

HENRY WATZ GARDNER & SELLARS, PLLC
ATTORNEYS AT LAW
VICTORIAN SQUARE, SUITE 314
401 WEST MAIN STREET
LEXINGTON, KENTUCKY 40507
TELEPHONE (859) 253-1320
FAX (859) 255-8316

RECEIVED
MAY 22 2012
PUBLIC SERVICE
COMMISSION

May 21, 2012

Jeff Derouen, Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

Dear Mr. Derouen:

Please attach the enclosed Exhibits to LFUCG's Application for an Order Approving a Transfer of Ownership and Control."

Thank you.

Sincerely,



Terry Sellars

TS/tn
Enclosures
cc: Assistant General Attorney

F:\TS\LFUCG\Derouen 05 21 12.doc

RECEIVED
NOV 15 2004
FRANKLIN CIRCUIT COURT
JANICE MARSHALL, CLERK

JA

COMMONWEALTH OF KENTUCKY
FRANKLIN CIRCUIT COURT
CIVIL ACTION NO. 01-CI-0162
DIVISION II 01262

FILED
OCT 26 2004
FRANKLIN CIRCUIT CLERK
JANICE MARSHALL, CLERK

FILED
NOV 15 2004
VS.
FRANKLIN CIRCUIT CLERK
JANICE MARSHALL, CLERK

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

RECEIVED
PLAINTIFF

ORDER APPOINTING RECEIVER

MAY 22 2012

PUBLIC SERVICE
COMMISSION

BLUE SKY SEWER SERVICE COMPANY, INC.

DEFENDANT

* * * * *

This matter having come before the Court on the motion of the Plaintiff, Environmental and Public Protection Cabinet, and the Court being otherwise sufficiently advised, **IT IS**

HEREBY ORDERED THAT:

1. The Lexington-Fayette Urban County Government ("LFUCG") is hereby appointed Receiver pursuant to K.R.S. 425.600 and given exclusive possession and control of all of the Defendant's real and personal property, of whatever kind, including a wastewater treatment plant facility (WWTP), treatment lagoon, and collection system and that real estate with improvements more particularly described on the attached Exhibit "A", for the purpose of managing, operating and maintaining the said wastewater treatment plant and system pending sale of same pursuant to foreclosure action or other final disposition. LFUCG's management, operation and maintenance responsibilities shall be limited to the following:

A. LFUCG shall operate the current WWTP and system in its current condition.

B. LFUCG will have no duty to expend any sum for operation or maintenance of the WWTP except to the extent of income received by LFUCG pursuant to paragraph 3 below. LFUCG may make such repairs to the WWTP and system as can be paid for out of plant income assigned to LFUCG pursuant to paragraph 3 of this Order and as are determined by its

EXHIBIT
A

Commissioner of Public Works, in his sole and absolute discretion, to be necessary to resolve or prevent an environmental emergency causing or threatening to cause damage to the environment or human health.

2. LFUCG shall have such access as is necessary or convenient for LFUCG in complying with the terms of this Order.

3. LFUCG is hereby granted as compensation for its services as Receiver all net income from operation of the property described in paragraph 1 above. Net income shall include all sums owed for sewage treatment services provided by the Defendant or LFUCG prior to or after the date of entry of this Order, minus operation and maintenance expenses paid pursuant to paragraph 1.B. above, and LFUCG is hereby authorized to take all action reasonable or necessary to collect such sums.

4. LFUCG shall operate the WWTP and system as a representative of the Court and shall have no liability for any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, including reasonable attorney's fees, arising out of its use, management, operation or maintenance of the WWTP and system, LFUCG's own negligence excepted, or arising out of or related to the presence of surface or subsurface contamination, as defined in Chapter 224 of the Kentucky Revised Statutes and regulations promulgated pursuant thereto, known or unknown and of whatever kind, that is present on the site of the WWTP and system or that is located off-site, but that was caused by the use, management, operation or maintenance of the above described WWTP and system prior to the date LFUCG begins operation of the WWTP and system pursuant to this Order.

5. LFUCG shall report to the Kentucky Division of Water (DOW) for only the following parameters: 1) PH; 2) Biochemical Oxygen Demand; 3) Total Suspended Solids; 4)

Fecal Coliform Bacteria; 5) Ammonia; 6) Dissolved Oxygen; and 7) Total Residual Chlorine (by colorimetric analysis only). LFUCG shall have no responsibility for monitoring: 1) metals; 2) oil or grease; 3) phenols; or 4) biomonitoring; however, if LFUCG does monitor for these or any other constituents, monitoring results shall be provided to DOW. Monitoring results for all parameters shall be reported to DOW on the Discharge Monitoring Reports submitted for the period when the monitoring occurred, in accordance with KPDES Permit No. KY0027286 and 401 KAR 5:065.

6. LFUCG may in its sole and absolute discretion terminate its appointment as Receiver under the terms of this Order at any time upon 60 days written notice filed with the Court and served on the parties pursuant to CR 5.02.


7. LFUCG's appointment as Receiver pursuant to this Order is contingent upon approval by and shall not be final and enforceable until the Lexington-Fayette Urban County Council (hereinafter "Council") adopts an Ordinance or Resolution approving LFUCG's appointment as Receiver. Pending approval by the Council, however, LFUCG is hereby authorized and may begin to provide services under the terms of this Order on an emergency basis to respond to or prevent environmental emergencies causing or threatening to cause damage to the environment or human health, as shall be determined by LFUCG's Commissioner of Public Works in his sole discretion.

8. Nothing in this Order shall be interpreted to relieve Defendant, Blue Sky Sewer Service Co., Inc. of any responsibility or liability it has for the wastewater treatment facility, lagoon or collection system described in paragraph 1, above.

Dated this the ____ day of _____, 2004.

HAVE SEEN AND AGREE:

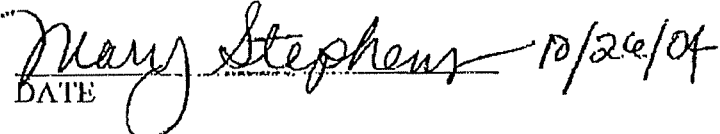
Terry Sellars, Esq.
Henry, Watz, Gardner, Sellars & Gardner
401 West Main Street, Suite 314
Lexington, Kentucky 40507



DATE

COUNSEL FOR LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT

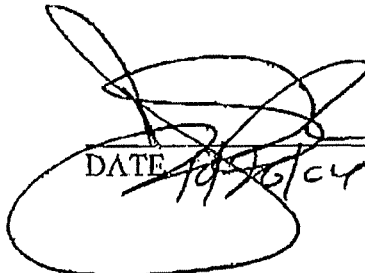
Mary Stephens, Esq.
Office of Legal Services
Fifth Floor, Capital Plaza Tower
Frankfort, Kentucky 40601



DATE 10/26/04


COUNSEL FOR ENVIRONMENTAL
AND PUBLIC PROTECTION CABINET

James D. Lyon, Esq.
209 E. High Street
Lexington, Kentucky 40507



DATE 10/26/04

TRUSTEE IN BANKRUPTCY FOR
BLUE SKY SEWER SERVICE, INC.



William L. Graham, Judge
Franklin Circuit Court

CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing was served on this the ____ day of _____, 2004 by mailing same, postage prepaid, to the following:

Mary A. Stephens, Esq.
Office of Legal Services
Fifth Floor, Capital Plaza Tower
Frankfort, Kentucky 40601
COUNSEL FOR PLAINTIFF

Stephen G. Amato, Esq.
McBrayer, McGinnis, Leslie
& Kirkland, PLLC
201 East Main Street, Suite 1000
Lexington, Kentucky 40507
COUNSEL FOR DEFENDANT

Randy D. Shaw, Esq..
Frost Brown Todd, LLC
250 West Main Street, Suite 2700
Lexington, Kentucky 40507-1749
COUNSEL FOR CENTRAL BANK
& TRUST COMPANY

John P. Brice, Esq.
Wyatt, Tarrant & Combs, LLP
250 West Main Street, Suite 1600
Lexington, Kentucky 40507-1746
COUNSEL FOR SHIELD
ENVIRONMENTAL SERVICES

Terry Sellars, Esq.
Henry, Watz, Gardner, Sellars
& Gardner
401 West Main Street, Suite 314
Lexington, Kentucky 40507
COUNSEL FOR LEXINGTON
FAYETTE URBAN COUNTY GOVERNMENT

CLERK, FRANKLIN CIRCUIT COURT

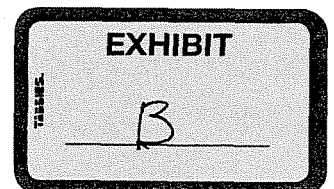
TSLFUCG-BLUE SKY Order Appointing Receiver. 8-24-04

DEED OF THE MASTER COMMISSIONER

WHEREAS, in the equitable action of SHIELD ENVIRONMENTAL ASSOCIATES, INC., Plaintiff V. BLUE SKY SEWER SERVICE COMPANY, INC.; BLUE SKY, INC.; ESTATE OF RICHARD C. SUTHERLAND; and UNKNOWN HEIRS OF RICHARD C. SUTHERLAND, Defendants, being Civil Action No. 09-CI-5419, now pending in the Fourth Division of the Fayette Circuit Court, an Order was entered on the 27th day of October, 2011 directing the Master Commissioner of said Court to expose for sale the hereinafter described property; and whereas, said property was sold in accordance with said Order on the 5th day of December, 2011 and SHIELD ENVIRONMENTAL ASSOCIATES, INC. became the purchaser at the price of One Hundred Forty One Thousand Dollars (\$141,000.00), being sold together with all personal property, appurtenances, easements, sewer lines, and the entire sewer system owned by Defendants Blue Sky Sewer Service Company, Inc. and Blue Sky, Inc., with all such property defined as the "Sewer System", and being sold subject to the lien of Kelly Sutherland and Sean Sutherland in the principal amount of \$40,114.04, together with interest as of October 21, 2011 in the amount of \$21,838.98, which the undersigned Commissioner certifies to be the full consideration paid. Thereafter the report of said sale was approved and confirmed by said Court; and whereas, an Order was entered directing the Master Commissioner to execute a deed on behalf of all the parties to the above referenced action conveying all of their right, title and interest to SHIELD ENVIRONMENTAL ASSOCIATES, INC., its successors and assigns forever.

NOW THEREFORE, this Indenture, made and entered into this the 21 day

wtl
(513)



of January, 2012 by and between JAMES H. FRAZIER, III, MASTER COMMISSIONER OF THE FAYETTE CIRCUIT COURT, 201 East Main Street, Suite 1101, Chase Tower, Lexington, KY 40507, for and on behalf of the above named parties, party of the first part and SHIELD ENVIRONMENTAL ASSOCIATES, INC., c/o John P. Brice, Wyatt, Tarrant & Combs, LLP, 250 West Main Street, Suite 1600, Lexington, Kentucky 40507, its successors and assigns, party of the second part. The address for the purpose of mailing the property tax bill is: 948 Floyd Drive, Lexington, KY 40505

WITNESSETH: That for and in consideration of the premises and for the further consideration of the full payment of the purchase price aforesaid, as appears of record in the above described action, the party of the first part has sold and by this writing does hereby grant and convey unto the party of the second part, its successors and assigns forever the following described property, to wit:

401 BLUE SKY PARKWAY

All of that certain tract or parcel of land containing approximately 3.975 acres, known and designated as Tract "E", Blue Sky Industrial Estates, as shown on and more particularly described on a map or plat of Blue Sky Industrial Estates of record in Plat Cabinet A, Slide 301, in the Office of the Fayette County Clerk, said premises being known and designated as 401 Blue Sky Parkway; and

Being the same property conveyed to Blue Sky Sewer Service Co., Inc., a Kentucky corporation, by Deed dated March 1, 1979, of record in Deed Book 1223, Page 223, in the Office of the Fayette County Clerk.

TO HAVE AND TO HOLD the said property, together with all the rights, privileges and appurtenances thereunto belonging unto the party of the second part, its successors and assigns forever.

The property conveyed hereby is conveyed "as is" "where is" without

warranty.

This conveyance is made by the Master Commissioner only in his official capacity without any personal liability therefore.

IN TESTIMONY WHEREOF, the said James H. Frazier, III, as Master Commissioner has hereunto subscribed his name this the 5th day of January, 2012.


JAMES H. FRAZIER, III
MASTER COMMISSIONER
FAYETTE CIRCUIT COURT

Examined and approved this
the 5th day of January, 2012.


JUDGE, FOURTH DIVISION
JUDGE PAMELA R. GOODWINE

STATE OF KENTUCKY
FAYETTE CIRCUIT COURT
JAN 05 2012
DATED: _____

The Master Commissioner produced to the Court the foregoing Deed to SHIELD ENVIRONMENTAL ASSOCIATES, INC., which was examined and approved by the Court and the said Commissioner acknowledged the same to be its act and deed; whereupon the same was ordered to be and is hereby certified to the proper office for record.

ATTEST: WILMA F. LYNCH, CLERK
FAYETTE CIRCUIT COURT

BY: M. Moody
DEPUTY CLERK

The undersigned grantee(s) hereby certify that the purchase price heretofore set forth to be the full consideration paid for the above described property.

SHIELD ENVIRONMENTAL
ASSOCIATES, INC.

BY: [Signature]

ITS: [Signature]

STATE OF Ky

COUNTY OF Fayette

Subscribed and sworn to before me by John P. Brice
of SHIELD ENVIRONMENTAL ASSOCIATES, INC., its attorney on this the
10th day of January, 2012.

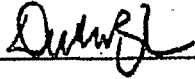
My commission expires: November 25, 2014

Patricia J. West
NOTARY PUBLIC (430533)

PREPARED BY:

[Signature]
JAMES H. FRAZIER, II, MSFCG
201 EAST MAIN STREET
SUITE 1101, CHASE TOWER
LEXINGTON, KENTUCKY 40507

I, Donald W Blevins Jr, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.



By: PATTY DAVIS ,dc

201201100264

January 10, 2012 15:27:01 PM

Fees	\$20.00	Tax	\$.00
------	---------	-----	--------

Total Paid	\$20.00
------------	---------

THIS IS THE LAST PAGE OF THE DOCUMENT

5 Pages

341 - 345

DEED

THIS DEED is made and entered into this the 12th day of January, 2012, by and between **SHIELD ENVIRONMENTAL ASSOCIATES, INC.**, a Kentucky corporation, which has a mailing address of 948 Floyd Drive, Lexington, Kentucky 40505, Grantor, and **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government created and existing pursuant to the provisions of Kentucky Revised Statues Chapter 67A, with a mailing address of 200 East Main Street, Lexington, Kentucky 40507, Grantee. The in-care of tax mailing address for the current tax year is Lexington-Fayette Urban County Government, 200 East Main Street, Lexington, Kentucky 40507.

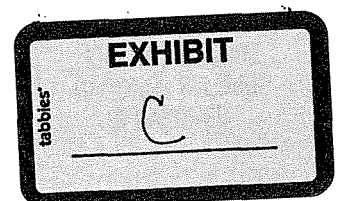
WITNESSETH:

THAT for and in consideration of the sum of Two Hundred Fifty Thousand and no/100 Dollars (\$250,000.00) cash in hand paid, receipt of which is hereby acknowledged, the Grantor has bargained and sold and does hereby grant and convey unto Grantee, its successors and assigns, forever, in all of the following property located in Lexington, Fayette County, Kentucky, and more fully described as follows, to wit:

401 Blue Sky Parkway

ALL of that certain tract or parcel of land containing approximately 3.975 acres, known and designated as Tract "E", Blue Sky Industrial Estates, as shown on and more particularly described on a map or plat of Blue Sky Industrial Estates of record in Plat Cabinet A, Slide 301, in the Office of the Fayette County Clerk, said premises being known and designated as 401 Blue Sky Parkway

BEING the same property conveyed to Shield Environmental Associates, Inc., by deed of the Master Commissioner of the Fayette Circuit Court, dated JANUARY 5, 2012 of record in Deed Book 3050 Page 341 in the Fayette County Clerk's Office.



TOGETHER with all personal property, appurtenances, easements, sewer lines, and the entire sewer system which was owned by Blue Sky Sewer Service Company, Inc.

TO HAVE AND TO HOLD the above-described property together with all rights, privileges, appurtenances and improvements thereunto belonging unto the Grantee, its successors and assigns, forever.

AND the Grantor does hereby release and relinquish unto the Grantee, its successors and assigns, all of Grantor's right, title and interest in and to the above-described property including all exemptions allowed by law and does hereby covenant to and with said Grantee, its successors and assigns, that Grantor is lawfully seized in fee simple of said property and have good right to sell and convey the same as herein done; that the title to said property is clear, perfect and unencumbered, and that Grantor will **WARRANT GENERALLY** the said title.

PROVIDED, HOWEVER, there is excepted from the foregoing warranty and covenants of title and this conveyance is made subject to any restrictions, easements and agreements of record in the aforesaid Clerk's Office affecting the subject property.

The undersigned Grantor and Grantee hereby certify, swear and affirm that the consideration stated herein is the full actual consideration paid for the property transferred herein. The Grantee signs this deed for the sole purpose of certifying the consideration pursuant to KRS 382.

IN TESTIMONY WHEREOF, the Grantor and Grantee have hereunto executed this instrument this the day and year first above written.

SHIELD ENVIRONMENTAL ASSOCIATES, INC.

By: C. Don Porter

Its: Chief OPERATING OFFICER

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

By: Jim Gray
JIM GRAY, Mayor

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

Acknowledged, subscribed and sworn to before me of behalf of SHIELD ENVIRONMENTAL SERVICES, INC., by C. Don Porter, its C.O.O., this the 13th day of January, 2012.

My Commission Expires: 3.3.2013

Notary Identification No.: N/A

J.P. W...
NOTARY PUBLIC, STATE AT LARGE,
KENTUCKY

COMMONWEALTH OF KENTUCKY)
COUNTY OF FAYETTE)

Acknowledged, subscribed and sworn to before me of behalf of LEXINGTON-FAYETTE
URBAN COUNTY GOVERNMENT, by JIM GRAY, its Mayor, this the 12th day of
January, 2012.

My Commission Expires: 9-15-2015

Notary Identification No.: 450048

Opiumeadows
NOTARY PUBLIC, STATE AT LARGE,
KENTUCKY

PREPARED BY:

John P. Watz
John P. Watz
HENRY WATZ GARDNER &
SELLARS, PLLC
401 West Main Street, Suite 314
Lexington, Kentucky 40507

F:\P\W\FUCG-BLUE SKY\GENERAL WARRANTY DEED 12-15-11 KEO.DOC

DEED BOOK 3051 PAGE 233

**I, Donald W Blevins Jr, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.**



By: DOUG BRADLEY ,dc

201201170210

January 17, 2012 15:06:39 PM

Fees \$20.00 Tax \$250.00

Total Paid \$270.00

THIS IS THE LAST PAGE OF THE DOCUMENT

5 Pages

229 - 233

RESOLUTION NO. 607 -2011

A RESOLUTION AUTHORIZING AND DIRECTING THE MAYOR, ON BEHALF OF THE URBAN COUNTY GOVERNMENT, TO EXECUTE A CERTIFICATE OF CONSIDERATION, AND ANY OTHER DOCUMENTS NECESSARY, AND TO ACCEPT A DEED FOR THE PROPERTY LOCATED AT 401 BLUE SKY PARKWAY, AND AUTHORIZING PAYMENT IN THE AMOUNT OF \$250,000.00, PLUS USUAL AND APPROPRIATE CLOSING COSTS.

BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT:

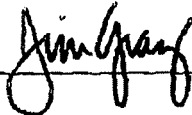
Section 1 – That the Mayor, on behalf of the Lexington-Fayette Urban County Government, be and hereby is authorized and directed to execute a certificate of consideration, and any other documents necessary, and to accept a Deed for the property located at 401 Blue Sky Parkway.

Section 2 – That an amount, not to exceed the sum of \$250,000.00, be and hereby approved for payment to the owner of the property, plus usual and appropriate closing costs, all from account # 3400-303401-92711, at the time of closing.

Section 3 – That this Resolution shall become effective on the date of its passage.

PASSED URBAN COUNTY COUNCIL: December 6, 2011

MAYOR



ATTEST:


CLERK OF URBAN COUNTY COUNCIL

M:\DC\Cases\WATER-AIR\08-RE1801\LEG\00325673.DOC

