclosure of this information would harm Bluegrass Water, CSWR Group, the transferring utilities, or all of them. Exhibit L reveals information regarding the internal financial ability and workings of the CSWR Group; furthermore, First Round is not a utility and the information disclosed in Exhibit L would not otherwise be subject to disclosure to a regulatory body in the usual course of business. The sensitive, commercially-valuable, financial and inter-affiliate transaction information contained in the Consolidated Financial Statements and the *pro forma* statements in Exhibit N is not publicly distributed or disseminated outside of the CSWR Group. It is provided with the Joint Application to show Bluegrass Water's financial ability (as required by KRS 278.020 (6), (7), and (10)), to give the Commission a fuller picture and background of finances within the CSWR Group, so that it may be confident that financial ability exists for renovating and improving the system assets and for ongoing operations.

6. The risk of harm would be unnecessarily increased if the acquisition amounts and related dollar amounts contained in Exhibits D-L and N are disclosed. Disclosure of the acquisition amounts could create incentives for other potential purchasers to undercut efforts by the Applicants to successfully close this transaction. (Significant other redactions are required in Exhibit N because minimal redaction would allow competitively-sensitive confidential information to be inferred from other information disclosed.) In the event that the Commission does not approve the transaction, or in the event that the transaction otherwise does not close, Applicants would suffer harm if this information were made public and therefore accessible to other potential purchasers, as it could lessen competition in a subsequent bidding process. Such disclosure would also be costly in the future when attempts to acquire similarly distressed systems are made

and the CSWR Group's ability to negotiate terms specific to a particular utility and its circumstances has been compromised.

7. The dollar amounts in the Agreements and the information about Bluegrass Water and other entities in the CSWR Group in Exhibits L and N could be used by competitors to the business injury of the CSWR Group, including Bluegrass Water, in other ways as well. For example, if disclosed, the purchase prices, plans for the future, and consolidated financials would give competitors sensitive information about CSWR Group's acquisition strategy and capability and its valuation of systems, their problems, and potential. In addition, the cost estimates in the Exhibit N balance sheet reflect innovative and proprietary technology and processes developed through experience and used by CSWR Group to renovate small wastewater systems.

8. Under KRS 61.878(1)(c)(1), commercial information generally recognized as confidential is protected if disclosure would cause competitive injury and permits competitors an unfair commercial advantage. Public disclosure of the information in the identified Exhibits may cause competitive harm to the CSWR Group and its affiliates as well as the transferring utilities and could cause a lessening of competition in subsequent bidding processes in the event the Commission denies the Joint Application or the proposed acquisition otherwise fails to close as discussed in Paragraph 6.

9. The redacted information in Exhibits L and N is treated as confidential by Bluegrass Water and its affiliates, and it is not widely disseminated even among the employees of these companies. Only personnel with a business reason to use it are permitted to view this business information.

10. If the Commission disagrees with the Applicants that redacted Exhibits D-L and N are exempt from disclosure as confidential commercial information, it must hold an eviden-

tiary hearing to protect the due process rights of the affected Applicants and permit the opportunity to supply the Commission with a complete record to enable it to reach a decision with regard to this confidentiality request.

11. Applicants would not object to the disclosure of redacted Exhibits D-L and N pursuant to a confidentiality agreement with the Attorney General or another intervenor who can demonstrate a legitimate interest in reviewing the confidential information for the purpose of participating in this proceeding.

12. In compliance with 807 KAR 5:001, Section 8(3) and 13(2)(3), Applicants are filing with the Commission one paper copy of Exhibits D-L and N, entirely unredacted and with highlighting of the material for which confidential treatment is sought. The unredacted paper copy is filed under seal; redacted pages of the subject Exhibits are being publicly filed with the electronic copy of this Motion.

13. 807 KAR 5:001, Section 13(2)(a)(2) provides that a motion for confidential treatment shall state the time period in which the material should be treated as confidential and the reasons for this time period. Movants respectfully submit that five years from the date of the filing of the Joint Application is a reasonable period of time for the material in Exhibits D-L and N to be treated as confidential in light of the competitive conditions in the water and wastewater industries.

WHEREFORE, Applicants jointly and respectfully request that the Commission grant confidential treatment of the information described herein and shown as redacted on the attached publicly-filed Motion Exhibits.

Respectfully submitted,

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MOTION EXHIBITS

(excerpts from the Joint Application Exhibits, showing all redactions)

- 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)
- N Pro Forma Balance Sheet and Income Statement (full year post-Closing) – Bluegrass Water Utility Operating Company, LLC
(redacted)

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;

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.**

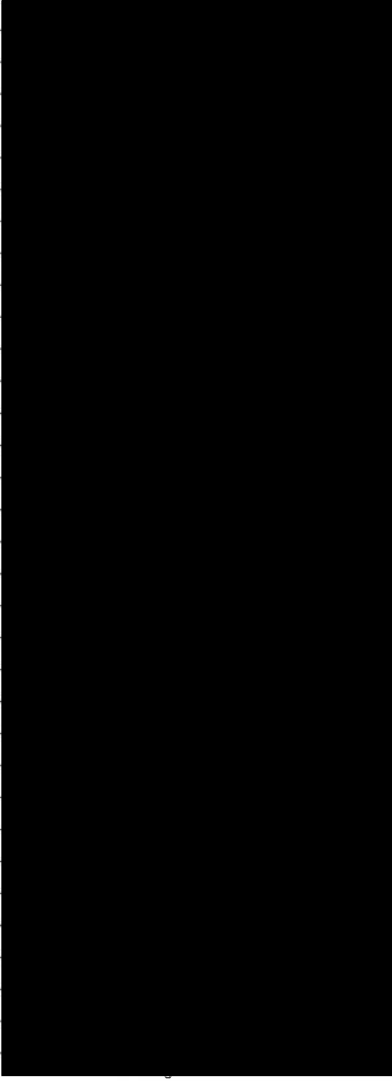
The closing of the sale shall take place at a mutually agreeable location no later than forty-five (45) days after the effective date of any necessary regulatory authority approval, satisfaction of Seller’s Representations and Warranties and Conditions Precedent set forth herein, and Buyer having obtained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

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	

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

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

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:

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,

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*

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

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*

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

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*

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

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*

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

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*

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

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

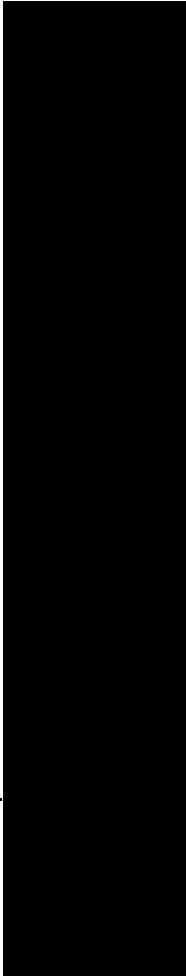
Other Income (Expenses)

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



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

— Redacted —

— Redacted —

— 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