

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

**PUBLIC WATER SUPPLY DISTRICT NO. 4
OF CAMDEN COUNTY, MISSOURI**

AND

LAKE REGION WATER & SEWER CO.

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the "Agreement") is made and entered into this _____ day of December, 2016, by and among Public Water Supply District No. 4 of Camden County, Missouri, a Missouri public corporation (hereinafter being referred to as "District" or "Purchaser"), and Lake Region Water & Sewer Co., a Missouri corporation (hereinafter referred to as "Lake Region" or "Seller"), District and Lake Region may also each be referred to as "Party" or collectively as "Parties".

RECITALS

- A. Lake Region is a public utility regulated by the Missouri Public Service Commission which presently owns and operations a water distribution and sewer system (the "Lake Region Water and Sewer System") located within the boundaries of Public Water Supply District No. 4 which is legally described on Exhibit A hereto and incorporated herein by reference.
- B. District desires to acquire from Lake Region and Lake Region desires and is willing to sell the assets comprising the Lake Region Water and Sewer System to District.

AGREEMENT

NOW THEREFORE, in consideration of the foregoing recitals, the representations, warranties and covenants contained herein as well as other good and valuable consideration, the receipt and sufficient of which are hereby acknowledged, the Parties continue to be legally bound, agree as follows:

ARTICLE I

Purchase and Sale of Assets

- 1.1 Agreement to Transfer System Assets. On and subject to the terms and conditions of this Agreement, at the Closing on the Closing Date (as such terms are hereinafter defined) District shall purchase, acquire and accept from Lake Region and Lake Region shall sell, convey, transfer, assign and deliver to District all of Lake Region's right, title and interest in, to and under all of the assets and properties of every kind, nature and description (wherever located), used in, resulting from or being a part of the Lake Region Water and Sewer System (the "System Assets") free and clear of any liens, charges, restrictions or encumbrances thereon. The System Assets being sold, transferred, assigned and delivered to District by Lake Region, shall include the following together with all additions and improvements thereon made prior to Closing Date:

- (a) All real estate described on the attached Schedule 1.1(a) (the "Real Estate") which is incorporated herein by reference;
- (b) All easements and rights for water mains, wells pump houses, storage facilities and similar water production, storage or transmission facilities contained in public declarations or created in recorded deeds and agreements including but not limited to those described on the attached Schedule 1.1(b) which is incorporated herein by reference.;
- (c) The water mains, the valves, the hydrants of the System and the water meters installed in each residence;
- (d) All pumps and storage tanks;
- (e) All easements and rights for sewer mains, life stations, generators, manholes and wastewater treatment plants contained in public declarations or created in recorded deeds and agreements, including, but not limited to, those described on the attached Schedule 1.1(e), which is incorporated herein by reference;
- (f) The sewer mains, valves, service connections, lift stations, generators, manholes, wastewater treatment plants and all equipment associated with such physical plant not specifically identified herein;
- (g) Customer accounts receivable and unbilled customer revenues existing as of the date of Closing;
- (h) Books and records which pertain to the maintenance and operation of the System, including without limitation, surveys, maps, maintenance records and manuals, records of customer accounts receivable and reports maintained and or filed as required by law;
- (i) Vehicles, tools and equipment; and
- (j) Those assets specifically listed on Schedule 1.1(i).

1.2 Excluded Assets. Notwithstanding anything to the contrary contained in Section 1.1 or elsewhere in this Agreement, the assets identified in this Section 1.2 (the "Excluded Assets") are not part of the purchase and sale contemplated hereunder. The Excluded Assets include the following:

- (a) Seller's minute books, stock records, corporate seal; and books, records, and accounting files which are purely administrative in nature;
- (b) Seller's cash and cash equivalents (specifically defined as demand deposit or money market accounts);
- (c) Seller's Claims for refund of taxes and other governmental charges of whatever nature for all periods prior to the Closing Date;

- (d) Seller's Claims or rights against third parties relating to liabilities or obligations which are not specifically assumed by District hereunder; or
 - (e) Those items specifically listed on Schedule 1.2.
- 1.3 Lake Region's Liabilities. District shall read all water meters on or before June 28, 2017, and will process the customer billings and mail all such billings no later than June 30, 2017. All revenue generated by this billing shall be used by Lake Region to pay the Lake Region Liabilities which have accrued during the billing period. After billing and applying any credit balance deposits and identifying all customers who still have a balance, all such balances shall be transferred to the new accounts established for such customers at the District, prior to first billing of customers by District. All Lake Region customer account balances will at that time be transferred to the District so that the first bill from the District has an accurate balance including any past due amounts or credits from Lake Region. The net amount of receivables payable will reconciled in December 2017. All other Lake Region liabilities, debts and obligations of every character or description known, accrued or arising from any and all transactions or occurrences prior to Closing shall be Lake Region's sole obligation and responsibility, including payment of all 2016 and prior years' real property and personal property taxes on the assets. The unbilled revenue due Lake Region shall be calculated by dividing the total revenue billed by District by the number of days in the billing period multiplied by the number of days between the reading of the meters on June 28, 2017 and the date of Closing. This revenue shall be included in the true-up amount calculation.

ARTICLE II

Purchase Price, Allocation of Purchase Price, and Manner of Payment

- 2.1 Purchase Price. The total consideration to be paid by District to Lake Region for the acquisition of the System Assets is the sum of Six Million Eighty-four Thousand Dollars (\$6,084,000) (the "Purchase Price").
- 2.1.1 Manner of Payment. The District will issue a Missouri tax exempt bond in the amount of Six Million Eighty-four Thousand Dollars (\$6,084,000) to be used for the acquisition of the Assets, and Lake Region or their underwriter will buy the bond issue. Lake Region will pay any and all costs related to the cost of issuance of the bonds. Lake Region will at closing reimburse the District in the amount of Twenty-six Thousand dollars (\$26,000) to offset a portion of the costs of repairing lift station pumps owned by Lake Region. The bonds will have a 4.45% coupon rate and the debt service shall be level payments in the amount of One Hundred Eighty-five Thousand Seven Hundred Seventy-six Dollars and Ninety-three Cents (\$185,776.93) semiannually for a thirty (30) year period.

ARTICLE III
Bond Financing

District will finance the acquisition of the System Assets through the issuance of a Missouri Tax Exempt Bond in the amount of Six Million Eighty-four Thousand Dollars (\$6,084.00). Lake Region covenants and agrees to either buy the bond issue or cause their underwriter to buy the issue and further agrees to pay any and all costs related to the issuance of the bonds.

ARTICLE IV
Terms Specifically Applicable to Real Estate Acquisition

4.1 **Title.** Subject to the terms hereof, Lake Region agrees to convey to the District on the Closing Date indefeasible marketable title to the Real Estate described on Schedule 1.1(a) hereto subject to existing zoning ordinances, restrictions, rights-of-way or easements of record and all mineral rights previously reserved or conveyed of record (the "Approved Title Exceptions"), but free and clear of all other consensual and non-consensual liens or other encumbrances. Lake Region at Lake Region's expense, will order a commitment for title insurance (the "Title Commitment") for the issuance by Arrowhead Title, Inc., 752 Bagnell Dam Blvd, Lake Ozark, Missouri 65049, of an owner's title insurance policy (the "Title Policy") insuring the status of title of the Real Estate as of the Closing Date and will immediately deliver a copy of such commitment (and copies of all documents listed as exceptions in such commitment) to District when received by Lake Region. The District shall have four (4) days after receipt of the Title Commitment to provide to Lake Region a letter setting forth all of District's objections to Lake Region's title to the Real Estate and Lake Region shall have four (4) days after receipt of such letter to correct the defects in title objected to by the District, provided that District shall not have the right to object to the Approved Title Exceptions herein above defined. Any objection to title not made in writing by District within the permitted time period shall be deemed waived. If Lake Region is unable to cure all objections to title within the four (4) day period provided herein, District may, at its option either: (a) extend the Closing Date by that period of time which is reasonably required to enable Lake Region to satisfy such title objection; or (b) elect to waive such objections and proceed with the Closing or (c) terminate this Agreement by written notice to Lake Region.

On the Closing Date, Lake Region will cause to be issued to the District, at District's sole cost and expense, a policy of owner's title insurance in an amount equal to \$ _____, which coverage shall be allocated among the tracts as set forth in Schedule 4.1 attached hereto and incorporated herein by reference, which policy shall contain the Approved Title Exceptions and any other exceptions to coverage waived or approved by the District.

4.2 **Environmental Report.** Lake Region shall furnish to District, at Lake Region's expense, a Phase I Environmental Report of the Real Estate performed by a company satisfactory to District and legally qualified to do business in the State of

Missouri, as soon as it is received by Lake Region, but no later than May 1, 2017. To the extent the results of any such report reflect levels of Hazardous Materials exceeding legal limits as established by applicable environmental laws, District will notify Lake Region in writing and Lake Region agrees to be responsible for the first Ten Thousand Dollars (\$10,000) of costs for any required or necessary repairs, clean up, detoxification, site monitoring, containment, closure, removal, restoration or other remedial work of any kind or nature (the "Remedial Work"). If the aggregate estimated cost of such Remedial Work for all properties exceeds the sum of Ten Thousand Dollars (\$10,000), either Party shall have the unilateral right to terminate this Agreement by written notice to the other Party and neither Party shall thereafter have any binding responsibility to the other, other than to the extent set forth in Sections 9.2 and 9.3 hereof.

The term "Hazardous Materials" will include without implied limitation: (a) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq., and in the regulations promulgated pursuant to said laws; (b) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (c) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state or local laws or regulations; and (d) any material, waste or substance which is petroleum, asbestos, polychlorinated biphenyls, designated as a "hazardous substance" pursuant to Section 3111 of the Clean Water Act, 33 U.S.C. §1317, flammable explosives or radioactive materials.

ARTICLE V

Conditions Precedent to Closing

- 5.1 Conditions Precedent to the Obligations of District. District's obligations to close the transactions contemplated by this Agreement are subject to the satisfaction in full, unless expressly waived in writing by District, of each of the conditions set forth in this Section 5.1 on or before Closing:
- 5.1.1. Acquisition of Bond Financing. Lake Region or its underwriter purchases the Missouri tax exempt bond described in Section 2 of this Agreement. If this financing contingency is not removed or a written extension granted on or before the one-hundred twentieth (120th) day following the date that the Public Service Commission grants approval of the transaction between Lake Region and District described in this Agreement, this Agreement shall be deemed null and void and neither Party shall have any binding responsibility to the other under this Agreement, other than to the extent set forth in Sections 9.2 and 9.3 hereof.

- 5.1.2 Regulatory Approvals. To the extent required by law, the District shall have received any and all regulatory approvals unless District and Lake Region otherwise agree in writing.
- 5.1.3 District Completion of Due Diligence. District and its advisors shall have completed all complimentary business, legal and accounting due diligence investigations and environmental studies, all at District's sole expense unless otherwise agreed in writing by District and Lake Region.
- 5.1.4 Representations and Warranties. Each of the representations and warranties of Lake Region contained in this Agreement shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects on and as of the Closing Date with the same force and effect as made by Lake Region on and as of the Closing Date.
- 5.1.5 Appraisal. Completion of an appraisal of the replacement cost less depreciation of the System Assets has been obtained by Lake Region at its sole cost and expense from a Missouri registered engineer selected by Lake Region. If the appraised value determined by such engineer is greater than the Purchase Price paid by Purchaser for the System Assets, a Donee Acknowledgment IV of IRS Form 8283 with the Part IV Donee Acknowledgement executed by Purchaser must be received by Lake Region on or before Closing that states the dollar amount of the excess value of the Assets over the Purchase Price paid for the System Assets which characterizes such excess value as a charitable contribution.
- 5.1.6 Lake Region's Covenants. Lake Region shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement which are required to be performed, observed or complied with by Lake Region prior to or at the Closing.
- 5.1.7 Proceedings. There is no litigation, suit or regulatory agency proceeding pending, or to District's knowledge threatened, which would:
- (i) Prevent consummation of the transaction contemplated by this Agreement;
 - (ii) Have a likelihood of causing such transactions to be rescinded following consummation;
 - (iii) Adversely affect the right of District to own any of the System Assets; or
 - (iv) Adversely affect the Lake Region Water and Sewer System prospects, or the value or condition of any of the System Assets or the System.

- 5.1.8 Closing Deliveries. Lake Region has delivered or caused to be delivered to District each of the items set forth in Section 6.2.
- 5.1.9 Satisfactory Environmental Report. Lake Region shall have furnished the Phase 1 Environmental Report described in Section 4.2 of this Agreement and District shall have accepted such report or Lake Region and District shall have agreed upon the performance of any required Remedial Work and the Party or Parties to this Agreement responsible for the payment of such work.
- 5.2 Conditions Precedent to Lake Region's Obligation to Close. Lake Region's obligations to close the transactions contemplated by this Agreement are subject to the satisfaction in full, unless expressly waived in writing by Lake Region, of each of the conditions set forth in this Section 5.2 on or before Closing:
- 5.2.1 Governmental and Third Party Approvals. Lake Region shall have obtained all necessary approvals by the Missouri Public Service Commission or any other applicable body which are required in connection the sale of the System Assets by Lake Region, each in form and substance acceptable to Lake Region, and (ii) any waiting periods under existing laws, and all extension thereof, the passing of which is necessary to consummate the sale of the System Assets pursuant to this Agreement shall have expired.
- 5.2.2 Representations and Warranties. Each of the representations and warranties of the District contained in this Agreement shall have been true, correct and accurate in all respects on and as of the date hereof and shall also be true, correct and accurate in all material respects on and as of the Closing Date with the same force and effect as made by the District on and as of the Closing Date.
- 5.2.3 District's Covenants. District shall have performed, observed and complied in all material respects with all of its obligations, covenants, undertakings and agreements contained in this Agreement which are required to be performed, observed or complied with by such District prior to or at the Closing.
- 5.2.4 Proceedings. At Closing there is no litigation, suit or regulatory agency proceeding pending, or to Lake Region's knowledge threatened, which might adversely affect its title to, right to, possession of, or right to use the Water and Sewer System, or which might interfere with the sale and purchase contemplated by this Agreement or with the future operations of the Lake Region Water and Sewer System.
- 5.2.5 Closing Deliveries. District has delivered or caused to be delivered to Lake Region each of the items set forth in Section 6.3.

ARTICLE VI
Closing

- 6.1 Closing Date, Time and Place of Closing. The Closing shall be held at 10:00 am on June 30, 2017, at the offices of District or at such other time, date and place as is mutually agreed up by all Parties to this Agreement. The date and event of such sale and purchase of the System Assets hereunder are respectively, hereinafter referred to as the “Closing” and the “Closing Date”.
- 6.2 Lake Region’s Duties at Closing. At Closing, Lake Region shall transfer and assign all of the System Assets to be sold hereunder and shall deliver to District all items described in this Section 6.2. with all documents being duly executed and acknowledged where required.
- 6.2.1 Special Warranty Deeds, Bills of Sale and Assignment. Good and sufficient Special Warranty Deeds, Bills of Sales, assignment and other instruments of conveyance and transfer, in form acceptable to counsel for the District as shall be necessary to convey to and invest in District good and marketable title to each of the System Assets free and clear of any and all liens and encumbrances, except for the Approved Title Exceptions described in Section 4.1 with respect to the Real Estate, and any other covenants, conditions and restrictions of record, easements of record, public roads and other matters acceptable to the District.
- 6.2.2 Grants of Easements. Copies of all grants of easements to be conveyed by Lake Region to the District which are in the District’s possession or obtainable from a third party by District, together with surveys or plats adequate to show the location and legal description of all such easement.
- 6.2.3 Lien Search Certificate. A chattel mortgage, security interest, judgment and federal lien search covering a date no later than fifteen (15) days prior to the Closing Date showing no chattel mortgages, security interests, judgments or federal liens outstanding against Lake Region.
- 6.2.4 Lien Affidavit. An affidavit in form acceptable to Title Company certifying that the Real Estate is free from claims for mechanics’, materialmen’s’ and laborers’ liens.
- 6.2.5 Documents; Keys. The originals of all leases and other contracts to be assumed by the District or by which the Property is otherwise bound, all keys and combinations to locks located on the Property evidence satisfactory to Lake Region that all Property has been added to the District casualty and liability insurance policy effective as of Closing Date, all abstracts of title, building plans (if any), and all other matters reasonably requested by the District relating to the Property.

- 6.2.6 Title Affidavits. Such further assurances in the form of Affidavits as the Title Company might require to issue the Owner's Policy in accordance with the Title Commitment.
- 6.2.7 Specific Assignments. Such specific assignments and other instruments as might reasonably be requested by the District to transfer contract, permits and other similar items relating to the Property to the District, each of which will bear the written approval (to the extent required) of all appropriate Parties thereto, including but not limited to the Assignment of Lake Region's rights and obligations under the Agreement attached hereto at Schedule 1.1(i) hereof.
- 6.2.8 Survey. If Lake Region has a copy of any survey pertaining to the Real Estate which has been performed no earlier than six (6) months prior to the date of this Agreement, Lake Region shall, provide District, no later than April 1, 2017 with a complete copy of such survey. District is authorized to order, at Seller's expense, an ALTA Survey of the Real Estate to be issued by a registered surveyor, licensed by the State of Missouri and certified to District and Title Company as being correct as of the date of the issuance, which survey is to show no encroachments, all improvements located upon the Real Estate, shall locate all rights-or-way, utility lines, easements and all matters of record, and shall further locate all other matters not of record which are reasonably ascertainable by a visual inspection of the Real Estate or which may affect the Real Estate. District and Lake Region agree that Lake Region shall bear the costs of such survey. Lake Region agrees to provide a copy of such survey to District upon receipt of same.
- 6.2.9 Certificate of Good Standing. A Certificate of Good Standing of Lake Region issued by the Missouri Secretary of State dated within ten (10) days of the Closing Date.
- 6.2.10 Accounts Receivable Statement. A statement signed by an authorized officer of Lake Region identifying by name of customer and amount all accounts receivable described in Section 1.1 hereof as of the Closing Date.
- 6.2.11 IRS Form 8594. An IRS Form 8594 with the Part IV Donee Acknowledgment executed by Purchaser from Lake Region.
- 6.2.12 Foreign Person Affidavit. An affidavit signed by an authorized officer of Lake Region in the form prescribed by Treasury Regulation §1.1445-2 stating the taxpayer identification number and confirming that the Seller is not a foreign person within the purview of 26 U.S.C. §1445 and the regulations issued thereunder.
- 6.2.13 Certified Board of Directors and Shareholders Resolutions. Copies of the Resolutions of the Board of Directors and Shareholders of Lake Region certified by the Secretary of the corporation, which evidence the adoption

and approval of this Agreement and the authorization of the transactions contemplated hereby, to the extent required by all applicable state statutes.

6.2.14 Pro-ration Amounts. Such payments to the Lake Region as might be required to effect the pro-rations hereafter set forth.

6.2.14.1 Property Taxes. All special assessments and all real and personal property ad valorem taxes for the calendar year preceding the year of Closing will be paid by the Seller. Ad valorem taxes for the calendar year of Closing will be prorated to the Closing Date based on the latest available tax rate and assessed valuation.

6.2.14.2 Insurance. The insurance agency for Lake Region will effective Closing Date reclassify all Property currently insured on behalf of Lake Region to property insured on behalf of the District and Lake Region will bear no responsibility for payment of insurance premiums with respect to the insurance of such Property after the Closing Date.

6.2.14.3 Termination of Leases, Equipment Rental Agreement, and Labor Contract. A Termination Agreement executed by District with respect to the current lease by and between Lake Region Water & Sewer Co. and District, the Equipment Rental Agreement by and between Lake Region Water & Sewer Co. and District, and the Labor Contract by and between Lake Region Water & Sewer Co. and District, all of which are executed by Lake Region.

6.3 District's Deliveries at Closing. At the Closing, District will deliver or cause to be delivered to Lake Region all items described in this Section 6.3, with all documents being duly executed and acknowledged where required.

6.3.1 Wired Funds. Funds will be transferred by wire to Lake Region's designated account in the sum of Six Million Fifty-eight Thousand Dollars (\$6,058,000).

6.3.2 Certified Board of Directors and Shareholders Resolutions. Copies of the Resolution of the Board of Directors of the District executed by all Directors and authorizing and approving this Agreement and the transactions contemplated hereby to be performed by District.

6.3.3 Termination of Leases, Equipment Rental Agreement, and Labor Contract. A Termination Agreement executed by District with respect to the current lease by and between Lake Region Water & Sewer Co. and District, the Equipment Rental Agreement by and between Lake Region Water & Sewer Co. and District, and the Labor Contract by and between Lake Region Water & Sewer Co. and District, all of which are executed by the District.

ARTICLE VII
Representations, Warranties and Covenants of Lake Region

As an inducement to District to enter into this Agreement and to consummate the transactions contemplated hereby, Lake Region makes the representations, warranties and covenants which are set forth in this Article VII.

7.1 Organization and Authority.

7.1.1 Missouri Corporation in Good Standing. Lake Region is a corporation duly organized, validly existing and in good standing under the laws of the State of Missouri.

7.1.2 Corporate Power and Authority. Lake Region has full power and authority to own or lease and to operate and use its System Assets and to carry on its business as now conducted. Lake Region has the full power and authority to execute, deliver and perform this Agreement and all of the other documents and agreements required to fully consummate the entire transaction herein contemplated. The execution, delivery and performance of this Agreement and all of the other documents and agreements required to fully consummate the entire transaction herein contemplated have been duly authorized and approved by Lake Region and Lake Region's respective directors, officers and shareholders. This Agreement and all of the other documents and agreements required to fully consummate the entire transaction herein contemplated have been duly authorized, executed and delivered by Lake Region and is the legal, valid and binding obligation of Seller enforceable in accordance with its terms.

7.1.3 No Existing Conflicts or Approvals Required. Neither the execution and delivery of this Agreement or any of the other documents and agreements required to fully consummate the entire transaction herein contemplated, nor the consummation of any of the transactions contemplated hereby or thereby nor compliance with nor fulfillment of any of the terms, conditions and provisions hereof or thereof will:

- a. conflict with, result in a breach of the terms, conditions or provisions of, or constitute a default, an event of default or an event creating rights of acceleration, termination or cancellation or a loss of rights under, or result in the creation or imposition of any encumbrance upon any of the System Assets; or
- b. require the approval, consent, authorization or act of, or the making by Seller of any declaration, filing or registration with, any person, organization, entity or governmental authority other than the Missouri Public Service Commission.

7.2 Property and Assets.

7.2.1 Adequacy of System Assets. The System Assets constitute all of the assets and properties used in, or necessary for, the operation of Lake Region's business. The System Assets are structurally sound, are in good operating condition and repair, and are adequate for the uses to which they are being put, routine maintenance and repairs excepted. The Assets are sufficient for the continued conduct of Lake Region's Business after the Closing in substantially the same manner as conducted by Lake Region prior to Closing.

7.2.2 Title to System Assets. Lake Region has good title to the System Assets to be sold and transferred to District hereunder. As of the Closing Date, none of such System Assets will be subject to any contract of sale, or to any encumbrances, security agreements, liens or charges of any kind or character. Upon transfer to District, no person, corporation, organization, entity or governmental authority shall have or claim any ownership, right or other interest in any the System Assets.

7.3 Governmental Permits. Lake Region owns, holds and possesses all licenses, franchises, permits, privileges, immunities, approvals and other authorizations from all governmental authorities which are necessary to own or lease, operate and use the Assets so as to carry on and conduct Lake Region's Business substantially as currently conducted (herein collectively called "Governmental Permits"). Schedule 7.3 sets forth a list and brief description of each such Governmental Permits. Complete and correct copies of all of the Governmental Permits have heretofore been delivered to District by Seller.

7.4 No Violation, Litigation or Regulatory Action. Except as set forth in Schedule 7.4: (a) the System Assets and their uses comply with all applicable requirements of law, regulations and court orders; (b) Lake Region has complied with all requirements of laws, regulations and court orders which are applicable to the System Assets and/or Seller's business; (c) there are no lawsuits, claims, suits, proceedings or investigations pending or threatened against or affecting Lake Region, the System Assets or Seller's business nor is there any basis for any of the same, and there are no lawsuits, suits or proceedings pending in which Lake Region is the plaintiff or claimant; (d) there is no action, suit or proceeding pending or, to the best knowledge of Lake Region, threatened which questions the legality or propriety of the transactions contemplated by this Agreement; and (e) to the best of Lake Region's knowledge, no legislative or regulatory proposal or other proposal for the change in any requirements of laws or the interpretation thereof has been adopted or is pending which would adversely affect the System Assets or Lake Region's business.

7.5 Insurance.

7.5.1 Insurance Schedule. Schedule 7.5.1 sets forth a list and brief description (including nature of coverage, limits, deductibles, premiums and the loss experience for the most recent five years with respect to each type of coverage) of all policies of insurance maintained, owned or held by or for the

benefit of Lake Region or Lake Region's Business on the date hereof. Lake Region shall keep or cause such insurance or comparable insurance to be kept in full force and effect through the Closing Date. Lake Region has complied with each of such insurance policies and has not failed to give any notice or present any claim thereunder in a due and timely manner.

7.5.2 Worker Compensation Claim Disclosure. Except as set forth in Schedule 7.5.2 there are no pending or threatened workers' compensation claims involving Lake Region.

7.6 Disclosure. None of the representations or warranties contained herein, none of the information contained in the Schedules referred to in this Section, and none of the of the other information or documents furnished to District or any of its representatives by Lake Region or its respective representatives pursuant to the terms of this Agreement, is false or, in light of the circumstances in which it was made, is misleading in any material respect or omits to state a fact herein or therein necessary to make the statements herein or therein not misleading in any material respect.

7.7 Maintenance of Water System until Closing Date. Lake Region covenants that it will operate and maintain its water and sewer system until the Closing Date, and that it will not dispose of any part of its water and sewer system prior to the Closing Date, except such part or parts as may be retired from service and replaced in the ordinary course of business prior to the Closing Date.

7.8 No Material Adverse Change. Lake Region covenants that from the date of this Agreement to the Closing Date, there will not be any material adverse change in the operation of the water system and Lake Region has not and will not enter into any transaction involving the water system except transactions entered into in the ordinary course of business.

7.9 Good and Marketable Title to System Assets. Lake Region covenants that it has, or will have in the case of any additions to the water system between the date hereof and the Closing Date, good and marketable title to the assets to be sold, and it will have such title on the Closing Date; such title on the Closing Date will be unencumbered or proper provisions will have been made for payment and release of any existing encumbrances.

7.10 Rights-of-Way. Lake Region covenants that it has rights-of-way and/ or easement sufficient to authorize installation and maintenance of District's existing water and sewer system over private lands and public roads and highways.

7.11 Access. Lake Region covenants that Lake Region shall permit District's counsel, engineers or other representatives reasonable access during normal business hours, throughout the period prior to the Closing Date, to all rights-of-way and/or easements to be conveyed to District, and to all engineering plans and records, surveys, plats, grants of easements, contracts; agreements; and all other documents relating in any way to said rights-of-way and/or easements. If, before Closing, the District is not reasonably satisfied in any respect that Lake Region has sufficient

rights-of-way or easements to authorize installation and maintenance of Lake Region's existing system over public highways and private lands, District shall have the right to terminate this Agreement, in its sole discretion; which right shall be in addition to any other right District has under this Agreement.

- 7.12 Performance of this Agreement. Lake Region represents and warrants that it has no contacts or agreements concerning water and sewer service that would hinder or prevent performance of this Agreement, or impair or prevent rates and charges established or to be established by District.
- 7.13 Assets in Good Operating Condition. Lake Region represents and warrants that the assets to be conveyed to District are in good operating condition and will be in good operating condition as of the Closing Date; it is expressly understood that Lake Region makes no representation or warranty with respect to the physical condition of the existing water facilities and sewer facilities to be conveyed to District other than that stated herein; and that, subject to the terms hereof, the water assets to be conveyed to the Company are sold and transferred "AS IS". Lake Region hereby assigns to District all vendor, supplier, manufacturer and contractor warranties, bonds and insurance policies respecting the new water distribution system. District shall notify Lake Region within thirty (30) days after Closing of any claims it has concerning the "good operating condition" of the system. If there are no claims in thirty (30) days, District will be deemed to have waived any claims for breach of warranty of "good operating condition."
- 7.14 No Outstanding Extension Agreements or Other Agreements with Customers. Lake Region represents and warrants with respect to the water system and sewer system, that Lake Region has no outstanding main extension agreements or other agreements with customers, land developers or land owners under which Lake Region has obligations to install any water and/or sewer mains, other than as disclosed on Schedule 7.14, and associated facilities or to pay refunds or moneys to such customers or developers.
- 7.15 No Pending Litigation. Lake Region represents and warrants that there is no claim, litigation, suit or regulatory agency inquiry or proceeding pending, or to its knowledge threatened, pertaining to the size, design, capacity or condition of the water system; or the quality of water or service; or environmental impact or effect of the construction, ownership or operation of the water system including the real estate associated therewith.
- 7.16 Permits. Lake Region represents and warrants that Lake Region has obtained all necessary permits, licenses and other approvals for the ownership and operation of the water and sewer systems. Further, that Lake Region is in full compliance with all such permits, licenses and other approvals and in full compliance with all laws and regulations applicable to the ownership and operation of the water and sewer systems.
- 7.17 Reasonable Access. Lake Region covenants that Lake Region shall permit District's Counsel, accountants, and other representatives reasonable access, at the

convenience of Lake Region, during normal business hours throughout the period prior to the Closing Date to all properties to be conveyed to District to contracts with customers and developers as they may relate to load and demand requirements, and to any refund obligations respecting the water system; construction, maintenance and operation contracts; engineering plans and records; operating records; customers' records as they may relate to load and demand requirements; and accounting, billing, financial and original cost books and records; and during such period shall furnish District with such information concerning Lake Region's affairs as District shall from time to time reasonable request.

7.18 Real Estate and Improvements Properly Zoned. Lake Region represents and warrants that the real estate sold hereby, and the improvements thereon, are properly zoned and permitted, and meet all applicable set back and other land use requirements; that there are no notices of zoning or use violations issued respecting the real estate; that Lake Region, its officers, directors, employees, agents and representatives are aware of no zoning or use violations; and that there is good and sufficient access by means of right-of-way, easement of public way.

7.19 Environmental Representations. Lake Region represents and warrants to District, and agrees with District that during Lake Region's ownership of the Real Estate sold hereby, no Hazardous Materials (as defined below) have been located by Lake Region in or on the sites or have been released by Lake Region into the environment, or discharged, placed or disposed of by Lake Region at, on, or under the sites; and to the best of Lake Region's knowledge, no Hazardous Materials have been located, released or discharged, placed or disposed of by any Party.

The term "Hazardous Materials" will include without implied limitation: (a) Those substances included within the definitions of "hazardous substances," "hazardous materials," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 et seq., and in the regulations promulgated pursuant to said laws; (b) those substances listed in the United States Department of Transportation Table (49 CFR 172.101 and amendments thereto) or by the Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and amendments thereto); (c) such other substances, materials and wastes which are or become regulated under applicable local, state or federal law, or which are classified as hazardous or toxic under federal, state or local laws or regulations; and (d) any material, waste or substance which is petroleum, asbestos, polychlorinated biphenyls, designated as a "hazardous substance" pursuant to Section 3111 of the Clean Water Act, 33 U.S.C. §1317, flammable explosives or radioactive materials.

ARTICLE VIII
Representations and Warranties of District

As an inducement to Seller to enter into this Agreement and to consummate the transactions contemplated hereby, District hereby represents and warrants to Seller and agrees as follows:

- 8.1 Organization and Authority of District. District is a public corporation duly organized, validly existing and in good standing under the laws of the State of Missouri. District has the power and authority to own the System Assets and to operate the Lake Region water and sewer systems. This Agreement has been duly authorized, executed and delivered by District and is the legal, valid and binding agreement of District enforceable in accordance with its terms, and the performance of District's obligations under this Agreement and the documents ancillary hereto, with the exception of the Right of First Refusal Agreement, do not require any further authorization or consent by the District assuming all contingencies of the District have been met.

ARTICLE IX
Additional Agreements

- 9.1 Risk of Loss. The Parties acknowledge and agree that District, prior to the Closing Date provided hereunder assumes no risk of loss with respect to all or any part of the System Assets to be acquired by the District. Lake Region shall maintain all existing insurance coverage on the Property until Closing. In the event that prior to the Closing Date, any component or components of Lake Region's water and sewer system to be acquired by the District is damaged to an extent and more than ten percent (10%) of its value prior to said damage, as certified by the District's engineer, the District agrees to extend the Closing Date for a period of time equal to that taken by Lake Region to repair or replace that part of Lake Region's water and sewer system to be acquired the District damaged or destroyed, provided that said extension will not exceed, without the written consent of the District, one hundred twenty (120) days after the Closing Date otherwise provided hereunder. If the damage to any such component or components exceed ten percent (10%) of its value prior to such damage as certified by the District's engineer and reviewed and certified by the Lake Region's engineer, the District shall have the right to accept the facilities to be acquired by the District in its damaged condition and Lake Region shall assign to the District all proceeds of any insurance covering such damage, or the District shall have the right to terminate this Agreement. If the transaction, upon expiration of the extended Closing Date, is not consummated as otherwise provided under the terms of this Agreement, this Agreement shall become null and void; thereupon all undertakings, obligations and liabilities of the Parties hereunder shall forthwith terminate and be released and discharged.
- 9.2 Public Announcements. The Parties agree that a public announcement of this proposed transaction will be made by the applicant immediately upon the filing of the application with the Missouri Public Service Commission to approve the

acquisition of the Lake Region assets pursuant to the terms of this Agreement. All other press releases or other public announcements concerning the transactions contemplated by this Agreement shall require the prior approval of both Parties to this Agreement, except as and to the extent that any such Party shall be so obligated by law, in which case the other Party shall be advised and the Parties shall use their best efforts to cause a mutually agreeable release or announcement to the issue; provided that the foregoing shall not include communications or disclosures necessary to implement the provisions of this Agreement or to comply with the due diligence, accounting or disclosure efforts or obligations hereunder.

- 9.3 Expenses. Each Party hereto will pay all costs and expenses incident to its negotiation and preparation of this Agreement and to its performance and compliance with all agreements and conditions contained herein, on its part, to be performed or complied with, including the fees, expenses and disbursements of its counsel, accountants, broker, finder or intermediary.
- 9.4 Further Assurances. From time to time following the Closing, the Lake Region shall execute and deliver, or cause to be executed and delivered, to District such other bills of sale, deeds, endorsements, assignments and other instruments of conveyance and transfer as District may reasonably request or as may be otherwise necessary to more effectively convey and transfer to, and vest in, District and put District in possession of, all or any part of the System Assets not in District' possession on the Closing Date.
- 9.5 Right of District to Terminate Agreement. If, before Closing, the District is not reasonably satisfied in any respect that the System Assets to be sold are not as represented, the District shall have the right to terminate this Agreement, in its sole discretion; which right shall be in addition to any other right the District has under this Agreement.

ARTICLE X

General Provisions

- 10.1 Survival of Obligations. All representations, warranties, covenants, agreements and obligations contained in this Agreement shall survive the consummation of the transactions contemplated by this Agreement.
- 10.2 Notices. All notices or other communications required or permitted hereunder shall be in writing and shall be deemed given or delivered (i) when delivered personally, (ii) if transmitted by facsimile when confirmation of transmission is received, or (iii) if sent by registered or certified mail, return receipt requested, or by private courier when received; and shall be addressed as follows:

If to District:

Public Water Supply District No 4.
of Camden County, Missouri
P.O. Box 9
Lake Ozark, Missouri 65049

with a copy to:

Pohl & Pohl, P.C.
P.O. Box 2590
Lake Ozark, Missouri 65049
Phone: (573) 365-3350

If to Lake Region:

Lake Region Water & Sewer Co.
10777 Barkley, Suite 210
Overland Park, Kansas 66211

or to such other address as such Party may indicate by a notice delivered to the other Party hereto.

- 10.3 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their successors and permitted assigns.
- 10.4 Facsimile Signatures. The Parties agree that this Agreement may be transmitted among them by facsimile machine. The Parties intend that faxed signatures constitute original signatures and that a faxed agreement containing the signatures (original or faxed) of all Parties is binding on the Parties.
- 10.5 Entire Agreement; Amendments. This Agreement, all the Exhibits, Schedules and Addenda referred to herein and incorporated herein by this reference, and the documents delivered pursuant hereto contain the entire understanding of the Parties hereto with regard to the subject matter contained herein or therein, and supersede all prior agreements, understandings or letters of intent between or among any of the Parties hereto. This Agreement shall not be amended, modified or supplemented except by a written instrument signed by an authorized representative of each of the Parties hereto.
- 10.6 Waivers. Any term or provision of this Agreement may be waived, or the time for its performance may be extended, by the Party or Parties entitled to the benefit thereof. Any such waiver shall be validly and sufficiently given for the purposes of this Agreement if, as to any Party, it is in writing signed by an authorized representative of such Party. The failure of any Party hereto to enforce at any time any provision of this Agreement shall not be construed to be a waiver of such provision, nor in any way to affect the validity of this Agreement or any part hereof or the right of any Party thereafter to enforce each and every such provision. No

waiver of any breach of this Agreement shall be held to constitute a waiver of any other or subsequent breach.

10.7 Partial Invalidity. Wherever possible, each provision hereof shall be interpreted in such manner as to be effective and valid under applicable law, but in case any one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such provision shall be ineffective to the extent, but only to the extent, of such invalidity, illegality or unenforceability without invalidating the remainder of such provision or provisions or any other provisions hereof, unless such a construction would be unreasonable.

10.8 Governing Law. This Agreement shall be governed by and construed in accordance with the internal laws (as opposed to the conflicts of law provisions) of the State of Missouri.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed the day and year first above written.

DISTRICT:

**Public Water Supply District No. 4
of Camden County, Missouri
a Missouri public corporation**

By: _____



SELLER:

**Lake Region Water & Sewer Co.,
a Missouri corporation**

By: _____



EXHIBIT A
Camden County Public Water Supply District No. 4 Legal Description

Public Water Supply District No. 4 of
Camden County, Missouri
(Entire District after Annexation)

A tract of land lying in Camden County and Miller County, Missouri, hereinafter described as follows:

Beginning at the Southerly most corner of Block 1 of Horseshoe Bend Estates No. 1, a subdivision of record in Plat Book 3, at Page 2 of the Records of Camden County, Missouri, located near the shoreline of the Lake of the Ozarks run along the Southeasterly line of Block 1 in a Northeasterly direction 339.7 feet, more or less, to the Westerly right-of-way line of Business Route 54 (Bagnell Dam Boulevard); thence leaving the Southeasterly line of Block 1 and running along said right-of-way line, in a Northerly direction, 445 feet, more or less, to and intersecting the line between Blocks 2 and 3 of said Horseshoe Bend Estates No. 1; thence leaving the right-of-way line along the line common to Blocks 2 and 3 in a Westerly and Northerly direction 2335 feet, more or less, to the Southwest corner of Block 3 of said Horseshoe Bend Estates No.1; thence continue Northerly along a prolongation of the line common to Blocks 2 and 3 to the centerline of Jennings Branch Cove; thence in a Northeasterly direction along the centerline of Jennings Branch Cove to and intersecting the Westerly boundary of Miller County, Missouri; thence North along the Westerly Boundary of Miller County, Missouri, to and intersecting the line common to Miller County and Camden County, said point being near the centerline of the Osage River; thence along the Miller County and Camden County line upstream in a Westerly direction to a point where said County line intersects with the Morgan County line; thence leaving the Miller County line continuing upstream along the Morgan County and Camden County line in a Westerly and Southerly direction to a point on the North line of Section 36, Township 40 North, Range 17 West said point being near the centerline of the said Osage River; thence leaving the line common to Morgan County and Camden County continue upstream along the centerline of the Osage River in a Southeasterly and Easterly direction to a point that is 7450 feet, more or less, Westerly and 2460 feet North of the Southeast corner of Section 34, Township 40 North, Range 16 West; thence leaving the centerline of the Osage River in an Easterly direction parallel to the Township line between Township 39 North and Township 40 North, 3250 feet, more or less; thence South 1700 feet; thence Easterly parallel to the said Township line 2100 feet; thence South 760 feet to a point on the Township line, said point being 2100 feet Westerly of the Southeast corner of said Section 34, Township 40 North, Range 16 West; thence leaving the Township line in a Southeasterly direction to a point where the Westerly line of Lot 56 of Shawnee Bend No. 6, a subdivision of record in Camden County, Missouri, ends near the shoreline of the Lake of the

Ozarks; thence along the Westerly line of said Lot 56 in a Southerly direction to and intersecting the Northerly right-of-way line of State Highway MM; thence leaving the Westerly line of Lot 56 along said Northerly right-of-way line in a Westerly direction to a point that is 1250 feet East of the West line of Section 5, Township 39 North, Range 16 West; thence leaving the right-of-way line, Southerly parallel to the West line of said Section 5, to a point on the centerline of said Osage River; thence downstream in a Easterly and Northeasterly direction along the centerline of said Osage River to and intersecting the Camden and Miller County line; thence continue downstream along the centerline of the Osage River to a point on the Range line between Range 15 West and Range 16 West, being also the Camden and Miller County line; thence leaving the Range line continue downstream along the centerline of the Osage River in a Westerly direction to and intersecting a prolongation of the Southeasterly line of Block 1 of Horseshoe Bend Estates No. 1; thence leaving the centerline of the Osage River along said prolongation line in a Northeasterly direction to the Southerly most corner of Block 1 of Horseshoe Bend Estates No. 1 and the point of beginning.

SCHEDULE 1.1(a)
Legal Description of Real Estate

LEGAL DESCRIPTION FOLLOWS.

In re: See Attached Exhibit "A"

**ASSIGNMENT OF UTILITY EASEMENT RIGHTS
UNDER THE THIRD AMENDED AND RESTATED DECLARATION
OF RESTRICTIVE COVENANTS OF FOUR SEASONS LAKESITES, INC.**

This Assignment of Utility Easement Rights Under the Third Amended and Restated Declaration of Restrictive Covenants of Four Seasons Lakesites, Inc. (this "Assignment") is made and entered into this 13th day of August, 1998, by and between FOUR SEASONS LAKESITES, INC., a Missouri corporation ("Assignor"), and FOUR SEASONS WATER & SEWER CO., a Missouri corporation ("Assignee").

WHEREAS, Assignor is declarant of the Third Amended and Restated Declaration of Restrictive Covenants recorded in Book 431, Page 292 at the Office of the Recorder of Deeds of Camden County, Missouri, and as subsequently amended (the "Declaration"); and

WHEREAS, Assignor has transferred to third parties the real property encumbered and benefited by the Utility Easements (as defined below) contained in the Declaration; and

WHEREAS, Assignor wishes to assign its right, title and interest to the Utility Easements under the Declaration to Assignee and Assignee is willing to accept and approves said assignment.

NOW, THEREFORE, in consideration of the premises and mutual promises contained herein, the parties agree as follows:

1. Assignment of Utility Easements. Assignor hereby grants a non-exclusive assignment to Assignee, with respect to those lots which are contained within the area for which Assignee was granted a Certificate of Convenience and Necessity by the Missouri Public Service Commission pursuant to an Order dated July 1, 1997 (Case No. WA-95-164), for the sole purpose of constructing, operating and maintaining water and sewer service, all of Assignor's right, title and interest in and to those certain utility easements set forth in Section VI.A.1. on pages 14 and 15 of the Declaration which states as follows (the "Utility Easements"):

1. Utilities. A ten (10) foot wide strip running along the inside of all lot lines, except those lot lines coincident with street right-of-way lines, in which case such strip shall be twenty (20) feet wide, for the installation, maintenance and operation of utilities, including radio, and television transmission cables, and the accessory right to locate guy wires, braces or anchors or to cut, trim or remove trees and plantings wherever necessary upon such lots in connection with such installation, maintenance and operation. An easement is retained for the purpose of locating, constructing, operating and maintaining sanitary sewer lines and all necessary operating, and maintaining sanitary sewer lines and all

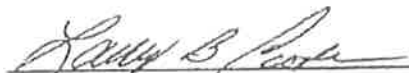
necessary appurtenances, across all lots at locations deemed necessary by Declarant for the construction, operation and maintenance of a sanitary sewer system, in the event one is required in any part of the Development. Said easement shall consist of a temporary easement fifty (50) feet wide laying twenty five (25) feet either side of the centerline of the sewer line located as deemed necessary for Declarant. Upon completion of construction, the temporary construction easement is automatically vacated and a permanent easement ten (10) feet wide laying five (5) feet either side of the centerline of the sewer as constructed shall be retained. Said easements shall consist of the right to ingress and egress to the easement across the hereinafter described lots, together with the easement across the hereinafter described lots, together with the right to trim, cut or remove any trees or vegetation necessary to accomplish the above stated purpose. Subsequent Owners of the hereinafter described property shall have no cause of action against Declarant, or its licensees, successors, heirs, or assigns, either at law or in equity by reasons of any damage caused to said property in location, construction, operation or maintenance of the sanitary sewer lines, except in the case of gross negligence.

2. Assumption of Obligations. In consideration of this Assignment, Assignee agrees to abide by and assume all of the duties, obligations and responsibilities of Assignor with respect to the Utility Easements for such lots under the Declaration.

IN WITNESS WHEREOF, the parties have executed this Assignment on the day and year first above written.


ASSIGNOR:

FOUR SEASONS LAKESITES, INC.

By: 
Larry B. Cooper, Vice President

ASSIGNEE:

FOUR SEASONS WATER & SEWER CO.

By: 
Peter N. Brown, President

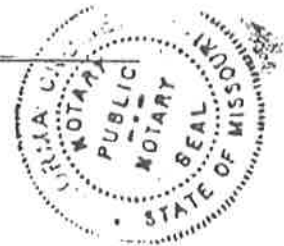
STATE OF MISSOURI)
) SS.
COUNTY OF CAMDEN)

I, NORMA CROMER, a Notary Public, do hereby certify that on the 13 day of August, 1998, personally appeared before me Larry B. Cooper, who, being first duly sworn to me, declared that he is the Vice President of Four Seasons Lakesites, Inc., a Missouri corporation, and that he signed the foregoing document in the capacity therein set forth, and declared that the statements therein contained are true.

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

NORMA CROMER
NOTARY PUBLIC - STATE of MISSOURI
COMMISSIONED in CAMDEN COUNTY
MY COMMISSION EXPIRES JAN. 6 - 2002

Norma Cromer
Notary Public



My Commission Expires:

STATE OF MISSOURI)
) SS
COUNTY OF CAMDENT)

I, NORMA CROMER, a Notary Public, do hereby certify that on the 13 day of August, 1998, personally appeared before me Peter N. Brown, who, being first duly sworn to me, declared that he is the President of Four Seasons Water & Sewer Co., a Missouri corporation, and that he signed the foregoing document in the capacity therein set forth, and declared that the statements therein contained are true.

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

NORMA CROMER
NOTARY PUBLIC - STATE of MISSOURI
COMMISSIONED in CAMDEN COUNTY
MY COMMISSION EXPIRES JAN. 6 - 2002

Norma Cromer
Notary Public



My Commission Expires:

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BOOK 0465 PAGE 0190

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S. Missouri, County of Camden, SS
 RECORD
 The 24 day of Aug 1928
 at 139 p. 465 PAGE 190
 RECORDED AND INDEXED
 Deputy James Byler
 33



4-C

SCHEDULE 1.1(b)
Legal Description of Easements and Rights of Water Mains

LEGAL DESCRIPTION FOLLOWS.

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (the "Agreement") made this 19th day of SEPTEMBER, 2012, by and between **MAYWOOD ESTATES PROPERTY OWNER'S ASSOCIATION, INC.**, a Missouri corporation ("Maywood"), with its principal office at 767 Comstock Road, Freeburg, 116-2343, County of St. Clair, State of Missouri, IL and **LAKE REGION WATER & SEWER CO.**, a Missouri corporation ("Lake Region"), with its principal office at 802 Bittersweet Road, Lake Ozark, Missouri 65049, of the County of Camden, State of Missouri. The foregoing are sometimes referred to herein singularly as the "Party" and together as the "Parties."

RECITALS:

- A. Maywood owns the real property legally described and depicted in the attached Exhibit A, which is incorporated herein by reference (such property being hereinafter referred to as the "Sewer Easement" and the "20 Feet Access" with both tracts collectively referred to herein as the "Easement Property);"
- B. Lake Region is the owner of the Sewer Treatment Facility located on the Sewer Easement;
- C. Lake Region has requested that Maywood grant an easement (the "Easement") to Lake Region in accordance with the terms and conditions of this Agreement;
- D. Maywood is willing to provide the Easement to Lake Region in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, and the mutual covenants contained herein, the Parties agree as follows:

1. Grant of Easement. Maywood hereby grants a perpetual, non-exclusive easement over the Easement Property for the benefit of Lake Region and Lake Region's successors and assigns. The Easement shall be used by Lake Region, its successors and assigns, and all tenants, guests, invitees and servants of Lake Region for the purpose of operating, servicing, repairing and maintaining the Sewer Treatment Facility and for ingress and egress to and from the Sewer Treatment Facility (the "**Easement Purpose**"). All maintenance and repair of the Easement Property shall be in accordance with the terms of this Agreement.

2. Maintenance and Repair, Maywood shall maintain the Easement Property in a good and workman-like manner and in accordance with all applicable federal, state and local statutes, rules and regulations. The cost of such maintenance shall be paid Maywood except that Lake Region shall pay the cost of any improvements required by Lake Region. To the extent that any modifications to the Easement Property are required by the Missouri Department of Transportation, the Missouri Department of Public Health, the Missouri Department of Natural Resources, the Missouri Public Service Commission, Camden County and any other governing body having regulatory authority of waste, and their respective successors and assigns, Lake Region shall perform all work necessary to comply with such requirements and shall bear the sole cost and expense of the required maintenance or modification.

3. Reservation of Rights. Maywood reserves for Maywood, its members and any guests of its members and Maywood's successors and assigns (including, without limitation, any lienholder) the right to continue to use and enjoy the surface of the Easement Property for all purposes that do not materially interfere with or interrupt the use or enjoyment of the Easement Property by Lake Region for the Easement Purpose.

4. Termination of Easement. This Easement shall terminate if Lake Region fails to comply with the terms and conditions of this Agreement within thirty (30) days following receipt of written notice from Maywood of such failure. However, if the breach is such as cannot be cured within thirty (30) days, and Lake Region has been taking reasonable steps to cure the breach within the thirty (30) day time frame, then the termination of this Agreement shall be postponed so long as Lake Region continues to take reasonable steps to cure such failure.

5. Modification. The Parties hereto agree that the provisions of this Agreement may be modified or amended, in whole or in part, only by an instrument in writing, executed and acknowledged by the Parties hereto and duly recorded in the Office of the Recorder of Deeds of Camden County, Missouri.

6. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Missouri. The remedies for breach of this Agreement shall include but not be limited to any and all equitable remedies which may be appropriate, including injunctive relief.

7. Successor and Assigns. The terms, covenants and conditions of this Agreement shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

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

**MAYWOOD ESTATES PROPERTY
OWNER'S ASSOCIATION, INC.**

**LAKE REGION WATER & SEWER
CO.**

By: 
Title: SECRETARY

By: _____
Title: _____

STATE OF Illinois)
) ss.
COUNTY OF St. Clair)

I, Kristine A Winterbauer, a Notary Public, do hereby certify that on the 19th day of September, 2012, personally appeared before me Larry J. Rhutzel, of Maywood Estates Property Owner's Association, Inc., a Missouri corporation, and being first duly sworn by me, acknowledge that he signed the foregoing document on behalf of said corporation in the capacity therein set forth, by authority of the Board of Directors of said corporation, and declared that the statements therein contained are true.

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



Kristine A. Winterbauer
Notary Public

My commission expires: 07/09/13

STATE OF _____)
) ss.
COUNTY OF _____)

I, _____, a Notary Public, do hereby certify that on the _____ day of _____, 2012, personally appeared before me _____ of Lake Region Water & Sewer Co., a Missouri corporation, and being first duly sworn by me, acknowledge that he signed the foregoing document on behalf of said corporation in the capacity therein set forth, by authority of the Board of Directors of said corporation, and declared that the statements therein contained are true.

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

Notary Public

My commission expires:

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

MAYWOOD ESTATES PROPERTY OWNER'S ASSOCIATION, INC.

LAKE REGION WATER & SEWER CO.

By: _____
Title: _____

By: *[Signature]*
Title: PRESIDENT

STATE OF _____)
) ss.
COUNTY OF _____)

I, _____, a Notary Public, do hereby certify that on the _____ day of _____, 2012, personally appeared before me _____ of Maywood Estates Property Owner's Association, Inc., a Missouri corporation, and being first duly sworn by me, acknowledge that he signed the foregoing document on behalf of said corporation in the capacity therein set forth, by authority of the Board of Directors of said corporation, and declared that the statements therein contained are true.

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

Notary Public

My commission expires:

STATE OF Texas)
)
COUNTY OF Wheworth) ss.

I, Yvonne Urquidez, a Notary Public, do hereby certify that on the 22nd day of October, 2012, personally appeared before me Vernon Stump, President of Lake Region Water & Sewer Co., a Missouri corporation, and being first duly sworn by me, acknowledge that he signed the foregoing document on behalf of said corporation in the capacity therein set forth, by authority of the Board of Directors of said corporation, and declared that the statements therein contained are true.

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



Yvonne Urquidez
Notary Public

My commission expires 02-26-2013

SCHEDULE 1.1(e)
Legal Description of Easements and Rights of Sewer Mains

LEGAL DESCRIPTION FOLLOWS.

EXHIBIT A
TO
EASEMENT AGREEMENT BY AND BETWEEN
MAYWOOD ESTATES PROPERTY OWNER'S ASSOCIATION, INC.
AND
LAKE REGION WATER & SEWER CO.

Description of Easement Property

SEWER EASEMENT

An easement for a sewer facility lying on part Maywood Condominium, a subdivision of record at the Camden County Recorder's Office, as located in part of Section 26, Township 40 North, Range 16 West, Camden County, Missouri and being more particularly described as follows:

"Commencing at an existing iron pin marking the northeast corner of Lot 51 of Oak Lane Estates, a subdivision of record at the Camden County Recorder's Office, located on the southerly right-of-way of Oak Lane and running South 70 degrees 45 minutes 51 seconds West a distance of 131.20 feet to an iron pin, for the POINT OF BEGINNING; thence South 29 degrees 46 minutes 25 seconds West a distance of 32.46 feet to an iron pin located on the approximate 662 contour of the Lake of the Ozarks; thence along and with the said 662 contour the following five (5) bearings and distances; (1) North 64 degrees 22 minutes 49 seconds West a distance of 29.59 feet, (2) North 47 degrees 28 minutes 02 seconds West a distance of 41.71 feet, (3) North 42 degrees 13 minutes 00 seconds West a distance of 48.42 feet; (4) North 49 degrees 44 minutes 04 seconds West a distance of 17.22 feet and (5) North 42 degrees 02 minutes 25 seconds West a distance of 15.37 feet to an iron pin; thence departing the said 662 contour North 47 degrees 25 minutes 08 seconds East a distance of 35.61 feet to another iron pin; thence South 40 degrees 20 minutes 39 seconds East a distance of 50.06 feet to another iron pin; thence South 63 degrees 59 minutes 55 seconds East a distance of 43.65 feet to another iron pin thence South 39 degrees 45 minutes 57 seconds East a distance of 49.47 feet; returning to the point of beginning".

Subject to any rights-of-way, easements or restrictions either of record.

The basis of bearings for the above description is the call of North 58 degrees 03 minutes 40 seconds West along the southerly right-of-way of Oak Lane.

"SEWER EASEMENT" is for identification purposes only and is not part of the above description.

END OF DESCRIPTION

20 FEET ACCESS

A 20 foot wide easement lying 10 feet on each side of the following described centerline as located on part Maywood Condominium, a subdivision of record at the Camden County Recorder's Office, as located in part of Section 26, Township 40 North, Range 16 West, Camden County, Missouri and being more particularly described as follows:

“Commencing at an existing iron pin marking the northeast corner of Lot 51 of Oak Lane Estates, a subdivision of record at the Camden County Recorder’s Office, located on the southerly right-of-way of Oak Lane and running North 58 degrees 03 minutes 40 seconds West along and with the said southerly right-of-way a distance of 78.98 feet to a point located on the centerline of a 20 feet wide easement, for the POINT OF BEGINNING; thence departing the said southerly right-of-way along and with the said centerline the following two (2) bearings and distances: (1) South 58 degrees 29 minutes 02 seconds West a distance of 71.73 feet and (2) South 47 degrees 33 minutes 14 seconds West a distance of 27.12 feet, for the POINT OF TERMINATION”.

Subject to any rights-of-way, easements or restrictions either of record.

The basis of bearings for the above description is the call of North 58 degrees 03 minutes 40 seconds West along the southerly right-of-way of Oak Lane.

“20 FEET ACCESS” is for identification purposes only and is not part of the above description.

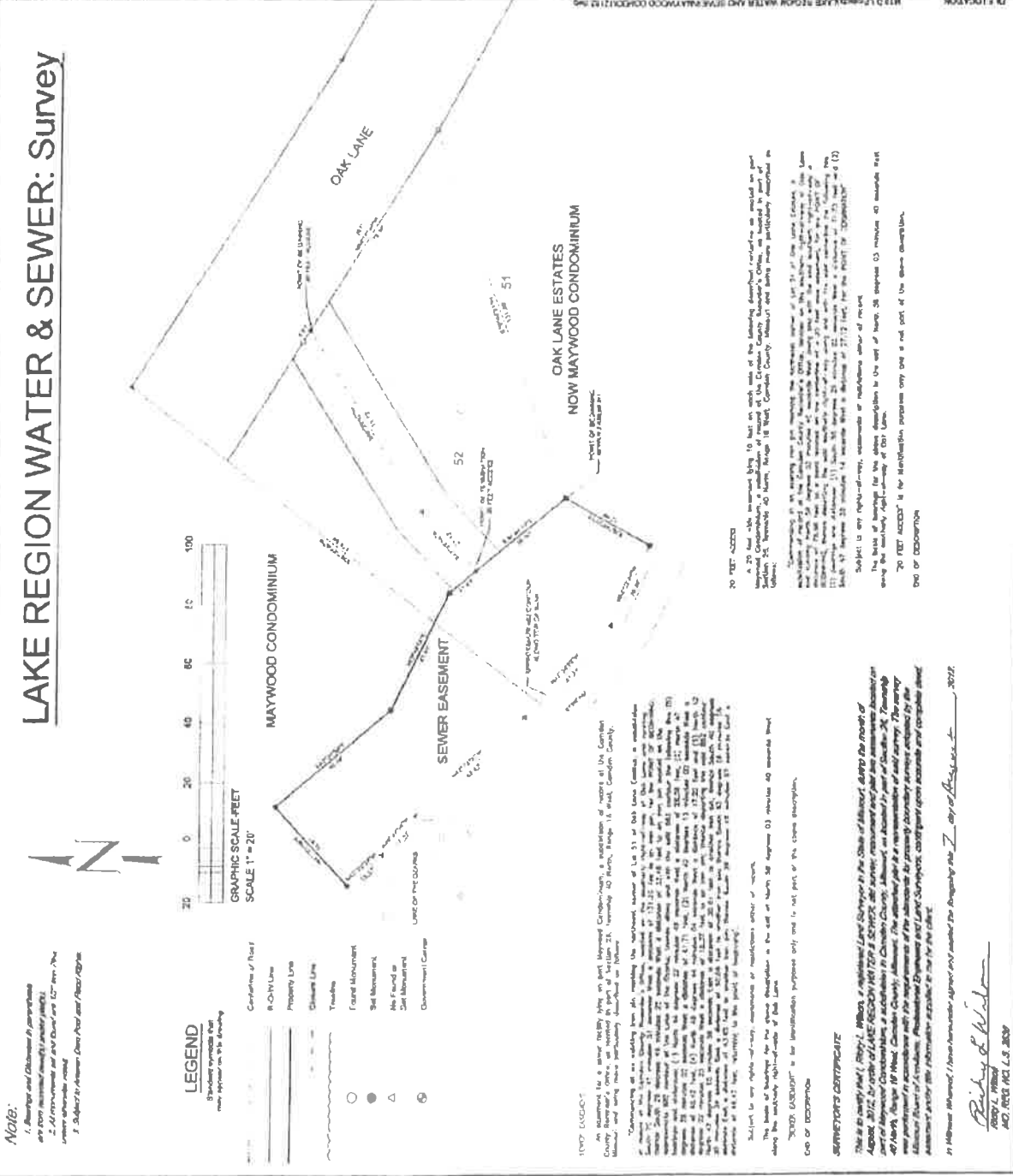
END OF DESCRIPTION

LAKE REGION WATER & SEWER: Survey

PLANABLE DATE	08/12/14
PROJECT	LAKE REGION
CLIENT	LAKE REGION
SCALE	1" = 20'
PROJECT #	14C12181
SHEET #	1 OF 1
FIELD BOOK NO.	
WOLC NO. REGISTRATION	

SECTION 26, TOWNSHIP 40 NORTH, RANGE 16 WEST, CAMPDEN COUNTY, MISSOURI

MILLER COMPANIES
 Engineering & Surveying
 1000 N. GARDNER STREET, SUITE 100
 CAMDEN, MISSOURI 63703
 Phone: 636-381-1111
 Fax: 636-381-1112
 www.millerco.com



Note:
 1. Bearings and Distances in parentheses are given in order to comply with the provisions of the Surveying Act of 1963, Chapter 407, R.S.M.S.
 2. All measurements are in feet and inches unless otherwise noted.
 3. Subject to Missouri State and Local Laws.

LEGEND
 Symbols for:
 - Centerline of Road
 - R-O-W-L Line
 - Property Line
 - Chain Line
 - Trenches
 - Found Monument
 - Set Monument
 - Not Found or Set Monument
 - Cornermark (Circle)

CONVEYANCE
 This is a conveyance in part, intended to create a right of way for the sewer easement shown on this plan. The boundaries of the property are shown as follows:
 - North: 100.00 feet to the centerline of Oak Lane
 - East: 100.00 feet to the centerline of Oak Lane
 - South: 100.00 feet to the centerline of Oak Lane
 - West: 100.00 feet to the centerline of Oak Lane

SEWER EASEMENT
 A 20-foot wide easement for the sewer easement shown on this plan. The easement is 20 feet wide and 100 feet long. The easement is shown as a dashed line on the plan. The easement is subject to the provisions of the Surveying Act of 1963, Chapter 407, R.S.M.S.

20 FEET ACCESS
 A 20-foot wide easement for the sewer easement shown on this plan. The easement is 20 feet wide and 100 feet long. The easement is shown as a dashed line on the plan. The easement is subject to the provisions of the Surveying Act of 1963, Chapter 407, R.S.M.S.

70 FEET ACCESS
 A 70-foot wide easement for the sewer easement shown on this plan. The easement is 70 feet wide and 100 feet long. The easement is shown as a dashed line on the plan. The easement is subject to the provisions of the Surveying Act of 1963, Chapter 407, R.S.M.S.

70 FEET ACCESS
 A 70-foot wide easement for the sewer easement shown on this plan. The easement is 70 feet wide and 100 feet long. The easement is shown as a dashed line on the plan. The easement is subject to the provisions of the Surveying Act of 1963, Chapter 407, R.S.M.S.

SURVEYOR'S CERTIFICATE
 I, **Randy L. Wilson**, a duly qualified and licensed Professional Engineer in the State of Missouri, do hereby certify that the foregoing is a true and correct copy of the original survey as shown on the attached plan. I am a duly qualified and licensed Professional Engineer in the State of Missouri. My commission expires on 08/12/18. I am a member of the Missouri Society of Professional Engineers. My address is 1000 N. Gardner Street, Suite 100, Camden, Missouri 63703. My phone number is 636-381-1111. My fax number is 636-381-1112. My email address is r.wilson@mlc.com. I am a member of the Missouri Society of Professional Engineers. My address is 1000 N. Gardner Street, Suite 100, Camden, Missouri 63703. My phone number is 636-381-1111. My fax number is 636-381-1112. My email address is r.wilson@mlc.com.

Randy L. Wilson
 Randy L. Wilson
 P.E., PLS., S.E.
 1000 N. GARDNER STREET, SUITE 100
 CAMDEN, MISSOURI 63703

SCHEDULE 1.1(i)
Specific Assets

None, unless written in and initialed by both Purchaser and Seller below:

NONE

SCHEDULE 1.2
Excluded Assets

None, unless written in and initialed by both Purchaser and Seller below:

NONE

SCHEDULE 1.3
Specific Accounts Payable Assumed by District

VENDOR	BALANCE	MEMO
All American Termite & Pest Control	85.00	Pest control
AmerenUE	6,100.00	Power for pumping
AT & T	224.00	Phone for well
B & D Services	240.00	Office Cleaning
Camden County PWSD#4	28,500.00	Payroll/surcharge/equipment rental/fuel
Carl's Village Hardware	50.00	Ship supplies
Charter Business	292.00	Office phone/internet
Cintas First Aid & Safety	93.00	First aid box
DPC Enterprises	750.00	Chemicals
HD Water works	1,500.00	Inventory
Mike Keith Insurance	1,382.00	Property insurance
Miller Companies	130.00	Water testing
Missouri DNR	600.00	Primacy fee
Missouri Once Call System, Inc.	75.00	Locates
North Suburban Public Utility Co.	15,634.00	Bank loan/building rent
Pitney Bowes	250.00	Postage Meter
Summers, John	750.00	Consulting contract
U.S. Postal Service	560.00	Billing postage
WCA Waste Corporation	132.00	Sanitation
Whittle, Bernadette	<u>105.00</u>	Cell phone/wifi
	<u>57,452.20</u>	

SCHEDULE 4.1
Owner's Title Insurance Policy

SCHEDULE 7.3
Government Permits

1. Certificate of Convenience & Necessity issued by the Missouri Public Service Commission;
2. DNR Permit to dispense water;
3. DNR Operating Permits for wastewater treatment; and
4. Four Seasons Business License

SCHEDULE 7.4
Legal Violations, Litigation and Regulatory Actions

None, unless written in and initialed by both Purchaser and Seller below:

NONE

SCHEDULE 7.5.1
Insurance Policies

UNI-PAK POLICY

Policy Number: 60087634

COVERAGE PARTS:

Commercial Crime
Commercial General Liability
Commercial Property
Commercial Umbrella

SCHEDULE 7.5.2
Pending or Threatened Worker's Compensation Claims

None unless written in and initialed by both Purchaser and Seller below:

NONE

SCHEDULE 7.14

Disclosed Main Extension Agreements or Other Agreements

Agreement entered into September 2006 by and between SHAWNEE BEND DEVELOPMENT CO., L.L.C., and T.H.B. DEVELOPMENT CO. LLC, Missouri limited liability companies and MAJESTIC POINTE DEVELOPMENT COMPANY, L.L.C., a Missouri limited liability company and LAKE REGION WATER AND SEWER CO., a Missouri corporation.